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**IN THE UNITED STATES BANKRUPTCY COURT
 FOR THE DISTRICT OF UTAH**

In re:

CASTLE ARCH REAL ESTATE
 INVESTMENT COMPANY, LLC; CAOP
 MANAGERS, LLC; CASTLE ARCH
 KINGMAN, LLC; CASTLE ARCH
 SECURED DEVELOPMENT FUND, LLC;
 CASTLE ARCH SMYRNA, LLC; CASTLE
 ARCH STAR VALLEY, LLC; *and*

CASTLE ARCH OPPORTUNITY
 PARTNERS I, LLC; CASTLE ARCH
 OPPORTUNITY PARTNERS II, LLC,

Debtors.

Case Nos. 11-35082, 11-35237,
 11-35243, 11-35242 and 11-35246
 (Substantively Consolidated)

Case Nos. 11-35241 and 11-35240
 (Jointly Administered)

(Chapter 11)

The Honorable Joel T. Marker

- Affects All Debtors
- Affects Only the Substantively
 Consolidated Debtors
- Affects only Castle Arch
 Opportunity Partners I, LLC
- Affects only Castle Arch
 Opportunity Partners II, LLC

**REQUEST TO APPROVE STIPULATION REGARDING AMOUNT OF
 ADMINISTRATIVE EXPENSE CLAIM OF GLEN MARTINSEN**

Glen Martinsen (“Martinsen”) and D. Ray Strong, the post-confirmation estate representative in the above-captioned case and the duly appointed Liquidating Trustee (the “Trustee”) of the Consolidated Legacy Debtors Liquidating Trust (the “Legacy Trust”), by and through their respective counsel of record, hereby present the following stipulation

regarding Martinsen's *Request for Payment of Administrative Expense* [Docket No. 742] (the "Request for Payment") and request the entry of an Order approving the same. In support hereof, the parties state as follows:

JURISDICTION AND VENUE

1. On October 17, 2011, Castle Arch Real Estate Investment Company, LLC ("CAREIC") filed a petition for relief under Chapter 11 of the Bankruptcy Code, and on October 20, 2011, CAOP Managers, LLC ("CAOP Managers"), Castle Arch Kingman, LLC ("CAK"), Castle Arch Secured Development Fund, LLC ("CASDF"), Castle Arch Smyrna, LLC ("CAS"), Castle Arch Opportunity Partners I, LLC and Castle Arch Opportunity Partners II, LLC (collectively with CAREIC, the "Debtors") also filed petitions seeking relief under Chapter 11 of the Bankruptcy Code.

2. The Court has subject matter jurisdiction of this proceeding pursuant to 28 U.S.C. §157 and 1334.

3. On June 7, 2013, the Bankruptcy Court entered an *Order Confirming Chapter 11 Trustee's First Amended Plan of Liquidation Dated February 25, 2013 as Modified* [Docket No. 705] (the "Confirmation Order"), thus confirming the *Second Amended Chapter 11 Trustee's Plan of Liquidation Dated February 25, 2013* [Docket No. 701] (the "Confirmed Plan"), pursuant to which the Court retains jurisdiction over this proceeding, which arises under the Bankruptcy Code and arises in and is related to the above-captioned bankruptcy cases.

4. Venue is proper in this Court pursuant to 28 U.S.C. § 1409.

BACKGROUND

General

5. On May 3, 2012, the Court entered an Order appointing the Trustee as the Chapter 11 bankruptcy Trustee for CAREIC [Docket No. 215], and in that capacity he managed each of the other Debtors.

6. On February 8, 2013, the Court entered an Order substantively consolidating CAOP Managers, CAK, CASDF, CAS and non-debtor Castle Arch Star Valley, LLC with CAREIC [Docket No. 590], and these entities, as consolidated, have hereinafter been referred to as the "Consolidated Legacy Debtors."

7. On June 7, 2013, the Court entered the Confirmation Order, which among other things, (a) designated the Trustee as the post-confirmation estate representative for the Consolidated Legacy Debtors; (b) approved the Liquidating Trust Agreement for the Legacy Trust (the "Legacy Trust Agreement"); and (c) appointed the Trustee as the Liquidating Trustee for the Legacy Trust.

Martinsen's Administrative Expense Claim

8. On August 20, 2013, Martinsen filed his present Request for Payment, pursuant to which Martinsen asserts an administrative expense claim against the Consolidated Legacy Debtors in the total amount of \$28,500.00 for unpaid post-petition wages that accrued prior to the Trustee's appointment.

9. The Trustee disputed the claim asserted by Martinsen in the Request for Payment, and the parties thereafter entered into good faith and arms'-length negotiations regarding the allowance and amount of the claim asserted by Martinsen in the Request for Payment.

STIPULATION

10. The Trustee and Martinsen agree as follows as to the Request for Payment:

(a) Martinsen will have an "Allowed Administrative Expense Claim," as that term is defined in the Confirmed Plan, against the Consolidated Legacy Debtors in the total amount of \$20,500.00 (the "Stipulated Allowed Claim");

(b) The Stipulated Allowed Claim will be paid under the terms of the Confirmed Plan on or before the earlier of (i) June 15, 2014; and (ii) such time that other Allowed Administrative Expense Claims against the Consolidated Legacy Debtors are paid under the terms of the Confirmed Plan and Legacy Trust Agreement;

(c) No interest will accrue on the Stipulated Allowed Claim;

(d) To the extent (i) the Request for Payment asserts a claim in excess of the Stipulated Allowed Claim; or (ii) Martinsen asserts any other claim for unpaid compensation against the Debtors for the period commencing on the date that the bankruptcy cases were filed, such claim is a Disallowed Claim, as that term is defined in the Confirmed Plan; and

(e) This Stipulation only applies to Martinsen's Request for Payment, and by entering into this Stipulation, the Trustee does not release or waive any claim that may be held by the Consolidated Legacy Debtors or the Legacy Trust against Martinsen for the period prior to the filing of the Debtors' bankruptcy cases. Similarly, Martinsen does not waive any claim or defense he may have against the Consolidated Legacy Debtors or the Legacy Trust for the period prior to the filing of the Debtors' bankruptcy cases.

DATED this 4 day of November, 2013.

GLEN MARTINSEN



**D. RAY STRONG, as Post-Confirmation Estate
Representative of the Consolidated Legacy
Debtors and the Liquidating Trustee of the
Consolidated Legacy Debtors Liquidating Trust**



CERTIFICATE OF SERVICE – BY NOTICE OF ELECTRONIC FILING (CM/ECF)

I hereby certify that on 11/15/13, I electronically filed the foregoing **REQUEST TO APPROVE STIPULATION REGARDING AMOUNT OF ADMINISTRATIVE EXPENSE CLAIM OF GLEN MARTINSEN** with the United States Bankruptcy Court for the District of Utah by using the CM/ECF system. I further certify that the parties of record in this case, as identified below, are registered CM/ECF users and will be served through the CM/ECF system.

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