

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

Peter M. Scanlan,

Debtor,

Chapter 7
BKY No. 04-50696-GFK

**AMENDED NOTICE OF
MOTION AND MOTION**

TO: Debtor Peter M. Scanlan, 6620 Stones Road, Northhome, Minnesota, 56661, his Attorney, William I. Kampf, Henson and Efron, 220 South Sixth Street, Suite 1800, Minneapolis, Minnesota 55402, and the United States Bankruptcy Trustee, John A. Hedback, 2855 Anthony Lane, Suite 201, St. Anthony, Minnesota, 55418

1. Creditors, the Minnesota Laborers Fringe Benefit Funds move the Court for the relief requested below and give notice of hearing.

2. The Honorable Gregory F. Kishel will hold a hearing on this motion at **2:00 p.m. on November 3, 2004**, in Courtroom No. 2, at the United States Courthouse, 515 West First Street, in Duluth, Minnesota.

3. Any response to this motion must be filed and delivered not later than October 29, 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 September 25, 2004 which is seven days before the time set for the hearing (excluding Saturdays, Sundays, and holidays). **UNLESS A RESPONSE OPPOSING THE MOTION IS TIMELY FILED, THE COURT MAY GRANT THE MOTION WITHOUT A HEARING.**

4. 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 7 case was filed on June 14, 2004. The case is now pending in this Court.

5. This motion arises under 11 U.S.C. § 522 and Fed.R.Bankr.P 4003(b). This motion is filed under Fed.R.Bankr.P. 9014 and Local Rule 4003-1(a). Movants request relief with respect to the exemptions claimed by the Debtor.

6. Movants object to the Debtor claiming an exemption for the Wolf Point Resort, which is comprised of several buildings and six cabins.

7. Movants also request the Court order an independent appraisal of the property to determine the fair market value of the portion of the property containing Debtor's homestead and the portion containing Wolf Point Resort.

Wherefore, the Minnesota Laborers Fringe Benefit Funds move the Court for an Order:

1. Sustaining the Movants' objection to the Debtor's homestead exemption;
2. Requiring an independent appraisal of the property; and
3. Such other relief as may be just and equitable.

Date: September 30, 2004

McGRANN SHEA ANDERSON CARNIVAL
STRAUGHN & LAMB, CHARTERED

By s/Pamela Hodges Nissen
Pamela Hodges Nissen
Atty. Reg. No. 259810
Amy L. Court
Atty. Reg. No. 319004
800 Nicollet Mall, Suite 2600
Minneapolis, MN 55402
Telephone: (612) 338-2525

*Attorneys for Creditors, Minnesota Laborers
Fringe Benefit Funds*

Verification.

I, Pamela Hodges Nissen, attorney for the Minnesota Laborers Fringe Benefit Funds named in the foregoing notice of hearing and motion, declare under penalty of perjury that the foregoing is true and correct according to the best of my knowledge, information and belief.

s/Pamela Hodges Nissen
Pamela Hodges Nissen

Subscribed and sworn to before me
this 30th day of September, 2004.

s/Nicole L. Lindemann
Notary Public

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re:

Peter M. Scanlan,

Debtor,

Chapter 7
BKY No. 04-50696-GFK

**CREDITORS' MEMORANDUM IN
SUPPORT OF THEIR OBJECTION TO
DEBTORS' CLAIMED EXEMPTIONS**

SYNOPSIS

Creditors, the Minnesota Laborers Fringe Benefit Funds object to the homestead exemption claimed by the Debtor Peter Scanlan in this Chapter 7 bankruptcy proceeding. Scanlan claims a homestead exemption for the Wolf Point Resort. The Creditors object to that exemption.

STATEMENT OF FACTS

The Minnesota Laborers Fringe Benefit Funds (*hereinafter* "Funds") are multi-employer, jointly-trusted fringe benefit plan created and maintained pursuant to the Labor Management Relations Act of 1947 (LMRA) and Employee Retirement Income Security Act of 1974 (ERISA). Affidavit of Pamela Hodges Nissen (*hereinafter* "Nissen Aff.") ¶ 2. On October 3, 2000, the Funds initiated a lawsuit for the collection of unpaid fringe fund contributions against Specialty Building Services, Inc. (*hereinafter* "SBS") and Peter M. Scanlan (*hereinafter* "Scanlan") individually in United States District Court for the District of Minnesota. *Id.* at 3. The Funds obtained a judgment in the amount of \$220,820.18 against

SBS and Peter M. Scanlan. *Id.* at 4, Ex. A.

On June 14, 2003, Scanlan filed this Chapter 7 Bankruptcy proceeding.¹ On June 29, 2004, Scanlan filed his schedules listing, among other things, his exemptions. Pursuant to these schedules, the Scanlan claims a homestead exemption for property located at 66200 Stones Road, Northome, Minnesota 56661 (*hereinafter* "property"). A property sketch shows that the property contains a one story frame house, boat house, shed/gameroom, hot tub building, and six cabins. See Property Sketch, attached to Nissen Aff., as Ex. B. Scanlan operates this property primarily as a resort and earns income by renting the cabins. See 2003 Income Tax Return for Peter M. Scanlan, attached to Nissen Aff., as Ex. C.

In the exemption schedule Scanlan lists the fair market value of the property to be \$375,000.00 secured by a mortgage in the amount of \$175,000.00. However, a limited appraisal that was conducted in February of 2004 values the property at \$400,000.00. See Limited Appraisal attached to Nissen Aff., as Ex. D. In a personal financial statement completed in connection with a mortgage application in December of 2003, Scanlan indicates that his real property is valued at \$395,000.00. See Personal Financial Statement of Peter M. Scanlan, attached to Nissen Aff., as Ex. E. Finally, on a Uniform Residential Loan Application completed by Scanlan in December of 2003, Scanlan indicates he owns real property valued at \$475,000.00. See Uniform Residential Loan Application, attached to Nissen Aff. as Ex. F.

¹ On May 19, 2003, Scanlan initiated a Chapter 7 proceeding on behalf of Specialty Building Services, Inc. See Court File No. 03-43680

ISSUES

1. Whether the Scanlan is entitled to exempt the entire Wolf Point Resort property as a homestead pursuant to Minnesota Statutes 510.10 and whether an independent appraisal of the property should be ordered.

ARGUMENT

I. LEGAL STANDARD

Upon the filing of a bankruptcy petition, all of the debtor's property becomes part of the bankruptcy estate. See 11 U.S.C. § 541. "The Code, however, allows the debtor to prevent the distribution of certain property by claiming it as exempt." *Taylor v. Freeland & Kronz*, 503 U.S. 638, 642, 112 S.Ct. 1644, 1647, 118 L.Ed.2d 280 (1992). Exempted property is no longer part of the bankruptcy estate. To claim an exemption, "[t]he debtor shall file a list of property that the debtor claims as exempt. "Unless a party in interest objects, the property claimed as exempt on such list is exempt." *Abramowitz v. Palmer*, 999 F.2d 1274, 1276-77 (8th Cir.1993). To object to an exemption, a party in interest must "file an objection to the list of property claimed as exempt ... within 30 days after the meeting of creditors held under § 341(a) is concluded or within 30 days after any amendment to the list or supplemental schedules is filed, whichever is later." Fed. R. Bankr.P. 4003(b).

II. SCANLAN IS NOT ENTITLED TO EXEMPT THE ENTIRE PROPERTY UNDER THE HOMESTEAD EXEMPTION AND AN INDEPENDENT APPRASAL SHOULD BE ORDERED

A. Scanlan is not Entitled to an Exemption for the Portion of the Property Comprising the Wolf Point Resort.

In Minnesota Debtors may elect to use either the exemptions set forth in the Bankruptcy Code or the exemptions allowed under Minnesota's state

statutes. See *In re Martin*, 297 B.R. 750, 751-752 (8th Cir. BAP 2003); 11 U.S.C. § 522(d); 11 U.S.C. § 522(b)(2). In the present case, Scanlan elected to use Minnesota Statutes. Minn. Stat. § 510.10 provides for a homestead exemption as follows:

The house owned and occupied by a debtor as the debtor's dwelling place, together with the land upon which it is situated to the amount of area and value hereinafter limited and defined, shall constitute the homestead of such debtor and the debtor's family, and be exempt from seizure or sale under legal process on account of any debt not lawfully charged thereon in writing, except such as are incurred for work or materials furnished in the construction, repair, or improvement of such homestead, or for services performed by laborers or servants and as is provided in section 550.175.

The purpose of the homestead exemption is to secure a debtor's home against uncertainties and misfortunes of life and to preserve the home as a dwelling place for the debtor and his or her family. *In re Stenzel*, 259 B.R. 141, 146 (8th Cir. BAP, 2001). The limitations placed on homestead exemptions are to ensure the debtor does not unfairly retain assets. *In re Kyllonen*, 264 B.R. 17 (D. Minn. 2001). The plain language of Minn. Stat. § 510.10 allows an exemption for a single house owned and occupied by a debtor. Minn. Stat. § 510.10 does not allow for an exemption for other residences or dwellings located on the property not occupied by the Debtor. Consequently, Scanlan should only be granted an exemption up to the value of the house he actually resides in and the surrounding property upon which the house is situated, not the value of the parcel as a whole which includes the Wolf Point Resort.

The Eighth Circuit Court of Appeals has held that under similar circumstances, the nonexempt property cannot be included in the exemption.

