

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

| | | |
|-------------------------|---|-----------------------------|
| |) | |
| |) | |
| IN RE CYNTHIA BLAKELEY, |) | Case No. 03-43281-NCD |
| |) | |
| |) | Chapter 13 |
| Debtor. |) | |
| |) | NOTICE TO INTERESTED |
| |) | PARTIES OF PROPOSED |
| |) | SALE AND OF HEARING |
| |) | ON MOTION FOR SALE |
| |) | |
| |) | |
| |) | |
| |) | Honorable Nancy Dreher |
| |) | |

NOTICE

You are hereby notified that Cynthia Blakeley, as Debtor of the above-named estate, proposes to sell the following property of the her chapter 13 bankruptcy estate: 356 Second Avenue North East, Waite Park, Minnesota, 56387.

The motion for authority to do so will come on for hearing before the Honorable Nancy Dreher at 2:30 p.m., on September 1st, 2004, or as soon thereafter as counsel can be heard, and you are hereby notified to file objections thereto, if any you have, prior to such hearing, or then and there be present or duly represented for the purpose of being heard with respect to such application.

PLEASE TAKE FURTHER NOTICE that objections to this proposed sale must be filed and delivered not later than August 27th, 2004, which is three days before the time set for the hearing (excluding Saturdays, Sundays, and holidays), or filed and served by mail not later than August 24th 2004, which is seven days before the time set for the hearing (excluding Saturdays, Sundays and holidays), and that the hearing on the Debtor's proposed sale will be held at 301 U.S. Courthouse, 300 South Fourth Street,

Minneapolis, Minnesota, 55415, before the Honorable Judge Nancy Dreher. UNLESS A RESPONSE OPPOSING THE MOTION IS TIMELY FILED, THE COURT MAY GRANT THE MOTION WITHOUT A HEARING.

Dated this 9th day of August, 2004.



Stephen L. Heller - 246347
Attorney for Debtor
606 25th Avenue South, Suite 110
St. Cloud, MN 56301
320-654-8000

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

| | | |
|-------------------------|---|------------------------------|
| IN RE CYNTHIA BLAKELEY, |) | |
| |) | Case No. 03-43281-NCD |
| |) | |
| Debtor. |) | Chapter 13 |
| |) | |
| |) | DEBTOR'S NOTICE OF |
| |) | MOTION TO APPROVE THE |
| |) | SALE OF PROPERTY |
| |) | |
| |) | |
| |) | |
| |) | |
| |) | Honorable Nancy Dreher |
| |) | |

NOTICE

TO THE CREDITORS OF THE ABOVE NAMED DEBTOR AND ALL OTHERS IN INTEREST:

PLEASE TAKE NOTICE that the Debtor, Cynthia Blakeley has filed a motion with the Court to sell to Paula M. Kiley-Gerdes, her right, title and interest in and to 356 Second Avenue North East, Waite Park, Minnesota, 56387, for the sum of \$61,123.72, subject to all liens and encumbrances on the said property.

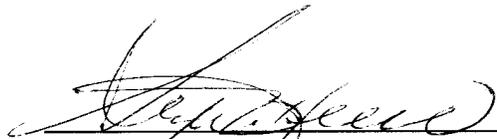
PLEASE TAKE FURTHER NOTICE that objections to this proposed sale must be filed and delivered not later than August 27th, 2004, which is three days before the time set for the hearing (excluding Saturdays, Sundays, and holidays), or filed and served by mail not later than August 24th 2004, which is seven days before the time set for the hearing (excluding Saturdays, Sundays and holidays), and that the hearing on the Debtor's proposed sale will be held at 2:30 p.m. on August 24th, 2004, at 301 U.S. Courthouse, 300 South Fourth Street, Minneapolis, Minnesota, 55415, before the Honorable Judge Nancy Dreher. UNLESS A RESPONSE OPPOSING THE MOTION IS TIMELY FILED, THE COURT MAY GRANT THE MOTION WITHOUT A HEARING.

