

## SOUTH DAKOTA ENERGY FACILITY PERMIT ACT BOND

Bond No. 190034312  
Bond Amount: \$300,000  
Docket No. EL13-028

Montana-Dakota Utilities Co. and Otter Tail Power Company, as Principal (the "Principal") and Liberty Mutual Insurance Company, a corporation created and existing under the laws of Massachusetts, as Surety (the "Surety"), are held and firmly bound unto the South Dakota Public Utilities Commission ("PUC"), and those townships, counties, or other governmental entities in South Dakota whose property is crossed by the transmission line reference herein, as Obligees (individually referred to herein as "Obligee" and collectively referred to as the ("Obligees") in the amount of Three Hundred Thousand and no/100---(\$300,000.00) lawful money of the United States for the payment of which sum the Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally.

### WHEREAS:

- A. The Principal is undertaking a transmission line project known as the Big South to Ellendale 345 kV electric transmission facilities;
- B. The PUC has approved the Principal's application for the project;
- C. The Principal has granted the necessary permits by the PUC to carry out the project;
- D. Chapter 49-41B-38 of the South Dakota Energy Facility Permit Act requires the Principal to provide the PUC with a bond to ensure the Principal complies with its obligation to ensure that any damage to roads and bridges (beyond normal wear) as a result of the Project is repaired;

Therefore, the condition of this obligation is such that if the Principal shall repair any damage beyond normal wear to public roads, highways, bridges, or other related facilities caused by the Principal during the construction of the Project (the "Damage") then this obligation shall be void; otherwise to remain in full force and effect, subject to the following conditions:

1. In the event the Principal fails to repair any Damage within a reasonable period of time after an Obligee has made written demand on the Principal to repair such damage (a "Default"), such Obligee shall notify the Surety in writing prior to the expiration of the term of this bond as defined in paragraph 6.
2. Following a Default and written notice thereof to the Surety by the Obligee, the Surety shall pay to such Obligee the actual cost of repairing the Damage, not to exceed the bond amount.
3. Regardless of the number of Obligees hereunder, in no event shall the aggregate liability of the Surety hereunder exceed the Bond Amount.
4. No right of action shall accrue on this bond, to or for the use of, any person or corporation other than the Obligees named herein.
5. It is a condition of this bond that any suit or action hereunder must be commenced before the expiration of two (2) years from the date of the Obligee's cause of action hereunder has accrued.
6. This bond shall remain in effective until released by the PUC in accordance with Condition of #11 of the permit for the Project and shall not be cancelled by the Surety prior to such time.

7. For the purpose of providing any notice required pursuant to this Bond, the addresses of the Principal, the Surety and the PUB are as follows:

Otter Tail Power Company  
215 South Cascade Street  
Fergus Falls, MN 56537

Montana-Dakota Utilities Co.  
400 North 4<sup>th</sup> Street  
Bismarck, ND 58501

South Dakota Public Utilities Commission  
Capitol Building, 1<sup>st</sup> Floor  
500 East Capitol Avenue  
Pierre, SD 5501-5070

Liberty Mutual Insurance Company  
175 Berkeley Street  
Boston, MA 02116

This bond shall become effective the 27<sup>th</sup> day of August, 2015.

IN WITNESS WHEREOF, the Principal and the Surety have signed and sealed this bond the 25<sup>th</sup> day of August, 2015.

Montana-Dakota Utilities Co. and Otter Tail Power Company

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

Liberty Mutual Insurance Company

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

Laurie Pflug, Attorney-in-fact

# Acknowledgment of Corporate Surety

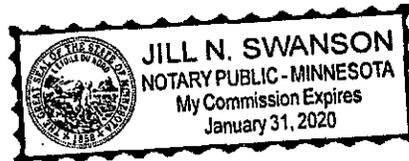
STATE OF Minnesota )  
 ) ss  
COUNTY OF Hennepin )

On this 27th day of August, 2015 before me appeared  
Laurie Pflug, to be known,

who being by me duly sworn did say that she is the aforesaid Attorney-in-Fact of the  
Liberty Mutual Insurance Company

a corporation; that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by the aforesaid officer, by authority of its Board of Directors; and the aforesaid officer acknowledged said instrument to be the free act and deed of said corporation.

