IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF IOWA
WESTERN DIVISION

UNITED STATES OF AMERICA, Plaintiff, v. MICHAEL ALAN REED, individually and as trustee of TWO PONDS, CHAKRA, INDIGO, CIRCLE PHASE, and BLACK CANYON PROPERTIES; LOREN BROWN, as trustee of PEMBINA NATION TRIBAL COUNCIL and SUNTASSO; and JOHN SHERIDAN, as trustee of BLACK CANYON PROPERTIES; STEVE NELSON, as trustee of CANYON INVESTMENTS; RAY COX, as trustee of TWO PONDS, CHAKRA, INDIGO, and CIRCLE PHASE Defendants.	)	Case No. 07-cv-4087 **ORDER OF SALE**

Pursuant to 28 U.S.C. §§ 2001, 2002 and 2004, the Court enters this Order of Sale directing the sale of certain real and personal property, described below, in which defendant Michael Alan Reed has an interest, and is located in Dickinson County, Iowa.

On March 23, 2009, the Court entered judgment in favor of the United States and against all the defendants. The Court found that the United States has federal tax liens that attach to the subject real property described as follows:

1. The West 425 feet of the North 400 feet of the Southeast Quarter of Section 34, Township 100 North, Range 36 West of the 5th P.M., Dickinson County, Iowa.

[Hereinafter "255th Avenue Property"]; and

2. Sec/twp/mg/1870-6-8 Legal W 30' of Lot 8 blk 6 Osborne's Addn. to Spirit Lake, City of Spirit Lake, Dickinson County, Iowa.

[Hereinafter "19th Street Property"]

The Court also found that the United States has federal tax liens that attach to the subject personal property described as follows:

3. 1947 Red Indian Chief Motorcycle (VIN: Ending in 5320);

4. 1974 Red and White GMC Truck (VIN: Ending in 0221);

5. 2002 Black/Red Indian Chief Motorcycle (VIN: Ending in 6180);

6. 2001 Blue Ford Pick-up (VIN: Ending in 6253);

7. 1991 Red Harley Davidson Motorcycle (VIN: Ending in 2735);

8. 2004 Silver Toyota Sequoia (VIN: Ending in 7851); and

9. 1971 White Fan Motorhome (VIN: Ending in 6900).

The Court also ordered that the subject real and personal property be sold.

It is therefore ORDERED that the Internal Revenue Service Property Appraisal and Liquidation Specialist ("PALS"), including its authorized agents or officers, is authorized and directed, under 28 U.S.C. §§ 2001, 2002 and 2004, to proceed forthwith, without further order or process, to offer for sale at public auction, to advertise and sell, without appraisal and subject to any unpaid real property taxes or special assessments, to the highest bidder, according to law and pursuant to the terms and conditions set forth herein, the subject real property and subject personal property described above.

IT IS FURTHER ORDERED that this Order shall act as a Special Writ of Judicial Sale,

and no further order or process from the Court shall be required.

IT IS FURTHER ORDERED that this sale of the subject real property and the subject personal property is ordered pursuant to 28 U.S.C. § 2001, and is made without right of redemption.

IT IS FURTHER ORDERED that the subject real property and subject personal property described above shall be sold pursuant to the terms and conditions set forth in this Order and as follows:

(a) The subject real property and subject personal property shall be sold at public sale.

(b) The property shall be sold free and clear of the right, title, and interest of all parties to this action and any successors in interest or transferees to those parties.

(c) The sale shall be subject to all laws, ordinances, and governmental regulations (including building and zoning ordinances) affecting the premises, and easements and restrictions of record, if any.

(d) The public sale shall be held either at the courthouse of the county in which the subject real property is located or on the subject real property's premises.

(e) The date and time for the sale shall be determined and announced by the PALS.

(f) Notice of the sale shall be published once a week for at least four consecutive weeks before the sale in at least one newspaper regularly issued and of general circulation in the county in which the above-described real property is located and, at the discretion of the PALS, by any other notice that it deems appropriate. The notice shall contain a description of the above-described real and personal property, shall contain the terms and conditions of sale in this Order, and shall specify the minimum bid as determined by the IRS.

(g) The PALS is permitted to enter the premises of the subject real property and take possession of the subject personal property, and prospective buyers shall be allowed to conduct an inspection of the exterior and interior of the subject real property and conduct an inspection of the subject personal property, at such time as the PALS shall determine to be reasonable and convenient.

(h) The PALS shall set the minimum bid. If the minimum bid is not met or exceeded, the PALS may, without further permission of this Court, and under the terms and conditions in this order of sale, hold a new public sale, if necessary, and reduce the minimum bid.

(i) At the time of the sale, the successful bidder(s) shall deposit with the PALS, by cash or by certified or cashier's check payable to the United States District Court for the Northern District of Iowa, a minimum of twenty (20) percent of the bid. Before being permitted to bid at the sale, potential bidders shall display to the PALS proof that they are able to comply with this requirement. No bids will be accepted from any person(s) who have not presented proof that, if they are the successful bidders(s), they can make the deposit required by this order of sale.

(j) The successful bidder(s) shall pay the balance of the purchase price for the Property to the clerk of this Court within thirty (30) days following the date of the sale, by a certified or cashier's check payable to the United States District Court for the District of Northern District of Iowa. If the bidder fails to fulfill this requirement, the deposit shall be forfeited and shall be applied to cover the expenses of the sale, with any amount remaining to be applied to the liabilities of Michael Alan Reed at issue herein. The Clerk shall distribute the deposit as directed by the PALS by check made to the "United States Treasury". The Property shall be again offered for sale under the terms and conditions of this order of sale or, in the alternative, sold to the

second highest bidder. The United States may bid as a credit against its judgment without tender of cash.