This Court has jurisdiction over this motion pursuant to 28 U.S.C. §§157 and 1334, Fed. R. Bankr. P. 5005 and Local Rule 1070-1. This proceeding is a core proceeding. The petition commencing this chapter 13 case was filed on May 5, 2003. The case is now pending in this court.

This motion arises under 11 U.S.C. § 1303 and 11 U.S.C. § 363(b)(1) and Fed. R. Bankr. P. 6004(a) and Fed. R. Bankr. P. 2002(a)(2). This motion is filed under Fed. R. Bankr. P. 9014 and Local Rules.

Wherefore, Cynthia Blakeley moves the Court for an order that approves the sale her residence, at 356 Second Avenue North East, Waite Park, Minnesota, 56387, for the sum of \$61,123.72 to Paula M. Kiley-Gerdes and such other relief as may be just and equitable.

Dated this 9th day of August, 2004.


Stephen L. Heller -246347
Attorney for Debtor
606 25th Avenue South, Suite 110
St. Cloud, MN 56301
320-654-8000

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

| | | |
|-------------------------|---|---------------------------|
| IN RE CYNTHIA BLAKELEY, |) | |
| |) | Case No. 03-43281-NCD |
| |) | |
| Debtor. |) | Chapter 13 |
| |) | |
| |) | MEMORANDUM OF |
| |) | LAW IN SUPPORT OF |
| |) | DEBTOR'S MOTION TO |
| |) | SELL PROPERTY |
| |) | |
| |) | |
| |) | |
| |) | Honorable Nancy Dreher |
| |) | |

INTRODUCTION

This memorandum of law is offered in support of Debtor Cynthia Blakeley's motion to approve the sale of her residence at located 356 Second Avenue North East, Waite Park, Minnesota, 56387, which is part of her chapter 13 bankruptcy estate. Pursuant to 11 U.S.C. §1303 and 11 U.S.C. §363(b)(1), the Debtor may sell property after notice and hearing, other than in the ordinary course of business, according to Fed. R. Bankr. P. 6004(a) and Fed. R. Bankr. P. 2002(a)(2).

FACTS

Debtor Blakeley filed a chapter 13 bankruptcy on May 5, 2003. On the date of filing, Debtor's estate included her residence located at 356 Second Avenue North East, Waite Park, Minnesota, 56387.

Subsequent to filing her Chapter 13 bankruptcy, Debtor Blakeley has remained current on her monthly payments to Trustee Michael Farrell. However, after filing bankruptcy, Debtor has been unable pay her monthly mortgage payments to Citi Financial Mortgage.

As a result, Debtor's residence at 356 Second Avenue North East was foreclosed and sold at a Stearns County Sheriff's auction on January 10th, 2004, to Mr. Leonard R. Illies.

Following the Stearns County Sheriff's auction, Debtor Blakeley was granted a 6-month redemption period to purchase the residence from Citi Financial Mortgage. On July 8, 2004, Debtor Blakeley redeemed the residence within the 6-month redemption period by selling the residence to Ms. Paula M. Kiley-Gardee for cash. Upon purchasing the residence, Ms. Kiley-Gardee satisfied all liens and incumbencies and now owns the residence free and clear of any interests.

Presently, Debtor Blakeley is renting the residence at 356 Second Avenue North East from Ms. Kiley-Gardee on a month-to-month basis.

ARGUMENT

Pursuant to 11 U.S.C. §1303 and 11 U.S.C. §363(b)(1), the Debtor requests this Court grant her authorization to sell her residence at 356 Second Avenue North East, Waite Park, Minnesota 56387, after notice and hearing, according to Fed. R. Bankr. P. 6004(a) and Fed. R. Bankr. P. 2002(a)(2).

