MDU RESOURCES GROUP INC

FORM 10-Q
(Quarterly Report)

Filed 11/07/16 for the Period Ending 09/30/16

Address	1200 WEST CENTURY AVENUE BISMARCK, ND 58503
Telephone	701-530-1059
CIK	0000067716
Symbol	MDU
SIC Code	1400 - Mining & Quarrying of Nonmetallic Minerals (No Fuels)
Industry	Multiline Utilities
Sector	Utilities
Fiscal Year	12/31

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2016

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____
Commission file number 1-3480

MDU RESOURCES GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware	41-0423660
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1200 West Century Avenue
P.O. Box 5650
Bismarck, North Dakota 58506-5650
(Address of principal executive offices)
(Zip Code)

(701) 530-1000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐ .

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐ .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer ☒	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒ .

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of October 31, 2016 : 195,304,376 shares.

Definitions

The following abbreviations and acronyms used in this Form 10-Q are defined below:

Abbreviation or Acronym	
2015 Annual Report	Company's Annual Report on Form 10-K for the year ended December 31, 2015
AFUDC	Allowance for funds used during construction
ASC	FASB Accounting Standards Codification
ATBs	Atmospheric tower bottoms
Bbl	Barrel
Brazilian Transmission Lines	Company's former investment in companies owning three electric transmission lines
Btu	British thermal unit
Calumet	Calumet Specialty Products Partners, L.P.
Cascade	Cascade Natural Gas Corporation, an indirect wholly owned subsidiary of MDU Energy Capital
Centennial	Centennial Energy Holdings, Inc., a direct wholly owned subsidiary of the Company
Centennial Capital	Centennial Holdings Capital LLC, a direct wholly owned subsidiary of Centennial
Centennial Resources	Centennial Energy Resources LLC, a direct wholly owned subsidiary of Centennial
Company	MDU Resources Group, Inc.
Coyote Creek	Coyote Creek Mining Company, LLC, a subsidiary of The North American Coal Corporation
Coyote Station	427-MW coal-fired electric generating facility near Beulah, North Dakota (25 percent ownership)
Dakota Prairie Refinery	20,000-barrel-per-day diesel topping plant built by Dakota Prairie Refining in southwestern North Dakota
Dakota Prairie Refining	Dakota Prairie Refining, LLC, a limited liability company previously owned by WBI Energy and Calumet (previously included in the Company's refining segment)
D.C. Circuit Court	United States Court of Appeals for the District of Columbia Circuit
dk	Decatherm
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
EPA	United States Environmental Protection Agency
ERISA	Employee Retirement Income Security Act of 1974
Exchange Act	Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
Fidelity	Fidelity Exploration & Production Company, a direct wholly owned subsidiary of WBI Holdings (previously referred to as the Company's exploration and production segment)
FIP	Funding improvement plan
GAAP	Accounting principles generally accepted in the United States of America
GHG	Greenhouse gas
Great Plains	Great Plains Natural Gas Co., a public utility division of the Company
IFRS	International Financial Reporting Standards
Intermountain	Intermountain Gas Company, an indirect wholly owned subsidiary of MDU Energy Capital
IPUC	Idaho Public Utilities Commission
JTL - Wyoming	JTL Group, Inc. (Wyoming Corporation), an indirect wholly owned subsidiary of Knife River
Knife River	Knife River Corporation, a direct wholly owned subsidiary of Centennial
Knife River - Northwest	Knife River Corporation - Northwest, an indirect wholly owned subsidiary of Knife River
kWh	Kilowatt-hour
LWG	Lower Willamette Group
MDU Construction Services	MDU Construction Services Group, Inc., a direct wholly owned subsidiary of Centennial
MDU Energy Capital	MDU Energy Capital, LLC, a direct wholly owned subsidiary of the Company
MEPP	Multiemployer pension plan
MISO	Midcontinent Independent System Operator, Inc.
MMBtu	Million Btu

MMdk	Million dk
MNPUC	Minnesota Public Utilities Commission
Montana-Dakota	Montana-Dakota Utilities Co., a public utility division of the Company
Montana Seventeenth Judicial District Court	Montana Seventeenth Judicial District Court, Phillips County
MPPAA	Multiemployer Pension Plan Amendments Act of 1980
MW	Megawatt
NDPSC	North Dakota Public Service Commission
NGL	Natural gas liquids
Oil	Includes crude oil and condensate
Omimex	Omimex Canada, Ltd.
OPUC	Oregon Public Utility Commission
Oregon DEQ	Oregon State Department of Environmental Quality
PRP	Potentially Responsible Party
RIN	Renewable Identification Number
ROD	Record of Decision
RP	Rehabilitation plan
SDPUC	South Dakota Public Utilities Commission
SEC	United States Securities and Exchange Commission
SEC Defined Prices	The average price of oil and natural gas during the applicable 12-month period, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions
Securities Act	Securities Act of 1933, as amended
Tesoro	Tesoro Refining & Marketing Company LLC
UA	United Association of Journeyman and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada
United States District Court for the District of Montana	United States District Court for the District of Montana, Great Falls Division
United States Supreme Court	Supreme Court of the United States
VIE	Variable interest entity
Washington DOE	Washington State Department of Ecology
WBI Energy	WBI Energy, Inc., an indirect wholly owned subsidiary of WBI Holdings
WBI Energy Midstream	WBI Energy Midstream, LLC, an indirect wholly owned subsidiary of WBI Holdings
WBI Energy Transmission	WBI Energy Transmission, Inc., an indirect wholly owned subsidiary of WBI Holdings
WBI Holdings	WBI Holdings, Inc., a direct wholly owned subsidiary of Centennial
WUTC	Washington Utilities and Transportation Commission
WYPSC	Wyoming Public Service Commission

Introduction

The Company is a regulated energy delivery and construction materials and services business, which was incorporated under the laws of the state of Delaware in 1924. Its principal executive offices are at 1200 West Century Avenue, P.O. Box 5650, Bismarck, North Dakota 58506-5650, telephone (701) 530-1000.

Montana-Dakota, through the electric and natural gas distribution segments, generates, transmits and distributes electricity and distributes natural gas in Montana, North Dakota, South Dakota and Wyoming. Cascade distributes natural gas in Oregon and Washington. Intermountain distributes natural gas in Idaho. Great Plains distributes natural gas in western Minnesota and southeastern North Dakota. These operations also supply related value-added services.

The Company, through its wholly owned subsidiary, Centennial, owns WBI Holdings (comprised of the pipeline and midstream segment and Fidelity, formerly the Company's exploration and production business), Knife River (construction materials and contracting segment), MDU Construction Services (construction services segment), Centennial Resources and Centennial Capital (both reflected in the Other category).

In the second quarter of 2016, the Company sold all of the outstanding membership interests in Dakota Prairie Refining and exited that line of business. Therefore, the results of Dakota Prairie Refining are reflected in discontinued operations, other than certain general and administrative costs and interest expense which are reflected in the Other category.

In the second quarter of 2015, the Company announced its plan to market Fidelity and exit that line of business. The Company completed the sale of all of its marketed assets. Therefore, the results of Fidelity are reflected in discontinued operations, other than certain general and administrative costs and interest expense which are reflected in the Other category.

For more information on the Company's business segments and discontinued operations, see Notes 10 and 16 .

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Part I -- Financial Information

Item 1. Financial Statements

MDU Resources Group, Inc.
Consolidated Statements of Income
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
	(In thousands, except per share amounts)			
Operating revenues:				
Electric, natural gas distribution and regulated pipeline and midstream	$ 192,079	$ 185,417	$ 783,997	$ 807,585
Nonregulated pipeline and midstream, construction materials and contracting, construction services and other	1,016,488	1,012,925	2,328,733	2,189,640
Total operating revenues	1,208,567	1,198,342	3,112,730	2,997,225
Operating expenses:				
Fuel and purchased power	16,800	20,616	54,725	63,761
Purchased natural gas sold	34,321	37,574	242,795	305,313
Operation and maintenance:				
Electric, natural gas distribution and regulated pipeline and midstream	77,662	68,344	229,364	207,144
Nonregulated pipeline and midstream, construction materials and contracting, construction services and other	842,878	859,843	2,008,122	1,919,455
Depreciation, depletion and amortization	54,094	51,746	163,226	154,669
Taxes, other than income	36,128	32,391	116,864	109,039
Total operating expenses	1,061,883	1,070,514	2,815,096	2,759,381
Operating income	146,684	127,828	297,634	237,844
Other income	1,741	3,300	3,662	5,673
Interest expense	22,278	22,417	67,365	68,872
Income before income taxes	126,147	108,711	233,931	174,645
Income taxes	37,761	34,825	67,381	54,157
Income from continuing operations	88,386	73,886	166,550	120,488
Loss from discontinued operations, net of tax (Note 10)	(5,400)	(223,112)	(299,538)	(816,517)
Net income (loss)	82,986	(149,226)	(132,988)	(696,029)
Loss from discontinued operations attributable to noncontrolling interest (Note 10)	—	(9,778)	(131,691)	(21,060)
Dividends declared on preferred stocks	171	171	514	514
Earnings (loss) on common stock	$ 82,815	$ (139,619)	$ (1,811)	$ (675,483)
Earnings (loss) per common share - basic:				
Earnings before discontinued operations	$ .45	$ .38	$ .85	$ .62
Discontinued operations attributable to the Company, net of tax	(.03)	(1.10)	(.86)	(4.09)
Earnings (loss) per common share - basic	$ .42	$ (.72)	$ (.01)	$ (3.47)
Earnings (loss) per common share - diluted:				
Earnings before discontinued operations	$ .45	$ .38	$ .85	$ .62
Discontinued operations attributable to the Company, net of tax	(.03)	(1.10)	(.86)	(4.09)
Earnings (loss) per common share - diluted	$ .42	$ (.72)	$ (.01)	$ (3.47)
Dividends declared per common share	$ .1875	$ .1825	$ .5625	$ .5475
Weighted average common shares outstanding - basic	195,304	195,151	195,298	194,814
Weighted average common shares outstanding - diluted	195,811	195,169	195,794	194,833

The accompanying notes are an integral part of these consolidated financial statements.

MDU Resources Group, Inc.
Consolidated Statements of Comprehensive Income
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
	(In thousands)			
Net income (loss)	$ 82,986	$ (149,226)	$ (132,988)	$ (696,029)
Other comprehensive income (loss):				
Reclassification adjustment for loss on derivative instruments included in net income (loss), net of tax of $56 and $60 for the three months ended and $170 and $181 for the nine months ended in 2016 and 2015, respectively	92	100	275	299
Amortization of postretirement liability (gains) losses included in net periodic benefit cost, net of tax of $143 and $233 for the three months ended and $(676) and $881 for the nine months ended in 2016 and 2015, respectively	236	382	(1,111)	1,341
Foreign currency translation adjustment:				
Foreign currency translation adjustment recognized during the period, net of tax of $(2) and $(44) for the three months ended and $32 and $(107) for the nine months ended in 2016 and 2015, respectively	(4)	(73)	52	(176)
Reclassification adjustment for loss on foreign currency translation adjustment included in net income (loss), net of tax of $0 and $0 for the three months ended and $0 and $491 for the nine months ended in 2016 and 2015, respectively	—	—	—	802
Foreign currency translation adjustment	(4)	(73)	52	626
Net unrealized gain (loss) on available-for-sale investments:				
Net unrealized loss on available-for-sale investments arising during the period, net of tax of $(23) and $(19) for the three months ended and $(35) and $(57) for the nine months ended in 2016 and 2015, respectively	(42)	(35)	(65)	(105)
Reclassification adjustment for loss on available-for-sale investments included in net income (loss), net of tax of $18 and $15 for the three months ended and $57 and $53 for the nine months ended in 2016 and 2015, respectively	33	28	106	98
Net unrealized gain (loss) on available-for-sale investments	(9)	(7)	41	(7)
Other comprehensive income (loss)	315	402	(743)	2,259
Comprehensive income (loss)	83,301	(148,824)	(133,731)	(693,770)
Comprehensive loss from discontinued operations attributable to noncontrolling interest	—	(9,778)	(131,691)	(21,060)
Comprehensive income (loss) attributable to common stockholders	$ 83,301	$ (139,046)	$ (2,040)	$ (672,710)

The accompanying notes are an integral part of these consolidated financial statements.

MDU Resources Group, Inc.
Consolidated Balance Sheets
(Unaudited)

	September 30, 2016	September 30, 2015	December 31, 2015
	(In thousands, except shares and per share amounts)		
Assets			
Current assets:			
Cash and cash equivalents	$ 59,868	$ 88,630	$ 83,903
Receivables, net	665,142	663,342	582,475
Inventories	245,790	245,987	240,551
Deferred income taxes	31,378	31,892	33,121
Prepayments and other current assets	49,081	55,860	29,528
Current assets held for sale	93,366	117,823	54,847
Total current assets	1,144,625	1,203,534	1,024,425
Investments	126,048	118,063	119,704
Property, plant and equipment	6,588,445	6,199,880	6,387,702
Less accumulated depreciation, depletion and amortization	2,583,566	2,443,830	2,489,322
Net property, plant and equipment	4,004,879	3,756,050	3,898,380
Deferred charges and other assets:			
Goodwill	641,527	635,204	635,204
Other intangible assets, net	6,529	7,908	7,342
Other	360,537	346,163	351,603
Noncurrent assets held for sale	69,061	909,150	565,509
Total deferred charges and other assets	1,077,654	1,898,425	1,559,658
Total assets	$ 6,353,206	$ 6,976,072	$ 6,602,167
Liabilities and Equity			
Current liabilities:			
Long-term debt due within one year	$ 93,598	$ 258,539	$ 238,539
Accounts payable	281,373	271,767	286,061
Taxes payable	59,747	42,637	46,880
Dividends payable	36,791	35,807	36,784
Accrued compensation	58,604	59,218	45,192
Other accrued liabilities	191,904	157,116	167,322
Current liabilities held for sale	22,185	123,628	130,375
Total current liabilities	744,202	948,712	951,153
Long-term debt	1,808,350	1,942,234	1,557,624
Deferred credits and other liabilities:			
Deferred income taxes	693,704	718,348	696,750
Other	821,889	755,790	812,342
Noncurrent liabilities held for sale	—	96,117	63,750
Total deferred credits and other liabilities	1,515,593	1,570,255	1,572,842
Commitments and contingencies			
Equity :			
Preferred stocks	15,000	15,000	15,000
Common stockholders' equity:			
Common stock			
Authorized - 500,000,000 shares, $1.00 par value Shares issued - 195,843,297 at September 30, 2016, 195,804,665 at September 30, 2015 and December 31, 2015	195,843	195,805	195,805
Other paid-in capital	1,231,396	1,228,875	1,230,119
Retained earnings	884,339	980,421	996,355
Accumulated other comprehensive loss	(37,891)	(39,844)	(37,148)
Treasury stock at cost - 538,921 shares	(3,626)	(3,626)	(3,626)
Total common stockholders' equity	2,270,061	2,361,631	2,381,505
Total stockholders' equity	2,285,061	2,376,631	2,396,505
Noncontrolling interest	—	138,240	124,043
Total equity	2,285,061	2,514,871	2,520,548
Total liabilities and equity	$ 6,353,206	$ 6,976,072	$ 6,602,167

The accompanying notes are an integral part of these consolidated financial statements.

MDU Resources Group, Inc.
Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30,	
	2016	2015
	(In thousands)	
Operating activities:		
Net loss	$ (132,988)	$ (696,029)
Loss from discontinued operations, net of tax	(299,538)	(816,517)
Income from continuing operations	166,550	120,488
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation, depletion and amortization	163,226	154,669
Deferred income taxes	(1,346)	(48)
Changes in current assets and liabilities, net of acquisitions:		
Receivables	(75,308)	(76,447)
Inventories	(4,153)	(3,660)
Other current assets	(18,824)	34,493
Accounts payable	15,514	47,629
Other current liabilities	48,973	5,187
Other noncurrent changes	(25,284)	(4,478)
Net cash provided by continuing operations	269,348	277,833
Net cash provided by discontinued operations	7,127	125,738
Net cash provided by operating activities	276,475	403,571
Investing activities:		
Capital expenditures	(303,873)	(397,005)
Net proceeds from sale or disposition of property and other	17,583	37,679
Investments	56	1,309
Net cash used in continuing operations	(286,234)	(358,017)
Net cash provided by (used in) discontinued operations	31,918	(185,999)
Net cash used in investing activities	(254,316)	(544,016)
Financing activities:		
Issuance of long-term debt	341,777	327,475
Repayment of long-term debt	(236,433)	(143,333)
Proceeds from issuance of common stock	—	21,894
Dividends paid	(110,366)	(107,028)
Tax withholding on stock-based compensation	(323)	—
Net cash provided by (used in) continuing operations	(5,345)	99,008
Net cash provided by (used in) discontinued operations	(40,852)	69,780
Net cash provided by (used in) financing activities	(46,197)	168,788
Effect of exchange rate changes on cash and cash equivalents	3	(192)
Increase (decrease) in cash and cash equivalents	(24,035)	28,151
Cash and cash equivalents -- beginning of year	83,903	60,479
Cash and cash equivalents -- end of period	$ 59,868	$ 88,630

The accompanying notes are an integral part of these consolidated financial statements.

MDU Resources Group, Inc.
Notes to Consolidated Financial Statements

September 30, 2016 and 2015
(Unaudited)

Note 1 - Basis of presentation

The accompanying consolidated interim financial statements were prepared in conformity with the basis of presentation reflected in the consolidated financial statements included in the Company's 2015 Annual Report, and the standards of accounting measurement set forth in the interim reporting guidance in the ASC and any amendments thereto adopted by the FASB. Interim financial statements do not include all disclosures provided in annual financial statements and, accordingly, these financial statements should be read in conjunction with those appearing in the 2015 Annual Report. The information is unaudited but includes all adjustments that are, in the opinion of management, necessary for a fair presentation of the accompanying consolidated interim financial statements and are of a normal recurring nature. Depreciation, depletion and amortization expense is reported separately on the Consolidated Statements of Income and therefore is excluded from the other line items within operating expenses. Management has also evaluated the impact of events occurring after September 30, 2016 , up to the date of issuance of these consolidated interim financial statements.

On June 24, 2016, WBI Energy entered into a membership interest purchase agreement with Tesoro to sell all of the outstanding membership interests in Dakota Prairie Refining to Tesoro. WBI Energy and Calumet each previously owned 50 percent of the Dakota Prairie Refining membership interests and were equal members in building and operating Dakota Prairie Refinery. To effectuate the sale, WBI Energy acquired Calumet’s 50 percent membership interest in Dakota Prairie Refining on June 27, 2016. The sale of the membership interests to Tesoro closed on June 27, 2016. The sale of Dakota Prairie Refining reduces the Company’s risk by decreasing exposure to commodity prices.

In the second quarter of 2015, the Company began the marketing and sale process of Fidelity with an anticipated sale to occur within one year. Between September 2015 and March 2016, the Company entered into purchase and sale agreements to sell all of Fidelity's marketed oil and natural gas assets. The completion of these sales occurred between October 2015 and April 2016. The sale of Fidelity was part of the Company's strategic plan to grow its capital investments in the remaining business segments and to focus on creating a greater long-term value.

The assets and liabilities for the Company's discontinued operations have been classified as held for sale and the results of operations are shown in loss from discontinued operations, other than certain general and administrative costs and interest expense which do not meet the criteria for income (loss) from discontinued operations. The Company's consolidated financial statements and accompanying notes for current and prior periods have been restated. At the time the assets were classified as held for sale, depreciation, depletion and amortization expense was no longer recorded. Unless otherwise indicated, the amounts presented in the accompanying notes to the consolidated financial statements relate to the Company's continuing operations. For more information on the Company's discontinued operations, see Note 10 .

Note 2 - Seasonality of operations

Some of the Company's operations are highly seasonal and revenues from, and certain expenses for, such operations may fluctuate significantly among quarterly periods. Accordingly, the interim results for particular businesses, and for the Company as a whole, may not be indicative of results for the full fiscal year.

Note 3 - Accounts receivable and allowance for doubtful accounts

Accounts receivable consist primarily of trade receivables from the sale of goods and services which are recorded at the invoiced amount net of allowance for doubtful accounts, and costs and estimated earnings in excess of billings on uncompleted contracts. The total balance of receivables past due 90 days or more was $26.3 million , $29.3 million and $27.8 million at September 30, 2016 and 2015 , and December 31, 2015 , respectively.

The allowance for doubtful accounts is determined through a review of past due balances and other specific account data. Account balances are written off when management determines the amounts to be uncollectible. The Company's allowance for doubtful accounts at September 30, 2016 and 2015 , and December 31, 2015 , was $10.2 million , $9.0 million and $9.8 million , respectively.

Note 4 - Inventories and natural gas in storage

Natural gas in storage for the Company's regulated operations is generally carried at average cost, or cost using the last-in, first-out method. All other inventories are stated at the lower of average cost or market value. The portion of the cost of natural gas in storage expected to be used within one year is included in inventories. Inventories consisted of:

	September 30, 2016	September 30, 2015	December 31, 2015
		(In thousands)	
Aggregates held for resale	$ 119,078	$ 115,736	$ 115,854
Asphalt oil	23,480	33,581	36,498
Natural gas in storage (current)	35,625	28,222	21,023
Materials and supplies	18,584	19,404	16,997
Merchandise for resale	15,672	15,563	15,318
Other	33,351	33,481	34,861
Total	$ 245,790	$ 245,987	$ 240,551

The remainder of natural gas in storage, which largely represents the cost of gas required to maintain pressure levels for normal operating purposes, is included in other assets and was $ 49.1 million , $ 49.3 million and $ 49.1 million at September 30, 2016 and 2015 , and December 31, 2015 , respectively.

Note 5 - Impairment of long-lived assets

During the second quarter of 2015, the Company recognized an impairment of coalbed natural gas gathering assets at the pipeline and midstream segment of $3.0 million , which is recorded in operation and maintenance expense on the Consolidated Statements of Income. The impairment is related to coalbed natural gas gathering assets located in Wyoming where there had been continued decline in natural gas development and production activity due to low natural gas prices. The coalbed natural gas gathering assets were written down to their estimated fair value that was determined using the income approach.

The Company negotiated a purchase and sale agreement for the sale of certain non-strategic natural gas gathering assets at the pipeline and midstream segment and, as a result, recognized an impairment during the third quarter of 2015 of $14.1 million , largely related to these assets, which is recorded in operation and maintenance expense on the Consolidated Statements of Income. The natural gas gathering assets were written down to their estimated fair value that was determined using the market approach.

For more information on these nonrecurring fair value measurements, see Note 13 .

For information regarding impairments related to the Company's discontinued operations, see Note 10 .

Note 6 - Earnings (loss) per common share

Basic earnings (loss) per common share were computed by dividing earnings (loss) on common stock by the weighted average number of shares of common stock outstanding during the applicable period. Diluted earnings (loss) per common share were computed by dividing earnings (loss) on common stock by the total of the weighted average number of shares of common stock outstanding during the applicable period, plus the effect of outstanding performance share awards. Common stock outstanding includes issued shares less shares held in treasury. Net income (loss) was the same for both the basic and diluted earnings (loss) per share calculations. A reconciliation of the weighted average common shares outstanding used in the basic and diluted earnings (loss) per share calculations was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
		(In thousands)		
Weighted average common shares outstanding - basic	195,304	195,151	195,298	194,814
Effect of dilutive performance share awards	507	18	496	19
Weighted average common shares outstanding - diluted	195,811	195,169	195,794	194,833
Shares excluded from the calculation of diluted earnings per share	—	—	—	—

Note 7 - Cash flow information

Cash expenditures for interest and income taxes were as follows:

	Nine Months Ended September 30,	
	2016	2015
	(In thousands)	
Interest, net of amounts capitalized and AFUDC - borrowed of $842 and $6,989 in 2016 and 2015, respectively	$ 66,281	$ 69,253
Income taxes paid, net	$ 73,771	$ 39,543

Noncash investing transactions were as follows:

	September 30,	
	2016	2015
	(In thousands)	
Property, plant and equipment additions in accounts payable	$ 22,560	$ 15,348

Note 8 - New accounting standards

Revenue from Contracts with Customers In May 2014, the FASB issued guidance on accounting for revenue from contracts with customers. The guidance provides for a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry specific guidance. This guidance was to be effective for the Company on January 1, 2017. In August 2015, the FASB issued guidance deferring the effective date of the revenue guidance one year and allowing entities to early adopt. With this decision, the guidance will be effective for the Company on January 1, 2018. Entities will have the option of using either a full retrospective or modified retrospective approach to adopting the guidance. Under the modified approach, an entity would recognize the cumulative effect of initially applying the guidance with an adjustment to the opening balance of retained earnings in the period of adoption. In addition, the modified approach will require additional disclosures. The Company is evaluating the effects the adoption of the new revenue guidance will have on its results of operations, financial position, cash flows and disclosures, as well as its method of adoption.

Simplifying the Presentation of Debt Issuance Costs In April 2015, the FASB issued guidance on simplifying the presentation of debt issuance costs in the financial statements. This guidance requires entities to present debt issuance costs as a direct deduction to the related debt liability. The amortization of these costs will be reported as interest expense. The guidance was effective for the Company on January 1, 2016, and was to be applied retrospectively. Early adoption of this guidance was permitted, however the Company did not elect to do so. The guidance required a reclassification of the debt issuance costs on the Consolidated Balance Sheets, but did not impact the Company's results of operations or cash flows. As a result of the retrospective application of this change in accounting principle, the Company reclassified debt issuance costs of $100,000 and $100,000 from prepayments and other current assets and $5.2 million and $6.0 million from deferred charges and other assets - other to long-term debt on its Consolidated Balance Sheets at September 30, 2015 and December 31, 2015, respectively.

Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or its Equivalent) In May 2015, the FASB issued guidance on fair value measurement and disclosure requirements removing the requirement to include investments in the fair value hierarchy for which fair value is measured using the net asset value per share practical expedient. The new guidance also removes the requirement to make certain disclosures for all investments that are eligible to be measured at net asset value using the practical expedient, and rather limits those disclosures to investments for which the practical expedient has been elected. This guidance was effective for the Company on January 1, 2016, with early adoption permitted. The application of this guidance affected the Company's disclosures; however, it did not impact the Company's results of operations, financial position or cash flows.

Simplifying the Measurement of Inventory In July 2015, the FASB issued guidance regarding inventory that is measured using the first-in, first-out or average cost method. The guidance does not apply to inventory measured using the last-in, first-out or the retail inventory method. The guidance requires inventory within its scope to be measured at the lower of cost or net realizable value, which is the estimated selling price in the normal course of business less reasonably predictable costs of completion, disposal and transportation. These amendments more closely align GAAP with IFRS. This guidance will be effective for the Company on January 1, 2017, and should be applied prospectively with early adoption permitted as of the beginning of an interim or annual reporting period. The Company is planning to adopt the guidance on January 1, 2017, and does not anticipate the guidance to have a material effect on its results of operations, financial position or cash flows.

Balance Sheet Classification of Deferred Taxes In November 2015, the FASB issued guidance regarding the classification of deferred taxes on the balance sheet. The guidance will require all deferred tax assets and liabilities to be classified as noncurrent. These amendments will align GAAP with IFRS. This guidance will be effective for the Company on January 1, 2017, with early adoption permitted. Entities will have the option to apply the guidance prospectively, for all deferred tax assets and liabilities, or

retrospectively. The Company is planning to adopt the guidance in the fourth quarter of 2016 and will be applying the retrospective method of adoption. The guidance requires a reclassification of current deferred income taxes to noncurrent deferred income taxes on the Consolidated Balance Sheets; however, it does not impact the Company's results of operations or cash flows.

Recognition and Measurement of Financial Assets and Financial Liabilities In January 2016, the FASB issued guidance regarding the classification and measurement of financial instruments. The guidance revises the way an entity classifies and measures investments in equity securities, the presentation of certain fair value changes for financial liabilities measured at fair value and amends certain disclosure requirements related to the fair value of financial instruments. This guidance will be effective for the Company on January 1, 2018, with early adoption of certain amendments permitted. The guidance should be applied using a modified retrospective approach with the exception of equity securities without readily determinable fair values which will be applied prospectively. The Company is evaluating the effects the adoption of the new guidance will have on its results of operations, financial position, cash flows and disclosures.

Leases In February 2016, the FASB issued guidance regarding leases. The guidance requires lessees to recognize a liability to make lease payments and a right-of-use asset representing its right to use the underlying asset for the lease term on the statement of financial position for leases with terms of more than 12 months. This guidance also requires additional disclosures. This guidance will be effective for the Company on January 1, 2019, and should be applied using a modified retrospective approach with early adoption permitted. The Company is evaluating the effects the adoption of the new guidance will have on its results of operations, financial position, cash flows and disclosures.

Improvements to Employee Share-Based Payment Accounting In March 2016, the FASB issued guidance regarding simplification of several aspects of the accounting for share-based payment transactions. The guidance will affect the income tax consequences, classification of awards as either equity or liabilities and classification on the statement of cash flows. This guidance will be effective for the Company on January 1, 2017, with early adoption permitted in any interim or annual period. An entity that elects early adoption must adopt all of the amendments in the same period. Certain amendments of this guidance are to be applied retrospectively and others prospectively. The Company is planning to adopt the guidance on January 1, 2017. The Company anticipates the guidance will have an impact to the Consolidated Statements of Income and the Consolidated Balance Sheets on a prospective basis with all taxes related to share-based payments recognized as income tax expense or benefit and no longer recognized in additional paid-in capital. The Company anticipates the guidance will not have a material impact on its cash flows.

Classification of Certain Cash Receipts and Cash Payments In August 2016, the FASB issued guidance to clarify the classification of certain cash receipts and payments in the statement of cash flows. This guidance will be effective for the Company on January 1, 2018, with early adoption permitted. An entity that elects early adoption must adopt all the amendments in the same period and apply any adjustments as of the beginning of the fiscal year. Entities must apply the guidance retrospectively unless it is impracticable then may apply it prospectively as of the earliest date practicable. The Company is evaluating the effects the adoption of the new guidance will have on its cash flows and disclosures.

Note 9 - Comprehensive income (loss)

The after-tax changes in the components of accumulated other comprehensive loss were as follows:

Three Months Ended September 30, 2016	Net Unrealized Gain (Loss) on Derivative Instruments Qualifying as Hedges	Postretirement Liability Adjustment	Foreign Currency Translation Adjustment	Net Unrealized Gain (Loss) on Available-for-sale Investments	Total Accumulated Other Comprehensive Loss
			(In thousands)		
Balance at beginning of period	$ (2,484)	$ (35,604)	$ (144)	$ 26	$ (38,206)
Other comprehensive loss before reclassifications	—	—	(4)	(42)	(46)
Amounts reclassified from accumulated other comprehensive loss	92	236	—	33	361
Net current-period other comprehensive income (loss)	92	236	(4)	(9)	315
Balance at end of period	$ (2,392)	$ (35,368)	$ (148)	$ 17	$ (37,891)

Three Months Ended September 30, 2015	Net Unrealized Gain (Loss) on Derivative Instruments Qualifying as Hedges	Postretirement Liability Adjustment	Foreign Currency Translation Adjustment	Net Unrealized Gain (Loss) on Available-for-sale Investments	Total Accumulated Other Comprehensive Loss
			(In thousands)		
Balance at beginning of period	$ (2,872)	$ (37,259)	$ (130)	$ 15	$ (40,246)
Other comprehensive loss before reclassifications	—	—	(73)	(35)	(108)
Amounts reclassified from accumulated other comprehensive loss	100	382	—	28	510
Net current-period other comprehensive income (loss)	100	382	(73)	(7)	402
Balance at end of period	$ (2,772)	$ (36,877)	$ (203)	$ 8	$ (39,844)

Nine Months Ended September 30, 2016	Net Unrealized Gain (Loss) on Derivative Instruments Qualifying as Hedges	Postretirement Liability Adjustment	Foreign Currency Translation Adjustment	Net Unrealized Gain (Loss) on Available-for-sale Investments	Total Accumulated Other Comprehensive Loss
			(In thousands)		
Balance at beginning of period	$ (2,667)	$ (34,257)	$ (200)	$ (24)	$ (37,148)
Other comprehensive income (loss) before reclassifications	—	—	52	(65)	(13)
Amounts reclassified from accumulated other comprehensive loss	275	(1,111)	—	106	(730)
Net current-period other comprehensive income (loss)	275	(1,111)	52	41	(743)
Balance at end of period	$ (2,392)	$ (35,368)	$ (148)	$ 17	$ (37,891)

Nine Months Ended September 30, 2015	Net Unrealized Gain (Loss) on Derivative Instruments Qualifying as Hedges	Postretirement Liability Adjustment	Foreign Currency Translation Adjustment	Net Unrealized Gain (Loss) on Available-for-sale Investments	Total Accumulated Other Comprehensive Loss
			(In thousands)		
Balance at beginning of period	$ (3,071)	$ (38,218)	$ (829)	$ 15	$ (42,103)
Other comprehensive loss before reclassifications	—	—	(176)	(105)	(281)
Amounts reclassified from accumulated other comprehensive loss	299	1,341	802	98	2,540
Net current-period other comprehensive income (loss)	299	1,341	626	(7)	2,259
Balance at end of period	$ (2,772)	$ (36,877)	$ (203)	$ 8	$ (39,844)

Reclassifications out of accumulated other comprehensive loss were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,		Location on Consolidated Statements of Income
	2016	2015	2016	2015	
	(In thousands)				
Reclassification adjustment for loss on derivative instruments included in net income (loss):					
Interest rate derivative instruments	$ (148)	$ (160)	$ (445)	$ (480)	Interest expense
	56	60	170	181	Income taxes
	(92)	(100)	(275)	(299)	
Amortization of postretirement liability gains (losses) included in net periodic benefit cost	(379)	(615)	1,787	(2,222)	(a)
	143	233	(676)	881	Income taxes
	(236)	(382)	1,111	(1,341)	
Reclassification adjustment for loss on foreign currency translation adjustment included in net income (loss)	—	—	—	(1,293)	Other income
	—	—	—	491	Income taxes
	—	—	—	(802)	
Reclassification adjustment for loss on available-for-sale investments included in net income (loss)	(51)	(43)	(163)	(151)	Other income
	18	15	57	53	Income taxes
	(33)	(28)	(106)	(98)	
Total reclassifications	$ (361)	$ (510)	$ 730	$ (2,540)	

(a) Included in net periodic benefit cost. For more information, see Note 17 .

Note 10 - Discontinued operations

The assets and liabilities of the Company's discontinued operations have been classified as held for sale and the results of operations are shown in loss from discontinued operations, other than certain general and administrative costs and interest expense which do not meet the criteria for income (loss) from discontinued operations. The Company's consolidated financial statements and accompanying notes for current and prior periods have been restated. At the time the assets were classified as held for sale, depreciation, depletion and amortization expense was no longer recorded.

Dakota Prairie Refining

On June 24, 2016, WBI Energy entered into a membership interest purchase agreement with Tesoro to sell all of the outstanding membership interests in Dakota Prairie Refining to Tesoro. WBI Energy and Calumet each previously owned 50 percent of the Dakota Prairie Refining membership interests and were equal members in building and operating Dakota Prairie Refinery. To effectuate the sale, WBI Energy acquired Calumet's 50 percent membership interest in Dakota Prairie Refining on June 27, 2016. The sale of the membership interests to Tesoro closed on June 27, 2016. The sale of Dakota Prairie Refining reduces the Company's risk by decreasing exposure to commodity prices.

In connection with the sale, WBI Energy has cash in an escrow account for RINs obligations, which is included in current assets held for sale on the Consolidated Balance Sheet at September 30, 2016. The Company retained certain liabilities of Dakota Prairie Refining which are reflected in current liabilities held for sale on the Consolidated Balance Sheet at September 30, 2016. In October 2016, the RINs liability was paid and the cash was removed from escrow. Also, Centennial continues to guarantee certain debt obligations of Dakota Prairie Refining; however, Tesoro has agreed to indemnify Centennial for any losses and litigation expenses arising from the guarantee. For more information related to the guarantee, see Note 19 .

The carrying amounts of the major classes of assets and liabilities that are classified as held for sale related to the operations of and activity associated with Dakota Prairie Refining on the Company's Consolidated Balance Sheets were as follows:

	September 30, 2016	September 30, 2015	December 31, 2015
		(In thousands)	
Assets			
Current assets:			
Cash and cash equivalents	$ —	$ 564	$ 688
Receivables, net	13	14,648	7,693
Inventories	—	12,354	13,176
Deferred income taxes	—	116 (a)	—
Income taxes receivable	32,388	—	2,495
Prepayments and other current assets	7,741	7,125	6,214
Total current assets held for sale	40,142	34,807	30,266
Noncurrent assets:			
Net property, plant and equipment	—	415,817	412,717
Deferred income taxes	2,984	—	—
Other	—	5,052	9,627
Total noncurrent assets held for sale	2,984	420,869	422,344
Total assets held for sale	$ 43,126	$ 455,676	$ 452,610
Liabilities			
Current liabilities:			
Short-term borrowings	$ —	$ 29,500	$ 45,500
Long-term debt due within one year	—	4,125	5,250
Accounts payable	7,063	21,472	24,468
Taxes payable	—	7,470	1,391
Deferred income taxes	—	—	272
Accrued compensation	—	1,059	938
Other accrued liabilities	7,743	1,217	4,953
Total current liabilities held for sale	14,806	64,843	82,772
Noncurrent liabilities:			
Long-term debt	—	64,875	63,750
Deferred income taxes	—	11,632 (b)	23,569 (b)
Total noncurrent liabilities held for sale	—	76,507	87,319
Total liabilities held for sale	$ 14,806	$ 141,350	$ 170,091

(a) On the Company's Consolidated Balance Sheet, this amount was reclassified to a current deferred income tax liability and is reflected in current liabilities held for sale.

(b) On the Company's Consolidated Balance Sheets, these amounts were reclassified to noncurrent deferred income tax assets and are reflected in noncurrent assets held for sale.

The Company performed a fair value assessment of the assets and liabilities classified as held for sale. In the second quarter of 2016, the fair value assessment was determined using the market approach based on the sale transaction to Tesoro. The fair value assessment indicated an impairment based on the carrying value exceeding the fair value, which resulted in the Company recording an impairment of $251.9 million ($156.7 million after tax) in the quarter ended June 30, 2016. The impairment was included in operating expenses from discontinued operations. The fair value of Dakota Prairie Refining's assets has been categorized as Level 3 in the fair value hierarchy. At September 30, 2016, Dakota Prairie Refining had not incurred any material exit and disposal costs, and does not expect to incur any material exit and disposal costs.

Fidelity

In the second quarter of 2015, the Company began the marketing and sale process of Fidelity with an anticipated sale to occur within one year. Between September 2015 and March 2016, the Company entered into purchase and sale agreements to sell all of Fidelity's marketed oil and natural gas assets. The completion of these sales occurred between October 2015 and April 2016. The sale of Fidelity was part of the Company's strategic plan to grow its capital investments in the remaining business segments and to focus on creating a greater long-term value.

The carrying amounts of the major classes of assets and liabilities that are classified as held for sale related to the operations of Fidelity on the Company's Consolidated Balance Sheets were as follows:

	September 30, 2016	September 30, 2015	December 31, 2015
		(In thousands)	
Assets			
Current assets:			
Receivables, net	$ 7,930	$ 24,703	$ 13,387
Inventories	—	7,034	1,308
Commodity derivative instruments	—	8,633	—
Income taxes receivable	45,294	—	9,665
Prepayments and other current assets	—	42,762	221
Total current assets held for sale	53,224	83,132	24,581
Noncurrent assets:			
Investments	—	37	37
Net property, plant and equipment	5,507	1,114,285	793,422
Deferred income taxes	61,347	141,556	127,655
Other	161	162	161
Less allowance for impairment of assets held for sale	938	756,127	754,541
Total noncurrent assets held for sale	66,077	499,913	166,734
Total assets held for sale	$ 119,301	$ 583,045	$ 191,315
Liabilities			
Current liabilities:			
Accounts payable	$ 175	$ 32,375	$ 25,013
Taxes payable	—	3,769	1,052
Deferred income taxes	4,120	4,955	3,620
Accrued compensation	—	5,982	13,080
Other accrued liabilities	3,084	11,820	4,838
Total current liabilities held for sale	7,379	58,901	47,603
Noncurrent liabilities:			
Other	—	31,242	—
Total noncurrent liabilities held for sale	—	31,242	—
Total liabilities held for sale	$ 7,379	$ 90,143	$ 47,603

The Company performed a fair value assessment of the assets and liabilities classified as held for sale. In the second quarter of 2016, the fair value assessment was determined using the income and market approaches. The income approach was determined by using the present value of future estimated cash flows. The market approach was based on market transactions of similar properties. The estimated carrying value exceeded the fair value and the Company recorded an impairment of $900,000 ($600,000 after tax) in the second quarter of 2016. In the first quarter of 2016, the fair value assessment was determined using the market approach largely based on a purchase and sale agreement. The estimated fair value exceeded the carrying value and the Company recorded an impairment reversal of $1.4 million ($900,000 after tax) in the first quarter of 2016. The Company recorded fair value impairments of $356.1 million ($224.4 million after tax) and $756.1 million ($476.4 million after tax) for the three and nine months ended September 30, 2015, respectively, related to the assets and liabilities classified as held for sale. The impairments and impairment reversal were included in operating expenses from discontinued operations. The estimated fair value of Fidelity's assets have been categorized as Level 3 in the fair value hierarchy. For more information related to the 2015 fair value impairments, see Part II, Item 8 - Note 2, in the 2015 Annual Report.

The Company incurred transaction costs of approximately $300,000 in the first quarter of 2016, and $2.5 million in 2015. In addition to the transaction costs, and due in part to the change in plans to sell the assets of Fidelity rather than sell Fidelity as a company, Fidelity incurred and expensed approximately $5.6 million of exit and disposal costs for the nine months ended September 30, 2016, and has incurred $10.5 million of exit and disposal costs to date. Fidelity incurred no exit and disposal costs for the three months ended September 30, 2016, and the Company does not expect to incur any additional material exit and disposal costs. The exit and disposal costs are associated with severance and other related matters and exclude the office lease expiration discussed in the following paragraph.

Fidelity vacated its office space in Denver, Colorado. The Company incurred lease payments of approximately $900,000 in 2016. Lease termination payments of $3.2 million and $3.3 million were made during the second quarter of 2016 and fourth quarter of 2015, respectively. Existing office furniture and fixtures were relinquished to the lessor in the second quarter of 2016.

Historically, the Company used the full-cost method of accounting for its oil and natural gas production activities. Under this method, all costs incurred in the acquisition, exploration and development of oil and natural gas properties are capitalized and amortized on the units-of-production method based on total proved reserves.

Prior to the oil and natural gas properties being classified as held for sale, capitalized costs were subject to a "ceiling test" that limits such costs to the aggregate of the present value of future net cash flows from proved reserves discounted at 10 percent, as mandated under the rules of the SEC, plus the cost of unproved properties not subject to amortization, plus the effects of cash flow hedges, less applicable income taxes. Proved reserves and associated future cash flows are determined based on SEC Defined Prices and exclude cash outflows associated with asset retirement obligations that have been accrued on the balance sheet. If capitalized costs, less accumulated amortization and related deferred income taxes, exceed the full-cost ceiling at the end of any quarter, a permanent noncash write-down is required to be charged to earnings in that quarter regardless of subsequent price changes.

The Company's capitalized cost under the full-cost method of accounting exceeded the full-cost ceiling at March 31, 2015. SEC Defined Prices, adjusted for market differentials, were used to calculate the ceiling test. Accordingly, the Company was required to write down its oil and natural gas producing properties. The Company recorded a $500.4 million ($315.3 million after tax) noncash write-down in operating expenses from discontinued operations in the first quarter of 2015.

Dakota Prairie Refining and Fidelity
The reconciliation of the major classes of income and expense constituting pretax income (loss) from discontinued operations, which includes Dakota Prairie Refining and Fidelity, to the after-tax net loss from discontinued operations on the Company's Consolidated Statements of Income was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
	(In thousands)			
Operating revenues	$ 162	$ 140,428	$ 122,894	$ 288,537
Operating expenses	230	478,798	513,756	1,565,579
Operating loss	(68)	(338,370)	(390,862)	(1,277,042)
Other income	375	298	762	2,758
Interest expense	—	703	1,753	1,221
Income (loss) from discontinued operations before income taxes	307	(338,775)	(391,853)	(1,275,505)
Income taxes	5,707	(115,663)	(92,315)	(458,988)
Loss from discontinued operations	(5,400)	(223,112)	(299,538)	(816,517)
Loss from discontinued operations attributable to noncontrolling interest	—	(9,778)	(131,691)	(21,060)
Loss from discontinued operations attributable to the Company	$ (5,400)	$ (213,334)	$ (167,847)	$ (795,457)

The pretax income (loss) from discontinued operations attributable to the Company, related to the operations of and activity associated with Dakota Prairie Refining, were $935,000 and $(8.6) million for the three months ended and $(253.0) million and $(18.4) million for the nine months ended September 30, 2016 and 2015, respectively.

Note 11 - Goodwill and other intangible assets

The changes in the carrying amount of goodwill were as follows:

Nine Months Ended September 30, 2016	Balance as of January 1, 2016 *	Goodwill Acquired During the Year	Balance as of September 30, 2016 *
		(In thousands)	
Natural gas distribution	$ 345,736	$ —	$ 345,736
Pipeline and midstream	9,737	—	9,737
Construction materials and contracting	176,290	—	176,290
Construction services	103,441	6,323	109,764
Total	$ 635,204	$ 6,323	$ 641,527

* Balance is presented net of accumulated impairment of $12.3 million at the pipeline and midstream segment, which occurred in prior periods.

Nine Months Ended September 30, 2015	Balance as of January 1, 2015 *	Goodwill Acquired During the Year	Balance as of September 30, 2015 *
		(In thousands)	
Natural gas distribution	$ 345,736	$ —	$ 345,736
Pipeline and midstream	9,737	—	9,737
Construction materials and contracting	176,290	—	176,290
Construction services	103,441	—	103,441
Total	$ 635,204	$ —	$ 635,204

* Balance is presented net of accumulated impairment of $12.3 million at the pipeline and midstream segment, which occurred in prior periods.

Year Ended December 31, 2015	Balance as of January 1, 2015 *	Goodwill Acquired During the Year	Balance as of December 31, 2015 *
		(In thousands)	
Natural gas distribution	$ 345,736	$ —	$ 345,736
Pipeline and midstream	9,737	—	9,737
Construction materials and contracting	176,290	—	176,290
Construction services	103,441	—	103,441
Total	$ 635,204	$ —	$ 635,204

* Balance is presented net of accumulated impairment of $12.3 million at the pipeline and midstream segment, which occurred in prior periods.

Other amortizable intangible assets were as follows:

	September 30, 2016	September 30, 2015	December 31, 2015
		(In thousands)	
Customer relationships	$ 17,145	$ 20,975	$ 20,975
Accumulated amortization	(13,524)	(16,455)	(16,845)
	3,621	4,520	4,130
Noncompete agreements	2,430	4,409	4,409
Accumulated amortization	(1,622)	(3,632)	(3,655)
	808	777	754
Other	7,764	8,300	8,304
Accumulated amortization	(5,664)	(5,689)	(5,846)
	2,100	2,611	2,458
Total	$ 6,529	$ 7,908	$ 7,342

Amortization expense for amortizable intangible assets for the three and nine months ended September 30, 2016 , was $600,000 and $1.9 million , respectively. Amortization expense for amortizable intangible assets for the three and nine months ended September 30, 2015 , was $600,000 and $2.0 million , respectively. Estimated amortization expense for amortizable intangible assets is $2.5 million in 2016 , $2.2 million in 2017 , $1.2 million in 2018 , $1.0 million in 2019 , $500,000 in 2020 and $1.0 million thereafter.

Note 12 - Derivative instruments

The Company's policy allows the use of derivative instruments as part of an overall energy price, foreign currency and interest rate risk management program to efficiently manage and minimize commodity price, foreign currency and interest rate risk. As of September 30, 2016 , the Company had no outstanding commodity, foreign currency or interest rate hedges.

The fair value of derivative instruments must be estimated as of the end of each reporting period and is recorded on the Consolidated Balance Sheets as an asset or a liability.

Fidelity

At September 30, 2015 , Fidelity held oil swap agreements with total forward notional volumes of 552,000 Bbl and natural gas swap agreements with total forward notional volumes of 920,000 MMBtu. At September 30, 2016 and December 31, 2015, Fidelity had no outstanding derivative agreements. Fidelity historically utilized these derivative instruments to manage a portion of the market risk associated with fluctuations in the price of oil and natural gas on its forecasted sales of oil and natural gas production. The realized and unrealized gains and losses on the commodity derivative instruments, which were not designated as hedges, were both included in loss from discontinued operations and the associated assets and liabilities were classified as held for sale.

