

December 19, 2012

Pamela and Delwin Hofer
40916 192nd Street
Carpenter, SD 57322



TransCanada Keystone Pipeline Limited Partnership
Address: 13710 FNB Parkway, Suite 300
Omaha, NE 68154
Telephone: 402-492-7469
Facsimile: 402-492-7491
Email: Joshua_Thompson@transcanada.com
web: www.transcanada.com/keystone

RE: Reclamation on the TransCanada Keystone Pipeline Right-of-Way
Tract ML-SD-BD-0695.0000

Dear Mrs. and Mr. Hofer:

TransCanada Keystone has made a good faith effort to complete reclamation on your property. It was reported to us that on November 29, 2012, Mr. Hofer referred to bringing out a shotgun to coerce our contractor to follow his wishes. We consider this reference to be a threat against our reclamation contractor and TransCanada must treat all threats to our employees and contractors with the utmost seriousness. Due to the remarks that you made, we will be unable to allow our reclamation contractors to return to your property to do any additional work.

The assessment of the remaining work on your property has been done by our reclamation crew. They have determined that the majority of the reclamation work has been completed, but there are a few minor items remaining. In their assessment, they have determined that the amount of remaining work could be completed for no more than \$35,000.

Included with this letter is check 0008798 for \$35,000 which TransCanada feels is generous, and more than enough to restore any unremediated items that could have been caused by the construction of the Keystone pipeline.

This is a final offer on the behalf of TransCanada to compensate you in full for all damages whether now owned or hereafter acquired, known or unknown, accrued or unaccrued that arise out of, relate to, were caused by, or are in any way connected with the claims and causes of action made or which could have been made against TransCanada pertaining to the installation and construction of the pipeline on your property, including, but not limited to damage to the surface, crops, trees, livestock, animals, improvements, fences, groundwater or surface water on the property. Your acceptance of the check will be viewed as your agreement to our offer.

TransCanada Keystone is committed to upholding a high level of land and environmental stewardship, and we look forward to working with you in resolving this issue. If you have any questions or require further discussion, feel free to contact me at (402) 492-7469.

Sincerely,

TRANSCANADA KEYSTONE PIPELINE

Joshua Thompson
Land Representative, TransCanada US Land Management

KEYSTONE PIPELINE PROJECT

110 3rd Street SW, suite 104
Huron, SD 57350
(605) 352-1375 (Office)
(605) 461-9005 (Cell)

May 12, 2010

ML-SD-BD-0695.9999

Pam and Delwin Hofer
40916 192nd Street
Carpenter, SD 57322

RE: Payment for grazing loss that you claimed for your property at: NW4, SEC 9 T-113N
R-59W

Pam and Delwin:

Please find the enclosed check for the Settlement Agreement that you signed.
If you should have further questions please feel free to call me at the numbers listed
above or contact Sarah Metcalf at 1-88-375-1370.

Thank you,

Sincerely,



Paul Kleist
Right of Way Supervisor
Keystone Pipeline

Felicia Webb

From: Barbara Koch [bkoch@donellis-associates.com]
Sent: Wednesday, January 09, 2013 12:03 PM
To: 'Felicia Webb'
Subject: FW: Hofer Check
Attachments: Check.pdf

Felicia,

This was processed by TCPL not E&A, please put copy of attachment and this email in the file for tract M-SD-BD-0695.0000.

From: eric munz [mailto:northernmn2001@yahoo.com]
Sent: Tuesday, January 08, 2013 4:22 PM
To: Barbara Koch; Kim Austin; Kim Austin
Subject: Fw: Hofer Check

This tract can now be considered complete and taken off the punchlist.

Eric

----- Forwarded Message -----

From: Joshua Thompson <joshua_thompson@transcanada.com>
To: 'Kim Austin' <kdaustin@donellis-associates.com>; Eric Munz <northernmn2001@yahoo.com>; "smetcal12@gmail.com" <smetcal12@gmail.com>
Sent: Tuesday, January 8, 2013 4:47 PM
Subject: FW: Hofer Check

Here is the UPS proof of delivery for Hofer.