Section 1303 grants a debtor in chapter 13 bankruptcy the same rights and powers bestowed upon a liquidation trustee under section 363, involving the use, sale and lease of property of the estate. See *Matthew Bender & Company, Collier on Bankruptcy*, 3-363.03 *Collier on Bankruptcy* (15th ed. 2004). Section 1303 confers these rights and powers, subject to the identical restrictions upon their exercise as are imposed by section 363, to the chapter 13 debtor, exclusive of the chapter 13 trustee. *Id.*

In re Phoenix Steel Corp, the Court determined the standard as to whether to approve a proposed sale property under section 363 as one of "good faith" or of whether the transaction is "fair and equitable." 82 B.R. 334 (Bankr. D. Del. 1987).

Debtor Blakeley believes the circumstances surrounding the sale of her residence illustrate that her residence was sold in good faith, and the sale was entirely fair and equitable to her creditors. At the time the residence was purchased by Ms. Kiley-Gardee on July 8th, 2004, she satisfied all liens and incumbencies on the residence. Ms. Kiley-Gardee satisfied the mortgage on the property owned by Citi Financial Mortgage, any tax liens on said property, and any judgments on said residence.

Moreover, since Debtor Blakeley filed her chapter 13 bankruptcy on May 5, 2003, she has remained current on all of her monthly payments to Trustee Farrell, and her creditors have been receiving payments as was proposed in good faith under Debtor's chapter 13 plan.

CONCLUSION

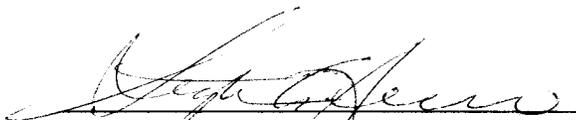
Debtor Blakeley asks this Court to approve her motion for the sale of her residence located 356 Second Avenue North East, Waite Park, Minnesota 56387, pursuant to 11 U.S.C. §1303 and 11 U.S.C. §363(b)(1).

Dated this 9th day of August, 2004.



Stephen L. Heller - 246347
Attorney for Debtor
606 25th Avenue South, Suite 110
St. Cloud, MN 56301
320-654-8000

Dated this 9th day of August, 2004.

A handwritten signature in black ink, appearing to read "Stephen L. Heller", written in a cursive style.

Stephen L. Heller - 246347
Attorney for Debtor
606 25th Avenue South, Suite 110
St. Cloud, MN 56301
320-654-8000

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

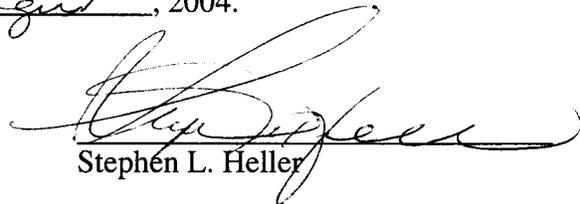
| | | |
|-------------------------|---|--------------------------|
| IN RE CYNTHIA BLAKELEY, |) | |
| |) | Case No. 03-43281-NCD |
| |) | |
| |) | Chapter 13 |
| Debtor. |) | |
| |) | AFFIDAVIT OF |
| |) | STEPHEN L. HELLER |
| |) | |
| |) | |
| |) | |
| |) | Honorable Nancy Dreher |
| |) | |

BEING FIRST DULY SWORN, YOUR AFFIANT STATES AND ALLEGES:

1. That I am an attorney licensed to practice law in the State of Minnesota and in the United States Federal Court, and represent Cynthia Blakeley in the above entitled matter.
2. That attached hereto as "**Exhibit A**" is a true and correct copy of a Settlement Statement for the sale of the residence at 356 Second Avenue North East, Waite Park, Minnesota 56387 from sellers Mark & Cynthia Blakeley to purchaser Paula M. Kiley-Gardee.

FURTHER YOUR AFFIANT SAYETH NOT.

Dated this 9th day of August, 2004.

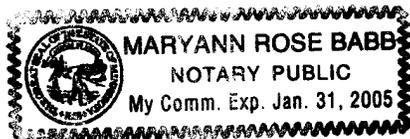

Stephen L. Heller

Subscribed and sworn to before me this

9th day of August, 2004.