Centennial
Centennial has historically entered into interest rate derivative instruments to manage a portion of its interest rate exposure on the forecasted issuance of long-term debt. As of September 30, 2016 and 2015 , and December 31, 2015 , Centennial had no outstanding interest rate swap agreements.

Fidelity and Centennial
The gains and losses on derivative instruments were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
		(In thousands)		
Interest rate derivatives designated as cash flow hedges:				
Amount of loss reclassified from accumulated other comprehensive loss into interest expense (effective portion), net of tax	$ 92	$ 100	$ 275	$ 299
Commodity derivatives not designated as hedging instruments:				
Amount of gain (loss) recognized in discontinued operations, before tax	—	9,607	—	(9,702)

Over the next 12 months net losses of approximately $400,000 (after tax) are estimated to be reclassified from accumulated other comprehensive income (loss) into earnings, as the hedged transactions affect earnings.

The location and fair value of the gross amount of the Company's derivative instruments on the Consolidated Balance Sheets were as follows:

Asset Derivatives	Location on Consolidated Balance Sheets	Fair Value at September 30, 2015
		(In thousands)
Not designated as hedges:		
Commodity derivatives	Current assets held for sale	$ 8,633
Total asset derivatives		$ 8,633

All of the Company's commodity derivative instruments at September 30, 2015 , were subject to legally enforceable master netting agreements. However, the Company's policy is to not offset fair value amounts for derivative instruments and, as a result, the Company's derivative instruments are presented gross on the Consolidated Balance Sheets. The gross derivative instruments (excluding settlement receivables and payables that may be subject to the same master netting agreements) presented on the Consolidated Balance Sheets and the amount eligible for offset under the master netting agreements are presented in the following table:

September 30, 2015	Gross Amounts Recognized on the Consolidated Balance Sheets	Gross Amounts Not Offset on the Consolidated Balance Sheets	Net
		(In thousands)	
Assets:			
Commodity derivatives	$ 8,633	$ —	$ 8,633
Total assets	$ 8,633	$ —	$ 8,633

Note 13 - Fair value measurements

The Company measures its investments in certain fixed-income and equity securities at fair value with changes in fair value recognized in income. The Company anticipates using these investments, which consist of an insurance contract, to satisfy its obligations under its unfunded, nonqualified benefit plans for executive officers and certain key management employees, and invests in these fixed-income and equity securities for the purpose of earning investment returns and capital appreciation. These investments, which totaled $72.8 million , $66.5 million and $67.5 million , at September 30, 2016 and 2015 , and December 31, 2015 , respectively, are classified as investments on the Consolidated Balance Sheets. The net unrealized gains on these investments were $1.4 million and $5.3 million for the three and nine months ended September 30, 2016 . The net unrealized loss on these investments was $1.7 million for the three months ended September 30, 2015, and the net unrealized gain on these investments was $700,000 for the nine months ended September 30, 2015 . The change in fair value, which is considered part of the cost of the plan, is classified in operation and maintenance expense on the Consolidated Statements of Income.

The Company did not elect the fair value option, which records gains and losses in income, for its available-for-sale securities, which include mortgage-backed securities and U.S. Treasury securities. These available-for-sale securities are recorded at fair value and are classified as investments on the Consolidated Balance Sheets. Unrealized gains or losses are recorded in accumulated other comprehensive income (loss). Details of available-for-sale securities were as follows:

September 30, 2016	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
		(In thousands)		
Mortgage-backed securities	$ 9,882	$ 43	$ (17)	$ 9,908
Total	$ 9,882	$ 43	$ (17)	$ 9,908

September 30, 2015	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
		(In thousands)		
Mortgage-backed securities	$ 7,843	$ 29	$ (18)	$ 7,854
U.S. Treasury securities	2,324	4	(4)	2,324
Total	$ 10,167	$ 33	$ (22)	$ 10,178

December 31, 2015	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
		(In thousands)		
Mortgage-backed securities	$ 9,128	$ 19	$ (49)	$ 9,098
U.S. Treasury securities	1,315	—	(6)	1,309
Total	$ 10,443	$ 19	$ (55)	$ 10,407

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. The ASC establishes a hierarchy for grouping assets and liabilities, based on the significance of inputs.

The estimated fair values of the Company's assets and liabilities measured on a recurring basis are determined using the market approach.

The Company's Level 2 money market funds are valued at the net asset value of shares held at the end of the quarter, based on published market quotations on active markets, or using other known sources including pricing from outside sources.

The estimated fair value of the Company's Level 2 mortgage-backed securities and U.S. Treasury securities are based on comparable market transactions, other observable inputs or other sources, including pricing from outside sources.

The estimated fair value of the Company's Level 2 insurance contract is based on contractual cash surrender values that are determined primarily by investments in managed separate accounts of the insurer. These amounts approximate fair value. The managed separate accounts are valued based on other observable inputs or corroborated market data.

Though the Company believes the methods used to estimate fair value are consistent with those used by other market participants, the use of other methods or assumptions could result in a different estimate of fair value. For the nine months ended September 30, 2016 and 2015 , there were no transfers between Levels 1 and 2.

The Company's assets and liabilities measured at fair value on a recurring basis were as follows:

	Fair Value Measurements at September 30, 2016, Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at September 30, 2016
		(In thousands)		
Assets:				
Money market funds	$ —	$ 2,284	$ —	$ 2,284
Insurance contract*	—	72,818	—	72,818
Available-for-sale securities:				
Mortgage-backed securities	—	9,908	—	9,908
Total assets measured at fair value	$ —	$ 85,010	$ —	$ 85,010

* The insurance contract invests approximately 65 percent in fixed-income investments, 18 percent in common stock of large-cap companies, 9 percent in common stock of mid-cap companies, 6 percent in common stock of small-cap companies, 1 percent in target date investments and 1 percent in cash equivalents.

	Fair Value Measurements at September 30, 2015, Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at September 30, 2015
		(In thousands)		
Assets:				
Money market funds	$ —	$ 1,219	$ —	$ 1,219
Insurance contract*	—	66,464	—	66,464
Available-for-sale securities:				
Mortgage-backed securities	—	7,854	—	7,854
U.S. Treasury securities	—	2,324	—	2,324
Total assets measured at fair value	$ —	$ 77,861	$ —	$ 77,861

* The insurance contract invests approximately 65 percent in fixed-income investments, 18 percent in common stock of large-cap companies, 9 percent in common stock of mid-cap companies, 6 percent in common stock of small-cap companies, 1 percent in target date investments and 1 percent in cash equivalents.

	Fair Value Measurements at December 31, 2015, Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2015
		(In thousands)		
Assets:				
Money market funds	$ —	$ 1,420	$ —	$ 1,420
Insurance contract*	—	67,459	—	67,459
Available-for-sale securities:				
Mortgage-backed securities	—	9,098	—	9,098
U.S. Treasury securities	—	1,309	—	1,309
Total assets measured at fair value	$ —	$ 79,286	$ —	$ 79,286

* The insurance contract invests approximately 63 percent in fixed-income investments, 19 percent in common stock of large-cap companies, 9 percent in common stock of mid-cap companies, 7 percent in common stock of small-cap companies, 1 percent in target date investments and 1 percent in cash equivalents.

The Company applies the provisions of the fair value measurement standard to its nonrecurring, non-financial measurements, including long-lived asset impairments. These assets are not measured at fair value on an ongoing basis but are subject to fair value adjustments only in certain circumstances. The Company reviews the carrying value of its long-lived assets, excluding goodwill, whenever events or changes in circumstances indicate that such carrying amounts may not be recoverable.

During the second quarter of 2015, coalbed natural gas gathering assets were reviewed for impairment and found to be impaired and were written down to their estimated fair value using the income approach. Under this approach, fair value is determined by using the present value of future estimated cash flows. The factors used to determine the estimated future cash flows include, but are not limited to, internal estimates of gathering revenue, future commodity prices and operating costs and equipment salvage values. The estimated cash flows are discounted using a rate that approximates the weighted average cost of capital of a market participant. These fair value inputs are not typically observable. At June 30, 2015, coalbed natural gas gathering assets were written down to the nonrecurring fair value measurement of $1.1 million .

During the third quarter of 2015, the Company was negotiating the sale of certain non-strategic natural gas gathering assets at the pipeline and midstream segment and as a result these assets were found to be impaired and were written down to their estimated fair value using the market approach. The estimated fair value of natural gas gathering assets that were impaired at September 30, 2015, was largely determined by agreed upon pricing in a purchase and sale agreement that the Company was negotiating, and these assets were sold in the fourth quarter of 2015. At September 30, 2015, natural gas gathering assets were written down to the nonrecurring fair value measurement of $10.8 million .

The fair value of these natural gas gathering assets have been categorized as Level 3 in the fair value hierarchy.

The Company performed fair value assessments of the assets and liabilities classified as held for sale. For more information on these Level 3 nonrecurring fair value measurements, see Note 10 .

The Company's long-term debt is not measured at fair value on the Consolidated Balance Sheets and the fair value is being provided for disclosure purposes only. The fair value was based on discounted future cash flows using current market interest rates. The estimated fair value of the Company's Level 2 long-term debt was as follows:

	Carrying Amount	Fair Value
	(In thousands)	
Long-term debt at September 30, 2016	$ 1,901,948	$ 2,047,339
Long-term debt at September 30, 2015	$ 2,200,773	$ 2,277,074
Long-term debt at December 31, 2015	$ 1,796,163	$ 1,819,828

The carrying amounts of the Company's remaining financial instruments included in current assets and current liabilities approximate their fair values .

Note 14 - Long-term debt

On September 23, 2016, Centennial amended its revolving credit agreement to decrease the borrowing limit by $150.0 million to $500.0 million and extend the termination date to September 23, 2021. The credit agreement contains customary covenants and provisions, including a covenant of Centennial not to permit, as of the end of any fiscal quarter, the ratio of total consolidated debt to total consolidated capitalization to be greater than 65 percent . Other covenants include restricted payments, restrictions on the sale of certain assets, limitations on subsidiary indebtedness and the making of certain loans and investments.

Centennial's revolving credit agreement contains cross-default provisions. These provisions state that if Centennial or any subsidiary of Centennial fails to make any payment with respect to any indebtedness or contingent obligations, in excess of a specified amount, under any agreement that causes such indebtedness to be due prior to its stated maturity or the contingent obligation to become payable, the revolving credit agreement will be in default.

Note 15 - Equity

A summary of the changes in equity was as follows:

Nine Months Ended September 30, 2016	Total Stockholders' Equity	Noncontrolling Interest	Total Equity
		(In thousands)	
Balance at December 31, 2015	$ 2,396,505	$ 124,043	$ 2,520,548
Net loss	(1,297)	(131,691)	(132,988)
Other comprehensive loss	(743)	—	(743)
Dividends declared on preferred stocks	(514)	—	(514)
Dividends declared on common stock	(109,858)	—	(109,858)
Stock-based compensation	2,955	—	2,955
Issuance of common stock upon vesting of stock-based compensation, net of shares used for tax withholdings	(323)	—	(323)
Net tax deficit on stock-based compensation	(1,664)	—	(1,664)
Contribution from noncontrolling interest	—	7,648	7,648
Balance at September 30, 2016	$ 2,285,061	$ —	$ 2,285,061

Nine Months Ended September 30, 2015	Total Stockholders' Equity	Noncontrolling Interest	Total Equity
		(In thousands)	
Balance at December 31, 2014	$ 3,134,041	$ 115,743	$ 3,249,784
Net loss	(674,969)	(21,060)	(696,029)
Other comprehensive income	2,259	—	2,259
Dividends declared on preferred stocks	(514)	—	(514)
Dividends declared on common stock	(106,714)	—	(106,714)
Stock-based compensation	2,266	—	2,266
Net tax deficit on stock-based compensation	(1,632)	—	(1,632)
Issuance of common stock	21,894	—	21,894
Contribution from noncontrolling interest	—	52,000	52,000
Distribution to noncontrolling interest	—	(8,443)	(8,443)
Balance at September 30, 2015	$ 2,376,631	$ 138,240	$ 2,514,871

Note 16 - Business segment data

The Company's reportable segments are those that are based on the Company's method of internal reporting, which generally segregates the strategic business units due to differences in products, services and regulation. The internal reporting of these operating segments is defined based on the reporting and review process used by the Company's chief executive officer. The vast majority of the Company's operations are located within the United States.

The electric segment generates, transmits and distributes electricity in Montana, North Dakota, South Dakota and Wyoming. The natural gas distribution segment distributes natural gas in those states as well as in Idaho, Minnesota, Oregon and Washington. These operations also supply related value-added services.

The pipeline and midstream segment provides natural gas transportation, underground storage, gathering and processing services, as well as oil gathering, through regulated and nonregulated pipeline systems and processing facilities primarily in the Rocky Mountain and northern Great Plains regions of the United States.

The construction materials and contracting segment mines aggregates and markets crushed stone, sand, gravel and related construction materials, including ready-mixed concrete, cement, asphalt, liquid asphalt and other value-added products. It also performs integrated contracting services. This segment operates in the central, southern and western United States and Alaska and Hawaii.

The construction services segment provides utility construction services specializing in constructing and maintaining electric and communications lines, gas pipelines, fire suppression systems, and external lighting and traffic signalization. This segment also provides utility excavation and inside electrical and mechanical services, and manufactures and distributes transmission line construction equipment and other supplies.

The Other category includes the activities of Centennial Capital, which insures various types of risks as a captive insurer for certain of the Company's subsidiaries. The function of the captive insurer is to fund the deductible layers of the insured companies' general liability, automobile liability and pollution liability coverages. Centennial Capital also owns certain real and

personal property. The Other category also includes certain general and administrative costs (reflected in operation and maintenance expense) and interest expense which were previously allocated to the refining business and Fidelity and do not meet the criteria for income (loss) from discontinued operations. The Other category also includes Centennial Resources' former investment in the Brazilian Transmission Lines.

Discontinued operations includes the results and supporting activities of Dakota Prairie Refining and Fidelity other than certain general and administrative costs and interest expense as described above. Dakota Prairie Refining refined crude oil and produced and sold diesel fuel, naphtha, ATBs and other by-products of the production process. In the second quarter of 2016, the Company sold all of the outstanding membership interests in Dakota Prairie Refining. Fidelity engaged in oil and natural gas development and production activities in the Rocky Mountain and Mid-Continent/Gulf States regions of the United States. Between September 2015 and March 2016, the Company entered into purchase and sale agreements to sell all of Fidelity's marketed oil and natural gas assets. The completion of these sales occurred between October 2015 and April 2016. For more information on discontinued operations, see Note 10 .

The information below follows the same accounting policies as described in Note 1 of the Company's Notes to Consolidated Financial Statements in the 2015 Annual Report. Information on the Company's businesses was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
	(In thousands)			
External operating revenues:				
Regulated operations:				
Electric	$ 82,156	$ 74,604	$ 238,911	$ 210,646
Natural gas distribution	87,941	89,520	500,106	553,058
Pipeline and midstream	21,982	21,293	44,980	43,881
	192,079	185,417	783,997	807,585
Nonregulated operations:				
Pipeline and midstream	10,732	14,545	29,697	42,294
Construction materials and contracting	724,535	774,288	1,475,643	1,475,585
Construction services	280,801	223,676	822,226	670,594
Other	420	416	1,167	1,167
	1,016,488	1,012,925	2,328,733	2,189,640
Total external operating revenues	$ 1,208,567	$ 1,198,342	$ 3,112,730	$ 2,997,225
Intersegment operating revenues:				
Regulated operations:				
Electric	$ —	$ —	$ —	$ —
Natural gas distribution	—	—	—	—
Pipeline and midstream	3,278	3,740	30,969	31,365
	3,278	3,740	30,969	31,365
Nonregulated operations:				
Pipeline and midstream	41	145	161	460
Construction materials and contracting	155	244	370	2,450
Construction services	3	2,112	541	17,298
Other	2,204	2,379	5,542	5,943
	2,403	4,880	6,614	26,151
Intersegment eliminations	(5,681)	(8,620)	(37,583)	(57,516)
Total intersegment operating revenues	$ —	$ —	$ —	$ —

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
		(In thousands)		
Earnings (loss) on common stock:				
Regulated operations:				
Electric	$ 12,699	$ 12,605	$ 31,840	$ 26,842
Natural gas distribution	(12,524)	(12,298)	4,940	3,777
Pipeline and midstream	5,389	5,392	16,241	15,077
	5,564	5,699	53,021	45,696
Nonregulated operations:				
Pipeline and midstream	1,304	(8,587)	2,043	(8,498)
Construction materials and contracting	69,523	68,823	88,747	74,324
Construction services	7,234	4,742	20,198	16,505
Other	(1,009)	(2,203)	(3,572)	(11,560)
	77,052	62,775	107,416	70,771
Intersegment eliminations*	5,599	5,241	5,599	3,507
Earnings on common stock before loss from discontinued operations	88,215	73,715	166,036	119,974
Loss from discontinued operations, net of tax*	(5,400)	(223,112)	(299,538)	(816,517)
Loss from discontinued operations attributable to noncontrolling interest	—	(9,778)	(131,691)	(21,060)
Total earnings (loss) on common stock	$ 82,815	$ (139,619)	$ (1,811)	$ (675,483)

* Includes eliminations for the presentation of income tax adjustments between continuing and discontinued operations.

Note 17 - Employee benefit plans

Pension and other postretirement plans

The Company has noncontributory defined benefit pension plans and other postretirement benefit plans for certain eligible employees. Components of net periodic benefit cost for the Company's pension and other postretirement benefit plans were as follows:

	Pension Benefits		Other Postretirement Benefits	
Three Months Ended September 30,	2016	2015	2016	2015
		(In thousands)		
Components of net periodic benefit cost:				
Service cost	$ —	$ —	$ 412	$ 454
Interest cost	4,305	4,285	922	902
Expected return on assets	(5,231)	(5,563)	(1,133)	(1,199)
Amortization of prior service credit	—	—	(343)	(343)
Amortization of net actuarial loss	1,553	1,734	371	511
Net periodic benefit cost, including amount capitalized	627	456	229	325
Less amount capitalized	82	90	(34)	36
Net periodic benefit cost	$ 545	$ 366	$ 263	$ 289

Nine Months Ended September 30,	Pension Benefits		Other Postretirement Benefits	
	2016	2015	2016	2015
		(In thousands)		
Components of net periodic benefit cost:				
Service cost	$ —	$ 86	$ 1,236	$ 1,362
Interest cost	12,915	12,855	2,766	2,705
Expected return on assets	(15,693)	(16,689)	(3,400)	(3,597)
Amortization of prior service cost (credit)	—	36	(1,029)	(1,028)
Amortization of net actuarial loss	4,660	5,282	1,118	1,525
Curtailment loss	—	258	—	—
Net periodic benefit cost, including amount capitalized	1,882	1,828	691	967
Less amount capitalized	284	219	4	98
Net periodic benefit cost	$ 1,598	$ 1,609	$ 687	$ 869

Prior to 2013, defined pension plan benefits and accruals for all nonunion and certain union plans were frozen. On June 30, 2015, an additional union plan was frozen. As of June 30, 2015, all of the Company's defined pension plans were frozen. These employees were eligible to receive additional defined contribution plan benefits.

Nonqualified benefit plans

In addition to the qualified plan defined pension benefits reflected in the table, the Company also has unfunded, nonqualified benefit plans for executive officers and certain key management employees that generally provide for defined benefit payments at age 65 following the employee's retirement or, upon death, to their beneficiaries for a 15-year period. In February 2016, the Company froze the unfunded, nonqualified defined benefit plans to new participants and eliminated upgrades. Vesting for participants not fully vested was retained. The Company's net periodic benefit cost for these plans for the three and nine months ended September 30, 2016 , was $1.3 million and $600,000 , respectively, which reflects a curtailment gain of $3.3 million in the first quarter of 2016. The Company's net periodic benefit cost for these plans for the three and nine months ended September 30, 2015 , was $1.7 million and $5.3 million , respectively.

Multiemployer plans

On September 24, 2014, JTL - Wyoming provided notice to the Operating Engineers Local 800 & WY Contractors Association, Inc. Pension Plan for Wyoming that it was withdrawing from the plan effective October 26, 2014. The plan administrator will determine JTL - Wyoming's withdrawal liability. For the three months ended March 31, 2015, the Company accrued an additional withdrawal liability of approximately $2.4 million . The cumulative withdrawal liability is currently estimated at $16.4 million which has been accrued on the Consolidated Balance Sheets. The assessed withdrawal liability for this plan may be significantly different from the current estimate. Also, this plan's administrator has alleged that JTL - Wyoming owes additional contributions for periods of time prior to its withdrawal, which could affect its final assessed withdrawal liability. JTL - Wyoming disputes the plan administrator's demand for additional contributions, and on February 23, 2016, filed a declaratory judgment action in the United States District Court for the District of Wyoming to resolve the dispute. JTL - Wyoming is currently engaged in settlement discussions to resolve the declaratory judgment action.

Note 18 - Regulatory matters

On June 30, 2015, Montana-Dakota filed an application with the SDPUC for an electric rate increase. Montana-Dakota requested a total increase of approximately $2.7 million annually or approximately 19.2 percent above current rates to recover Montana-Dakota's investments in modifications to generation facilities to comply with new EPA requirements, the addition and/or replacement of capacity and energy requirements and transmission facilities along with the additional depreciation, operation and maintenance expenses and taxes associated with the increases in investment. An interim increase of $2.7 million , subject to refund, was implemented January 1, 2016. Montana-Dakota and the SDPUC staff filed a settlement stipulation reflecting an overall annual increase of approximately $1.4 million including a transmission cost recovery rider and an infrastructure rider. A settlement hearing was held on June 7, 2016. The SDPUC issued an order approving the settlement on June 15, 2016. The approved rates were effective with service rendered on and after July 1, 2016. The final approved rate increase was less than the interim rate increase implemented January 1, 2016; therefore, Montana-Dakota refunded the difference as bill credits on customer bills in October 2016.

On June 30, 2015, Montana-Dakota filed an application for a natural gas rate increase with the SDPUC. Montana-Dakota requested a total increase of approximately $1.5 million annually or approximately 3.1 percent above current rates to recover increased operating expenses along with increased investment in facilities, including the related depreciation expense and taxes, partially offset by an increase in customers and throughput. An interim increase of $1.5 million , subject to refund, was implemented January 1, 2016. Montana-Dakota, the SDPUC staff and other interested parties filed a settlement stipulation reflecting an overall increase of approximately $1.2 million . A settlement hearing was held on June 7, 2016. The SDPUC issued an order approving the settlement on June 15, 2016. The approved rates were effective with service rendered on and after July 1,

2016. The final approved rate increase was less than the interim rate increase implemented January 1, 2016; therefore, Montana-Dakota refunded the difference as bill credits on customer bills in October 2016.

On September 30, 2015, Great Plains filed an application for a natural gas rate increase with the MNPUC. Great Plains requested a total increase of approximately $1.6 million annually or approximately 6.4 percent above current rates to recover increased operating expenses along with increased investment in facilities, including the related depreciation expense and taxes. An interim increase of $1.5 million or approximately 6.4 percent, subject to refund, was effective with service rendered on and after January 1, 2016. A technical hearing was held April 7, 2016. The MNPUC issued an order on September 6, 2016, authorizing an increase of approximately $1.1 million annually or approximately 5.2 percent with the requirement that Great Plains submit a compliance filing within 30 days. On September 22, 2016, Great Plains submitted the required compliance filing which included a refund plan to return the amount of interim revenues collected above the final rates. The final rates will be implemented upon approval of the compliance filing by the MNPUC.

On October 26, 2015, Montana-Dakota filed an application with the NDPSC requesting a renewable resource cost adjustment rider for the recovery of the Thunder Spirit Wind project. On January 5, 2016, the NDPSC approved the rider to be effective January 7, 2016, resulting in an annual increase on an interim basis, subject to refund, of $15.1 million based upon a 10.5 percent return on equity. The interim rate is pending the determination of the return on equity in the general rate case application filed on October 14, 2016, as discussed in this note.

On October 26, 2015, Montana-Dakota filed an application with the NDPSC for an update to the electric generation resource recovery rider. On March 9, 2016, the NDPSC approved the rider to be effective with service rendered on and after March 15, 2016, which resulted in interim rates, subject to refund, of $9.7 million based upon a 10.5 percent return on equity. The interim rates include recovery of Montana-Dakota's investment in the 88-MW simple-cycle natural gas turbine and associated facilities near Mandan, North Dakota, and the 19 MW of new generation from natural gas-fired internal combustion engines and associated facilities near Sidney, Montana. The net investment authorized for the natural gas-fired internal combustion engines and the return on equity on both investments are pending in the general rate case application filed October 14, 2016, as discussed in this note.

On November 25, 2015, Montana-Dakota filed an application with the NDPSC for an update of its transmission cost adjustment rider for recovery of MISO-related charges and two transmission projects located in North Dakota. On February 10, 2016, the NDPSC approved the transmission cost adjustment effective with service rendered on and after February 12, 2016, resulting in an annual increase on an interim basis, subject to refund, of $6.8 million based upon a 10.5 percent return on equity. The interim rate is pending the determination of the return on equity in the general rate case application filed October 14, 2016, as discussed in this note.

On December 1, 2015, Cascade filed an application with the WUTC for a natural gas rate increase. Cascade requested a total increase of approximately $10.5 million annually or approximately 4.2 percent above current rates. The requested increase includes rate recovery associated with increased infrastructure investment and the associated operating expenses. On July 7, 2016, the WUTC approved a settlement of $4.0 million annually. The approved rates were effective with service rendered on or after September 1, 2016.

On April 29, 2016, Cascade filed an application with the OPUC for a natural gas rate increase of approximately $1.9 million annually or approximately 2.8 percent above current rates. The request includes rate recovery associated with pipeline replacement and improvement projects to ensure the integrity of Cascade's system. On October 6, 2016, Cascade, staff of the OPUC and the interveners in the case filed a stipulation and settlement agreement reflecting an annual increase of approximately $754,000 to be effective March 1, 2017. This matter is pending before the OPUC.

On June 1, 2016, Cascade filed an application with the WUTC for an annual pipeline replacement cost recovery mechanism of $4.6 million annually or approximately 2.0 percent of additional revenue. The requested increase includes $2.4 million associated with incremental pipeline replacement investments and $2.2 million for an alternative recovery request of incremental operation and maintenance costs associated with a maximum allowable operating pressure validation plan. On October 17, 2016, Cascade filed an update to the application that reduced the incremental pipeline replacement investment to $1.9 million and removed the operation and maintenance costs associated with a maximum allowable operating pressure validation plan. On October 27, 2016, the WUTC allowed the pipeline replacement cost recovery mechanism to become effective November 1, 2016.

On June 10, 2016, Montana-Dakota filed an application for an increase in electric rates with the WYPSC. Montana-Dakota requested an increase of approximately $3.2 million annually or approximately 13.1 percent above current rates to recover Montana-Dakota's increased investment in facilities along with additional depreciation, operation and maintenance expenses including increased fuel costs, and taxes associated with the increases in investment. A hearing has been scheduled for January 18-19, 2017. This matter is pending before the WYPSC.

On August 12, 2016, Intermountain filed an application with the IPUC for a natural gas rate increase of approximately $10.2 million annually or approximately 4.1 percent above current rates. The request includes rate recovery associated with

increased investment in facilities and increased operating expenses. A hearing has been scheduled for March 1-2, 2017. This matter is pending before the IPUC.

On October 14, 2016, Montana-Dakota filed an application with the NDPSC for an electric rate increase of approximately $13.4 million annually or 6.6 percent above current rates. The request includes rate recovery associated with increased investment in facilities, along with the related depreciation, operation and maintenance expenses and taxes associated with the increased investment. Montana-Dakota requested an interim increase of approximately $13.0 million , subject to refund, to be effective within 60 days of the filing. This matter is pending before the NDPSC.

Note 19 - Contingencies

The Company is party to claims and lawsuits arising out of its business and that of its consolidated subsidiaries. The Company accrues a liability for those contingencies when the incurrence of a loss is probable and the amount can be reasonably estimated. If a range of amounts can be reasonably estimated and no amount within the range is a better estimate than any other amount, then the minimum of the range is accrued. The Company does not accrue liabilities when the likelihood that the liability has been incurred is probable but the amount cannot be reasonably estimated or when the liability is believed to be only reasonably possible or remote. For contingencies where an unfavorable outcome is probable or reasonably possible and which are material, the Company discloses the nature of the contingency and, in some circumstances, an estimate of the possible loss. The Company had accrued liabilities of $20.0 million , $21.4 million and $19.5 million , which include liabilities held for sale, for contingencies, including litigation, production taxes, royalty claims and environmental matters at September 30, 2016 and 2015 , and December 31, 2015 , respectively, including amounts that may have been accrued for matters discussed in Litigation and Environmental matters within this note.

Litigation

Natural Gas Gathering Operations Omimex filed a complaint against WBI Energy Midstream in Montana Seventeenth Judicial District Court in July 2010 alleging WBI Energy Midstream breached a gathering contract with Omimex as a result of the increased operating pressures demanded by a third party on a natural gas gathering system in Montana. In December 2011, Omimex filed an amended complaint alleging WBI Energy Midstream breached obligations to operate its gathering system as a common carrier under United States and Montana law. WBI Energy Midstream removed the action to the United States District Court for the District of Montana. The parties subsequently settled the breach of contract claim and, subject to final determination on liability, stipulated to the damages on the common carrier claim, for amounts that are not material. A trial on the common carrier claim was held during July 2013. On December 9, 2014, the United States District Court for the District of Montana issued an order determining WBI Energy Midstream breached its obligations as a common carrier and ordered judgment in favor of Omimex for the amount of the stipulated damages. WBI Energy Midstream filed an appeal from the United States District Court for the District of Montana's order and judgment.

The Company also is subject to other litigation, and actual and potential claims in the ordinary course of its business which may include, but are not limited to, matters involving property damage, personal injury, and environmental, contractual, statutory and regulatory obligations. Accruals are based on the best information available but actual losses in future periods are affected by various factors making them uncertain. After taking into account liabilities accrued for the foregoing matters, management believes that the outcomes with respect to the above issues and other probable and reasonably possible losses in excess of the amounts accrued, while uncertain, will not have a material effect upon the Company's financial position, results of operations or cash flows.

Environmental matters

Portland Harbor Site In December 2000, Knife River - Northwest was named by the EPA as a PRP in connection with the cleanup of a riverbed site adjacent to a commercial property site acquired by Knife River - Northwest from Georgia-Pacific West, Inc. in 1999. The riverbed site is part of the Portland, Oregon, Harbor Superfund Site. The EPA wants responsible parties to share in the cleanup of sediment contamination in the Willamette River. To date, costs of the overall remedial investigation and feasibility study of the harbor site are being recorded, and initially paid, through an administrative consent order by the LWG, a group of several entities, which does not include Knife River - Northwest or Georgia-Pacific West, Inc. Investigative costs are indicated to be in excess of $100 million . Corrective action will not be taken until after the development of a proposed plan is complete, a ROD on the harbor site is issued and the remedial design/remedial action plans are approved by the EPA. On June 8, 2016, Region 10 of the EPA issued a Proposed Plan for the Portland Harbor Superfund Site that included a preferred cleanup alternative with an estimated cost of $746 million . Comments on the Proposed Plan were received through September 6, 2016. The EPA is expected to issue a ROD following review of the comments received on the Proposed Plan. Knife River - Northwest also received notice in January 2008 that the Portland Harbor Natural Resource Trustee Council intends to perform an injury assessment to natural resources resulting from the release of hazardous substances at the Harbor Superfund Site. The Portland Harbor Natural Resource Trustee Council indicates the injury determination is appropriate to facilitate early settlement of damages and restoration for natural resource injuries. It is not possible to estimate the costs of natural resource damages until an assessment is completed and allocations are undertaken.

Based upon a review of the Portland Harbor sediment contamination evaluation by the Oregon DEQ and other information available, Knife River - Northwest does not believe it is a responsible party. In addition, Knife River - Northwest has notified Georgia-Pacific West, Inc., that it intends to seek indemnity for liabilities incurred in relation to the above matters pursuant to the

terms of their sale agreement. Knife River - Northwest has entered into an agreement tolling the statute of limitations in connection with the LWG's potential claim for contribution to the costs of the remedial investigation and feasibility study. By letter in March 2009, LWG stated its intent to file suit against Knife River - Northwest and others to recover LWG's investigation costs to the extent Knife River - Northwest cannot demonstrate its non-liability for the contamination or is unwilling to participate in an alternative dispute resolution process that has been established to address the matter. At this time, Knife River - Northwest has agreed to participate in the alternative dispute resolution process.

The Company believes it is not probable that it will incur any material environmental remediation costs or damages in relation to the above referenced matter.

Manufactured Gas Plant Sites There are three claims against Cascade for cleanup of environmental contamination at manufactured gas plant sites operated by Cascade's predecessors.

The first claim is for contamination at a site in Eugene, Oregon which was received in 1995. There are PRPs in addition to Cascade that may be liable for cleanup of the contamination. Some of these PRPs have shared in the investigation costs. It is expected that these and other PRPs will share in the cleanup costs. Several alternatives for cleanup have been identified, with preliminary cost estimates ranging from approximately $500,000 to $11.0 million . The Oregon DEQ released a ROD in January 2015 that selected a remediation alternative for the site as recommended in an earlier staff report. It is not known at this time what share of the cleanup costs will actually be borne by Cascade; however, Cascade anticipates its proportional share could be approximately 50 percent. Cascade has accrued $1.7 million for remediation of this site. In January 2013, the OPUC approved Cascade's application to defer environmental remediation costs at the Eugene site for a period of 12 months starting November 30, 2012. Cascade received orders reauthorizing the deferred accounting for the 12-month periods starting November 30, 2013, December 1, 2014 and December 1, 2015.

The second claim is for contamination at a site in Bremerton, Washington which was received in 1997. A preliminary investigation has found soil and groundwater at the site contain contaminants requiring further investigation and cleanup. The EPA conducted a Targeted Brownfields Assessment of the site and released a report summarizing the results of that assessment in August 2009. The assessment confirms that contaminants have affected soil and groundwater at the site, as well as sediments in the adjacent Port Washington Narrows. Alternative remediation options have been identified with preliminary cost estimates ranging from $340,000 to $6.4 million . Data developed through the assessment and previous investigations indicates the contamination likely derived from multiple, different sources and multiple current and former owners of properties and businesses in the vicinity of the site may be responsible for the contamination. In April 2010, the Washington DOE issued notice it considered Cascade a PRP for hazardous substances at the site. In May 2012, the EPA added the site to the National Priorities List of Superfund sites. Cascade has entered into an administrative settlement agreement and consent order with the EPA regarding the scope and schedule for a remedial investigation and feasibility study for the site. Cascade has accrued $12.7 million for the remedial investigation, feasibility study and remediation of this site. In April 2010, Cascade filed a petition with the WUTC for authority to defer the costs, which are included in other noncurrent assets, incurred in relation to the environmental remediation of this site. The WUTC approved the petition in September 2010, subject to conditions set forth in the order.

The third claim is for contamination at a site in Bellingham, Washington. Cascade received notice from a party in May 2008 that Cascade may be a PRP, along with other parties, for contamination from a manufactured gas plant owned by Cascade and its predecessor from about 1946 to 1962. The notice indicates that current estimates to complete investigation and cleanup of the site exceed $8.0 million . Other PRPs have reached an agreed order and work plan with the Washington DOE for completion of a remedial investigation and feasibility study for the site. A report documenting the initial phase of the remedial investigation was completed in June 2011. There is currently not enough information available to estimate the potential liability to Cascade associated with this claim although Cascade believes its proportional share of any liability will be relatively small in comparison to other PRPs. The plant manufactured gas from coal between approximately 1890 and 1946. In 1946, shortly after Cascade's predecessor acquired the plant, it converted the plant to a propane-air gas facility. There are no documented wastes or by-products resulting from the mixing or distribution of propane-air gas.

Cascade has received notices from and entered into agreement with certain of its insurance carriers that they will participate in defense of Cascade for these contamination claims subject to full and complete reservations of rights and defenses to insurance coverage. To the extent these claims are not covered by insurance, Cascade will seek recovery through the OPUC and WUTC of remediation costs in its natural gas rates charged to customers. The accruals related to these matters are reflected in regulatory assets.

Guarantees

In June 2016, WBI Energy sold all of the outstanding membership interests in Dakota Prairie Refining. In connection with the sale, Centennial agreed to continue to guarantee certain debt obligations of Dakota Prairie Refining which totaled $64.9 million at September 30, 2016 , and are expected to mature by 2023. Tesoro agreed to indemnify Centennial for any losses and litigation expenses arising from the guarantee. The estimated fair values of the indemnity asset and guarantee liability are reflected in deferred charges and other assets - other and deferred credits and other liabilities - other, respectively, on the Consolidated Balance Sheets. Continuation of the guarantee was required as a condition to the sale of Dakota Prairie Refining.

In March 2016, a sale agreement was signed to sell Fidelity's assets in the Paradox Basin. In connection with the sale, Centennial agreed to guarantee Fidelity's indemnity obligations associated with the Paradox assets. The guarantee was required by the buyer as a condition to the sale of the Paradox Basin assets.

In 2009, multiple sale agreements were signed to sell the Company's ownership interests in the Brazilian Transmission Lines. In connection with the sale, Centennial agreed to guarantee payment of any indemnity obligations of certain of the Company's indirect wholly owned subsidiaries who were the sellers in three purchase and sale agreements for periods ranging up to 10 years from the date of sale. The guarantees were required by the buyers as a condition to the sale of the Brazilian Transmission Lines.

Certain subsidiaries of the Company have outstanding guarantees to third parties that guarantee the performance of other subsidiaries of the Company. These guarantees are related to construction contracts, insurance deductibles and loss limits, and certain other guarantees. At September 30, 2016 , the fixed maximum amounts guaranteed under these agreements aggregated $110.0 million . The amounts of scheduled expiration of the maximum amounts guaranteed under these agreements aggregate $4.2 million in 2016 ; $30.3 million in 2017 ; $12.0 million in 2018 ; $59.5 million in 2019 ; and $4.0 million , which has no scheduled maturity date. There were no amounts outstanding under the above guarantees at September 30, 2016 . In the event of default under these guarantee obligations, the subsidiary issuing the guarantee for that particular obligation would be required to make payments under its guarantee.

Certain subsidiaries have outstanding letters of credit to third parties related to insurance policies and other agreements, some of which are guaranteed by other subsidiaries of the Company. At September 30, 2016 , the fixed maximum amounts guaranteed under these letters of credit aggregated $34.9 million . The amounts of scheduled expiration of the maximum amounts guaranteed under these letters of credit aggregate $2.9 million in 2016 and $32.0 million in 2017. There were no amounts outstanding under the above letters of credit at September 30, 2016 . In the event of default under these letter of credit obligations, the subsidiary issuing the letter of credit for that particular obligation would be required to make payments under its letter of credit.

In addition, Centennial, Knife River and MDU Construction Services have issued guarantees to third parties related to the routine purchase of maintenance items, materials and lease obligations for which no fixed maximum amounts have been specified. These guarantees have no scheduled maturity date. In the event a subsidiary of the Company defaults under these obligations, Centennial, Knife River or MDU Construction Services would be required to make payments under these guarantees. Any amounts outstanding by subsidiaries of the Company for these guarantees were reflected on the Consolidated Balance Sheet at September 30, 2016 .

In the normal course of business, Centennial has surety bonds related to construction contracts and reclamation obligations of its subsidiaries. In the event a subsidiary of Centennial does not fulfill a bonded obligation, Centennial would be responsible to the surety bond company for completion of the bonded contract or obligation. A large portion of the surety bonds is expected to expire within the next 12 months; however, Centennial will likely continue to enter into surety bonds for its subsidiaries in the future. At September 30, 2016 , approximately $560.7 million of surety bonds were outstanding, which were not reflected on the Consolidated Balance Sheet.

Variable interest entities

The Company evaluates its arrangements and contracts with other entities to determine if they are VIEs and if so, if the Company is the primary beneficiary.

Dakota Prairie Refining, LLC On February 7, 2013, WBI Energy and Calumet formed a limited liability company, Dakota Prairie Refining, and entered into an operating agreement to develop, build and operate Dakota Prairie Refinery in southwestern North Dakota. WBI Energy and Calumet each had a 50 percent ownership interest in Dakota Prairie Refining. WBI Energy's and Calumet's capital commitments, based on a total project cost of $300 million , under the agreement were $150 million and $75 million , respectively. Capital commitments for construction in excess of $300 million were shared equally between WBI Energy and Calumet. Dakota Prairie Refining entered into a term loan for project debt financing of $75 million on April 22, 2013. The operating agreement provided for allocation of profits and losses consistent with ownership interests; however, deductions attributable to project financing debt was allocated to Calumet. Calumet's cash distributions from Dakota Prairie Refining were decreased by the principal and interest paid on the project debt, while the cash distributions to WBI Energy were not decreased. Pursuant to the operating agreement, Centennial agreed to guarantee Dakota Prairie Refining's obligation under the term loan. The net loss attributable to noncontrolling interest on the Consolidated Statements of Income is pretax as Dakota Prairie Refining was a limited liability company. For more information related to the guarantee, see Guarantees in this note.

Dakota Prairie Refining was determined to be a VIE, and the Company had determined that it was the primary beneficiary as it had an obligation to absorb losses that could be potentially significant to the VIE through WBI Energy's equity investment and Centennial's guarantee of the third-party term loan. Accordingly, the Company consolidated Dakota Prairie Refining in its financial statements and recorded a noncontrolling interest for Calumet's ownership interest.

On June 24, 2016, WBI Energy entered into a membership interest purchase agreement with Tesoro to sell all of the outstanding membership interests in Dakota Prairie Refining to Tesoro. To effectuate the sale, WBI Energy acquired Calumet’s 50 percent membership interest in Dakota Prairie Refining on June 27, 2016. The sale of the membership interests to Tesoro closed on June 27, 2016. For more information on the Company's discontinued operations, see Note 10 .

Dakota Prairie Refinery commenced operations in May 2015. The assets of Dakota Prairie Refining were used solely for the benefit of Dakota Prairie Refining. The total assets and liabilities of Dakota Prairie Refining were as follows:

	September 30, 2015	December 31, 2015
	(In thousands)	
Assets		
Current assets:		
Cash and cash equivalents	$ 625	$ 851
Accounts receivable	14,648	7,693
Inventories	12,354	13,176
Prepayments and other current assets	7,125	6,215
Total current assets	34,752	27,935
Net property, plant and equipment	428,383	425,123
Deferred charges and other assets:		
Other	5,052	9,626
Total deferred charges and other assets	5,052	9,626
Total assets	$ 468,187	$ 462,684
Liabilities		
Current liabilities:		
Short-term borrowings	$ 29,500	$ 45,500
Long-term debt due within one year	4,125	5,250
Accounts payable	21,686	24,766
Taxes payable	1,630	1,391
Accrued compensation	1,059	938
Other accrued liabilities	1,217	4,953
Total current liabilities	59,217	82,798
Long-term debt	64,875	63,750
Total liabilities	$ 124,092	$ 146,548

Fuel Contract Coyote Station entered into a coal supply agreement with Coyote Creek that provides for the purchase of coal necessary to supply the coal requirements of the Coyote Station for the period May 2016 through December 2040. Coal purchased under the coal supply agreement is reflected in inventories on the Company's Consolidated Balance Sheets and is recovered from customers as a component of fuel and purchased power.

The coal supply agreement creates a variable interest in Coyote Creek due to the transfer of all operating and economic risk to the Coyote Station owners, as the agreement is structured so the price of the coal will cover all costs of operations as well as future reclamation costs. The Coyote Station owners are also providing a guarantee of the value of the assets of Coyote Creek as they would be required to buy the assets at book value should they terminate the contract prior to the end of the contract term and are providing a guarantee of the value of the equity of Coyote Creek in that they are required to buy the entity at the end of the contract term at equity value. Although the Company has determined that Coyote Creek is a VIE, the Company has concluded that it is not the primary beneficiary of Coyote Creek because the authority to direct the activities of the entity is shared by the four unrelated owners of the Coyote Station, with no primary beneficiary existing. As a result, Coyote Creek is not required to be consolidated in the Company's financial statements.

At September 30, 2016 , the Company's exposure to loss as a result of the Company's involvement with the VIE, based on the Company's ownership percentage, was $44.1 million .

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

The Company's strategy is to apply its expertise in the regulated energy delivery and construction materials and services businesses to increase market share, increase profitability and enhance shareholder value through:

- Organic growth as well as a continued disciplined approach to the acquisition of well-managed companies and properties
- The elimination of system-wide cost redundancies through increased focus on integration of operations and standardization and consolidation of various support services and functions across companies within the organization
- The development of projects that are accretive to earnings per share and return on invested capital
- Divestiture of certain assets to fund capital growth projects throughout the Company

The Company has capabilities to fund its growth and operations through various sources, including internally generated funds, commercial paper facilities, revolving credit facilities, the issuance from time to time of debt and equity securities and asset sales. For more information on the Company's net capital expenditures, see Liquidity and Capital Commitments.

The key strategies for each of the Company's business segments and certain related business challenges are summarized below. For a summary of the Company's businesses, see Note 16 .

Key Strategies and Challenges

Electric and Natural Gas Distribution

Strategy Provide safe and reliable competitively priced energy and related services to customers. The electric and natural gas distribution segments continually seek opportunities to retain, grow and expand their customer base through extensions of existing operations, including building and upgrading electric generation and transmission and natural gas systems, and through selected acquisitions of companies and properties at prices that will provide stable cash flows and an opportunity for the Company to earn a competitive return on investment.

Challenges Both segments are subject to extensive regulation in the state jurisdictions where they conduct operations with respect to costs and timely recovery and permitted returns on investment as well as subject to certain operational, system integrity and environmental regulations. These regulations can require substantial investment to upgrade facilities. The ability of these segments to grow through acquisitions is subject to significant competition. In addition, the ability of both segments to grow service territory and customer base is affected by the economic environment of the markets served and competition from other energy providers and fuels. The construction of any new electric generating facilities, transmission lines and other service facilities is subject to increasing cost and lead time, extensive permitting procedures, and federal and state legislative and regulatory initiatives, which will necessitate increases in electric energy prices. Legislative and regulatory initiatives to increase renewable energy resources and reduce GHG emissions could impact the price and demand for electricity and natural gas and could result in the retirement of certain electric generating facilities before they are fully depreciated.

Pipeline and Midstream

Strategy Utilize the segment's existing expertise in energy infrastructure and related services to increase market share and profitability through optimization of existing operations, internal growth, and investments in and acquisitions of energy-related assets and companies both in its current operating areas and beyond its Rocky Mountain and northern Great Plains base. Incremental and new growth opportunities include: access to new energy sources for storage, gathering and transportation services; expansion of existing storage, gathering and transmission facilities; incremental pipeline projects which expand pipeline capacity; and expansion of the pipeline and midstream business to include liquid pipelines and processing activities.

Challenges Challenges for this segment include: energy price volatility; basis differentials; environmental and regulatory requirements; recruitment and retention of a skilled workforce; and competition from other pipeline and midstream companies.

Construction Materials and Contracting

Strategy Focus on high-growth strategic markets located near major transportation corridors and desirable mid-sized metropolitan areas; strengthen long-term, strategic aggregate reserve position through purchase and/or lease opportunities; enhance profitability through cost containment, margin discipline and vertical integration of the segment's operations; develop and recruit talented employees; and continue growth through organic and acquisition opportunities. Vertical integration allows the segment to manage operations from aggregate mining to final lay-down of concrete and asphalt, with control of and access to permitted aggregate reserves being significant. A key element of the Company's long-term strategy for this business is to further expand its market presence in the higher-margin materials business (rock, sand, gravel, liquid asphalt, asphalt concrete, ready-mixed concrete and related products), complementing and expanding on the Company's expertise.

Challenges Recruitment and retention of key personnel and volatility in the cost of raw materials such as diesel, gasoline, liquid asphalt, cement and steel, are ongoing challenges. This business unit expects to continue cost containment efforts, positioning its operations for the resurgence in the private market, while continuing the emphasis on industrial, energy and public works projects.

Construction Services

Strategy Provide a superior return on investment by: building new and strengthening existing customer relationships; effectively controlling costs; retaining, developing and recruiting talented employees; growing through organic and acquisition opportunities; and focusing efforts on projects that will permit higher margins while properly managing risk.

Challenges This segment operates in highly competitive markets with many jobs subject to competitive bidding. Maintenance of effective operational and cost controls, retention of key personnel, managing through downturns in the economy and effective management of working capital are ongoing challenges.