  
\_\_\_\_\_  
Notary Public Signature  
(Notary Seal)



**THIS POWER OF ATTORNEY IS NOT VALID UNLESS IT IS PRINTED ON RED BACKGROUND.**

This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

Certificate No. 6996054

American Fire and Casualty Company  
The Ohio Casualty Insurance Company

Liberty Mutual Insurance Company  
West American Insurance Company

**POWER OF ATTORNEY**

KNOWN ALL PERSONS BY THESE PRESENTS: That American Fire & Casualty Company and The Ohio Casualty Insurance Company are corporations duly organized under the laws of the State of New Hampshire, that Liberty Mutual Insurance Company is a corporation duly organized under the laws of the State of Massachusetts, and West American Insurance Company is a corporation duly organized under the laws of the State of Indiana (herein collectively called the "Companies"), pursuant to and by authority herein set forth, does hereby name, constitute and appoint, Brian D. Carpenter; Craig Olmstead; Dennis Loots; Heather R. Goedtel; Jessica Hoff; Jill N. Swanson; Laurie Pflug; Michelle Sylvester; Nicole Langer; Nina E. Werstein

all of the city of Minneapolis state of MN each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents and shall be as binding upon the Companies as if they have been duly signed by the president and attested by the secretary of the Companies in their own proper persons.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Companies and the corporate seals of the Companies have been affixed thereto this 26th day of May 2015.

American Fire and Casualty Company  
The Ohio Casualty Insurance Company  
Liberty Mutual Insurance Company  
West American Insurance Company

By: David M. Carey  
David M. Carey, Assistant Secretary



STATE OF PENNSYLVANIA ss  
COUNTY OF MONTGOMERY

On this 26th day of May 2015, before me personally appeared David M. Carey, who acknowledged himself to be the Assistant Secretary of American Fire and Casualty Company, Liberty Mutual Insurance Company, The Ohio Casualty Insurance Company, and West American Insurance Company, and that he, as such, being authorized so to do, execute the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at Plymouth Meeting, Pennsylvania, on the day and year first above written.



COMMONWEALTH OF PENNSYLVANIA  
Notarial Seal  
Teresa Pastella, Notary Public  
Plymouth Twp., Montgomery County  
My Commission Expires March 28, 2017  
Member, Pennsylvania Association of Notaries

By: Teresa Pastella  
Teresa Pastella, Notary Public

This Power of Attorney is made and executed pursuant to and by authority of the following By-laws and Authorizations of American Fire and Casualty Company, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company which resolutions are now in full force and effect reading as follows:

**ARTICLE IV - OFFICERS** - Section 12. Power of Attorney. Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitation as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and execution of any such instruments and to attach thereto the seal of the Corporation. When so executed, such instruments shall be as binding as if signed by the President and attested to by the Secretary. Any power or authority granted to any representative or attorney-in-fact under the provisions of this article may be revoked at any time by the Board, the Chairman, the President or by the officer or officers granting such power or authority.

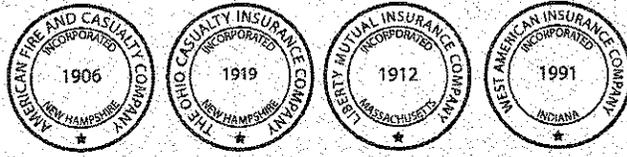
**ARTICLE XIII - Execution of Contracts** - SECTION 5. Surety Bonds and Undertakings. Any officer of the Company authorized for that purpose in writing by the chairman or the president, and subject to such limitations as the chairman or the president may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Company by their signature and execution of any such instruments and to attach thereto the seal of the Company. When so executed such instruments shall be as binding as if signed by the president and attested by the secretary.

**Certificate of Designation** - The President of the Company, acting pursuant to the Bylaws of the Company, authorizes David M. Carey, Assistant Secretary to appoint such attorneys-in-fact as may be necessary to act on behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

**Authorization** - By unanimous consent of the Company's Board of Directors, the Company consents that facsimile or mechanically reproduced signature of any assistant secretary of the Company, wherever appearing upon a certified copy of any power of attorney issued by the Company in connection with surety bonds, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

I, Gregory W. Davenport, the undersigned, Assistant Secretary, of American Fire and Casualty Company, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy of the Power of Attorney executed by said Companies, is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 27 day of August 2015.



By: Gregory W. Davenport  
Gregory W. Davenport, Assistant Secretary

Not valid for mortgage, note, loan, letter of credit, currency rate, interest rate or residual value guarantees.

To confirm the validity of this Power of Attorney call 1-610-832-8240 between 9:00 am and 4:30 pm EST on any business day.