Notary Public



MORTGAGE MASTERS

800 Birch Court SE, Suite #4, St. Cloud, MN 56304

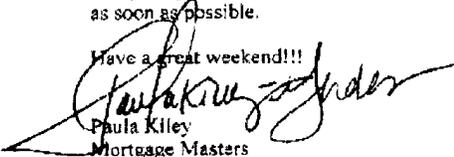
Ph: (320)257-5626 Fax: (320)257-5627

FAX COVER SHEET

TO : Rob Thyen - Heller Law Office
FROM : Paula Kiley - Gerdes
DATE : 7/23/04
RE : Info requested

Rob: to follow is the information you requested. Please let me know if you need anything else. If there is anything I can do to expedite this process, please let me know as we would like to get this taken care of as soon as possible.

Have a great weekend!!!


Paula Kiley
Mortgage Masters

THE COMPANY:
American Homecare Title
251-2675
- Linda Anderson

Exhibit A

| | | | | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|-------------------------------------------------------------------------------------------------|---------------------------------------------------|------------------------------------------|--------------------------------|----------------------------------------|
| U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT | | TYPE OF LOAN: | | | | |
| SETTLEMENT STATEMENT | | 1. <input type="checkbox"/> FHA | 2. <input type="checkbox"/> PMHA | 3. <input type="checkbox"/> CONV. UNINS. | 4. <input type="checkbox"/> VA | 5. <input type="checkbox"/> CONV. INS. |
| 6. FILE NUMBER: 041025 | | | 7. LOAN NUMBER: | | | |
| 8. MORTGAGE INS CASE NUMBER: | | | | | | |
| <p>C NOTE: This form is furnished to give you a statement of equal settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "PROC" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.</p> | | | | | | |
| D. NAME AND ADDRESS OF BUYER: | | E. NAME AND ADDRESS OF SELLER: | | F. NAME AND ADDRESS OF LENDER: | | |
| Paula Marie Kiley-Gerdes 356 2nd Avenue NE Walt Park, MN 56387 | | Mark A. Blakeley and Cynthia L. Blakeley, husband and wife | | | | |
| G. PROPERTY LOCATION: | | H. SETTLEMENT AGENT: | | I. SETTLEMENT DATE: | | |
| 356 2nd Avenue NE Walt Park, MN 56387 Stearns County, Minnesota SE SW 89 T124 R38 | | Colonnade Title PLACE OF SETTLEMENT 202 East Hennepin Avenue Minneapolis, MN 55413 | | July 7, 2004 7-8-04 | | |
| J. SUMMARY OF BUYER'S TRANSACTION | | | K. SUMMARY OF SELLER'S TRANSACTION | | | |
| 100. GROSS AMOUNT DUE FROM BUYER: | | | 400. GROSS AMOUNT DUE TO SELLER: | | | |
| 101. Contract Sales Price | | 81,000.00 | 401. Contract Sales Price | | 81,000.00 | |
