



PAYMENT BOND
PUBLIC SERVICE COMMISSION
ABANDONED MINE LANDS DIVISION
 SFN 13853 (Rev. 05-2000)

RECEIVED

MAY 16 2008

#155
PUBLIC SERVICE COMMISSION

Bond No. 6500102				<input type="checkbox"/> Individual <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership	
Name of Contractor Gratech Company, Ltd.					
Address of Contractor 8201 - 282nd Street NW		City Berthold	State ND	Zip Code 58718	
Name of Surety First National Insurance Company of America					
Address of Surety Safeco Plaza		City Seattle	State WA	Zip Code 98185	

KNOW ALL PERSONS BY THESE PRESENTS, that the above named Contractor, hereinafter called the Principal, and the above named Surety, are held and firmly bound unto the North Dakota Public Service Commission on behalf of the State of North Dakota hereinafter called OWNER, in the penal sum of One Million, One Hundred Sixty Thousand, Nine Hundred Sixty-Three & 04/100s dollars, (\$ 1,160,963.04) in lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, successor, and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION is such that whereas, the Principal entered into a certain contract with the OWNER, dated the 7th day of May 2008, a copy of which is hereto attached and made a part hereof for the reclamation of the following described abandoned mine site.

Abandoned Mine Site Description Contract AM-562-08
2008 Columbus Phase 9 AML Project in Burke County, ND

NOW, THEREFORE, if the Principal shall promptly make payment to all persons, firms, SUBCONTRACTORS, and corporations furnishing materials for or performing labor in the prosecution of the WORK provided for in such contract, and any authorized extension or modification thereof, including all amounts due for materials, lubricants, oil, gasoline, repairs on machinery, equipment and tools, consumed or used in connection with the construction of such WORK, and all insurance premiums on said WORK, and for all labor, performed in such WORK whether by SUBCONTRACTOR or otherwise, then this obligation shall be void; otherwise to remain in full force and effect.

PROVIDED, FURTHER, that the said Surety for value received hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to the WORK to be performed thereunder or the SPECIFICATIONS accompanying the same shall affect its obligation of this BOND, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract or to the WORK or to the SPECIFICATIONS.

PROVIDED, FURTHER, that no final settlement between the OWNER and the CONTRACTOR shall abridge the right of any beneficiary hereunder, whose claim may be unsatisfied.

IN WITNESS WHEREOF, this instrument is executed in two counterparts, each one of which shall be deemed an original, this the 12th day of May, 2008.

NOTE: Date of BOND must not be prior to date of Contract. If CONTRACTOR is Partnership, all partners shall execute BOND.

IMPORTANT: Surety companies executing BONDS must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in North Dakota.

Witness as to Principal:

Gratech Company, Ltd.

(Principal: Individual, Partnership, or Corporation)

(SEAL)

Corporation

BY (Partner or President)

Harley E. Neshem

BY (Partner or Secretary)

Harley E. Neshem, President

(Surety)

(SEAL)

First National Insurance Company of America

BY

James M. Padden

James M. Padden, Attorney-in-Fact and
North Dakota Resident Agent

Countersigned by:

North Dakota Resident Agent	P.O./Address
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ACKNOWLEDGMENT OF PRINCIPAL (Individual)

STATE OF _____)
County of _____)ss

On this _____ day of _____ 20____, before me personally comes _____
known to me to be the person who is described in and who executed the foregoing instrument and acknowledges to me that he/she executed the
same.

Notary Public

ACKNOWLEDGMENT OF PRINCIPAL (Partnership)

STATE OF _____)
County of _____)ss

On this _____ day of _____ 20____, before me personally comes _____
a member of the co-partnership of _____ known to me to be the person who is described
in and who executed the foregoing instrument and acknowledges to me that he/she executed the same as and for the act and deed of the said
co-partnership.

Notary Public

ACKNOWLEDGMENT OF PRINCIPAL (Corporation)

STATE OF North Dakota)
County of Ward)ss

On this 14 day of May 20 08, before me personally comes Harley E. Nesham
to me known, who, being by me duly sworn, deposes and says that he/she resides in the City of Berthold
that he/she is the President of the Gratech Company, Ltd.
the corporation described in and which executed the foregoing instrument; that he/she knows the seal of the
said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by the order of the Board of Directors of
said corporation, and that he/she signed his/her name thereto by like order.

Notary Public

ACKNOWLEDGMENT OF SURETY

STATE OF North Dakota)
County of Cass)ss

TONI MEYER
Notary Public, State of North Dakota
My Commission Expires Feb. 12, 2009

On this 12th day of May 20 08, before me personally comes James M. Padden
Attorney-in-Fact of First National Insurance Company of America with whom I am personally acquainted, and who, being by
me duly sworn, says that he/she resides in Fargo, ND that he/she is the Attorney-in-Fact
of First National Insurance Company of America the Company described in and which executed the
foregoing instrument; that he/she know(s) the corporate seal of such Company; and that the seal affixed to the foregoing instrument is such
corporate seal and that it was affixed by the order of the Board of Directors of said Company, and that he/she signed said instrument as
Attorney-in-Fact of the said Company by like order.

CORINNE BEHRENS
Notary Public
State of North Dakota
My Commission Expires Apr. 29, 2009

Notary Public



POWER OF ATTORNEY

First National Insurance Company of America
Safeco Plaza
Seattle, WA 98185

No. 7581

KNOW ALL BY THESE PRESENTS:

That **FIRST NATIONAL INSURANCE COMPANY OF AMERICA**, a Washington corporation, does hereby appoint
*****CORINNE J. BEHRENS; MARTIN E. FISHER; JAMES M. PADDEN; CHARLES L. SHAMBAUGH;
CAROLYN J. THOEN; Fargo, North Dakota*****

its true and lawful attorney(s)-in-fact, with full authority to execute on behalf of the company fidelity and surety bonds or undertakings and other documents of a similar character issued by the company in the course of its business, and to bind **FIRST NATIONAL INSURANCE COMPANY OF AMERICA** thereby as fully as if such instruments had been duly executed by its regularly elected officers at its home office.

IN WITNESS WHEREOF, **FIRST NATIONAL INSURANCE COMPANY OF AMERICA** has executed and attested these presents

this 10th day of October, 2007

STEPHANIE DALEY-WATSON, SECRETARY

TIM MIKOLAJEWSKI, SENIOR VICE-PRESIDENT, SURETY

CERTIFICATE

Extract from the By-Laws of **FIRST NATIONAL INSURANCE COMPANY OF AMERICA**:

"Article V, Section 13. - FIDELITY AND SURETY BONDS ... the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business... On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of
FIRST NATIONAL INSURANCE COMPANY OF AMERICA adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
- (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
- (iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, Stephanie Daley-Watson, Secretary of **FIRST NATIONAL INSURANCE COMPANY OF AMERICA**, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of this corporation, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 12th day of May, 2008



STEPHANIE DALEY-WATSON, SECRETARY