Joshua Thompson
Land Representative , U.S. Land Management
TransCanada
402-214-2082

From: Rocio Lozano
Sent: Tuesday, January 08, 2013 3:26 PM
To: Joshua Thompson
Subject: FW: UPS Ship Notification, Tracking Number 1Z4R33A70195813170



Proof of Delivery

[Close Window](#)

Dear Customer,

This notice serves as proof of delivery for the shipment listed below.

Tracking Number: 1Z4R33A70195813170
Service: UPS Next Day Air®
Shipped/Billed On: 12/19/2012
Delivered On: 12/20/2012 5:22 P.M.
Delivered To: CARPENTER, SD, US
Left At: Side Door

Thank you for giving us this opportunity to serve you.

Sincerely,

UPS

Tracking results provided by UPS: 01/08/2013 4:15 P.M. ET

[Print This Page](#)

[Close Window](#)

Josh, here is the delivery information.

Thanks,

Rocio Lozano

From: Rocio Lozano
Sent: Wednesday, December 19, 2012 11:45 AM
To: Joshua Thompson
Cc: Alex Osborne
Subject: FW: UPS Ship Notification, Tracking Number 1Z4R33A70195813170

Josh,

Attached please find a copy of letter and check sent to Mr. Hofer.

Below is the tracking information.

Thanks,

Rocio Lozano

From: UPS Quantum View [mailto:auto-notify@ups.com]
Sent: Wednesday, December 19, 2012 11:42 AM
To: Rocio Lozano
Subject: UPS Ship Notification, Tracking Number 1Z4R33A70195813170

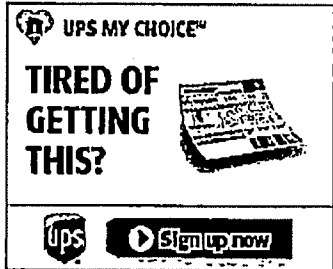


UPS My Choice® can

This message was sent to you at the request of ANR

help you avoid missed home deliveries.

[Learn More](#)



PIPELINE CO (HOUSTON) to notify you that the electronic shipment information below has been transmitted to UPS. The physical package(s) may or may not have actually been tendered to UPS for shipment. To verify the actual transit status of your shipment, click on the tracking link below or contact ANR PIPELINE CO (HOUSTON) directly.

Important Delivery Information

Scheduled Delivery: 20-December-2012

Shipment Detail

Ship To:
 Delwin O. and Pamela Hofer
 40916 192nd Street
 CARPENTER
 SD
 573228207
 US

Number of Packages: 1
UPS Service: NEXT DAY AIR
Shipment Type: Letter

Tracking Number: 1Z4R33A70195813170
 Click [here](#) to track if UPS has received your shipment or visit http://www.ups.com/WebTracking/track?loc=en_US on the Internet.

_____2@@2@@@2hoGcZwi_____

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[Contact UPS](#)

This electronic message and any attached documents are intended only for the named addressee(s). This communication from TransCanada may contain information that is privileged, confidential or otherwise protected from disclosure and it must not be disclosed, copied, forwarded or distributed without

authorization. If you have received this message in error, please notify the sender immediately and delete the original message. Thank you.

December 19, 2012

Pamela and Delwin Hofer
40916 192nd Street
Carpenter, SD 57322



TransCanada Keystone Pipeline Limited Partnership
Address: 13710 FNB Parkway, Suite 300
Omaha, NE 68154
Telephone: 402-492-7459
Facsimile: 402-492-7491
Email: Joshua_Thompson@transcanada.com
web: www.transcanada.com/keystone

RE: Reclamation on the TransCanada Keystone Pipeline Right-of-Way
Tract ML-SD-BD-0695.0000

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The assessment of the remaining work on your property has been done by our reclamation crew. They have determined that the majority of the reclamation work has been completed, but there are a few minor items remaining. In their assessment, they have determined that the amount of remaining work could be completed for no more than \$35,000.

