

SOUTH DAKOTA ENERGY FACILITY PERMIT ACT BOND

Bond No.: LPM9204740

Bond Amount: \$24,000,000.00

Dakota Access, LLC as Principal (the "Principal") and Fidelity And Deposit Company of Maryland a corporation created and existing under the laws of New York 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 pipeline referenced herein, as Obligees (individually referred to herein as "Obligee" and collectively referred to as the "Obligees") in the amount of –Twenty Four Million and-00/100 Dollars (\$24,000,000.00) 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 pipeline project known as the Dakota Access Pipeline Project;
- B. the PUC has approved the Principal's application for the South Dakota portion (the "Project") of the Dakota Access Pipeline Project;
- C. the Principal has been 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 number 6 below.
- 2. Following a Default and written notice thereof to the Surety by an 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 the Obligee's cause of action hereunder has accrued.
- 6. This Bond shall remain in effect until released by the PUC in accordance with Condition 25 (f) 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 PUC are as follows:

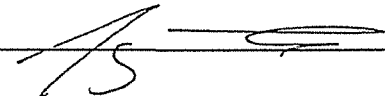
Dakota Access, LLC:
8111 Westchester Dr. – Suite 600
Dallas, TX 75225

Fidelity and Deposit Company of Maryland
1400 American Lane, Tower I, 18th Floor
Schaumburg, IL 60196

South Dakota Public Utilities Commission
Capitol Building 1st Floor
Pierre, SD 57501-5070

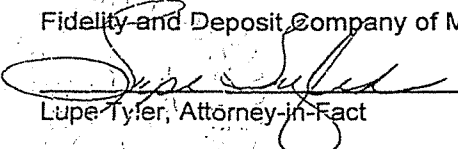
IN WITNESS WHEREOF, the Principal and the Surety have Signed and Sealed this Bond the 23rd day of February in the year 2016.

Dakota Access, LLC



SUP

Fidelity and Deposit Company of Maryland



Lupe Tyler, Attorney-in-Fact

RIDER

To be attached to and form a part of Surety Bond, No. LPM9204740 dated the 23rd day of February, 2016 issued by the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, as Surety, on behalf of Dakota Access, LLC, as Principal, in the penal sum of Twenty-Four Million and 00/100 Dollars (\$24,000,000), and in favor of the South Dakota Public Utilities Commission.

In consideration of the premium charged for the attached bond, it is hereby agreed that the attached bond be amended as follows:

Add Zurich American Insurance Company, 1400 American Lane, Tower I, 18th Floor, Schaumburg, IL 60196, as Co-Surety

Provided, However, that the attached bond shall be subject to all its agreements, limitations and conditions except as herein expressly modified, and further that the liability of the Surety under the attached bond and the attached bond as amended by this rider shall not be cumulative.

This rider shall become effective as of the 23rd day of February, 2016.

Signed, sealed and dated this 24th day of February, 2016.

ATTEST:

Lennice Dawson

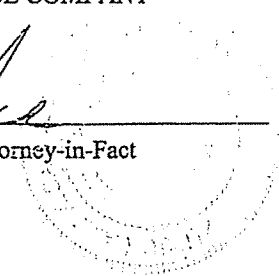
Dakota Access, LLC

[Signature]
Principal

ACCEPTED:

ZURICH AMERICAN INSURANCE COMPANY

By: *[Signature]*
Attorney-in-Fact



**ZURICH AMERICAN INSURANCE COMPANY
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY
FIDELITY AND DEPOSIT COMPANY OF MARYLAND
POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS: That the ZURICH AMERICAN INSURANCE COMPANY, a corporation of the State of New York, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, a corporation of the State of Maryland, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND a corporation of the State of Maryland (herein collectively called the "Companies"), by GERALD F. HALEY, Vice President, in pursuance of authority granted by Article V, Section 8, of the By-Laws of said Companies, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, do hereby nominate, constitute, and appoint Michael J. HERROD, Nancy THOMAS, Wendy W. STUCKEY, Lupe TYLER, Lisa A. WARD, Roger SMIDDY, Anoop CHAWLA ADLAKHA and Myisha S. JEFFERSON, all of Houston, Texas, EACH its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: any and all bonds and undertakings, EXCEPT bonds on behalf of Independent Executors, Community Survivors and Community Guardians. and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Companies, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the ZURICH AMERICAN INSURANCE COMPANY at its office in New York, New York., the regularly elected officers of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at its office in Owings Mills, Maryland., and the regularly elected officers of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at its office in Owings Mills, Maryland., in their own proper persons.

The said Vice President does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article V, Section 8, of the By-Laws of said Companies, and is now in force.

IN WITNESS WHEREOF, the said Vice-President has hereunto subscribed his/her names and affixed the Corporate Seals of the said ZURICH AMERICAN INSURANCE COMPANY, COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and FIDELITY AND DEPOSIT COMPANY OF MARYLAND, this 18th day of September, A.D. 2015.

ATTEST:

ZURICH AMERICAN INSURANCE COMPANY
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY
FIDELITY AND DEPOSIT COMPANY OF MARYLAND



By: _____

Secretary
Michael McKibben

Vice President
Gerald F. Haley

State of Maryland
County of Baltimore

On this 18th day of September, A.D. 2015, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, GERALD F. HALEY, Vice President, and MICHAEL MCKIBBEN, Secretary, of the Companies, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and acknowledged the execution of same, and being by me duly sworn, deposed and saith, that he/she is the said officer of the Company aforesaid, and that the seals affixed to the preceding instrument are the Corporate Seals of said Companies, and that the said Corporate Seals and the signature as such officer were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporations.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.

Maria D. Adamski, Notary Public
My Commission Expires: July 8, 2019



EXTRACT FROM BY-LAWS OF THE COMPANIES

"Article V, Section 8, Attorneys-in-Fact. The Chief Executive Officer, the President, or any Executive Vice President or Vice President may, by written instrument under the attested corporate seal, appoint attorneys-in-fact with authority to execute bonds, policies, recognizances, stipulations, undertakings, or other like instruments on behalf of the Company, and may authorize any officer or any such attorney-in-fact to affix the corporate seal thereto; and may with or without cause modify or revoke any such appointment or authority at any time."

CERTIFICATE

I, the undersigned, Vice President of the ZURICH AMERICAN INSURANCE COMPANY, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the foregoing Power of Attorney is still in full force and effect on the date of this certificate; and I do further certify that Article V, Section 8, of the By-Laws of the Companies is still in force.

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the ZURICH AMERICAN INSURANCE COMPANY at a meeting duly called and held on the 15th day of December 1998.

RESOLVED: "That the signature of the President or a Vice President and the attesting signature of a Secretary or an Assistant Secretary and the Seal of the Company may be affixed by facsimile on any Power of Attorney...Any such Power or any certificate thereof bearing such facsimile signature and seal shall be valid and binding on the Company."

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at a meeting duly called and held on the 5th day of May, 1994, and the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 10th day of May, 1990.

RESOLVED: "That the facsimile or mechanically reproduced seal of the company and facsimile or mechanically reproduced signature of any Vice-President, Secretary, or Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seals of the said Companies, this 23rd day of February, 2016.



Thomas O. McClellan, Vice President