(k) The United States may bid as a creditor against its judgments without tender of cash.

(l) The sale of the above-described subject real property and subject personal property shall be subject to confirmation by the Court. Upon confirmation of the sale and receipt of the entire purchase price, the Court shall issue, and the PALS shall deliver to the purchaser, a deed conveying the real property to the purchaser or certificate of title conveying the personal property to the purchaser. Upon confirmation of the sale, all interests in, liens against, or claims to, the subject real property and subject personal property that are or may be asserted by any of the parties to this action are discharged and extinguished.

(m) When this Court confirms the sale, the Recording Official of Dickinson County, IA shall cause transfer of the subject real property and subject personal property to be reflected upon that county's register of title. The successful bidder at the sale shall pay, in addition to the amount of the bid, any documentary stamps and Clerk's registry fees as provided by law;

(n) The sale of the Property is ordered pursuant to 28 U.S.C. § 2001, and is made without right of redemption.

IT IS FURTHER ORDERED that the PALS is authorized to have free access to the above-described subject real property and subject personal property and to take all actions necessary to preserve the property (including, without limitation, retaining a locksmith or other person to change or install locks or other security devices on any part of the property) until the deed to the property is delivered to the purchaser.

IT IS FURTHER ORDERED that, until the subject real property and subject personal are sold Defendant Michael Reed, shall take all reasonable steps necessary to preserve the subject real property (including all buildings, improvements, fixtures and appurtenances) and subject personal property in its current condition; including, without limitation, maintaining fire and casualty insurance policies on the subject real property. Defendant Michael Reed shall not commit waste against the subject real property or subject personal property, nor shall he permit or cause anyone else to do so. He shall not take any action that tends to reduce the value or the marketability of the subject real property, nor shall he permit or cause anyone else to do so. He shall not record any instruments, publish any notices, or take any other action (such as placing newspaper advertisements) that may directly or indirectly tend to adversely affect the value of the real property described above, or that may tend to deter or discourage potential bidders from participating in the public sale.

IT IS FURTHER ORDERED that each person occupying the real property shall permanently leave and vacate the real property within thirty (30) days of the date of this Order, each taking his or her personal property (with the exception of the subject personal property) but leaving all improvements, buildings, fixtures, and appurtenances to the real property. All keys to the subject real property and subject personal property should be turned over to the PALS. If any person fails or refuses to remove his or her personal property from the subject real property described above by the date specified herein, the property remaining on the subject real property thereafter is deemed forfeited and abandoned, and the Marshal and his or her deputies are authorized and directed to remove it. The PALS shall dispose of it in any manner the PALS sees fit, including sale, in which case the proceeds of the sale are to be applied first to the expenses of

the sale, and the balance to be paid into the court for further distribution.

IT IS FURTHER ORDERED that the subject personal property shall be delivered to the PALS by leaving the subject personal property at the subject real property;

IT IS FURTHER ORDERED that the United States Marshal is authorized and directed to enforce this order at any time he deems appropriate after thirty (30) days of the date of this Order by (1) entering the subject real property, and any and all structures and vehicles located thereon, (2) seizing the subject personal property, (3) evicting any unauthorized persons from all locations on the property, including but not limited to structures, vehicles, and grounds, and (4) using such reasonable force as necessary to accomplish that mission. When the United States Marshal concludes that all unauthorized persons have vacated, or been evicted from the property and/or seizes the subject personal property he shall relinquish possession and custody of the property, and any personal property found therein and thereon, to PALS.

IT IS FURTHER ORDERED that should the defendants or any person acting on their behalf, or in concert with them, or residing thereon, either fail to vacate and depart from the real property after thirty (30) days of the date of this Order, or attempt to reenter onto the property after that date and time, that person or those persons shall be subject to arrest by the United States Marshal and shall be brought before this Court and be subject to proceedings in contempt of this order of this Court, and that such contempt could be punishable by a fine, incarceration, or both.

IT IS FURTHER ORDERED that should the defendants or any person acting on their behalf, or in concert with them fail to leave the subject personal property at the subject real property after thirty (30) days of the date of this Order, or attempt to take possession of the

subject personal property after that date and time, that person or those persons shall be subject to arrest by the United States Marshal and shall be brought before this Court and be subject to proceedings in contempt of this order of this Court, and that such contempt could be punishable by a fine, incarceration, or both.

IT IS FURTHER ORDERED that, upon sale of the subject real property and subject personal property, the PALS shall deposit the proceeds arising from the sale with the Clerk of this Court for distribution upon further Court order.

IT IS FURTHER ORDERED that, upon order of the Court confirming the sale and directing distribution of the sale proceeds, the Clerk shall distribute the proceeds from the sale of the subject real property and subject personal property in the following order:

1. To the PALS and/or the United States Marshal, for the costs of the sale, including an amount sufficient to cover the expenses of any steps taken to secure or maintain the realty pending sale and confirmation by the Court; and, if the United States is the successful bidder, and therefore has not tendered cash, the United States shall tender to the PALS the expenses of the sale; and

2. Second, to all taxes unpaid and matured that are owed to [local government unit] for real property taxes on the property;

3. Third, to the United States for all costs of this action, including the 10% surcharge permitted by 28 U.S.C. section 3011; and

4. To the United States Department of Justice to be applied to Michael Alan Reed's unpaid federal income tax liabilities for 1998-2003 and § 6702 penalties for 1998-2003.

IT IS SO ORDERED.

DATED this 31st day of March, 2009.

MARK W. BENNETT
U. S. DISTRICT COURT JUDGE
NORTHERN DISTRICT OF IOWA