Additional Information

For more information on the risks and challenges the Company faces as it pursues its growth strategies and other factors that should be considered for a better understanding of the Company's financial condition, see Part II, Item 1A - Risk Factors, as well as Part I, Item 1A - Risk Factors in the 2015 Annual Report. For more information on key growth strategies, projections and certain assumptions, see Prospective Information. For information pertinent to various commitments and contingencies, see Notes to Consolidated Financial Statements.

Earnings Overview

The following table summarizes the contribution to the consolidated earnings (loss) by each of the Company's businesses.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
	(Dollars in millions, where applicable)			
Electric	$ 12.7	$ 12.6	$ 31.8	$ 26.8
Natural gas distribution	(12.5)	(12.3)	4.9	3.8
Pipeline and midstream	6.7	(3.2)	18.3	6.6
Construction materials and contracting	69.5	68.8	88.8	74.3
Construction services	7.2	4.7	20.2	16.5
Other	(1.0)	(2.1)	(3.6)	(11.6)
Intersegment eliminations	5.6	5.2	5.6	3.6
Earnings before discontinued operations	88.2	73.7	166.0	120.0
Loss from discontinued operations, net of tax	(5.4)	(223.1)	(299.5)	(816.5)
Loss from discontinued operations attributable to noncontrolling interest	—	(9.8)	(131.7)	(21.0)
Earnings (loss) on common stock	$ 82.8	$ (139.6)	$ (1.8)	$ (675.5)
Earnings (loss) per common share – basic:				
Earnings before discontinued operations	$ .45	$ .38	$ .85	$ .62
Discontinued operations attributable to the Company, net of tax	(.03)	(1.10)	(.86)	(4.09)
Earnings (loss) per common share – basic	$ .42	$ (.72)	$ (.01)	$ (3.47)
Earnings (loss) per common share – diluted:				
Earnings before discontinued operations	$ .45	$ .38	$ .85	$ .62
Discontinued operations attributable to the Company, net of tax	(.03)	(1.10)	(.86)	(4.09)
Earnings (loss) per common share – diluted	$ .42	$ (.72)	$ (.01)	$ (3.47)

Three Months Ended September 30, 2016 and 2015 The Company recognized consolidated earnings of $82.8 million for the quarter ended September 30, 2016 , compared to a consolidated loss of $139.6 million from the comparable prior period largely due to:

- Discontinued operations which reflect the absence in 2016 of a fair value impairment of the exploration and production business's assets of $224.4 million (after tax) in 2015
- The absence in 2016 of an impairment of natural gas gathering assets at the pipeline and midstream business
- Higher inside electrical and outside construction workloads and margins in the Western region at the construction services business

Nine Months Ended September 30, 2016 and 2015 The Company recognized a consolidated loss of $1.8 million for the nine months ended September 30, 2016 , compared to a consolidated loss of $675.5 million from the comparable prior period largely due to:

- Discontinued operations which reflect the absence in 2016 of fair value impairments of the exploration and production business's assets of $476.4 million (after tax) and a noncash write-down of oil and natural gas properties of $315.3 million (after tax) in 2015, offset in part by a fair value impairment of Dakota Prairie Refining of $156.7 million (after tax) in 2016
- Higher construction revenues and margins, higher asphalt margins and volumes, higher ready-mixed concrete volumes and higher other product line margins at the construction materials and contracting business

- The absence in 2016 of impairments of natural gas gathering assets at the pipeline and midstream business
- Other reflects lower operation and maintenance expense and lower interest expense, which have been reduced with the sale of Fidelity's marketed oil and natural gas assets
- Higher retail sales margins, largely the result of approved rate recovery related to capital investments, offset in part by decreased electric sales volumes of 3 percent to all customer classes and higher depreciation, depletion and amortization due to increased plant additions at the electric business

Financial and Operating Data

Below are key financial and operating data for each of the Company's businesses.

Electric

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
	(Dollars in millions, where applicable)			
Operating revenues	$ 82.2	$ 74.6	$ 238.9	$ 210.7
Operating expenses:				
Fuel and purchased power	16.8	20.6	54.7	63.8
Operation and maintenance	28.9	21.5	84.7	65.1
Depreciation, depletion and amortization	12.5	9.5	37.8	28.1
Taxes, other than income	3.6	3.0	10.2	9.1
	61.8	54.6	187.4	166.1
Operating income	20.4	20.0	51.5	44.6
Earnings	$ 12.7	$ 12.6	$ 31.8	$ 26.8
Retail sales (million kWh)	799.2	823.1	2,393.6	2,475.8
Average cost of fuel and purchased power per kWh	$ .019	$ .024	$ .021	$ .024

Three Months Ended September 30, 2016 and 2015 Electric earnings increased $100,000 (1 percent) due to higher retail sales margins, largely the result of approved rate recovery related to capital investments and associated operating expenses, offset in part by decreased electric sales volumes of 3 percent to all customer classes.

Partially offsetting the increase were:

- Lower other income, which includes $2.0 million (after tax) primarily related to AFUDC
- Higher depreciation, depletion and amortization expense of $1.9 million (after tax) due to increased property, plant and equipment balances
- Higher interest expense, which includes $1.3 million (after tax) largely the result of higher long-term debt
- Higher operation and maintenance expense, which includes $1.1 million (after tax) primarily due to higher contract services and payroll-related costs

The previous table also reflects lower average cost of fuel and purchased power per kWh due to no fuel and purchased power costs associated with the Thunder Spirit Wind farm and higher operation and maintenance expense due to higher transmission costs being recovered in approved transmission trackers.

Nine Months Ended September 30, 2016 and 2015 Electric earnings increased $5.0 million (19 percent) due to higher retail sales margins, largely the result of approved rate recovery related to capital investments and associated operating expenses, offset in part by decreased electric sales volumes of 3 percent to all customer classes.

Partially offsetting the increase were:

- Higher depreciation, depletion and amortization expense of $6.0 million (after tax) due to increased property, plant and equipment balances
- Lower other income, which includes $4.1 million (after tax) primarily related to AFUDC
- Higher interest expense, which includes $3.4 million (after tax) largely the result of higher long-term debt
- Higher operation and maintenance expense, which includes $1.8 million (after tax) primarily due to higher contract services and payroll-related costs

The previous table also reflects lower average cost of fuel and purchased power per kWh due to no fuel and purchased power costs associated with the Thunder Spirit Wind farm and higher operation and maintenance expense due to higher transmission costs being recovered in approved transmission trackers.

Natural Gas Distribution

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
	(Dollars in millions, where applicable)			
Operating revenues	$ 87.9	$ 89.5	$ 500.1	$ 553.1
Operating expenses:				
Purchased natural gas sold	37.6	41.3	273.7	336.5
Operation and maintenance	39.5	37.7	116.6	113.6
Depreciation, depletion and amortization	16.6	15.0	49.6	44.3
Taxes, other than income	8.0	7.4	34.3	34.0
	101.7	101.4	474.2	528.4
Operating income (loss)	(13.8)	(11.9)	25.9	24.7
Earnings (loss)	$ (12.5)	$ (12.3)	$ 4.9	$ 3.8
Volumes (MMdk):				
Sales	8.5	7.8	61.7	60.4
Transportation	37.6	39.0	109.4	109.1
Total throughput	46.1	46.8	171.1	169.5
Degree days (% of normal)*				
Montana-Dakota/Great Plains	174%	98%	84%	88%
Cascade	93%	116%	80%	80%
Intermountain	147%	86%	94%	85%
Average cost of natural gas, including transportation, per dk	$ 4.44	$ 5.33	$ 4.44	$ 5.57

* Degree days are a measure of the daily temperature-related demand for energy for heating.

Three Months Ended September 30, 2016 and 2015 Natural gas distribution experienced a seasonal loss of $12.5 million compared to a seasonal loss of $12.3 million a year ago (2 percent higher loss). The higher loss was the result of:

- Higher utility related operation and maintenance expense, which includes $2.0 million (after tax) largely higher payroll-related costs and higher contract services related to pipeline safety
- Higher depreciation, depletion and amortization expense of $1.0 million (after tax), primarily resulting from increased property, plant and equipment balances

Partially offsetting the decreases were:

- Higher natural gas sales margins resulting from final and interim rate increases and increased retail sales volumes of 9 percent to all customer classes, which includes the effects of cooler weather in certain regions
- Favorable income tax adjustments of $800,000 related to certain tax credits

The previous table also reflects lower operation and maintenance expense related to nonutility project activity.

Nine Months Ended September 30, 2016 and 2015 Natural gas distribution earnings increased $1.1 million (31 percent) due to:

- Higher natural gas retail sales margins resulting from higher retail sales volumes of 2 percent to all customer classes and final and interim rate increases
- Higher natural gas transportation sales margins of $800,000 (after tax), primarily due to higher per unit realization

Partially offsetting the increases were:

- Higher utility related operation and maintenance expense, which includes $3.5 million (after tax) largely higher payroll-related costs and software maintenance costs
- Higher depreciation, depletion and amortization expense of $3.3 million (after tax), primarily resulting from increased property, plant and equipment balances

The previous table also reflects lower operation and maintenance expense related to nonutility project activity, as well as the pass-through of lower natural gas prices which are reflected in the decrease in both sales revenue and purchased natural gas sold in 2016.

Pipeline and Midstream

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
		(Dollars in millions)		
Operating revenues	$ 36.0	$ 39.7	$ 105.8	$ 118.0
Operating expenses:				
Operation and maintenance	14.1	32.3	43.1	69.0
Depreciation, depletion and amortization	6.2	7.0	18.5	21.7
Taxes, other than income	3.0	3.2	8.9	9.6
	23.3	42.5	70.5	100.3
Operating income (loss)	12.7	(2.8)	35.3	17.7
Earnings (loss)	$ 6.7	$ (3.2)	$ 18.3	$ 6.6
Transportation volumes (MMdk)	67.7	71.8	217.1	210.8
Natural gas gathering volumes (MMdk)	5.1	8.4	15.0	26.7
Customer natural gas storage balance (MMdk):				
Beginning of period	28.1	11.8	16.6	14.9
Net injection	7.2	7.5	18.7	4.4
End of period	35.3	19.3	35.3	19.3

Three Months Ended September 30, 2016 and 2015 Pipeline and midstream earnings increased $9.9 million (309 percent) due to:

- Lower operation and maintenance expense, which includes $10.6 million (after tax) primarily due to the absence in 2016 of an impairment of natural gas gathering assets of $8.7 million (after tax), as discussed in Notes 5 and 13 , as well as lower material costs and contract services
- Lower depreciation, depletion and amortization expense of $600,000 (after tax) due largely to the sale of certain non-strategic natural gas gathering assets in the fourth quarter of 2015
- Higher storage services earnings of $400,000 (after tax), primarily due to higher average interruptible storage balances

Partially offsetting these increases was lower gathering and processing earnings due to lower natural gas gathering volumes, primarily due to the sale of certain non-strategic assets, as previously discussed.

Nine Months Ended September 30, 2016 and 2015 Pipeline and midstream earnings increased $11.7 million (178 percent) due to:

- Lower operation and maintenance expense, which includes $15.4 million (after tax) primarily due to the absence in 2016 of impairments of natural gas gathering assets of $10.6 million (after tax), as discussed in Notes 5 and 13 , as well as lower payroll and benefit-related costs, materials costs and contract services
- Lower depreciation, depletion and amortization expense of $1.9 million (after tax) due largely to the sale of certain non-strategic assets, as previously discussed
- Lower interest expense of $800,000 (after tax), primarily the result of lower debt interest rates and balances
- Higher storage services earnings, primarily due to higher average interruptible storage balances and injection volumes

Partially offsetting these increases was lower gathering and processing earnings of $7.3 million (after tax), primarily related to lower natural gas gathering volumes, largely the result of the sale of certain non-strategic assets, as previously discussed; and lower gathering and processing volumes offset in part by higher oil gathering rates at Pronghorn.

Construction Materials and Contracting

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
	(Dollars in millions)			
Operating revenues	$ 724.7	$ 774.5	$ 1,476.0	$ 1,478.0
Operating expenses:				
Operation and maintenance	582.2	631.6	1,243.4	1,266.4
Depreciation, depletion and amortization	14.4	16.4	44.3	49.1
Taxes, other than income	12.2	12.0	33.7	32.1
	608.8	660.0	1,321.4	1,347.6
Operating income	115.9	114.5	154.6	130.4
Earnings	$ 69.5	$ 68.8	$ 88.8	$ 74.3
Sales (000's):				
Aggregates (tons)	9,997	10,240	21,281	20,746
Asphalt (tons)	3,507	3,508	5,959	5,467
Ready-mixed concrete (cubic yards)	1,146	1,159	2,840	2,723

Three Months Ended September 30, 2016 and 2015 Construction materials and contracting earnings increased $700,000 (1 percent) due to:

- Higher earnings of $2.7 million (after tax) resulting from increased construction margins, primarily due to increased construction activity in various regions
- Lower selling, general and administrative expense of $700,000 (after tax), largely related to lower bad debt expense
- Higher earnings of $500,000 (after tax) resulting from higher aggregate margins, largely the result of lower equipment costs

Partially offsetting these increases were:

- Lower earnings of $1.0 million (after tax) resulting from lower asphalt margins, largely due to lower volumes in the North Central region partially offset by higher volumes in the Northwest region
- Lower earnings of $900,000 (after tax) resulting from lower ready-mixed concrete margins, largely the result of large projects completed in 2015
- Lower earnings from other product line margins

Lower energy costs contributed to higher earnings from all product lines.

Nine Months Ended September 30, 2016 and 2015 Construction materials and contracting earnings increased $14.5 million (19 percent) due to:

- Higher earnings of $7.6 million (after tax) resulting from increased construction revenues and margins, largely the effect of increased construction activity
- Higher earnings of $2.9 million (after tax) resulting from higher asphalt margins and volumes, which includes lower asphalt oil costs and higher demand-related volumes
- The absence in 2016 of a MEPP withdrawal liability of $1.5 million (after tax), as discussed in Note 17
- Higher earnings of $700,000 (after tax) resulting from higher ready-mixed concrete demand-related volumes
- Higher earnings from other product line margins

Partially offsetting these increases were unfavorable income tax changes, which includes $900,000 primarily due to higher effective tax rates.

Lower energy costs contributed to higher earnings from all product lines.

Construction Services

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
	(In millions)			
Operating revenues	$ 280.8	$ 225.8	$ 822.8	$ 687.9
Operating expenses:				
Operation and maintenance	255.8	207.2	750.1	624.0
Depreciation, depletion and amortization	3.9	3.3	11.4	10.0
Taxes, other than income	9.3	6.7	29.7	24.0
	269.0	217.2	791.2	658.0
Operating income	11.8	8.6	31.6	29.9
Earnings	$ 7.2	$ 4.7	$ 20.2	$ 16.5

Three Months Ended September 30, 2016 and 2015 Construction services earnings increased $2.5 million (53 percent) due to higher inside electrical and outside construction workloads and margins in the Western region.

Partially offsetting the increase were:

- Higher selling, general and administrative expense of $1.9 million (after tax), primarily higher payroll-related costs and bad debt expense
- Lower equipment sales and rental margins

Nine Months Ended September 30, 2016 and 2015 Construction services earnings increased $3.7 million (22 percent) due to:

- Higher inside electrical workloads and margins in the Western region
- Tax benefit of $1.5 million related to the disposition of a non-strategic asset
- Absence of the 2015 underperforming non-strategic asset loss of $1.4 million (after tax)

Partially offsetting these increases were:

- Lower equipment sales and rental margins
- Higher selling, general and administrative expense of $3.5 million (after tax), primarily higher payroll-related costs and bad debt expense

Other

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
	(In millions)			
Operating revenues	$ 2.7	$ 2.8	$ 6.7	$ 7.1
Operating expenses:				
Operation and maintenance	2.4	2.6	6.3	11.9
Depreciation, depletion and amortization	.5	.6	1.6	1.5
Taxes, other than income	.1	—	.1	.2
	3.0	3.2	8.0	13.6
Operating loss	(.3)	(.4)	(1.3)	(6.5)
Loss	$ (1.0)	$ (2.1)	$ (3.6)	$ (11.6)

Included in Other are general and administrative costs and interest expense previously allocated to the exploration and production and refining businesses that do not meet the criteria for income (loss) from discontinued operations.

Three Months Ended September 30, 2016 and 2015 Other loss decreased $1.1 million, primarily the result of lower interest expense previously allocated to the exploration and production business, due to the repayment of long-term debt.

Nine Months Ended September 30, 2016 and 2015 Other loss decreased $8.0 million, primarily the result of lower operation and maintenance expense and interest expense previously allocated to the exploration and production business, as previously discussed.

Discontinued Operations

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
		(In millions)		
Earnings (loss) from discontinued operations before intercompany eliminations, net of tax	$ .2	$ (217.9)	$ (303.0)	$ (811.5)
Intercompany eliminations*	(5.6)	(5.2)	3.5	(5.0)
Loss from discontinued operations, net of tax	(5.4)	(223.1)	(299.5)	(816.5)
Loss from discontinued operations attributable to noncontrolling interest	—	(9.8)	(131.7)	(21.0)
Loss from discontinued operations attributable to the Company, net of tax	$ (5.4)	$ (213.3)	$ (167.8)	$ (795.5)

* Includes eliminations for the presentation of income tax adjustments between continuing and discontinued operations.

Three Months Ended September 30, 2016 and 2015 The loss from discontinued operations attributable to the Company was $5.4 million compared to a loss of $213.3 million for the comparable prior period. The decreased loss is primarily due to the sale of the Company's exploration and production and refining businesses, which includes the absence in 2016 of a fair value impairment of the exploration and production business's assets in 2015 of $224.4 million (after tax), as discussed in Note 10 .

Nine Months Ended September 30, 2016 and 2015 The loss from discontinued operations attributable to the Company was $167.8 million compared to a loss of $795.5 million for the comparable prior period. The decreased loss is primarily due to the sale of the Company's exploration and production and refining businesses which includes:

- Absence in 2016 of fair value impairments of the exploration and production business assets of $476.4 million (after tax), as discussed in Note 10
- Absence in 2016 of a noncash write-down of oil and natural gas properties of $315.3 million (after tax), as discussed in Note 10

Partially offsetting the decreased loss was a fair value impairment of Dakota Prairie Refining of $156.7 million (after tax) in the second quarter of 2016, as discussed in Note 10 .

Intersegment Transactions

Amounts presented in the preceding tables will not agree with the Consolidated Statements of Income due to the Company's elimination of intersegment transactions. The amounts relating to these items are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
		(In millions)		
Intersegment transactions:				
Operating revenues	$ 5.7	$ 8.6	$ 37.6	$ 57.6
Purchased natural gas sold	3.3	3.7	30.9	31.2
Operation and maintenance	2.4	4.7	6.7	23.4
Income from continuing operations*	(5.6)	(5.2)	(5.6)	(3.6)

* Includes eliminations for the presentation of income tax adjustments between continuing and discontinued operations.

For more information on intersegment eliminations, see Note 16 .

Prospective Information

The following information highlights the key growth strategies, projections and certain assumptions for the Company and its subsidiaries and other matters for certain of the Company's businesses. Many of these highlighted points are "forward-looking statements." There is no assurance that the Company's projections, including estimates for growth and changes in earnings, will in fact be achieved. Please refer to assumptions contained in this section, as well as the various important factors listed in Part II, Item 1A - Risk Factors, as well as Part I, Item 1A - Risk Factors in the 2015 Annual Report. Changes in such assumptions and factors could cause actual future results to differ materially from the Company's growth and earnings projections.

MDU Resources Group, Inc.

- The Company continually seeks opportunities to expand through organic growth opportunities and strategic acquisitions.

Electric and natural gas distribution

- Organic growth opportunities are expected to result in substantial growth of the rate base, which at December 31, 2015, was $1.8 billion. An updated rate base growth projection and capital investment program will be provided in late November 2016.
- The Company expects its customer base to grow by 1.0 percent to 2.0 percent per year.
- Investments of approximately $55 million were made in 2015 to serve growth in the electric and natural gas customer base associated with the Bakken oil development. Due to sustained lower commodity prices, investments of approximately $35 million are expected in 2016.
- In June 2016, the Company, along with a partner, began to build a 345-kilovolt transmission line from Ellendale, North Dakota, to Big Stone City, South Dakota, about 160 miles. The project has been approved as a MISO multi-value project. More than 95 percent of the necessary easements have been secured. The Company expects the project to be completed in 2019.
- The Company is in the process of completing its 2017 integrated resource plan and is evaluating its future generation and power supply portfolio options, including a large-scale resource. The plan will be finalized in and filed by mid-2017.
- The Company is involved with a number of pipeline projects to enhance the reliability and deliverability of its system.
- The Company is focused on organic growth, while monitoring potential merger and acquisition opportunities.
- The Company is evaluating the final Clean Power Plan rule published by the EPA in October 2015, which requires existing fossil fuel-fired electric generation facilities to reduce carbon dioxide emissions. It is unknown at this time what each state will require for emissions limits or reductions from each of the Company's owned and jointly owned fossil fuel-fired electric generating units. In February 2016, the United States Supreme Court granted an application for a stay of the Clean Power Plan pending the outcome of legal challenges. The Company has not included capital expenditures in 2016 through 2018 for the potential compliance requirements of the Clean Power Plan.
- Intermountain's labor agreement with the UA was in effect through September 30, 2016, as reported in Items 1 and 2 - Business Properties - General in the 2015 Annual Report. The labor agreement has been ratified and is effective through September 30, 2019.
- Regulatory actions

  Completed Cases:

  Since January 1, 2015, the Company has implemented final rate increases totaling $45.6 million in annual revenue. This includes electric rate proceedings in Montana, North Dakota, South Dakota and before the FERC, and natural gas proceedings in Minnesota, Montana, North Dakota, Oregon, South Dakota, Washington and Wyoming. Cases recently completed were:

  - On September 30, 2015, the Company filed an application with the MNPUC for a natural gas rate increase, as discussed in Note 18 .
  - On June 1, 2016, the Company filed an application with the WUTC for an annual pipeline replacement cost recovery mechanism, as discussed in Note 18 .

  Pending Cases:

  The Company is requesting rate increases totaling $59.2 million in annual revenue, which includes $31.6 million in implemented interim rates. Cases pending are:

  - On October 26, 2015, the Company filed an application with the NDPSC requesting a renewable resource cost adjustment rider, as discussed in Note 18 .
  - On October 26, 2015, the Company filed an application with the NDPSC for an update to the electric generation resource recovery rider, as discussed in Note 18 .
  - On November 25, 2015, the Company filed an application with the NDPSC for an update of its transmission cost adjustment rider for recovery of MISO-related charges and two transmission projects located in North Dakota, as discussed in Note 18 .
  - On April 29, 2016 and August 12, 2016, the Company filed applications with the OPUC and IPUC, respectively, for natural gas rate increases, as discussed in Note 18 .
  - On June 10, 2016 and October 14, 2016, the Company filed applications with the WYPSC and NDPSC, respectively, for electric rate increases, as discussed in Note 18 .

Pipeline and midstream

- In September 2016, the Company secured sufficient capacity commitments and started survey work on a 38-mile pipeline that will deliver natural gas supply to eastern North Dakota and far western Minnesota. The Valley Expansion project will connect the Viking Gas Transmission Company pipeline near Felton, Minnesota, to the Company's existing pipeline near Mapleton, North Dakota. Cost of the expansion is estimated at $55 million to $60 million. The project, which is designed to transport 40 million cubic feet of natural gas per day, is under the jurisdiction of the FERC. In October 2016, the Company received FERC approval on its pre-filing for the Valley Expansion project. With minor enhancements, the pipeline will be able to transport significantly more volume if required, based on capacity requested or as needed in the future as the region's demand grows. Following receipt of necessary permits and regulatory approvals, construction is expected to begin in early 2018 with completion expected in late 2018.
- The Company signed agreements to complete expansion projects, including the Charbonneau and Line Section 25 expansion project. The Charbonneau and Line Section 25 expansion project will include a new compression station as well as other compression modifications and is expected to be in service in the second quarter of 2017. In addition, the Company completed the North Badlands project, which includes a 4-mile loop of the Garden Creek pipeline segment and other ancillary facilities, and was placed in service on August 1, 2016. The Northwest North Dakota project, which includes modification of existing compression, a new compression unit and re-cylindering, was put into service in June 2016.
- The Company has seen strong interruptible storage service injections through the first and second quarters of 2016 due to wider seasonal spreads and lower natural gas prices. Seasonal spreads narrowed in the third quarter of 2016 and injections slowed as expected.
- The Company has an agreement with an anchor shipper to construct a pipeline to connect the Demicks Lake gas processing plant in northwestern North Dakota to deliver natural gas into a new interconnect with the Northern Border Pipeline. Project costs are estimated to be $50 million to $60 million. The project is currently delayed by the plant owner.
- The Company continues to target profitable growth by means of both organic growth projects in areas of existing operations and by looking for potential acquisitions that fit existing expertise and capabilities.
- The Company is focused on continually improving existing operations and growing to become the leading pipeline company and midstream provider in all areas in which it operates.

Construction materials and contracting

- Approximate work backlog at September 30, 2016, was $580 million, compared to $533 million a year ago. Private work represents 10 percent of construction backlog and public work represents 90 percent.
- Projected revenues are in the range of $1.85 billion to $1.95 billion in 2016.
- The Company anticipates margins in 2016 to be slightly higher compared to 2015 margins.
- In December 2015, Congress passed, and the president signed, a $305 billion, five-year highway bill for funding of transportation infrastructure projects that are a key part of the construction materials market.
- As the country's fifth-largest sand and gravel producer, the Company will continue to strategically manage its 1.0 billion tons of aggregate reserves in all its markets, as well as take further advantage of being vertically integrated.
- Of the four labor contracts that Knife River was negotiating, as reported in Items 1 and 2 - Business Properties - General in the 2015 Annual Report, one has been ratified. The three remaining contracts are still in negotiations.

Construction services

- Approximate work backlog at September 30, 2016, was $518 million, compared to $458 million a year ago. The backlog includes transmission, distribution, substation, industrial, petrochemical, mission critical, solar energy renewables, research and development, higher education, government, transportation, health care, hospitality, gaming, commercial, institutional and service work.
- Projected revenues are in the range of $1.0 billion to $1.1 billion in 2016.
- The Company anticipates margins in 2016 to be slightly lower compared to 2015 margins.
- The Company continues to pursue opportunities for expansion in energy projects, such as petrochemical, transmission, substations, utility services and renewables. Initiatives are aimed at capturing additional market share and expanding into new markets.
- As the 13th-largest specialty contractor, the Company continues to pursue opportunities for expansion and execute initiatives in current and new markets that align with the Company's expertise, resources and strategic growth plan.

New Accounting Standards

For information regarding new accounting standards, see Note 8 , which is incorporated by reference.

Critical Accounting Policies Involving Significant Estimates

The Company's critical accounting policies involving significant estimates include impairment testing of oil and natural gas properties, impairment testing of assets held for sale, impairment testing of long-lived assets and intangibles, revenue recognition, pension and other postretirement benefits, and income taxes. There were no material changes in the Company's critical accounting policies involving significant estimates from those reported in the 2015 Annual Report. For more information on critical accounting policies involving significant estimates, see Part II, Item 7 in the 2015 Annual Report.

Liquidity and Capital Commitments

At September 30, 2016 , the Company had cash and cash equivalents of $ 59.9 million and available capacity of $375.3 million under the outstanding credit facilities of the Company and its subsidiaries. The Company expects to meet its obligations for debt maturing within one year from various sources, including internally generated funds; the Company's credit facilities, as described in Capital resources; and through the issuance of long-term debt.

Cash flows

Operating activities The changes in cash flows from operating activities generally follow the results of operations as discussed in Financial and Operating Data and also are affected by changes in working capital. Changes in cash flows for discontinued operations are related to the former exploration and production and refining businesses.

Cash flows provided by operating activities in the first nine months of 2016 decreased $127.1 million from the comparable period in 2015 . The decrease in cash flows provided by operating activities was largely from lower cash flows at the exploration and production and refining businesses. The decrease was also due to higher working capital requirements at the electric and natural gas distribution businesses. Partially offsetting the decrease in cash flows provided by operating activities was higher cash flows from continuing operations (excluding working capital) at the electric and natural gas distribution and construction materials and contracting businesses.

Investing activities Cash flows used in investing activities in the first nine months of 2016 decreased $289.7 million from the comparable period in 2015 primarily due to lower capital expenditures largely at the electric, exploration and production and refining businesses.

Financing activities Cash flows used in financing activities in the first nine months of 2016 was $46.2 million compared to cash flows provided by financing activities of $168.8 in the first nine months of 2015 . The change was primarily due to debt repayment in connection with the sale of the refining business as well as higher repayment of long-term debt of $93.1 million.

Defined benefit pension plans

There were no material changes to the Company's qualified noncontributory defined benefit pension plans from those reported in the 2015 Annual Report. For more information, see Note 17 and Part II, Item 7 in the 2015 Annual Report.

Capital expenditures

Capital expenditures for the first nine months of 2016 from continuing operations were $279.7 million ($261.9 million, net of proceeds from sale or disposition of property) and are estimated to be approximately $374.0 million for 2016 ($354.0 million, net of proceeds from sale or disposition of property). Capital expenditures for the first nine months of 2016 from discontinued operations were $29.1 million, which includes the purchase of Calumet's 50 percent interest in Dakota Prairie Refining, and excludes net proceeds of $45.3 million from the sale or disposition of property. Estimated capital expenditures include:

- System upgrades
- Routine replacements
- Service extensions
- Routine equipment maintenance and replacements
- Buildings, land and building improvements
- Pipeline, gathering and other midstream projects
- Power generation and transmission opportunities
- Environmental upgrades
- Other growth opportunities

The Company continues to evaluate potential future acquisitions and other growth opportunities; however, they are dependent upon the availability of economic opportunities and, as a result, capital expenditures may vary significantly from the estimated 2016 capital expenditures referred to previously. The Company expects the 2016 estimated capital expenditures to be funded by various sources, including internally generated funds; the Company's credit facilities, as described later; through the issuance of long-term debt; and asset sales.

Capital resources

Certain debt instruments of the Company and its subsidiaries, including those discussed later, contain restrictive covenants and cross-default provisions. In order to borrow under the respective credit agreements, the Company and its subsidiaries must be in compliance with the applicable covenants and certain other conditions, all of which the Company and its subsidiaries, as applicable, were in compliance with at September 30, 2016 . In the event the Company and its subsidiaries do not comply with the applicable covenants and other conditions, alternative sources of funding may need to be pursued. For more information on the covenants, certain other conditions and cross-default provisions, see Part II, Item 8 - Note 7, in the 2015 Annual Report.

The following table summarizes the outstanding revolving credit facilities of the Company and its subsidiaries at September 30, 2016 :

Company	Facility		Facility Limit		Amount Outstanding		Letters of Credit		Expiration Date
			(In millions)						
MDU Resources Group, Inc.	Commercial paper/Revolving credit agreement	(a)	$ 175.0		$ 146.5	(b)	$ —		5/8/19
Cascade Natural Gas Corporation	Revolving credit agreement		$ 50.0	(c)	$ —		$ 2.2	(d)	7/9/18
Intermountain Gas Company	Revolving credit agreement		$ 65.0	(e)	$ 56.0		$ —		7/13/18
Centennial Energy Holdings, Inc.	Commercial paper/Revolving credit agreement	(f)	$ 500.0		$ 210.0	(b)	$ —		9/23/21

(a) The commercial paper program is supported by a revolving credit agreement with various banks (provisions allow for increased borrowings, at the option of the Company on stated conditions, up to a maximum of $225.0 million). There were no amounts outstanding under the credit agreement.
(b) Amount outstanding under commercial paper program.
(c) Certain provisions allow for increased borrowings, up to a maximum of $75.0 million.
(d) Outstanding letter(s) of credit reduce the amount available under the credit agreement.
(e) Certain provisions allow for increased borrowings, up to a maximum of $90.0 million.
(f) The commercial paper program is supported by a revolving credit agreement with various banks (provisions allow for increased borrowings, at the option of Centennial on stated conditions, up to a maximum of $600.0 million). There were no amounts outstanding under the credit agreement.

The Company's and Centennial's respective commercial paper programs are supported by revolving credit agreements. While the amount of commercial paper outstanding does not reduce available capacity under the respective revolving credit agreements, the Company and Centennial do not issue commercial paper in an aggregate amount exceeding the available capacity under their credit agreements. The commercial paper borrowings may vary during the period, largely the result of fluctuations in working capital requirements due to the seasonality of the construction businesses.

The following includes information related to the preceding table.

MDU Resources Group, Inc. The Company's revolving credit agreement supports its commercial paper program. Commercial paper borrowings under this agreement are classified as long-term debt as they are intended to be refinanced on a long-term basis through continued commercial paper borrowings. The Company's objective is to maintain acceptable credit ratings in order to access the capital markets through the issuance of commercial paper. Downgrades in the Company's credit ratings have not limited, nor are currently expected to limit, the Company's ability to access the capital markets. If the Company were to experience a downgrade of its credit ratings, it may need to borrow under its credit agreement and may experience an increase in overall interest rates with respect to its cost of borrowings.

Prior to the maturity of the credit agreement, the Company expects that it will negotiate the extension or replacement of this agreement. If the Company is unable to successfully negotiate an extension of, or replacement for, the credit agreement, or if the fees on this facility become too expensive, which the Company does not currently anticipate, the Company would seek alternative funding.

The Company's coverage of fixed charges including preferred stock dividends was 3.7 times, 3.0 times and 3.1 times for the 12 months ended September 30, 2016 and 2015, and December 31, 2015 , respectively.

Total equity as a percent of total capitalization was 55 percent, 53 percent and 58 percent at September 30, 2016 and 2015 , and December 31, 2015 , respectively. This ratio is calculated as the Company's total equity, divided by the Company's total capital. Total capital is the Company's total debt, including short-term borrowings and long-term debt due within one year, plus total equity. This ratio indicates how a company is financing its operations, as well as its financial strength.

On May 20, 2013, the Company entered into an Equity Distribution Agreement with Wells Fargo Securities, LLC with respect to the issuance and sale of up to 7.5 million shares of the Company's common stock. The agreement terminated on February 28,

2016. The common stock was offered for sale, from time to time, in accordance with the terms and conditions of the agreement. Proceeds from the shares of common stock under the agreement were used for corporate development purposes and other general corporate purposes. Under the agreement, the Company did not issue any shares of stock between January 1, 2016 and February 28, 2016. Since inception of the Equity Distribution Agreement, the Company issued a cumulative total of 4.4 million shares of stock receiving net proceeds of $144.7 million through February 28, 2016.

The Company currently has a shelf registration statement on file with the SEC, under which the Company may issue and sell any combination of common stock and debt securities. The Company may sell all or a portion of such securities if warranted by market conditions and the Company's capital requirements. Any public offer and sale of such securities will be made only by means of a prospectus meeting the requirements of the Securities Act and the rules and regulations thereunder. The Company's board of directors currently has authorized the issuance and sale of up to an aggregate of $1.0 billion worth of such securities. The Company's board of directors reviews this authorization on a periodic basis and the aggregate amount of securities authorized may be increased in the future.

Centennial Energy Holdings, Inc. On September 23, 2016, Centennial amended its revolving credit agreement to decrease the borrowing limit by $150.0 million to $500.0 million and extend the termination date to September 23, 2021. The credit agreement contains customary covenants and provisions, including a covenant of Centennial not to permit, as of the end of any fiscal quarter, the ratio of total consolidated debt to total consolidated capitalization to be greater than 65 percent. Other covenants include restricted payments, restrictions on the sale of certain assets, limitations on subsidiary indebtedness and the making of certain loans and investments.

Centennial's revolving credit agreement contains cross-default provisions. These provisions state that if Centennial or any subsidiary of Centennial fails to make any payment with respect to any indebtedness or contingent obligations, in excess of a specified amount, under any agreement that causes such indebtedness to be due prior to its stated maturity or the contingent obligation to become payable, the revolving credit agreement will be in default.

Centennial's revolving credit agreement supports its commercial paper program. Commercial paper borrowings under this agreement are classified as long-term debt as they are intended to be refinanced on a long-term basis through continued commercial paper borrowings. Centennial's objective is to maintain acceptable credit ratings in order to access the capital markets through the issuance of commercial paper. Downgrades in Centennial's credit ratings have not limited, nor are currently expected to limit, Centennial's ability to access the capital markets. If Centennial were to experience a downgrade of its credit ratings, it may need to borrow under its credit agreement and may experience an increase in overall interest rates with respect to its cost of borrowings.

Prior to the maturity of the Centennial credit agreement, Centennial expects that it will negotiate the extension or replacement of this agreement, which provides credit support to access the capital markets. In the event Centennial is unable to successfully negotiate this agreement, or in the event the fees on this facility become too expensive, which Centennial does not currently anticipate, it would seek alternative funding.

WBI Energy Transmission, Inc. On May 17, 2016, WBI Energy Transmission entered into an amendment to its amended and restated uncommitted note purchase and private shelf agreement to increase the aggregate issuance capacity from $175.0 million to $200.0 million and extend the issuance period to May 16, 2019. WBI Energy Transmission had $100.0 million of notes outstanding at September 30, 2016 , which reduced the remaining capacity under this uncommitted private shelf agreement to $100.0 million. This agreement contains customary covenants and provisions, including a covenant of WBI Energy Transmission not to permit, as of the end of any fiscal quarter, the ratio of total debt to total capitalization to be greater than 55 percent. Other covenants include a limitation on priority debt and restrictions on the sale of certain assets and the making of certain investments.

Off balance sheet arrangements

In June 2016, WBI Energy sold all of the outstanding membership interests in Dakota Prairie Refining. In connection with the sale, Centennial agreed to continue to guarantee certain debt obligations of Dakota Prairie Refining which totaled $64.9 million at September 30, 2016 , and are expected to mature by 2023. Tesoro agreed to indemnify Centennial for any losses and litigation expenses arising from the guarantee. Continuation of the guarantee was required as a condition to the sale of Dakota Prairie Refining.

In March 2016, a sale agreement was signed to sell Fidelity's assets in the Paradox Basin. In connection with the sale, Centennial agreed to guarantee Fidelity's indemnity obligations associated with the Paradox assets. The guarantee was required by the buyer as a condition to the sale of the Paradox Basin assets.

In connection with the sale of the Brazilian Transmission Lines, Centennial agreed to guarantee payment of any indemnity obligations of certain of the Company's indirect wholly owned subsidiaries who were the sellers in three purchase and sale agreements for periods ranging up to 10 years from the date of sale. The guarantees were required by the buyers as a condition to the sale of the Brazilian Transmission Lines.

Contractual obligations and commercial commitments

There are no material changes in the Company's contractual obligations from continuing operations relating to long-term debt, estimated interest payments, purchase commitments, asset retirement obligations, uncertain tax positions and minimum funding requirements for its defined benefit plans for 2016 from those reported in the 2015 Annual Report.

The Company's contractual obligations relating to operating leases for continuing operations at September 30, 2016 , increased $40.0 million or 25 percent from December 31, 2015 . As of September 30, 2016 , the Company's contractual obligations related to operating leases from continuing operations aggregated $201.9 million. The scheduled amounts of redemption (for the twelve months ended September 30, of each year listed) aggregate $50.4 million in 2017 ; $42.0 million in 2018 ; $33.2 million in 2019 ; $23.0 million in 2020 ; $11.0 million in 2021 ; and $42.3 million thereafter.

For more information on contractual obligations and commercial commitments, see Part II, Item 7 in the 2015 Annual Report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company is exposed to the impact of market fluctuations associated with commodity prices and interest rates. The Company has policies and procedures to assist in controlling these market risks and from time to time utilizes derivatives to manage a portion of its risk.

For more information on derivative instruments and commodity price risk, see Part II, Item 7A in the 2015 Annual Report, the Consolidated Statements of Comprehensive Income and Notes 9 and 12 .

Commodity price risk

Fidelity historically utilized derivative instruments to manage a portion of the market risk associated with fluctuations in the price of oil and natural gas on forecasted sales of oil and natural gas production.

There were no derivative agreements at September 30, 2016 .

Interest rate risk

There were no material changes to interest rate risk faced by the Company from those reported in the 2015 Annual Report.

At September 30, 2016 , the Company had no outstanding interest rate hedges.

Item 4. Controls and Procedures

The following information includes the evaluation of disclosure controls and procedures by the Company's chief executive officer and the chief financial officer, along with any significant changes in internal controls of the Company.

Evaluation of disclosure controls and procedures

The term "disclosure controls and procedures" is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. The Company's disclosure controls and other procedures are designed to provide reasonable assurance that information required to be disclosed in the reports that the Company files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. The Company's disclosure controls and procedures include controls and procedures designed to provide reasonable assurance that information required to be disclosed is accumulated and communicated to management, including the Company's chief executive officer and chief financial officer, to allow timely decisions regarding required disclosure. The Company's management, with the participation of the Company's chief executive officer and chief financial officer, has evaluated the effectiveness of the Company's disclosure controls and procedures. Based upon that evaluation, the chief executive officer and the chief financial officer have concluded that, as of the end of the period covered by this report, such controls and procedures were effective at a reasonable assurance level.

Changes in internal controls

No change in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the quarter ended September 30, 2016 , that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II -- Other Information

Item 1. Legal Proceedings

For information regarding legal proceedings, see Note 19 , which is incorporated herein by reference.

Item 1A. Risk Factors

This Form 10-Q contains forward-looking statements within the meaning of Section 21E of the Exchange Act. Forward-looking statements are all statements other than statements of historical fact, including without limitation those statements that are identified by the words "anticipates," "estimates," "expects," "intends," "plans," "predicts" and similar expressions.

The Company is including the following factors and cautionary statements in this Form 10-Q to make applicable and to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 for any forward-looking statements made by, or on behalf of, the Company. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions (many of which are based, in turn, upon further assumptions) and other statements that are other than statements of historical facts. From time to time, the Company may publish or otherwise make available forward-looking statements of this nature, including statements contained within Prospective Information. All these subsequent forward-looking statements, whether written or oral and whether made by or on behalf of the Company, also are expressly qualified by these factors and cautionary statements.

Forward-looking statements involve risks and uncertainties, which could cause actual results or outcomes to differ materially from those expressed. The Company's expectations, beliefs and projections are expressed in good faith and are believed by the Company to have a reasonable basis, including without limitation, management's examination of historical operating trends, data contained in the Company's records and other data available from third parties. Nonetheless, the Company's expectations, beliefs or projections may not be achieved or accomplished.

Any forward-looking statement contained in this document speaks only as of the date on which the statement is made, and the Company undertakes no obligation to update any forward-looking statement or statements to reflect events or circumstances that occur after the date on which the statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all of the factors, nor can it assess the effect of each factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

There are no material changes in the Company's risk factors from those reported in Part I, Item 1A - Risk Factors in the 2015 Annual Report other than the risk that the Company's pipeline and midstream business is dependent on factors that are subject to various external influences; the risk that the Company's power generation facilities and pipelines may be subject to unanticipated events or delays; the risk that the Company's operations could be adversely impacted by initiatives to reduce GHG emissions; the risk that Company's natural gas transmission and distribution operations could be adversely impacted by accidents and safety regulations; the risk related to obligations under MEPPs; the risk related to the sale of the Company's exploration and production assets; and the risk related to the sale of Dakota Prairie Refining. These factors and the other matters discussed herein are important factors that could cause actual results or outcomes for the Company to differ materially from those discussed in the forward-looking statements included elsewhere in this document.

Economic Risks

The Company's pipeline and midstream business is dependent on factors, including commodity prices and commodity price basis differentials, that are subject to various external influences that cannot be controlled.

These factors include: fluctuations in oil, NGL and natural gas production and prices; fluctuations in commodity price basis differentials; domestic and foreign supplies of oil, NGL and natural gas; political and economic conditions in oil producing countries; actions of the Organization of Petroleum Exporting Countries; and other risks incidental to the development and operations of oil and natural gas processing plants and pipeline systems. Continued prolonged depressed prices for oil, NGL and natural gas could impede the growth of our pipeline and midstream business, and could negatively affect the results of operations, cash flows and asset values of the Company's pipeline and midstream business.

The regulatory approval, permitting, construction, startup and/or operation of power generation facilities and pipelines may involve unanticipated events or delays that could negatively impact the Company's business and its results of operations and cash flows.

The construction, startup and operation of power generation facilities and pipelines involve many risks, which may include: delays; breakdown or failure of equipment; inability to obtain required governmental permits and approvals; public opposition; inability to complete financing; inability to negotiate acceptable equipment acquisition, construction, fuel supply, off-take, transmission, transportation or other material agreements; changes in markets and market prices for power; cost increases and overruns; the risk of performance below expected levels of output or efficiency; and the inability to obtain full cost recovery in regulated rates. Such unanticipated events could negatively impact the Company's business, its results of operations and cash flows.

Environmental and Regulatory Risks

Initiatives to reduce GHG emissions could adversely impact the Company's operations.

Concern that GHG emissions are contributing to global climate change has led to international, federal and state legislative and regulatory proposals to reduce or mitigate the effects of GHG emissions. The Company's primary GHG emission is carbon dioxide from fossil fuels combustion at Montana-Dakota's electric generating facilities, particularly its coal-fired facilities. Approximately 50 percent of Montana-Dakota's owned generating capacity and approximately 75 percent of the electricity it has generated in 2016 was from coal-fired facilities.

On October 23, 2015, the EPA published the final Clean Power Plan rule that requires existing fossil fuel-fired electric generation facilities to reduce carbon dioxide emissions. On February 9, 2016, however, the United States Supreme Court granted an application for a stay of the Clean Power Plan pending disposition of the applicants' petition for review in the D.C. Circuit Court and disposition of the applicants' petition for a writ of certiorari if such a writ is sought. As published, the rule required that by September 6, 2016, states submit to the EPA either a request for a two-year extension to submit a final state plan or a final plan demonstrating how emissions reductions will be achieved and include emission limits in the form of an annual emission cap or an emission rate that will be applied to each fossil fuel-fired electric generating facility within the state starting in 2022. Emissions limits become more stringent from 2022 to 2030, with the 2030 emission limits applying thereafter. It is unknown at this time what each state will require for emissions limits or reductions from each of Montana-Dakota's owned and jointly owned fossil fuel-fired electric generating units. Compliance costs will become clearer as final state plans are submitted to the EPA. The effective date and compliance dates in the rule are expected to be addressed in a future decision made by the United States Supreme Court.

On January 14, 2015, President Obama announced a goal to reduce methane emissions from the oil and natural gas industry by 40 percent to 45 percent below 2012 levels by 2025. On June 3, 2016, the EPA published a final rule updating new source performance standards for the oil and natural gas industry. The final rule builds on 2012 requirements to reduce volatile organic compound emissions from oil and natural gas sources by establishing requirements to reduce methane emissions from previously regulated sources, as well as adding volatile organic compound and methane requirements for sources previously not covered by the rule. The rule impacts new and modified natural gas gathering and boosting stations and transmission and storage compressor stations. WBI Energy is developing implementation plans for complying with the rule. In addition, on March 10, 2016, the EPA announced plans to reduce emissions from the oil and natural gas industry by moving to regulate emissions from existing sources. The EPA began this process by issuing a draft Information Collection Request on June 3, 2016. The purpose of the Information Collection Request is to gather information on existing sources of methane emissions, technologies to reduce emissions and the costs of those technologies in the oil and natural gas sector. The information collected will be used to develop comprehensive regulations to reduce methane emissions from existing sources. It is unknown at this time how the Company will be impacted or if compliance costs will be material.

On September 15, 2016, the Washington DOE issued a final Clean Air rule that requires carbon dioxide emission reductions from various industries in the state, including emissions from the combustion of natural gas supplied to end-use customers by natural gas distribution companies, such as Cascade. In 2017, the rule requires Cascade to hold carbon dioxide emissions to a baseline, equal to the average emissions in 2012 to 2016. Beginning in 2018, annual carbon dioxide emissions are reduced by an additional 1.7 percent of the baseline from the previous year's emissions. Compliance for natural gas suppliers is to be achieved through purchasing emissions credits from projects located within the state of Washington and, to a limited and declining extent, out-of-state allowances. Purchasing emissions credits and allowances will increase the operating costs for Cascade. If Cascade is not able to receive timely and full recovery of compliance costs from its customers, such costs could adversely impact the results of its operations. On September 27, 2016 and September 30, 2016, Cascade and three other natural gas distribution utility companies jointly filed complaints in the United States District Court for the Eastern District of Washington and the State of Washington Thurston County Superior Court, respectively, asking the courts to deem the rule invalid. The companies assert that the Washington DOE undertook this rulemaking without the requisite statutory authority.

There also may be new treaties, legislation or regulations to reduce GHG emissions that could affect the Company's utility operations by requiring additional energy conservation efforts or renewable energy sources, as well as other mandates that could significantly increase capital expenditures and operating costs or reduce demand for the Company's utility services. If the Company's utility operations do not receive timely and full recovery of GHG emission compliance costs from its customers, then such costs could adversely impact the results of its operations and cash flows.