Included with this letter is check 0008798 for \$35,000 which TransCanada feels is generous, and more than enough to restore any unremediated items that could have been caused by the construction of the Keystone pipeline.

This is a final offer on the behalf of TransCanada to compensate you in full for all damages whether now owned or hereafter acquired, known or unknown, accrued or unaccrued that arise out of, relate to, were caused by, or are in any way connected with the claims and causes of action made or which could have been made against TransCanada pertaining to the installation and construction of the pipeline on your property, including, but not limited to damage to the surface, crops, trees, livestock, animals, improvements, fences, groundwater or surface water on the property. Your acceptance of the check will be viewed as your agreement to our offer.

TransCanada Keystone is committed to upholding a high level of land and environmental stewardship, and we look forward to working with you in resolving this issue. If you have any questions or require further discussion, feel free to contact me at (402) 492-7459.

Sincerely,

TRANSCANADA KEYSTONE PIPELINE

Joshua Thompson
Land Representative, TransCanada US Land Management

TransCanada Keystone Pipeline, LP
 717 Texas Street, Suite 2400
 Houston TX 77002-2751

0008798

DATE: December 18, 2012 VENDOR NO. B100983

| INVOICE NO. | INVOICE DATE | OTHER REF. | DOCUMENT NO. | DESCRIPTION | GROSS AMOUNT | DISCOUNT | NET AMOUNT | |
|-------------|--------------|------------|--------------|-------------|--------------|----------|--------------|------------------|
| 1251155 | 12/10/2012 | | 1251155 | DAMAGES | 35,000.00 | 0.00 | 35,000.00 | |
| | | | | | | | TOTAL | 35,000.00 |

CONTACT INFORMATION (403) 920-7318 AP HelpLine

TransCanada Keystone Pipeline, LP
 717 Texas Street, Suite 2400
 Houston TX 77002-2751

Chilbank N.A.
 259 Park Avenue
 New York, New York 10017

0008798
 DATE 12182012
 M D D Y Y Y

PAY Thirty Five Thousand Dollars & 0 Cents

\$*****35,000.00

TO THE ORDER OF

DELWIN O HOFER & PAMELA HOFER
 40916 192ND ST
 CARPENTER, SD
 57322 UNITED STATES

U.S. FUNDS
 TransCanada Keystone Pipeline, LP

FOR
 JIM GILL
 NANCY J. HOFER

⑈0008798⑈ ⑆021000089⑆ 30731904⑈

KEYSTONE 0823

Keystone Pipeline Project

Contact Summary Report

Tract No. ML-SD-BD-0695.0000 Directly Affected X Adjacent

Legal Description NE4 - SEC. 9 - TWP. T-113-N - RGE. R-59-W

Additional Legal Information: Beadle County, SD

Landowner(s): Pamela R Hofer (Delwin)

Address: 40916 192nd Street City/Town: Carpenter

County: Township: State: SD Zip Code: 57322

Telephone: Home : (605) 352-7171 Business :

Tenant(s): NA

Address: City/Town:

County: Township: State: Zip Code:

Telephone: Home : Business :

11-25-2012 I called Delwin. He said the fence needs H braces and to be tightened on the South end. He said he needs the laser transit set up to determine the lay of the land. He said he might meet with us tomorrow if he is not too busy. I informed him it would be extremely helpful if he did so he could let us know exactly what needs to be done.

Eric Munz
Land Representative

11-25-2012
Date

Keystone Pipeline Project

Contact Summary Report

Tract No. ML-SD-BD-0695.0000 Directly Affected X Adjacent _____

Legal Description NE4 - SEC. 9 - TWP. T-113-N - RGE. R-59-W

Additional Legal Information: Beadle County, SD

Landowner(s): Pamela R Hofer (Delwin)

Address: 40916 192nd Street City/Town: Carpenter

County: _____ Township: _____ State: SD Zip Code: 57322

Telephone: Home : (605) 352-7171 Business : _____

Tenant(s): NA

Address: _____ City/Town: _____

County: _____ Township: _____ State: _____ Zip Code: _____

Telephone: Home : _____ Business : _____

11-02-2012 Pam called and said she doesn't know how they will be able to see the lay of the land with cornstalks on it. I told her they planned to bale them. She said there will still be too much stubble. She said she wants the fence fixed for now and to call in a couple weeks to discuss the rest.

