

SOUTH DAKOTA ENERGY FACILITY PERMIT ACT BOND

Bond No. K40402779
Bond Amount: \$1,000,000.00
Docket No. EL18-046

DAKOTA RANGE III, LLC, 3760 State Street, Suite 200, Santa Barbara, CA 93105,
as Principal (the "Principal") and Federal Insurance Company, a corporation created
and existing under the laws of Indiana, 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 referenced
herein, as Obligees (individually referred to herein as "Obligee" and collectively referred to as the
'Obligees') in the amount of One Million & 00/100 Dollars (\$1,000,000.00) -----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 345-KV transmission line Project in Grant County, SD;
- B. The PUC has approved the Principal's application for the Project;
- C. The Principal has been granted the necessary permits by the PUC to carry out the Project;
- D. Chapter 49-41 B-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. NOW, THEREFORE, THE CONDITIONS OF THIS OBLIGATION IS SUCH, that if the Principal shall faithfully observe, keep and obey all laws and ordinances of said Obligee relating to the said license or permit now in force, or any amendments thereto and shall save, indemnify and keep harmless, the Obligee against all liabilities, judgments, costs and expenses, which may accrue against said Principal in consequence of the granting of such license or permit and will in all things, strictly comply with the conditions of the license or permit, then this obligations to be void, otherwise to remain in full force and effect.
PROVIDED, however, that the Surety may terminate this bond as to future liability by giving forty five (45) days written notice to the Obligee at the above address, such termination not to affect any liability incurred or accrued prior to the expiration of said forty five (45) day period.

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 RANGE III, LLC
3760 State Street, Suite 200
Santa Barbara, CA 93105

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

Federal Insurance Company
202B Hall's Mill Road
Whitehouse Station, NJ 08889

This bond shall become effective the 2nd day of March, 2020.

IN WITNESS WHEREOF, the Principal and the Surety have signed and sealed this bond the 2nd of March, 2020.

DAKOTA RANGE III, LLC
(Principal)

By: Jonathan S. Koehn
Jonathan Koehn, Vice President

Federal Insurance Company
(Surety)

By: Sara Owens
Sara Owens, Attorney-in-Fact

Agents
Aon Risk Services Central, Inc.
1650 Market Street
Philadelphia, PA 19103

Power of Attorney

Federal Insurance Company | Vigilant Insurance Company | Pacific Indemnity Company

Know All by These Presents, That **FEDERAL INSURANCE COMPANY**, an Indiana corporation, **VIGILANT INSURANCE COMPANY**, a New York corporation, and **PACIFIC INDEMNITY COMPANY**, a Wisconsin corporation, do each hereby constitute and appoint Kimberly G. Sherrod of Columbus, Ohio; George Gionis, Vicki Johnston, Kaitlyn Malkowski, Elizabeth Marrero, Jaquanda Martin, Wayne G. McVaugh, Sara Owens, Patricia A. Rambo, Lori S. Shelton and Joanne C. Wagner of Philadelphia, Pennsylvania; Cathy H. Ho, Justin Johnson and Barbara L. Rutter of Pittsburgh, Pennsylvania-----

each as their true and lawful Attorney-in-Fact to execute under such designation in their names and to affix their corporate seals to and deliver for and on their behalf as surety thereon or otherwise, bonds and undertakings and other writings obligatory in the nature thereof (other than bail bonds) given or executed in the course of business, and any instruments amending or altering the same, and consents to the modification or alteration of any instrument referred to in said bonds or obligations.

In Witness Whereof, said **FEDERAL INSURANCE COMPANY**, **VIGILANT INSURANCE COMPANY**, and **PACIFIC INDEMNITY COMPANY** have each executed and attested these presents and affixed their corporate seals on this 11th day of April, 2019.

Dawn M. Chloros

Dawn M. Chloros, Assistant Secretary

Stephen M. Haney

Stephen M. Haney, Vice President



STATE OF NEW JERSEY

County of Hunterdon

ss.

On this 11th day of April, 2019, before me, a Notary Public of New Jersey, personally came Dawn M. Chloros, to me known to be Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY, the companies which executed the foregoing Power of Attorney, and the said Dawn M. Chloros, being by me duly sworn, did depose and say that she is Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY and knows the corporate seals thereof, that the seals affixed to the foregoing Power of Attorney are such corporate seals and were thereto affixed by authority of said Companies; and that she signed said Power of Attorney as Assistant Secretary of said Companies by like authority; and that she is acquainted with Stephen M. Haney, and knows him to be Vice President of said Companies; and that the signature of Stephen M. Haney, subscribed to said Power of Attorney is in the genuine handwriting of Stephen M. Haney, and was thereto subscribed by authority of said Companies and in deponent's presence.