| 102. Personal Property | | | 402. Personal Property | | | |
| 103. Settlement Charges to Buyer (Line 1400) | | 2,923.72 | 403. Settlement Charges to Seller (Line 1400) | | 462.86 | |
| 104. Redemption Fee to Stearns County Sheriff's Dept. | | 200.00 | 404. Existing loan(s) taken subject to | | | |
| 105. Adjustments For Items Paid By Seller in advance | | | 405. Payoff of first Mortgage to Leonard R. Wiese | | 80,847.15 | |
| 106. City/Town Taxes | to | | 406. Payoff of second Mortgage | | | |
| 107. County Taxes | to | | 407. Adjustments For Items Unpaid By Seller | | | |
| 108. Assessments | to | | 410. City/Town Taxes | to | | |
| 109. | | | 411. County Taxes | to | | |
| 110. | | | 412. Assessments | to | | |
| 111. | | | 413. | | | |
| 112. | | | 414. | | | |
| 120. GROSS AMOUNT DUE FROM BUYER | | 84,123.72 | 420. GROSS AMOUNT DUE TO SELLER | | 81,000.00 | |
| 200. AMOUNTS PAID BY OR IN BEHALF OF BUYER: | | | 500. REDUCTIONS IN AMOUNT DUE TO SELLER: | | | |
| 201. Deposit or earnest money | | | 501. Excess Deposit (See Instructions) | | | |
| 202. Principal Amount of New Loan(s) | | | 502. Settlement Charges to Seller (Line 1400) | | 462.86 | |
| 203. Existing loan(s) taken subject to | | | 503. Existing loan(s) taken subject to | | | |
| 204. | | | 504. Payoff of first Mortgage to Leonard R. Wiese | | 80,847.15 | |
| 205. | | | 505. Payoff of second Mortgage | | | |
| 206. | | | 506. | | | |
| 207. | | | 507. | | | |
| 208. | | | 508. | | | |
| 209. | | | 509. | | | |
| 210. Adjustments For Items Unpaid By Seller | | | 510. City/Town Taxes | to | | |
| 211. City/Town Taxes | to | | 511. County Taxes | to | | |
| 212. County Taxes | to | | 512. Assessments | to | | |
| 213. Assessments | to | | 513. | | | |
| 214. | | | 514. | | | |
| 215. | | | 515. | | | |
| 216. | | | 516. | | | |
| 217. | | | 517. | | | |
| 218. | | | 518. | | | |
| 219. | | | 519. | | | |
| 220. TOTAL PAID BY/FOR BUYER | | | 520. TOTAL REDUCTION AMOUNT DUE SELLER | | 81,000.00 | |
| 300. CASH AT SETTLEMENT FROM/TO BUYER: | | | 600. CASH AT SETTLEMENT TO/FROM SELLER: | | | |
| 301. Gross Amount Due From Buyer (Line 120) | | 84,123.72 | 601. Gross Amount Due To Seller (Line 420) | | 81,000.00 | |
| 302. Less Amount Paid By/FOR Buyer (Line 220) | | | 602. Less Reductions Due Seller (Line 520) | | 81,000.00 | |
| 303. CASH (TO) (FROM) BUYER | | 84,123.72 | 603. CASH (TO) (FROM) SELLER | | 0.00 | |