Eric Munz

Land Representative

11-02-2012

Date

Keystone Pipeline Project

Contact Summary Report

Tract No. ML-SD-BD-0695.0000 Directly Affected X Adjacent

Legal Description NE4 - SEC. 9 - TWP. T-113-N - RGE. R-59-W

Additional Legal Information: Beadle County, SD

Landowner(s): Pamela R Hofer (Delwin)

Address: 40916 192nd Street City/Town: Carpenter

County: Township: State: SD Zip Code: 57322

Telephone: Home : (605) 352-7171 Business :

Tenant(s): NA

Address: City/Town:

County: Township: State: Zip Code:

Telephone: Home : Business :

10-31-2012 | called and informed Hofers that Frank Maddox and crew want to meet with them Saturday afternoon and to call me back to confirm.

Eric Munz

Land Representative

10-31-2012

Date

Keystone Pipeline Project

Contact Summary Report

Tract No. ML-SD-BD-0695.0000 Directly Affected X Adjacent

Legal Description NE4 - SEC. 9 - TWP. T-113-N - RGE. R-59-W

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Telephone: Home : (605) 352-7171 Business :

Tenant(s): NA

Address: City/Town:

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Telephone: Home : Business :

I called Delwin. He is still upset about drainage on the land, the fence being loose and road damages. I explained the road damages were paid to the County and the Townships. He also asked about crop loss. I explained he can either show us his yield monitor in his combine or have an adjuster come out to estimate the crop loss and Keystone will pay for yield loss. I asked if he wanted work done soon. He said he does not want anyone out until after he harvests his corn. I told him I would let the crew know to go to his land after harvest. He said they better use a transit this time.

Eric Munz
Land Representative

9-05-2012
Date

Keystone Pipeline Project

Contact Summary Report

Tract No. ML-SD-BD-0695.0000 Directly Affected X Adjacent

Legal Description NE4 - SEC. 9 - TWP. T-113-N - RGE. R-59-W

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Telephone: Home :(605) 352-7171 Business :

Tenant(s): NA

Address: City/Town:

County: Township: State: Zip Code:

Telephone: Home : Business :

10-10-2011 I called and talked to Pam. She said the beans are harvested but wants me to talk to Delwin to get an ok to look at the property or do any work.

Eric Munz
Land Representative

10-10-2011
Date

Keystone Pipeline Project

Contact Summary Report

Tract No. ML-SD-BD-0695.0000 Directly Affected X Adjacent

Legal Description NE4 - SEC. 9 - TWP. T-113-N - RGE. R-59-W

Additional Legal Information: Beadle County, SD

Landowner(s): Pamela R Hofer (Delwin)

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County: Township: State: SD Zip Code: 57322

Telephone: Home :(605) 352-7171 Business :

Tenant(s): NA

Address: City/Town:

County: Township: State: Zip Code:

Telephone: Home : Business :

8-04-2011 I called and informed Pam of survey going in next week.

8-04-2011 Delwin called back and said he does not want anyone in there, not even walking, until the beans are harvested.

Eric Munz
Land Representative

8-04-2011
Date

Keystone Pipeline Project

Contact Summary Report

Tract No. ML-SD-BD-0695.0000 Directly Affected X Adjacent _____

Legal Description NE4 - SEC. 9 - TWP. T-113-N - RGE. R-59-W

Additional Legal Information: Beadle County, SD

Landowner(s): Pamela R Hofer (Delwin)