The Company monitors, analyzes and reports GHG emissions from its other operations as required by applicable laws and regulations. The Company will continue to monitor GHG regulations and their potential impact on operations.

Due to the uncertain availability of technologies to control GHG emissions and the unknown obligations that potential GHG emission legislation or regulations may create, the Company cannot determine the potential financial impact on its operations.

The Company's natural gas transmission and distribution operations involve risks that may result in accidents and safety regulation costs that could adversely affect the Company's business and its results of operations and cash flows.

The Company's natural gas transmission and distribution activities include a variety of operating risks, such as leaks, explosions and mechanical problems, which could result in loss of human life, personal injury, property damage, environmental pollution, impairment of operations and substantial losses. The Company maintains insurance against some, but not all, of these risks and losses. The occurrence of these losses not fully covered by insurance could have a material effect on the Company's financial position, results of operations and cash flows.

Additionally, the operating or other costs that may be required to comply with current pipeline safety regulations and potential new regulations, including the Pipeline Safety Act, could be significant. The Pipeline Safety Act requires verification of pipeline infrastructure records by pipeline owners and operators to confirm the maximum allowable operating pressure of certain lines. Increased emphasis on pipeline safety issues and increased regulatory scrutiny may result in penalties and higher costs of operations. If these costs are not fully recoverable from customers, they could have a material adverse effect on the Company's results of operations and cash flows.

Other Risks

Costs related to obligations under MEPPs could have a material negative effect on the Company's results of operations and cash flows.

Various operating subsidiaries of the Company participate in approximately 75 MEPPs for employees represented by certain unions. The Company is required to make contributions to these plans in amounts established under numerous collective bargaining agreements between the operating subsidiaries and those unions.

The Company may be obligated to increase its contributions to underfunded plans that are classified as being in endangered, seriously endangered or critical status as defined by the Pension Protection Act of 2006. Plans classified as being in one of these statuses are required to adopt RPs or FIPs to improve their funded status through increased contributions, reduced benefits or a combination of the two. Based on available information, the Company believes that approximately 35 percent of the MEPPs to which it contributes are currently in endangered, seriously endangered or critical status.

The Company may also be required to increase its contributions to MEPPs if the other participating employers in such plans withdraw from the plan and are not able to contribute an amount sufficient to fund the unfunded liabilities associated with their participants in the plans. The amount and timing of any increase in the Company's required contributions to MEPPs may also depend upon one or more factors including the outcome of collective bargaining, actions taken by trustees who manage the plans, actions taken by the plans' other participating employers, the industry for which contributions are made, future determinations that additional plans reach endangered, seriously endangered or critical status, government regulations and the actual return on assets held in the plans, among others. The Company may experience increased operating expenses as a result of the required contributions to MEPPs, which may have a material adverse effect on the Company's results of operations, financial position or cash flows.

In addition, pursuant to ERISA, as amended by MPPAA, the Company could incur a partial or complete withdrawal liability upon withdrawing from a plan, exiting a market in which it does business with a union workforce or upon termination of a plan to the extent these plans are underfunded.

On September 24, 2014, JTL - Wyoming provided notice to the plan administrator of one of the MEPPs to which it is a participating employer that it was withdrawing from that plan effective October 26, 2014. The plan administrator will determine JTL - Wyoming's withdrawal liability, which the Company currently estimates at approximately $16.4 million (approximately $9.8 million after tax). The assessed withdrawal liability for this plan may be significantly different from the current estimate. Also, the plan's administrator has alleged that JTL - Wyoming owes additional contributions for periods of time prior to its withdrawal, which could affect its final assessed withdrawal liability. JTL - Wyoming disputes the plan administrator's demand for additional contributions, and on February 23, 2016, filed a declaratory judgment action in the United States District Court for the District of Wyoming to resolve the dispute. JTL - Wyoming is currently engaged in settlement discussions to resolve the declaratory judgment action.

While the Company has completed the sale of all of Fidelity's marketed oil and natural gas assets, Fidelity is subject to potential liabilities relating to the sold assets, primarily arising from events prior to sale.

As part of the Company's corporate strategy, it sold its marketed Fidelity oil and natural gas assets and has exited that line of business. Fidelity will continue to be subject to potential liabilities, either directly or through indemnification of buyers, relating to the sold assets, primarily arising from events prior to the sale.

While the Company has completed the sale of its membership interests in Dakota Prairie Refining, the Company is subject to potential liabilities relating to the business arising from events prior to sale.

The Company is subject to potential liabilities, either directly or through indemnification, of the buyer for breach of any representations, warranties or covenants in the membership interest purchase agreement, and to Calumet for indemnification for matters identified in the purchase and sale agreement relating to the business prior to the sale.

Item 4. Mine Safety Disclosures

For information regarding mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Act and Item 104 of Regulation S-K, see Exhibit 95 to this Form 10-Q, which is incorporated herein by reference.

Item 6. Exhibits

See the index to exhibits immediately preceding the exhibits filed with this report.

Signatures

Pursuant to the requirements of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MDU RESOURCES GROUP, INC.

DATE: November 7, 2016

BY: /s/ Doran N. Schwartz
Doran N. Schwartz
Vice President and Chief Financial Officer

BY: /s/ Jason L. Vollmer
Jason L. Vollmer
Vice President, Chief Accounting Officer
and Treasurer

Exhibit Index

Exhibit No.	
4	Fourth Amended and Restated Credit Agreement, dated as of September 23, 2016, among Centennial Energy Holdings, Inc., U.S. Bank National Association, as Administrative Agent, and The Several Financial Institutions party thereto
+10(a)	Instrument of Amendment to the MDU Resources Group, Inc. 401(k) Retirement Plan, dated September 19, 2016
12	Computation of Ratio of Earnings to Fixed Charges and Combined Fixed Charges and Preferred Stock Dividends
31(a)	Certification of Chief Executive Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31(b)	Certification of Chief Financial Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	Certification of Chief Executive Officer and Chief Financial Officer furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
95	Mine Safety Disclosures
101	The following materials from MDU Resources Group, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2016, formatted in XBRL (eXtensible Business Reporting Language): (i) the Consolidated Statements of Income, (ii) the Consolidated Statements of Comprehensive Income, (iii) the Consolidated Balance Sheets, (iv) the Consolidated Statements of Cash Flows and (v) the Notes to Consolidated Financial Statements, tagged in summary and detail

+ Management contract, compensatory plan or arrangement.

MDU Resources Group, Inc. agrees to furnish to the SEC upon request any instrument with respect to long-term debt that MDU Resources Group, Inc. has not filed as an exhibit pursuant to the exemption provided by Item 601(b)(4)(iii)(A) of Regulation S-K.

FOURTH AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of September 23, 2016

among

CENTENNIAL ENERGY HOLDINGS, INC.,

**THE SEVERAL FINANCIAL INSTITUTIONS
FROM TIME TO TIME PARTY TO THIS AGREEMENT,**

**U.S. BANK NATIONAL ASSOCIATION,
as Administrative Agent,**

**THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.,
as Syndication Agent,**

and

**JPMORGAN CHASE BANK, N.A.,
WELLS FARGO BANK, NATIONAL ASSOCIATION
and
ROYAL BANK OF CANADA,
as Co-Documentation Agents**

Arranged By

**U.S. BANK NATIONAL ASSOCIATION,
THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.,
JPMORGAN CHASE BANK, N.A.,
WELLS FARGO SECURITIES, LLC
and
RBC CAPITAL MARKETS**

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EXHIBITS

SCHEDULES

FOURTH AMENDED AND RESTATED CREDIT AGREEMENT

This FOURTH AMENDED AND RESTATED CREDIT AGREEMENT (this " Agreement ") is entered into as of September 23, 2016 among CENTENNIAL ENERGY HOLDINGS, INC., a Delaware corporation (the " Company "), the several financial institutions from time to time party to this Agreement, JPMORGAN CHASE BANK, N.A., WELLS FARGO BANK, NATIONAL ASSOCIATION and ROYAL BANK OF CANADA, as Co-Documentation Agents, THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., as Syndication Agent, and U.S. BANK NATIONAL ASSOCIATION, as administrative agent for the Banks.

WHEREAS, the Company, various financial institutions and U.S. Bank National Association, as administrative agent, have entered into a third amended and restated credit agreement dated as of May 8, 2014 (the " Existing Credit Agreement ");

WHEREAS, the parties hereto have agreed to amend and restate the Existing Credit Agreement pursuant to this Agreement; and

WHEREAS, the parties hereto intend that this Agreement and the documents executed in connection herewith not effect a novation of the obligations of the Company under the Existing Credit Agreement, but merely a restatement of and, where applicable, an amendment to the terms governing such obligations;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged hereby, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

1.01 Certain Defined Terms . The following terms have the following meanings:

" Acquisition " means any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in (a) the acquisition of all or substantially all of the assets of a Person, or of any business or division of a Person, (b) the acquisition of more than 50% of the capital stock, partnership interests, membership interests or equity of any Person, or otherwise causing any Person to become a Subsidiary, or (c) a merger or consolidation or any other combination with another Person (other than a Person that is a Subsidiary) provided that the Company or the Subsidiary is the surviving entity.

" Adjusted Leverage Ratio " shall mean, as of the last day of any fiscal quarter, the ratio of Average Consolidated Debt as of such day to Consolidated EBITDA for the four quarter period ending on such day.

" Administrative Agent " means U.S. Bank in its capacity as administrative agent for the Banks pursuant to Article IX , and not in its individual capacity as a Bank, and any successor administrative agent appointed pursuant to Article IX .

" Advance " means a borrowing hereunder (or conversion or continuation thereof) consisting of the aggregate amount of the several Loans made on the same Borrowing Date (or

date of conversion or continuation) by the Banks to the Company at the same Rate Option and, in the case of Eurodollar Advances, for the same Interest Period.

" Affected Bank " has the meaning specified in Section 2.15 .

" Affiliate " of any Person means any other Person directly or indirectly controlling, controlled by or under common control with such Person. A Person shall be deemed to control another Person if the controlling Person owns 10% or more of any class of voting securities (or other ownership interests) of the controlled Person or possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of stock or other equity interests, by contract or otherwise.

" Agent-Related Persons " means U.S. Bank and any successor Administrative Agent arising under Section 9.12 , together with their respective Affiliates and the officers, directors, employees, agents and attorneys-in-fact of such Persons and Affiliates.

" Aggregate Commitment " means the aggregate of the Commitments of all the Banks, as modified from time to time pursuant to the terms hereof.

" Aggregate Outstanding Credit Exposure " means, at any time, the aggregate of the Outstanding Credit Exposures of all Banks.

" Agreement " - see the preamble.

" Alternate Base Rate " means, for any day, a rate of interest per annum equal to the highest of (i) the Prime Rate for such day, (ii) the sum of the Federal Funds Effective Rate for such day plus 1/2% per annum and (iii) the Eurodollar Rate (without giving effect to the Applicable Amount) for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1.0%, provided that the Eurodollar Rate for any day shall be based on the rate reported by the applicable financial information service at approximately 11:00 a.m. (London time) on such day.

" Anti-Corruption Laws " is defined in Section 5.21 .

" Applicable Amount " means, for any Pricing Period, with respect to the fees referred to below and outstanding Advances of the Types referred to below, the per annum amount set forth below in the corresponding column under Applicable Amount opposite the applicable Pricing Level:

Pricing Level	Applicable Amount (in basis points per annum)		
	Facility Fee	Eurodollar Advances/ Letter of Credit Fee	Base Rate Advances
1	10.0	77.5	0.0
2	12.5	87.5	0.0
3	15.0	97.5	0.0
4	20.0	105.0	5.0
5	25.0	125.0	25.0
6	30.0	145.0	45.0

" Approved Fund " means any Fund that is administered or managed by (a) a Bank, (b) an Affiliate of a Bank or (c) an entity or an Affiliate of an entity that administers or manages a Bank.

" Assignment Agreement " means an assignment agreement, in substantially the form of Exhibit F hereto.

" Attorney Costs " means and includes all fees and disbursements of any law firm or other external counsel, the allocated cost of internal legal services and all disbursements of internal counsel.

" Average Consolidated Debt " means, as of the last day of any fiscal quarter, the average amount of Indebtedness (excluding contingent obligations under surety bonds and similar instruments) of the Company and its Subsidiaries as of the last day of such fiscal quarter and each of the preceding three fiscal quarters.

" Bail-In Action " means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

" Bail-In Legislation " means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

" Bankruptcy Code " means the United States Bankruptcy Code (11 U.S.C. §101, et seq.).

" Banks " means the lending institutions listed on the signature pages of this Agreement and their respective successors and assigns.

" Base Rate " means, for any day, a rate per annum equal to (i) the Alternate Base Rate for such day plus (ii) the Applicable Amount.

" Base Rate Advance " means an Advance which bears interest at the Base Rate.

" Borrowing Date " means a date on which an Advance is made hereunder.

" Borrowing Notice " has the meaning specified in Section 2.02(c).

" Business Day " means a day (other than a Saturday or Sunday) on which banks generally are open in Minneapolis and New York for the conduct of substantially all of their commercial lending activities, interbank wire transfers can be made on the Fedwire system and, with respect to any borrowing, payment or rate selection of Eurodollar Advances or Eurodollar Loans, a day on which dealings in United States dollars are carried on in the London interbank market.

" Capitalization Ratio " means, with respect to any Person, the ratio of such Person's Total Debt to such Person's Total Capitalization.

" Cash Collateralize " means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of one or more of the Issuers or the Banks, as collateral for Letter of Credit Obligations or obligations of the Banks to fund participations in respect of Letter of Credit Obligations, cash or deposit account balances or, if the Administrative Agent and each applicable Issuer shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance satisfactory to the Administrative Agent and each applicable Issuer. " Cash Collateral " shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

" Centennial International " means Centennial Energy Resources International Inc., a Delaware corporation.

" Change in Law " has the meaning specified in Section 3.01 .

" Change of Control " means the occurrence of any event whereby MDU Resources Group, Inc. ceases to own direct or indirect sole beneficial ownership (as defined under Rule 13d-3 under the Exchange Act as in effect on the date of this Agreement) of at least 66-2/3% of the combined voting power of the Company's securities which are entitled to vote generally in the election of directors of the Company.

" Code " means the Internal Revenue Code of 1986, and regulations promulgated thereunder.

" Co-Documentation Agents " means JPMorgan Chase Bank, N.A., Wells Fargo Bank, National Association and Royal Bank of Canada.

" Co-Lead Arrangers " means U.S. Bank, The Bank of Tokyo-Mitsubishi UFJ, Ltd., JPMorgan Chase Bank, N.A., Wells Fargo Securities, LLC and RBC Capital Markets in their capacity as co-lead arrangers for the credit facilities evidenced hereby.

" Commitment " means, for each Bank, the obligation of such Bank to make Loans and to participate in Letters of Credit in an aggregate amount not exceeding the amount set forth in Schedule 2.01 , as it may be modified as a result of any assignment that has become effective

[1] RBC Capital Markets is a brand name for the capital markets business of Royal Bank of Canada and its affiliates.

pursuant to Section 10.08 , or as otherwise modified from time to time pursuant to the terms hereof.

" Commodity Contract " means any agreement, device or arrangement providing for payments which are related to fluctuations in commodity prices, including commodity swap or forward sale or purchase agreements.

" Company " - see the preamble.

" Compliance Certificate " means a certificate substantially in the form of Exhibit A properly completed and signed by a Responsible Officer.

" Connection Income Taxes " means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

" Consolidated EBITDA " means, as of the last day of any fiscal quarter, the total of (i) consolidated net income from continuing operations of the Company and its Subsidiaries for the four quarter period ending on such day (determined in accordance with GAAP, but excluding extraordinary gains and losses for such period) plus (ii) to the extent deducted in determining such consolidated net income from continuing operations, interest expense, taxes, depreciation, depletion, amortization of intangibles and any non-cash charge relating to asset impairment, in each case determined in accordance with GAAP.

" Consolidated Net Worth " means, at any time, the excess of total assets of the Company and its Subsidiaries over total liabilities of the Company and its Subsidiaries as of the last day of the fiscal quarter most recently then ended, determined on a consolidated basis in accordance with GAAP.

" Contingent Obligation " means, as to any Person, any direct or indirect liability of that Person, whether or not contingent, with or without recourse, (a) with respect to any Indebtedness, lease, dividend, letter of credit or other obligation (the " primary obligations ") of another Person (the " primary obligor "), including any obligation of that Person (i) to purchase, repurchase or otherwise acquire such primary obligations or any security therefor, (ii) to advance or provide funds for the payment or discharge of any such primary obligation, or to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency or any balance sheet item, level of income or financial condition of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (iv) otherwise to assure or hold harmless the holder of any such primary obligation against loss in respect thereof (each, a " Guaranty Obligation "); (b) to purchase any materials, supplies or other property from, or to obtain the services of, another Person if the relevant contract or other related document or obligation requires that payment for such materials, supplies or other property, or for such services, shall be made regardless of whether delivery of such materials, supplies or other property is ever made or tendered, or such services are ever performed or tendered, or (c) in respect of any Swap Contract. The amount of any Contingent Obligation shall, in the case of Guaranty Obligations, be deemed equal to the stated or determinable amount of the primary obligation in respect of which such Guaranty Obligation is made or, if not stated or if indeterminable, the maximum reasonably anticipated liability in respect thereof, and in the case of other Contingent Obligations other than in respect of Swap

Contracts, shall be equal to the maximum reasonably anticipated liability in respect thereof and, in the case of Contingent Obligations in respect of Swap Contracts, shall be equal to the Swap Termination Value thereof.

" Contractual Obligation " means, as to any Person, any provision of any security issued by such Person or of any agreement, undertaking, contract, indenture, mortgage, deed of trust or other instrument, document or agreement to which such Person is a party or by which it or any of its property is bound.

" Covered Contracts " means all obligations (contingent or otherwise) of the Company or any Subsidiary existing or arising under Swap Contracts, provided that such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of directly mitigating interest rate, exchange rate or price risks associated with liabilities, commitments or assets held or reasonably anticipated by such Person and not for the purposes of financing, speculation or taking a "market view".

" Credit Extension " means the making of an Advance or the issuance or increase in the stated amount of a Letter of Credit.

" Default " means any event or circumstance which, with the giving of notice, the lapse of time, or both, would (if not cured or otherwise remedied during such time) constitute an Event of Default.

" Defaulting Bank " means, subject to Section 2.18(b) , any Bank that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Bank notifies the Administrative Agent and the Company in writing that such failure is the result of such Bank's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, any Issuer or any other Bank any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit) within two Business Days of the date when due, (b) has notified the Company, the Administrative Agent or any Issuer in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Bank's obligation to fund a Loan hereunder and states that such position is based on such Bank's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Company, to confirm in writing to the Administrative Agent and the Company that it will comply with its prospective funding obligations hereunder (provided that such Bank shall cease to be a Defaulting Bank pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Company), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of an Insolvency Proceeding, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-in Action; provided that a Bank shall not be a Defaulting Bank solely by virtue of the ownership or acquisition of any equity interest in that Bank or any direct or indirect parent company thereof by a Governmental

Authority so long as such ownership interest does not result in or provide such Bank with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Bank (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Bank. Any determination by the Administrative Agent that a Bank is a Defaulting Bank under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Bank shall be deemed to be a Defaulting Bank (subject to Section 2.18(b)) upon delivery of written notice of such determination to the Company, each Issuer and each Bank.

" Dollars ", " dollars " and " $ " each mean lawful money of the United States.

" DPR " means Dakota Prairie Refining, LLC, a Delaware limited liability company.

" EEA Financial Institution " means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

" EEA Member Country " means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

" EEA Resolution Authority " means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

" Eligible Assignee " means (a) a Bank, (b) an Affiliate of a Bank, (c) an Approved Fund and (d) any other Person (other than a natural person) approved by (i) the Administrative Agent, (ii) each Issuer and (iii) unless an Event of Default has occurred and is continuing, the Company (each such approval not to be unreasonably withheld or delayed); provided that, notwithstanding the foregoing, "Eligible Assignee" shall not include (x) the Company or any of the Company's Affiliates or Subsidiaries or (y) any Defaulting Bank or any of its Subsidiaries, or any Person that, upon becoming a Bank hereunder, would constitute any of the foregoing Persons described in this clause (y).

" Environmental Claims " means all material claims, however asserted, by any Governmental Authority or other Person alleging potential liability or responsibility for violation of any Environmental Law, or for release or injury to the environment.

" Environmental Laws " means all federal, state or local laws, statutes, rules, regulations, ordinances and codes, together with all administrative orders, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authorities, in each case relating to environmental, health, safety and land use matters, including the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Clean Air Act, the Federal Water Pollution Control Act of 1972, the Solid Waste Disposal Act, the Federal Resource Conservation and Recovery Act, the Toxic Substances Control Act, and the Emergency Planning and Community Right-to-Know Act.

" ERISA " means the Employee Retirement Income Security Act of 1974.

" ERISA Affiliate " means any trade or business (whether or not incorporated) under common control with the Company within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

" ERISA Event " means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by the Company or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations which is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Company or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization (within the meaning of Section 4241 of ERISA), insolvent (within the meaning of Section 4245 of ERISA) or in "critical" status (within the meaning of Section 432 of the Code or Section 305 of ERISA); (d) the commencement of proceedings by the PBGC to terminate a Pension Plan; (e) a failure by the Company or any ERISA Affiliate to make required contributions to a Pension Plan or Multiemployer Plan, or the imposition of a lien in favor of a Pension Plan under Section 430(k) of the Code or Section 303(k) of ERISA; (f) an event or condition which might reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or for the imposition of any liability under Section 4069 or 4212(c) of ERISA; (g) the imposition of any liability under Title IV of ERISA, other than PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Company or any ERISA Affiliate; (h) an application for a funding waiver pursuant to Section 412 of the Code or Section 302(c) of ERISA with respect to any Plan; or (i) a determination that a Plan is, or is reasonably expected to be, in "at risk" status (within the meaning of Section 430 of the Code or Section 303 of ERISA).

" ERISA Termination Event " means the filing of a notice of intent to terminate a Pension Plan, or the treatment of a plan amendment as the termination of a Pension Plan, under Section 4041 or 4042 of ERISA.

" EU Bail-In Legislation Schedule " means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

" Eurodollar Advance " means an Advance which bears interest based upon the Eurodollar Rate as requested by the Company pursuant to Section 2.02 .

" Eurodollar Base Rate " means, with respect to any applicable Advance for the relevant Interest Period, the rate per annum equal to the rate determined by the Administrative Agent to be the offered rate that appears on the Reuters Screen LIBOR01 page (or any successor thereto) that displays the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other Person that takes over the administration of such rate and designated by the Administrative Agent (the " IBA Rate ") for deposits in U.S. dollars (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period, determined as of approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, provided that (i) if such Reuters Screen LIBOR01 page is not available to the Administrative Agent for any reason, the applicable Eurodollar Base Rate for the relevant Interest Period shall instead be the applicable IBA Rate for deposits in U.S. dollars as reported by any other generally recognized financial information service as of 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, and having a maturity equal to

such Interest Period and (ii) if no such IBA Rate is available to the Administrative Agent, the applicable Eurodollar Base Rate for the relevant Interest Period shall instead be the rate determined by the Administrative Agent to be the rate at which U.S. Bank or one of its Affiliate banks offers to place deposits in U.S. dollars with first-class banks in the London interbank market at approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, in the approximate amount of U.S. Bank's relevant Eurodollar Loan and having a maturity equal to such Interest Period; and provided , further that if any rate as determined above is less than zero, the Eurodollar Base Rate shall be deemed to be zero.

" Eurodollar Loan " means a Loan comprising a Eurodollar Advance.

" Eurodollar Rate " means, with respect to a Eurodollar Advance for the relevant Interest Period, the sum of (i) the quotient of (a) the Eurodollar Base Rate applicable to such Interest Period, divided by (b) one minus the Reserve Requirement (expressed as a decimal) applicable to such Interest Period, plus (ii) the Applicable Amount.

" Event of Default " means any of the events or circumstances specified in Section 8.01 .

" Exchange Act " means the Securities Exchange Act of 1934.

" Excluded Taxes " means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Bank, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Bank, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Bank with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Bank acquires such interest in such Loan or Commitment (other than pursuant to an assignment request by the Company under Section 3.07) or (ii) such Bank changes its lending office, except in each case to the extent that, pursuant to Section 3.06 , amounts with respect to such Taxes were payable either to such Bank's assignor immediately before such Bank became a party hereto or to such Bank immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 3.06(g) and (d) any U.S. federal withholding Taxes imposed under FATCA.

" Execution Date " means the date set forth on the cover page of this Agreement.

" Existing Credit Agreement " - see the recitals.

" Existing Letters of Credit " means the letters of credit issued under the Existing Credit Agreement that are listed on Schedule 2.16 .

" FATCA " means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b)(1) of the Code and any intergovernmental agreement entered into in connection with the implementation of such Sections.

" Federal Funds Effective Rate " means, for any day, an interest rate per annum equal to the weighted average of the rates on overnight Federal funds transactions by depository institutions (as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time) and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the federal funds effective rate, or, if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 11:00 a.m. (New York time) on such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by the Administrative Agent in its sole discretion.

" Fee Letter " means each letter agreement referenced in Section 9.13 .

" Financial Contract " means any agreement, device or arrangement providing for payments related to fluctuations of interest rates, including interest rate swap or exchange agreements, interest rate cap or collar protection agreements and interest rate options.

" Fitch " means Fitch Ratings Inc. and any successor thereto that is a nationally recognized rating agency (or if neither Fitch Ratings Inc. nor any such successor shall be in the business of rating long-term indebtedness, a nationally recognized rating agency in the United States as mutually agreed between the Majority Banks and the Company).

" Foreign Bank " means a Bank that is not a U.S. Person.

" FRB " means the Board of Governors of the Federal Reserve System, and any Governmental Authority succeeding to any of its principal functions.

" Fronting Exposure " means with respect to any Issuer at any time there is a Defaulting Bank, such Defaulting Bank's Pro Rata Share of the outstanding Letter of Credit Obligations with respect to Letters of Credit issued by such Issuer, other than Letter of Credit Obligations as to which such Defaulting Bank's participation obligation has been reallocated to other Banks or Cash Collateralized in accordance with the terms hereof.

" Fund " means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

" GAAP " means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the U.S. accounting profession), which are applicable to the circumstances as of the date of determination.

" Governmental Authority " means the government of any nation, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any agency, authority, instrumentality, regulatory body, court or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank), and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

" Guaranty Obligation " has the meaning specified in the definition of "Contingent Obligation."

" Honor Date " has the meaning specified in Section 2.16(f) .

" IFRS " means the body of pronouncements issued by the International Accounting Standards Board (IASB), including International Financial Reporting Standards and interpretations approved by the IASB, International Accounting Standards and Standing Interpretations Committee interpretations approved by the predecessor International Accounting Standards Committee and adapted for use in the European Union.

" Increased Cost Bank " has the meaning specified in Section 3.07(b) .

" Indebtedness " of any Person means, without duplication, (a) all indebtedness for borrowed money; (b) all redemption obligations in respect of Redeemable Preferred Stock; (c) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (other than trade payables entered into in the ordinary course of business on ordinary terms); (d) all reimbursement or payment obligations (contingent or otherwise) with respect to Surety Instruments; (e) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of property, assets or businesses; (f) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to property acquired by the Person (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property); (g) all liabilities properly appearing on the Person's balance sheet with respect to capital leases; (h) net liabilities under Swap Contracts; (i) all indebtedness referred to in clauses (a) through (h) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in property (including accounts and contracts rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness; (j) all Securitization Obligations of such Person; and (k) all Guaranty Obligations in respect of indebtedness or obligations of others of the kinds referred to in clauses (a) through (j) above. For all purposes of this Agreement, the Indebtedness of any Person shall include all recourse Indebtedness of any partnership or joint venture or limited liability company in which such Person is a general partner or a joint venturer or a member.

" Indemnified Taxes " means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Company under any Loan Document and (b) to the extent not otherwise described in the foregoing clause (a) , Other Taxes.

" Independent Auditor " has the meaning specified in Section 6.01(a) .

" Insolvency Proceeding " means, with respect to any Person, (a) any case, action or proceeding with respect to such Person before any court or other Governmental Authority relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or (b) any general assignment for the benefit of creditors, composition, marshalling of assets for creditors, or other similar arrangement in respect of its creditors generally or any substantial portion of its creditors undertaken under U.S. Federal, state or foreign law, including the Bankruptcy Code.

" Interest Period " means, with respect to a Eurodollar Advance, a period of one, two, three or six months commencing on a Business Day selected by the Company pursuant to this Agreement. Such Interest Period shall end on the day which corresponds numerically to such date one, two, three or six months thereafter; provided that if there is no such numerically corresponding day in such next, second, third or sixth succeeding month, such Interest Period shall end on the last Business Day of such next, second, third or sixth succeeding month. If an Interest Period would otherwise end on a day which is not a Business Day, such Interest Period shall end on the next succeeding Business Day; provided that if such next succeeding Business Day falls in a new calendar month, such Interest Period shall end on the immediately preceding Business Day.

" International Subsidiary " means Centennial International or any Subsidiary thereof (other than any Project Finance Subsidiary).

" IRS " means the Internal Revenue Service, and any Governmental Authority succeeding to any of its principal functions.

" Issuer " means each of U.S. Bank, The Bank of Tokyo-Mitsubishi UFJ, Ltd., JPMorgan Chase Bank, N.A., Wells Fargo Bank, National Association and Royal Bank of Canada in its capacity as issuer of Letters of Credit hereunder and any other Bank that may (with the consent of the Company and the Administrative Agent) issue Letters of Credit hereunder, in each case in its capacity as issuer of a Letter of Credit hereunder.

" Joint Venture " means a single-purpose corporation, partnership, limited liability company, joint venture or other similar legal arrangement (whether created by contract or conducted through a separate legal entity) now or hereafter formed by the Company or any of its Subsidiaries with another Person or Persons in order to conduct a common venture or enterprise with such Person or Persons. The term "Joint Venture" shall not include any Subsidiary.

" LC Collateral Account " has the meaning specified in Section 2.16(k) .

" LC Disbursement " has the meaning specified in Section 2.16(d) .

" Lending Installation " means, with respect to a Bank or the Administrative Agent, any office, branch, subsidiary or affiliate of such Bank or the Administrative Agent.

" Letter of Credit " has the meaning specified in Section 2.16(a) . The term "Letter of Credit" includes each Existing Letter of Credit.

" Letter of Credit Application " has the meaning specified in Section 2.16(c) .

" Letter of Credit Fee " has the meaning specified in Section 2.16(d) .

" Letter of Credit Obligations " means, at any time, the sum, without duplication, of (i) the aggregate undrawn stated amount of all Letters of Credit at such time plus (ii) the aggregate unpaid amount of all Reimbursement Obligations at such time.

" Lien " means any security interest, mortgage, deed of trust, pledge, hypothecation, assignment, charge or deposit arrangement, encumbrance, lien (statutory or other) or preferential arrangement of any kind or nature whatsoever in respect of any property (including those created

by, arising under or evidenced by any conditional sale or other title retention agreement, the interest of a lessor under a capital lease, any financing lease having substantially the same economic effect as any of the foregoing, or the filing of any financing statement naming the owner of the asset to which such lien relates as debtor, under the Uniform Commercial Code or any comparable law) and any contingent or other agreement to provide any of the foregoing, but not including the interest of a lessor under an operating lease.

" Loan " has the meaning specified in Section 2.01(a) .

" Loan Documents " means this Agreement, the Notes, each Letter of Credit, each Letter of Credit Application, each Fee Letter and the other documents and agreements contemplated hereby.

" Majority Banks " means (a) as of any date of determination if the Commitments are then in effect, Banks having in the aggregate in excess of 50% of the Aggregate Commitments; and (b) as of any date of determination if the Commitments have then been terminated and there are Loans outstanding, Banks with Outstanding Credit Exposures aggregating in excess of 50% of the Aggregate Outstanding Credit Exposure. The Commitment of any Defaulting Bank shall be disregarded in determining Majority Banks at any time.

" Margin Stock " means "margin stock" as such term is defined in Regulation T, U or X of the FRB.

" Material Adverse Effect " means a material adverse effect on (a) the business, property, condition (financial or otherwise) or results of operations of the Company and its Subsidiaries taken as a whole, (b) the ability of the Company to perform its obligations under the Loan Documents, or (c) the validity or enforceability of any of the Loan Documents or the rights or remedies of the Administrative Agent or the Banks thereunder.

" Minimum Collateral Amount " means, at any time, (a) with respect to Cash Collateral consisting of cash or deposit account balances, an amount equal to 105% of the Fronting Exposure of all Issuers with respect to Letters of Credit issued and outstanding at such time and (b) otherwise, an amount determined by the Administrative Agent and the Issuers in their sole discretion.

" Modification " and " Modify " are defined in Section 2.16(a) .

" Multiemployer Plan " means a "multiemployer plan" (within the meaning of Section 4001(a)(3) of ERISA) to which the Company or any ERISA Affiliate (a) makes, is making, or is obligated to make contributions or, (b) has made, or been obligated to make, contributions during the preceding three calendar years.

" Net Capital Expenditures " means, for any period, the positive remainder (if any) of all capital expenditures for such period minus the net cash proceeds from all sales of capital assets during such period from continuing operations of the Company and its Subsidiaries as determined in accordance with GAAP computed for purposes of presentation in the consolidated statement of cash flows.

" Non-Consenting Bank " means any Bank that does not approve any consent, waiver or amendment that (i) requires the approval of all affected Banks in accordance with the terms of Section 10.01 and (ii) has been approved by the Majority Banks.

" Non-Defaulting Bank " means, at any time, each Bank that is not a Defaulting Bank at such time.

" Note " means a promissory note, in substantially the form of Exhibit C hereto, duly executed by the Company and payable to the order of the applicable Bank, including any amendment, modification, renewal or replacement of such promissory note.

" Notice of Assignment " has the meaning specified in Section 10.08(f) .

" Obligations " means all unpaid principal of and accrued and unpaid interest on the Loans, all Reimbursement Obligations and accrued and unpaid interest thereon, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations of the Company to any Bank, any Issuer, the Administrative Agent or any indemnified party hereunder arising under any Loan Document.

" OFAC " means the U.S. Department of the Treasury's Office of Foreign Assets Control, and any successor thereto.

" Opinions of Counsel " means the written legal opinion of Daniel S. Kuntz, general counsel to the Company and its Subsidiaries, substantially in the form of Exhibit B-1 , and the written legal opinion of Cohen Tauber Spievack & Wagner, P.C., special counsel to the Company and its Subsidiaries, substantially in the form of Exhibit B-2 , together with copies of all factual certificates and legal opinions upon which such counsel has relied.

" Organization Documents " means, for any corporation or other entity, the certificate or articles of incorporation (or similar formation document), the bylaws (or similar governing document), any certificate of determination or instrument relating to the rights of preferred equityholders of such Person, any equityholder rights agreement, and all applicable resolutions of the board of directors (or similar governing body) (or any committee thereof) of such Person.

" Other Connection Taxes " means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

" Other Taxes " means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 3.07).

" Outstanding Credit Exposure " means, as to any Bank at any time, the sum of (a) the aggregate principal amount of its Loans outstanding at such time, plus (b) its Pro Rata Share of the Letter of Credit Obligations at such time.

" Participant " has the meaning specified in Section 10.08(a) .

" Participant Register " is defined in Section 10.08(d) .

" Payment Date " means the last day of each March, June, September and December.

" PBGC " means the Pension Benefit Guaranty Corporation, or any Governmental Authority succeeding to any of its principal functions under ERISA.

" Pension Plan " means a pension plan (as defined in Section 3(2) of ERISA) subject to Title IV of ERISA or the minimum funding standards under Section 412 of the Code, which the Company or any ERISA Affiliate sponsors, maintains, or to which it makes, is making, or is obligated to make contributions, or in the case of a multiple employer plan (as described in Section 4064(a) of ERISA) has made contributions at any time during the immediately preceding five (5) plan years but excluding any Multiemployer Plan.

" Permitted Liens " has the meaning specified in Section 7.01 .

" Person " means an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or Governmental Authority.

" Plan " means an employee benefit plan (as defined in Section 3(3) of ERISA) which the Company or any ERISA Affiliate sponsors or maintains or to which the Company or any ERISA Affiliate makes, is making, or is obligated to make contributions and includes any Pension Plan but excludes any Multiemployer Plan.

" Pricing Level " means, for each Pricing Period, the pricing level set forth below opposite the Pricing Rating achieved by the Company as of the first day of that Pricing Period (subject to the provisions of the definition of " Pricing Rating "):

Pricing Level	**Pricing Rating**
1	At least A
2	At least A-
3	At least BBB+
4	At least BBB
5	At least BBB-
6	Below BBB- or not rated.

" Pricing Level Change Date " means, with respect to any change in the Pricing Level which results in a change in the Applicable Amount, the date which is five Business Days after the Administrative Agent has received evidence reasonably satisfactory to it of such change.

" Pricing Period " means (a) the period commencing on the date of this Agreement and ending on the day prior to the first Pricing Level Change Date to occur thereafter and (b) each

subsequent period commencing on each Pricing Level Change Date and ending the day prior to the next Pricing Level Change Date.

" Pricing Rating " means, as of any date of determination of the Applicable Amount, (a) the rating assigned by S&P or Fitch to the outstanding senior unsecured non-credit-enhanced long-term indebtedness of the Company or (b) if neither S&P nor Fitch has assigned a rating of the type described in clause (a) , the corporate rating assigned to the Company by S&P or the issuer rating assigned to the Company by Fitch; provided that (i) if the Company is split-rated and the ratings differential is one Pricing Level, the higher rating will apply, (ii) if the Company is split-rated and the ratings differential is two Pricing Levels or more, the intermediate rating at the midpoint will apply (or if there is no midpoint, the higher of the two intermediate ratings will apply) and (iii) if only one of the two rating agencies has assigned such a rating, the Pricing Level corresponding to such rating shall apply. For purposes hereof, the rating by each rating agency as of any date shall be the applicable rating by such agency in effect at the close of business on such date.

" Prime Rate " means a rate per annum equal to the prime rate of interest announced from time to time by U.S. Bank or its parent (which is not necessarily the lowest rate charged to any customer), changing when and as such prime rate changes.

" Principal Operating Subsidiaries " means each of (i) WBI Holdings, Inc., (ii) MDU Construction Services Group, Inc. and (iii) Knife River Corporation, and their respective permitted successors.

" Project Finance Subsidiary " means any Subsidiary that meets each of the following requirements: (a) it is primarily engaged, directly or indirectly, in the ownership, operation and/or financing of facilities and assets used in any line of business engaged in, or closely related to any line of business engaged in, by MDU Resources Group, Inc. and its Subsidiaries as of the date of this Agreement; (b) neither the Company nor any other Subsidiary (other than another Project Finance Subsidiary) has any liability, contingent or otherwise, for the Indebtedness or other obligations of such Subsidiary (other than (i) non-recourse liability resulting solely from the pledge of stock of such Subsidiary and (ii) to the extent permitted by Section 7.04); and (c) it has Indebtedness owing to, or commitments therefor from, Persons other than the Company and its Subsidiaries.

" Pro Rata Share " means, as to any Bank at any time, the percentage equivalent (expressed as a decimal, rounded to the ninth decimal place) at such time of such Bank's Commitment, subject to adjustment as provided in Section 2.18 , divided by the Aggregate Commitment (or, if the Commitments have terminated, of such Bank's Outstanding Credit Exposure divided by the Aggregate Outstanding Credit Exposure).

" Purchasers " is defined in Section 10.08(e) .

" Rate Option " means the Eurodollar Rate or the Base Rate.

" Rate Option Notice " is defined in Section 2.02(d) .

" Recipient " means (a) the Administrative Agent, (b) any Bank and (c) any Issuer, as applicable.

" Redeemable Preferred Stock " of any Person means any equity interest of such Person that by its terms (or by the terms of any equity interest into which it is convertible or for which it is exchangeable), or otherwise (including on the happening of an event), is required to be redeemed for cash or other property or is redeemable for cash or other property at the option of the holder thereof, in whole or in part, on or prior to the Termination Date; or is exchangeable for Indebtedness at any time, in whole or in part, on or prior to the Termination Date; provided that Redeemable Preferred Stock shall not include any equity interest by virtue of the fact that it may be exchanged or converted at the option of the holder or of the Company for equity interests of the Company having no preference as to dividends, distributions or liquidation over any other equity interests of the Company.

" Regulation D " means Regulation D of the FRB as from time to time in effect and any successor thereto or other regulation or official interpretation of the FRB relating to reserve requirements applicable to member banks of the Federal Reserve System.

" Reimbursement Obligations " means, at any time, the aggregate of all obligations of the Company then outstanding under Section 2.16 to reimburse the Issuers for amounts paid by the Issuers in respect of any one or more drawings under Letters of Credit.

" Reportable Event " means any of the events required to be reported by Section 4043(c) of ERISA or the regulations thereunder, other than any such event for which the 30-day notice requirement under ERISA has been waived in regulations issued by the PBGC.

" Requirement of Law " means, as to any Person, any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or of a Governmental Authority, in each case applicable to or binding upon the Person or any of its property or to which the Person or any of its property is subject.

" Reserve Requirement " means, with respect to an Interest Period, the maximum aggregate reserve requirement (including all basic, supplemental, marginal and other reserves) which is imposed under Regulation D on Eurocurrency liabilities during such Interest Period.

" Responsible Officer " means the chief executive officer or the president of the Company, or any other officer having substantially the same authority and responsibility; or, with respect to compliance with financial covenants, the chief financial officer, the treasurer or the assistant treasurer of the Company, or any other officer having substantially the same authority and responsibility. Any document or certificate hereunder that is signed or executed by a Responsible Officer shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of the Company, and such officer shall be conclusively presumed to have acted on behalf of the Company.

" S&P " means Standard & Poor's Financial Services LLC, a subsidiary of The McGraw-Hill Companies Inc., and any successor thereto that is a nationally recognized rating agency (or, if neither such division nor any successor shall be in the business of rating long-term indebtedness, a nationally recognized rating agency in the United States as mutually agreed between the Majority Banks and the Company).

" Sanctioned Country " means a country subject to a sanctions program identified on the list maintained by OFAC and available at https://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx, or as otherwise published from time to time.

" Sanctioned Person " means (a) a Person named on the list of Specially Designated Nationals or Blocked Persons maintained by OFAC available at https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx, or as otherwise published from time to time, or (b) (i) an agency of the government of a Sanctioned Country, (ii) an organization controlled by a Sanctioned Country, or (iii) a Person resident in a Sanctioned Country, to the extent subject to a sanctions program administered by OFAC.

" SEC " means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

" Securitization Obligations " means, with respect to any Securitization Transaction, the aggregate investment or claim held at any time by all purchasers, assignees or transferees of (or of interests in) or holders of obligations that are supported or secured by accounts receivable, lease receivables and other rights to payment in connection with such Securitization Transaction.

" Securitization Transaction " means any sale, assignment or other transfer by the Company or any Subsidiary (other than a Project Finance Subsidiary) of accounts receivable, lease receivables or other payment obligations owing to the Company or such Subsidiary or any interest in any of the foregoing, together in each case with any collections and other proceeds thereof, any collection or deposit accounts related thereto, and any collateral, guaranties or other property or claims in favor of the Company or such Subsidiary supporting or securing payment by the obligor thereon of, or otherwise related to, any such receivables.

" Significant Subsidiary " means a "Significant Subsidiary" as defined in Rule 1-02(w) of Regulation S-X of the SEC, as in effect on the date hereof.

" Solvent " means, as to any Person at any time, that (a) the fair value of the property of such Person is greater than the amount of such Person's liabilities (including the probable liability of such Person on disputed, contingent and unliquidated liabilities) as such value is established and liabilities evaluated for purposes of Section 101(32) of the Bankruptcy Code; (b) the present fair saleable value of the property of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured; (c) such Person is able to realize upon its property and pay its debts and other liabilities (including the probable liability of such Person on disputed, contingent and unliquidated liabilities) as they mature in the normal course of business; (d) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature; and (e) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person's property would constitute unreasonably small capital.

" Subsidiary " of a Person means any corporation, association, partnership, limited liability company, joint venture or other business entity of which more than 50% of the voting stock, membership interests or other equity interests (in the case of Persons other than corporations), is owned or controlled directly or indirectly by the Person, or one or more of the Subsidiaries of the Person, or a combination thereof. Unless the context otherwise clearly requires, references herein to a "Subsidiary" refer to a Subsidiary of the Company.

" Surety Instruments " means all letters of credit (including standby and commercial), banker's acceptances, bank guaranties, shipside bonds, surety bonds and similar instruments.

" Swap Contract " means swap agreements (as such term is defined in Section 101(53B) of the Bankruptcy Code) and any other agreements or arrangements designed to provide protection against fluctuations in interest or currency exchange rates or commodity prices, including Commodity Contracts and Financial Contracts.

" Swap Termination Value " means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a) the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined by the Company based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include any Bank).

" Syndication Agent " means the Bank of Tokyo-Mitsubishi UFJ, Ltd.

" Taxes " means all present or future taxes, duties, levies, imposts, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

" Termination Date " means September 23, 2021 or any earlier date on which the Aggregate Commitment is reduced to zero or otherwise terminated pursuant to the terms hereof.

" Total Capitalization " means, with respect to any Person, the sum of (a) the total consolidated stockholders' or owners' equity of such Person determined in accordance with GAAP (excluding any non-cash gain or loss with respect to Covered Contracts resulting from the requirements of Accounting Standards Codification 815-20-25-104, formerly known as FASB Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities") plus (b) the Total Debt of such Person.

" Total Debt " means, with respect to any Person, the total consolidated Indebtedness of such Person, excluding (a) Indebtedness under Covered Contracts and (b) 80% of the amount of all contingent reimbursement or payment obligations with respect to unsecured surety bonds incurred in the ordinary course of business includable in the computation of "Indebtedness" pursuant to item (d) of the definition thereof but for this exclusion.

" Transferee " is defined in Section 10.08(h) .

" Type " means with respect to any Advance, its nature as a Base Rate Advance or a Eurodollar Advance.

" Unfunded Pension Liability " means the excess of a Pension Plan's benefit liabilities under Section 302(d)(7) of ERISA, over the current value of that Plan's assets, determined in accordance with the assumptions used for funding the Pension Plan pursuant to Section 412 of the Code for the applicable plan year.

" United States " and " U.S ." each mean the United States of America.

" USA Patriot Act " means United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) of 2001, and the rules and regulations promulgated thereunder.

" U.S. Bank " means U.S. Bank National Association.

" U.S. Person " means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

" U.S. Tax Compliance Certificate " has the meaning assigned to such term in Section 3.06(g) .

" WBI Energy Transmission " means WBI Energy Transmission, Inc., a Delaware corporation.

" Wholly-Owned Subsidiary " means any entity in which (other than, in the case of a corporation, directors' qualifying shares required by law) 100% of the capital stock or other equity interests of each class, if applicable, having ordinary voting power, and 100% of the capital stock or other equity interests of every other class, if applicable, in each case, at the time as of which any determination is being made, is owned, beneficially and of record, by the Company, or by one or more of the other Wholly-Owned Subsidiaries, or both.

" Withholding Agent " means each of the Company and the Administrative Agent.

" Write-Down and Conversion Powers " means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule

1.02 Other Interpretive Provisions . (a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) The words "hereof", "herein", "hereunder" and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement; and Section, Schedule, Article and Exhibit references are to this Agreement unless otherwise specified.

(c) (i) The term "documents" includes any and all instruments, documents, agreements, certificates, indentures, notices and other writings, however evidenced.

(ii) The term "including" is not limiting and means "including without limitation."

(iii) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including"; the words "to" and "until" each mean "to but excluding", and the word "through" means "to and including."

(iv) The term "property" includes any kind of property or asset, real, personal or mixed, tangible or intangible.

(d) Unless otherwise expressly provided herein, (i) references to agreements (including this Agreement) and other contractual instruments shall be deemed to include all

subsequent amendments and other modifications thereto, but only to the extent such amendments and other modifications are not prohibited by the terms of any Loan Document, and (1) references to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting the statute or regulation.

(e) The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

(f) This Agreement and other Loan Documents may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are cumulative and shall each be performed in accordance with their terms. Unless otherwise expressly provided, any reference to any action of the Administrative Agent or the Banks by way of consent, approval or waiver shall be deemed modified by the phrase "in its/their sole discretion."

(g) This Agreement and the other Loan Documents are the result of negotiations among and have been reviewed by counsel to the Administrative Agent, the Company and the other parties, and are the products of all parties. Accordingly, they shall not be construed against the Banks or the Administrative Agent merely because of the Administrative Agent's or Banks' involvement in their preparation.