The undersigned hereby acknowledge receipt of a completed copy of pages 1&2 of this statement & any attachments referred to herein.

Buyer
Paula Marie Kiley-Gerdes

Seller
Mark A. Blakeley
Cynthia L. Blakeley

| L. SETTLEMENT CHARGES | | | | PAID FROM BUYER'S FUND AT SETTLEMENT | PAID FROM SELLER'S FUND AT SETTLEMENT |
|------------------------------------------------------------------------------------------|----------------------------------|-------------|-------------------------|--------------------------------------|---------------------------------------|
| 700. TOTAL COMMISSION Based on Price | | | | | |
| Division of Commission (line 700) as follows: | | | | | |
| 701 | \$ | | % | | |
| 702 | \$ | | | | |
| 703. Commission Paid at Settlement | | | | | |
| 704 | | | | | |
| 800. ITEMS PAYABLE IN CONNECTION WITH LOAN | | | | | |
| 801 | Loan Origination Fee | 1.0000 % | to | | |
| 802 | Loan Discount | % | to | | |
| 803 | Appraisal Fee | | to | | |
| 804 | Credit Report | | to | | |
| 805 | Lender's Inspection Fee | | to | | |
| 806 | Mortgage Ins. App. Fee | | to | | |
| 807 | Accrual Fee | | to | | |
| 808 | | | | | |
| 809 | | | | | |
| 810 | | | | | |
| 811 | | | | | |
| 900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE | | | | | |
| 901 | Interest From | to | @ \$ | /day | (days %) |
| 902 | MIP Points for Unpaid Loan | for | months | to | |
| 903 | Hazard Insurance Premium for | 1.0 years | to | | |
| 904 | | | | | |
| 905 | | | | | |
| 1000. RESERVES DEPOSITED WITH LENDER | | | | | |
| 1001 | Hazard Insurance | months @ \$ | | per month | |
| 1002 | Mortgage Insurance | months @ \$ | | per month | |
| 1003 | City/own Taxes | months @ \$ | | per month | |
| 1004 | County Taxes | months @ \$ | | per month | |
| 1005 | Assessments | months @ \$ | | per month | |
| 1006 | | months @ \$ | | per month | |
| 1007 | | months @ \$ | | per month | |
| 1008 | | months @ \$ | | per month | |
| 1100. TITLE CHARGES | | | | | |
| 1101 | Settlement or Closing Fee | to | American HomeTown Title | 280.00 | |
| 1102 | Title Search | to | Colonnade Title | | 150.00 |
| 1103 | Title Examination | to | Colonnade Title | 150.00 | |
| 1104 | Name Search | to | Colonnade Title | 35.00 | |
| 1105 | Special Assessment Search | to | Colonnade Title | 30.00 | |
| 1106 | Notary Fees | to | | | |
| 1107 | Attorney's Fees | to | | | |
| (Includes above item numbers) | | | | | |
| 1108 | Title Insurance | to | | | |
| (Includes above item numbers) | | | | | |
| 1109 | Lender's Coverage | \$ | | | |
| 1110 | Owner's Coverage | \$ | \$1,000.00 | | |
| 1111 | Endorsements | | | | |
| 1112 | Recording Service Fees | to | Colonnade Title | 60.00 | |
| 1113 | Pay-off/Original Processing F | | | | |
| 1200. GOVERNMENT RECORDING AND TRANSFER CHARGES | | | | | |
| 1201 | Recording Fee: Deed \$ | 40.00 | Mortgage \$ | | 80.00 |
| 1202 | City/County Tax Stamps: Deed | | Mortgage | | |
| 1203 | State Tax Stamps: State Deed Tax | 261.30 | MRT | | 261.30 |
| 1204 | Conversion/AG Fee | | | | |
| 1205 | | | | | |
| 1300. ADDITIONAL SETTLEMENT CHARGES | | | | | |
| 1301 | Survey | to | | | |
| 1302 | Per. Inspection | to | | | |
| 1303 | Tax Amount | to | Stearns County Auditor | 2,328.72 | 38.85 |
| 1304 | | | | | |
| 1305 | Pay Off | to | J.C. Christensen | | 88.00 |
| 1400. TOTAL SETTLEMENT CHARGES (Enter on Lines 103, Section J and 302, Section K) | | | | 2,909.72 | 462.85 |

By signing page 5 of this settlement, the signatories acknowledge receipt of a computerized copy of page 5 of this two page settlement.

Colonnade Title
 Settlement Agent

Certified to be a true copy.

Fidelity National Title Insurance Co. of New York

Commitment Number: 041025

SCHEDULE A

- 1. Commitment Date: May 31, 2004 at
- 2. Policy (or Policies) to be issued: Amount:
 - (a) Owner's Policy (ALTA Own. Policy (10/17/82)) \$ 62,500.00
Proposed Insured:
Paula Marie Kiley-Gerdes
 - (b) Loan Policy (ALTA Loan Policy (10/17/82))
Proposed Insured:
 - (c) ()
Proposed Insured:

3. Fee Simple interest in the land described in this Commitment is owned, at the Commitment Date, by:

Mark A. Blakeley and Cynthia L. Blakeley, husband and wife, who acquired title from Cindy Blakeley a/k/a Cynthia L. Blakeley and Mark A. Blakeley, wife and husband, by deed dated 11/06/96 and recorded 11/21/96 as Document No. 834484, who acquired title from Linda Enrichman, as Personal Representative of the Estate of Hildegard C. Birr f/k/a Hildegard C. Beuning, by deed dated 11/12/96 and recorded 11/21/83 as Document No. 834483.