Address: 40916 192nd Street City/Town: Carpenter

County: _____ Township: _____ State: SD Zip Code: 57322

Telephone: Home :(605) 352-7171 Business : _____

Tenant(s): NA

Address: _____ City/Town: _____

County: _____ Township: _____ State: _____ Zip Code: _____

Telephone: Home : _____ Business : _____

3-31-2011 Delwin called. He said the fence needs to be fixed. He needs a wooden post put in. Also, the woven wire is loose and not attached correctly. He needs the drainage on the North and the South fixed. He said not to send someone out without a transit or laser and the correct equipment to do the job right. There are places where there is no topsoil because they pushed it in to fill ruts from tracks and holes. He also said he had crop loss due to the line on his property. He said the dirt is sinking over the line and you can see that. He also complained about crushed culverts and the condition of the roads. I explained the townships and county were compensated to repair the roads.

Eric Munz
Land Representative

3-31-2011
Date

Keystone Pipeline Project

Contact Summary Report

Tract No. ML-SD-BD-0695.0000 Directly Affected X Adjacent

Legal Description NE4 - SEC. 9 - TWP. T-113-N - RGE. R-59-W

Additional Legal Information: Beadle County, SD

Landowner(s): Pamela R Hofer (Delwin)
Address: 40916 192nd Street City/Town: Carpenter
County: Township: State: SD Zip Code: 57322
Telephone: Home :(605) 352-7171 Business :

Tenant(s): NA
Address: City/Town:
County: Township: State: Zip Code:
Telephone: Home : Business :

3-29-2011 I received a message that Delwin had called TransCanada. I called and left a message for him to call me back.

Eric Munz
Land Representative

3-29-2011
Date



Steve Kolbeck, Chair
Gary Hanson, Vice Chair
Dustin Johnson, Commissioner

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

500 East Capitol Avenue
Pierre, South Dakota 57501-5070
www.puc.sd.gov

Capitol Office
(605) 773-3201
1-866-757-6031 fax

Warehouse
(605) 773-5280
(605) 773-3225 fax

Consumer Hotline
1-800-332-1782

December 6, 2010

ML-SD BD-0695.0000

Mr. and Mrs. Delwin Hofer
40916 192nd Street
Carpenter, SD 57322

Re: Damaged Fence

Mr. and Mrs. Hofer;

Thank you for speaking with our office last week. We are sorry to hear you remain frustrated with TransCanada, but appreciate this opportunity to again explain our complaint resolution process. As you know, we have a Consumer Affairs department that receives all complaints. That department works closely with Sarah Metcalf regarding TransCanada issues. Complaints all start informally and if necessary escalate to a formal complaint. We rarely have formal complaints and are proud of our resolution record. I understand from Sarah Metcalf and Deb Gregg, however, you rejected all TransCanada's informal resolution efforts and your fencing issue remains.

The record shows TransCanada has made multiple site visits in an effort to fix your fence. Most recently the company suggested you choose a professional fencing company, at TransCanada's cost, to remedy the problems. You again rejected the company's offer. It does not appear you have given TransCanada an opportunity to solve the problem. I assume, therefore, you believe you have a legal cause of action against the company. If so, you may complete the enclosed Formal Complaint to utilize the contested case process available at the PUC.

The form includes a description of the contested case process and your resulting obligations and rights. If you choose to file a formal complaint your submission will be "docketed" and become public record. Additionally, the rules of civil procedure and evidence apply. You must specifically state the company's legal obligation, and further specifically describe how it violated the same. Upon receipt of your written complaint and the company's answer we will schedule a hearing at which time you and any others can further explain the problem.

An informal resolution is always most efficient for all parties to a dispute. It does not appear, however, you are willing to negotiate a settlement. As Deb Gregg shared in her call with you, the Commission is available to assist with final resolution of this matter. Please do not hesitate to call if you have any questions.

