

1. The Internal Revenue Service Property Appraisal and Liquidation Specialists (“PALS”), is authorized to offer for public sale and to sell the Property.
2. The terms and conditions of the sale are as follows:
 - a. The sale of the Property shall be free and clear of the interests of all parties to this action;
 - b. The sale shall be subject to building lines, if established, all laws, ordinances, and governmental regulations (including building and zoning ordinances) affecting the Property, and easements and restrictions of record, if any;
 - c. The sale shall be held either at the courthouse of the county or city in which the Property is located or on the Property’s premises;
 - d. The PALS shall announce the date and time for sale;
 - e. 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 Porter County, IN, and, at the discretion of PALS, by any other notice PALS deems appropriate. The notice shall contain an adequate description of the property, but need not contain the full legal description, and shall contain the terms and conditions of sale set forth in this Order of Sale;
 - f. 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 of this order of sale, hold a new public sale if necessary, and reduce the minimum bid;
 - g. At the time of the sale, successful bidder(s) shall deposit with the PALS, by money order or by certified or cashier’s check payable to the Clerk of the United States District Court for the Northern District of Indiana, a deposit in an amount between five and twenty percent of the minimum bid as specified

by the PALS in the published notice of sale. 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 successful bidder(s), they can make the deposit required by this order of sale;

h. The successful bidder(s) shall pay the balance of the purchase price for the Property within forty-five days following the date of the sale. The certified or cashier's check payable to the United States District Court for the Northern District of Indiana shall be given to PALS who will deposit the funds with the Clerk of this Court. 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 federal tax liabilities of Watts at issue in this case. The Clerk shall distribute the deposit as directed by the PALS by check made payable to the "U.S. Department of Treasury" or as otherwise directed by the United States. 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;

i. The Clerk of the District Court is directed to accept the deposit and proceeds of the sale and deposit them into the Court's registry for distribution pursuant to further order of this Court;

j. The sale of the Property shall be subject to confirmation by this Court. On confirmation of the sale, the Internal Revenue Service shall execute and deliver a deed conveying the Property to the purchaser. On confirmation of the sale, all interests in, liens against, or claims to the Property that are held or asserted by all parties to this action are discharged and extinguished;

k. When this Court confirms the sale, the Recording Official of Porter County, Indiana shall cause the transfer of the 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;

1. The sale of the Property is ordered pursuant to 26 U.S.C. § 7403 and is made without any right of redemption.

3. Until the Property is sold, Watts shall take all reasonable steps necessary to preserve the Property (including all buildings, improvements, fixtures, and appurtenances on the property) in its current condition including, without limitation, maintaining a fire and casualty insurance policy on the Property. Watts, nor any other person or entity on Watts's behalf, shall neither commit waste against the Property nor cause nor permit anyone else to do so. Watts, nor any person or entity on Watts's behalf, shall neither do anything that tends to reduce the value or marketability of the Property nor cause or permit anyone else to do so. The defendants shall not record any instruments, publish any notice, or take any other action (such as running newspaper advertisements, posting signs, or making internet postings) that may directly or indirectly tend to adversely affect the value of the Property or that may tend to deter or discourage potential bidders from participating in the public auction, nor shall they cause or permit anyone else to do so.

4. All persons occupying the Property shall vacate the property within 30 days of the date of this Order, each taking with them his or her personal property (but leaving all improvements, buildings, fixtures, and appurtenances to the property). If any person fails or refuses to vacate the Property by the date specified in this Order, the PALS is authorized to coordinate with the United States Marshals Service to take all actions that are reasonably necessary to have those persons ejected. The United States Marshals Service is authorized and directed to take any and all necessary actions, including but not limited to the use of reasonable force, to enter and remain on the premises, which includes, but is not limited to, the land,

buildings, vehicles, and any other structures located thereon, for the purpose of executing this Order. The United States Marshals Service is further authorized and directed to arrest or evict from the premises any persons who obstruct, attempt to obstruct, or interfere or attempt to interfere, in any way with this Order.

5. Any personal property remaining on the Property 30 days after the date of this Order is deemed forfeited and abandoned, and the PALS is authorized to dispose of it in any manner they see fit, including sale, in which case the proceeds of the sale are to be applied first to the expense of sale and the balance to be paid to the Court for further distribution. Checks for the purchase of personal property shall be made out to the Clerk of District Court for the Northern District of Indiana, and the Clerk is directed to accept these checks and deposit them into the Court's registry for distribution pursuant to further Order of this Court.

6. No later than two business days after vacating the Property pursuant to the deadline set forth in paragraph 4 above, Watts or an agent thereof shall notify counsel for the United States of a forwarding address where they can be reached. Notification shall be made by contacting the paralegal for the United States, David Villagrana, at (202) 353-0061.

7. The United States has an interest of \$735,585.32, plus statutory additions and interest from July 2, 2014, including interest pursuant to 26 U.S.C. §§ 6601, 6621 and 6622, and 28 U.S.C. § 1961(c).

8. Pending the sale of the Property and until the deed to the Property is delivered to the successful bidder, the PALS is authorized to have free access to the premises in order to take any and all actions necessary to preserve the Property, including, but not limited to, retaining a locksmith or other person to change or install locks or other security devices on any part of the property.

9. After the Court confirms the sale, absent any showing to the contrary, the sale proceeds deposited

with the Clerk of this Court shall be distributed in the following order of priority:

- a. First, to United States Treasury, for the expenses of the sale, including any expenses incurred to secure or maintain the property pending sale and confirmation by the Court;
- b. Second, to pay for all other costs and expenses of sale, including title insurance;
- c. Third, to Porter County, IN, or other local taxing authority, for real property taxes and other local assessments due and owing, if any as permitted by 26 U.S.C. § 6323(b)(6);
- d. Fourth, to Plaintiff the United States of America, for Watt's unpaid Internal Revenue taxes, penalties, and interest in the amount of \$735,585.32, plus statutory additions and interest from July 2, 2014, including interest pursuant to 26 U.S.C. §§ 6601, 6621 and 6622, and 28 U.S.C. § 1961(c), resulted from unpaid federal income taxes for tax years 1997, 1998, as well as the tax years 2000 through 2004, until fully paid;
- e. Fifth, the remaining proceeds, including any accrued interest, shall be distributed the defendant First Source Bank for application to the indebtedness due and owing under the bank's Mortgage Note dated April 24, 2014, as provided in doc. no. 16;
- f. Sixth, any further remaining sale proceeds shall be held in the Court's registry pending further Order from the Court.

SO ORDERED this 6th day of July, 2015.

s/ John E. Martin
MAGISTRATE JUDGE JOHN E. MARTIN
UNITED STATES DISTRICT COURT

cc: All counsel of record