4. The land referred to in this Commitment is described as follows:

That part of the Southeast Quarter of the Southwest Quarter of Section 9 in Township 124, North of Range 28 West, Stearns County, Minnesota, described by metes and bounds as follows: Beginning at a point 297.50 feet West and 575.10 feet North of the South Quarter corner of Section 9, Township 124, Range 28; thence from said point of Beginning running due East a distance of 132.25 feet; thence running at right angles to said last mentioned line and due North a distance of approximately 185 feet to the Southerly line of the right of way of the Great Northern Railway Company; thence running in a Southwesterly direction along the Southerly line of the right of way of the Great Northern Railway Company to a point due North of the point of Beginning of this described tract; thence running due South a distance of approximately 104 feet to the point of Beginning and there terminating.

Abstract Property

FIDELITY NATIONAL TITLE INSURANCE CO. OF NEW YORK

By: _____

COLONNADE TITLE

ALTA Commitment
Schedule A (10/17/82)

Valid Only if Schedule B and
Cover are Attached

(041025.PFC/041025/3)

0350 ON

Jul 7 2004 10:39AM

Fidelity National Title Insurance Co. of New York

Commitment Number: 041025

SCHEDULE B - SECTION I
REQUIREMENTS

The following are the requirements to be complied with:

1. Payment to, or for the account of, the sellers or mortgagors of the full consideration for the estate or interest to be insured.
2. Note: If there is a change of name for the Seller and/or Buyer/Borrower or there is any other individual(s) receiving significant funds from the closing it will be necessary to contact the examiner so that a terrorist activity search may be conducted pursuant to Federal Law.
3. Upon successful closing of the loan by the Company, the Company insures the lender for gap coverage between the Effective Date of this title commitment, which is 05/31/04, through the date that the mortgage is ultimately recorded. This assurance is given in lieu of a separate gap coverage letter.
4. Company's "Affidavit by Purchaser and/or Mortgagor" executed by Paula Marie Kiley-Gardas.
5. Company's "Affidavit by Seller" executed by Mark A. Blakeley and Cynthia L. Blakeley, husband and wife.
6. Obtain and Record a Satisfaction, Release or Subordination (to the mortgage being insured) of the following:
Mortgage dated 05/18/99 and recorded 06/09/99 as Document No. 910656 made by Mark A. Blakeley and Cynthia L. Blakeley husband and wife, to AHE Industrial Loan Company in the amount of \$55,724.06.

NOTE: There is a foreclosure proceeding pending with respect to this mortgage. If a foreclosure sale has occurred, a Certificate of Redemption will be required rather than a Satisfaction of Mortgage.

7. Payment of delinquent Real Estate Taxes for the year 2000 in the amount of \$766.10, 2001 in the amount of \$750.22, 2002 in the amount of \$948.83, 2003 in the amount of \$856.88 and the first half of 2004 in the amount of \$322.35. All amounts include penalties and interest through 07/31/04.

8. With respect to Bankruptcy Petition filed 05/05/03 by Cynthia L. Blakeley, Case No. 03-43281, obtain and provide for recording a certified copy of Certificate of Property Claimed as Exempt for the subject premises. Also, obtain and provide to the Company prior to closing written permission in recordable form from Michael L. Farrell, Trustee for the conveyance of the subject premises for value to the proposed purchaser.

9. Obtain and Record a Satisfaction or Release of the following:
 - a) Judgment against Mark A. Blakeley, Debtor, and in favor of Anesthesia Associates of St. Cloud, docketed 05/01/03 as Case No. 73-C3-03-2025 in the amount of \$625.65;
 - b) Judgment against Cynthia L. A. Blakeley, Debtor, and in favor of Anesthesia Associates of St. Cloud, docketed 06/01/03 as Case No. 73-C3-03-2025 in the amount of \$636.82;
 - c) Judgment against Cynthia L. Blakeley, Debtor, and in favor of St. Cloud Hospital, docketed 06/30/02 as Case No. 73-C9-02-4268 in the amount of \$817.78.