Notarial Seal



ROSE CURTIS
NOTARY PUBLIC OF NEW JERSEY
No. 50072400
Commission Expires November 22, 2022

Rose Curtis
Notary Public

CERTIFICATION

Resolutions adopted by the Boards of Directors of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY on August 30, 2016:

"RESOLVED, that the following authorizations relate to the execution, for and on behalf of the Company, of bonds, undertakings, recognizances, contracts and other written commitments of the Company entered into in the ordinary course of business (each a "Written Commitment"):

- (1) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise.
- (2) Each duly appointed attorney-in-fact of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise, to the extent that such action is authorized by the grant of powers provided for in such person's written appointment as such attorney-in-fact.
- (3) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to appoint in writing any person the attorney-in-fact of the Company with full power and authority to execute, for and on behalf of the Company, under the seal of the Company or otherwise, such Written Commitments of the Company as may be specified in such written appointment, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
- (4) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to delegate in writing to any other officer of the Company the authority to execute, for and on behalf of the Company, under the Company's seal or otherwise, such Written Commitments of the Company as are specified in such written delegation, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
- (5) The signature of any officer or other person executing any Written Commitment or appointment or delegation pursuant to this Resolution, and the seal of the Company, may be affixed by facsimile on such Written Commitment or written appointment or delegation.

FURTHER RESOLVED, that the foregoing Resolution shall not be deemed to be an exclusive statement of the powers and authority of officers, employees and other persons to act for and on behalf of the Company, and such Resolution shall not limit or otherwise affect the exercise of any such power or authority otherwise validly granted or vested."

I, Dawn M. Chloros, Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY (the "Companies") do hereby certify that

- (i) the foregoing Resolutions adopted by the Board of Directors of the Companies are true, correct and in full force and effect,
- (ii) the foregoing Power of Attorney is true, correct and in full force and effect.

Given under my hand and seals of said Companies at Whitehouse Station, NJ, this 2nd day of March, 2020



Dawn M. Chloros

Dawn M. Chloros, Assistant Secretary

IN THE EVENT YOU WISH TO VERIFY THE AUTHENTICITY OF THIS BOND OR NOTIFY US OF ANY OTHER MATTER, PLEASE CONTACT US AT:
Telephone (908) 903-3493 Fax (908) 903-3656 e-mail: surety@chubb.com

FEDERAL INSURANCE COMPANY
STATEMENT OF ASSETS, LIABILITIES AND SURPLUS TO POLICYHOLDERS

Statutory Basis

DECEMBER 31, 2018

(In thousands)

ASSETS		LIABILITIES AND SURPLUS TO POLICYHOLDERS	
Cash and Short Term Investments	\$ (360,335)	Outstanding Losses and Loss Expenses	\$ 8,523,482
United States Government, State and Municipal Bonds	5,738,428	Reinsurance Payable on Losses and Expenses	1,490,981
Other Bonds	3,918,618	Unearned Premiums	1,914,190
Stocks	100,774	Ceded Reinsurance Premiums Payable	405,271
Other Invested Assets	<u>959,127</u>	Other Liabilities	<u>665,865</u>
TOTAL INVESTMENTS	<u>10,354,608</u>	TOTAL LIABILITIES	<u>10,999,789</u>
Investments in Affiliates:		Capital Stock	20,980
Great Northern Ins. Co.	384,987	Paid-In Surplus	2,711,474
Vigilant Ins. Co.	333,743	Unassigned Funds	<u>2,057,388</u>
Chubb Indemnity Ins. Co.	176,202	SURPLUS TO POLICYHOLDERS	<u>4,789,842</u>
Chubb National Ins. Co.	176,647		
Chubb European Inv. Holdings, SLP	120,469		
Other Affiliates	99,299		
Premiums Receivable	1,281,368		
Other Assets	<u>2,762,308</u>		
TOTAL ADMITTED ASSETS	<u>\$ 15,689,631</u>	TOTAL LIABILITIES AND SURPLUS	<u>\$ 15,689,631</u>

Investments are valued in accordance with requirements of the National Association of Insurance Commissioners, At December 31, 2018, Investments with a carrying value of \$566,806,856 were deposited with government authorities as required by law.

STATE OF PENNSYLVANIA
COUNTY OF PHILADELPHIA

John Taylor, being duly sworn, says that he is Senior Vice President of Federal Insurance Company and that to the best of his knowledge and belief the foregoing is a true and correct statement of the said Company's financial condition as of the 31 st day of December, 2018.

Sworn before me this March 19, 2019

[Signature]
Senior Vice President

[Signature]
Notary Public

August 8, 2019
My commission expires

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
Diane Wright, Notary Public
City of Philadelphia, Philadelphia County
My Commission Expires Aug. 8, 2019
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES