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

**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

**NOTICE OF FIRST AMENDMENT TO REAL ESTATE PURCHASE AND SALE
AGREEMENT RELATING TO SALE OF REAL PROPERTY LOCATED IN
RUTHERFORD COUNTY, TENNESSEE**

D. Ray Strong (the "Trustee"), as the duly appointed Liquidating Trustee of the
Consolidated Legacy Debtors Liquidating Trust (the "Legacy Trust") and the Chapter 11 Trustee
and 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 (collectively, the “Legacy Debtors”), hereby provides notice that he entered into the *First Amendment to Real Estate and Sale Agreement*, attached hereto as Exhibit 1 (the “Amendment”), relating to the sale of certain real property located in Rutherford County, Tennessee, including interests related to such land, which is referred to in the Legacy Debtors' consolidated case as the “Smyrna Property.”

1. On October 29, 2014, the Trustee, as post-confirmation estate representative for the Legacy Debtors and Liquidating Trustee of the Legacy Trust, entered into a *Real Estate Purchase and Sale Agreement* with DSSIII Holding Co., LLC (“DSS”) for the sale of the Smyrna Property (the “Purchase Agreement”).

2. On November 11, 2014, the Trustee filed a *Motion* (the “Sale Motion”)¹ seeking, among other things, approval of the Purchase Agreement, which was attached as Exhibit A to the Sale Motion, and on December 16, 2014, the Court entered an Order granting the Sale Motion and approving the Purchase Agreement.²

3. The Trustee is providing notice that on March 11, 2015, he and DSS entered into the Amendment to the Purchase Agreement, attached hereto as Exhibit 1. The Amendment, as

¹ See 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 [Docket No. 1028].

² Docket No. 1049.

contemplated under the Purchase Agreement, is primarily for the purpose of permitting the buyer additional time to conduct due diligence subject to meeting certain milestones.

DATED this 20th day of March, 2015.

DORSEY & WHITNEY LLP

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

EXHIBIT 1

**FIRST AMENDMENT TO
REAL ESTATE PURCHASE AND SALE AGREEMENT**

**CASTLE ARCH
484.09 ACRES
RUTHERFORD COUNTY, TENNESSEE**

This FIRST AMENDMENT TO REAL ESTATE PURCHASE AND SALE AGREEMENT (the "First Amendment") is made and entered into this 11th day of March, 2015, by and between DSSIII Holding Co., LLC, a Delaware limited liability company, or its permitted assigns (the "Buyer") and D. Ray Strong, in his capacity as Chapter 11 Trustee for Castle Arch Real Estate Investment Company, LLC and Castle Arch Smyrna, LLC, Post-Confirmation Estate Representative of the same, and Liquidating Trustee of the Liquidating Trust of the Consolidated Legacy Debtors Dated July 22, 2013 (the "Seller"), with reference to the following facts:

Recitals

- A. Seller and Buyer entered into that certain Real Estate Purchase and Sale Agreement with an Effective Date (as defined therein) of October 29, 2014 (the "Agreement").
- B. Pursuant to the Agreement, Buyer was provided a Due Diligence Period (as defined in the Agreement) which currently expires on March 30, 2015.
- C. Buyer's due diligence investigation has established a need, *inter alia*, for a sanitary sewer development and service agreement (the "Sewer Agreement") with the Town of Smyrna, Tennessee (the "Town"), to enable the future development of the Property (as defined in the Agreement), which Sewer Agreement cannot be negotiated with and approved by the Town within the existing Due Diligence Period.
- D. Buyer therefore has requested, and Seller has approved, an extension of the Due Diligence Period under the Agreement, on the terms and conditions set forth herein.

Now, therefore, for and in consideration of the continuation of the Agreement, the mutual covenants and promises set forth herein, the additional expenses to be incurred by the Buyer incident to its efforts to procure the Sewer Agreement and for other continued due diligence investigation, the parties agree as follows:

Agreement

1. The above recitals are true and correct, and are incorporated herein by reference.
2. Buyer's Due Diligence Period is hereby extended through 5 p.m. Eastern Time, on June 30, 2015; provided, however, that Buyer agrees to use its good faith, diligent efforts to pursue the following milestones related to the Sewer Agreement:
 - a. On or before March 30, 2015, the Buyer should reach conceptual agreement with the Town staff on the general scope of the initial sewer infrastructure, potential future expansion, and engineering cost estimates for the proposed project, and should deliver to the Seller the engineering concept plan for the

wet well/pump locations and the sewer main(s) alignment, and initial project cost estimates; and

- b. On or before April 30, 2015, the Buyer should reach conceptual agreement with the Town staff on the proposed cost allocation, repayment source(s) and methodology, on terms mutually acceptable to the Buyer and the Town staff, and should deliver to the Seller a mutually agreed memorandum of cost allocation/repayment methodology approved by the Town staff (but subject to Town Commission final approval); and
- c. On or before May 30, 2015, the Buyer should negotiate and procure Town staff recommendation for approval for the proposed form of the Sewer Agreement on terms acceptable to the Buyer and Town staff, with a public hearing schedule for official approval by the Town Commission, and should deliver to the Seller the form of the proposed Sewer Agreement (but subject to Town Commission final approval) and any notice of public hearing; and
- d. On or before June 30, 2015, the Buyer should proceed through the public hearing process to procure final approval of the Sewer Agreement by the Town Commission, and should provide to the Seller notices of public hearing and the formal public hearing approval(s) for same.

In the event the Buyer fails to act in good faith and with commercially reasonable diligence to pursue each of the above-referenced milestones, the Seller shall have the right, but not the obligation, to notify Buyer of the termination of the Agreement, in which case the Deposit shall be returned to the Buyer, less the amount owed to the Seller pursuant to Section 13.2 of the Agreement. Notwithstanding the foregoing, the Buyer also retains its existing right to terminate the Agreement on or before the expiration of the Due Diligence Period, whereupon the Deposit shall also be returned to the Buyer, less the amount owed to the Seller pursuant to Section 13.2 of the Agreement.

3. Except only as modified herein, the terms and conditions of the Agreement shall remain in full force and effect, in accordance with its original terms.
4. This First Amendment may be executed in multiple counterparts by the parties, and electronic or other copies shall be deemed original documents, for all purposes hereunder.

Wherefore, the parties have set their hands and seals effective as of the date and year set forth above.

[Signatures Follow On A Separate Page]

Buyer:

DSSIII Holding Co., LLC

By: 

Sebastian Drapac

Title: Manager

Date: 3/11/15

Seller:



D.Ray Strong, in his capacity as Chapter 11 Trustee for Castle Arch Real Estate Investment Company, LLC (the "Debtors"), and Castle Arch Smyrna, LLC, Post-Confirmation Estate Representative Of the Debtors, and Liquidating Trustee of the Liquidating Trust of the Consolidated Legacy Debtors, dated July 22, 2013

Date: 3/12/15

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

I hereby certify that on March 20, 2015, I electronically filed the foregoing **NOTICE OF FIRST AMENDMENT TO REAL ESTATE PURCHASE AND SALE AGREEMENT FOR SALE OF REAL PROPERTY LOCATED IN RUTHERFORD COUNTY, TENNESSEE** 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.

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/s/ Peggy Hunt