Duffy v. Tegeler, 19 F.2d 305 (8th Cir.1927). In *Tegeler*, the debtor claimed as a homestead exemption, a tract of land containing the home of the debtor and certain buildings used as an amusement park. These other buildings consisted of a dance hall, a small clubhouse, refreshment stands, and summer cottages. The Court held that nonexempt buildings did not impart their nonexempt character to the land upon which they stood because they were temporary structures that could be removed without damaging the land and without suffering depreciation. *Id.* at 307. The Court went on to note however, if the nonexempt building became part of the land, they would impart to that portion upon which they were situated their nonexempt character. *Id.* In this case, the boat house, shed/gameroom, hot tub building, and six cabins for the Wolf Point Resort are not temporary structures, and therefore not only the value of the buildings, but also the value of the real property upon which they are situated, are all nonexempt.

Likewise, *In re Shepardson*, 28 F.2d 353 (D.C.Cal. 1928), the Court held

“Where the claimant is established upon the property for the main purpose of engaging in a certain business, and uses a portion thereof for dwelling purposes only, that may be convenient to that business, it may not be said that the property comes within the purpose of the statute allowing homestead exemption. On the other hand, where the place is primarily the home of the family, and some business is engaged in on the premises in an incidental way, the conduct of such a business does not deprive the owner of the right to his homestead claim”

Here, Scanlan’s occupancy on the property is incidental, the main purpose of the property is to conduct a resort business. In 2003, Scanlan earned gross profit of \$42,769.00 from operations related to the resort but earned only

\$3,000.00 from wages, salaries, and tips. See Ex. C to Nissen Aff. Thus, Scanlan should not be allowed to claim a homestead exemption that portion of the property associated with his resort business.

B. An Independent Appraisal of the Property Should Be Ordered

The Court should order an independent appraisal of the property to determine the fair market value of the portion containing Wolf Point Resort and the portion containing Scanlan's homestead. On his exemption schedule, Scanlan lists the fair market value of the property as \$375,000.00. In two separate documents executed prior to Scanlan's filing of this Chapter 7 matter, he estimates the fair market value of the property to be \$395,000.00 and \$475,000.00. See Ex. E, F to Nissen Aff. In addition, an appraisal of the property conducted in February of 2004 estimates the fair market value of the property to be \$400,000.00. See Ex. D to Nissen Aff. However, none of these documents divide the parcel into its separate sections to determine what the fair market value of each is. Without an independent appraisal, the Court has no way of determining the value of Scanlan's homestead exemption nor of determining the value of the Wolf Point Resort which is not exempt and should be returned to the bankruptcy estate.

CONCLUSION

Based upon the foregoing, the Creditors respectfully requests their Objection to the Scanlan's claimed homestead exemption be sustained and an independent appraisal of the property ordered, with Scanlan's exemption limited to the value of his house and the immediate property upon which it is situated.

Dated: September 30, 2004

McGRANN SHEA ANDERSON CARNIVAL
STRAUGHN & LAMB, CHARTERED

By s/Pamela Hodges Nissen

Pamela Hodges Nissen

Att'y Reg. No. 259810

Amy L. Court

Att'y Reg. No. 319004

800 Nicollet Mall, Suite 2600

Minneapolis, MN 55402-7035

Telephone: (612) 338-2525

*Attorneys for Creditors, Minnesota
Laborers Fringe Benefit Funds*

5. Attached hereto as Exhibit B is a true and correct copy of a property sketch for the property located at 66200 Stones Road, Northome, Minnesota.

6. Attached hereto as Exhibit C is a true and correct copy of the 2003 Income Tax Return for Peter M. Scanlan.

7. Attached hereto as Exhibit D is a true and correct copy of the Limited Appraisal for the property located at 66200 Stones Road, Northome, Minnesota conducted in February of 2004.

8. Attached hereto as Exhibit E is a true and correct copy of the Personal Financial Statement of Peter M. Scanlan completed in December of 2003.

9. Attached hereto as Exhibit F is a true and correct copy of the Uniform Residential Loan Application of Peter M. Scanlan completed in December of 2003.

10. This affidavit is made in support of the Creditors' motion Objecting to the Exemptions claimed by the Debtor.

FURTHER YOUR AFFIANT SAITH NOT.

s/Pamela Hodges Nissen
PAMELA HODGES NISSEN

Subscribed and sworn to before me
this 30th day of September, 2004.

s/Nicole L. Lindemann
Notary Public

EXHIBIT A

(Nissen Affidavit)

1 UNITED STATES DISTRICT COURT
2 DISTRICT OF MINNESOTA

3 MINNESOTA LABORERS HEALTH AND
4 WELFARE FUND; MINNESOTA LABORERS
5 PENSION FUND; MINNESOTA LABORERS
6 VACATION FUND; CONSTRUCTION LABORERS'
7 EDUCATION AND TRAINING FUND OF
8 MINNESOTA AND NORTH DAKOTA;
9 MINNESOTA LABORERS EMPLOYERS
10 COOPERATION AND EDUCATION TRUST,

Civil No. 00-2245 DDA/FLN

ORDER

11 Plaintiffs,

12 vs.

13 PETER M. SCANLAN, d/b/a S.B.S. ENTERPRISES,
14 and SPECIALTY BUILDING SERVICES, INC.,

15 Defendants.

16 McGrann Shea Anderson Carnival Straughn & Lamb, Chartered, by PAMELA HODGES NISSEN,
17 Minneapolis, Minnesota, for Plaintiffs.

18 Oppenheimer Wolff & Donnelly LLP, by TIMOTHY P. KRSUL, Minneapolis, Minnesota, for
19 Defendants.

20 The Eighth Circuit Court of Appeals issued its mandate in this case on March 26, 2004. In
21 accordance with the opinion of the Court of Appeals, this Court's order for judgment and judgment dated
22 November 18, 2002, are hereby VACATED. The Clerk shall forthwith enter judgment as follows:

23 It is ordered, adjudged and decreed, that Plaintiffs shall have and recover of Defendants
24 Peter M. Scanlan and Specialty Building Services, Inc., jointly and severally, the amount
25 of Two Hundred Twenty-three Thousand Eight Hundred Twenty and 18/00 Dollars
26 (\$223,820.18) for fringe benefit contributions, liquidated damages, interest, and
27 attorney fees and costs.

28 Dated: April 13, 2004

S/ Donald D. Alsop
DONALD D. ALSOP, Senior Judge
United States District Court

Pamela H. Nissen

From: ecf-notice@mnd.uscourts.gov
Sent: Tuesday, April 13, 2004 3:34 PM
To: ecf-notice@mnd.uscourts.gov
Subject: Activity in Case 0:00-cv-02245-DDA-FLN MN Laborers H&W Fund, et al v. Scanlan, et al "Order"

*****NOTE TO PUBLIC ACCESS USERS*** You may view the filed documents once without charge. To avoid later charges, download a copy of each document during this first viewing.**

U.S. District Court

District of Minnesota

Notice of Electronic Filing

The following transaction was entered on 4/13/2004 at 3:33 PM CDT and filed on 4/13/2004

Case Name: MN Laborers H&W Fund, et al v. Scanlan, et al

Case Number: 0:00-cv-2245

Filer:

Document Number: 41

Docket Text:

ORDER vacating Court's order for judgment and judgment dated November 18, 2002. Judgment shall be entered as follows: It is ordered, adjudged and decreed, that Plaintiffs shall have and recover of Defendants Peter M. Scanlan and Specialty Building Services, Inc., jointly and severally, the amount of Two Hundred Twenty-three Thousand Eight Hundred Twenty and 18/00 Dollars (\$223,820.18) for fringe benefit contributions, liquidated damages, interest, and attorney fees and costs. Signed by Judge Donald D. Alsop on 04/13/04. (dak)

The following document(s) are associated with this transaction:

Document description:Main Document

Original filename:n/a

Electronic document Stamp:

[STAMP dcecfStamp_ID=1051215216 [Date=4/13/2004] [FileNumber=157052-0]
[60fecb73b0531154f7075cc9664e14526e5d9dee820b7d262fd2f838ec3ac8d09455
8d3f6d50f4acdbc5577d85a2a00cf883445f4840b258b51a33b8bcad6c6f]]

0:00-cv-2245 Notice will be electronically mailed to:

Kristin L Boetticher kristin_boetticher@atk.com

Timothy C Krsul tkrsul@oppenheimer.com, jseeger@oppenheimer.com

Pamela Hodges Nissen phn@mcgrannshea.com

Leonard B Segal lsegal@obermansegal.com

4/14/2004

0:00-cv-2245 Notice will not be electronically mailed to:

Richard Lindsay Evans
Xcel Energy - MN Govt Affairs
145 University Ave W Ste 470
St Paul, MN 55103

