

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In Re:

Robert Honek and Lois Honek,
Debtor.

Chapter 12 Case

BKY No.: 03-60804

STIPULATION TO APPROVE THIRD AMENDED CHAPTER 12 PLAN

THAT, WHEREAS, the above proceeding involves the Chapter 12 Plan of Reorganization filed by the Debtors; and

WHEREAS, the Debtors are represented herein by Kevin T. Duffy, Attorney at Law, Thief River Falls, Minnesota while M&M appears through Jerome Mack who is one of the principals and Rural American Bank is represented herein by Raymond J. German, Attorney at Law, East Grand Forks, Minnesota; and

WHEREAS, the Debtors have filed a Third Amended Chapter 12 Plan of Reorganization dated July 12, 2004 and which was before the Court for consideration on July 27, 2004; and

WHEREAS, the parties, through their respective counsel and representatives have discussed the Third Amended Chapter 12 Plan of Reorganization and are in a position to reach an agreement concerning the same without the further need for a Court hearing and in an effort to save time and Attorney's fees.

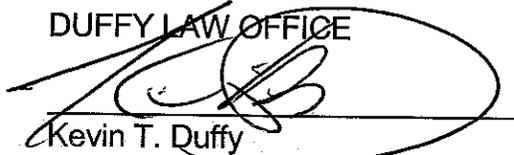
NOW, THEREFORE, it is hereby agreed to between the parties as follows:

1. That the objection to the Debtors Third Amended Chapter 12 Plan of Reorganization dated July 12, 2004 by Attorney Raymond J. German on behalf of Rural American Bank be and hereby is withdrawn.
2. That the Debtors may proceed forward with their Third Amended Chapter 12 Plan of Reorganization dated July 12, 2004 without any further objection by M&M or Rural American Bank.

3. That the parties, by signing this Stipulation, acknowledge that they have read the same, understand and accept and acknowledge receiving a copy of the same. Furthermore, the Court may enter an Order in conformity with this Stipulation without notice to any of the parties and without a formal Court hearing.

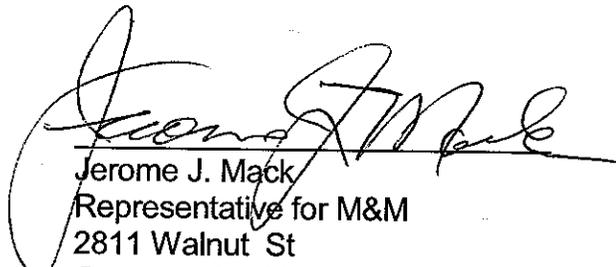
Dated: August 31, 2004.

DUFFY LAW OFFICE



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Dated: 9/1/04



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**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In Re:

Robert Honek and Lois Honek,
Debtor.

Chapter 12 Case

BKY No.: 03-60804

ORDER TO CONFIRMING THIRD AMENDED CHAPTER 12 PLAN

Fergus Falls, Minnesota
July 27, 2004

The above-entitled matter came on for hearing before the undersigned pursuant to an expedited motion filed by the Debtors to confirm their Third Amended Chapter 12 Plan of Reorganization dated July 12, 2004. Kevin T. Duffy appeared by and on behalf of the Debtors who were personally present. Jerome Mack appeared on behalf of M&M Company. Raymond J. German appeared on behalf of Rural American Bank of the Red River Valley. Michael Farrell, the Chapter 12 Trustee also appeared. At the hearing Attorney German objected to the Debtors Third Amended Plan. Because there appeared to be issues in dispute, the Court set this matter on for an evidentiary hearing on September 28, 2004. Subsequent to the hearing the parties referenced above negotiated a settlement and resolution relative to the Debtors Third Amended Plan. The Stipulation entered into between the parties is on file with the Court.

Based upon all the files, records and proceedings herein, the written stipulation of the parties and the Court being duly advised on the premises,

IT IS HEREBY ORDERED:

1. That the Debtors Third Amended Chapter 12 Plan of Reorganization dated July 12, 2004 be and hereby is confirmed; said plan complying the applicable provisions of 11 U.S.C § 1225.
2. The Court hereby retains jurisdiction to make such other or further orders as may be necessary or appropriate to effectuate the plan and this order.

3. Except as otherwise ordered by the court, all nonexempt property of the estate shall remain property of the estate until the court orders dismissal or conversion of the case or discharge of the debtor.

4. The clerk shall mail copies of this order to all creditors and other parties in interest.

DATED: _____

Dennis D. O'Brien
United States Bankruptcy Judge
District of Minnesota