1.03 Accounting Principles. (a) Unless the context otherwise clearly requires, all accounting terms not expressly defined herein shall be construed, and all financial computations required under this Agreement shall be made, in accordance with GAAP, consistently applied. Notwithstanding the foregoing, the Company may notify the Administrative Agent at any time that it has adopted IFRS in lieu of GAAP and, upon any such notice, references herein to GAAP shall thereafter be construed to mean IFRS as in effect from time to time. If at any time the adoption of IFRS by the Company or any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and the Company, the Administrative Agent or the Majority Banks shall so request, the Administrative Agent, the Banks and the Company shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such adoption of IFRS or change in GAAP (subject to the approval of the Majority Banks); provided that, until so amended, such ratio or requirement shall continue to be computed in accordance with GAAP as in effect and applied immediately before such adoption of IFRS or change in GAAP shall have become effective and the Company shall provide to the Administrative Agent and the Banks reconciliation statements showing the difference in such calculation, together with the delivery of monthly, quarterly and annual financial statements required hereunder. Notwithstanding the foregoing, for all purposes hereof, no effect shall be given hereunder to any change under GAAP that results in operating leases being treated as capital leases.

(b) References herein to "fiscal year" and "fiscal quarter" refer to such fiscal periods of the Company.

1.04 Amendment and Restatement. The Company and the Banks acknowledge and agree that (a) effective at the time at which all conditions precedent set forth in Section 4.01 have been satisfied, this Agreement shall amend and restate in its entirety the Existing Credit Agreement and (b) there are no outstanding Loans under the Existing Credit Agreement.

ARTICLE II
THE FACILITY

2.01 The Facility .

(a) Commitments of the Banks . Each Bank severally agrees to make revolving loans (each a " Loan ") to the Company, and each Issuer agrees to issue Letters of Credit for the account of the Company (or jointly and severally for the account of the Company and Centennial International), and each Bank severally agrees to participate in each such Letter of Credit as more fully set forth in Section 2.16 , from time to time on or prior to the Termination Date; provided that (i) the aggregate amount of the outstanding Letter of Credit Obligations shall not exceed $50,000,000, (ii) after giving effect to any Credit Extension (and the use of proceeds thereof), the Company shall be in compliance with the last sentence of Section 7.12 , (iii) the Outstanding Credit Exposure of any Bank shall not at any time exceed such Bank's Commitment, (iv) the Aggregate Outstanding Credit Exposure shall not at any time exceed the Aggregate Commitment and (v) unless otherwise agreed to by a particular Issuer, the aggregate stated amount of the outstanding Letters of Credit issued by each Issuer shall not exceed $10,000,000. Subject to the terms of this Agreement, the Company may borrow, repay and reborrow Loans at any time prior to the Termination Date.

(b) Repayment of Facility . The principal amount of each Advance and all other unpaid Obligations shall be paid in full by the Company on the Termination Date.

2.02 Advances .

(a) Advances . Each Advance hereunder shall consist of Loans made from the several Banks ratably in proportion to the amounts of their respective Commitments.

(b) Advance Rate Options . The Advances may be Base Rate Advances or Eurodollar Advances, or a combination thereof, selected by the Company in accordance with Section 2.02(c) . No Advance may mature after the Termination Date.

(c) Method of Selecting Rate Options and Interest Periods for Advances . The Company shall select the Rate Option and, in the case of each Eurodollar Advance, the Interest Period applicable thereto, from time to time. The Company shall give the Administrative Agent irrevocable notice (a " Borrowing Notice ") substantially in the form of Exhibit H not later than 11:30 a.m. (New York time) on the Borrowing Date of each Base Rate Advance and at least three Business Days before the Borrowing Date for each Eurodollar Advance. A Borrowing Notice shall specify:

(i) the Borrowing Date, which shall be a Business Day, of such Advance,

(ii) the aggregate amount of such Advance,

(iii) the Rate Option selected for such Advance, and

(iv) in the case of each Eurodollar Advance, the Interest Period applicable thereto (which may not end after the Termination Date).

(d) Conversion and Continuation of Outstanding Advances . Base Rate Advances shall continue as Base Rate Advances unless and until such Base Rate Advances are either converted into Eurodollar Advances in accordance with this Section 2.02(d) or are prepaid in accordance with Section 2.06 . Each Eurodollar Advance shall continue as a Eurodollar Advance until the end of the then applicable Interest Period therefor, at which time such Eurodollar Advance shall be automatically converted into a Base Rate Advance unless such Eurodollar Advance shall have been either (a) prepaid in accordance with Section 2.06 or (b) continued as a Eurodollar Advance for the same or another Interest Period in accordance with this Section 2.02(d) . Subject to the terms of Section 2.05 , the Company may elect from time to time to convert an Advance having one Rate Option to an Advance having a different Rate Option, or to continue the Rate Option applicable to all or any part of an Advance; provided that any conversion or continuation of any Eurodollar Advance shall be made on, and only on, the last day of the Interest Period applicable thereto. The Company shall give the Administrative Agent irrevocable notice (a " Rate Option Notice ") of each conversion of a Base Rate Advance into a Eurodollar Advance, or continuation of a Eurodollar Advance, not later than 11:30 a.m. (New York time) at least three Business Days prior to the date of the requested conversion or continuation, specifying:

(i) the requested date, which shall be a Business Day, of such conversion or continuation,

(ii) the aggregate amount and Rate Option applicable to the Advance which is to be converted or continued, and

(iii) the amount and Rate Option(s) of Advance(s) into which such Advance is to be converted or continued and, in the case of a conversion into or continuation of a Eurodollar Advance, the duration of the Interest Period applicable thereto.

2.03 Method of Borrowing . Not later than 1:00 p.m. (New York time) on each Borrowing Date, each Bank shall make available its Loan or Loans, in funds immediately available in New York to the Administrative Agent at its address specified pursuant to Section 10.02 . The Administrative Agent will make the funds so received from the Banks available to the Company at the Administrative Agent's aforesaid address.

2.04 Fees; Changes in Aggregate Commitment .

(a) Facility Fee . The Company agrees to pay to the Administrative Agent for the account of each Bank a facility fee equal to the Applicable Amount on the average daily amount of such Bank's Commitment (whether used or unused) from the date hereof to and including the Termination Date, payable in arrears on each Payment Date hereafter and on the Termination Date.

(b) Changes in Aggregate Commitment .

(A) The Company may permanently reduce the Aggregate Commitment in whole, or in part ratably among the Banks in integral multiples of $5,000,000, upon at least five Business Days' written notice to the Administrative Agent, which notice shall specify the amount of any such reduction; provided that the amount of the Aggregate Commitment may not be reduced below the Aggregate Outstanding Credit

Exposure. All accrued facility fees shall be payable on the effective date of any termination of the Commitments.

(B) So long as no Default or Event of Default exists, the Company may, from time to time, by means of a letter delivered to the Administrative Agent substantially in the form of Exhibit G , request that the Aggregate Commitment be increased, by a minimum amount of $25,000,000 and higher integral multiples of $5,000,000; provided that the aggregate amount of all increases under this Section 2.04(b) shall not exceed $100,000,000, by (a) increasing the Commitment of one or more Banks which have agreed to such increase and/or (b) adding one or more commercial banks or other Persons as a party hereto (each an " Additional Bank ") with a Commitment in an amount agreed to by any such Additional Bank; provided that no Additional Bank shall be added as a party hereto without the written consent of the Administrative Agent and each Issuer (which, in each case, shall not be unreasonably withheld). Any increase in the Aggregate Commitment pursuant to this clause (B) shall be effective three Business Days after the date on which the Administrative Agent has received and accepted the applicable increase letter in the form of Annex I to Exhibit G (in the case of an increase in the Commitment of an existing Bank) or assumption letter in the form of Annex II to Exhibit G (in the case of the addition of a commercial bank or other Person as a new Bank). The Administrative Agent shall promptly notify the Company and the Banks of any increase in the amount of the Aggregate Commitment pursuant to this clause (B) and of the Commitment of each Bank after giving effect thereto. The Company acknowledges that, in order to maintain Advances in accordance with each Bank's pro-rata share of all outstanding Advances prior to any increase in the Aggregate Commitment pursuant to this clause (B) , a reallocation of the Commitments as a result of a non-pro-rata increase in the Aggregate Commitment may require prepayment of all or portions of certain Advances on the date of such increase (and any such prepayment shall be subject to the provisions of Section 3.05). For the avoidance of doubt, no Bank shall be required to participate in any increase in the Aggregate Commitment except in its sole discretion.

2.05 Minimum Amount of Each Advance . Except as provided in Section 2.16(f) , each Eurodollar Advance shall be in the minimum amount of $5,000,000 (and in multiples of $1,000,000 if in excess thereof), and each Base Rate Advance shall be in the minimum amount of $1,000,000 (and in multiples of $1,000,000 if in excess thereof); provided that any Base Rate Advance may be in the amount of the unused Commitments. The Company shall not request a Eurodollar Advance if, after giving effect to the requested Eurodollar Advance, more than 10 separate Eurodollar Advances would be outstanding.

2.06 Optional Principal Payments . The Company may from time to time pay, without penalty or premium, all outstanding Base Rate Advances, or, in a minimum aggregate amount of $1,000,000 or any integral multiple of $1,000,000 in excess thereof, any portion of the outstanding Base Rate Advances upon notice to the Administrative Agent. The Company may from time to time pay all outstanding Eurodollar Advances, or, in a minimum aggregate amount of $5,000,000 or any integral multiple of $1,000,000 in excess thereof, any portion of the outstanding Eurodollar Advances upon at least three Business Days' prior notice to the Administrative Agent, without penalty or premium, but subject to any funding indemnification as provided in Section 3.05 .

2.07 Changes in Interest Rate, etc . Each Base Rate Advance shall bear interest on the outstanding principal amount thereof, for each day from and including the date such Advance is made or is converted from a Eurodollar Advance into a Base Rate Advance pursuant to Section 2.02(d) to but excluding the date it is paid (except as otherwise provided in Section 2.08) or is converted into a Eurodollar Advance pursuant to Section 2.02(d) , at a rate per annum equal to the Base Rate for such day. Changes in the rate of interest on that portion of any Advance maintained as a Base Rate Advance will take effect simultaneously with each change in the Alternate Base Rate. Each Eurodollar Advance shall bear interest on the outstanding principal amount thereof from and including the first day of the Interest Period applicable thereto to (but not including) the last day of such Interest Period at the interest rate determined as applicable to such Eurodollar Advance.

2.08 Rates Applicable After Default . Notwithstanding anything to the contrary contained in Section 2.02(c) or Section 2.02(d) , during the continuance of a Default or an Event of Default the Majority Banks may, at their option, by notice to the Company (which notice may be revoked at the option of the Majority Banks notwithstanding any provision of Section 10.01 requiring unanimous consent of the Banks to changes in interest rates), declare that no Advance may be made as, converted into or continued as a Eurodollar Advance. If any Advance is not paid at maturity, whether by acceleration or otherwise, the Majority Banks may, at their option, by notice to the Company (which notice may be revoked at the option of the Majority Banks notwithstanding any provision of Section 10.01 requiring unanimous consent of the Banks to changes in interest rates), declare that (i) each Eurodollar Advance shall bear interest for the remainder of the applicable Interest Period at the rate otherwise applicable to such Interest Period plus 2% per annum, (ii) each Base Rate Advance shall bear interest at a rate per annum equal to the Base Rate otherwise applicable to such Base Rate Advance plus 2% per annum and (iii) the rate applicable to the Letter of Credit Fee shall be increased by 2% per annum.

2.09 Method of Payment . All payments of the Obligations hereunder shall be made, without setoff, deduction, or counterclaim, in immediately available funds, to the Administrative Agent at the Administrative Agent's address specified pursuant to Section 10.02 , or at any other Lending Installation of the Administrative Agent specified in writing by the Administrative Agent to the Company, by 12:00 noon (New York time) on the date when due and shall be applied ratably by the Administrative Agent among the Banks to the payment of all Obligations then due and payable, if any, and otherwise to the payment of the remaining Obligations. Each payment delivered to the Administrative Agent for the account of any Bank shall be delivered promptly by the Administrative Agent to such Bank in the same type of funds that the Administrative Agent received at its address specified pursuant to Section 10.02 or at any Lending Installation specified in a notice received by the Administrative Agent from such Bank. The Administrative Agent is hereby authorized to charge the account of the Company maintained with the Administrative Agent (and/or its Affiliates) for each payment of principal, interest and fees as it becomes due hereunder.

2.10 Evidence of Debt; Telephonic Notices . The Credit Extensions made by each Bank shall be evidenced by one or more accounts or records maintained by such Bank and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Bank shall be conclusive absent manifest error of the amount of the Credit Extensions made by the Banks to the Company and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Company hereunder to pay any amount owing hereunder. In the

event of any conflict between the accounts and records maintained by any Bank and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Bank made through the Administrative Agent, the Company shall execute and deliver to such Bank (through the Administrative Agent) a Note, which shall evidence such Bank's Loans in addition to such accounts or records. Each Bank may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto. The Company hereby authorizes the Banks and the Administrative Agent to extend, convert or continue Advances, effect selections of Rate Options and transfer funds based on telephonic notices made by any person or persons the Administrative Agent or any Bank in good faith believes to be acting on behalf of the Company. The Company agrees to deliver promptly to the Administrative Agent a written confirmation, if such confirmation is requested by the Administrative Agent or any Bank, of each telephonic notice signed by a Responsible Officer. If the written confirmation differs in any material respect from the action taken by the Administrative Agent and the Banks, the records of the Administrative Agent and the Banks shall govern absent manifest error.

2.11 Interest Payment Dates; Interest and Fee Basis. Interest accrued on each Base Rate Advance shall be payable on each Payment Date hereafter and at maturity. Interest accrued on each Eurodollar Advance shall be payable on the last day of its applicable Interest Period, on any date on which the Eurodollar Advance is prepaid, whether by acceleration or otherwise, and at maturity. Interest accrued on each Eurodollar Advance having an Interest Period longer than three months shall also be payable on the last day of each three-month interval during such Interest Period. Interest and fees shall be calculated for actual days elapsed on the basis of a 360-day year, with the exception that interest on Base Rate Advances shall be calculated on the basis of a 365- or 366-day year, as appropriate. Interest shall be payable for the day an Advance is made but not for the day of any payment thereof on the amount paid if payment is received prior to 12:00 noon (New York time) at the place of payment. If any payment of principal of or interest on an Advance shall become due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and, in the case of a principal payment, such extension of time shall be included in computing interest in connection with such payment.

2.12 Notification of Advances, Interest Rates, Prepayments and Commitment Changes. Promptly after receipt thereof, the Administrative Agent will notify each Bank of the contents of each Aggregate Commitment reduction or increase notice, Borrowing Notice, Rate Option Notice and repayment notice received by it hereunder. The Administrative Agent will notify each Bank of the interest rate applicable to each Eurodollar Advance promptly upon determination of such interest rate and will give each Bank prompt notice of each change in the Alternate Base Rate.

2.13 Lending Installations. Each Bank may book its Loans at any Lending Installation selected by such Bank and may change its Lending Installation from time to time. All terms of this Agreement shall apply to any such Lending Installation and the Loans shall be deemed held by each Bank for the benefit of such Lending Installation. Each Bank may, by written notice to the Administrative Agent and the Company, designate a Lending Installation through which Loans will be made by it and for whose account Loan payments are to be made.

2.14 Non-Receipt of Funds by the Administrative Agent. Unless the Company or a Bank, as the case may be, notifies the Administrative Agent prior to the date on which it is

scheduled to make payment to the Administrative Agent of (i) in the case of a Bank, the proceeds of a Loan or (ii) in the case of the Company, a payment of principal, interest or fees to the Administrative Agent for the account of the Banks, that it does not intend to make such payment, the Administrative Agent may assume that such payment has been made. The Administrative Agent may, but shall not be obligated to, make the amount of such payment available to the intended recipient in reliance upon such assumption. If such Bank or the Company, as the case may be, has not in fact made such payment to the Administrative Agent, the recipient of such payment shall, on demand by the Administrative Agent, repay to the Administrative Agent the amount so made available together with interest thereon in respect of each day during the period commencing on the date such amount was so made available by the Administrative Agent until the date the Administrative Agent recovers such amount at a rate per annum equal to (i) in the case of payment by a Bank, the Federal Funds Effective Rate for such day or (ii) in the case of payment by the Company, the interest rate applicable to the relevant Loan.

2.15 Replacement of Bank. If (i) any Bank is a Defaulting Bank, (ii) the Company is required pursuant to Section 3.01, 3.02 or 3.06 to make any additional payment to any Bank or (iii) any Bank's obligation to make or continue, or to convert Base Rate Advances into, Eurodollar Advances shall be suspended pursuant to Section 3.04 (any Bank so affected, an "Affected Bank"), the Company may elect, if any of the foregoing circumstances continue to exist, as applicable, to replace such Affected Bank as a Bank party to this Agreement (unless, in the case of the foregoing clause (ii) or clause (iii), such replacement would not reduce or eliminate such amounts or eliminate such suspension); provided that no Default or Event of Default shall have occurred and be continuing at the time of such replacement and such replacement would not result in the violation of any Requirement of Law by such Affected Bank; and provided, further, that, concurrently with such replacement, (A) another bank or other entity which is reasonably satisfactory to the Company and the Administrative Agent shall agree, as of such date, to purchase for cash the Advances and other Obligations due to such Affected Bank pursuant to an assignment substantially in the form of Exhibit F and to become a Bank for all purposes under this Agreement and to assume all obligations of such Affected Bank to be terminated as of such date and to comply with the requirements of Section 10.08 applicable to assignments (it being understood that such Affected Bank shall not be obligated to pay the processing fee described in Section 10.08(f)(ii) in connection with any such assignment) and (B) the Company shall pay to such Affected Bank in same day funds on the day of such replacement (1) all interest, fees and other amounts then accrued but unpaid to such Affected Bank by the Company hereunder to and including the date of termination, including payments due to such Affected Bank under Sections 3.01, 3.02, 3.05 and 3.06, and (2) an amount, if any, equal to the payment which would have been due to such Bank on the day of such replacement under Section 3.07 had the Loans of such Affected Bank been prepaid on such date rather than sold to the replacement Bank.

2.16 Letters of Credit.

(a) Issuance. Subject to Section 2.01, each Issuer hereby agrees, on the terms and conditions set forth in this Agreement, to issue standby letters of credit (each a "Letter of Credit") and to renew, extend, increase, decrease or otherwise modify Letters of Credit ("Modify," and each such action a "Modification"), in each case in a form reasonably acceptable to the Administrative Agent and such Issuer, from time to time from and including the date of this Agreement and prior to the Termination Date upon the request of the Company. No Letter of Credit shall have an expiry date later than the earlier of (x) one year after the issuance thereof

(provided that any Letter of Credit may provide for the automatic renewal thereof for additional one-year periods (unless the applicable Issuer elects not to extend)) and (y) five Business Days prior to the Termination Date (unless such Letter of Credit is Cash Collateralized as required by Section 2.16(k)). No Issuer shall be obligated to issue any Letter of Credit if (i) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain such Issuer from issuing such Letter of Credit, or any law applicable to such Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such Issuer shall prohibit, or request that such Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon such Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (for which such Issuer is not otherwise compensated hereunder) not in effect on the Execution Date, or shall impose upon such Issuer any unreimbursed loss, cost or expense which was not applicable on the Execution Date and which such Issuer in good faith deems material to it; (ii) except as otherwise agreed by the Administrative Agent and such Issuer, such Letter of Credit is in an initial stated amount less than $500,000; (iii) such Letter of Credit is to be denominated in a currency other than Dollars; or (iv) any Bank is at that time a Defaulting Bank, unless such Issuer has entered into arrangements, including the delivery of Cash Collateral, satisfactory to such Issuer (in its sole discretion) with the Company or such Bank to eliminate such Issuer's actual or potential Fronting Exposure (after giving effect to Section 2.18(a)(iv)) with respect to such Defaulting Bank and all other Obligations as to which such Issuer has actual or potential Fronting Exposure, as it may elect in its sole discretion.

(b) Participations . Upon the issuance or Modification by an Issuer of a Letter of Credit in accordance with this Section 2.16 (or, in the case of any Existing Letter of Credit, on the date hereof), such Issuer shall be deemed, without further action by any Person, to have unconditionally and irrevocably sold to each Bank, and each Bank shall be deemed, without further action by any Person, to have unconditionally and irrevocably purchased from such Issuer, a participation in such Letter of Credit (and each Modification thereof) and the related Letter of Credit Obligations in proportion to its Pro Rata Share.

(c) Notice . Subject to Section 2.16(a) , the Company shall give the Administrative Agent and the applicable Issuer notice prior to 11:00 a.m. (New York time) at least three Business Days (or such lesser period of time as such Issuer may agree in its sole discretion) prior to the proposed date of issuance or Modification of each Letter of Credit, (i) specifying the beneficiary, the proposed date of issuance (or Modification) and the expiry date of such Letter of Credit, (ii) describing the proposed terms of such Letter of Credit and the nature of the transactions proposed to be supported thereby and (iii) if such Letter of Credit is to be issued jointly and severally for the account of the Company and Centennial International, signed by both such entities and confirming that, after giving effect to the issuance of such Letter of Credit, the Company is in compliance with the last sentence of Section 7.12 . Upon receipt of such notice the Administrative Agent shall promptly notify each Bank of the contents thereof and of the amount of such Bank's participation in such proposed Letter of Credit. The issuance or Modification by an Issuer of any Letter of Credit shall, in addition to the conditions precedent set forth in Article IV (the satisfaction of which such Issuer shall have no duty to ascertain, it being understood, however, that such Issuer shall not issue any Letter of Credit if it has received written notice from the Company, the Administrative Agent or any Bank that any such conditions precedent have not been satisfied), be subject to the conditions precedent that (i) the applicable Issuer has received notice from the Administrative Agent confirming that there is availability for the issuance of such Letter of Credit and (ii) such Letter of Credit shall be

satisfactory to such Issuer and that the Company shall have executed and delivered such application agreement and/or such other instruments and agreements relating to such Letter of Credit as such Issuer shall have reasonably requested (each a " Letter of Credit Application "). In the event of any conflict between the terms of this Agreement and the terms of any Letter of Credit Application, the terms of this Agreement shall control.

(d) Letter of Credit Fees . The Company shall pay to the Administrative Agent, for the account of the Banks ratably in accordance with their respective Pro Rata Shares, with respect to each Letter of Credit, a letter of credit fee (the " Letter of Credit Fee ") at a per annum rate equal to the Applicable Amount in effect from time to time on the maximum undrawn amount which may at any time thereafter be available under such Letter of Credit, such fee to be payable in arrears on each Payment Date hereafter, on the Termination Date and thereafter on demand (any such payment, an " LC Disbursement "). The Company shall also pay to each Issuer for its own account (x) a fronting fee as set forth in the applicable Fee Letter, with such fee to be payable in arrears on each Payment Date hereafter, and (y) documentary and processing charges in connection with the issuance or Modification of and draws under the applicable Letters of Credit in accordance with such Issuer's standard schedule for such charges as in effect from time to time.

(e) Administration; Reimbursement by Banks . Upon receipt from the beneficiary of any Letter of Credit of any demand for payment under such Letter of Credit, the applicable Issuer shall notify the Administrative Agent and the Administrative Agent shall promptly notify the Company and each other Bank as to the amount to be paid by such Issuer as a result of such demand. The responsibility of any Issuer to the Company and each Bank shall be only to determine that the documents delivered under each applicable Letter of Credit in connection with a demand for payment are in conformity in all material respects with such Letter of Credit. Each Issuer shall endeavor to exercise the same care in its issuance and administration of Letters of Credit as it does with respect to letters of credit in which no participations are granted, it being understood that in the absence of any gross negligence or willful misconduct by such Issuer, each Bank shall be unconditionally and irrevocably obligated, without regard to the occurrence of any Default or any condition precedent whatsoever, to reimburse such Issuer on demand for (1) such Bank's Pro Rata Share of the amount of each payment made by such Issuer under each Letter of Credit to the extent such amount is not reimbursed by the Company pursuant to Section 2.16(f) below, plus (1) interest on the foregoing amount, for each day from the date of the applicable payment by such Issuer to the date on which such Issuer is reimbursed by such Bank for its Pro Rata Share thereof, at a rate per annum equal to the Federal Funds Effective Rate or, beginning on the third Business Day after demand for such amount by such Issuer, the rate applicable to Base Rate Advances.

(f) Reimbursement by Company . The Company shall reimburse (which reimbursement may be by the making of Base Rate Advances pursuant to this Section 2.16(f) or otherwise) the applicable Issuer through the Administrative Agent prior to 12:00 noon (New York time) on the date that any amount is paid by such Issuer under any Letter of Credit (each such date, an " Honor Date ") or, if the Company does not receive notice of such payment by such Issuer prior to 10:00 a.m. (New York time) on an Honor Date, on the next succeeding Business Day after the Honor Date (in which case such reimbursement shall include interest for the period from the Honor Date to the date of reimbursement at the rate then applicable to Base Rate Advances). If the Company fails to reimburse the applicable Issuer for the full amount of any drawing under any Letter of Credit on the date and by the time specified in the previous sentence

(by the making of Base Rate Advances pursuant to this Section 2.16(f) or otherwise), then (a) the Company shall be deemed to have requested that Base Rate Advances in an amount equal to the unreimbursed amount be made by the Banks on such date (and the Administrative Agent shall promptly notify each Bank thereof); (b) subject to the conditions set forth in Section 4.02 (but without regard to the minimum and integral multiple requirements for borrowings set forth in Section 2.05), the Banks shall make such Advances on such date; and (c) the Administrative Agent shall deliver the proceeds of such Advances to the applicable Issuer to pay such unreimbursed amount. The Company shall be irrevocably and unconditionally obligated to reimburse each Issuer on or before the applicable Honor Date for any amount to be paid by such Issuer upon any drawing under any Letter of Credit, without presentment, demand, protest or other formalities of any kind; provided that the Company shall not be precluded from asserting any claim for direct (but not consequential) damages suffered by the Company to the extent, but only to the extent, caused by (i) the willful misconduct or gross negligence of such Issuer in determining whether a request presented under any Letter of Credit complied with the terms of such Letter of Credit or (ii) such Issuer's failure to pay under any Letter of Credit after the presentation to it of a request strictly complying with the terms and conditions of such Letter of Credit. Each Issuer will pay to each Bank ratably in accordance with its Pro Rata Share all amounts received by it from the Company for application in payment, in whole or in part, of the Reimbursement Obligation in respect of any Letter of Credit issued by such Issuer, but only to the extent such Bank made payment to such Issuer in respect of such Letter of Credit pursuant to Section 2.16(e) .

(g) Obligations Absolute . The Company's obligations under this Section 2.16 shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment which the Company may have or have had against the applicable Issuer, any Bank or any beneficiary of a Letter of Credit. The Company further agrees with each Issuer and the Banks that no Issuer or Bank shall be responsible for, and the Company's Reimbursement Obligation in respect of any Letter of Credit shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even if such documents should in fact prove to be in any or all respects invalid, fraudulent or forged, or any dispute between or among the Company, any of its Affiliates, the beneficiary of any Letter of Credit or any financing institution or other party to whom any Letter of Credit may be transferred or any claims or defenses whatsoever of the Company or of any of its Affiliates against the beneficiary of any Letter of Credit or any such transferee. No Issuer shall be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit. The Company agrees that any action taken or omitted by the applicable Issuer or any Bank under or in connection with any Letter of Credit and the related drafts and documents, if done without gross negligence or willful misconduct, shall be binding upon the Company and shall not put such Issuer or any Bank under any liability to the Company. Nothing in this Section 2.16(g) is intended to limit the right of the Company to make a claim against the applicable Issuer for damages as contemplated by the proviso to the third sentence of Section 2.16(f) .

(h) Actions of Issuer . Each Issuer shall be entitled to rely, and shall be fully protected in relying, upon any Letter of Credit, draft, writing, resolution, notice, consent, certificate, affidavit, letter, telegram, facsimile, email, telex message, statement, order or other document believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon advice and statements of legal counsel, independent accountants and other experts selected by such Issuer. Each Issuer shall be fully justified in

failing or refusing to take any action under this Agreement unless it shall first have received such advice or concurrence of the Majority Banks as it reasonably deems appropriate or it shall first be indemnified to its reasonable satisfaction by the Banks against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Notwithstanding any other provision of this Section 2.16 , each Issuer shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement in accordance with a request of the Majority Banks, and such request and any action taken or failure to act pursuant thereto shall be binding upon the Banks and any future holder of a participation in any applicable Letter of Credit.

(i) Indemnification . The Company agrees to indemnify and hold harmless each Bank, the applicable Issuer and the Administrative Agent, and their respective directors, officers, agents and employees, from and against any and all claims and damages, losses, liabilities, costs or expenses which such Bank, such Issuer or the Administrative Agent may incur (or which may be claimed against such Bank, such Issuer or the Administrative Agent by any Person whatsoever) by reason of or in connection with the issuance, execution and delivery or transfer of or payment or failure to pay under any Letter of Credit or any actual or proposed use of any Letter of Credit, including any claims, damages, losses, liabilities, costs or expenses which such Issuer may incur by reason of or in connection with (i) the failure of any other Bank to fulfill or comply with its obligations to such Issuer hereunder (but nothing herein contained shall affect any right the Company may have against any defaulting Bank) or (ii) by reason of or on account of such Issuer issuing any Letter of Credit which specifies that the term "Beneficiary" therein includes any successor by operation of law of the named Beneficiary, but which Letter of Credit does not require that any drawing by any such successor Beneficiary be accompanied by a copy of a legal document, satisfactory to such Issuer, evidencing the appointment of such successor Beneficiary; provided that the Company shall not be required to indemnify any Bank, the applicable Issuer or the Administrative Agent for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by (x) the willful misconduct or gross negligence of such Issuer in determining whether a request presented under any Letter of Credit issued by such Issuer complied with the terms of such Letter of Credit or (y) such Issuer's failure to pay under any Letter of Credit after the presentation to it of a request strictly complying with the terms and conditions of such Letter of Credit. Nothing in this Section 2.16(i) is intended to limit the obligations of the Company under any other provision of this Agreement.

(j) Banks' Indemnification . Each Bank shall, ratably in accordance with its Pro Rata Share, indemnify each applicable Issuer and its affiliates and their respective directors, officers, agents and employees (to the extent not reimbursed by the Company) against any cost, expense (including reasonable counsel fees and charges), claim, demand, action, loss or liability (except such as result from such indemnitees' gross negligence or willful misconduct or such Issuer's failure to pay under any Letter of Credit after the presentation to it of a request strictly complying with the terms and conditions of such Letter of Credit) that such indemnitees may suffer or incur in connection with this Section 2.16 or any action taken or omitted by such indemnitees hereunder.

(k) LC Collateral Account . The Company agrees that it will establish on the Termination Date (or on such earlier date as may be required pursuant to Section 8.02), and thereafter maintain so long as any Letter of Credit is outstanding or any amount is payable to any Issuer or the Banks in respect of any Letter of Credit, a special collateral account pursuant to arrangements satisfactory to the Administrative Agent (the " LC Collateral Account ") at the

Administrative Agent's office at the address specified pursuant to Section 10.02 , in the name of the Company but under the sole dominion and control of the Administrative Agent, for the benefit of the Banks, and in which the Company shall have no interest other than as set forth in Section 8.02 . The Company shall cause to be maintained on deposit in the LC Collateral Account at all times on and after the Termination Date an amount equal to 105% of the Letter of Credit Obligations, and the Company hereby pledges, assigns and grants to the Administrative Agent, on behalf of and for the ratable benefit of the Banks and the Issuers, a security interest in all of the Company's right, title and interest in and to all funds which may from time to time be on deposit in the LC Collateral Account, to secure the prompt and complete payment and performance of the Obligations. The Administrative Agent will invest any funds on deposit from time to time in the LC Collateral Account in certificates of deposit of U.S. Bank having a maturity not exceeding 30 days. At any time prior to the Termination Date, the Administrative Agent will, not later than three Business Days following the request of the Company and so long as no Default or Event of Default then exists, return to the Company funds that were deposited by the Company in the LC Collateral Account pursuant to this clause (k) , together with any accrued interest thereon.

(l) Rights as a Bank . In its capacity as a Bank, each Issuer shall have the same rights and obligations as any other Bank.

2.17 Additional Cash Collateral . Without limiting the obligations of the Company under Section 2.16(k) , at any time that there shall exist a Defaulting Bank, within two (2) Business Days following the written request of the Administrative Agent or any Issuer (with a copy to the Administrative Agent), the Company shall Cash Collateralize the Issuers' Fronting Exposure with respect to such Defaulting Bank (determined after giving effect to Section 2.18(a)(iv) and any Cash Collateral provided by such Defaulting Bank) in an amount not less than the Minimum Collateral Amount.

(a) Grant of Security Interest . The Company, and to the extent provided by any Defaulting Bank, such Defaulting Bank, hereby grants to the Administrative Agent, for the benefit of the Issuers, and agrees to maintain, a first priority security interest in all such Cash Collateral as security for the Defaulting Banks' obligations to fund participations in respect of Letter of Credit Obligations, to be applied pursuant to clause (b) below. If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent and the Issuers as herein provided (other than Liens of the type described in Section 7.01(c) or (l)), or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, the Company will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency (after giving effect to any Cash Collateral provided by the Defaulting Bank).

(b) Application . Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under this Section 2.17 or Section 2.18 in respect of Letters of Credit shall be applied to the satisfaction of the Defaulting Banks' obligations to fund participations in respect of Letter of Credit Obligations (including, as to Cash Collateral provided by a Defaulting Bank, any interest accrued on such obligation) for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(c) Termination of Requirement . Cash Collateral (or the appropriate portion thereof) provided to reduce any Issuer's Fronting Exposure shall no longer be required to be held as Cash Collateral pursuant to this Section 2.17 , and shall be returned to the Person that provided such Cash Collateral not later than three Business Days after such Person's request, in each case following (i) the elimination of the applicable Fronting Exposure (including by the termination of Defaulting Bank status of the applicable Bank in accordance with Section 2.18(b)), or (ii) the determination by the Administrative Agent and each Issuer that there exists excess Cash Collateral; provided that, subject to Section 2.18 (including any agreement pursuant thereto whereby a Defaulting Bank agrees to maintain Cash Collateral with the Administrative Agent as a condition to such Defaulting Bank ceasing to be deemed a Defaulting Bank), the Person providing Cash Collateral and each Issuer may agree that Cash Collateral shall be held to support future anticipated Fronting Exposure or other obligations (and, in the case of any such Cash Collateral that was provided by the Company and will be so held, such Cash Collateral shall remain subject to the security interest granted hereunder).

2.18 Defaulting Banks .

(a) Defaulting Bank Adjustments . Notwithstanding anything to the contrary contained in this Agreement, if any Bank becomes a Defaulting Bank, then, until such time as such Bank is no longer a Defaulting Bank, to the extent permitted by applicable law:

(i) Waivers and Amendments . Such Defaulting Bank's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Majority Banks.

(ii) Defaulting Bank Waterfall . Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Bank (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise) or received by the Administrative Agent from a Defaulting Bank pursuant to Section 10.10 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first* , to the payment of any amounts owing by such Defaulting Bank to the Administrative Agent hereunder; *second* , to the payment on a pro rata basis of any amounts owing by such Defaulting Bank to any Issuer hereunder; *third* , to Cash Collateralize the Issuers' Fronting Exposure with respect to such Defaulting Bank in accordance with Section 2.17 ; *fourth* , as the Company may request (so long as no Default or Event of Default exists), to the funding of any Advance in respect of which such Defaulting Bank has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *fifth* , if so determined by the Administrative Agent and the Company, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Bank's potential future funding obligations with respect to Advances under this Agreement and (y) Cash Collateralize the Issuers' future Fronting Exposure with respect to such Defaulting Bank with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.17 ; *sixth* , to the payment of any amounts owing to the Banks, the Issuers as a result of any judgment of a court of competent jurisdiction obtained by any Bank or the Issuers against such Defaulting Bank as a result of such Defaulting Bank's breach of its obligations under this Agreement; *seventh* , so long as no Default or Event of Default exists, to the payment of any amounts owing to the Company as a result of any judgment of a court of competent jurisdiction obtained by the Company against such Defaulting Bank as a result of such Defaulting

Bank's breach of its obligations under this Agreement; and *eighth* , to such Defaulting Bank or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Advances or unpaid Reimbursement Obligations in respect of which such Defaulting Bank has not fully funded its appropriate share, and (y) such Advances were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 4.02 were satisfied or waived, such payment shall be applied solely to pay the Advances of, and LC Disbursements owed to, all Non-Defaulting Banks on a pro rata basis prior to being applied to the payment of any Loans of, or LC Disbursements owed to, such Defaulting Bank until such time as all Advances and funded and unfunded participations in Letter of Credit Obligations are held by the Banks pro rata in accordance with the Commitments without giving effect to Section 2.18(a)(iv) . Any payments, prepayments or other amounts paid or payable to a Defaulting Bank that are applied (or held) to pay amounts owed by a Defaulting Bank or to post Cash Collateral pursuant to this Section 2.18(a)(ii) shall be deemed paid to and redirected by such Defaulting Bank, and each Bank irrevocably consents hereto.

(iii) Certain Fees . (A) Each Defaulting Bank shall be entitled to receive a facility fee for any period during which that Bank is a Defaulting Bank only to extent allocable to the sum of (1) the outstanding principal amount of the Loans funded by it, and (2) its Pro Rata Share of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.17 .

(B) Each Defaulting Bank shall be entitled to receive Letter of Credit Fees for any period during which that Bank is a Defaulting Bank only to the extent allocable to its Pro Rata Share of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.17 .

(C) With respect to any facility fee or Letter of Credit Fee not required to be paid to any Defaulting Bank pursuant to clause (A) or (B) above, the Company shall (x) pay to each Non-Defaulting Bank that portion of any such fee otherwise payable to such Defaulting Bank with respect to such Defaulting Bank's participation in Letter of Credit Obligations that has been reallocated to such Non-Defaulting Bank pursuant to clause (iv) below, (y) pay to each Issuer, as applicable, the amount of any such fee otherwise payable to such Defaulting Bank to the extent allocable to such Issuer's Fronting Exposure to such Defaulting Bank, and (z) not be required to pay the remaining amount of any such fee.

(iv) Reallocation of Participations to Reduce Fronting Exposure . All or any part of such Defaulting Bank's participation in Letter of Credit Obligations shall be reallocated among the Non-Defaulting Banks in accordance with their respective Pro Rata Shares (calculated without regard to such Defaulting Bank's Commitment and Outstanding Credit Exposure) but only to the extent that (x) the conditions set forth in Section 4.02 are satisfied at the time of such reallocation (and, unless the Company shall have otherwise notified the Administrative Agent at such time, the Company shall be deemed to have represented and warranted that such conditions are satisfied at such

time), and (y) such reallocation does not cause the Outstanding Credit Exposure of any Non-Defaulting Bank to exceed such Non-Defaulting Bank's Commitment. Subject to Section 10.24 , no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Bank arising from that Bank having become a Defaulting Bank, including any claim of a Non-Defaulting Bank as a result of such Non-Defaulting Bank's increased exposure following such reallocation.

(v) Cash Collateral . If the reallocation described in clause (iv) above cannot, or can only partially, be effected, the Company shall, without prejudice to any right or remedy available to it hereunder or under law, Cash Collateralize the Issuers' Fronting Exposure in accordance with the procedures set forth in Section 2.17 .

(b) Defaulting Bank Cure . If the Company, the Administrative Agent and each Issuer agree in writing that a Bank is no longer a Defaulting Bank, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions agreed to by the Company, the Administrative Agent, each Issuer and such Bank set forth in such notice, such Bank will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Banks or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit to be held pro rata by the Banks in accordance with the Commitments (without giving effect to Section 2.18(a)(iv)), whereupon such Bank will cease to be a Defaulting Bank; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Company while that Bank was a Defaulting Bank; and provided , further , that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Bank to Bank will constitute a waiver or release of any claim of any party hereunder arising from that Bank's having been a Defaulting Bank.

(c) New Letters of Credit . So long as any Bank is a Defaulting Bank, no Issuer shall be required to issue, extend, renew or increase any Letter of Credit unless it is satisfied that it will have no Fronting Exposure after giving effect thereto.

ARTICLE III
YIELD PROTECTION; TAXES

3.01 Increased Costs Generally . If, on or after the date of this Agreement, there occurs any adoption of or change in any law, governmental or quasi-governmental rule, regulation, policy, guideline, interpretation, or directive (whether or not having the force of law) or in the interpretation, promulgation, implementation or administration thereof by any governmental or quasi-governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, including, notwithstanding the foregoing, all requests, rules, guidelines or directives (x) in connection with the Dodd-Frank Wall Street Reform and Consumer Protection Act or (y) promulgated by the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority) or the United States financial regulatory authorities, in each case of clauses (x) and (y), regardless of the date enacted, adopted, issued, promulgated or implemented, or compliance by any Bank or applicable Lending Installation or any Issuer with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency (any of the foregoing, a " Change in Law ") which:

(a) subjects any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto, or

(b) imposes or increases or deems applicable any reserve, assessment, insurance charge, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Bank or any applicable Lending Installation or any Issuer (other than reserves and assessments taken into account in determining the Eurodollar Rate), or

(c) imposes any other condition (other than Taxes) the result of which is to increase the cost to any Bank or any applicable Lending Installation or any Issuer of funding or maintaining its Eurodollar Loans, or of issuing or participating in Letters of Credit, or reduces any amount receivable by any Bank or any applicable Lending Installation or any Issuer in connection with its Eurodollar Loans, Letters of Credit or participations therein, or requires any Bank or any applicable Lending Installation or any Issuer to make any payment calculated by reference to the amount of Eurodollar Loans, Letters of Credit or participations therein held or interest or Letter of Credit Fees received by it, by an amount deemed material by such Bank or such Issuer as the case may be,

and the result of any of the foregoing is to increase the cost to such Person of making or maintaining its Loans or Commitment or of issuing or participating in Letters of Credit or to reduce the return received by such Person in connection with such Loans or Commitment, Letters of Credit or participations therein, then, within 15 days after demand by such Person, the Company shall pay such Person, as the case may be, such additional amount or amounts as will compensate such Person for such increased cost or reduction in amount received .

3.02 Changes in Capital Adequacy Regulations . If any Bank or Issuer determines that any Change in Law affecting such Bank or Issuer or any lending office of such Bank or such Bank's or Issuer's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Bank's or Issuer's capital or on the capital of such Bank's or Issuer's holding company, if any, as a consequence of this Agreement, the Commitment of such Bank or the Loans made by, or participations in Letters of Credit held by, such Bank, or the Letters of Credit issued by any Issuer, to a level below that which such Bank or Issuer or such Bank's or Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Bank's or Issuer's policies and the policies of such Bank's or Issuer's holding company with respect to capital adequacy), then from time to time the Company will pay to such Bank or Issuer, as the case may be, such additional amount or amounts as will compensate such Bank or Issuer or such Bank's or Issuer's holding company for any such reduction suffered.

3.03 Certificates for Reimbursement; Delay in Requests .

(a) A certificate of a Bank or Issuer setting forth the amount or amounts necessary to compensate such Bank or Issuer or its holding company, as the case may be, as specified in Section 3.01 or 3.02 and delivered to the Company, shall be conclusive absent manifest error. The Company shall pay such Bank or Issuer, as the case may be, the amount shown as due on any such certificate within 15 days after receipt thereof.

(b) Failure or delay on the part of any Bank or Issuer to demand compensation pursuant to this Section shall not constitute a waiver of such Bank's or Issuer's right to demand such compensation; provided that the Company shall not be required to compensate a Bank or Issuer pursuant to this Section for any increased costs incurred or reductions suffered more than 180 days prior to the date that such Bank or Issuer, as the case may be, notifies the Company of the Change in Law giving rise to such increased costs or reductions, and of such Bank's or Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180 day period referred to above shall be extended to include the period of retroactive effect thereof).

3.04 Availability of Types of Advances. If (1) any Bank determines that the making, maintaining or funding of its Eurodollar Loans at a suitable Lending Installation would violate any applicable law, rule, regulation, or directive, whether or not having the force of law, or (1) if the Majority Banks determine that (i) deposits of a type and maturity appropriate to match fund Eurodollar Advances are not available or (ii) the interest rate applicable to Eurodollar Advances does not accurately reflect the cost of making or maintaining Eurodollar Advances, then the Administrative Agent shall suspend the availability of Eurodollar Advances and, in the case of clause (a) only, require any affected Eurodollar Advances to be repaid or converted to Base Rate Advances, subject to the payment of any funding indemnification amounts required by Section 3.05.

3.05 Funding Indemnification. If (a) any payment of a Eurodollar Advance occurs on a date which is not the last day of the applicable Interest Period, whether because of acceleration, prepayment or otherwise, (b) a Eurodollar Advance is not made on the date specified by the Company for any reason other than default by the Banks, (c) a Eurodollar Loan is converted other than on the last day of the Interest Period applicable thereto, (d) the Company fails to borrow, convert, continue or prepay any Eurodollar Loan on the date specified in any notice delivered pursuant hereto or (e) any Eurodollar Loan is assigned other than on the last day of the Interest Period applicable thereto as a result of a request by the Company pursuant to Section 2.15, the Company will indemnify each Bank for any costs, expenses and Interest Differential (as determined by such Bank) incurred as a result thereof. The term "Interest Differential" shall mean that sum equal to the greater of zero or the financial loss incurred by the applicable Bank resulting from any action described in clauses (a) through (e) above, calculated as the difference between the amount of interest such Bank would have earned (from the investments in money markets as of the Borrowing Date of such Loan) had such action not occurred and the interest such Bank will actually earn (from like investments in money markets as of the date of prepayment) as a result of the redeployment of such funds. Because of the short-term nature of this facility, the Company agrees that Interest Differential shall not be discounted to its present value.

3.06 Taxes.

(a) Issuer. For purposes of this Section 3.06, the term "Bank" includes any Issuer.

(b) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Company under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the

deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the Company shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) Payment of Other Taxes by the Company . The Company shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) Indemnification by the Company . The Company shall indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Company by a Bank (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Bank, shall be conclusive absent manifest error.

(e) Indemnification by the Banks . Each Bank shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Bank (but only to the extent that the Company has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Company to do so), (ii) any Taxes attributable to such Bank's failure to comply with the provisions of Section 10.08(d) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Bank, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Bank by the Administrative Agent shall be conclusive absent manifest error. Each Bank hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Bank under any Loan Document or otherwise payable by the Administrative Agent to such Bank from any other source against any amount due to the Administrative Agent under this clause (e) .

(f) Evidence of Payments . As soon as practicable after any payment of Taxes by the Company to a Governmental Authority pursuant to this Section 3.06 , the Company shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) Status of Banks .

(i) Any Bank that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Company and the Administrative Agent, at the time or times reasonably requested by the Company or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Company or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Bank, if reasonably requested by the Company or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Company or the Administrative Agent as will enable the Company or the Administrative Agent to determine whether or not such Bank is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 3.06(g)(ii)(A) , (ii)(B) and (ii)(D) below) shall not be required if in the applicable Bank's reasonable judgment such completion, execution or submission would subject such Bank to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Bank.

(ii) Without limiting the generality of the foregoing,

(A) any Bank that is a U.S. Person shall deliver to the Company and the Administrative Agent on or prior to the date on which such Bank becomes a Bank under this Agreement (and from time to time thereafter upon the reasonable request of the Company or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Bank is exempt from U.S. federal backup withholding tax;

(B) any Foreign Bank shall, to the extent it is legally entitled to do so, deliver to the Company and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Bank becomes a Bank under this Agreement (and from time to time thereafter upon the reasonable request of the Company or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Bank claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Bank claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit E-1 to the effect that such Foreign Bank is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent

shareholder" of the Company within the meaning of Section 871(h)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a " U.S. Tax Compliance Certificate ") and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable,; or

(4) to the extent a Foreign Bank is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit E-2 or Exhibit E-3 , IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Bank is a partnership and one or more direct or indirect partners of such Foreign Bank are claiming the portfolio interest exemption, such Foreign Bank may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit E-4 on behalf of each such direct and indirect partner;

(C) any Foreign Bank shall, to the extent it is legally entitled to do so, deliver to the Company and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Bank becomes a Bank under this Agreement (and from time to time thereafter upon the reasonable request of the Company or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Company or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Bank under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Bank were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Bank shall deliver to the Company and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Company or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Company or the Administrative Agent as may be necessary for the Company and the Administrative Agent to comply with their obligations under FATCA and to determine that such Bank has complied with such Bank's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Bank agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Company and the Administrative Agent in writing of its legal inability to do so.