EXHIBIT B

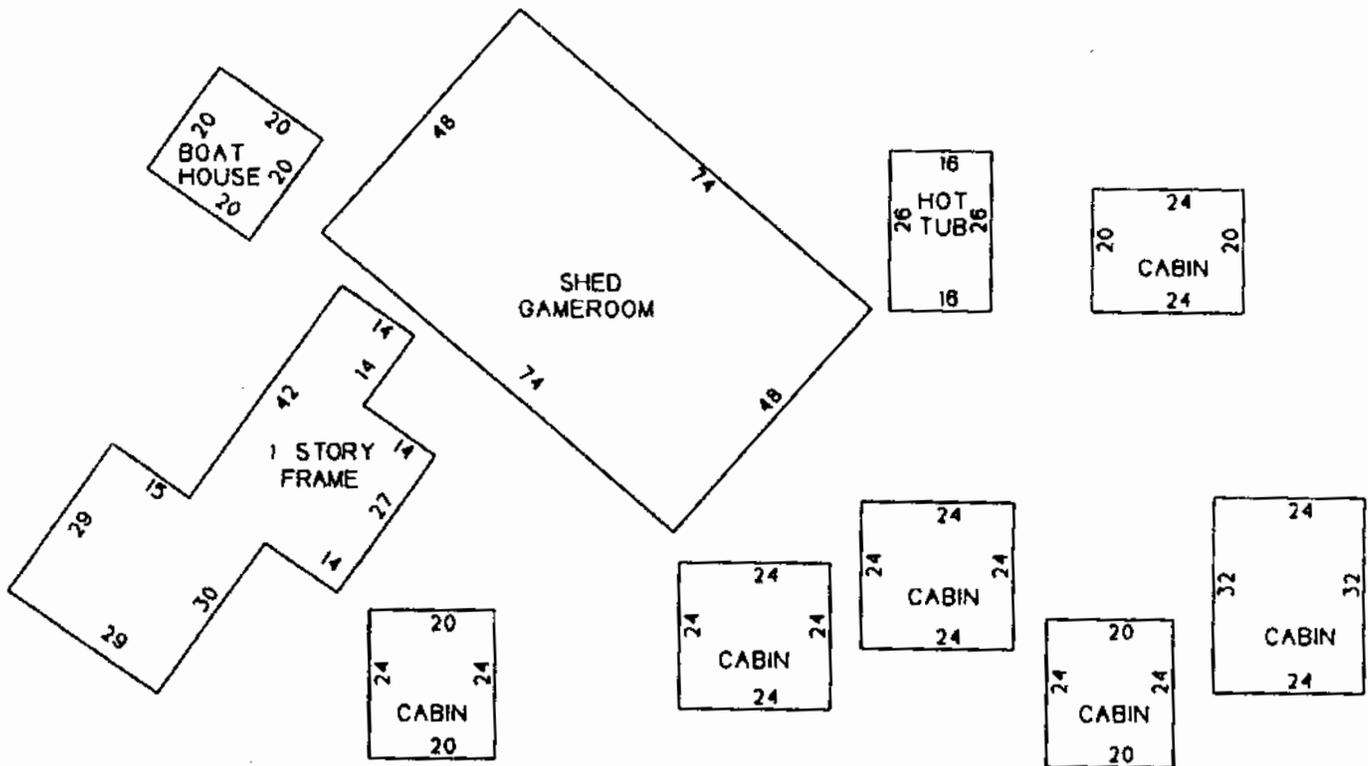
(Nissen Affidavit)

e No. 322333

PROPERTY SKETCH

ACCESS INFORMATION SYSTEMS
(This is not a survey)

HOUSE INSET
30 SCALE



Property Address 66200 STONES ROAD NORTHOME

THIS IS NOT A SURVEY NOR SHOULD THIS BE USED AS A SURVEY TO LOCATE FUTURE IMPROVEMENTS.
This drawing is for residential mortgage informational purposes only. The information relating to the property dimensions is based upon the recorded plat or maps in the county records. The improvement location and dimensions shown are approximate and based upon a visual inspection.

EXHIBIT C

(Nissen Affidavit)

Department of the Treasury Internal Revenue Service
Form 1040 U.S. Individual Income Tax Return 2003 (99) IRB Use Only. Do not write or staple in this space.

For the year Jan. 1-Dec. 31, 2003, or other tax year beginning 2003, ending 2003, OMB No. 1545-0074

Label (See instructions on page 19.)

Your first name and initial: **PETER M** Last name: **SCANLAN** Your social security number: **475-88-5789**

If a joint return, sp. first name & initial: Last name: Spouse's social security number:

Home address (number and street). If you have a P.O. box, see page 19. Apt. no.: **66200 STONE ROAD**

City, town or post office, state, and ZIP code. If you have a foreign address, see page 18. **NORTHOME MN 56661**

Important! You must enter your SSN(s) above.

Presidential Election Campaign (See page 19.) Note: Checking "Yes" will not change your tax or reduce your refund.

Do you, or your spouse if filing a joint return, want \$3 to go to this fund? You Yes No Spouse Yes No

Filing Status

1 Single 4 Head of household (with qualifying person). (See page 20.) If the qualifying person is a child but not your dependent, enter this child's name here.

2 Married filing jointly (even if only one had income)

3 Married filing separately. Enter spouse's SSN above and full name here.

5 Qualifying widow(er) with dependent child. (See page 20.)

Exemptions

6a Yourself. If your parent (or someone else) can claim you as a dependent on his or her tax return, do not check box 6a. **No. of boxes checked on 6a and 6b: 1**

b Spouse **No. of children on 6c who:**

c Dependents:

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) Or, if adoptive child or child tax credit (see page 21)
SHAUNA	SCANLAN	474-25-8586	Daughter	<input type="checkbox"/>

1 I lived with you **1**

I did not live with you due to divorce or separation (see page 21)

Dependents on 6c not entered above. Add numbers on lines above **2**

Income

7 Wages, salaries, tips, etc. Attach Form(s) W-2 **7 3,000**

8a Taxable interest. Attach Schedule B if required **8a**

b Tax-exempt interest. Do not include on line 8a **8b**

9a Ordinary dividends. Attach Schedule B if required **9a**

b Qualified dividends (see page 23) **9b**

10 Taxable refunds, credits, or offsets of state and local income taxes (see page 23) **10 17**

11 Alimony received **11**

12 Business income or (loss). Attach Schedule C or C-EZ **12 1,273**

13a Capital gain or (loss). Attach Schedule D if required. If not required, check here **13a**

b If box on 13a is checked, enter post-May 5 capital gain distributions **13b**

14 Other gains or (losses). Attach Form 4707 **14**

15a IRA distributions **15a** b Taxable amount (see page 25) **15b**

16a Pensions and annuities **16a** b Taxable amount (see page 25) **16b**

17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E **17**

18 Farm income or (loss). Attach Schedule F **18**

19 Unemployment compensation **19**

20a Social security benefits **20a** b Taxable amount (see page 27) **20b**

21 Other income. List type & amt. (see page 27) **FLOOR WORK 21 1,650**

22 Add the amounts in the far right column for lines 7 through 21. This is your total income **22 5,940**

Adjusted Gross Income

23 Educator expenses (see page 28) **23**

24 IRA deduction (see page 29) **24**

25 Student loan interest deduction (see page 31) **25**

26 Tuition and fees deduction (see page 32) **26**

27 Moving expenses. Attach Form 3903 **27**

28 One-half of self-employment tax. Attach Schedule SE **28 207**

29 Self-employed health insurance deduction (see page 33) **29**

30 Self-employed SEP, SIMPLE, and qualified plans **30**

31 Penalty on early withdrawal of savings **31**

32a Alimony paid b Recipient's SSN **32a**

33 Add lines 23 through 32a **33 207**

34 Subtract line 33 from line 22. This is your adjusted gross income **34 5,733**

02160

Form 1040 (2003) PETER M SCANLAN

475-88-5789 Page 2

Tax and Credits	36	Amount from line 34 (adjusted gross income)	35	5,733
	36a	Check <input type="checkbox"/> You were born before January 2, 1939. <input type="checkbox"/> Blind. Total boxes checked	36a	
		if: <input type="checkbox"/> Spouse was born before January 2, 1939. <input type="checkbox"/> Blind.	36b	
	b	If you are married filing separately and your spouse itemizes deductions, or you were a dual-status alien, see page 34 and check here		
	37	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	37	7,000
	38	Subtract line 37 from line 35	38	-1,267
	39	If line 35 is \$104,825 or less, multiply \$3,050 by the total number of exemptions claimed on line 6d. If line 35 is over \$104,825, see the worksheet on page 35	39	6,100
	40	Taxable income. Subtract line 39 from line 38. If line 39 is more than line 38, enter -0-	40	0
	41	Tax (see page 36). Check if any tax is from: <input type="checkbox"/> Form(s) 8814	41	0
	b	<input type="checkbox"/> Form 4872	41	0
	42	Alternative minimum tax (see page 38). Attach Form 6251	42	
	43	Add lines 41 and 42	43	
	44	Foreign tax credit. Attach Form 1118 if required	44	
	45	Credit for child and dependent care expenses. Attach Form 2441	45	
	46	Credit for the elderly or the disabled. Attach Schedule R	46	
	47	Education credits. Attach Form 8863	47	
	48	Retirement savings contributions credit. Attach Form 8860	48	
	49	Child tax credit (see page 40)	49	
	50	Adoption credit. Attach Form 8839	50	
	51	Credits from: <input type="checkbox"/> Form 8396 <input type="checkbox"/> Form 8858	51	
	52	Other credits. Check applicable box(es): <input type="checkbox"/> Form 3800	52	
	b	<input type="checkbox"/> Form 8801 <input type="checkbox"/> Specify	52	
	53	Add lines 44 through 52. These are your total credits	53	
	54	Subtract line 53 from line 43. If line 53 is more than line 43, enter -0-	54	0
Other Taxes	55	Self-employment tax. Attach Schedule SE	55	413
	56	Social security and Medicare tax on tip income not reported to employer. Attach Form 4137	56	
	57	Tax on qualified plans, including IRAs, and other tax-favored accounts. Attach Form 5329 if required	57	
	58	Advance earned income credit payments from Form(s) W-2	58	
	59	Household employment taxes. Attach Schedule H	59	
	60	Add lines 54 - 59. This is your total tax	60	413
Payments	61	Federal income tax withheld from Forms W-2 and 1099	61	209
	62	2003 estimated tax payments and amount applied from 2002 return	62	
	63	Earned income credit (EIC)	63	1,947
	64	Excess social security and tier 1 RRTA tax withheld (see page 58)	64	
	65	Additional child tax credit. Attach Form 8812	65	
	66	Amount paid with request for extension to file (see page 66)	66	
	67	Or, print from: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Form 8865	67	
	68	Add lines 61 through 67. These are your total payments	68	2,156
Refund	69	If line 68 is more than line 60, subtract line 60 from line 68. This is the amount you overpaid	69	1,743
	70a	Amount of line 69 you want refunded to you	70a	1,743
	b	Routing number		
	c	Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
	d	Account number		
	71	Amount of line 69 you want applied to your 2004 estimated tax	71	
Amount You Owe	72	Amount you owe. Subtract line 68 from line 60. For details on how to pay, see page 57	72	
	73	Estimated tax penalty (see page 58)	73	
Third Party Designee	Do you want to allow another person to discuss this return with the IRS (see page 58)? <input type="checkbox"/> Yes. Complete the following. <input type="checkbox"/> No			
	Designee's name	Personal identification number (PIN)	Phone no.	
Sign Here	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
	Your signature	Date	Your occupation	Daytime phone number
			BLDG MAINT/RESORT OWNER	
Joint return?	Spouse's signature. If a joint return, both must sign.			
	Date	Spouse's occupation		
Paid	Preparer's signature	Date	Check if self-employed	Preparer's SSN or PTIN
		1/22/04	<input type="checkbox"/>	P00254161
Preparer's Use Only	Firm's name (or yours if self-employed), address, and ZIP code	EIN	Phone no.	
	Accounting Associates, Inc. 9205 N Lexington Ave Circle Pines MN 55014	06-1698282	763-784-4842	

0AA

C2160

SCHEDULE C (Form 1040)

Profit or Loss From Business

(Sole Proprietorship)

OMB No. 1545-0047

2003

Department of the Treasury Internal Revenue Service (99)

Partnerships, joint ventures, etc., must file Form 1065 or Form 1065-B.