Sincerely,

Kara Semmler
Staff Attorney

KEYSTONE 0832

ML-SD-BD-0695.0000



Steve Kolbeck, Chair
Gary Hanson, Vice Chair
Dustin Johnson, Commissioner

**SOUTH DAKOTA
PUBLIC UTILITIES COMMISSION**

500 East Capitol Avenue
Pierre, South Dakota 57501-5070
www.puc.sd.gov

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1-866-757-6031 fax

Warehouse
(605) 773-5280
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December 6, 2010

Mr. and Mrs. Delwin Hofer
40916 192nd Street
Carpenter, SD 57322

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Sincerely,

Kara Semmler
Staff Attorney

Keystone Pipeline Project

Contact Summary Report

Tract No. ML-SD-BD-0695.0000 Directly Affected X Adjacent

Legal Description NE4 - SEC. 9 - TWP. T-113-N - RGE. R-59-W

Additional Legal Information: Beadle County, SD

Landowner(s): Pamela R Hofer

Address: 40916 192nd Street City/Town: Carpenter

County: Township: State: SD Zip Code: 57322

Telephone: Home : (605) 352-7171 Business :

Tenant(s): NA

Address: City/Town:

County: Township: State: Zip Code:

Telephone: Home : Business :

11-16-2010 Delwin called and said the fence wasn't fixed right and needs a post not steel post. He also said they didn't do anything on the ROW except drive around in a bobcat and smooth out his tracks.

Eric Munz
Land Representative



11-16-2010
Date

Keystone Pipeline Project

Contact Summary Report

Tract No. ML-SD-BD-0695.0000 Directly Affected X Adjacent

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Telephone: Home :(605) 352-7171 Business :

Tenant(s): NA

Address: City/Town:

County: Township: State: Zip Code:

Telephone: Home : Business :

11-15-2010 I called and talked to Pam. She said they were still working last time they were out there and she wasn't sure if the fence was fixed correctly. She will talk to Delwin and call the Huron office when they find out if everything was taken care of.

Eric Munz
Land Representative

11-15-2010
Date

Keystone Pipeline Project

Contact Summary Report

Tract No. ML-SD-BD-0695.0000 Directly Affected X Adjacent _____

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Additional Legal Information: Beadle County, SD

Landowner(s): Pamela R Hofer

Address: 40916 192nd Street City/Town: Carpenter

County: _____ Township: _____ State: SD Zip Code: 57322

Telephone: Home :(605) 352-7171 Business : _____

Tenant(s): NA

Address: _____ City/Town: _____

County: _____ Township: _____ State: _____ Zip Code: _____

Telephone: Home : _____ Business : _____

3-31-2009 I informed landowner of the upcoming surveys and staking beginning April 6th and construction beginning May 1st.

Eric Munz
Land Representative



3-31-2009
Date

Keystone Pipeline Project

Contact Summary Report

Tract No. ML SD BD 0695.0000 Directly Affected X Adjacent

Legal Description NE4 - SEC. 9 - TWP. 113N - RGE. 59W

Additional Legal Information: Beadle County, South Dakota

Landowner(s): Delwin O. & Pamela R. Hofer

Address: 40916 192nd Street city/Town: Carpenter

County: Township: State: SD Zip Code: 57322

Telephone: Home : (605) 352-7171 Business : ()

Tenant(s): N/A

Address: City/Town:

County: Township: State: Zip Code:

Telephone: Home : () Business : ()

Contact Summary:

3-31-09 I called and talked to Delwin. He said he would prefer full width topsoil stripping on his property. He asked what we did when we encountered rocks. I said they would be hauled off. He said that was stealing. He said he wants his rocks buried back where they were found. He said he will want some breaks in the top soil windrow so he can access both sides of the ROW. He said he may need another approach installed on the north side of the property. I said that he can use the temporary approach that the contractor puts in. I asked if I could stop at his farm and discuss this further. He said I was welcome to stop.