(h) Treatment of Certain Refunds . If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 3.06 (including by the payment of additional amounts

pursuant to this Section 3.06), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this clause (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this clause (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this clause (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This clause shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

3.07 Mitigation Obligations; Replacement of Banks .

(a) Mitigation Obligations . If any Bank requests compensation under Section 3.01 or 3.02 , or requires the Company to pay any Indemnified Taxes or additional amounts to any Bank or any Governmental Authority for the account of any Bank pursuant to Section 3.06 , then such Bank shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Bank, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 , 3.02 or 3.06 , as the case may be, in the future, and (ii) would not subject such Bank to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Bank. The Company hereby agrees to pay all reasonable costs and expenses incurred by any Bank in connection with any such designation or assignment.

(b) Replacement of Banks . If any Bank requests compensation under Section 3.01 or 3.02 , or requires the Company to pay any Indemnified Taxes or additional amounts to any Bank or any Governmental Authority for the account of any Bank pursuant to Section 3.06 , and, in each case, such Bank has declined or is unable to designate a different lending office in accordance with Section 3.07(a) (each such Bank, an " Increased Cost Bank "), or if any Bank is a Defaulting Bank or a Non-Consenting Bank, then the Company may, at its sole expense and effort, upon notice to such Bank and the Administrative Agent, require such Bank to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.08), all of its interests, rights (other than its existing rights to payments pursuant to Section 3.01 , 3.02 or 3.06) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Bank, if a Bank accepts such assignment); provided that:

(A) the Company shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 10.08 ;

(B) such Bank shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Company (in the case of all other amounts);

(C) in the case of any such assignment resulting from a claim for compensation under Section 3.01 or 3.02 , such assignment will result in a reduction in such compensation or payments thereafter;

(D) such assignment does not conflict with applicable law; and

(E) in the case of any assignment resulting from a Bank becoming a Non-Consenting Bank, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

(c) A Bank shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Bank or otherwise, the circumstances entitling the Company to require such assignment and delegation cease to apply. Each Bank and Issuer hereby grants to the Administrative Agent an irrevocable power of attorney (which power is coupled with an interest) to execute and deliver, on behalf of such Bank or Issuer, as the case may be, as assignor, any Assignment Agreement necessary to effect any assignment of such Bank's or Issuer's interests hereunder in the circumstances contemplated by this Section 3.07 . Each Bank agrees that if the Company exercises its option hereunder to cause an assignment by such Bank as an Increased Cost Bank, Non-Consenting Bank or Defaulting Bank, such Bank shall, promptly after receipt of written notice of such election, execute and deliver all documentation necessary to effect such assignment in accordance with Section 3.07 . In the event that a Bank does not comply with the requirements of the immediately preceding sentence within one Business Day after receipt of such notice, each Bank hereby authorizes and directs the Administrative Agent to execute and deliver such documentation as may be required to give effect to an assignment in accordance with Section 10.08 on behalf of an Increased Cost Bank, Non-Consenting Bank or Defaulting Bank and any such documentation so executed by the Administrative Agent shall be effective for purposes of documenting an assignment pursuant to Section 10.08 .

ARTICLE IV
CONDITIONS PRECEDENT

4.01 Initial Credit Extension . The obligation of the Banks and the Issuers to make the initial Credit Extension is subject to the following conditions precedent (unless all of the Banks, in their sole and absolute discretion, shall agree otherwise):

(a) The Administrative Agent shall have received all of the following, each of which shall be originals unless otherwise specified, each properly executed by a Responsible Officer, each dated as of the date of this Agreement and each in form and substance satisfactory to the Administrative Agent and the Banks (unless otherwise specified or, in the case of the date of any of the following, unless the Administrative Agent otherwise agrees or directs):

(1) one executed counterpart of this Agreement, together with arrangements satisfactory to Administrative Agent for additional executed counterparts, sufficient in number for distribution to the Banks and the Company;

(2) a Note executed by the Company in favor of each Bank requesting a Note;

(3) copies of the resolutions of the Board of Directors or the executive committee of the Company approving and authorizing the execution, delivery and performance by the Company of the Loan Documents to which it is a party, certified as of the date of this Agreement by the Secretary or an Assistant Secretary of the Company;

(4) a certificate of the Secretary or Assistant Secretary of the Company, certifying the names, titles and true signatures of the Responsible Officers and any other officers of the Company authorized to execute and deliver the Loan Documents to which it is a party, upon which certificate the Administrative Agent, the Issuers and the Banks shall be entitled to rely until informed of any change in writing by the Company;

(5) copies of the articles or certificate of incorporation of the Company as in effect on the date of this Agreement and the bylaws of the Company as in effect on the date of this Agreement, certified by the Secretary or Assistant Secretary of the Company as of the date of this Agreement;

(6) a good standing certificate for the Company from the Secretary of State of the State of Delaware;

(7) the Opinions of Counsel;

(8) a certificate signed by a Responsible Officer certifying that the conditions specified in Sections 4.01(c) , 4.01(d) and 4.01(f) have been satisfied;

(9) written money transfer instructions, in substantially the form of Exhibit D , addressed to the Administrative Agent and signed by a Responsible Officer, together with such other related money transfer authorizations as the Administrative Agent may have reasonably requested;

(10) if the initial Credit Extension will be the issuance of a Letter of Credit, a properly completed Letter of Credit Application; and

(11) such other assurances, certificates, documents, consents or opinions as the Administrative Agent reasonably may require.

(b) Attorney Costs of the Co-Lead Arrangers to the extent invoiced prior to or on the Execution Date, plus such additional amounts of Attorney Costs as shall constitute the reasonable estimate of Attorney Costs incurred or to be incurred by the Co-Lead Arrangers through the closing proceedings (provided that such estimate shall not thereafter preclude final settling of accounts between the Company and the Co-Lead Arrangers) shall have been paid.

(c) The representations and warranties of the Company contained in Article V shall be true and correct in all material respects.

(d) The Company shall be in compliance with all the terms and provisions of the Loan Documents, and, after giving effect to the initial Advance, no Default or Event of Default shall exist.

(e) The Company shall have paid to the Administrative Agent for the account of the Banks such upfront fees as have been agreed to by the Company, the Administrative Agent and the Co-Lead Arrangers pursuant to the Fee Letters.

(f) There shall have occurred since December 31, 2015 no event or circumstance that has resulted or could reasonably be expected to result in a Material Adverse Effect.

4.02 Each Credit Extension. The obligation of the Banks and the Issuers to make any Credit Extension (including the initial Credit Extension) is subject to the following conditions precedent:

(a) the representations and warranties of the Company contained in Article V (except (i) in the case of a conversion or continuation pursuant to Section 2.02(d), the representations set forth in Sections 5.05, 5.11(b) and 5.12 and in the second and third sentences of Section 5.14 and (ii) in the case of a Loan the proceeds of which will be used to pay maturing commercial paper of the Company, the representations set forth in Sections 5.05(b) and 5.11(b)) are true and correct in all material respects as though made on and as of the date of such Credit Extension (except to the extent such representations and warranties expressly refer to an earlier date, in which case they are true and correct as of such earlier date);

(b) no Default or Event of Default exists or would result from such Credit Extension; and

(c) the Administrative Agent shall have received, in form and substance satisfactory to the Administrative Agent, such other assurances, certificates, documents or consents related to the foregoing as the Administrative Agent or Majority Banks reasonably may require.

On the date of each Credit Extension, the Company shall be deemed to have represented and warranted that the representations and warranties contained in Article V (except (x) in the case of a conversion or continuation pursuant to Section 2.02(d), the representations set forth in Sections 5.05, 5.11(b) and 5.12 and in the second and third sentences of Section 5.14 and (y) in the case of a Loan the proceeds of which will be used to pay maturing commercial paper of the Company, the representations set forth in Sections 5.05(b) and 5.11(b)) are true and correct in all material respects as though made on and as of the date of such Credit Extension (except to the extent such representations and warranties expressly refer to an earlier date, in which case they are true and correct as of such earlier date).

ARTICLE V
REPRESENTATIONS AND WARRANTIES

The Company represents and warrants to the Administrative Agent, each Issuer and each Bank that:

5.01 **Existence and Power; Standing; Compliance With Laws** . The Company and each of its Subsidiaries: (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization; (b) has the power and authority and all governmental licenses, authorizations, consents and approvals to (1) own its assets and carry on its business and (1) with respect to the Company, to execute, deliver, and perform its obligations under the Loan Documents; (c) is duly qualified as a foreign corporation and is licensed and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification or license; and (d) is in compliance with all Requirements of Law; except, in each case referred to in clauses (a) (other than with respect to the Company), (b)(i) , (c) and (d) , to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

5.02 **Corporate Authorization; No Contravention or Conflict** . The execution, delivery and performance by the Company of this Agreement and each other Loan Document to which the Company is a party, have been duly authorized by all necessary corporate action, and do not and will not: (a) contravene the terms of any of the Company's Organization Documents; (b) conflict with or result in any breach or contravention of, or the creation of any Lien (other than any Lien created under any Loan Document) under, any document evidencing any Contractual Obligation to which the Company is a party or any order, injunction, writ or decree of any Governmental Authority to which the Company or its property is subject; or (c) violate any Requirement of Law.

5.03 **Governmental Authorization** . No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority is necessary or required in connection with the execution, delivery or performance by, or enforcement against, the Company of the Agreement or any other Loan Document.

5.04 **Validity and Binding Effect** . This Agreement and each other Loan Document to which the Company is a party constitute the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability.

5.05 **Litigation; Environmental Claims** . Except as set forth in the Company's financial statements dated December 31, 2015, there are, as of the Execution Date, no actions, suits, proceedings, claims (including Environmental Claims) or disputes pending, or, to the knowledge of the Company, threatened, at law, in equity, in arbitration or by or before any Governmental Authority, against the Company, or its Subsidiaries or any of their respective properties which: (a) purport to affect or pertain to this Agreement or any other Loan Document, or any of the transactions contemplated hereby or thereby; or (b) if determined adversely to the Company or its Subsidiaries, would reasonably be expected to have a Material Adverse Effect. No injunction, writ, temporary restraining order or any order of any nature has been issued by any court or other Governmental Authority purporting to enjoin or restrain the execution, delivery or performance of this Agreement or any other Loan Document, or directing that the transactions provided for herein or therein not be consummated as herein or therein provided.

5.06 **No Default** . No Default or Event of Default exists or would result from the incurring of any Obligations by the Company. As of the Execution Date, neither the Company nor any Subsidiary is in default under or with respect to any Contractual Obligation in any

respect which, individually or together with all such defaults, could reasonably be expected to have a Material Adverse Effect, or that would, if such default had occurred after the Execution Date, create an Event of Default under Section 8.01(e).

5.07 ERISA Compliance. Each of the Company and its ERISA Affiliates is in compliance in all material respects with the applicable provisions of ERISA and the Code and published interpretations thereunder, except for any such failure that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect.

5.08 Use of Proceeds; Margin Regulations. The proceeds of the Loans are to be used solely for the purposes set forth in and permitted by Section 6.11 and Section 7.06. Neither the Company nor any Subsidiary is generally engaged in the business of purchasing or selling Margin Stock or extending credit for the purpose of purchasing or carrying Margin Stock. Margin Stock constitutes less than 25% of the value of those assets of the Company and its Subsidiaries which are subject to any limitation on sale, pledge or other restriction hereunder.

5.09 Title to Properties. To the Company's knowledge, without having undertaken any search of real property records for this purpose, the Company and each Subsidiary have good and sufficient title to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of their respective businesses, and good title to all other property and assets reflected in the Company's most recent consolidated financial statements provided to the Banks as owned by the Company and its Subsidiaries, except for such defects in title as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. As of the Execution Date, the property of the Company and its Subsidiaries is subject to no Liens, other than Permitted Liens.

5.10 Taxes. The Company and its Subsidiaries have filed all federal and other tax returns and reports required to be filed, and have paid all federal and other taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings and for which adequate reserves have been provided in accordance with GAAP and except those the failure to file or pay which would not have a Material Adverse Effect. There is no proposed tax assessment against the Company or any Subsidiary that would, if made, have a Material Adverse Effect.

5.11 Financial Condition. (1) The audited consolidated and consolidating financial statements of the Company and its Subsidiaries dated December 31, 2015, and the related consolidated and consolidating statements of income or operations, shareholders' equity and cash flows for the fiscal periods ended on such dates:

(i) were prepared in accordance with GAAP consistently applied throughout the periods covered thereby, except as otherwise expressly noted therein (and subject, in the case of unaudited statements, to the absence of footnotes and to normal year-end adjustments);

(ii) fairly present the financial condition of the Company and its Subsidiaries as of the dates thereof and results of operations for the periods covered thereby; and

(iii) show all material indebtedness and other liabilities, direct or contingent, of the Company and its Subsidiaries as of the dates thereof, including liabilities for taxes, material commitments and Contingent Obligations.

(b) Since December 31, 2015, there has been no Material Adverse Effect.

5.12 Environmental Matters. The Company conducts in the ordinary course of business a review of the effect of existing Environmental Laws and existing Environmental Claims on its business, operations and properties, and as a result thereof the Company has reasonably concluded that such Environmental Laws and Environmental Claims could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

5.13 Regulated Entities. None of the Company, any Person controlling the Company, or any Subsidiary, is required to register as an "Investment Company" within the meaning of the Investment Company Act of 1940. The Company is not subject to regulation under the Federal Power Act, the Interstate Commerce Act, any state public utilities code, or any other Federal or state statute or regulation limiting its ability to incur Indebtedness.

5.14 Copyrights, Patents, Trademarks and Licenses, etc. The Company or its Subsidiaries own or are licensed or otherwise have the right to use all of the patents, trademarks, service marks, trade names, copyrights, contractual franchises, authorizations and other rights that are reasonably necessary for the operation of their respective businesses, without conflict with the rights of any other Person, except to the extent that noncompliance would not have a Material Adverse Effect. To the knowledge of the Company, no slogan or other advertising device, product, process, method, substance, part or other material now employed, or now contemplated to be employed, by the Company or any Subsidiary infringes upon any rights held by any other Person, except to the extent that noncompliance would not have a Material Adverse Effect. No claim or litigation regarding any of the foregoing is pending or threatened, and no patent, invention, device, application, principle or any statute, law, rule, regulation, standard or code is pending or, to the knowledge of the Company, proposed, which, in either case, could reasonably be expected to have a Material Adverse Effect.

5.15 Subsidiaries. As of the Execution Date, the Company has no Subsidiaries other than those specifically disclosed in part (I) of Schedule 5.15 and has no equity investments in any other corporation or entity other than those specifically disclosed in part (II) of Schedule 5.15 .

5.16 Insurance. The properties of the Company and its Subsidiaries are insured with financially sound and reputable insurance companies not Affiliates of the Company, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the Company or such Subsidiary operates, except to the extent that noncompliance would not have a Material Adverse Effect.

5.17 Solvency. The Company is Solvent, and the Company and its Subsidiaries, taken as a whole, are Solvent.

5.18 **Full Disclosure**. None of the representations or warranties made by the Company or any Subsidiary in the Loan Documents as of the date such representations and warranties are made or deemed made, and none of the statements contained in any exhibit, report, statement or certificate furnished by or on behalf of the Company or any Subsidiary in connection with the Loan Documents contains any untrue statement of a material fact or omits any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they are made, not misleading as of the time when made or delivered. It is understood that any financial projections contained in any of the aforementioned materials represent projections based on various assumptions that the Company believes in good faith are reasonable in light of the circumstances and that any such projection of future results of operations may or may not occur and no assurance can be given that any such projected results will be achieved.

5.19 **Senior Debt**. The Obligations will be at least pari passu with all other senior unsecured debt of the Company.

5.20 **OFAC; Anti-Terrorism Laws**.

(a) Neither the Company nor any Subsidiary (i) is a Sanctioned Person, (ii) has assets in Sanctioned Countries, or (iii) derives any operating income from investments in, or transactions with, Sanctioned Persons or Sanctioned Countries. No part of the proceeds of any Loan hereunder will be used directly or, to the Company's knowledge indirectly to fund any operations in, finance any investments or activities in or make any payments to a Sanctioned Person or a Sanctioned Country.

(b) Neither the making of the Credit Extensions hereunder nor the use of the proceeds thereof will violate any anti-money laundering laws, the USA Patriot Act, the Trading with the Enemy Act, or any of the foreign assets control regulations of the United States Treasury Department (31 C.F.R., Subtitle B, Chapter V) or any enabling legislation or executive order relating thereto or successor statute thereto. The Company and its Subsidiaries are in compliance in all material respects with the USA Patriot Act.

5.21 **Anti-Corruption Laws**. No part of the proceeds of any Credit Extension shall be used, directly or indirectly: (a) to offer or give anything of value to any official or employee of any foreign government department, agency or instrumentality or any foreign government-owned entity, to any foreign political party or party official or political candidate or to any official or employee of a public international organization, or to anyone else acting in an official capacity (collectively, " Foreign Official "), in order to obtain, retain or direct business by (i) influencing any act or decision of such Foreign Official in such Foreign Official's official capacity, (ii) inducing such Foreign Official to do or omit to do any act in violation of the lawful duty of such Foreign Official, (iii) securing any improper advantage or (iv) inducing such Foreign Official to use such Foreign Official's influence with a foreign government or instrumentality to affect or influence any act or decision of such government or instrumentality; (b) in any other manner that would violate the U.S. Foreign Corrupt Practices Act of 1977 (the " FCPA "); or (c) in any manner that would cause any Bank to violate the FCPA or any other anti-corruption law applicable to such Bank (the FCPA and all such other laws, " Anti-Corruption Laws ").

ARTICLE VI
AFFIRMATIVE COVENANTS

So long as any Bank has any Commitment hereunder, any Letter of Credit remains outstanding or any Loan or other Obligation remains unpaid or unsatisfied, unless the Majority Banks waive compliance in writing:

6.01 Financial Statements. The Company shall deliver to the Administrative Agent, in form and detail satisfactory to the Administrative Agent and the Majority Banks, with sufficient copies for each Bank (to be promptly forwarded by the Administrative Agent to each of the Banks upon receipt thereof):

(a) as soon as available, but in no event later than 120 days after the end of each fiscal year (commencing with the fiscal year ending December 31, 2016), copies of the audited consolidated balance sheet of the Company and its Subsidiaries as at the end of such year and the related consolidated statements of income of operations, shareholders' equity and cash flows for such year, together with exhibits thereto containing the consolidating balance sheet of the Company and its Subsidiaries as at the end of such year and the related consolidating statements of income of operations, shareholders' equity and cash flows for such year, setting forth in each case in comparative form the figures for the previous fiscal year, and accompanied by the opinion of a nationally-recognized independent public accounting firm (" Independent Auditor "), which opinion shall (i) state that such financial statements present fairly the financial position and results of operations of the Company and its Subsidiaries at the time and for the periods indicated in conformity with GAAP consistently applied throughout the periods covered thereby, except as otherwise expressly noted in such financial statements, (ii) not be qualified or limited as to going concern or because of a restricted or limited examination by the Independent Auditor of any material portion of the Company's or any Subsidiary's records and (iii) be delivered to the Administrative Agent;

(b) as soon as available, but not later than 60 days after the end of each of the first three fiscal quarters of each fiscal year (commencing with the fiscal quarter ending September 30, 2016), a copy of the unaudited consolidated and consolidating balance sheet of the Company and its Subsidiaries as of the end of such quarter, the related consolidated and consolidating statements of income for the period commencing on the first day and ending on the last day of such quarter and the related consolidated and consolidating statements of equity and cash flows for the period commencing on the first day of the fiscal year and ending on the last day of such quarter, certified by a Responsible Officer as fairly presenting, in accordance with GAAP (subject to ordinary, good faith year-end audit adjustments), the financial position and the results of operations of the Company and its Subsidiaries at the time and for the periods indicated.

6.02 Certificates; Other Information. The Company shall furnish to the Administrative Agent, with sufficient copies for each Bank:

(a) concurrently with the delivery of the financial statements referred to in Sections 6.01(a) and (b) , a Compliance Certificate executed by a Responsible Officer;

(b) upon request of any Bank, copies of all financial statements and reports that MDU Resources Group, Inc. sends to its shareholders, and copies of all financial statements

and regular, periodical or special reports (including Forms 10-K, 10-Q and 8-K) that MDU Resources Group, Inc. may make to, or file with, the SEC;

(c) upon request of any Bank, copies of the most recent annual report (Form 5500 Series), including any supporting schedules, filed by the Company or any ERISA Affiliate with the IRS with respect to any Plan; and

(d) promptly, such additional information regarding the business, financial or corporate affairs of the Company or any Subsidiary as the Administrative Agent, at the request of any Bank, may from time to time reasonably request.

6.03 Notices. The Company shall promptly notify the Administrative Agent and each Bank: (a) of the occurrence of any Default or Event of Default, and of the occurrence or existence of any event or circumstance known to the Company that will become a Default or Event of Default; (b) of any matter that has resulted or would reasonably be expected to result in a Material Adverse Effect, including (1) any breach or non-performance of, or any default under, a Contractual Obligation of the Company or any of its Subsidiaries; (1) any dispute, litigation, investigation, proceeding or suspension between the Company or any of its Subsidiaries and any Governmental Authority; or (1) the commencement of, or any material development in, any litigation or proceeding affecting the Company or any Subsidiary, including pursuant to any applicable Environmental Laws; (c) of any of the following events affecting the Company, together with a copy of any notice with respect to such event that may be required to be filed with a Governmental Authority and any notice delivered by a Governmental Authority to the Company with respect to such event: (i) an ERISA Event (together with a written notice specifying the nature thereof, what action the Company has taken, is taking or proposes to take with respect thereto, and, when known, any action taken or threatened by the IRS, the PBGC or the Department of Labor with respect thereto); and (ii) the adoption of any Pension Plan, or of any amendment to a Pension Plan if such amendment results in a material increase in contributions or Unfunded Pension Liability; (d) of any material change in accounting policies or financial reporting practices by the Company or any of its Subsidiaries; (e) of any announcement by any rating agency of any change in any component of the Pricing Rating; (f) of any loan or advance made by the Company to Centennial International; and (g) upon the request from time to time of the Administrative Agent, of the Swap Termination Values, together with a description of the method by which such amounts were determined, relating to any then-outstanding Swap Contracts to which the Company or any of its Subsidiaries is party.

Each notice under this Section shall be accompanied by a written statement by a Responsible Officer setting forth details of the occurrence referred to therein, and stating what action the Company or any affected Subsidiary proposes to take with respect thereto and at what time. Each notice under Section 6.03(a) shall describe with particularity any and all clauses or provisions of this Agreement or other Loan Document that the Company believes have been or will be breached or violated.

6.04 Preservation of Existence. Subject to transactions permitted by Section 7.02 or Section 7.03, the Company shall, and shall cause each Subsidiary to: (a) preserve and maintain in full force and effect its existence and good standing under the laws of its state or jurisdiction of organization; (b) preserve and maintain in full force and effect all governmental rights, privileges, qualifications, permits, licenses and franchises necessary or desirable in the normal conduct of its business; (c) use reasonable efforts, in the ordinary course of business, to preserve

its business organization and goodwill; and (d) preserve or renew all of its registered patents, trademarks, trade names and service marks; except, in each case referred to in clause (a) with respect to any Subsidiary and clauses (b) through (d), to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

6.05 Maintenance of Property. Subject to transactions permitted by Section 7.02 or Section 7.03, the Company shall maintain, and shall cause each Subsidiary to maintain, and preserve all its property which is used or useful in its business in good working order and condition, ordinary wear and tear excepted, except to the extent that noncompliance would not have a Material Adverse Effect.

6.06 Insurance. The Company shall maintain, and shall cause each of its Subsidiaries to maintain, with financially sound and reputable independent insurers, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as are customarily carried under similar circumstances by such other Persons, except to the extent that noncompliance would not have a Material Adverse Effect, and the Company will furnish to any Bank upon request full information as to the insurance carried within fifteen Business Days.

6.07 Payment of Obligations. The Company shall, and shall cause each Subsidiary to, pay and discharge as the same shall become payable, all their respective obligations and liabilities, including: (a) all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, except where (i) the same are being contested in good faith by appropriate proceedings and (ii) unless the Company has received an opinion of independent tax counsel that more likely than not neither the Company nor any of its Subsidiaries is liable for such amounts, adequate reserves to the extent required under GAAP are being maintained by the Company or such Subsidiary; (b) all lawful claims which, if unpaid, would by law become a Lien upon its property, except to the extent such claims may be contested in good faith by appropriate proceedings or as to which a bona fide dispute may exist or with respect to which adequate reserves to the extent required under GAAP have been taken; and (c) all indebtedness, as and when payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Indebtedness, except to the extent such claims may be contested in good faith by appropriate proceedings or as to which a bona fide dispute may exist or with respect to which adequate reserves, to the extent required under GAAP, have been taken; except, in each case referred to in clauses (a) through (c), to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

6.08 Compliance with Laws. The Company shall comply, and shall cause each Subsidiary to comply, in all respects with all Requirements of Law of any Governmental Authority having jurisdiction over it or its business, except such as may be contested in good faith or as to which a bona fide dispute may exist and except to the extent that noncompliance would not reasonably be expected to have a Material Adverse Effect.

6.09 Inspection of Property and Books and Records. The Company shall maintain and shall cause each Subsidiary to maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of the Company and such

Subsidiaries. The Company shall permit, and shall cause each Subsidiary to permit, representatives and independent contractors of the Administrative Agent or any Bank to visit and inspect any of their respective properties, to examine their respective corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss their respective affairs, finances and accounts with their respective directors, officers, and (unless there exists an Event of Default, in the presence of one or more officers of the Company, which persons the Company agrees to make available) independent public accountants, all at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to the Company; provided that when an Event of Default exists, the Administrative Agent or any Bank may do any of the foregoing at the expense of the Company at any time during normal business hours and without advance notice.

6.10 Environmental Laws. The Company shall, and shall cause each Subsidiary to, conduct its operations and keep and maintain its property in compliance with all Environmental Laws, except to the extent that noncompliance would not have a Material Adverse Effect.

6.11 Use of Proceeds. The Company shall use the proceeds of the Loans for working capital and other general corporate purposes (including for commercial paper back-up and to fund negotiated Acquisitions and other investments otherwise permitted hereunder) not in contravention of any Requirement of Law or of any Loan Document.

6.12 OFAC, USA Patriot Act Compliance. The Company shall, and shall cause each Subsidiary to, (i) refrain from doing business in a Sanctioned Country or with a Sanctioned Person in violation of the economic sanctions of the United States administered by OFAC, and (ii) provide, to the extent commercially reasonable, such information and take such actions as are reasonably requested by the Administrative Agent or any Bank in order to assist the Administrative Agent and the Banks in maintaining compliance with the USA Patriot Act.

ARTICLE VII
NEGATIVE COVENANTS

So long as any Bank has any Commitment hereunder, any Letter of Credit remains outstanding or any Loan or other Obligation remains unpaid or unsatisfied, unless the Majority Banks waive compliance in writing:

7.01 Limitation on Liens. The Company shall not, and shall not suffer or permit any Subsidiary (other than any Project Finance Subsidiary or any International Subsidiary) to, directly or indirectly, make, create, incur, assume or suffer to exist any Lien upon or with respect to any part of its property, whether now owned or hereafter acquired, other than the following (" Permitted Liens "):

(a) any Lien existing on property of the Company or any Subsidiary on the Execution Date and set forth in Schedule 7.01 securing Indebtedness outstanding on such date;

(b) any Lien created under any Loan Document;

(c) Liens for taxes, fees, assessments or other governmental charges which are not delinquent or remain payable without penalty, or to the extent that non-payment thereof is permitted by Section 6.07 ;

(d) carriers', warehousemen's, mechanics', landlords', materialmen's, repairmen's, operators' (including Liens arising under operating, pooling or unitizing agreements of a scope and nature customary in the oil and gas industry) or other similar Liens arising in the ordinary course of business which are not delinquent or remain payable without penalty or which are being contested in good faith and by appropriate proceedings, which proceedings have the effect of preventing the forfeiture or sale of the property subject thereto, and for which adequate reserves are maintained on the books of such Person;

(e) Liens (other than any Lien imposed by ERISA) consisting of pledges or deposits required in the ordinary course of business under workers' compensation laws, unemployment insurance and other social security or retirement benefits, or similar legislation;

(f) Liens on the property of the Company or its Subsidiaries securing (1) the non-delinquent performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, (1) contingent obligations on surety, reclamation and appeal bonds, and (1) other non-delinquent obligations of a like nature, in each case, incurred in the ordinary course of business, provided all such Liens in the aggregate would not (even if enforced) cause a Material Adverse Effect;

(g) Liens consisting of judgment or judicial attachment liens, provided that the enforcement of such Liens is effectively stayed and the aggregate amount of the obligations secured by all such liens for the Company and its Subsidiaries (other than any Project Finance Subsidiary) does not exceed $50,000,000 at any time;

(h) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the businesses of the Company and its Subsidiaries;

(i) Liens on assets of Persons which become Subsidiaries after the Execution Date or liens existing on any property acquired by the Company or any Subsidiary at the time such property is acquired, provided that (A) such Liens existed at the time the respective Persons became Subsidiaries or at the time such property was acquired, as applicable, and were not created in anticipation thereof and (B) such Liens shall extend solely to the property so acquired and to identifiable proceeds thereof, and shall not attach to any other property of the Company or its Subsidiaries;

(j) purchase money security interests on any real or personal property acquired or held by the Company or its Subsidiaries in the ordinary course of business, securing Indebtedness incurred or assumed for the purpose of financing all or any part of the cost of acquiring such property; provided that (i) any such Lien attaches to such property concurrently with or within 20 days after the acquisition thereof, (ii) such Lien attaches solely to the property so acquired in such transaction, and (iii) the principal amount of the debt secured thereby does not exceed 100% of the cost of such property;

(k) Liens securing obligations in respect of capital leases on assets subject to such leases, provided that such capital leases are otherwise permitted hereunder;

(l) Liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of set-off or similar rights and remedies as to deposit accounts or

other funds maintained with a creditor depository institution; provided that (i) such deposit account is not a dedicated cash collateral account and is not subject to restrictions against access by the Company in excess of those set forth by regulations promulgated by the FRB, and (ii) such deposit account is not intended by the Company or any Subsidiary to provide collateral to the depository institution;

(m) Liens arising in connection with Securitization Transactions; provided that the amount of all Securitization Obligations shall not at any time exceed $75,000,000;

(n) Liens on the stock or other equity interests of any Project Finance Subsidiary or Joint Venture to secure obligations of such Project Finance Subsidiary or Joint Venture, as applicable (provided that the agreement under which any such Lien is created shall expressly state that it is non-recourse to the pledgor);

(o) Liens securing Indebtedness of a Subsidiary owed to the Company;

(p) other Liens securing Indebtedness otherwise permitted herein not exceeding $35,000,000 in the aggregate; and

(q) any Lien renewing, extending or refunding any Lien permitted by clause (a) , (i) or (j) of this Section 7.01 ; provided that (i) the principal amount of the Indebtedness secured by the subject Liens is not increased over the amount of the Indebtedness secured thereby immediately prior to such extension, renewal or refunding, (ii) such Lien is not extended to any other property and (iii) immediately after such extension, renewal or refunding, no Default or Event of Default would exist.

7.02 Disposition of Assets . The Company shall not, and shall not suffer or permit any Subsidiary (other than any Project Finance Subsidiary or any International Subsidiary) to, directly or indirectly, sell, assign, lease, convey, transfer or otherwise dispose of (whether in one or a series of transactions) any assets (including accounts and notes receivable, with or without recourse, and including any interest in any Subsidiary) or enter into any agreement to do any of the foregoing, except:

(i) dispositions of inventory (including inventory comprised of electric energy, gas, oil, coal, aggregate and other materials and products generated, manufactured, produced, mined or purchased for sale, distribution or use in the ordinary course of business), or used, worn-out, damaged or surplus equipment, all in the ordinary course of business;

(ii) the sale of equipment to the extent that such equipment is exchanged for credit against the purchase price of similar replacement equipment, or the proceeds of such sale are reasonably promptly applied to the purchase price of such replacement equipment;

(iii) dispositions of assets by the Company or any Subsidiary to the Company or any Subsidiary (other than a Project Finance Subsidiary) pursuant to reasonable business requirements;

(iv) exchanges of property on which recognition of gain or loss would be exempted from recognition pursuant to section 1031 of the Code; or

(v) the sale, assignment or other transfer of accounts receivable, lease receivables or other rights to payment pursuant to any Securitization Transaction;

provided that dispositions not prohibited by other provisions of this Agreement and not otherwise permitted by the foregoing which are made for fair market value are permitted so long as (w) at the time of any disposition, no Default or Event of Default shall exist or shall result from such disposition, (x) the aggregate sales price from such disposition shall be paid (1) in cash, (2) in marketable securities that are the subject of widely or regularly distributed standard price quotations, and/or (3) through the issuance of indebtedness by the buyer of such assets; provided that the aggregate outstanding principal amount of all such indebtedness shall not at any time exceed $35,000,000, (y) the aggregate value of all assets so sold by the Company and its Subsidiaries pursuant to clauses (i) through (iv) , together, shall not exceed in any fiscal year 20% of total consolidated assets (as determined in accordance with GAAP) of the Company and its Subsidiaries, based upon the most recent financial statements delivered to the Administrative Agent under Section 6.01 , and (z) the aggregate amount of all Securitization Obligations shall not at any time exceed $75,000,000; and provided , further , that in no event shall the Company sell, assign, lease, convey, transfer or otherwise dispose of any capital stock or other equity interests in any of the Principal Operating Subsidiaries, except pursuant to a merger or other transaction permitted in accordance with Section 7.03 .

7.03 Consolidations and Mergers . The Company shall not, and shall not suffer or permit any Subsidiary (other than any Project Finance Subsidiary or any International Subsidiary) to, merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of, any Person, except:

(a) any Subsidiary may merge or consolidate with or into (i) the Company, provided that the Company shall be the continuing or surviving corporation, or (ii) any one or more Subsidiaries (other than a Project Finance Subsidiary or an International Subsidiary (unless such merger or consolidation involves only International Subsidiaries)); provided that if (A) any transaction shall be between a Subsidiary and a Wholly-Owned Subsidiary, the Wholly-Owned Subsidiary shall be the continuing or surviving entity and (B) any transaction shall involve a Principal Operating Subsidiary, a Principal Operating Subsidiary shall be the continuing or surviving entity;

(b) the Company and any Subsidiary may convey, transfer, lease or otherwise dispose of all or substantially all of its assets in compliance with the provisions of Section 7.02 ;

(c) any Subsidiary may convey, transfer, lease or otherwise dispose of all or substantially all of its assets (upon voluntary liquidation or otherwise) to the Company or another Wholly-Owned Subsidiary (other than a Project Finance Subsidiary or an International Subsidiary (unless such transaction involves only International Subsidiaries));

(d) any Subsidiary may merge, consolidate or combine with or into any other Person; provided that the successor formed by such consolidation or combination or the survivor of such merger is a Subsidiary and the Company directly or indirectly through Wholly-Owned Subsidiaries owns at least the same percentage of outstanding stock or other equity interests of the successor or survivor Subsidiary as the Subsidiary involved in the consolidation, combination or merger; and provided , further , that (i) the prior, effective written consent or approval to such

consolidation, combination or merger of the board of directors or equivalent governing body of the other party is obtained and (ii) in the case of a merger, consolidation or combination with or into an entity that, if it were a separate Subsidiary of the Company, would be deemed to constitute a Significant Subsidiary, the Pricing Rating immediately before giving effect to such transaction is not below, and the Pricing Rating would not reasonably be expected solely as a result of such transaction to decline below, BBB+; and

(e) the Company may merge, consolidate or combine with another entity if the Company is the Person surviving the merger, consolidation or combination; provided that (i) the prior, effective written consent or approval to such consolidation, combination or merger of the board of directors or equivalent governing body of the other party is obtained and (ii) in the case of a merger, consolidation or combination with or into an entity that, if it were a separate Subsidiary of the Company, would be deemed to constitute a Significant Subsidiary, the Pricing Rating immediately before giving effect to such transaction is not below, and the Pricing Rating would not reasonably be expected solely as a result of such transaction to decline below, BBB+.

7.04 Loans and Investments. The Company shall not purchase or acquire, or suffer or permit any Subsidiary (other than a Project Finance Subsidiary) to purchase or acquire, or make any legally binding commitment therefor, any capital stock or other equity interests, or any obligations or other securities of, or any interest in, any Person, or make, or make any legally binding commitment to make, any Acquisitions, or make, or make any legally binding commitment to make, any advance, loan, extension of credit or capital contribution to or any other investment in, any Person, including any Affiliate of the Company, except for:

(a) investments in cash equivalents and short-term marketable securities pursuant to and in accordance with the terms of the Company's then-current investment policy duly adopted by the board of directors of the Company (the " Investment Policy ");

(b) investments in capital stock, equity or long-term fixed income securities of any Subsidiary (other than a Project Finance Subsidiary) that is not a Wholly-Owned Subsidiary, or otherwise undertaken in accordance with the Investment Policy, which do not in the aggregate exceed $100,000,000 in value at any time (value for this purpose being defined as the greatest of face value, market value or original cost to the Company or any Subsidiary);

(c) extensions of credit in the nature of accounts receivable or notes receivable arising from the sale or lease of goods or services in the ordinary course of business;

(d) subject to Section 7.12 , advances, loans and other extensions of credit by the Company to any of its Wholly-Owned Subsidiaries (other than a Project Finance Subsidiary) or by any of its Wholly-Owned Subsidiaries to another of its Wholly-Owned Subsidiaries (other than a Project Finance Subsidiary);

(e) equity investments in or capital contributions to any Wholly-Owned Subsidiary (other than a Project Finance Subsidiary) by the Company or any of its Wholly-Owned Subsidiaries;

(f) investments incurred in order to consummate Acquisitions; provided that such Acquisitions are undertaken in accordance with all material applicable Requirements of Law and the prior, effective written consent or approval to such Acquisition of the board of directors or equivalent governing body of the acquiree is obtained;

(g) (i) the guaranty of up to $75,000,000 of indebtedness of DPR; and (ii) investments in, Guaranty Obligations in respect of, or advances, loans, extensions of credit or capital contributions to, any Project Finance Subsidiary; provided that, notwithstanding any other provision of this Section 7.04 , the aggregate amount of all such investments, Guaranty Obligations, advances, loans, extensions of credit and capital contributions pursuant to this clause (ii) (without giving effect to any changes in the value thereof after the making thereof) shall not in the aggregate exceed $100,000,000 in value at any time;

(h) investments in the MDU Resources Group, Inc. Benefits Protection Trust in accordance with past practice of the Company; or

(i) other investments; provided that the value of the aggregate amount of investments permitted by this clause (i) shall not exceed 20% of Consolidated Net Worth at any time.

Nothing contained in this Section 7.04 (other than clause (g) hereof) shall prohibit the Company or any Subsidiary from incurring Guaranty Obligations to the extent permitted by Section 7.11 and Section 7.12 .

7.05 Transactions with Affiliates . The Company shall not enter into any material transaction or arrangement or series of related transactions or arrangements that in the aggregate would be material with any Affiliate of the Company, and the Company shall not suffer or permit any Subsidiary (other than a Project Finance Subsidiary) to enter into any material transaction or arrangement or series of related transactions or arrangements that in the aggregate would be material with any Affiliate of the Company other than another Subsidiary of the Company that is a Wholly-Owned Subsidiary (but which is not a Project Finance Subsidiary), except (1) upon fair and reasonable terms no less favorable to the Company or such Subsidiary than would be obtained, taking into account all facts and circumstances, in a comparable arm's-length transaction with a Person not an Affiliate of the Company or such Subsidiary, (1) in connection with any transaction permitted by Section 7.04(g) , or (1) (1) in the ordinary course and pursuant to the reasonable requirements of the business of WBI Energy Transmission as may be required by the Federal Energy Regulatory Commission or other appropriate Governmental Authorities having jurisdiction over WBI Energy Transmission, or (1) pursuant to the Asset Purchase Agreement, dated August 6, 1982, by and between Montana-Dakota Utilities Co. (" Montana-Dakota ") and WBI Energy Transmission, as amended by Amendment to the Asset Purchase Agreement, dated January 21, 1985, entered into in furtherance of the Revised Stipulation and Agreement of Settlement in FERC Docket No. CP82-487-000 et al. (the " Settlement Agreement "), to the extent that Article Twelve thereof requires WBI Energy Transmission, if and when it implements a pricing mechanism for WBI Energy Transmission owned production which results in prices higher than cost-of-service pricing for such production, to make a payment to Montana-Dakota which is equal in amount to the adjustment made by Montana-Dakota pursuant to Section 10.1 of such Settlement Agreement; provided that all such transactions and agreements permitted by this clause (iii) do not, individually or in the aggregate, result in a Material Adverse Effect.

7.06 Use of Proceeds . The Company shall not, and shall not suffer or permit any Subsidiary to, use any portion of the Loan proceeds, directly or indirectly, (a) to purchase or carry Margin Stock, (b) to repay or otherwise refinance Indebtedness of the Company or others incurred to purchase or carry Margin Stock, (c) to extend credit for the purpose of purchasing or

carrying any Margin Stock, or (d) to make any Acquisition that is opposed by either the board of directors or similar governing body, or by stockholders or other equity holders possessing a majority of the voting power of the outstanding voting stock or other equity interests, as the case may be, of the entity that is subject to, or whose assets are the subject of, such Acquisition.

7.07 Joint Ventures. The Company shall not, and shall not suffer or permit any Subsidiary to, enter into any Joint Venture that is or will be engaged in any line of business other than (a) businesses engaged in by MDU Resources Group, Inc. and its Subsidiaries as of the date of this Agreement, or (b) businesses closely related to any business engaged in by MDU Resources Group, Inc. and its Subsidiaries as of the date of this Agreement.

7.08 Restricted Payments. The Company shall not, and shall not suffer or permit any Subsidiary (other than a Project Finance Subsidiary) to, declare or make any dividend payment or other distribution of assets, properties, cash, rights, obligations or securities on account of any shares of any class of its capital stock or other equity interests, or purchase, redeem or otherwise acquire for value any shares of its capital stock or any other equity interests or any warrants, rights or options to acquire such shares or other equity interests, now or hereafter outstanding; except that (a) any Subsidiary may declare and pay dividends or make distributions to the Company or a Wholly-Owned Subsidiary, and (b) the Company or any Subsidiary may:

(i) declare and make dividend payments or other distributions payable solely in its common stock or other equity interests;

(ii) purchase, redeem or otherwise acquire shares of its common stock or other equity interests or warrants or options to acquire any such shares with the proceeds received from the substantially concurrent issue of new shares of its common stock or other equity interests; and

(iii) declare or pay cash dividends or other distributions to its equity holders and purchase, redeem or otherwise acquire shares of its capital stock or other equity interests or warrants, rights or options to acquire any such shares or other equity interests for cash so long as (x) no default or event of default exists or will result therefrom; (y) the Adjusted Leverage Ratio as of the last day of the most recently-ended fiscal quarter does not exceed 3.0 to 1.0; and (z) after giving effect to any such restricted payment, all restricted payments made during the 12-month period ending on the last day of the fiscal quarter in which such restricted payment is made will not exceed the remainder of Consolidated EBITDA for such 12-month period minus Net Capital Expenditures for such 12-month period.

7.09 Change in Business. The Company shall not, and shall not suffer or permit any Subsidiary to, engage in any material line of business substantially different from those lines of business carried on by MDU Resources Group, Inc. and its Subsidiaries on the date hereof.

7.10 Accounting Changes. The Company shall not, and shall not suffer or permit any Subsidiary to, make any significant change in accounting treatment or reporting practices, except as required or permitted by GAAP (or, if applicable, IFRS), or change the fiscal year of the Company.

7.11 Maximum Company Capitalization Ratio. The Company shall not permit the Company's Capitalization Ratio to exceed 65% as of the end of any fiscal quarter during the term hereof.

7.12 Limitation on Subsidiary Indebtedness. The Company will not permit any Subsidiary of the Company to, directly or indirectly, create, incur, assume, guarantee, have outstanding, or otherwise become or remain directly or indirectly liable with respect to, any Indebtedness other than:

(i) Indebtedness outstanding on the date hereof and disclosed in Schedule 7.12; provided that such Indebtedness may not be extended, renewed or refunded except as otherwise permitted by this Agreement;

(ii) Indebtedness in respect of unsecured surety bonds incurred in the ordinary course of business;

(iii) Indebtedness of a Subsidiary owed to the Company or any Wholly-Owned Subsidiary (other than a Project Finance Subsidiary);

(iv) Indebtedness under Covered Contracts;

(v) Indebtedness of WBI Energy Transmission to the extent such Indebtedness does not exceed $500,000,000;

(vi) Indebtedness of a Project Finance Subsidiary or Joint Venture for which neither the Company nor or any other Subsidiary (other than another Project Finance Subsidiary) has any liability (other than pursuant to Liens permitted by Section 7.01(n) or to the extent permitted by Section 7.04); and

(vii) Indebtedness of a Subsidiary (other than a Project Finance Subsidiary) in addition to that otherwise permitted by the foregoing provisions of this Section 7.12; provided that on the date such Subsidiary incurs or otherwise becomes liable with respect to any such additional Indebtedness and immediately after giving effect thereto and to the concurrent retirement of any other Indebtedness, (A) no Default or Event of Default exists and (B) the total amount of all Indebtedness described in this clause (vii) outstanding does not exceed $50,000,000.

For purposes of this Section 7.12, any Person becoming a Subsidiary after the date hereof shall be deemed, at the time it becomes a Subsidiary, to have incurred all of its then outstanding Indebtedness, and any Person extending, renewing or refunding any Indebtedness shall be deemed to have incurred such Indebtedness at the time of such extension, renewal or refunding. Notwithstanding any provision of this Agreement to the contrary, the Company will not at any time permit (a) the sum of (i) the aggregate stated amount of all Letters of Credit issued jointly for the account of the Company and Centennial International plus (ii) the aggregate amount of all intercompany loans and other advances made by the Company or any Subsidiary (other than any International Subsidiary) to the International Subsidiaries to at any time exceed $100,000,000 or (b) the aggregate outstanding principal amount of consolidated Indebtedness of the International Subsidiaries (including with respect to intercompany loans and advances (other than any loan or advance made by any International Subsidiary) and Letters of Credit) to exceed 10% of the result

of (i) Consolidated Net Worth less (ii) the aggregate book value of the consolidated intangible assets of the Company and its Subsidiaries.

7.13 Agreements Restricting Subsidiary Dividends. With the exception of (a) the referenced sections of the existing agreements specified in Schedule 7.13, (b) Organization Documents of any Subsidiary and Requirements of Law and (c) agreements, instruments or other documents, evidencing Indebtedness and/or Contingent Obligations having an aggregate principal amount not in excess of $15,000,000, to which any Person which becomes a Subsidiary after the Execution Date and which, together with all other Subsidiaries of the Company which became Subsidiaries after the Execution Date that are parties to such agreements, instruments or documents, would, if a single Subsidiary of the Company, be a Significant Subsidiary (a " Restricted Future Subsidiary ") is a party, that existed at the time the Person became a Subsidiary and were not entered into in anticipation thereof, the Company agrees that it will not, and it will not permit any Person that, as of the Execution Date, is a Subsidiary or any Restricted Future Subsidiary (other than any Project Finance Subsidiary) to, be a party to or enter into any agreement, instrument or other document which contractually prohibits or restricts the ability of any Subsidiary to pay dividends or make any other similar distributions to the Company or any of its wholly-owned Subsidiaries that owns outstanding shares of capital stock or similar equity interests of such Subsidiary.

7.14 Activities of International Subsidiaries. The Company agrees that it will not permit any International Subsidiary, directly or indirectly, to be primarily engaged in the ownership or financing of assets located in, or to conduct the primary portion of its operations in, the United States.

7.15 Anti-Money Laundering and Anti-Terrorism Finance Laws; Foreign Corrupt Practices Act. The Company shall not, and shall not permit any Subsidiary to, (a) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or otherwise violates any Anti-Corruption Law, (b) cause or permit any of the funds that are used to repay the Obligations to be derived from any unlawful activity with the result that the Administrative Agent, any Bank or any Loan Party would be in violation of any Requirement of Law or (c) use any part of the proceeds of any Credit Extension, directly or indirectly, for any conduct that would cause the representations and warranties in Sections 5.20 and 5.21 to be untrue as if made on the date any such conduct occurs.

