

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA

IN RE: )  
KLANE, MURRAY R. ) CHAPTER 7  
 ) CASE NO. 00-32486-GFK  
Debtor(s). )

NOTICE OF SALE - HEARING

To: The United States Trustee, all creditors and other parties in interest.

On August 13, 2004, or as soon thereafter as the transaction may be completed, the undersigned trustee of the estate of the debtor(s) named above will sell property of the estate as follows:

Estate's interest in Rights to Payment under the terms of the prior Sale of a Performance Fee from Desert Ventures Partners to SKM Acquisition Group ("SKM") for the sum of \$50,000.00.

Pursuant to the order of the Court dated June 9, 2003, a performance fee was sold to Mark Glotter. (This right initially arose under Sec. 8.04 of Desert Ventures' Partners Partnership Agreement dated December 2, 1993 (the "Performance Fee").)

Pursuant to the terms of the Settlement/Sale to Glotter, the estate shall be entitled to a contingency recovery computed as follows: If and when the Performance Fee becomes payable, the first \$320,000.00 will be payable to Mark Glotter. Any receipts in excess of \$320,000.00 from the Performance Fee will be split 50/50 between Mark Glotter and the bankruptcy estate.

The value of the Performance Fee is presently zero and the potential value, if any, is entirely speculative. The value of the Performance Fee is unknown. This sale maximizes the present and future value to the estate and minimizes holding costs. The sale has no tax effect on the estate based on Trustee's analysis of estate's tax attributes and thus the sale benefits the estate.

The Trustee has received no other offers to purchase the Estate's interest in the Performance Fee but believes that the proposed offer represents the best price that can be obtained for the Performance Fee. The Trustee believes that the proposed sale is in the best interests of the estate and its creditors.

**OBJECTION: MOTION: HEARING.** Under applicable rules, any objection must be in writing, be delivered to the trustee and the United States Trustee, and be filed with the clerk, not later than 12:00 o'clock noon on the day before the above date. If an objection is made or an order is required, the trustee moves the court for such orders as may be necessary and appropriate. If an objection is timely delivered and filed, the court will hold an expedited hearing on the objection with reduced notice of the hearing. The hearing will be scheduled by the trustee with notice by the trustee to the objecting party and the United States Trustee.

Clerk of Court  
301 U.S. Courthouse  
300 S. Fourth St.  
Minneapolis, MN 55415

United States Trustee  
1015 U.S. Courthouse  
300 S. Fourth St.  
Minneapolis, MN 55415

Trustee  
(see address below)

Dated: July 15, 2004

/s/Timothy D. Moratzka  
TIMOTHY D. MORATZKA  
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901 MARQUETTE AVENUE  
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