*These judgments are listed on the Bankruptcy Petition filed by Cynthia L. Blakeley on 05/05/03 as Case No. 03-43281. Please contact the Trustee for verification of pay off amounts.

ALTA Commitment
Schedule B - Section I (10/9/82)

Handwritten notes and signatures:
 \$ 95,000
 9/7
 4/13 2004
 9/1 000
 4500
 2001 3542001 0010
 (041025 PFD 04102501)
 JC Chris
 4500
 2000 00
 10/20/04
 10/20/04

Fidelity National Title Insurance Co. of New York

Commitment Number: 041025

SCHEDULE B - SECTION I
REQUIREMENTS
(Continued)

- 10. Obtain and Record a Deed from Mark A. Blakeley and Cynthia L. Blakeley, husband and wife, to Paula Marie Kiley Gerdes.

NOTE: Certificate of Real Estate Value must accompany the Deed for recording.

NOTE: A Well Disclosure Certificate must accompany the Deed for recording or the following recital must appear on the Deed: "The seller certifies that the seller does not know of any wells on the subject premises."

NOTE: Seller's Tax Information form must be executed at Closing, pursuant to the Tax Reform Act of 1986, as amended, which requires Real Estate 1099B Report filing.

Fidelity National Title Insurance Co. of New York

Commitment Number: 041025

SCHEDULE B - SECTION II
EXCEPTIONS

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the company:

1. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the Proposed insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.
2. All assessments and taxes due and payable for the year 2004 and all subsequent years.
3. Facts which would be disclosed by a comprehensive survey of the premises herein described.
4. Rights and claims of parties in possession.
5. Mechanics', Contractors' or Materialmen's liens and lien claims, if any, where no notice thereof appears of record.
6. Real Estate Taxes due and payable in 2004 are in the amount of \$614.00, of which \$6.00 are for specials. Taxes are unpaid. Property is homestead.

Premises address: 366 2nd Avenue NE, Waite Park, MN 56387
PID: 98.60615.00
7. This Commitment was prepared from the public records. The Abstract was not furnished to the Company for examination nor is the Abstract in the possession of the Company.
8. An assessment search has been ordered for the appropriate municipality. When the assessment search is received an endorsement to the commitment will be issued.
9. If there are any questions concerning this Commitment, please call Anita J. Williams at 612-267-2842.

AFFIDAVIT OF SERVICE BY MAIL

STATE OF MINNESOTA)
) ss.
COUNTY OF STEARNS)

MaryAnn R. Murphy being first duly sworn, states that on the 9th day of August, 2004, she served the annexed Notice to Interested Parties of Proposed Sale and of Hearing on Motion for Sale, Debtor's Notice of Motion to Approve The Sale of Property, Memorandum of Law in Support of Debtor's Motion to Sell Property, Proposed Motion To Approve Sale of Property, and Affidavit of Stephen L. Heller by mailing to said trustees and creditors a true and correct copy thereof, enclosed in an envelope, postage prepaid, and depositing same in a U.S. receptacle at St. Cloud, Minnesota, addressed to said attorney as follows:

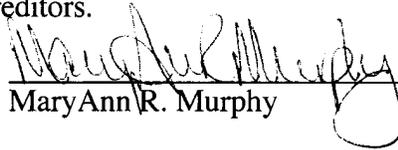
Mr. Michael J. Farrell
Bankruptcy Trustee
P.O. Box 519
Barnesville, MN 56514

US Trustee
1015 US Courthouse
300 South 4th Street
Minneapolis, MN 55415

Citi Financial Mortgage
T.C. Corporation System
405 2nd Avenue South
Minneapolis, MN 55401

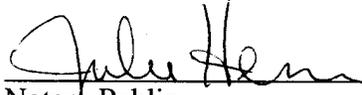
Leonard R. Illies
34 2nd Avenue Northeast
Waite Park, MN 56387

the last known address of said trustees and creditors.



MaryAnn R. Murphy

Subscribed and sworn to before me
this 9th day of August, 2004.



Notary Public

