

March 5, 2009

Douglas A. Christensen
douge@grandforkslaw.com

Illona A. Jeffcoat-Sacco
Public Service Commission
Bismarck, ND 58505-0480

Re: Public Service Commission v. Northwood Mills, LLLP and
Travelers Casualty & Surety Company of America

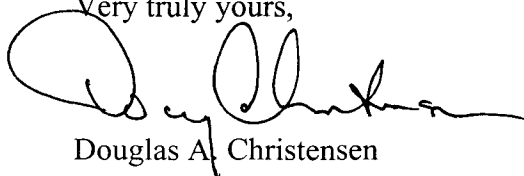
Dear Ms. Jeffcoat-Sacco:

Per our conversation of March 5, 2009 under cover of this letter you will find the following:

1. Stipulation for Dismissal of Travelers as a respondent in the above-entitled matter and a stipulation which consents to the Court entry of an order granting the PSC's prayer for relief sought in paragraphs 1 and 2 of the Public Service Commission's petition.
2. A Release and Assignment which we request be signed and returned via email so we know the same has been signed before you deposit Travelers check.
3. Travelers check #0001627272 dated 02/27/2009 in the amount of \$50,000 payable to the State of North Dakota Public Service Commission.

Should you have any questions, comments or concerns, please do not hesitate to give me a call.
Thank you.

Very truly yours,



Douglas A. Christensen

DAC:mkb

Encls.

c: Northwood Mills, LLLP
Travelers Casualty & Surety Company of America
Judge Joel D. Medd

18 GE-09-31 Filed: 3/9/2009 Pages: 4
**Letter, Surety Check, & Draft Stipulation of
Dismissal & Release**

Northwood Mills, LLLP

Douglas Christensen

STATE OF NORTH DAKOTA

IN DISTRICT COURT

COUNTY OF GRAND FORKS

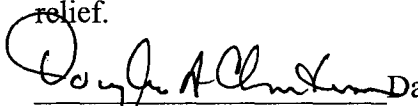
NORTHEAST CENTRAL JUDICIAL DISTRICT

Public Service Commission,)
)
 Petitioner,)
)
 vs.)
)
 Northwood Mills, LLLP)
)
 and)
)
 Travelers Casualty & Surety)
 Company of America,)
)
 Respondents.)

Case No. 18-09-C-00251

STIPULATION OF DISMISSAL
OF TRAVELERS CASUALTY &
SURETY COMPANY OF
AMERICA WITH PREJUDICE

It is hereby stipulated and agreed that Travelers Casualty & Surety Company of America shall be dismissed as a Respondent in the above-entitled matter, with prejudice, without costs to either party. It is further stipulated that the Court may enter an order against Northwood Mills, LLLP for the relief sought in paragraphs 1 and 2 of the Public Service Commission's prayer for relief.

 Date 5 March 2009
 Douglas A. Christensen, #02991
 Pearson Christensen & Clapp, PLLP
 24 No. 4th St., P.O. Box 5758
 Grand Forks, ND 58206-5758
 Attorney for Northwood Mills, LLLP
 and Travelers Casualty & Surety
 Company of America
 Respondents

 Date
 Illona A. Jeffcoat-Sacco, #03315
 Public Service Commission
 State Capitol
 Bismarck, ND 58505-0480
 Attorney for State of North Dakota
 Public Service Commission

RELEASE AND ASSIGNMENT

In consideration of the payment of \$50,000.00 by Travelers, the receipt and sufficiency of which is hereby acknowledged State of ND, Public Service Commission does hereby release and forever discharge Travelers, its parents, affiliates, subsidiaries, successors, and assigns from any and all liability, claims, demands, cause or causes of action under Bond No. 037-S-104796578, issued on behalf of Northwood Mills Lllp. Contemporaneous with the execution of this document, Bond No. 037-S-104796578 is fully and unconditionally discharged and no longer in force and effect

Date: _____

State of ND, Public Service Commission

By: _____

Its: _____

This document must be executed before a Notary Public and include the attached Notary Acknowledgment.

State of _____

County of _____

On _____ before me, _____
DATE NAME, TITLE OF OFFICER - E.G. JANE DOE, NOTARY PUBLIC

personally appeared _____
NAME(S) OF SIGNER(S)

personally known to me -OR- proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature of Notary

OPTIONAL SECTION

CAPACITY CLAIMED BY SIGNER

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the document.

- INDIVIDUAL
- CORPORATE OFFICER(S)

TITLE(S)
- PARTNER(S) LIMITED
 GENERAL
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: _____

OPTIONAL SECTION

THIS CERTIFICATE MUST BE ATTACHED TO DOCUMENT _____

THE DOCUMENT DESCRIBED AT RIGHT: DOCUMENT _____

Though the data requested here is not required by law, ABOVE _____ it could prevent fraudulent reattachment of this form.

TITLE OR TYPE OF

NUMBER OF PAGES _____ DATE OF

SIGNER(S) OTHER THAN NAMED