

Peggy Hunt (Utah State Bar No. 6060)  
Nathan S. Seim (Utah State Bar No. 12654)  
**DORSEY & WHITNEY LLP**  
136 South Main Street, Suite 1000  
Salt Lake City, UT 84101-1685  
Telephone: (801) 933-7360  
Email: [hunt.peggy@dorsey.com](mailto:hunt.peggy@dorsey.com)  
[seim.nathan@dorsey.com](mailto:seim.nathan@dorsey.com)

*Attorneys for D. Ray Strong, Liquidating Trustee of the Consolidated Legacy Debtors Liquidating Trust*

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

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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

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**NOTICE OF SALE AND TRUSTEE'S MOTION SEEKING AUTHORIZATION AND APPROVAL OF (1) SALE OF PROPERTY, INCLUDING AND RELATING TO REAL PROPERTY LOCATED IN RUTHERFORD COUNTY, TENNESSEE, OUT OF THE ORDINARY COURSE OF BUSINESS, FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES AND INTERESTS, AND SUBJECT TO HIGHER AND BETTER OFFERS, PURSUANT TO 11 U.S.C. § 363(b) AND (f) AND FEDERAL RULES OF BANKRUPTCY PROCEDURE 2002 AND 6004; (2) BUYER'S POTENTIAL BREAK-UP FEE; AND (3) PAYMENT OF COSTS OF SALE, INCLUDING COMMISSION TO REAL ESTATE BROKER AND NOTICE OF OPPORTUNITY FOR HEARING**

**Higher and Better Bid Deadline: December 1, 2014**  
**Objection Deadline: December 1, 2014**  
**Reserved Hearing Date: December 15, 2014 at 2:30 p.m. (Mountain Time)**

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**PLEASE TAKE NOTICE** that D. Ray Strong (the “Trustee”), as the Liquidating Trustee of the Consolidated Legacy Debtors Liquidating Trust (the “Legacy Trust”) and the post-confirmation estate representative for the consolidated bankruptcy estates of Castle Arch Real Estate Investment Company, LLC, CAOP Managers, LLC, Castle Arch Kingman, LLC, Castle Arch Smyrna, LLC, Castle Arch Secured Development Fund, LLC and Castle Arch Star Valley, LLC, has entered into a *Real Estate Purchase and Sale Agreement* (the “Purchase Agreement”) for the sale of certain real property located in Rutherford County, Tennessee, including interests related to such land (collectively, the “Smyrna Property”) to DSSIII Holding Co., LLC or an appropriate assignee thereof (the “Buyer”), or to a person making a higher and better offer prior to the Court’s entry of a final, non-appealable Order approving the Purchase Agreement and the sale of the Smyrna Property to Buyer (the “Sale Order”). A full description of the Smyrna Property is set forth in the Purchase Agreement. **HIGHER AND BETTER OFFERS FOR THE SMYRNA PROPERTY ARE WELCOME PURSUANT TO THE INSTRUCTIONS SET FORTH IN THIS NOTICE.**

**PLEASE TAKE FURTHER NOTICE** that in connection therewith, the Trustee has filed the *Trustee’s Motion Seeking Authorization and Approval of (1) Sale of Property, Including and Relating to Real Property Located in Rutherford County, Tennessee, Out of the Ordinary Course of Business, Free and Clear of Liens, Claims, Encumbrances and Interests, and Subject to Higher and Better Offers, Pursuant to 11 U.S.C. § 363(b) and (f) and Federal Rules of Bankruptcy Procedure 2002 and 6004; (2) Buyer’s Potential Break-up Fee; and (3) Payment of Costs of Sale, Including Commission to Real Estate Broker* (the “Motion”), which seeks Court approval of the Purchase Agreement and authorization from the Court to sell the Smyrna Property to the Buyer as set forth in the Purchase Agreement, or to any higher and better offeror. The Trustee is also seeking (a) approval of a \$35,000.00 break-up fee that the Trustee is required to pay the Buyer under the Purchase Agreement in the event that the Trustee, in an exercise of his business judgment, sells the Smyrna Property to a person submitting a higher and better

offer (the “Break-up Fee”); and (b) approval to pay the costs of sale from the sale proceeds, including real estate commissions.