Attach to Form 1040 or 1041.

See instructions for Schedule C (Form 1040).

Attachment Sequence No. 09

Name of proprietor

PETER M SCANLAN

Social security number (SSN)

475-88-5789

Principal business or profession, including product or service (see page C-2 of the instructions)

CABIN RENTAL

Enter code from pages C-7, 8, & 9 721210

Business name, if no separate business name, leave blank.

WOLF POINT RESORT

Employer ID number (EIN), if any

Business address (including suite or room no.)

66200 STONE ROAD

City, town or post office, state, and ZIP code

NORTHOME

MN 56661

Accounting method: (1) Cash (2) Accrual (3) Other (specify)

Did you "materially participate" in the operation of this business during 2003? If "No," see page C-3 for limit on losses

Yes No

If you started or acquired this business during 2003, check here

Income

Table with 7 rows for income calculation: 1 Gross receipts or sales (42,381), 2 Returns and allowances, 3 Subtract line 2 from line 1 (42,381), 4 Cost of goods sold (612), 5 Gross profit (41,769), 6 Other income, 7 Gross income (41,769)

Expenses. Enter expenses for business use of your home only on line 30.

Table with 28 rows for expense calculation: 8 Advertising (4,663), 9 Car and truck expenses, 10 Commissions and fees, 11 Contract labor, 12 Depletion, 13 Depreciation and section 179 expense deduction (5,687), 14 Employee benefit programs, 15 Insurance (1,957), 16 Interest (3,234), 17 Legal and professional services, 18 Office expense (886), 19 Pension and profit-sharing plans, 20 Rent or lease (20a, 20b), 21 Repairs and maintenance (4,083), 22 Supplies (3,528), 23 Taxes and licenses (3,374), 24 Travel, meals, and entertainment (24a, 24b, 24c, 24d), 25 Utilities (9,839), 26 Wages (less employment credits), 27 Other expenses (9,645)

28 Total expenses before expenses for business use of home. Add lines 8 through 27 in columns 28 46,896

29 Tentative profit (loss). Subtract line 28 from line 7 29 -5,127

30 Expenses for business use of your home. Attach Form 8829 30

31 Net profit or (loss). Subtract line 30 from line 29 31 -5,127

32 If you have a loss, check the box that describes your investment in this activity (see page C-6). If you checked 32a, enter the loss on Form 1040, line 12, and also on Schedule SE, line 2 (statutory employees, see page C-6). Estates and trusts, enter on Form 1041, line 3. If a loss, you must go to line 32.

32a All investment is at risk. 32b Some investment is not at risk.

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule C (Form 1040) 2003

C2100

SCHEDULE C (Form 1040)

Profit or Loss From Business (Sole Proprietorship)

OMB No. 1545-0074

2003

Attachment Sequence No. 09

Department of the Treasury Internal Revenue Service (IRS)

Partnerships, joint ventures, etc., must file Form 1065 or Form 1065-B. Attach to Form 1040 or 1041. See instructions for Schedule C (Form 1040).

Name of proprietor

Social security number (SSN)

PETER M SCANLAN

475-88-5789

Principal business or profession, including product or service (see page C-2 of the instructions) BOBCAT SERVICES

Enter code from pages C-7, 8, & 9 999999

Business name, if no separate business name, leave blank.

Employer ID number (EIN), if any

Business address (including suite or room no.) 65200 STONE ROAD NORTHOME MN 56661

Accounting method: (1) X Cash (2) Accrual (3) Other (specify)

Did you "materially participate" in the operation of this business during 2003? If "No," see page C-3 for limit on losses X Yes No

If you started or acquired this business during 2003, attach here

Income

Table with 7 rows for income calculation. Line 1: Gross receipts or sales 6,400. Line 2: Returns and allowances. Line 3: Subtract line 2 from line 1 6,400. Line 4: Cost of goods sold. Line 5: Gross profit 6,400. Line 6: Other income. Line 7: Gross income 6,400.

Expenses. Enter expenses for business use of your home only on line 30.

Table with 28 rows for expense calculation. Lines 8-27 include categories like Advertising, Car and truck expenses, Commissions and fees, Contract labor, Depreciation, Employee benefit programs, Insurance, Interest, Legal and professional services, Office expense, Pension and profit-sharing plans, Rent or lease, Vehicles, machinery, and equipment, Other business property, Repairs and maintenance, Supplies, Taxes and licenses, Travel, meals, and entertainment, Utilities, Wages, and Other expenses.

Total expenses before expenses for business use of home. Add lines 8 through 27 in columns 28 0

Tentative profit (loss). Subtract line 28 from line 7 29 6,400

Expenses for business use of your home. Attach Form 8829 30

Net profit or (loss). Subtract line 30 from line 29. 31 6,400

If you have a loss, check the box that describes your investment in this activity (see page C-6). 32a All investment is at risk. 32b Some investment is not at risk.

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule C (Form 1040) 2003

C2100

SCHEDULE SE
(Form 1040)

Self-Employment Tax

OMB No. 1545-0074

2003

Attachment
Sequence No. **17**

Department of the Treasury
Internal Revenue Service (09)

▶ Attach to Form 1040 ▶ See instructions for Schedule SE (Form 1040)

Name of person with self-employment income (as shown on Form 1040)

PETER M SCANLAN

Social security number of person
with self-employment income ▶

475-88-5789

Who Must File Schedule SE

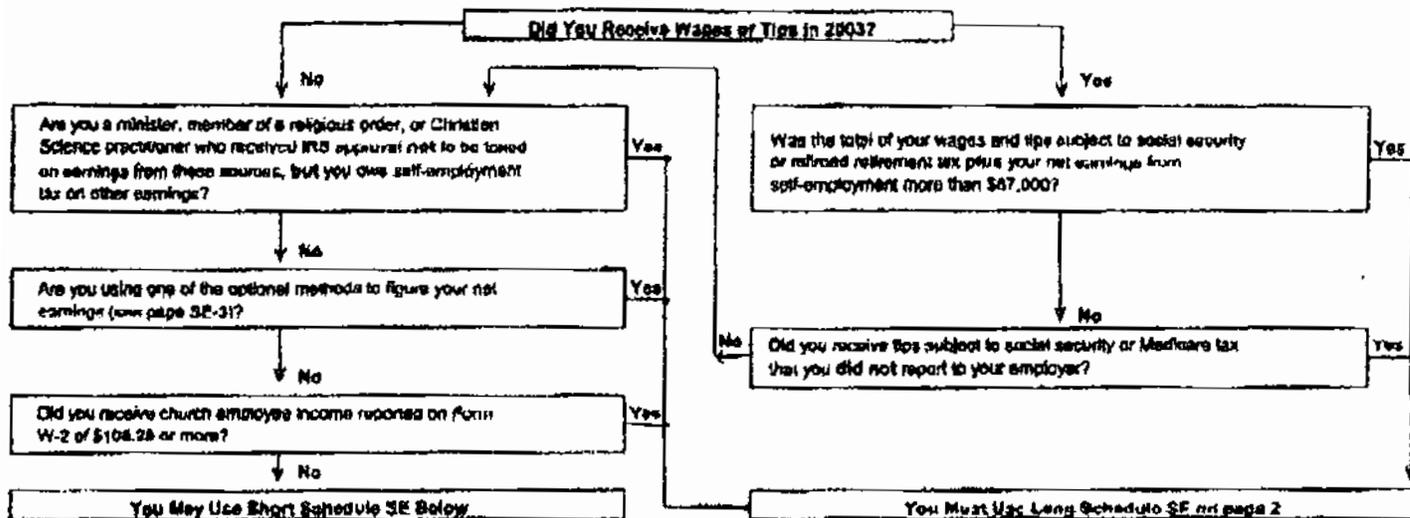
You must file Schedule SE if:

- You had net earnings from self-employment from other than church employee income (line 4 of Short Schedule SE or line 4c of Long Schedule SE) of \$400 or more or
- You had church employee income of \$108.28 or more. Income from services you performed as a minister or a member of a religious order is not church employee income (see page SE-1).

Note. Even if you had a loss or a small amount of income from self-employment, it may be to your benefit to file Schedule SE and use either "optional method" in Part II of Long Schedule SE (see page SE-3).

