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Attorneys for Trustee, Bernie R. Rakozy

UNITED STATES BANKRUPTCY COURT
DISTRICT OF IDAHO

In Re:

COMMUNITY HOME HEALTH, INC.,
Debtors.

Case No. 98-02141

NOTICE OF HEARING
AND
TRUSTEE'S RESPONSE TO
OBJECTIONS TO PROPOSED
TRUSTEE'S SALE

NOTICE OF HEARING

PLEASE TAKE NOTICE That the undersigned will bring the Objections to Trustee's Sale of Assets by the Unsecured Creditors' Committee of Gary and Verlene Kaiser on for hearing before this Court at 550 W. Fort Street, 5th Floor, Boise, Idaho, on the **24th day of May, 2000, at the hour of 9:30 o'clock a.m.**, or as soon thereafter as counsel can be heard.

TRUSTEE'S RESPONSE TO OBJECTIONS

Pursuant to Bankruptcy Code § 365, the Trustee requests the court to overrule the objections filed by Kaisers' Creditors Committee. The Committee has objected to the Trustee's proposed sale of the estate's claims and causes of action against the federal government and its agencies. In response to the objections, the Trustee alleges as follows:

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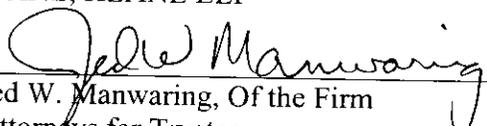
1. On April 3, 2000, the Trustee filed a Notice of Sale by Trustee, which notice was served on all parties on the Master Mailing List in the case. On April 14, 2000 an Amended Notice of Sale by Trustee was filed. Attached as Exhibit A is a true and correct copy of the Notice of Sale By Trustee.

2. The Trustee proposes to sell all receivables (estimated to be approximately \$500,000), claims, and causes of action against the federal government and its agents related to Medicare accounts. The sale price was proposed to be a \$1,000 cash payment from the Kaiser Committee, including the former principal, Verlene Kaiser. In addition to the sale, the buyer was required and has taken possession of approximately 500 boxes of medical records and related business records which may provide evidentiary support for the receivables and claims against the federal government. In addition, the Trustee proposes to sell the corporate name of Community Home Health, Inc. The federal government claims a set-off in the amount of \$2.1 million.

3. The Kaiser Committee's objection wishes to impose terms on the sale that: (1) the asset becomes the property of another bankruptcy estate; (2) the purchase price be paid by exempt assets of that other bankruptcy estate; and (3) that the assets becomes fee and clear of any other individual entity or exemption claim. Simply put, the Trustee has no control over any of these objections and cannot impose the same on the buyers. The purported assets are the last assets to sell on behalf of the Debtor prior to pursuing a closing of the case. It is unreasonable to hold up the Debtor's sale for reasons that the Trustee has no control over. The Trustee requests the court overrule the objection.

Dated this 8 day of May, 2000.

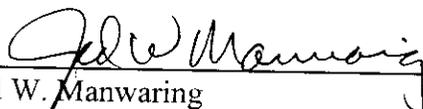
EVANE, KEANE LLP


Jed W. Manwaring, Of the Firm
Attorneys for Trustee

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 8 day of May, 2000, a true and correct copy of the foregoing document was served by first-class mail, postage prepaid, and addressed to; by fax transmission to; by overnight delivery to; or by personally delivering to or leaving with a person in charge of the office as indicated below:

D. Blair Clark P. O. Box 2773 Boise, ID 83701	<input checked="" type="checkbox"/> U.S. Mail <input type="checkbox"/> FAX <input type="checkbox"/> Overnight Delivery <input type="checkbox"/> Hand Delivery
Bernie R. Rakozy P.O. Box 1738 Boise, ID 83701	<input checked="" type="checkbox"/> U.S. Mail <input type="checkbox"/> FAX <input type="checkbox"/> Overnight Delivery <input type="checkbox"/> Hand Delivery
U.S. Trustee 304 North 8th Street Room 347 P. O. Box 110 Boise, ID 83701	<input checked="" type="checkbox"/> U.S. Mail <input type="checkbox"/> FAX <input type="checkbox"/> Overnight Delivery <input type="checkbox"/> Hand Delivery
Randy Peterman Elam & Burke, P.A. 702 W. Idaho, 10th Fl. P. O. Box 1539 Boise, ID 83701-0539	<input checked="" type="checkbox"/> U.S. Mail <input type="checkbox"/> Fax <input type="checkbox"/> Overnight Delivery <input type="checkbox"/> Hand Delivery
Verlene Kaiser 2739 Starcrest Dr. Boise, Idaho 83712	<input checked="" type="checkbox"/> U.S. Mail <input type="checkbox"/> Fax <input type="checkbox"/> Overnight Delivery <input type="checkbox"/> Hand Delivery
Joseph M. Meier Cosho Humphrey 815 West Washington Boise, Idaho 83702	<input checked="" type="checkbox"/> U.S. Mail <input type="checkbox"/> FAX <input type="checkbox"/> Overnight Delivery <input type="checkbox"/> Hand Delivery
Donald W. Lojek Lojek Law Offices 305 W. Fort Street P. O. Box 1712 Boise, ID 83701	<input checked="" type="checkbox"/> U.S. Mail <input type="checkbox"/> FAX <input type="checkbox"/> Overnight Delivery <input type="checkbox"/> Hand Delivery



Jed W. Manwaring