A copy of the Motion, which includes a copy of the Purchase Agreement as Exhibit A, has been served electronically via the Court’s CM/ECF system on the Office of the United States Trustee and on all parties who receive electronic service in the above-captioned case. A copy of the Motion is also posted on the Trustee’s website at www.castlearchtrustee.com. You should refer to the Purchase Agreement for all terms of the proposed sale. *If you have not received a copy of the Motion and Purchase Agreement and you would like one, you may obtain a copy by requesting it from the undersigned counsel or going to the Trustee’s website.*

**YOUR RIGHTS MAY BE AFFECTED.**

**PLEASE TAKE FURTHER NOTICE that you should carefully read this Notice, as well as the Motion and Purchase Agreement, and discuss them with your attorney, if you have one. If you do not have an attorney, you may wish to consult one.**

**HIGHER AND BETTER OFFERS ARE WELCOME**

**PLEASE TAKE FURTHER NOTICE** that the proposed sale of the Smyrna Property is subject to higher and better offers. The purchase price for the Smyrna Property offered by the Buyer is \$1,500,000.00, which is not subject to any survey of the Smyrna Property. **IF YOU DESIRE TO SUBMIT A HIGHER AND BETTER OFFER, YOU MUST DO SO PRIOR TO December 1, 2014 (the “Higher and Better Bid Deadline”).** All competing offers must be made in writing and submitted to the Trustee through his counsel at seim.nathan@dorsey.com prior to the expiration of the Higher and Better Bid Deadline. Whether an offer is higher and better will be determined by the Trustee in his sole and absolute discretion, and the Trustee will not consider any offers submitted after the expiration of the Higher and Better Bid Deadline.

**FREE AND CLEAR, AS IS SALE**

**PLEASE TAKE FURTHER NOTICE** that the proposed sale of the Smyrna Property is “AS IS” and “WHERE IS” and made pursuant to 11 U.S.C. § 363(b) and (f), thus making it free and clear of all liens, claims, encumbrances and interests, except to the extent specifically permitted by the Purchase Agreement. Other than taxes associated with the Smyrna Property that will be paid from the sale proceeds, the Trustee is unaware of any liens, claims encumbrances or financial interests against the Smyrna Property. Notwithstanding, to the extent that any such interests exist, they will attach to the net sale proceeds upon the Court’s entry of the Sale Order. *Failure to assert an interest in the Smyrna Property prior to the time the sale is approved by the Court shall be deemed a waiver of any interest in the net sale proceeds.*

**NOTICE OF RESERVED HEARING**

**PLEASE TAKE FURTHER NOTICE** that a hearing on the Motion has been scheduled for **December 15, 2014 at 2:30 p.m. (Mountain Time)** before The Honorable Joel T. Marker at the United States Bankruptcy Court, Room 341 of the Frank E. Moss United States Courthouse, 350 South Main Street, Salt Lake City, Utah 84101. **NO HEARING WILL BE CONDUCTED ON THE MOTION UNLESS A WRITTEN OBJECTION IS FILED WITH THE CLERK OF THE COURT ON OR BEFORE THE OBJECTION DEADLINE SET FORTH BELOW OR COMPETING OFFERS ARE SUBMITTED TO THE TRUSTEE PRIOR TO THE HIGHER AND BETTER BID DEADLINE.**

**OBJECTION PROCEDURES**

**PLEASE TAKE FURTHER NOTICE** that if you do not want the Court to grant the relief requested in the Motion, or if you want the Court to consider your views on any portion of the Motion, including but not limited to the sale of the Smyrna Property to the Buyer, the procedures for submitting a higher and better offer for the Smyrna Property, portions of the Purchase Agreement related to the

Trustee's payment of the Break-up Fee or otherwise, the Trustee's request for authorization to pay costs associated with the sale or any interests you may assert in the Smyrna Property, then you or your attorney must do the following:

(1) On or before **December 1, 2014**, file with the Court a written objection explaining your position, at:

Clerk of the Court  
United States Bankruptcy Court  
350 South Main Street, Room 301  
Salt Lake City, UT 84101

(2) If you mail your objection to the Court, you must mail it early enough so that the Court **actually receives it on or before December 1, 2014**. You must also mail a copy of your objection to the Trustee's undersigned counsel at 136 South Main Street, Suite 1000, Salt Lake City, Utah 84101.