Exception. If your only self-employment income was from earnings as a minister, member of a religious order, or Christian Science practitioner and you filed Form 4361 and received IRS approval not to be taxed on those earnings, do not file Schedule SE. Instead, write "Exempt-Form 4361" on Form 1040, line 55.

May I Use Short Schedule SE or Must I Use Long Schedule SE?



Section A-Short Schedule SE. Caution. Read above to see if you can use Short Schedule SE.

1	Net farm profit or (loss) from Schedule F, line 38, and farm partnerships, Schedule K-1 (Form 1065), line 15a	1	
2	Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), line 15a (other than farming); and Schedule K-1 (Form 1065-B), box B. Ministers and members of religious orders, see page SE-1 for amounts to report on this line. See page SE-2 for other income to report	2	2,923
3	Combine lines 1 and 2	3	2,923
4	Net earnings from self-employment. Multiply line 3 by 92.35% (.9235). If less than \$400, do not file this schedule; you do not owe self-employment tax	4	2,699
5	Self-employment tax. If the amount on line 4 is: • \$67,000 or less, multiply line 4 by 15.3% (.153). Enter the result here and on Form 1040, line 55. • More than \$67,000, multiply line 4 by 2.9% (.029). Then, add \$10,768.00 to the result. Enter the total here and on Form 1040, line 55.	5	413
6	Deduction for one-half of self-employment tax. Multiply line 5 by 50% (.5). Enter the result here and on Form 1040, line 28	6	207

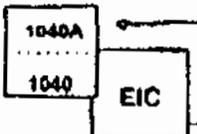
For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule SE (Form 1040) 2003

C2160

SCHEDULE EIC
(Form 1040A or 1040)

Earned Income Credit
Qualifying Child Information



OMB No. 1545-0074

2003

Complete and attach to Form 1040A or 1040
only if you have a qualifying child.

Attachment
Sequence No. **43**

Department of the Treasury
Internal Revenue Service (98)

Name(s) shown on return

PETER M SCANLAN

Your social security number

475-88-5789

Before you begin:

See the instructions for Form 1040A, line 41, or Form 1040, line 63, to make sure that
(a) you can take the EIC and (b) you have a qualifying child.

- If you take the EIC even though you are not eligible, you may not be allowed to take the credit for up to 10 years. See back of schedule for details.
- It will take us longer to process your return and issue your refund if you do not fill in all lines that apply for each qualifying child.
- Be sure the child's name on line 1 and social security number (SSN) on line 2a agree with the child's social security card. Otherwise, at the time we process your return, we may reduce or disallow your EIC. If the name or SSN on the child's social security card is not correct, call the Social Security Administration at 1-800-772-1213.

Qualifying Child Information

Child 1

Child 2

1 Child's name	First name	Last name	First name	Last name
If you have more than two qualifying children, you only have to list two to get the maximum credit.	SHAUNA	SCANLAN		
2a Child's SSN The child must have an SSN as defined on page 43 of the Form 1040A instructions or page 47 of the Form 1040 instructions unless the child was born and died in 2003. If your child was born and died in 2003 and did not have an SSN, enter "Died" on this line and attach a copy of the child's birth certificate.	474-25-8586			
b Child's year of birth	Year 1985 If born after 1984, skip lines 3a and 3b; go to line 4.		Year _____ If born after 1984, skip lines 3a and 3b; go to line 4.	
3 If the child was born before 1985-				
a Was the child under age 24 at the end of 2003 and a student?	<input type="checkbox"/> Yes. Go to line 4.	<input type="checkbox"/> No. Continue	<input type="checkbox"/> Yes. Go to line 4.	<input type="checkbox"/> No. Continue
b Was the child permanently and totally disabled during any part of 2003?	<input type="checkbox"/> Yes. Continue	<input type="checkbox"/> No. The child is not a qualifying child.	<input type="checkbox"/> Yes. Continue	<input type="checkbox"/> No. The child is not a qualifying child.
4 Child's relationship to you (for example, son, daughter, grandchild, niece, nephew, foster child, etc.)	Daughter			
5 Number of months child lived with you in the United States during 2003 • If the child lived with you for more than half of 2003 but less than 7 months, enter "7". • If the child was born or died in 2003 and your home was the child's home for the entire time he or she was alive during 2003, enter "12".	2 months Do not enter more than 12 months.		_____ months Do not enter more than 12 months.	

You may also be able to take the additional child tax credit if your child (a) was under age 17 at the end of 2003, (b) is claimed as your dependent on line 6c of Form 1040A or Form 1040, and (c) is a U.S. citizen or resident alien. For more details, see the instructions for line 42 of Form 1040A or line 65 of Form 1040.

For Paperwork Reduction Act Notice, see Form 1040A or 1040 instructions.

Schedule EIC (Form 1040A or 1040) 2003

C2180

Form 8867

(Rev. November 2002)

Paid Preparer's Earned Income Credit Checklist

OMB No. 1545-1529

Department of the Treasury
Internal Revenue Service

Do not send to the IRS. Keep for your records.

For the definitions of the following terms, see Pub. 596 for the year for which you are completing this form.

Investment Income

Qualifying Child

Earned Income

Caution. Taxpayers who file Form 2555 or Form 2555-EZ cannot take the earned income credit (EIC). Taxpayers who were

nonresident aliens for any part of the year cannot take the EIC unless their filing status is married filing jointly.

All Taxpayers

475-88-5789

- 1 Taxpayer's name **PETER M SCANLAN** Year after
2001, for which you are completing this form **2003**
- 2 Is the taxpayer's filing status married filing jointly, head of household, qualifying widow(er), or single? Yes No
- 3 Does the taxpayer, and the taxpayer's spouse if filing jointly, have a social security number (SSN) that allows him or her to work or is valid for EIC purposes (see the instructions before answering)? Yes No
Next, if you checked "No" on line 2 or line 3, stop: the taxpayer cannot take the EIC. Otherwise, continue.
- 4 Is the taxpayer's investment income more than the limit that applies to the year on line 17 See Pub. 596 for the limit. Yes No
- 5 Could the taxpayer, or the taxpayer's spouse if filing jointly, be a qualifying child of another person in the year on line 17? Yes No
Next, if you checked "Yes" on line 4 or line 5, stop: the taxpayer cannot take the EIC. Otherwise, go to Part II or Part III, whichever applies.

Taxpayers With a Qualifying Child

Caution. If there are two children, complete lines 6-11 for one child before going to the next column.

- | | Child 1 | Child 2 |
|---|---|--|
| 6 Is the child-
• The taxpayer's son, daughter, adopted child, or stepchild, or
• A descendant of the taxpayer's son, daughter, adopted child, or stepchild, or
• The taxpayer's brother, sister, stepbrother, or stepsister, or
• A descendant of the taxpayer's brother, sister, stepbrother, or stepsister, or
• The taxpayer's foster child? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 7 If the child is married, is the taxpayer claiming the child as a dependent? (If the child is not married, check "Yes.") | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 8 Did the child live with the taxpayer in the United States for over half of the year? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 9 Was the child (at the end of the year on line 1)-
• Under age 19, or
• Under age 24 and a full-time student, or
• Any age and permanently and totally disabled? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 10a Could any other person check "Yes" on lines 6 through 9 for the child? Next, if you checked "No" on line 10a, go to line 11. Otherwise, continue. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| b Enter the child's relationship to the other person(s) | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| c Is the other person(s) taking the EIC based on the child? | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| d If the tie-breaker rules applied, would the child be treated as the taxpayer's qualifying child (see the instructions before answering)? | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 11 Does the qualifying child have a valid SSN (see the instructions before answering)? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |

Did you check "Yes" on line 11?

Yes. The taxpayer can take the EIC if the taxpayer's earned income and adjusted gross income are each less than the limit that applies to the taxpayer's filing status for the year on line 1. See Pub. 596 for the limit. Complete Schedule EIC and attach it to the taxpayer's return. If there are two qualifying children with SSNs, list them on Schedule EIC in the same order as they are listed here. If the taxpayer's EIC was reduced or disallowed for a year after 1998, see Pub. 596 to find out if Form 8862 must also be filed.

No. The taxpayer cannot take the EIC, not even the credit for taxpayers who do not have a qualifying child.

For Paperwork Reduction Act Notice, see back.

Form 8867 (Rev. 11-2002)

EXHIBIT D

(Nissen Affidavit)

**MARKET VALUE LIMITED
SUMMARY APPRAISAL**

OF

**WOLF POINT RESORT
66200 STONES ROAD
ISLAND LAKE
ITASCA COUNTY
NORTHOME, MINNESOTA 56661**

EFFECTIVE

FEBRUARY 12, 2004

DIRECTED TO

**MR. DARREN LARSON
AMERICAN NATIONAL BANK
31279 BRUNET STREET
P.O. BOX 147
PEQUOT LAKES, MINNESOTA 56472**

BY

**K.D. NORDLI SRPA/SRA
CERTIFIED GENERAL REAL PROPERTY APPRAISER**

POKEGAMA APPRAISAL SERVICES * GRAND RAPIDS, MINNESOTA 55744

**POKEGAMA APPRAISAL SERVICES, LTD.
P.O. BOX 909
GRAND RAPIDS, MINNESOTA 55744**

February 18, 2004

**Mr. Darren Larson
American National Bank
31279 Bruner Street
P.O. Box 147
Pequot Lakes, Minnesota 56472**

**Subject: Wolf Point Resort
66200 Stones Road
Island Lake Lake - Itasca County
Northome, Minnesota 56661**

Dear Mr. Larson,

In accordance with your request, we have completed a Limited Summary Appraisal of the above referenced property for the purpose of estimating the market value of the fee simple interest. The following written report presents the findings, analyses, and conclusions of this appraisal. The subject property is fully identified within the accompanying report.

