

JAN 10 2011



Liberty Mutual Surety

January 5, 2011

RECEIVED

R. Jeffrey Olson  
Home Office Counsel

Smith Bakke  
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JAN 10 2011

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PUBLIC SERVICE COMMISSION

Attention: Mr. Mitchell Armstrong

Re: Principal: Smith Contracting, Inc.  
Obligee: North Dakota Public Service Commission  
Bond No.: 67S000136  
Project: 2010 Buechler/Velva Phase 1 Abandoned Mine Lands Site in Ward County  
Claimant: North Dakota Public Service Commission  
Claim No.: 67S000136.0  
Surety: First National Insurance Company of America

Dear Mr. Armstrong:

Please let this letter serve to acknowledge receipt of your claim documentation dated December 28, 2010 which we received on January 3, 2011. Please be advised that we have forwarded a copy of said information to counsel for Smith Contracting, Inc, our construction consultant, and our counsel for further review. We thank you for providing the information to us and will be in touch with you shortly regarding this matter.

This correspondence and all prior and subsequent communications and/or investigative efforts are made with the express reservation of all rights and defenses which First National Insurance Company of America and/or Smith Contracting, Inc., has or may have at law, equity or under the terms and provisions of the bond and contract documents. This reservation includes without limitation, defenses which may be available under any applicable notice and suit limitation provisions.

Please do not hesitate to contact me if you have any questions.

Sincerely,

R. Jeffrey Olson  
Home Office Counsel

RJO/rjo

cc: Smith Contracting, Inc.  
John Sebastian  
Warren Maierhofer

55 AM-10-37 Filed: 1/10/2011 Pages: 1  
Letter acknowledging receipt of claim documentation

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Liberty Mutual Insurance Company  
Jeffrey Olson