(3) You must also attend the hearing on the Motion on **December 15, 2014 at 2:30 p.m. (Mountain Time)** before The Honorable Joel T. Marker at the United States Bankruptcy Court, Room 341 of the Frank E. Moss United States Courthouse, 350 South Main Street, Salt Lake City, Utah 84101. **There will be no further notice of the hearing**, and failure to attend the hearing will be deemed a waiver of your objection.

**PLEASE TAKE FURTHER NOTICE** that if you or your attorney do not take these steps, the Court may decide that you do not oppose the relief sought in the Motion and may enter an Order granting that relief. *Pursuant to the Court's Local Rules, absent timely filing and service of objections to the Motion, the Trustee will ask the Court to enter an Order approving the Motion without a hearing, and the reserved hearing noted above will be stricken.*

DATED this 12th day of November, 2014.

**DORSEY & WHITNEY LLP**

/s/ Peggy Hunt  
Peggy Hunt  
Nathan S. Seim  
Attorneys for D. Ray Strong, Trustee

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

I hereby certify that on November 12, 2014, I electronically filed the foregoing **NOTICE OF SALE AND TRUSTEE'S MOTION SEEKING AUTHORIZATION AND APPROVAL OF (1) SALE OF PROPERTY, INCLUDING AND RELATING TO REAL PROPERTY LOCATED IN RUTHERFORD COUNTY, TENNESSEE, OUT OF THE ORDINARY COURSE OF BUSINESS, FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES AND INTERESTS, AND SUBJECT TO HIGHER AND BETTER OFFERS, PURSUANT TO 11 U.S.C. § 363(b) AND (f) AND FEDERAL RULES OF BANKRUPTCY PROCEDURE 2002 AND 6004; (2) BUYER'S POTENTIAL BREAK-UP FEE; AND (3) PAYMENT OF COSTS OF SALE, INCLUDING COMMISSION TO REAL ESTATE BROKER AND NOTICE OF OPPORTUNITY FOR HEARING** (the "Notice") 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.

- Gregory J. Adams gadams@mbt-law.com
- Adam S. Affleck asa@pyglaw.com,  
debbie@princeyeates.com;docket@princeyeates.com
- Troy J. Aramburu taramburu@swlaw.com,  
rmaxwell@swlaw.com;docket\_slc@swlaw.com
- Jeffrey M Armington armington.jeff@dorsey.com
- Julie A. Bryan julie@crslaw.com, diana@crslaw.com;joshua@crslaw.com
- Mona Lyman Burton mburton@hollandhart.com,  
ckelly@hollandhart.com;intaketeam@hollandhart.com;slclitdocket@hollandhart.com
- Schuyler G. Carroll scarroll@perkinscoie.com, DOlsky-efile@perkinscoie.com
- Leonard J. Carson len@pearsonbutler.com, kylie@pearsonbutler.com
- William H. Christensen wchristensen@larsenrico.com,  
ogappmayer@larsenrico.com;fileclerk@larsenrico.com
- Andrew B. Clawson andrew@abclawutah.com, kylie@pearsonbutler.com
- T. Edward Cundick tec@princeyeates.com,  
heidi@princeyeates.com;docket@princeyeates.com
- Anna W. Drake annadrake@att.net
- Jodi Knobel Feuerhelm jfeuerhelm@perkinscoie.com,  
blumm@perkinscoie.com;docketPHX@perkinscoie.com
- Jennie B. Garner garner.jennie@dorsey.com
- Eric D Goldberg egoldberg@gordonsilver.com
- Eric D Goldberg egoldberg@stutman.com
- Sarah Goldberg goldberg.sarah@dorsey.com
- David R. Hague dhague@fabianlaw.com, dromero@fabianlaw.com
- George B. Hofmann gbh@pkhlawyers.com, dh@pkhlawyers.com;jt@pkhlawyers.com
- Mary Margaret Hunt hunt.peggy@dorsey.com,  
long.candy@dorsey.com;stauffer.erin@dorsey.com;slc.lit@dorsey.com