After carefully considering the many factors, which influence value, it is our opinion that the subject property has a market value, effective February 12, 2004 of:

FOUR HUNDRED THOUSAND AND NO/100 DOLLARS (\$ 400,000.00)

The appraisal includes approximately 14.5 acres of the total 16.9 acres included in the present "Wolf Point" entity.

The estimated market value includes the estimated value of the furniture, fixtures and equipment.

We have no personal interest or bias with respect to the subject matter of this appraisal report or the parties involved. The appraisal is made subject to certain assumptions and limiting conditions, which are identified in this report. It conforms to accepted professional, ethical and performance standards of the real estate appraisal practice. If, after reading the report, you have any questions please contact us.

Mr. Larson
February 19, 2004
Page 3

The undersigned appraiser certifies that he has personally inspected the property and has investigated information believed to be pertinent to the valuation of the property, and to the best of his knowledge and belief the statements and opinions expressed herein are correct and reasonable, subject to the limiting conditions set forth herein. Furthermore, the analyses, opinions, and conclusions were developed, and this report has been prepared in accordance with the standards requirements of the Financial Institutions Reform, Recovery, and Enforcement Act. (FIRREA) Title XI,

Invoking the Departure Provision according to Standard Rule 2-2(b)

Respectfully submitted,

POKEGAMA APPRAISAL SERVICES, LTD.



K. D. Nordli, SRPA/SRA
Certified General Real Property Appraiser
Minnesota Appraisal License #4002626

CERTIFICATION

I certify to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions.

I have no (or the specified) present or prospective interest in the property that is the subject of this report, and I have no (or the specified) personal interest or bias with respect to the parties involved.

My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

I have made a personal inspection of the property that is the subject of this report.

No one provided significant professional assistance to the person signing this report.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute and the Appraisal Foundation.



**K. D. Nordli, SRPA/SRA
Certified General Real Property Appraiser
Minnesota Appraisal License Number 4002626**

CONTINGENT AND LIMITING CONDITIONS

The value estimate and conclusions in the appraisal are made subject to these assumptions and conditions:

The property has been appraised free and clear of all indebtedness under responsible ownership, and good management unless otherwise set forth in the appraisal.

No title search has been made and the reader should consult an appropriate attorney or title insurance company for accurate ownership data.

The furnished legal description is assumed to be correct.

The information contained in this report is not guaranteed, but it has been gathered from reliable sources. The appraiser certifies that, to the best of his knowledge and belief, the statements, information and materials contained in the appraisal are correct.

No responsibility is assumed for matters, which are legal in nature. It is assumed (without survey) that the improvements are located within the legally described property and that the buildings comply with all ordinances except as noted.

No analysis of soil conditions was required and none has been made. All value estimates in this report assume stable soil and any necessary soil corrections are to be made at the seller's expense. **Due to the nature of the business, past and present, it is recommended that lender assure itself that no soil pollution has occurred on the subject site.

Estimates herein are based on the present status of the national business economy, and the current purchasing power of the U.S. dollar.

A plot plan may have been provided in this report to assist the reader in visualizing the property. We have made no survey of the property and assume no responsibility for its accuracy.

The market value herein assigned is based on conditions, which were applicable at the time the property was inspected and may vary at a later date.

The appraiser shall not be required to prepare for or appear in court or before any board or government body by the reason of the completion of this assignment without pre-determined arrangements and agreements.

Surveys, plans, and sketches may have been provided in this report; however they may not have been completed or drawn exactly to scales.

CONTINGENT AND LIMITING CONDITIONS

Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser and in any event only with proper written qualification and only in its entirety.

Information in the appraisal relating to comparable market data is more fully documented in the confidential file in the office of the appraiser.

All studies and field notes will be secured in our files for future reference.

The distribution of the total valuation in this report between land and improvements applies only under the highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.

It is assumed that all applicable zoning regulations and restrictions have been complied with, unless a non-conformity has been stated, defined and considered in the appraisal report. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted within the report.

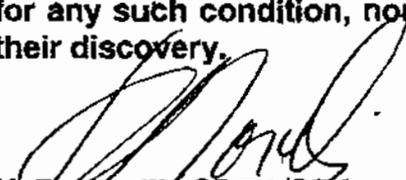
It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless non-compliance is stated, defined, and considered in the appraisal report.

This property is appraised in fee simple, assuming responsible ownership and management, unless otherwise indicated. This appraisal recognizes that available financing is a major consideration by typical purchasers of income producing real estate in the market, and the appraisal assumes availability of financing to responsible and sufficiently substantial purchasers of the property in amounts similar to those indicated or implied in this report.

No one other than the individual signing this report provided significant professional assistance in the preparation of this report.

CONTINGENT AND LIMITING CONDITIONS

No analysis with regard to the presence of formaldehyde and/or asbestos in the subject property has been made. It is assumed that the level of these substances is in compliance with federal and local regulations. The existence of hazardous substances, including without limitation, asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such substances or conditions. The presence of such substances, such as asbestos, urea formaldehyde foam insulation, radon, or other hazardous substances or environmental conditions, may affect the value of the property. The value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such condition, nor for the expense incurred for the required expertise for their discovery.



K. D. Nordli, SRPA/SRA

Certified General Real Property Appraiser

LIMITED APPRAISAL

"The act or process of estimating value or an estimate of value performed under and resulting from invoking the Departure Provision".

This appraisal is limited because the appraiser and client have agreed prior to the initiation of the assignment that the appraiser will not use all applicable approaches to value, or the conclusion does not reflect consideration and analyses of all components in Standard 1.

In Standard 1 (Developing a Real Property Appraisal) the specific guidelines from which an appraiser is permitted to depart are Standards Rules 1-2, 1-3, and 1-4. These standards rules outline most of the operational steps in the valuation process

In STANDARD 2 (Reporting the Results of a Real Property Appraisal) Standards Rule 2-2 is a binding requirement that mandates one of three options for report formats, and all three options state:

When the Departure Provision is invoked, the assignment is deemed to be a Limited Appraisal. Use of the term Limited Appraisal makes it clear that the assignment involved something less than, or different from the work required by the specific guidelines. The report of a Limited Appraisal must contain a prominent section that clearly identifies the extent of the appraisal process performed and the departures taken.

The client or client group that requests a Limited Appraisal is often a frequent user of appraisals and has determined that a Complete Appraisal is not required for the matter at hand, or wants to monitor the validity of a prior Complete Appraisal.

To make the initial determination that the requested Limited Appraisal is appropriate, the appraiser must at least know the level of understanding that the client has of the type or real estate and market conditions involved and the intended use of the appraisal. In addition, the appraiser would have to believe that the valuation method(s) to be used were of primary relevance to the appraisal of the type of real estate involved in order to conclude that the resulting analysis and report would not be misleading.

It is not always appropriate to expect a single point estimate of value when a Limited Appraisal is authorized and performed. The resulting estimate of value may be expressed as single point value estimate, a range in value, or a value relationship (e.g. not less than, not more than) from a previous value estimate or established benchmark (e.g. assessed value, collateral value).

LIMITED APPRAISAL

Levels of Reliability

While no appraisal conclusion is a guarantee, USPAP allows for different levels of reliability in real property appraisals. The highest level of reliability is a Complete Appraisal performed without invoking the DEPARTURE PROVISION. Limited Appraisals performed under and resulting from invoking the DEPARTURE PROVISION have varying levels of reliability.

Both appraisers and users of appraisal services must realize that, as the degree of departure increases, the corresponding level of reliability of the Limited Appraisal decreases and the user of the appraisal service accepts a higher level of risk.

The reliability of the results of a Complete Appraisal or a Limited Appraisal developed under STANDARD 1 is not affected by the type of appraisal report prepared under STANDARD 2. The extent of the appraisal process performed under STANDARD 1 is the basis for the reliability of the value conclusion.

When reporting the results of a Limited Appraisal, the appraiser must disclose permitted departures in compliance with Standards Rule 2-2(a)(xi), (b)(xi), or c(xi) so that the client and intended users of the report can understand the level of reliability of the Limited Appraisal. Specifically, these rules require that the report of a Limited Appraisal must contain a prominent section that clearly identifies the extent of the appraisal process and the departures taken.

EXHIBIT E

(Nissen Affidavit)

AMERICAN NATIONAL BANK OF MINNESOTA

TYPE OF CREDITOR - CHECK THE APPROPRIATE BOX

Individual

Individual

If you check this box, provide Financial Information only about yourself

Joint with:

Relationship:

If you check this box, provide Financial Information about yourself and the other person.