Jerry Roitsch Land Representative

3/31-09
Date

Keystone Pipeline Project

Contact Summary Report

Tract No. ML SD BD 0695.0000 Directly Affected X Adjacent

Legal Description NE4 - SEC. 9 - TWP. 113N - RGE. 59W

Additional Legal Information: Beadle County, South Dakota

Landowner(s): Delwin O. & Pamela R. Hofer

Address: 40916 192nd Street City/Town: Carpenter

County: Township: State: SD Zip Code: 57322

Telephone: Home : (605) 352-7171 Business : ()

Tenant(s): N/A

Address: City/Town:

County: Township: State: Zip Code:

Telephone: Home : () Business : ()

Contact Summary:

2-27-09 I was instructed to get a construction agreement from the Hofers. I called and got Delwin. He was very rude and un co-operative. He said he would not fill out a construction agreement. I asked what his thoughts were of top soil stripping. I informed him that the PUC requirements were for the 50' easement area stripped. The only way to get a full width ROW top soiled, would be only if the landowner or tenant requested it. I told him he would not be happy with just the 50' width top soiled. He said he would have to think about it and talk it over with his neighbors. I told him I would call him back in a week or so.


Jerry Roitsch Land Representative

3/02-09
Date



United States
Department of
Agriculture

Farm and Foreign
Agricultural
Services


Farm Service
Agency

South Dakota State
FSA Office
200 4th Street SW
Huron, SD 57350

(605) 352-1160

FAX
(605) 352-1195

TO: Keystone Pipeline Project
Attn: Suellen Otis
7509 NW Tiffany Springs Parkway
Kansas City, MO 64153


FROM: Thomas J. Kostel
Acting State Executive Director

DATE: February 23, 2009

SUBJECT: Request for Subordination
Pamela Hofer Beadle County, SD

We are returning your request for subordination unsigned at this time. FSA will need to receive an application for subordination from our borrower, Pamela Hofer, prior to any action being taken to approve/deny the subordination. In addition, FSA will need to complete required environmental compliance actions and any proceeds received by the borrower in consideration for the easement must also be accounted for to FSA before issuing the subordination.

FSA will need copies of consultation completed with the South Dakota State Historic Preservation Office including a copy of the cultural resources survey, copies of consultation with the United States Department of Interior Fish and Wildlife Service, and copies of any permits issued by the South Dakota Department of Environment and Natural Resources and Public Utilities Commission.

A copy of your calculations for the determination of value of the easement is needed to determine if an appraisal will be required.

FSA will also need a copy of the proposed easement for review by our legal counsel.

Any questions should be directed to Arnie Claeys State Farm Loan Chief at 605-352-1126.

cc: FLP- Beadle County

KEYSTONE PIPELINE PROJECT

7509 NW Tiffany Parkway
Kansas City, MO 64153

February 21, 2009

FHA/USDA Room 208 Huron Federal Building
200 4th St. SW
Huron, SD 57350

Re: Request for Subordination
Tract No. ML-SD-BD-0695.0000

Dear Sir or Madam:

Transcanada Keystone Pipeline, L.P. is acquiring easements for a pipeline to be constructed from North Dakota to Illinois. A segment of this system crosses a tract of land owned by **Pamela R. Hofer** and being more particularly described as follows:

NE4, Section 9, T113N, R59W


The Public Records of Beadle County, South Dakota, also indicates that **FHA/USDA Room 208 Huron Federal Building** holds a Mortgage/Deed of Trust on this tract. The Mortgage/Deed of Trust is recorded in **Book 401 at Page 57** of the Public Records of **Beadle County, South Dakota**.

So that Transcanada Keystone Pipeline, L.P. can have an unencumbered easement, we ask that FHA/USDA Room 208 Huron Federal Building execute a Subordination to the easement. This will provide Transcanada Keystone Pipeline, L.P. a valid easement in the event of a default. We find that there are no liens against the property or judgments against the property owner and that the Mortgage/Deed of Trust payments are apparently current.

Subject to your review, please execute both copies of the attached Subordination before a notary public and return one copy to me in the enclosed self-addressed and stamped envelope. Should you have any questions, please call me at **816-880-4609**.

Thank you for your cooperation in this matter.

Yours very truly,

BY: 

Suellen Otis
Land Administrative Supervisor

encls.

KEYSTONE 0840



Sorry I'm slow with
this but we've had
a family Emergency
and I've been busy
with that.

Sam Hofer