ARTICLE VIII
EVENTS OF DEFAULT

8.01 Event of Default. Any of the following shall constitute an "Event of Default":

(a) Non-Payment. The Company fails to pay (i) within two days after the same becomes due, any amount of principal of any Loan or any Reimbursement Obligations, (ii) within five days after the same becomes due, any interest or fee hereunder, or (iii) within five days after the same becomes due pursuant to delivery of a written demand therefor by the Administrative Agent or any Bank, any other amount payable hereunder or under any other Loan Document; or

(b) Representation or Warranty. Any representation or warranty by the Company or any Subsidiary made or deemed made herein or in any other Loan Document, or which is contained in any certificate, document or financial or other statement by the Company,

any Subsidiary, or any Responsible Officer, furnished at any time under this Agreement, or in or under any other Loan Document, is incorrect in any material respect on or as of the date made or deemed made; or

(c) Specific Defaults. (i) The Company fails to perform or observe any term, covenant or agreement contained in Article VII; or (ii) the Company fails to perform or observe any term, covenant or agreement contained in any of Section 6.01, 6.02, 6.03, 6.04(a) (with respect to the Company) or 6.09 and such failure continues for a period of three days after the date such performance or observance is first required; or

(d) Other Defaults. The Company fails to perform or observe any other term or covenant contained in this Agreement or any other Loan Document, and such default shall continue unremedied for a period of 30 days after the earlier of (i) the date upon which a Responsible Officer knew or reasonably should have known of such failure or (ii) the date upon which written notice thereof is given to the Company by the Administrative Agent or any Bank; or

(e) Cross-Default. The Company or any Subsidiary (i) fails to make any payment in respect of any Indebtedness or Contingent Obligation having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than $35,000,000 when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) and such failure continues after the applicable grace or notice period, if any, specified in the relevant document on the date of such failure; or (ii) fails to perform or observe any other condition or covenant, or any other event shall occur or condition exist, under any agreement or instrument relating to any such Indebtedness or Contingent Obligation, and such failure continues after the applicable grace or notice period, if any, specified in the relevant document on the date of such failure if the effect of such failure, event or condition is to cause, or to permit the holder or holders of such Indebtedness or beneficiary or beneficiaries of such Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, such Indebtedness to be declared to be due and payable prior to its stated maturity, or such Contingent Obligation to become payable or cash collateral in respect thereof to be demanded; or

(f) Insolvency; Voluntary Proceedings. The Company or any Subsidiary (i) ceases or fails to be Solvent, or generally fails to pay, or admits in writing its inability to pay, its debts as they become due, subject to applicable grace periods, if any, whether at stated maturity or otherwise; (ii) voluntarily ceases to conduct its business in the ordinary course; (iii) commences any Insolvency Proceeding with respect to itself; or (iv) takes any action to effectuate or authorize any of the foregoing; or

(g) Involuntary Proceedings. (i) Any involuntary Insolvency Proceeding is commenced or filed against the Company or any Subsidiary, or any writ, judgment, warrant of attachment, execution or similar process is issued or levied against a substantial part of the Company's or any Subsidiary's properties, and any such proceeding or petition shall not be dismissed, or such writ, judgment, warrant of attachment, execution or similar process shall not be released, vacated or fully bonded within 60 days after commencement, filing or levy; (ii) the Company or any Subsidiary admits the material allegations of a petition against it in any Insolvency Proceeding, or an order for relief (or similar order under non-U.S. law) is ordered in any Insolvency Proceeding; or (iii) the Company or any Subsidiary acquiesces in the

appointment of a receiver, trustee, custodian, conservator, liquidator, mortgagee in possession (or agent therefor), or other similar Person for itself or a substantial portion of its property or business; or

(h) ERISA. (i) An ERISA Event with respect to a Pension Plan or Multiemployer Plan, or an ERISA Termination Event with respect to a Pension Plan, shall occur which has resulted or would reasonably be expected to result in liability of the Company under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of 10% of Consolidated Net Worth; (ii) the commencement or increase of contributions to, or the adoption of or the amendment of, a Pension Plan by the Company or an ERISA Affiliate which has resulted or could reasonably be expected to result in an increase in Unfunded Pension Liability among all Pension Plans in an aggregate amount in excess of 10% of Consolidated Net Worth; or (iii) the Company or an ERISA Affiliate shall fail to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan which has resulted or could reasonably be expected to result in a Material Adverse Effect; or

(i) Judgments. (x) One or more non-interlocutory judgments, non-interlocutory orders, decrees or arbitration awards is entered against the Company or any Subsidiary involving in the aggregate a liability (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage) of $25,000,000 or more; or (y) any non-monetary final judgment is entered against the Company or any Subsidiary that has, or could reasonably be expected to have, a material adverse effect on the ability of the Company to perform its obligations under the Loan Documents; and in either case, the same shall remain unsatisfied, unvacated, unstayed pending appeal, unbonded or discharged for a period of 60 days after the entry thereof; or

(j) Change of Control. There occurs any Change of Control; or

(k) Invalidity of Loan Documents. Any Loan Document ceases to be in full force and effect or the Company contests in any manner the validity or enforceability thereof.

8.02 Remedies. If any Event of Default occurs, the Administrative Agent shall, at the request of, or may, with the consent of, the Majority Banks,

(a) declare the commitment of each Bank to make Loans and of the Issuers to issue Letters of Credit to be suspended or terminated, whereupon such commitments shall be suspended or terminated, as applicable;

(b) declare all or any part of the Obligations to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Company;

(c) exercise on behalf of itself and the Banks all rights and remedies available to it and the Banks under the Loan Documents or applicable law; and/or

(d) upon notice to the Company and in addition to the continuing right to demand payment of all amounts payable under this Agreement, make demand on the Company to pay, and the Company will, forthwith upon such demand and without any further notice or act, pay to the Administrative Agent an amount in immediately available funds equal to the excess of

(i) the amount of Letter of Credit Obligations at such time over (ii) the amount on deposit in the LC Collateral Account at such time which is free and clear of all rights and claims of third parties and has not been applied against the Obligations (such difference, the " Collateral Shortfall Amount "), which funds shall be deposited and held in the LC Collateral Account;

provided that upon the occurrence of any event specified in clause (f) or (g) of Section 8.01 (in the case of clause (i) of clause (g) upon the expiration of the 60-day period mentioned therein), the obligation of each Bank to make Loans and the obligation and power of each Issuer to issue Letters of Credit shall automatically terminate and the Obligations shall automatically become due and payable without further act of the Administrative Agent or any Bank and the Company will be and become thereby unconditionally obligated, without any further notice, act or demand, to pay to the Administrative Agent the Collateral Shortfall Amount; provided , further , that if, within 30 days after acceleration of the Obligations or termination of the obligations of the Banks to make Loans and of the Issuers to issue Letters of Credit as a result of any Event of Default (other than any Event of Default as described in clause (f) or (g) of Section 8.01 with respect to the Company) and before any judgment or decree for the payment of the Obligations due shall have been obtained or entered, the Majority Banks (in their sole discretion) shall so direct, the Administrative Agent shall, by notice to the Company, rescind and annul such acceleration and/or termination.

ARTICLE IX
THE ADMINISTRATIVE AGENT

9.01 Appointment; Nature of Relationship . (1) U.S. Bank is hereby appointed by each of the Banks as its contractual representative (herein referred to as the " Administrative Agent ") hereunder and under each other Loan Document, and each of the Banks irrevocably authorizes the Administrative Agent to act as the contractual representative of such Bank with the rights and duties expressly set forth herein and in the other Loan Documents. The Administrative Agent agrees to act as such contractual representative upon the express conditions contained in this Article IX . Notwithstanding the use of the defined term "Administrative Agent," it is expressly understood and agreed that the Administrative Agent shall not have any fiduciary responsibilities to any Bank by reason of this Agreement or any other Loan Document and that the Administrative Agent is merely acting as the contractual representative of the Banks with only those duties as are expressly set forth in this Agreement and the other Loan Documents. In its capacity as the Banks' contractual representative, the Administrative Agent (i) does not hereby assume any fiduciary duties to any of the Banks, (ii) is a "representative" of the Banks within the meaning of Section 9-102 of the Uniform Commercial Code and (iii) is acting as an independent contractor, the rights and duties of which are limited to those expressly set forth in this Agreement and the other Loan Documents. Each of the Banks hereby agrees to assert no claim against the Administrative Agent on any agency theory or any other theory of liability for breach of fiduciary duty, all of which claims each Bank hereby waives.

(b) Each Issuer shall act on behalf of the Banks with respect to any Letter of Credit issued by it and the documents associated therewith. Each Issuer shall have all of the benefits and immunities provided to the Administrative Agent in this Article IX with respect to any acts taken or omissions suffered by such Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and the applications and agreements for letters of credit pertaining to such Letters of Credit as fully as if the term "Administrative Agent", as used in this Article IX ,

included such Issuer with respect to such acts or omissions and as additionally provided in this Agreement with respect to such Issuer.

9.02 Powers. The Administrative Agent shall have and may exercise such powers under the Loan Documents as are specifically delegated to the Administrative Agent by the terms of each thereof, together with such powers as are reasonably incidental thereto. The Administrative Agent shall have no implied duties to the Banks, or any obligation to the Banks to take any action thereunder except any action specifically provided by the Loan Documents to be taken by the Administrative Agent.

9.03 General Immunity. Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be liable to the Company or any Bank for any action taken or omitted to be taken by it or them hereunder or under any other Loan Document or in connection herewith or therewith except to the extent such action or inaction is determined in a final non-appealable judgment by a court of competent jurisdiction to have arisen from the gross negligence or willful misconduct of such Person.

9.04 No Responsibility for Loans, Recitals, etc. Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into, or verify (a) any statement, warranty or representation made in connection with any Loan Document or any borrowing hereunder; (b) the performance or observance of any of the covenants or agreements of any obligor under any Loan Document, including any agreement by an obligor to furnish information directly to each Bank; (c) the satisfaction of any condition specified in Article IV, except receipt of items required to be delivered solely to the Administrative Agent; (d) the existence or possible existence of any Default or Event of Default; (e) the validity, enforceability, effectiveness, sufficiency or genuineness of any Loan Document or any other instrument or writing furnished in connection therewith; (f) the value, sufficiency, creation, perfection or priority of any Lien in any collateral security; or (g) the financial condition of the Company or any guarantor of any of the Obligations or of any of the Company's or any such guarantor's respective Subsidiaries. The Administrative Agent shall have no duty to disclose to the Banks information that is not required to be furnished by the Company to the Administrative Agent at such time, but is voluntarily furnished by the Company to the Administrative Agent (either in its capacity as Administrative Agent or in its individual capacity).

9.05 Action on Instructions of Banks. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder and under any other Loan Document in accordance with written instructions signed by the Majority Banks, and such instructions and any action taken or failure to act pursuant thereto shall be binding on all of the Banks. The Banks hereby acknowledge that the Administrative Agent shall be under no duty to take any discretionary action permitted to be taken by it pursuant to the provisions of this Agreement or any other Loan Document unless it shall be requested in writing to do so by the Majority Banks. The Administrative Agent shall be fully justified in failing or refusing to take any action hereunder and under any other Loan Document unless it shall first be indemnified to its satisfaction by the Banks pro rata against any and all liability, cost and expense that it may incur by reason of taking or continuing to take any such action.

9.06 Employment of Agents and Counsel. The Administrative Agent may execute any of its duties as Administrative Agent hereunder and under any other Loan Document by or

through employees, agents, and attorneys-in-fact and shall not be answerable to the Banks, except as to money or securities received by it or its authorized agents, for the default or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care. The Administrative Agent shall be entitled to advice of counsel concerning the contractual arrangement between the Administrative Agent and the Banks and all matters pertaining to the Administrative Agent's duties hereunder and under any other Loan Document.

9.07 Reliance on Documents; Counsel. The Administrative Agent shall be entitled to rely upon any Note, notice, consent, certificate, affidavit, letter, telegram, statement, paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, and, in respect to legal matters, upon the opinion of counsel selected by the Administrative Agent, which counsel may be employees of the Administrative Agent. For purposes of determining compliance with the conditions specified in Section 4.01, each Bank that has executed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter either sent by the Administrative Agent to such Bank for consent, approval, acceptance or satisfaction, or required thereunder to be consented to or approved by or acceptable or satisfactory to the Bank.

9.08 Administrative Agent's Reimbursement and Indemnification. The Banks agree to reimburse and indemnify the Administrative Agent ratably in proportion to their respective Commitments (or, if the Commitments have been terminated, in proportion to their Commitments immediately prior to such termination) (i) for any amounts not reimbursed by the Company for which the Administrative Agent is entitled to reimbursement by the Company under the Loan Documents, (ii) for any other expenses incurred by the Administrative Agent on behalf of the Banks, in connection with the preparation, execution, delivery, administration and enforcement of the Loan Documents (including for any expenses incurred by the Administrative Agent in connection with any dispute between the Administrative Agent and any Bank or between two or more of the Banks) and (iii) for any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of the Loan Documents or any other document delivered in connection therewith or the transactions contemplated thereby (including for any such amounts incurred by or asserted against the Administrative Agent in connection with any dispute between the Administrative Agent and any Bank or between two or more of the Banks), or the enforcement of any of the terms of the Loan Documents or of any such other documents; provided that (i) no Bank shall be liable for any of the foregoing to the extent any of the foregoing is found in a final non-appealable judgment by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Administrative Agent and (ii) any indemnification required pursuant to Section 3.06(e) shall, notwithstanding the provisions of this Section 9.08, be paid by the relevant Bank in accordance with the provisions thereof. The obligations of the Banks under this Section 9.08 shall survive payment of the Obligations and termination of this Agreement.

9.09 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder, except with respect to a Default or Event of Default arising from the non-payment of principal, interest or fees required to be paid to the Administrative Agent for the account of the Banks, unless the Administrative Agent has received written notice from a Bank or the Company referring to this Agreement describing such Default or Event of Default and stating that such notice is a "notice

of default". If the Administrative Agent receives such a notice, the Administrative Agent shall give prompt notice thereof to the Banks.

9.10 Rights as a Bank. If the Administrative Agent is a Bank, the Administrative Agent shall have the same rights and powers hereunder and under any other Loan Document with respect to its Commitment and its Loans as any Bank and may exercise the same as though it were not the Administrative Agent, and the term "Bank" or "Banks" shall, at any time when the Administrative Agent is a Bank, unless the context otherwise indicates, include the Administrative Agent in its individual capacity. The Administrative Agent and its Affiliates may accept deposits from, lend money to, and generally engage in any kind of trust, debt, equity or other transaction, in addition to those contemplated by this Agreement or any other Loan Document, with the Company or any of its Affiliates in which the Company or such Affiliates is not restricted hereby from engaging with any other Person. The Administrative Agent, in its individual capacity, is not obligated to remain a Bank.

9.11 Bank Credit Decision. Each Bank acknowledges that it has, independently and without reliance upon the Administrative Agent, any Co-Lead Arranger, any Issuer or any other Bank and based on the financial statements prepared by the Company and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and the other Loan Documents. Each Bank also acknowledges that it will, independently and without reliance upon the Administrative Agent, any Co-Lead Arranger, any Issuer or any other Bank and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Loan Documents.

9.12 Successor Administrative Agent. The Administrative Agent may resign at any time by giving written notice thereof to the Banks and the Company, such resignation to be effective upon the appointment of a successor Administrative Agent or, if no successor Administrative Agent has been appointed, 45 days after the retiring Administrative Agent gives notice of its intention to resign. If at any time the Person serving as Administrative Agent is a Defaulting Bank, the Administrative Agent may be removed by written notice received by the Administrative Agent from the Majority Banks, such removal to be effective on the date specified by the Majority Banks; provided that the Administrative Agent may not be removed unless the Administrative Agent (in its individual capacity) and any affiliate thereof acting as Issuer is relieved of all of its duties as Issuer pursuant to documentation reasonably satisfactory to such Person on or prior to the date of such removal. Upon any such resignation or removal, the Majority Banks shall have the right to appoint, on behalf of the Company and the Banks, a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Majority Banks within thirty days after the resigning Administrative Agent's giving notice of its intention to resign, then the resigning Administrative Agent may appoint, on behalf of the Company and the Banks, a successor Administrative Agent. Notwithstanding the previous sentence, the Administrative Agent may at any time without the consent of the Company or any Bank, appoint any of its Affiliates which is a commercial bank as a successor Administrative Agent hereunder. If the Administrative Agent has resigned or been removed and no successor Administrative Agent has been appointed, the Banks may perform all the duties of the Administrative Agent hereunder and the Company shall make all payments in respect of the Obligations to the applicable Bank and for all other purposes shall deal directly with the Banks. No successor Administrative Agent shall be deemed to be appointed hereunder until such successor Administrative Agent has accepted the appointment. Any such successor

Administrative Agent shall be a commercial bank having capital and retained earnings of at least $100,000,000. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the resigning or removed Administrative Agent. Upon the effectiveness of the resignation or removal of the Administrative Agent, the resigning or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the Loan Documents. After the effectiveness of the resignation or removal of an Administrative Agent, the provisions of this Article IX shall continue in effect for the benefit of such Administrative Agent in respect of any actions taken or omitted to be taken by it while it was acting as the Administrative Agent hereunder and under the other Loan Documents. If there is a successor to the Administrative Agent by merger, or the Administrative Agent assigns its duties and obligations to an Affiliate pursuant to this Section 9.12 , then the term "Prime Rate" as used in this Agreement shall mean the prime rate, base rate or other analogous rate of the new Administrative Agent.

9.13 Administrative Agent's and Co-Lead Arrangers' Fees . The Company agrees to pay to the Administrative Agent and to the Co-Lead Arrangers, for their respective accounts, the fees agreed to by the Company, the Administrative Agent and the Co-Lead Arrangers pursuant to the separate fee letters dated as of August 22, 2016, or as otherwise agreed from time to time.

9.14 Delegation to Affiliates . The Company and the Banks agree that the Administrative Agent may delegate any of its duties under this Agreement to any of its Affiliates. Any such Affiliate (and such Affiliate's directors, officers, agents and employees) which performs duties in connection with this Agreement shall be entitled to the same benefits of the indemnification, waiver and other protective provisions to which the Administrative Agent is entitled under Articles VIII and IX .

9.15 Other Agents . Neither the Syndication Agent nor the Co-Documentation Agents shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Banks as such. Without limiting the foregoing, neither the Syndication Agent nor the Co-Documentation Agents shall have or be deemed to have a fiduciary relationship with any Bank. Each Bank hereby makes the same acknowledgments with respect to the Syndication Agent and each Co-Documentation Agent as it makes with respect to the Administrative Agent in Section 9.11 .

ARTICLE X
MISCELLANEOUS

10.01 Amendments and Waivers . No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent with respect to any departure by the Company therefrom, shall be effective unless the same shall be in writing and signed by the Majority Banks (or by the Administrative Agent at the written request of the Majority Banks) and the Company and acknowledged by the Administrative Agent, and then any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided that no such waiver, amendment, or consent shall (a) without the written approval of each Bank directly affected thereby: (i) increase or extend the Commitment (except pursuant to Section 2.04(b)(B)), or amend or modify the Pro Rata Share, of any Bank (or reinstate any Commitment terminated pursuant to Section 8.02) ; (ii) postpone or delay any date

fixed by this Agreement or any other Loan Document for any payment of principal, interest, fees or other amounts due to the Banks (or any of them) hereunder or under any other Loan Document; or (iii) reduce the principal of, or the rate of interest specified herein on, any Loan, or any fees or other amounts payable hereunder or under any other Loan Document; and (b) without the consent of each Bank: (i) change the percentage of the Commitments or of the aggregate unpaid principal amount of the Loans which is required for the Banks or any of them to take any action hereunder; (ii) amend this Section, the definition of "Majority Banks," Section 10.10 , Article IV , Article IX or any provision herein providing for consent or other action by all Banks; or (iii) release any funds from the LC Collateral Account, except to the extent that such release is expressly permitted hereunder; and provided , further , that (x) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Majority Banks or all the Banks, as the case may be, affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document, (y) no amendment of any provision of this Agreement relating to any Issuer shall be effective without the written consent of such Issuer and (z) any Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed by the respective parties thereto. Notwithstanding anything to the contrary herein, no Defaulting Bank shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Banks or each affected Bank may be effected with the consent of the applicable Banks other than Defaulting Banks), except that (A) the Commitment of any Defaulting Bank may not be increased or extended without the consent of such Bank and (B) any waiver, amendment or modification requiring the consent of all Banks or each affected Bank that by its terms affects any Defaulting Bank disproportionately adversely relative to other affected Banks shall require the consent of such Defaulting Bank.

10.02 Notices .

(a) Notices Generally . Except as otherwise permitted by Section 2.10 with respect to borrowing notices, all notices, requests and other communications to any party hereunder shall be in writing (including electronic transmission, facsimile transmission or similar writing) and shall be given to such party: (x) in the case of the Company or the Administrative Agent, at its address or facsimile number set forth in Schedule 10.02 , (y) in the case of any Bank, at its address or facsimile number set forth in Schedule 10.02 or (z) in the case of any party, at such other address or facsimile number as such party may hereafter specify for the purpose by notice to the Administrative Agent and the Company. Each such notice, request or other communication shall be effective (i) if given by facsimile transmission, when transmitted to the facsimile number specified in this Section and confirmation of receipt is received, (ii) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid, or (iii) if given by any other means, when delivered (or, in the case of electronic transmission, as provided by Section 10.02(b)) at the address specified in this Section; provided that notices to the Administrative Agent under Article II shall not be effective until received.

(b) Electronic Communications . Notices and other communications to the Banks and the Issuers hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Bank or Issuer pursuant to Article II if such Bank or Issuer, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication.

The Administrative Agent or the Company may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) Change of Address, etc. The Company, the Administrative Agent and any Bank may each change the address or facsimile number for service of notice and other communications by a notice in writing to the other parties hereto.

10.03 No Waiver; Cumulative Remedies. The rights, powers, privileges and remedies of the Administrative Agent, the Banks and the Issuers provided herein or in any other Loan Document are cumulative and not exclusive of any right, power, privilege or remedy provided by law or equity or under any other instrument, document or agreement now existing or hereafter arising. No failure to exercise and no delay in exercising, on the part of the Administrative Agent, any Bank or any Issuer, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

10.04 Several Obligations; Benefits of this Agreement. The respective obligations of the Banks hereunder are several and not joint and no Bank shall be the partner or agent of any other (except to the extent to which the Administrative Agent is authorized to act as such). The failure of any Bank to perform any of its obligations hereunder shall not relieve any other Bank from any of its obligations hereunder. This Agreement shall not be construed so as to confer any right or benefit upon any Person other than the parties to this Agreement and their respective successors and assigns; provided that the parties hereto expressly agree that the Co-Lead Arrangers shall enjoy the benefits of the provisions of Sections 9.11, 10.05 and 10.21 to the extent specifically set forth therein and shall have the right to enforce such provisions on its own behalf and in its own name to the same extent as if it were a party to this Agreement.

10.05 Expenses; Indemnification. (1) The Company shall reimburse the Administrative Agent and the Co-Lead Arrangers for any reasonable costs, internal charges and out-of-pocket expenses (including Attorney Costs) paid or incurred by the Administrative Agent or the Co-Lead Arrangers in connection with the preparation, negotiation, execution, delivery, syndication, distribution (including via the internet), review, amendment, modification, and administration of the Loan Documents. The Company also agrees to reimburse the Administrative Agent, each Co-Lead Arranger, each Issuer and each Bank for any costs, internal

charges and out-of-pocket expenses (including Attorney Costs) paid or incurred by the Administrative Agent, such Co-Lead Arranger, such Issuer or such Bank in connection with the collection and enforcement of the Loan Documents.

(a) The Company hereby further agrees to indemnify the Administrative Agent, each Co-Lead Arranger, each Issuer, each Bank, their respective Affiliates, and each of their directors, officers, agents and employees against all losses, claims, damages, penalties, judgments, liabilities and expenses (including all expenses of litigation or preparation therefor whether or not the Administrative Agent, any Co-Lead Arranger, any Issuer, any Bank or any Affiliate is a party thereto) which any of them may pay or incur arising out of or relating to this Agreement, the other Loan Documents, the transactions contemplated hereby or the direct or indirect application or proposed application of the proceeds of any Loan hereunder except to the extent that they are determined in a final non-appealable judgment by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the party, or the party's Affiliates, seeking indemnification. The obligations of the Company under this Section 10.05 shall survive the termination of this Agreement.

10.06 Marshalling; Payments Set Aside. None of the Administrative Agent, the Banks or the Issuers shall be under any obligation to marshall any assets in favor of the Company or any other Person or against or in payment of any or all of the Obligations. To the extent that the Company makes a payment to the Administrative Agent, the Banks or the Issuers, or the Administrative Agent, the Banks or the Issuers exercise their right of set-off, and such payment or the proceeds of such set-off or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, such Bank or such Issuer in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any Insolvency Proceeding or otherwise, then (1) to the extent of such recovery the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such set-off had not occurred, and (1) each Bank severally agrees to pay to the Administrative Agent upon demand its pro rata share of any amount so recovered from or repaid by the Administrative Agent.

10.07 Successors and Assigns. The terms and provisions of the Loan Documents shall be binding upon and inure to the benefit of the Administrative Agent, the Company, the Banks and the Issuers and their respective successors and assigns, except that (i) the Company shall not have the right to assign its rights or obligations under the Loan Documents and (ii) any assignment by any Bank must be made in compliance with Section 10.08 . The parties to this Agreement acknowledge that clause (ii) of this Section 10.07 relates only to absolute assignments and does not prohibit assignments creating security interests, including (x) any pledge or assignment by any Bank of all or any portion of its rights under this Agreement and any Note to a Federal Reserve Bank or (y) in the case of a Bank which is a fund, any pledge or assignment of all or any portion of its rights under this Agreement and any Note to its trustee in support of its obligations to its trustee; provided that no such pledge or assignment creating a security interest shall release the transferor Bank from its obligations hereunder unless and until the parties thereto have complied with the provisions of Section 10.08 . The Administrative Agent may treat the Person which made any Loan or which holds any Note as the owner thereof for all purposes hereof unless and until such Person complies with Section 10.08 ; provided that the Administrative Agent may in its discretion (but shall not be required to) follow instructions from the Person which made any Loan or which holds any Note to direct payments relating to

such Loan or Note to another Person. Any assignee of the rights to any Loan or any Note agrees by acceptance of such assignment to be bound by all the terms and provisions of the Loan Documents. Any request, authority or consent of any Person, who at the time of making such request or giving such authority or consent is the owner of the rights to any Loan (whether or not a Note has been issued in evidence thereof), shall be conclusive and binding on any subsequent holder or assignee of the rights to such Loan.

10.08 Participations; Assignments, etc. (a) Permitted Participants; Effect . Any Bank may, in the ordinary course of its business and in accordance with applicable law, at any time sell to one or more banks or other entities (" Participants ") participating interests in any Loan owing to such Bank, any Note held by such Bank, the Commitment of such Bank or any other interest of such Bank under the Loan Documents. Upon any such sale by a Bank of participating interests to a Participant, such Bank's obligations under the Loan Documents shall remain unchanged, such Bank shall remain solely responsible to the other parties hereto for the performance of such obligations, such Bank shall remain the owner of its Loans and the holder of any Note issued to it in evidence thereof for all purposes under the Loan Documents, all amounts payable by the Company under this Agreement shall be determined as if such Bank had not sold such participating interests, and the Company and the Administrative Agent shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under the Loan Documents.

(b) Voting Rights . Each Bank shall retain the sole right to approve, without the consent of any Participant, any amendment, modification or waiver of any provision of the Loan Documents other than any amendment, modification or waiver which requires the unanimous consent of all Banks under Section 10.01 .

(c) Benefit of Setoff . The Company agrees that each Participant shall be deemed to have the right of setoff provided in Section 10.10 in respect of its participating interest in amounts owing under the Loan Documents to the same extent as if the amount of its participating interest were owing directly to it as a Bank under the Loan Documents; provided that each Bank shall retain the right of setoff provided in Section 10.10 with respect to the amount of participating interests sold to each Participant. The Banks agree to share with each Participant, and each Participant, by exercising the right of setoff provided in Section 10.10 , agrees to share with each Bank, any amount received pursuant to the exercise of its right of setoff, such amounts to be shared in accordance with Section 10.10 as if each Participant were a Bank.

(d) Participant Register . Each Bank that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Company, maintain a register on which it enters the name and address of each of its Participants and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the " Participant Register "); provided that no Bank shall have any obligation to disclose any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitment, Loan, Letter of Credit or other Obligation under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other Obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Bank shall treat each Person whose name is recorded in the Participant Register as the

owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Permitted Assignments . Any Bank may, in the ordinary course of its business and in accordance with applicable law, at any time assign to one or more Eligible Assignees (" Purchasers ") all or any part of its rights and obligations under the Loan Documents; provided that (i) unless a Default or Event of Default has occurred and is continuing, the consent of the Company (not to be unreasonably withheld or delayed) shall be required prior to an assignment becoming effective with respect to a Purchaser that is not a Bank or an Affiliate thereof; and (ii) the consent of the Administrative Agent and each Issuer (in each case not to be unreasonably withheld or delayed) shall be required prior to any assignment becoming effective. Any assignment shall be made pursuant to a document substantially in the form of Exhibit F or in such other form as may be agreed to by the parties thereto. . Each assignment with respect to a Purchaser that is not a Bank or an Affiliate thereof shall (unless each of the Company and the Administrative Agent otherwise consents) be in an amount not less than the lesser of (1) $5,000,000 or (1) the remaining amount of the assigning Bank's Commitment or outstanding Loans (if such Commitment has terminated).

(f) Effect; Effective Date . Upon (i) delivery to the Administrative Agent of a notice of assignment, substantially in the form attached as Annex I to Exhibit F (a " Notice of Assignment "), together with any consents required by Section 10.08(e) , and (ii) payment by the assigning Bank of a $4,000 fee to the Administrative Agent for processing such assignment, such assignment shall become effective on the effective date specified in such Notice of Assignment. The Notice of Assignment shall contain a representation by the Purchaser to the effect that none of the consideration used to make the purchase of the Commitment and Loans under the applicable assignment agreement constitutes "plan assets" as defined under ERISA and that the rights and interests of the Purchaser in and under the Loan Documents will not be "plan assets" under ERISA. On and after the effective date of such assignment, such Purchaser shall for all purposes be a Bank party to this Agreement and any other Loan Document executed by or on behalf of the Banks and shall have all the rights and obligations of a Bank under the Loan Documents, to the same extent as if it were an original party hereto, and no further consent or action by the Company, the Banks or the Administrative Agent shall be required to release the transferor Bank with respect to the percentage of the Aggregate Commitment and Loans assigned to such Purchaser; provided that, except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Bank will constitute a waiver or release of any claim of any party hereunder arising from that Bank's having been a Defaulting Bank. Upon the consummation of any assignment to a Purchaser pursuant to this Section 10.08(f) , the transferor Bank, the Administrative Agent and the Company shall, if the transferor Bank or the Purchaser desires that its Loans be evidenced by Notes, make appropriate arrangements so that new Notes or, as appropriate, replacement Notes are issued to such transferor Bank and new Notes or, as appropriate, replacement Notes, are issued to such Purchaser, in each case in principal amounts reflecting their respective Commitments, as adjusted pursuant to such assignment.

(g) Register . The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Company, shall maintain at the Administrative Agent's office specified for payments pursuant to Section 2.09 , a copy of each Notice of Assignment delivered to it and a register for the recordation of the names and addresses of the Banks, and the Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Bank

pursuant to the terms hereof from time to time (the " Register "). The entries in the Register shall be conclusive absent manifest error, and the Company, the Administrative Agent and the Banks shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Bank hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Company or any Bank at any reasonable time and from time to time upon reasonable prior notice. Upon its receipt of a duly completed Notice of Assignment executed by an assigning Bank and an assignee and the recordation fee referred to in clause (f) of this Section and any written consent to such assignment required by clause (f) of this Section, the Administrative Agent shall accept such Notice of Assignment and record the information contained therein in the Register; provided that, if either the assigning Bank or the assignee shall have failed to make any payment required to be made by it pursuant to this Agreement, the Administrative Agent shall have no obligation to accept such Notice of Assignment and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(g) Dissemination of Information . The Company authorizes each Bank to disclose to any Participant or Purchaser or any other Person acquiring an interest in the Loan Documents by operation of law (each a " Transferee ") and any prospective Transferee any and all information in such Bank's possession concerning the creditworthiness of the Company and its Subsidiaries; provided that each Transferee and prospective Transferee agrees to be bound by Section 10.09 of this Agreement.

(h) Tax Treatment . If any interest in any Loan Document is transferred to any Transferee which is organized under the laws of any jurisdiction other than the United States or any State thereof, the transferor Bank shall cause such Transferee, concurrently with the effectiveness of such transfer, to comply with the provisions of Section 3.06(g) .

10.09 Confidentiality . Each Bank agrees to take and to cause its Affiliates to take normal and reasonable precautions and exercise due care to maintain the confidentiality of all information identified as "confidential" or "secret" by the Company and provided to it by the Company or any Subsidiary, or by the Administrative Agent on the Company's or such Subsidiary's behalf, under this Agreement or any other Loan Document, and neither it nor any of its Affiliates shall use any such information other than in connection with or in enforcement of this Agreement and the other Loan Documents or in connection with other business now or hereafter existing or contemplated with the Company or any Subsidiary; except to the extent such information (i) was or becomes generally available to the public other than as a result of disclosure by the Bank, or (ii) was or becomes available on a non-confidential basis from a source other than the Company, provided that such source is not bound by a confidentiality agreement with the Company known to the Bank; provided that any Bank may disclose such information (A) at the request or pursuant to any requirement of any Governmental Authority to which the Bank is subject or in connection with an examination of such Bank by any such authority; (B) pursuant to subpoena or other court process; (C) when required to do so in accordance with the provisions of any applicable Requirement of Law; (D) to the extent reasonably required in connection with any litigation or proceeding to which the Administrative Agent, any Bank or their respective Affiliates may be party; (E) to the extent reasonably required in connection with the exercise of any remedy hereunder or under any other Loan Document; (F) to such Bank's independent auditors and other professional advisors; (G) to any Participant or Assignee, actual or potential, provided that such Person agrees in writing to keep such

information confidential to the same extent required of the Banks hereunder; (H) as to any Bank or its Affiliate, as expressly permitted under the terms of any other document or agreement regarding confidentiality to which the Company or any Subsidiary is party or is deemed party with such Bank or such Affiliate; (I) to its Affiliates and to the partners, directors, officers, employees, agents, trustees, administrators, managers, independent auditors and other professional advisors and representatives of such Bank and of such Bank's Affiliates who are advised of the confidential nature of such information; (J) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that requires access to information about such Bank's investment portfolio in connection with ratings issued with respect to such Bank; and (K) to any direct or indirect contractual counterparty to any swap or derivative transaction relating to the Company and its obligations, provided that such Person agrees in writing to keep such information confidential to the same extent required of the Banks hereunder. Notwithstanding anything herein to the contrary, the Administrative Agent, each Issuer and each Bank may disclose to any Person, without limitation of any kind, the U.S. tax treatment and tax structure of the transactions contemplated hereby and all materials of any kind (including opinions or other tax analyses) that are provided to the Administrative Agent, any Issuer or any Bank relating to such U.S. tax treatment and tax structure.

10.10 Set-off; Ratable Payments. In addition to, and without limitation of, any rights of the Banks under applicable law, if any Event of Default occurs and is continuing, any and all deposits (including all account balances, whether provisional or final and whether or not collected or available) and any other Indebtedness at any time held or owing by any Bank or any Affiliate of any Bank to or for the credit or account of the Company may be offset and applied toward the payment of the Obligations owing to such Bank, whether or not the Obligations, or any part hereof, shall then be due; provided that in the event that any Defaulting Bank shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.18 and, pending such payment, shall be segregated by such Defaulting Bank from its other funds and deemed held in trust for the benefit of the Administrative Agent, the Issuers, and the Banks, and (y) the Defaulting Bank shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Bank as to which it exercised such right of setoff. If any Bank, whether by setoff or otherwise, has payment made to it upon its Loans or its participations in Letters of Credit (other than payments received pursuant to Section 3.01, 3.02, 3.05 or 3.06 and payments made to any Issuer in respect of Reimbursement Obligations so long as the Banks have not funded their participations therein) in a greater proportion than that received by any other Bank, such Bank agrees, promptly upon demand, to purchase a portion of the Outstanding Credit Exposures held by the other Banks so that after such purchase each Bank will hold its Pro Rata Share of the Aggregate Outstanding Credit Exposure. If any Bank, whether in connection with setoff or amounts which might be subject to setoff or otherwise, receives collateral or other protection for its Obligations or such amounts which may be subject to setoff, such Bank agrees, promptly upon demand, to take such action necessary such that all Banks share in the benefits of such collateral ratably in accordance with their respective Pro Rata Shares. In case any such payment is disturbed by legal process, or otherwise, appropriate further adjustments shall be made.

10.11 Automatic Debits of Fees. With respect to any facility fee, agency fee, arrangement fee, or other fee, or any other cost or expense (including Attorney Costs) due and payable to the Administrative Agent, U.S. Bank or any other Co-Lead Arranger under the Loan

Documents, the Company hereby irrevocably authorizes the Administrative Agent and/or U.S. Bank to debit any deposit account of the Company with Administrative Agent and/or U.S. Bank in an amount such that the aggregate amount debited from all such deposit accounts does not exceed such fee or other reasonable cost or expense. If there are insufficient funds in such deposit accounts to cover the amount of the fee or other cost or expense then due, such debits will be reversed (in whole or in part, in the Administrative Agent's and/or U.S. Bank's sole discretion) and such amount not debited shall be deemed to be unpaid. No such debit under this Section shall be deemed a set-off.

10.12 Notification of Addresses, Lending Installations, Etc . Each Bank shall promptly notify the Administrative Agent in writing of any changes in the address to which notices to the Bank should be directed, of addresses of any Lending Installation, of payment instructions in respect of all payments to be made to it hereunder and of such other administrative information as the Administrative Agent shall reasonably request.

10.13 Counterparts . This Agreement may be executed in any number of separate counterparts, each of which, when so executed, shall be deemed an original, and all of such counterparts taken together shall be deemed to constitute but one and the same instrument.

10.14 Severability . The illegality or unenforceability of any provision of this Agreement or any instrument or agreement required hereunder shall not in any way affect or impair the legality or enforceability of the remaining provisions of this Agreement or any instrument or agreement required hereunder.

10.15 GOVERNING LAW AND JURISDICTION . (A) THE LOAN DOCUMENTS (OTHER THAN THOSE CONTAINING A CONTRARY EXPRESS CHOICE OF LAW PROVISION) SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW (OTHER THAN TITLE 14 OF ARTICLE 5 OF THE NEW YORK GENERAL OBLIGATIONS LAW); PROVIDED THAT THE ADMINISTRATIVE AGENT AND THE BANKS SHALL RETAIN ALL RIGHTS ARISING UNDER FEDERAL LAW.

(B) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE COMPANY, THE ADMINISTRATIVE AGENT, EACH ISSUER AND EACH BANK CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH OF THE COMPANY, THE ADMINISTRATIVE AGENT, EACH ISSUER AND EACH BANK IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT OR ANY DOCUMENT RELATED HERETO. THE COMPANY, THE ADMINISTRATIVE AGENT, EACH ISSUER AND THE BANKS EACH WAIVE PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS,

WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY NEW YORK LAW.

(C) NOTHING HEREIN SHALL LIMIT THE RIGHT OF THE ADMINISTRATIVE AGENT, ANY ISSUER OR ANY BANK TO BRING PROCEEDINGS AGAINST THE COMPANY IN THE COURTS OF ANY OTHER JURISDICTION. ANY JUDICIAL PROCEEDING BY THE COMPANY AGAINST THE ADMINISTRATIVE AGENT, ANY ISSUER OR ANY BANK OR ANY AFFILIATE OF THE ADMINISTRATIVE AGENT, ANY ISSUER OR ANY BANK INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH ANY LOAN DOCUMENT SHALL BE BROUGHT ONLY IN A COURT IN NEW YORK, NEW YORK.

10.16 WAIVER OF JURY TRIAL. THE COMPANY, THE BANKS, THE ISSUERS AND THE ADMINISTRATIVE AGENT EACH WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE OTHER LOAN DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR ANY AGENT-RELATED PERSON, PARTICIPANT OR ASSIGNEE, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. THE COMPANY, THE BANKS, THE ISSUERS AND THE ADMINISTRATIVE AGENT EACH AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS.

10.17 Entire Agreement. This Agreement, together with the other Loan Documents, embodies the entire agreement and understanding among the Company, the Banks, the Issuers and the Administrative Agent, and supersedes all prior or contemporaneous agreements and understandings of such Persons, verbal or written, relating to the subject matter hereof and thereof (other than the Fee Letters).

10.18 Survival of Representations. All representations and warranties of the Company contained in this Agreement shall survive the making of the Credit Extensions herein contemplated.

10.19 Governmental Regulation. Anything contained in this Agreement to the contrary notwithstanding, no Bank shall be obligated to extend credit to the Company in violation of any limitation or prohibition provided by any applicable statute or regulation.

10.20 **Numbers of Documents**. All statements, notices, closing documents, and requests hereunder shall be furnished to the Administrative Agent with sufficient counterparts so that the Administrative Agent may furnish one to each of the Banks.

10.21 **Nonliability of Banks**. The Company agrees that neither the Administrative Agent, any Co-Lead Arranger, the Syndication Agent, any Co-Documentation Agent, any Issuer nor any Bank shall have liability to the Company (whether sounding in tort, contract or otherwise) for losses suffered by the Company in connection with, arising out of, or in any way related to, the transactions contemplated and the relationship established by the Loan Documents, or any act, omission or event occurring in connection therewith, unless it is determined in a final non-appealable judgment by a court of competent jurisdiction that such losses resulted from the gross negligence or willful misconduct of the party from which recovery is sought. Neither the Administrative Agent, any Co-Lead Arranger, the Syndication Agent, any Co-Documentation Agent, any Issuer nor any Bank, nor any of their respective Affiliates, or any director, officer, agent or employee of any of the foregoing shall have any liability with respect to, and the Company hereby waives, releases and agrees not to sue for, any special, indirect consequential or punitive damages suffered by the Company in connection with, arising out of, or in any way related to the Loan Documents or the transactions contemplated thereby.

10.22 **No Advisory or Fiduciary Responsibility**. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Company acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (a)(i) the arranging and other services regarding this Agreement provided by the Administrative Agent and the Co-Lead Arrangers are arm's-length commercial transactions between the Company and its Affiliates, on the one hand, and the Administrative Agent and the Co-Lead Arrangers, on the other hand, (ii) the Company has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate and (iii) the Company is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (b)(i) the Administrative Agent and each Co-Lead Arranger each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Company or any of its Affiliates, or any other Person and (ii) neither the Administrative Agent nor any Co-Lead Arranger has any obligation to the Company or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (c) the Administrative Agent and the Co-Lead Arrangers and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Company and its Affiliates, and neither the Administrative Agent nor any Co-Lead Arranger has any obligation to disclose any of such interests to the Company or its Affiliates. To the fullest extent permitted by law, the Company hereby waives and releases any claims that it may have against the Administrative Agent and the Co-Lead Arrangers with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

10.23 **USA Patriot Act Notice**. Each Bank that is subject to the USA Patriot Act and the Administrative Agent (for itself and not on behalf of any Bank) hereby notifies the Company that pursuant to the requirements of the USA Patriot Act, it is required to obtain, verify and record information that identifies the Company, which information includes the name and

address of the Company and other information that will allow such Bank or the Administrative Agent, as applicable, to identify the Company in accordance with the USA Patriot Act.

10.24 **Acknowledgement and Consent to Bail-In of EEA Financial Institutions**. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

CENTENNIAL ENERGY HOLDINGS, INC.

By: /s/ Doran N. Schwartz
Name: Doran N. Schwartz
Title: Vice President and Chief Financial Officer

[Signature page to the Centennial Energy Holdings, Inc.
Credit Agreement]

U.S. BANK NATIONAL ASSOCIATION, as Administrative Agent, as an Issuer and as a Bank

By: /s/ James O'Shaughnessy

Name: James O'Shaughnessy

Title: Vice President

[Signature page to the Centennial Energy Holdings, Inc. Credit Agreement]

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., as Syndication Agent, as an Issuer and as a Bank

By: /s/ Maria Ferradas

Name: Maria Ferradas

Title: Director

[Signature page to the Centennial Energy Holdings, Inc. Credit Agreement]

JPMORGAN CHASE BANK, N.A.,
as a Co-Documentation Agent, as an
Issuer and as a Bank

By: /s/ Justin Martin

Name: Justin Martin

Title: Authorized Officer

[Signature page to the Centennial Energy Holdings, Inc.
Credit Agreement]

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Co-Documentation Agent, as an Issuer and as a Bank

By: /s/ Keith Luettel

Name: Keith Luettel

Title: Director

[Signature page to the Centennial Energy Holdings, Inc. Credit Agreement]

ROYAL BANK OF CANADA, as a Co-Documentation Agent, as an Issuer and as a Bank

By: /s/ Patrick Shields

Name: Patrick Shields

Title: Vice President

By: /s/ Kenneth Klassen

Name: Kenneth Klassen

Title: Vice President

[Signature page to the Centennial Energy Holdings, Inc. Credit Agreement]

TORONTO-DOMINION BANK, NEW YORK BRANCH, as a Bank

By: /s/ Anne Dorval

Name: Anne Dorval

Title: Authorized Signatory

[Signature page to the Centennial Energy Holdings, Inc.
Credit Agreement]

CANADIAN IMPERIAL BANK OF COMMERCE, NEW YORK BRANCH, as a Bank

By: /s/ Robert Casey
Name: Robert Casey
Title: Executive Director

By: /s/ Anju Abraham
Name: Anju Abraham
Title: Director

[Signature page to the Centennial Energy Holdings, Inc. Credit Agreement]

PNC BANK, NATIONAL
ASSOCIATION, as a Bank

By: /s/ Holly Kay
Name: Holly Kay
Title: Senior Vice President

[Signature page to the Centennial Energy Holdings, Inc.
Credit Agreement]

KEYBANK NATIONAL ASSOCIATION, as a Bank

By: /s/ Keven D. Smith

Name: Keven D. Smith

Title: Senior Vice President

[Signature page to the Centennial Energy Holdings, Inc.
Credit Agreement]

GOLDMAN SACHS BANK USA, as a Bank

By: /s/ Josh Rosenthal

Name: Josh Rosenthal

Title: Authorized Signatory

[Signature page to the Centennial Energy Holdings, Inc.
Credit Agreement]

COMMITMENTS
AND PRO RATA SHARES

Bank	Commitment	Pro Rata Share
U.S. Bank National Association	$55,000,000	11.000000000%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	$55,000,000	11.000000000%
JPMorgan Chase Bank, N.A.	$55,000,000	11.000000000%
Wells Fargo Bank, National Association	$55,000,000	11.000000000%
Royal Bank of Canada	$55,000,000	11.000000000%
Toronto-Dominion Bank, New York Branch	$50,000,000	10.000000000%
Canadian Imperial Bank of Commerce, New York Branch	$50,000,000	10.000000000%
PNC Bank, National Association	$47,500,000	9.500000000%
KeyBank National Association	$42,500,000	8.500000000%
Goldman Sachs Bank USA	$35,000,000	7.000000000%
TOTAL	$500,000,000	100.000000000%

EXISTING LETTERS OF CREDIT

LC Number	Issue Date	Expiry Date	Beneficiary	Amount
None				

SCHEDULE 5.15

SUBSIDIARIES AND MINORITY INTERESTS

I. Company's Subsidiaries

1. 1250 Gladding Road, LLC, a Delaware limited liability company
2. Alaska Basic Industries, Inc., an Alaska corporation
3. Ames Sand & Gravel, Inc., a North Dakota corporation
4. Anchorage Sand and Gravel Company, Inc., an Alaska corporation
5. Baldwin Contracting Company, Inc., a California corporation
6. BEH Electric Holdings, LLC, a Nevada limited liability company
7. Bell Electrical Contractors, Inc., a Missouri corporation
8. BMH Mechanical Holdings, LLC, a Nevada limited liability company
9. Bombard Electric, LLC, a Nevada limited liability company
10. Bombard Mechanical, LLC, a Nevada limited liability company
11. Capital Electric Construction Company, Inc., a Kansas corporation
12. Capital Electric Line Builders, Inc., a Kansas corporation
13. Centennial Energy Resources International, Inc., a Delaware corporation
14. Centennial Energy Resources LLC, a Delaware limited liability company
15. Centennial Holdings Capital LLC, a Delaware limited liability company
16. Central Oregon Redi-Mix, L.L.C., an Oregon limited liability company
17. Concrete, Inc., a California corporation
18. Connolly-Pacific Co., a California corporation
19. Continental Line Builders, Inc., a Delaware corporation
20. Coordinating and Planning Services, Inc., a Delaware corporation
21. Desert Fire Holdings, Inc., a Nevada corporation
22. Desert Fire Protection, a Nevada Limited Partnership
23. Desert Fire Protection, Inc., a Nevada corporation
24. Desert Fire Protection, LLC, a Nevada limited liability company
25. D S S Company, a California corporation
26. Duro Electric Company, a Colorado corporation
27. E.S.I., Inc., an Ohio corporation
28. Fairbanks Materials, Inc., an Alaska corporation
29. Fidelity Exploration & Production Company, a Delaware corporation
30. Fidelity Oil Co., a Delaware corporation
31. Frebco, Inc., an Ohio corporation
32. FutureSource Capital Corp., a Delaware corporation
33. Granite City Ready Mix, Inc., a Minnesota corporation
34. Hamlin Electric Company, a Colorado corporation
35. Harp Engineering, Inc., a Montana corporation
36. Hawaiian Cement, a Hawaii partnership
37. ILB Hawaii, Inc., a Hawaii corporation
38. Independent Fire Fabricators, LLC, a Nevada limited liability company

39. International Line Builders, Inc., a Delaware corporation
40. InterSource Insurance Company, a Vermont corporation
41. Jebro Incorporated, an Iowa corporation
42. JTL Group, Inc., a Montana corporation
43. JTL Group, Inc., a Wyoming corporation
44. Kent's Oil Service, a California corporation
45. Knife River Corporation, a Delaware corporation
46. Knife River Corporation – North Central, a Minnesota corporation
47. Knife River Corporation – Northwest, an Oregon corporation
48. Knife River Corporation – South, a Texas corporation
49. Knife River Dakota, Inc., a Delaware corporation
50. Knife River Hawaii, Inc., a Delaware corporation
51. Knife River Marine, Inc., a Delaware corporation
52. Knife River Midwest, LLC, a Delaware limited liability company
53. KRC Holdings, Inc., a Delaware corporation
54. LME&U Holdings, LLC, a Nevada limited liability company
55. Lone Mountain Excavation & Utilities, LLC, a Nevada limited liability company
56. Loy Clark Pipeline Co., an Oregon corporation
57. LTM, Incorporated, an Oregon corporation
58. MAAK Holdings, Inc., a Nevada corporation
59. MDU Brasil Ltda., a Brazil limited liability company
60. MDU Construction Services Group, Inc., a Delaware corporation
61. MDU Industrial Services, Inc., a Delaware corporation
62. MDU Resources International LLC, a Delaware limited liability company
63. MDU Resources Luxembourg I LLC S.a.r.l., a Luxembourg limited liability company
64. MDU Resources Luxembourg II LLC S.a.r.l., a Luxembourg limited liability company
65. MDU United Construction Solutions, Inc., a Delaware corporation
66. Midland Technical Crafts, Inc., a Delaware corporation
67. Nevada Solar Solutions, LLC, a Delaware limited liability company
68. Nevada Valley Solar Solutions I, LLC, a Delaware limited liability company
69. Nevada Valley Solar Solutions II, LLC, a Delaware limited liability company
70. Northstar Materials, Inc., a Minnesota corporation
71. On Electric Group, Inc., an Oregon corporation
72. Pouk & Steinle, Inc., a California corporation
73. Prairielands Energy Marketing, Inc., a Delaware corporation
74. Rocky Mountain Contractors, Inc., a Montana corporation
75. USI Industrial Services, Inc., a Delaware corporation,
76. The Wagner Group, Inc., a Delaware corporation
77. Wagner Industrial Electric, Inc., a Delaware corporation
78. The Wagner-Smith Company, an Ohio corporation
79. Wagner-Smith Equipment Co., a Delaware corporation
80. Wagner-Smith Pumps & Systems, Inc., an Ohio corporation
81. WBI Canadian Pipeline, Ltd., a Canadian corporation
82. WBI Energy, Inc., a Delaware corporation
83. WBI Energy Midstream, LLC, a Colorado limited liability company
84. WBI Energy Services, Inc., a Delaware corporation

85. WBI Energy Transmission, Inc., a Delaware corporation
86. WBI Energy Wind Ridge Pipeline, LLC, a Delaware limited liability company
87. WBI Holdings, Inc., a Delaware corporation
88. WHC, Ltd., a Hawaii corporation

II. Equity Investments

None.