PERSONAL FINANCIAL STATEMENT OF

NOTE: Any willful misrepresentation could result in a violation of Federal Law (Sec. 18 U.S.C. 1014)

Name: Peter M Scanlon

Birth Date: 9/28/61

Statement Date: 12-03-03

Address: PO Box 463

City/State/Zip: Nation, MN 56661

Home Phone: 218-871-5521

No. of Dependents: 1

Bus. or Occupation: Self Employed

Business Phone: 218-871-5521

Note: Complete All of Section II before Section I

SECTION I

ASSETS			LIABILITIES				
1	Cash on Hand & in Banks	Sec. II-A	8500 ±	21	Notes Due to Banks	Sec. II-A	57,100 ±
2	Cash Value of Life Insurance	Sec. II-B	—	22	Notes Due to Relatives & Friends	Sec. II-H	—
3	U.S. Gov. Securities	Sec. II-C	—	23	Notes Due to Others	Sec. II-H	—
4	Other Marketable Securities	Sec. II-C	—	24	Accounts & Bill Payable	Sec. II-H	28,500
5	Notes & Accounts Rec. - Other	Sec. II-D	—	25	Unpaid Income Taxes Due - Federal/State		—
6	Other Assets Readily Convertible to Cash - Itemize (IRA's, etc.)		—	26	Other Unpaid Taxes & Interest		—
7				27	Loans on Life Insurance Policies	Sec. II-B	—
8				28	Contract Accounts Payable	Sec. II-H	—
9				29	Cash Rent Owed		—
10	TOTAL LIQUID ASSETS			30	Other Liabilities Due within 1 Year - Itemize		—
11	Real Estate Owned	Sec. II-E	395,000	31			—
12	Mortgages & Contracts Owned	Sec. II-F	—	32			—
13	Notes & Accounts Rec. - Doubtful	Sec. II-D	—	33			—
14	Notes Due From Relatives & Friends	Sec. II-U	—	34	Real Estate Mortgage Payable	Sec. II-E	—
15	Other Securities - Not Readily Market	Sec. II-C	—	35	Liens & Assessments Payable		—
16	Personal Property	Sec. II-G	—	36	Other Debts - Itemize		—
17	Other Assets - Itemize		50,000	37			—
18				38	Total Liabilities		—
19				39	Net Worth (Total Assets minus Total Liabilities)		—
20	TOTAL ASSETS		453,500	40	TOTAL LIABILITIES & NET WORTH		85,500

ANNUAL INCOME		ESTIMATE OF ANNUAL EXPENSES	
Salary, Bonuses & Commissions	42,000	Income Taxes	2200 ± yearly
Dividends & Interest	—	Other Taxes	3600 ± yearly
Rental & Lease Income (Net)	—	Insurance Premiums	4000.00
Alimony, child support, or separate maintenance income need not be revealed if you do not wish to have it considered as a basis for repaying this obligation.	—	Mortgage Payments	11,000 yr
Other Income - Itemize	—	Other monthly payments	—
Provide the following information only if Joint Credit is checked above.	—	Rent Payable	1200/mth
Other Person's Salary, Bonuses & Commissions	—	Other Expenses	350. -
Alimony, child support, or separate maintenance income need not be revealed if you do not wish to have it considered as a basis for repaying this obligation.	—		175. -
Other Income of Other Person - Itemize	—		300
TOTAL	495,000	TOTAL	—

GENERAL INFORMATION		CONTINGENT LIABILITIES	
Are assets pledged	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (See Section II)	As endorser, Co-maker Guarantor	—
Are you a Defendant in any Suits or Legal Actions?	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES	On Leases or Contracts	—
Explain		Legal Claims	—
Have you ever been declared Bankrupt in the last 10 years?	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES	Federal - State Income Taxes	—
Explain		Other -	—

SECTION II

A CASH IN BANKS AND NOTES DUE TO BANKS				(List all Real Estate Loans in Section II-E)		
NAME OF BANK	Type of Account	Type of Ownership	On Deposit	MOUSE LOAN NUMBER	Monthly Payment	COLLATERAL (If Any) & Type of Ownership
Wells Fargo	check	100 -	8500 ±	—	—	—
Citizen Bank	check	100 -	550 ±	—	—	—
Wells-Fargo	check	100 -	1500 ±	—	—	—
Personal	Cash on Hand					
TOTALS						

B LIFE INSURANCE (List only those Policies that you own)

Company	Face of Policy	Cash Surrender Value	Policy Loan from Insurance Company	Other Loans Policy or Contract	BENEFICIARY
None					
TOTALS		(Enter Sec. 1 Line 2)	(Enter Sec. 1 Line 2)		

C SECURITIES OWNED (Including U.S. Gov't Bonds and all other Stocks and Bonds)

Face Value-Bonds No. of Shares-Stock	DESCRIPTION (Indicate those Not Registered in Your Name)	Type of Ownership	COST	Market Value U.S. Gov. Sec.	Market Value Marketable Sec.	Market Value Securities	Amount Pledged to Secured Loans
None							
TOTALS		(Enter Sec. 1 Line 2)	(Enter Sec. 1 Line 2)	(Enter Sec. 1 Line 3)	(Enter Sec. 1 Line 4)	(Enter Sec. 1 Line 5)	

D NOTES AND ACCOUNTS RECEIVABLE (Money Payable or Owed to You Individually) Scale by a X if others have an Ownership Interest

MAKEROBECTOR	X	When due	Original Amount	Balance Due Good Accounts	Balance Due Doubtful Accounts	Ret. Due Notes Mort. & Finance	SECURITIES (if any)
None							
TOTALS			(Enter Sec. 1 Line 3)	(Enter Sec. 1 Line 3)	(Enter Sec. 1 Line 3)	(Enter Sec. 1 Line 3)	

E REAL ESTATE OWNED (Indicate by a X if Others have an Ownership Interest)

TITLE IN NAME OF	X	Description & Location	Date Acquired	Original Cost	Present Value of Real Estate	Amount of the Capital	Mortgage or Contract Payable Mortgage Contract
Deen Scanlan	X	HOMESTEAD WOLF POINT	2007	1796 / 180000	285,000	57,000	99000 6 MTHS \$1,300.00
TOTAL							

For the properties listed above please identify:

Maturity Date	To Whom Payable
2013	Fountain Properties

F MORTGAGES AND CONTRACTS OWNED (Indicate by a X if Others have an Ownership Interest)

Cont	Mtge.	Maker Name	Address	PROPERTY COVERED	Starting Date	Payment	Maturity	Balance Due
None								
TOTALS								(Enter Sec. 1 Line 12)

G PERSONAL PROPERTY (Indicate by a X if Others have an Ownership Interest)

Item	Date When Item	Cost When Item	Value Today	Balance Due	LOANS ON PROPERTY In Whom Payable
Chestline Boat motor	2002	15,000	9,000	0	0
Polaris bike	1999	6,000	2,000	0	0
TOTAL			11,000		

H NOTES (Other than Bank, Mortgage and Insurance Company Loans) ACCOUNTS AND BILLS AND CONTRACTS PAYABLE

PAYABLE TO	Other Categories (If Any)	When Due	Note Due to You & Friends	Note Due Others (Not Bank)	Accounts & Bills Payable	Contracts Payable	COLLATERAL (If any)
None							
TOTALS		(Enter Sec. 1 Line 2)	(Enter Sec. 1 Line 2)	(Enter Sec. 1 Line 2)	(Enter Sec. 1 Line 2)	(Enter Sec. 1 Line 2)	

For the purposes of procuring credit from time to time, I/We furnish the foregoing as a true and accurate statement of my/our financial condition. Authorization is hereby given to the Lender to verify in any manner it deems appropriate any and all items indicated on this statement. The undersigned also agrees to notify the Lender immediately in writing of any significant adverse change in his financial condition.

Date Signed: 10/02/03 Signature: [Signature] Signature: _____

EXHIBIT F

(Nissen Affidavit)

Uniform Residential Loan Application

This application is designed to be completed by the applicant(s) with the lender's assistance. Applicants should complete this form as "Borrower" or "Co-Borrower", as applies. Co-Borrower information must also be provided (and the appropriate box checked) when the income or assets of a person other than the "Borrower" (including Borrower's spouse) will be used as a basis for loan qualification or the income or assets of the Borrower's spouse will not be used as a basis for loan qualification, but his/her liabilities must be considered because the Borrower resides in a community property state, the security property is located in a community property state, or the Borrower relies on other property located in a community property state as a basis for repayment of the loan.

Mortgage Applied for: <input type="checkbox"/> V.A. <input type="checkbox"/> FHA <input type="checkbox"/> Conventional <input type="checkbox"/> FmHA <input type="checkbox"/> Other:	Agency Case Number	Lender Case Number
Amount: \$ <u>179,000</u> (original) <u>185,000</u> (current)	Interest Rate: %	No. of Months: <u>360</u>
Amortization Type: <input type="checkbox"/> Fixed Rate <input type="checkbox"/> Other (explain):	<input type="checkbox"/> GPM	<input type="checkbox"/> ARM (type):
Subject Property Address (street, city, state, ZIP): <u>66200 STONES ROAD NORTHROME MN 56661</u>		No. of Units: <u>1</u>
Legal Description of Subject Property (attach description if necessary): <u>Sec 4 TWP 150.0 R9:2R 13.90 ACRES</u>		Year Built: <u>1920's</u>
Purpose of Loan: <input checked="" type="checkbox"/> Purchase <input type="checkbox"/> Construction <input type="checkbox"/> Other (explain):	<input checked="" type="checkbox"/> Refinance <input type="checkbox"/> Construction-Permanent	Property will be: <input checked="" type="checkbox"/> Primary Residence <input type="checkbox"/> Secondary Residence <input type="checkbox"/> Investment
Complete this line if construction or construction-permanent loan. Year Lot Acquired: <u>1996</u>	Original Cost: <u>189,000</u>	Amount Existing Liens: <u>-</u>
(a) Present Value of Lot: \$	(b) Cost of Improvements: \$	Total (a + b): \$
Complete this line if this is a refinance loan. Year Acquired: <u>1996</u>	Original Cost: <u>189,000</u>	Amount Existing Liens: <u>-</u>
Purpose of Refinance: <u>Renovation - Pay Bills</u>	Describe Improvements: <u>NEW CABIN - MISC IMPROVEMENT</u>	Cost: \$
Title will be held in what Name(s): <u>Peter M Scanlan</u>	Manner in which Title will be held:	Estates will be held in: <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold (show option in explanation)
Source of Down Payment, Settlement Charges and/or Subordinate Financing (explain):		

Borrower's Name (include Jr. or Sr. if applicable): <u>Peter M Scanlan</u>				Co-Borrower's Name (include Jr. or Sr. if applicable): <u>N/A</u>			
Social Security Number: <u>475-88-5789</u>	Home Phone (incl. area code): <u>218-847-5521</u>	Age: <u>42</u>	Yrs. School: <u>14</u>	Social Security Number: <u>475-88-5789</u>	Home Phone (incl. area code):	Age:	Yrs. Sch:
<input type="checkbox"/> Married <input checked="" type="checkbox"/> Unmarried (include single, divorced, widowed)	Dependents (not listed by Co-Borrower) no. <u>0</u> ages <u>N/A</u>	<input type="checkbox"/> Married <input checked="" type="checkbox"/> Unmarried (include single, divorced, widowed)	Dependents (not listed by Borrower) no. <u>0</u> ages <u>N/A</u>				
Present Address (street, city, state, ZIP): <u>66200 STONES ROAD NORTHROME MN 56661</u>				Present Address (street, city, state, ZIP): <u>PO Box 483</u>			
<input checked="" type="checkbox"/> Own <input type="checkbox"/> Rent <u>7</u> No. Yrs.				<input type="checkbox"/> Own <input type="checkbox"/> Rent <u>7</u> No. Yrs.			
Former Address (street, city, state, ZIP): <u>N/A</u>				Former Address (street, city, state, ZIP): <u>N/A</u>			
<input type="checkbox"/> Own <input type="checkbox"/> Rent <u>7</u> No. Yrs.				<input type="checkbox"/> Own <input type="checkbox"/> Rent <u>7</u> No. Yrs.			

