

approximately Eleven Thousand Three Hundred Seventy-Six Dollars and 34/100 (\$11,376.34). The Court believes that the second mortgagee, Frank Ulmer Lumber Co., Inc. should post a bond to guarantee payment of anticipated costs.

Further, there is some chance that, in view of the small equity that exists over the balance owed the first mortgage lien holders, that the sale may not produce any proceeds to the bankrupt estate. Therefore, the Court directs that the bankrupt estate shall not be liable for any expense for the auction which will cause the bankrupt estate to receive less than five percent of all funds received from the sale.

In order to conduct an auction that will allow the Trustee to convey title by general warranty deed free of all liens, each first mortgage holder or its representatives must enter a bid equal to the amount of its indebtedness as of June 24, 1977. If there are no further bids in excess of such first mortgage indebtedness, the Trustee will execute and deliver his deed to such mortgage free and clear of all liens junior to such first mortgage lien indebtedness, and Frank Ulmer will release the lien of its second mortgage indebtedness. If the auction produces a bid in excess of the indebtedness of the first mortgage, then the property shall be conveyed to such high bidder by the Trustee first paying such mortgage indebtedness, then executing and delivering a general warranty deed free of all liens to such high bidder.

The second mortgagee, Frank Ulmer Lumber Co., Inc., has agreed to release the lien of its mortgage upon receipt of the difference between the auction price and the indebtedness secured by the first mortgage lien covering the property.

The lien created by the mortgage of the secured creditors shall not be affected by their bids unless such mortgage indebtedness is paid in full from proceeds of sale at auction.

In view of the testimony and the statements of counsel at the hearing

IT IS THEREFORE HEREBY ORDERED that the Trustee be and ho

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