

December 16, 1999

RE: Court File No. C4-99-1250

EDWARD G PALMER
15548 95TH CIRCLE NE
OTSEGO MN 55330

Dear Edward G. Palmer:

It appears that the settlement agreement, which I was of the opinion, was consummated on our hearing date of November 3, 1999, has fallen through.

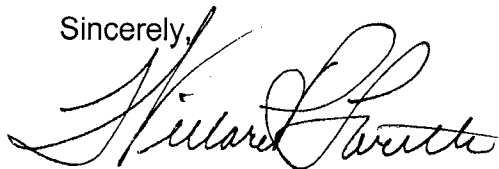
This is discouraging to me as I felt that parties had clearly expressed an agreement and gives rise to the potential of conflict of my ruling on the merits of the motions that were partially argued that day. As both of you recall, I requested that the parties meet in chambers prior to completion of full arguments of both sides on these motions.

It is my opinion, therefore, that to rule on these motions at this time is premature and request that they be reargued.

Additionally, because of the apparent agreement and failure of that agreement to be consummated to avoid even the appearance of impropriety, I should not rule on the partially argued motions, nor should I hear any new arguments and I am going to recuse myself on this matter at the present time and also in the future.

I am accordingly directing Court Administration to reset the hearing on these matters in front of a new Judge and notify you thereof.

Sincerely,



Willard P. Lorette
Judge of District Court
Sherburne County

WPL/kap
cc: William Stute

Palmer Exhibit 1