Name & Address of Employer: <u>WOLF Point ROBERT 66200 STONES ROAD NORTHROME MN 56661</u>	<input checked="" type="checkbox"/> Self Employed	Yrs. on this job: <u>7 years</u>	Name & Address of Employer: <u>N/A</u>	<input type="checkbox"/> Self Employed	Yrs. on this job:
Position/Title/Type of Business: <u>DWNPAL</u>	Business Phone (incl. area code): <u>218-847-5521</u>	Yrs. employed in this line of work/profession: <u>7 years</u>	Position/Title/Type of Business: <u>N/A</u>	Business Phone (incl. area code):	Yrs. employed in this line of work/profession:
If employed in current position for less than two years or if currently employed in more than one position, complete the following:					
Name & Address of Employer: <u>N/A</u>	<input type="checkbox"/> Self Employed	Date (from - to):	Name & Address of Employer: <u>N/A</u>	<input type="checkbox"/> Self Employed	Date (from - to):
Monthly Income:			Monthly Income:		
Position/Title/Type of Business: <u>N/A</u>	Business Phone (incl. area code):		Position/Title/Type of Business: <u>N/A</u>	Business Phone (incl. area code):	
Name & Address of Employer: <u>N/A</u>	<input type="checkbox"/> Self Employed	Date (from - to):	Name & Address of Employer: <u>N/A</u>	<input type="checkbox"/> Self Employed	Date (from - to):
Monthly Income:			Monthly Income:		
Position/Title/Type of Business: <u>N/A</u>	Business Phone (incl. area code):		Position/Title/Type of Business: <u>N/A</u>	Business Phone (incl. area code):	



Gross Monthly Income	Borrower	Co-Borrower	Total	Combined Monthly Housing Expenses	Present	Proposed
Base Empl. Income*	\$ 42,000/yr	\$ 3500.00/mth		Rent		
Overtime				First Mortgage (P&I)	950.00	
Bonuses				Other Financing (P&I)		
Commissions				Hazard Insurance		
Dividends/Interest				Real Estate Taxes	3570.00/yr	297.50
Net Rental Income	42000/yr	3500 mth		Mortgage Insurance		
Other Income (describe other income below)				Homeowner Assn. Dues		
				Other:		
Total	\$ 42000/yr	\$ 3500.00 mth	\$ 3500.00	Total	\$ 1247.50	

* Self Employed Borrower(s) may be required to provide additional documentation such as tax returns and financial statements.

B/C	Describe Other Income	Notice: Alimony, child support, or separate maintenance income need not be revealed if the Borrower (B) or Co-Borrower (C) does not choose to have it considered for repaying this loan.	Monthly Amount
	Bobcat work	6000.00 year = 12	416.67 mth

This Statement and any applicable supporting schedules may be completed jointly by both married and unmarried Co-Borrowers if their assets and liabilities are sufficiently joined so the Statement can be meaningfully and fairly presented on a combined basis; otherwise separate Statements and Schedules are required. If the Co-Borrower section was completed at a spouse, this Statement and supporting schedules must be completed about that spouse also.

Completed: Jointly Not Joint

ASSETS		Cash or Market Value	LIABILITIES	
Description			Name and address of Company	Monthly Pmt. & Mos. Left to Pay
Cash deposit toward purchase held by:				Unpaid Balance
N/A				
List checking and savings accounts below				
Name and address of Bank, S&L, or Credit Union			WELLS FARGO OF BLACKDUCK 17 Summit Ave SE Blackduck MN 56630	2690 ⁺ 2690
Acct. no.	191100892	7000.00 E	US Federal C.U. Money Market 1400 Riverwood Dr. Burnsville MN 55337	310 440
Name and address of Bank, S&L, or Credit Union			WELLS FARGO OF BLACKDUCK 17 Summit Ave SE Blackduck MN 56630	1400.
Acct. no.	0687382283	1500.00 Z	VISA - Capital One PO. Box 85015 Richmond Virginia 23285	19.00 mth
Name and address of Bank, S&L, or Credit Union			Richmond Virginia 23285	2500.00
Acct. no.			VISA - US Federal C.U. 1400 Riverwood Dr. Burnsville MN 55337	237.00 mth
Name and address of Bank, S&L, or Credit Union			1400 Riverwood Dr. Burnsville MN 55337	12,000.00
Acct. no.			VISA - US Federal C.U. 1400 Riverwood Dr. Burnsville MN 55337	
Name and address of Bank, S&L, or Credit Union			1400 Riverwood Dr. Burnsville MN 55337	
Acct. no.				
Stocks & Bonds (Company name/number & description)				
N/A				
Life Insurance net cash value				
Face amount:				
Subtotal Liquid Assets		8500.00		
Real estate owned (enter market value from schedule of real estate owned)		475,000.00		
Vested interest in retirement fund				
Net worth of business(es) owned (attach financial statement)				
Automobile owned (make and year)				
1995 Chevy Suburban		10,000		
1995 Chevy Blazer		6,000		
Other Assets (itemize)				
Boat Crestliner		15,000		
Bobcat Mustang 2000		10,000		
1997 Ramvis GLE Sportsman		6,000.00		
1986 Aolvis 57002281		3,000.00		
Total Assets a.		\$ 533,500		
			Total Monthly Payments b.	\$ 28,850.00

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re:

Peter M. Scanlan,

Debtor,

Chapter 7
BKY No. 04-50696-GFK

**FINDINGS OF FACT
CONCLUSIONS OF LAW AND
ORDER SUSTAINING OBJECTION**

The above-entitled action came on for hearing before the Honorable Judge Gregory F. Kishel on November 3, 2004 upon the motion of Creditor, Minnesota Laborers Fringe Benefit Funds objecting to the homestead exemption claimed by Debtor Peter M. Scanlan..

William I. Kampf appeared on behalf of Debtor Peter M. Scanlan. Pamela Hodges Nissen appeared on behalf of Creditor Minnesota Laborers Fringe Funds.

Based upon all the filed, records, and proceedings herein, the Court hereby makes the following:

FINDINGS OF FACT.

1. The Debtor Peter M. Scanlan (hereinafter Scanlan) filed a petition under Chapter 7 of Title 11 of the United States Code on June 14, 2004 and the case is now pending before this Court.

2. Creditors the Minnesota Laborers Health and Welfare Fund, Minnesota Laborers Pension Fund, Minnesota Laborers Vacation Fund, Construction Laborers Education and Training Fund of Minnesota and North Dakota, and Minnesota Laborers

Employers Cooperation and Education Trust (collectively "Creditors") are multi-employer, jointly-trusted fringe benefit plan created and maintained pursuant to the Labor Management Relations Act of 1947 (LMRA) and Employee Retirement Income Security Act of 1974 (ERISA).

3. On June 29, 2004, Scanlan filed his schedules listing, among other things, his exemptions. Pursuant to these schedules, the Scanlan claims a homestead exemption for property located at 66200 Stones Road, Northome, Minnesota 56661.

4. The property contains a one story frame house, boat house, shed/gameroom, hot tub building, and six cabins.

5. Scanlan's primary residence is the one story frame house contained on the property.

6. Scanlan operates this property primarily as a resort and earns income by renting the cabins.

7. Scanlan's occupancy on the property is incidental; the main purpose of the property is to conduct a resort business.

8. The boat house, shed/gameroom, hot tub building, and six cabins that comprise Wolf Point Resort are permanent fixtures on the property.

9. Scanlan indicates the fair market value of the property as a whole ranges between \$375,000.00 and 475,000.00.

10. The property has not been appraised to determine the fair market value of the portion of the property containing Scanlan's homestead and the Wolf Point Resort. An independent appraisal is necessary to determine the fair market value of each portion of the property.

CONCLUSIONS OF LAW

1. Under Minn. Stat. § 510.10 Scanlan is entitled to a homestead exemption for only the portion of the property containing his homestead. Scanlan is not entitled to a homestead exemption for the portion of the property comprising Wolf Point Resort.

ORDER

IT IS ORDERED:

1. The Creditors objection to the homestead exemption claimed by Scanlan is sustained.

2. Within 60 days of this Order, the Trustee is directed to retain an independent appraiser to determine the fair market value of the portion of the property comprising Scanlan’s homestead and of the portion comprising Wolf Point Resort.

3. The Debtor shall only be allowed an exemption for the value of that portion of the property which relates to his residence.

Dated: _____

BY THE COURT

The Honorable Gregory F. Kishel
United States Bankruptcy Court

