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**UNITED STATES DISTRICT COURT FOR THE DISTRICT OF UTAH  
CENTRAL DIVISION**

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UNITED STATES OF AMERICA,

Plaintiff,

v.

RAPOWER-3, LLC; INTERNATIONAL  
AUTOMATED SYSTEMS, INC.; LTBI,  
LLC; R. GREGORY SHEPARD; NELDON  
JOHNSON; and ROGER FREEBORN,

Defendants.

**ORDER APPROVING (1) PUBLIC  
SALE OF PROPERTIES AND GRANT  
OF PURCHASE OPTION FREE AND  
CLEAR OF INTERESTS, (2) METHOD  
AND FORM OF PUBLICATION  
NOTICE, AND (2) PUBLIC AUCTION  
PROCEDURES**

**(Millard County Properties: HD-3511  
(600 Acres), HD-3511-1 (40 Acres), and  
MA-2662-B (360 Acres))**

Civil No. 2:15-cv-00828-DN

District Judge David Nuffer  
Magistrate Judge Daphne A. Oberg

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Before the Court is *Receiver's Motion Requesting Order Approving (1) Public Sale of Properties and Grant of Purchase Option Free and Clear of Interests, (2) Method and Form of Publication Notice, and (3) Public Auction Procedures* (the "Motion") filed by R. Wayne Klein, the Court-Appointed Receiver (the "Receiver") in the above-captioned case, related to the grant of an option to purchase certain real property located in Millard County, Utah (the "Property"),

identified by parcel numbers HD-3511, HD-3511-1, and MA-2662-B and described as follows:

a. A 600-acre parcel ("3511 Property"), identified by parcel number HD-3511, and also described as follows:

Section 16, Township 16 South, Range 8 West, Salt Lake Base and Meridian.

Less: Beginning at the Southwest Corner of Section 16, Thence North 1320 Feet; Thence East 1320 Feet; Thence South 1320 Feet; Thence West 1320 Feet to the Point of Beginning.

Subject to a 30 Foot Easement Around the Perimeter of Said Property. (HD-3511)<sup>1</sup>

b. A 40-acre parcel ("3511-1 Property"), identified by parcel number HD-3511-1, and also described as follows:

Beginning at the Southwest Corner of Section 16, Township 16 South, Range 8 West, Salt Lake Base and Meridian; Thence North 1320 Feet; Thence East 1320 Feet; Thence South 1320 Feet; Thence West 1320 Feet to the Point of Beginning. (HD-3511-1)<sup>2</sup>

c. A 360-acre parcel ("2662 Property"), identified by parcel number MA-2662-B, and also described as follows:

The Southeast Quarter and the North Half of the Southwest Quarter and the Southeast Quarter of the Southwest Quarter and the South Half of the Northwest Quarter of Section 27, Township 15 South, Range 8 West, Salt Lake Base and Meridian. (MA-2662-B)

Excepting Therefrom: That Portion Within the Boundary of the Millard County Road Right-of-Way.<sup>3</sup>

Through the Motion, the Receiver is seeking (1) authorization to grant an option to purchase the Property after offering the Property at public sale to the highest and best offeror (for cash or granting a purchase option), free and clear of all interests, (2) approval of the form and

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<sup>1</sup> *Id.* at ¶ 20(l).

<sup>2</sup> *Id.* at ¶ 20(m).

<sup>3</sup> *Id.* at ¶ 20(x).

method of publication notice, and (3) approval of the proposed auction procedures.

The Court has reviewed the Motion and together with the Exhibits attached thereto, all other papers filed related thereto, and applicable law. Based thereon and for good cause appearing,

**IT IS HEREBY ORDERED** that:

1. The Motion is GRANTED;
2. The grant of a purchase option (or sale for cash) of the Property, free and clear of interests as set forth in the Motion to the proposed buyer or a higher and better offeror at auction is APPROVED.
3. The method and form of the publication notice as set forth in the Motion are APPROVED. The following notice shall be published in the Millard County Chronicle Progress, a newspaper of general circulation throughout Millard County, Utah, once a week for a period of four weeks prior to the public sale:
  4. R. Wayne Klein, the court-appointed receiver (“Receiver”) for RaPower-3, LLC, International Automated Systems, Inc., and LTB1, LLC, as well as certain of their subsidiaries and affiliates, and the assets of Neldon Johnson and R. Gregory Shepard, in the civil case (“Case”) styled *United States v. RaPower-3, LLC*, No. 2:15-cv-00828-DN (D. Utah) gives notice of his intent to sell certain real property (“Property”) constituting a total of 1,000 acres located in Millard County, UT, including 600 acres with parcel number HD-3511, 40 acres with parcel number HD-3511-1, and 360 acres with parcel number MA-2662-B. The intended sale of the Property is in the form of granting an option to purchase the Property. The Receiver has accepted an initial bid (“Stalking Horse Bid”) to sell to the Stalking Horse Bidder a four-year option to purchase the Property. The Stalking Horse Bidder will pay \$40 per acre option fees in the first year, \$45 per acre for the second year, \$50 per acre for the third year, and \$55 per acre for the fourth year. If the Stalking Horse Bidder exercises the purchase option, the purchase price will be \$1,500 per acre (and higher if the option is exercised in years three or four). The Receiver will conduct a public auction (“Auction”) to determine whether any other bidder will pay a higher cash price for the property or an option purchase proposal more favorable than

proposed by the Stalking Horse Bidder. The auction will be held on \_\_\_\_\_, 2021, at \_\_:\_\_\_.m. at the Fourth Judicial District Court in Millard County, 765 S. Highway 99, Ste. 6, Fillmore, UT, or as may be continued from time to time by the Receiver. The Property will be sold at the Auction free and clear of all interests, “as is,” with no representations or warranties. The Receiver invites any bids at the auction for the Property for cash purchase or an option purchase agreement that is more favorable than that of the Stalking Horse Bidder. Only “Qualified Bidders” may participate in the Auction. To be a Qualified Bidder, you must, at least five business days before the Auction, comply with the “Auction Procedures” that have been approved in the Case, which Auction Procedures may be obtained upon request made to attorney Michael S. Lehr, Parr Brown Gee & Loveless, 101 S. 200 E., Ste. 700, Salt Lake City, Utah 84111, mlehr@parrbrown.com.

5. The Auction Procedures described in the Motion and attached to the Motion as Exhibit C are APPROVED.

DATED this \_\_\_ day of \_\_\_\_\_, 2021.

**BY THE COURT:**

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Daphne A. Oberg  
United States Magistrate Judge