

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MINNESOTA
Civil No. 08-5348 ADM/JSM

UNITED STATES OF AMERICA)
)
 Plaintiff,)
)
 v.)
)
 THOMAS JOSEPH PETTERS, et. al.,)
)
 Defendants.)

**ORDER AUTHORIZING AND CONFIRMING
SALE OF PROPERTY AT 320 ELK CIRCLE, KEYSTONE, COLORADO**

Upon consideration of the AFFIDAVIT OF RECEIVER, together with its Exhibits and the STIPULATION by and between Plaintiff United States of America, Defendant Thomas Joseph Petters a/k/a Thomas J. Petters (“Petters”) and Receiver Douglas A. Kelley, stipulating to the sale of the property at 320 Elk Circle, Keystone, Colorado (the “Property”), the Court finds:

1. The Property consists of a four (4) bedroom single family home built in 2005 and located at 320 Elk Circle, Keystone, Colorado. The Property contains approximately 4,600 square feet of gross living area. The Property was purchased by Petters on or about October 28, 2005 for a purchase price of approximately \$1,430,000.

2. The Property was appraised by Ebert Appraisal Service, Inc. which opined that as of November 16, 2008, the Property had a market value of approximately \$1,696,000. In addition, a market analysis of the Property was performed by Coldwell Banker, Colorado Rockies Real Estate on November 13, 2008 concluding that, “Based upon the unfavorable market conditions in our area,” it would list the Property for sale at between \$1,550,000 and \$1,650,000, and further stating that, “If you are motivated and would like to attempt a sale within 90 days then you would want to go to the lower end, potentially below.” Coldwell Banker, Colorado Rockies Real Estate further reported that in the Elk Run subdivision where the Property is located, there are seven (7) other homes listed for sale.

3. The Receiver has received an offer from Steve and Tracy Boutelle (the “Purchasers”) to purchase the Property for \$1,510,000 cash pursuant to the terms and conditions of a certain Contract to Buy and Sell Real Estate dated December 31, 2008, as amended by a certain Counterproposal dated January 14, 2009 (as so amended, the “Purchase Agreement”). No other offers for the Property have been received by the receiver.

4. The Purchasers under the Purchase Agreement have represented that they are not affiliated or associated in any way with Petters or any entity owned or controlled by him. Given the erosion in the residential real estate market in Colorado and throughout the country and the fact that the Receiver will not have to hold the Property for several months before finding a qualified buyer, Plaintiff United States of America, Defendant Petters and the Receiver all agree that it is in the best interests of the

receivership to sell the Property to the Purchasers on the terms and conditions set forth in the Purchase Agreement.

5. A Deed of Trust was filed against the Property by Crown Bank on September 29, 2008 securing up to the maximum principal amount of \$2,000,000. The U.S. Attorneys' Office on behalf of Plaintiff United States of America is contesting the validity and enforceability of Crown Bank's Deed of Trust and has filed a notice of lis pendens against the Property. Absent an agreement with Crown Bank acceptable to the U.S. Attorneys' Office as to how the net sales proceeds will be distributed, the net sales proceeds from the sale of the Property shall be escrowed with a third party pending a resolution of the matter.

6. The Property is legally described as follows:

Lot 34, Old Keystone Gold Course Subdivision, according to the plat filed December 5, 1997 under Reception No. 553524, County of Summit, State of Colorado

THEREFORE, IT IS ORDERED that the sale of the Property on the terms and conditions set forth in the Purchase Agreement is approved. The Receiver is hereby directed to deliver a receiver's deed to the Property to the Purchasers under said Purchase Agreement. IT IS SO ORDERED.

BY THE COURT:

s/Ann D. Montgomery
ANN D. MONTGOMERY
U.S. DISTRICT JUDGE

Dated: March 16, 2009.