CERTAIN PERMITTED LIENS

None.

SCHEDULE 7.12

EXISTING INDEBTEDNESS

(As of September 23, 2016)

Centennial Energy Holdings, Inc		**Amount Outstanding**
Prudential	$	90,000,000
Note Purchase Agreements	$	334,428,572
Scotia Letter of Credit Agreement	$	27,959,000
U.S. Bank "Local" Letter of Credit Agreement	$	1,845,000
Bank of Hawaii Letters of Credit	$	5,852,880
Commercial Paper	$	235,500,000
Dakota Prairie Refining, LLC Guaranty	$	64,875,000
MDU Construction Services Group, Inc.		
Various Other Debt	$	218,283
WBI Holdings, Inc.		
WBI		
Prudential Insurance Company	$	100,000,000

AGREEMENTS RESTRICTING SUBSIDIARY DIVIDENDS

None.

LENDING INSTALLATIONS; ADDRESSES FOR NOTICES

CENTENNIAL ENERGY HOLDINGS, INC.

Centennial Energy Holdings, Inc.
PO Box 5650
1200 West Century Avenue
Bismarck, ND 58506-5650
Attention: Mr. Doran N. Schwartz
Vice President and Chief Financial Officer
Telephone: (701) 530-1750
Facsimile: (701) 530-1731

U.S. BANK NATIONAL ASSOCIATION ,
as Administrative Agent

U.S. Bank National Association
1420 Fifth Avenue, 9th Floor
PD-WA-T9IN
Seattle, WA 98101
Attn: Agency Services
Brenda Miller-Meyers
Telephone: (206) 344-2888 or (877) 653-3117
Facsimile: (206) 587-7022

U.S. BANK NATIONAL ASSOCIATION ,
as a Bank

U.S. Bank National Association
461 Fifth Avenue, 8th Floor
New York, NY 10017
Attn: Paul Morrison
Telephone: (646) 935-4538
Facsimile: (646) 935-4552
E-mail: paul.morrison@usbank.com

EXHIBIT A

FORM OF COMPLIANCE CERTIFICATE

To: The Administrative Agent and the Banks that are parties to the Credit Agreement described below

This Compliance Certificate is furnished pursuant to the Fourth Amended and Restated Credit Agreement dated as of September 23, 2016 (as amended, modified, renewed or extended from time to time, the "Credit Agreement") among Centennial Energy Holdings, Inc. (the "Company"), the Banks party thereto, U.S. Bank National Association, as Administrative Agent, JPMorgan Chase Bank, N.A., Wells Fargo Bank, National Association and Royal Bank of Canada, as Co-Documentation Agents, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Syndication Agent. Unless otherwise defined herein, capitalized terms used in this Compliance Certificate have the meanings ascribed thereto in the Credit Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the duly elected _____ of the Company;

2. I have reviewed the terms of the Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the Company and its Subsidiaries during the accounting period covered by the attached financial statements;

3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or event which constitutes a Default or Event of Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate, except as set forth below; and

4. Schedule I attached hereto sets forth financial data and computations evidencing the Company's compliance with certain covenants of the Agreement, all of which data and computations are true, complete and correct.

Described below are the exceptions, if any, to paragraph 3 listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the Company has taken, is taking, or proposes to take with respect to each such condition or event:

_____

_____

_____

The foregoing certifications, together with the computations set forth in Schedule I hereto and the financial statements delivered with this Certificate in support hereof, are made and delivered on _____, 20__.

_____

SCHEDULE I TO COMPLIANCE CERTIFICATE

Compliance as of _____, 20__ with
Various provisions of the Credit Agreement

I. Section 7.01 - Liens

A. Aggregate amount of all Securitization Obligations secured by Liens	$_____
B. Maximum permitted secured Securitization Obligations under Item I.A	$75,000,000
C. Other Indebtedness secured by Liens permitted by Section 7.01(p) of the Credit Agreement	$_____
D. Maximum permitted secured Indebtedness under Item I.C	$35,000,000

II.Section 7.02 - Dispositions of Assets

A. Aggregate value of all assets sold by the Company and its Subsidiaries pursuant to Sections 7.02(i) through (iv) of the Credit Agreement	$_____
B. Maximum permitted value of disposed assets under Item II.A (20% of total consolidated assets)	$_____

III. Section 7.04 - Investments

A. Aggregate amount of guarantees of indebtedness of DPR	$_____
B. Maximum permitted guarantees under Item III.A	$75,000,000
C. Aggregate amount of other investments in, Guaranty Obligations in respect of, or advances, loans, extensions of credit or capital contributions to, any Project Finance Subsidiary permitted by Section 7.04(g)(ii) of the Credit Agreement	$_____
D. Maximum permitted investments, etc. under Item III.C	$100,000,000
E. Other investments permitted by Section 7.04(i) of the Credit Agreement	$_____

F. Maximum permitted investments under Item III.E (20% of Consolidated Net Worth) $_____

G. Investments in capital stock, equity or long-term fixed income securities of any Subsidiary (other than a Project Finance Subsidiary) that is not a Wholly-Owned Subsidiary, or otherwise undertaken pursuant to the Investment Policy $_____

H. Maximum permitted investments under Item III.G $100,000,000

IV. Section 7.08 - Restricted Payments

A. Cash dividends or other distributions made by [COMPANY/APPLICABLE SUBSIDIARY] to its equity holders; purchases, redemptions or other acquisitions of shares of its capital stock or other equity interests or warrants, rights or options to acquire any such shares or other equity interests $_____

B. Adjusted Leverage Ratio (Item IV.B.1 / Item IV.B.2) Not to exceed 3.0 to 1.0 to make distributions _____ to 1.0

1. Average Consolidated Debt $_____

2. Consolidated EBITDA $_____

C. Maximum permitted dividends, etc. under Item IV.A (result of Items IV.C.1 minus IV.C.2 minus IV.C.3) $_____

1. Consolidated EBITDA $_____

2. Net Capital Expenditures $_____

3. Restricted payments already made during the preceding 12-month period $_____

V. Section 7.11 - Company Capitalization Ratio

A. Total Debt

---

[1] Not to exceed 3.0 to 1.0 to make distributions

1. Indebtedness for borrowed money $_____

2. Redeemable Preferred Stock $_____

3. Deferred purchase price of property/services $_____

4. Surety Instrument reimbursement/payment obligations (excluding 80% of contingent liability on unsecured surety bonds) $_____

5. Other indebtedness evidenced by instruments $_____

6. Conditional sale/title retention agreements $_____

7. Capital leases $_____

8. Net liabilities under Swap Contracts (excluding Covered Contracts) $_____

9. Other indebtedness secured by property $_____

10. Securitization Obligations $_____

11. Guaranty Obligations $_____

12. Total Debt (sum of Items V.A.1 through V.A.11, on a consolidated basis, without duplication) $_____

B. Total Capitalization

1. Total stockholders' or owners' equity of the Company (excluding Accounting Standards Codification 815-20-25-104 adjustments in respect of Covered Contracts) $_____

2. Total Debt (Item V.A.l2) $_____

3. Total Capitalization (sum of Item V.B.1 plus Item V.B.2) $ _____

C. Capitalization Ratio (Item V.A.12 / Item V.B.3) _____%

D. Maximum Capitalization Ratio permitted 65%

VI. Section 7.12 – Subsidiary Indebtedness

A. Sum of (i) the aggregate stated amount of Letters of Credit issued jointly for the account of the Company and Centennial International plus (ii) the aggregate amount of intercompany loans and other advances made by the Company or any Subsidiary (other than any International Subsidiary) to the International Subsidiaries	$_____
B. Maximum permitted Indebtedness under Item VI.A	$100,000,000
C. Aggregate outstanding principal amount of Indebtedness of the International Subsidiaries (including with respect to intercompany loans and advances (other than any loan or advance made by an International Subsidiary) and Letters of Credit)	$_____
D. Maximum permitted Indebtedness under Item VI.C (10% of the result of (a) Consolidated Net Worth less (b) the aggregate book value of consolidated intangible assets of the Company and its Subsidiaries)	$_____
E. Indebtedness of WBI Energy Transmission	$_____
F. Maximum permitted Indebtedness under Item VI.E	$500,000,000
G Other Subsidiary Indebtedness not permitted by Sections 7.12(i) through (vi) of the Credit Agreement	$_____
H. Maximum permitted Indebtedness under Item VI.G	$50,000,000

EXHIBIT B-1

[LETTERHEAD OF CENTENNIAL ENERGY HOLDINGS, INC.]

September 23, 2016

U.S. Bank National Association

as Administrative Agent,

and the Banks listed

on Schedule 1 attached hereto

Ladies and Gentlemen:

I am Counsel for Centennial Energy Holdings, Inc., a Delaware corporation (the **"Company"**), and in such capacity I am familiar with (a) the negotiation, preparation, execution and delivery of the Fourth Amended and Restated Credit Agreement dated as of September 23, 2016 (the "Agreement") among the Company, various financial institutions (the " **Banks** "), U.S. Bank National Association, as Administrative Agent, JPMorgan Chase Bank, N.A., Wells Fargo Bank, National Association and Royal Bank of Canada, as Co-Documentation Agents, and The Bank of Tokyo-Mitsubishi UFJ, LTD., as Syndication Agent, and (b) the negotiation, preparation, execution and delivery of the other Loan Documents listed on Schedule 2 attached hereto (together with the Agreement, the **"Loan Documents").** This opinion is furnished to you pursuant to Section 4.01(a)(7) of the Agreement and at the instruction of the Company. All capitalized terms used but not otherwise defined herein have the respective meanings assigned to them in the Agreement.

For the purpose of rendering the opinions contained herein, I have examined and reviewed the Agreement and the other Loan Documents. I have also examined the originals, or copies certified to my satisfaction, of the Certificate of Incorporation and By-Laws of the Company, resolutions adopted by the Board of Directors of the Company authorizing the execution, delivery and performance by the Company of the Agreement and the other Loan Documents, and such other corporate records of the Company and agreements, instruments and other documents as I have deemed necessary as a basis for the opinions expressed below. In my examination, I have assumed the genuineness of all signatures, other than the signatures of the Company on the Loan Documents, the legal capacity of natural persons, the authenticity of all documents submitted to me as originals and the conformity with original documents of all documents submitted to me as certified or photostatic copies. I have also assumed, with your consent, the due execution and delivery, pursuant to due authorization, of the Agreement by all parties thereto other than the Company and the validity and binding effect of the Agreement upon such parties.

As to any facts that I did not independently establish or verify, I have relied without independent investigation upon statements, representations and certificates of officers of the

Company and, as to the matters addressed therein, upon certificates or communications from public officials. As used herein, the phrase "to my knowledge" with respect to the existence or absence of facts is intended to signify that, while I have made no specific inquiry or other independent examination to determine the existence or absence of such facts, no factual information has come to my attention which causes me to believe that such facts are not accurate.

Based on and subject to the foregoing and upon such investigation as I have deemed necessary, and subject to the qualifications set forth below, it is my opinion that:

1. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

2. The Company has the corporate power and authority to execute, deliver and perform its obligations under the Agreement and the other Loan Documents, and has all requisite corporate power and authority, licenses and permits to own its assets and to carry on its business as currently conducted and as contemplated to be conducted by the Agreement.

3. The execution, delivery and performance by the Company of the Agreement and each of the other Loan Documents have been duly authorized by all necessary corporate action, and each of the Agreement and the other Loan Documents has been duly executed and delivered by the Company.

4. The execution, delivery and performance by the Company of the Agreement and of the other Loan Documents do not and will not (a) breach or constitute a default under (i) its Certificate of Incorporation or Bylaws, each as amended to date, (ii) to my knowledge, any decree, injunction, order, writ, or other action of any Governmental Authority applicable to it or its assets, or (iii) to my knowledge, any other Contractual Obligation to which it is a party or by which any of its properties may be bound, (b) to my knowledge, result in or require the creation of any Lien (other than for the benefit of the Banks and the Issuers) upon or with respect to any of its assets, or (c) violate any Requirement of Law.

5. No consent, approval, exemption, waiver, license, authorization or other action by or filing with any Governmental Authority is or will be required in connection with the due execution, delivery and performance by the Company of the Agreement or any of the other Loan Documents.

6. There is no pending or, to my knowledge, threatened or contemplated action, suit, claim, dispute or proceeding in arbitration or before any court or Governmental Authority against the Company or any of its assets, or with respect to any Plan, (a) which purports to affect or pertain to the Agreement or any other Loan Document, or any of the transactions contemplated thereby, or (b) if determined adversely to the Company, would reasonably be expected to have a Material Adverse Effect.

7. Neither the consent of the sole stockholder of the Company nor the consent of any holder of any Indebtedness of the Company is or will be required as a condition to the validity or enforceability of the Agreement or any other Loan Document or any of the transactions contemplated in the Agreement.

8. The choice of law provision set forth in the Agreement and the other Loan Documents wherein the parties agree that the laws of the State of New York shall govern and control the terms of the Agreement and the other Loan Documents is a valid, effective and enforceable choice of law under the laws of the State of North Dakota and would be upheld and enforced by courts of the State of North Dakota and by the federal courts sitting and applying the laws of the State of North Dakota, at least to the extent that New York law on the particular issue is not found to be contrary to North Dakota public policy.

9. If, notwithstanding the provisions of Section 10.15 of the Agreement, North Dakota law were held to be applicable to the Agreement and the other Loan Documents, each such document will constitute the legal, valid and binding obligation of the Company enforceable in accordance with its respective terms, subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and of general principles of equity (regardless of whether applied in a proceeding in equity or at law), except that I express no opinion as to (a) Section 10.10 of the Agreement, (b) the enforceability of rights to indemnity under federal or state securities laws, (c) the enforceability of waivers by parties of their respective rights and remedies under law, or (d) the enforceability of any provision of any Loan Document incorporating the Bail-In Legislation or authorizing any Bail-In Action.

10. The Company is not subject to regulation under any state public utilities code or any other state statute or regulation limiting its ability to incur indebtedness.

The opinions expressed herein are limited to the laws of the State of North Dakota and the General Corporation Law of the State of Delaware. I express no opinion as to any law, rule, regulation, ordinance, code or similar provision of law of any county, municipality or similar political subdivision of the State of North Dakota or any agency or instrumentality thereof. I am a member of the North Dakota Bar and do not hold myself out as an expert on the laws of any other jurisdiction. Insofar as the opinions expressed herein relate to the laws of the State of New York, the General Corporation Law of the State of Delaware, or the federal laws of the United States of America, I have relied with your consent on the opinion, of even date herewith, of Cohen Tauber Spievack & Wagner P.C.

This opinion is intended solely for your use and the use of your counsel, and is rendered solely in connection with the Agreement and the other Loan Documents, and without my written consent may not be (a) relied upon by you for any other purpose, or (b) relied upon by any other person or entity for any purpose. The opinions expressed above are limited to the law and facts in effect on the date hereof. I disclaim any obligation to advise you of facts, circumstances,

events or developments which hereafter may be brought to my attention and which might alter, affect or modify the opinions expressed herein.

I hereby consent to reliance by the Administrative Agent and the Banks now or hereafter parties to the Agreement on the opinions expressed herein.

Very truly yours,

Daniel S. Kuntz
General Counsel and Secretary

Schedule 1

- U.S. Bank National Association
- The Bank of Tokyo-Mitsubishi UFJ, Ltd.
- JPMorgan Chase Bank, N.A.
- Wells Fargo Bank, National Association
- Toronto-Dominion Bank, New York Branch
- Royal Bank of Canada
- Canadian Imperial Bank of Commerce
- KeyBank National Association
- PNC Bank, National Association
- Goldman Sachs Bank USA

Schedule 2

None

EXHIBIT B-2

LETTERHEAD OF Cohen Tauber Spievack & Wagner P.C.

September 23, 2016

U.S. Bank National Association,
as Administrative Agent, and the Banks
listed on Schedule 1 attached hereto

Ladies and Gentlemen:

We have acted as special counsel for Centennial Energy Holdings, Inc., a Delaware corporation (the " **Company** "), in connection with (a) the negotiation, preparation, execution and delivery of the Fourth Amended and Restated Credit Agreement dated as of September 23, 2016the " **Agreement** ") among the Company, various financial institutions (the " **Banks** "), U.S. Bank National Association, as Administrative Agent, JPMorgan Chase Bank, N.A., Wells Fargo Bank, National Association and Royal Bank of Canada, as Co-Documentation Agents, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Syndication Agent, and (b) the negotiation, preparation, execution and delivery of the other Loan Documents listed on Schedule 2 attached hereto (together with the Agreement, the " **Loan Documents** ") **.** This opinion is furnished to you pursuant to Section 4.01(a)(7) of the Agreement and at the instruction of the Company. All capitalized terms used but not otherwise defined herein have the meanings assigned to them in the Agreement.

For the purpose of rendering the opinions contained herein, we have examined and reviewed the Agreement and the other Loan Documents. We have also examined the originals, or copies certified to our satisfaction, of the Certificate of Incorporation and By-Laws of the Company, resolutions adopted by the Board of Directors of the Company authorizing the execution, delivery and performance by the Company of the Agreement and the Loan Documents, and such other corporate records of the Company and agreements, instruments and other documents as we have deemed necessary as a basis for the opinions expressed below. In our examination, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals and the conformity with original documents of all documents submitted to us as certified or photostatic copies. We have also assumed, with your consent, the due execution and delivery, pursuant to due authorization, of the Agreement by all parties thereto other than the Company and the validity and binding effect of the Agreement upon such parties. As to any facts that we did not independently establish or verify, we have relied without independent investigation upon statements, representations, and certificates of officers of the Company and as to the matters addressed therein, upon certificates or communications from public officials.

Further, for the purposes of rendering the opinion expressed in numbered paragraph 9 below, we have relied on the representations and warranties of the Company contained in

Section 5.08 of the Agreement and have assumed compliance by the Company with the covenants of the Company contained in Sections 6.11 and 7.06 of the Agreement.

Based on and subject to the foregoing and upon such investigation as we have deemed necessary, and subject to the qualifications set forth below, it is our opinion that:

1. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

2. The Company has the corporate power and authority to execute, deliver and perform its obligations under the Agreement and the other Loan Documents.

3. The execution, delivery and performance by the Company of the Agreement and each of the other Loan Documents have been duly authorized by all necessary corporate action, and each of the Agreement and the other Loan Documents has been duly executed and delivered by the Company.

4. The execution, delivery and performance by the Company of the Agreement and of the other Loan Documents do not and will not (a) breach or constitute a default under its Certificate of Incorporation or Bylaws, each as amended to date, or (b) violate any Requirement of Law.

5. No consent, approval, exemption, waiver, license, authorization or other action by or filing with any Governmental Authority is or will be required in connection with the due execution, delivery and performance by the Company of the Agreement or any other Loan Document.

6. Each of the Agreement and each of the other Loan Documents constitutes a legal, valid and binding obligation of the Company enforceable in accordance with its respective terms, subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and of general principles of equity (regardless of whether applied in a proceeding in equity or at law), except that we express no opinion as to (a) Section 10.10 of the Agreement, (b) the enforceability of rights to indemnity under federal or state securities laws, (c) the enforceability of waivers by parties of their respective rights and remedies under law, or (d) the enforceability of any provision of any Loan Document incorporating the Bail-In Legislation or authorizing any Bail-In Action.

7. The consent of the sole stockholder of the Company is not, nor will it be, required as a condition to the validity or enforceability of the Agreement or any other Loan Document or any of the transactions contemplated in the Agreement.

8. The transaction contemplated by the Agreement and the other Loan Documents is not usurious under applicable law.

9. The consummation of the transactions contemplated by the Agreement and the other Loan Documents will not violate Regulation T, U or X of the Board of Governors of the Federal Reserve System.

10. The choice of law provision set forth in the Agreement and the other Loan Documents wherein the parties agree that the laws of the State of New York shall govern and control the terms of the Agreement and the other Loan Documents is a valid, effective and enforceable choice of law under the laws of the State of New York and would be upheld and enforced by courts of the State of New York and by the federal courts sitting and applying the laws of the State of New York.

11. The Company is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended. The Company is not subject to regulation under the Federal Power Act, the Interstate Commerce Act or any other federal statute or regulation limiting its ability to incur indebtedness.

This opinion is limited to the laws of the State of New York, the General Corporation Law of the State of Delaware and the federal laws of the United States of America. We express no opinion as to the laws of any other jurisdiction.

This opinion is intended solely for your use and the use of your counsel, and is rendered solely in connection with the Agreement and the other Loan Documents, and without our written consent may not be (a) relied upon by you for any other purpose, or (b) relied upon by any other person or entity for any purpose, except that Daniel S. Kuntz may rely on the opinions expressed herein in rendering to you his opinion of even date herewith.

The opinions expressed above are limited to the law and facts in effect on the date hereof. We disclaim any obligation to advise you of facts, circumstances, events, or developments which hereafter may be brought to our attention and which might alter, affect, or modify the opinions expressed herein.

We hereby consent to reliance by the Administrative Agent and the Banks now or hereafter parties to the Agreement on the opinions expressed herein.

Very truly yours,

Cohen Tauber Spievack
& Wagner P.C.

Schedule 1

- U.S. Bank National Association
- The Bank of Tokyo-Mitsubishi UFJ, Ltd.
- JPMorgan Chase Bank, N.A.
- Wells Fargo Bank, National Association
- Toronto-Dominion Bank, New York Branch
- Royal Bank of Canada
- Canadian Imperial Bank of Commerce
- KeyBank National Association
- PNC Bank, National Association
- Goldman Sachs Bank USA

Schedule 2

None

EXHIBIT C

FORM OF NOTE

_____, 20__

Centennial Energy Holdings, Inc., a Delaware corporation (the "Company"), promises to pay, on the Termination Date (as defined in the Agreement referred to below), to the order of _____ (the "Bank") in immediately available funds at the main office of U.S. Bank National Association, as Administrative Agent, the aggregate unpaid principal amount of all Loans made by the Bank to the Company pursuant to the Agreement referred to below, together with interest on the unpaid principal amount hereof at the rates and on the dates set forth in the Agreement.

The Bank shall, and is hereby authorized to, record on the schedule attached hereto, or to otherwise record in accordance with its usual practice, the date and amount of each Loan and the date and amount of each principal payment hereunder.

This Note is one of the Notes issued pursuant to, and is entitled to the benefits of, the Fourth Amended and Restated Credit Agreement dated as of September 23, 2016 among the Company, the financial institutions party thereto, U.S. Bank National Association, individually and as Administrative Agent, JPMorgan Chase Bank, N.A., Wells Fargo Bank, National Association and Royal Bank of Canada, as Co-Documentation Agents, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Syndication Agent (as amended or otherwise modified from time to time, the "Agreement"). Reference is hereby made to the Agreement for a statement of the terms and conditions under which this Note may be prepaid or its maturity date accelerated. Capitalized terms used but not otherwise defined herein have the respective meanings attributed to them in the Agreement.

CENTENNIAL ENERGY HOLDINGS, INC.

By: _____
Name: _____
Title: _____

SCHEDULE OF LOANS AND PAYMENTS OF PRINCIPAL
TO
NOTE
CENTENNIAL ENERGY HOLDINGS, INC.,
DATED _____, 20__

Date	Principal Amount of Loan	Maturity of Interest Period	Principal Amount Paid	Unpaid Balance

EXHIBIT D

FORM OF MONEY TRANSFER INSTRUCTIONS

To: U.S. Bank National Association, as Administrative Agent (the "Administrative Agent") under the Credit Agreement described below.

Re: Fourth Amended and Restated Credit Agreement dated as of September 23, 2016 (as amended, modified, renewed or extended from time to time, the "Credit Agreement") among Centennial Energy Holdings, Inc. (the "Company"), the Banks party thereto and the Administrative Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned thereto in the Credit Agreement.

The Administrative Agent is specifically authorized and directed to act upon the following standing money transfer instructions with respect to the proceeds of Advances or other extensions of credit from time to time until receipt by the Administrative Agent of a specific written revocation of such instructions by the Company; provided , however , that the Administrative Agent may otherwise transfer funds as hereafter directed in writing by the Company in accordance with Section 10.02 of the Credit Agreement or based on any telephonic notice made in accordance with Section 2.10 of the Credit Agreement.

Customer/Account Name Centennial Energy Holdings, Inc.

Transfer Funds To U.S. Bank National Association

For Account No. 163095535494

Reference/Attention To Jason Vollmer

Responsible Officer (Customer Representative) Date _____

Jason Vollmer_____ _____
(Please Print) Signature

Bank Officer Name Date _____

_____ _____
(Please Print) Signature

(Deliver Completed Form to Credit Support Staff For Immediate Processing)

EXHIBIT E-1

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Banks That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Fourth Amended and Restated Credit Agreement dated as of September 23, 2016 (as amended, modified, renewed or extended from time to time, the "Credit Agreement") among Centennial Energy Holdings, Inc. (the "Company"), the financial institutions party thereto and U.S. Bank National Association, as Administrative Agent.

Pursuant to the provisions of Section 3.06 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loans (as well as any Note evidencing such Loans) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Company within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Company as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Company with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Company and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Company and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF BANK]

By: _____

Name:

Title:

Date: _____ __, 20[ ]

EXHIBIT E-2

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Fourth Amended and Restated Credit Agreement dated as of September 23, 2016 (as amended, modified, renewed or extended from time to time, the "Credit Agreement") among Centennial Energy Holdings, Inc. (the "Company"), the financial institutions party thereto and U.S. Bank National Association, as Administrative Agent.

Pursuant to the provisions of Section 3.06 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Company within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to the Company as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Bank with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Bank in writing, and (2) the undersigned shall have at all times furnished such Bank with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____

Name:

Title:

Date: _____ __, 20[ ]

EXHIBIT E-3

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Fourth Amended and Restated Credit Agreement dated as of September 23, 2016 (as amended, modified, renewed or extended from time to time, the "Credit Agreement") among Centennial Energy Holdings, Inc. (the "Company"), the financial institutions party thereto and U.S. Bank National Association, as Administrative Agent.

Pursuant to the provisions of Section 3.06 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Company within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Company as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Bank with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Bank and (2) the undersigned shall have at all times furnished such Bank with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____

Name:

Title:

Date: _____ __, 20[ ]

EXHIBIT E-4

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Banks That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Fourth Amended and Restated Credit Agreement dated as of September 23, 2016 (as amended, modified, renewed or extended from time to time, the "Credit Agreement") among Centennial Energy Holdings, Inc. (the "Company"), the financial institutions party thereto and U.S. Bank National Association, as Administrative Agent.

Pursuant to the provisions of Section 3.06 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loans (as well as any Note evidencing such Loans) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loans (as well as any Note evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Company within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Company as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Company with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Company and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Company and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF BANK]

By: _____

Name:

Title:

Date: _____ __, 20[ ]

FORM OF ASSIGNMENT AGREEMENT

This Assignment Agreement (this " Assignment ") is dated as of the Effective Date set forth below and is entered into by and between [Insert name of Assignor] (the " Assignor ") and [Insert name of Assignee] (the " Assignee "). Capitalized terms used but not defined herein shall have the respective meanings given to them in the Fourth Amended and Restated Credit Agreement identified below (as amended, the " Credit Agreement "), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below: (i) all of the Assignor's rights and obligations in its capacity as a Bank under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including without limitation any letters of credit, bankers' acceptances and guarantees included in such facilities); and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Bank) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other document or instrument delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the " Assigned Interest "). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment, without representation or warranty by the Assignor.

1.	Assignor:	_____
2.	Assignor:	_____ [and is an Affiliate/Approved Fund of [identify Bank]]
3.	Borrower:	Centennial Energy Holdings, Inc.
4.	Administrative Agent:	U.S. Bank National Association, as administrative agent under the Credit Agreement
5.	Credit Agreement:	The Fourth Amended and Restated Credit Agreement dated as of September 23, 2016 among Centennial Energy Holdings, Inc., the

6. Assigned Interest:

Aggregate Amount of Commitment/Loans for all Banks	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/Loans
$	$	%
$	$	%
$	$	%

7. Effective Date: _____ ___, 20___ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By:_____
Title:

ASSIGNEE
[NAME OF ASSIGNEE]

By:_____
Title:

[Consented to and] Accepted:

U.S. BANK NATIONAL ASSOCIATION, as Administrative Agent

By_____
Title:

[Consented to:]

CENTENNIAL ENERGY HOLDINGS, INC.

By_____
Title:

ANNEX 1

STANDARD TERMS AND CONDITIONS FOR

ASSIGNMENT AGREEMENT

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and to consummate the transactions contemplated hereby and (iv) it is [not] a Defaulting Bank; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document, or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and to consummate the transactions contemplated hereby and to become a Bank under the Credit Agreement, (ii) it meets all requirements of an Eligible Assignee under the Credit Agreement (subject to such consents, if any, as may be required under the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Bank thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Bank thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 6.01 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and to purchase the Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Bank and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and to purchase the Assigned Interest, and (vii) attached to the Assignment is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Bank, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Bank.

2. Payments . From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date. Notwithstanding the foregoing, the Administrative Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to the Assignee.

3. General Provisions . This Assignment shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and permitted assigns. This Assignment may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment. This Assignment shall be governed by, and construed in accordance with, the law of the State of New York.

EXHIBIT G

FORM OF
INCREASE REQUEST

_____, 20___

U.S. Bank National Association, as Administrative Agent
under the Credit Agreement referred to below

Ladies/Gentlemen:

Please refer to the Fourth Amended and Restated Credit Agreement dated as of September 23, 2016 among Centennial Energy Holdings, Inc. (the "Company"), various financial institutions and U.S. Bank National Association, as Administrative Agent (as amended, modified, extended or restated from time to time, the "Credit Agreement"). Capitalized terms used but not defined herein have the respective meanings set forth in the Credit Agreement.

In accordance with Section 2.04(b)(B) of the Credit Agreement, the Company hereby requests an increase in the Aggregate Commitment from $_____ to $_____. Such increase shall be made by [increasing the Commitment of _____ from $_____ to $_____] [adding _____ as a Bank under the Credit Agreement with a Commitment of $_____] as set forth in the letter attached hereto. Such increase shall be effective three Business Days after the date that the Administrative Agent accepts the letter attached hereto or such other date as is agreed among the Company, the Administrative Agent and the [increasing] [new] Bank.

Very truly yours,

CENTENNIAL ENERGY HOLDINGS, INC.

By: _____
Name: _____
Title: _____

ANNEX I TO EXHIBIT G
[Date]

U.S. Bank National Association, as Administrative Agent
under the Credit Agreement referred to below

Ladies/Gentlemen:

Please refer to the letter dated _____, 20__ from Centennial Energy Holdings, Inc. (the " Company ") requesting an increase in the Aggregate Commitment from $_____ to $_____ pursuant to Section 2.04(b)(B) of the Fourth Amended and Restated Credit Agreement dated as of September 23, 2016 among the Company, various financial institutions and U.S. Bank National Association, as Administrative Agent (as amended, modified, extended or restated from time to time, the "Credit Agreement"). Capitalized terms used but not defined herein have the respective meanings set forth in the Credit Agreement.

The undersigned hereby confirms that it has agreed to increase its Commitment under the Credit Agreement from $_____ to $_____ effective on the date which is three Business Days after the acceptance hereof by the Administrative Agent or on such other date as may be agreed among the Company, the Administrative Agent and the undersigned.

Very truly yours,

[NAME OF INCREASING BANK]

By:_____
Title:_____

Accepted as of
_____, ____

U.S. BANK NATIONAL ASSOCIATION, as
Administrative Agent

By: _____
Name: _____
Title: _____

ANNEX II TO EXHIBIT G
[Date]

U.S. Bank National Association, as Administrative Agent
under the Credit Agreement referred to below

Ladies/Gentlemen:

Please refer to the letter dated _____, 20___ from Centennial Energy Holdings, Inc. (the " Company ") requesting an increase in the Aggregate Commitment from $_____ to $_____ pursuant to Section 2.04(b)(B) of the Fourth Amended and Restated Credit Agreement dated as of September 23, 2016 among the Company, various financial institutions and U.S. Bank National Association, as Administrative Agent (as amended, modified, extended or restated from time to time, the "Credit Agreement"). Capitalized terms used but not defined herein have the respective meanings set forth in the Credit Agreement.

The undersigned hereby confirms that it has agreed to become a Bank under the Credit Agreement with a Commitment of $_____ effective on the date which is three Business Days after the acceptance hereof, and consent hereto, by the Administrative Agent or on such other date as may be agreed among the Company, the Administrative Agent and the undersigned.

The undersigned (a) acknowledges that it has received a copy of the Credit Agreement and the Schedules and Exhibits thereto, together with copies of the most recent financial statements delivered by the Company pursuant to the Credit Agreement, and such other documents and information as it has deemed appropriate to make its own credit and legal analysis and decision to become a Bank under the Credit Agreement; and (b) agrees that it will, independently and without reliance upon the Administrative Agent or any other Bank and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit and legal decisions in taking or not taking action under the Credit Agreement.

The undersigned represents and warrants that (i) it is duly organized and existing and it has full power and authority to take, and has taken, all action necessary to execute and deliver this letter and to become a Bank under the Credit Agreement; and (ii) no notices to, or consents, authorizations or approvals of, any Person are required (other than any already given or obtained) for its due execution and delivery of this letter and the performance of its obligations as a Bank under the Credit Agreement.

The undersigned agrees to execute and deliver such other instruments, and take such other actions, as the Administrative Agent may reasonably request in connection with the transactions contemplated by this letter.

The following administrative details apply to the undersigned:

(A) Notice Address:

Legal name: _____

Address: _____
_____
_____
Attention: _____
Telephone: (___) _____
Facsimile: (___) _____

(B) Payment Instructions:

Account No.: _____
At: _____
_____
_____
Reference: _____
Attention: _____

The undersigned acknowledges and agrees that, on the date on which the undersigned becomes a Bank under the Credit Agreement as set forth in the second paragraph hereof, the undersigned will be bound by the terms of the Credit Agreement as fully and to the same extent as if the undersigned were an original Bank under the Credit Agreement.

Very truly yours,

[NAME OF NEW BANK]

By:_____
Title:_____

Accepted and consented to as of
_____, 20___

U.S. BANK NATIONAL ASSOCIATION,
as Administrative Agent

By: _____
Name: _____
Title: _____

EXHIBIT H

FORM OF BORROWING NOTICE

_____, 20___

To: U.S. Bank National Association, as
Administrative Agent

Re: Fourth Amended and Restated Credit Agreement dated as of September 23, 2016 (as amended or otherwise modified from time to time, the "Agreement"; capitalized terms used but not otherwise defined herein have the respective meanings assigned to them in the Agreement) among Centennial Energy Holdings, Inc. (the "Company"), various financial instuitions and U.S. Bank National Association, as Administrative Agent

Pursuant to Section 2.02(c) of the Agreement, the Company gives you irrevocable notice of the Advance specified below:

(i) the Borrowing Date of such Advance shall be _____, 20__;

(ii) the aggregate amount of such Advance shall equal $_____;

(iii) such Advance shall be a [Base Rate][Eurodollar Rate] Advance; and

(iv) the Interest Period with respect to such Advance shall be [_____] months.

The Company certifies that the following statements are true on the date hereof, and will be true on the date of the proposed Advance, before and after giving effect thereto and to the application of the proceeds therefrom:

(a) the representations and warranties of the Company contained in Article V of the Agreement are true and correct in all material respects as though made on and as of the date of such Advance (except to the extent such representations and warranties expressly refer to an earlier date, in which case they are true and correct as of such earlier date);

(b) no Default or Event of Default exists or would result from such Advance; and

(c) the sum of (i) the aggregate stated amount of Letters of Credit issued jointly for the account of the Company and Centennial International plus (ii) the aggregate amount of intercompany loans and other advances made by the Company or any Subsidiary (other than any International Subsidiary) to the International Subsidiaries does not exceed $100,000,000.

CENTENNIAL ENERGY HOLDINGS, INC.
By: _____
Name: _____
Title: _____

INSTRUMENT OF AMENDMENT TO THE
MDU RESOURCES GROUP, INC.
401(k) RETIREMENT PLAN

The MDU Resources Group, Inc. 401(k) Retirement Plan (as amended and restated March 1, 2011) (the "K-Plan"), is hereby further amended, effective July 1, 2016, unless otherwise indicated, as follows:

1. By adding the following new entry to Schedule B:

Concrete, Inc. shall make supplemental contributions on behalf of its Davis-Bacon Employees in such amounts as may be necessary to satisfy the Prevailing Wage Law's required fringe cost to the extent that the sum of the employer Matching and Profit Sharing Contributions, if any, for a period are insufficient to satisfy the Prevailing Wage Law's required fringe cost pursuant to Supplement G.

Effective as of July 1, 2016.

Explanation: This amendment provides the manner in which the above Participating Affiliate is implementing the provisions of the Davis-Bacon (Supplement G) feature, effective July 1, 2016, pursuant to prevailing wage legislation impacting ready-mix drivers in California.

IN WITNESS WHEREOF, MDU Resources Group, Inc., as Sponsoring Employer of the K-Plan, has caused this amendment to be duly executed by a member of the MDU Resources Group, Inc. Employee Benefits Committee on this 19th day of September, 2016.

MDU RESOURCES GROUP, INC.
EMPLOYEE BENEFITS COMMITTEE

By: /s/ Doran N. Schwartz
Doran N. Schwartz, Chairman

MDU RESOURCES GROUP, INC.
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
AND COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

	Twelve Months Ended September 30, 2016	Year Ended December 31, 2015
	(In thousands of dollars)	
Earnings Available for Fixed Charges:		
Net Income (a)	$ 222,433	$ 176,545
Income Taxes	83,887	70,664
	306,320	247,209
Rents (b)	20,159	17,974
Interest (c)	95,580	104,292
Total Earnings Available for Fixed Charges	$ 422,059	$ 369,475
Preferred Dividend Requirements	$ 685	$ 685
Ratio of Income Before Income Taxes to Net Income	138%	140%
Preferred Dividend Factor on Pretax Basis	945	959
Fixed Charges (d)	112,151	117,609
Combined Fixed Charges and Preferred Stock Dividends	$ 113,096	$ 118,568
Ratio of Earnings to Fixed Charges	3.8x	3.1x
Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends	3.7x	3.1x

(a) Net income excludes undistributed income for equity investees.

(b) Represents interest portion of rents estimated at 33 1/3%.

(c) Represents interest, amortization of debt discount and expense on all indebtedness and amortization of interest capitalized, and excludes amortization of gains or losses on reacquired debt (which, under the Federal Energy Regulatory Commission Uniform System of Accounts, is classified as a reduction of, or increase in, interest expense in the Consolidated Statements of Income) and interest capitalized.

(d) Represents rents (as defined above), interest, amortization of debt discount and expense on all indebtedness, and excludes amortization of gains or losses on reacquired debt (which, under the Federal Energy Regulatory Commission Uniform System of Accounts, is classified as a reduction of, or increase in, interest expense in the Consolidated Statements of Income).

CERTIFICATION

I, David L. Goodin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of MDU Resources Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2016

/s/ David L. Goodin
David L. Goodin
President and Chief Executive Officer

CERTIFICATION

I, Doran N. Schwartz, certify that:

1. I have reviewed this quarterly report on Form 10-Q of MDU Resources Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2016

/s/ Doran N. Schwartz
Doran N. Schwartz
Vice President and Chief Financial Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

Each of the undersigned, David L. Goodin, the President and Chief Executive Officer, and Doran N. Schwartz, the Vice President and Chief Financial Officer of MDU Resources Group, Inc. (the "Company"), DOES HEREBY CERTIFY that:

1. The Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016 (the "Report"), fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

2. Information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHERE OF, each of the undersigned has executed this statement this 7th day of November, 2016.

/s/ David L. Goodin
David L. Goodin
President and Chief Executive Officer

/s/ Doran N. Schwartz
Doran N. Schwartz
Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to MDU Resources Group, Inc. and will be retained by MDU Resources Group, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

MDU RESOURCES GROUP, INC.
MINE SAFETY INFORMATION

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) requires issuers to include in periodic reports filed with the SEC certain information relating to citations or orders for violations of standards under the Federal Mine Safety and Health Act of 1977 (Mine Act), as amended by the Mine Improvement and New Emergency Response Act of 2006 (Mine Safety Act). The Dodd-Frank Act requires reporting of the following types of citations or orders:

1. Citations issued under Section 104 of the Mine Safety Act for violations that could significantly and substantially contribute to the cause and effect of a coal or other mine safety or health hazard.
2. Orders issued under Section 104(b) of the Mine Safety Act. Orders are issued under this section when citations issued under Section 104 have not been totally abated within the time period allowed by the citation or subsequent extensions.
3. Citations or orders issued under Section 104(d) of the Mine Safety Act. Citations or orders are issued under this section when it has been determined that the violation is caused by an unwarrantable failure of the mine operator to comply with the standards. An unwarrantable failure occurs when the mine operator is deemed to have engaged in aggravated conduct constituting more than ordinary negligence.
4. Citations issued under Section 110(b)(2) of the Mine Safety Act for flagrant violations. Violations are considered flagrant for repeat or reckless failures to make reasonable efforts to eliminate a known violation of a mandatory health and safety standard that substantially and proximately caused, or reasonably could have been expected to cause, death or serious bodily injury.
5. Imminent danger orders issued under Section 107(a) of the Mine Safety Act. An imminent danger is defined as the existence of any condition or practice in a coal or other mine which could reasonably be expected to cause death or serious physical harm before such condition or practice can be abated.
6. Notice received under Section 104(e) of the Mine Safety Act of a pattern of violations or the potential to have such a pattern of violations that could significantly and substantially contribute to the cause and effect of mine health and safety standards.

During the three months ended September 30, 2016 , none of the Company's operating subsidiaries received citations or orders under the following sections of the Mine Safety Act: 104(b), 104(d), 107(a), 110(b)(2) or 104(e). The Company did not have any mining-related fatalities during this period.

MSHA Identification Number/Contractor ID	Section 104 S&S Citations (#)	Total Dollar Value of MSHA Assessments Proposed ($)	Legal Actions Pending as of Last Day of Period (#)	Legal Actions Initiated During Period (#)	Legal Actions Resolved During Period (#)
04-01698	—	$ 200	—	—	1
04-05459	—	114	1	—	—
10-02089	—	114	—	—	—
21-02718	—	300	—	—	—
21-03627	—	228	—	—	—
21-03642	—	114	—	—	—
24-00459	—	228	—	—	—
24-00462	1	399	—	—	—
24-00478*	—	14	—	—	—
24-01935*	—	14	—	—	—
24-01939	1	590	—	—	—
35-00426	—	114	—	—	—
35-03022	—	114	—	—	—
35-03505	—	100	—	—	—
35-03605	—	342	—	—	—
35-03667	—	100	—	—	—
50-00883	2	1,364	—	—	—
50-01196	3	980	—	—	—
51-00036	—	1,235	4	—	—
	7	$ 6,664	5	—	1

* Disclosed $100 of proposed penalties in the second quarter of 2016. Actual penalties totaled $114. The additional $14 is being disclosed.

Legal actions pending before the Federal Mine Safety and Health Review Commission (the Commission) may involve, among other questions, challenges by operators to citations, orders and penalties they have received from the Federal Mine Safety and Health Administration (MSHA) or complaints of discrimination by miners under section 105 of the Mine Act. The following is a brief description of the types of legal actions that may be brought before the Commission.

- Contests of Citations and Orders - A contest proceeding may be filed with the Commission by operators, miners or miners' representatives to challenge the issuance of a citation or order issued by MSHA.
- Contests of Proposed Penalties (Petitions for Assessment of Penalties) - A contest of a proposed penalty is an administrative proceeding before the Commission challenging a civil penalty that MSHA has proposed for the alleged violation contained in a citation or order.
- Complaints for Compensation - A complaint for compensation may be filed with the Commission by miners entitled to compensation when a mine is closed by certain withdrawal orders issued by MSHA. The purpose of the proceeding is to determine the amount of compensation, if any, due miners idled by the orders.
- Complaints of Discharge, Discrimination or Interference - A discrimination proceeding is a case that involves a miner's allegation that he or she has suffered a wrong by the operator because he or she engaged in some type of activity protected under the Mine Act, such as making a safety complaint.
- Applications for Temporary Relief - Applications for temporary relief from any modification or termination of any order or from any order issued under section 104 of the Mine Act.
- Appeals of Judges' Decisions or Orders to the Commission - A filing with the Commission for discretionary review of a judge's decision or order by a person who has been adversely affected or aggrieved by such decision or order.

The following table reflects the types of legal actions pending before the Commission as of September 30, 2016 :

MSHA Identification Number	Contests of Citations and Orders	Contests of Proposed Penalties	Complaints for Compensation	Complaints of Discharge, Discrimination or Interference	Applications for Temporary Relief	Appeals of Judges' Decisions or Orders to the Commission
04-05459	—	—	—	—	—	1
51-00036	—	4	—	—	—	—
	—	4	—	—	—	1