



North American Specialty Insurance Company
Washington International Insurance Company

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Peter Karney, Esq.
Vice President

July 10, 2014

State of North Dakota Public Service Commission
Attn: Sue Richter
600 East Boulevard, Dept 408
Bismarck, ND 58505-0480



RE: Principal: Earth Harvest Mill
Bond No: S-914-3595
Project: ND Grain Elevator Warehouse
Claimant: State of North Dakota, Public Service Commission
Claim No: 2013048802

Dear Ms. Richter:

Enclosed you will find Washington International Insurance Company's check #525449 in the amount of \$50,000.00 for full and final settlement of the claim against the above payment bond. Also, please find a Release, Assignment and Subrogation Agreement. We send this payment in trust and with the understanding that it will not be negotiated unless and until your client executes and returns the Release, Assignment and Subrogation Agreement. If this is not acceptable to you, please return the check to my attention immediately.

Thank you for your cooperation with this matter.

Sincerely,
Washington International
Insurance Company

Peter Karney

Peter Karney, Esq.
Vice President

PK/sa

Enclosure

RELEASE, ASSIGNMENT & SUBROGATION

KNOW ALL MEN, that in consideration of the sum of \$50,000.00 in hand paid to the undersigned claimant by **Washington International Insurance Company**, hereinafter called "Surety", receipt whereof is hereby acknowledged, undersigned hereby sells, assigns, transfers and sets over unto said Surety, its successors, and assigns, all of the right, title, and interest, including remedies of the undersigned, in and to any claim for labor, materials and/or performance for the project known as the **ND Grain Elevator Warehouse**.

In further consideration of said payment, the undersigned does hereby release and forever discharge said Surety from any and all liability, claim and demand under its Bond Number **S-914-3595**, wherein the **State of North Dakota Public Service Commission** is the named Obligee.

Further, the undersigned hereby covenants and agrees with the said Surety, that the sum of \$50,000.00 is justly due and owing by **Earth Harvest Mill** to the undersigned; that the undersigned has agreed to accept \$50,000.00 in full settlement and satisfaction of its claim against **Washington International Insurance Company** and bond number **S-914-3595** and that the undersigned has not released or discharged same or any part thereof; that there are no counterclaims or setoffs to said account, and that the undersigned will, at the request of the Surety, its successors and assigns, furnish any and all evidence as to the correctness of said account.

Also for said consideration, the undersigned does hereby agree to correct, remedy, repair, replace, or re-execute, as promptly as possible, at the undersigned's sole cost and expense, any material, supplies or work furnished, or work performed or required to be performed, which may be rejected by or found not acceptable to the Owner and/or Owner's duly authorized representative, or which may prove defective within the guarantee/warranty period stated in the contract referenced in said Bond or, in the case of latent defects, within the time limitations set by operation of law.

That this instrument is made for the purpose of inducing said Surety for **Earth Harvest Mill** to pay the undersigned the sum of \$50,000.00, and is made with full knowledge that said Surety will rely upon the trust of the statements herein contained and made.

IN WITNESS THEREOF, the undersigned have hereunto set its, his or their hand(s) and seal(s) this _____ day of _____, 2014.

BY: **State of North Dakota, Public Service Commission**

Title:

(Corporate Seal)

State of _____
County of _____

BEFORE ME, the undersigned authority, personally appeared to me well known to be the person who signed the foregoing Release, Assignment, and Subrogation Form and acknowledged under oath that the information contained therein is true and correct and that he has full power and authority to bind said Company.

SWORN TO AND SUBSCRIBED BEFORE ME this _____ day of _____, 2014.

Notary Public

My Commission Expires: _____