- Mary Margaret Hunt hunt.peggy@dorsey.com, long.candy@dorsey.com;stauffer.erin@dorsey.com;slc.lit@dorsey.com
- Jennifer A. James jaj@clydesnow.com, mcarter@clydesnow.com
- Lon A. Jenkins jenkins.lon@dorsey.com, daniels.heidi@dorsey.com
- Neil A. Kaplan nak@clydesnow.com, mcarter@clydesnow.com
- Penrod W. Keith pkeith@djplaw.com, khughes@djplaw.com
- Penrod W. Keith pkeith@djplaw.com, khughes@djplaw.com
- Michael L. Labertew michael@labertewlaw.com
- Mark A. Larsen mlarsen@larsenrico.com, wchristensen@larsenrico.com;ogappmayer@larsenrico.com
- Ralph R. Mabey rmabey@kmclaw.com
- Christopher J Martinez martinez.chris@dorsey.com, stauffer.erin@dorsey.com
- Adelaide Maudsley maudsley@chapman.com
- Lance E. Miller lancemiller@americanapparel.net
- John T. Morgan tr john.t.morgan@usdoj.gov, James.Gee@usdoj.gov;Lindsey.Huston@usdoj.gov;Suzanne.Verhaal@usdoj.gov
- Jeffrey P. Mortimer jeff@rulontburton.com
- Oliver K. Myers myersok@msn.com
- David Olsky dolsky@perkinscoie.com
- Rick Poster Rick@posterlaw.com
- Jon A Reed jreed@larsenrico.com
- Knute A. Rife KARife@RifeLegal.com
- Lee Rudd leerudd@ruddlaw.com, leerudd@gmail.com;G5697@notify.cincompass.com
- Nathan Seim seim.nathan@dorsey.com
- Nathan Seim seim.nathan@dorsey.com
- Jeremy C. Sink jsink@mbt-law.com
- James A Sorenson jsorenson@rqn.com, tpahl@rqn.com;docket@rqn.com
- Stephen G. Stoker sgstoker@stokerswinton.com, sgstokerlc@gmail.com
- D. Ray Strong tr rstrong@brg-expert.com
- Gerald H. Suniville gsuniville@vancott.com, docketing@vancott.com
- Marca Tanner marca.tanner@gmail.com
- United States Trustee USTPRegion19.SK.ECF@usdoj.gov
- Russell S. Walker rwalker@wklawpc.com, ckirk@wklawpc.com
- Kim R. Wilson bankruptcy\_krw@scmlaw.com
- Brock N. Worthen bworthen@swlaw.com, hsias@swlaw.com
- Richard L. Wynne rlwynne@jonesday.com

I further certify that on November 12, 2014, the Notice was served via U.S. First Class Mail, postage prepaid, to the following:

Tew & Associates  
c/o Joel Tew  
2999 Palm Harbor Blvd., Suite A  
Palm Harbor, FL 34655

DSSIII Holding Co., LLC  
c/o Drapac Group USA  
6161 Santa Monica Blvd., Suite 102  
Los Angeles, CA 90038  
Attn: Tyson J. Reilly

Mark A. Cutlip  
10650 Independent Hill Rd.  
Arlington, TN 37014

Shane Alexander  
10650 Independent Hill Rd.  
Arlington, TN 37014

Mark Douglas  
4868 Cedar Grove Road  
Murfreesboro, TN 37127

Commerce Real Estate Solutions  
170 South Main Street, Suite 1600  
Salt Lake City, Utah 84101

Dell Nichols Realty & Development, LLC  
P.O. Box 1233  
Centerville, Utah 84014

Walton Tennessee, LLC  
c/o Walton International Group (USA), Inc.  
Attn: Wayne Souza, Esq.  
4800 North Scottsdale Road, Suite 4000  
Scottsdale, AZ 85251

I further certify that on November 12, 2014, the Notice was served via U.S. First Class Mail, postage prepaid, to all parties listed on the attached Exhibit A, which parties comprise the entire mailing matrix in the above-captioned bankruptcy cases.

/s/ Peggy Hunt