

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
seim.nathan@dorsey.com

*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 LIQUIDATING TRUSTEE'S MOTION SEEKING AUTHORIZATION AND
APPROVAL OF (1) SALE OF REAL PROPERTY AND WATER RIGHTS IN TOOELE
COUNTY, UTAH, 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) PROPOSED SALE PROCEDURES; AND (3)
PAYMENT OF COSTS OF SALE, INCLUDING COMMISSION TO BROKER AND NOTICE
OF OPPORTUNITY FOR HEARING**

Higher and Better Bid Deadline: December 7, 2015
Objection Deadline: December 7, 2015
Reserved Hearing Date: December 14, 2015 at 3:00 p.m. (Mountain Time)

PLEASE TAKE NOTICE that D. Ray Strong (the "Liquidating 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 *Commercial Real Estate Purchase Contract* (as amended by Addenda 1–4, the "Purchase Agreement") with Pinehurst Partners, LP or its assigns (the "Buyer") for the sale of (a) approximately 348.7 acres of undeveloped land located in Tooele County, Utah, County Tax ID Nos. 03-014-0-0020; 03-014-0-0002; 03-014-0-0005; 03-024-0003; 03-024-0-0005; and 03-024-0-0007 (collectively, the "Tooele Land"); and (b) approximately 489 acre-feet of West Zone water rights located in Tooele County, Utah (the "Tooele Water" and, together with the Tooele Land, the "Tooele Property"). **HIGHER AND BETTER OFFERS FOR THE TOOEELE PROPERTY ARE WELCOME PURSUANT TO THE INSTRUCTIONS SET FORTH IN THIS NOTICE.**

PLEASE TAKE FURTHER NOTICE that in connection therewith, the Liquidating Trustee has filed the *Liquidating Trustee's Motion Seeking Authorization and Approval of (1) Sale of Real Property and Water Rights in Tooele County, Utah, 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) Proposed Sale Procedures; and (3) Payment of Costs of Sale, Including Commission to Broker* (the "Motion"), which seeks Court approval of the Purchase Agreement and authorization to sell the Tooele Property to the Buyer as set forth in the Purchase Agreement, or to any person or entity who makes a higher and better offer for the Tooele Property prior to the Higher and Better Bid Deadline. The Liquidating Trustee is also seeking approval to pay the costs of sale from the sale proceeds, including broker commissions.

A copy of the Motion, which includes a copy of the Purchase Agreement as Exhibit 1, 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 Liquidating 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 Liquidating 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 Tooele Property is subject to higher and better offers. The purchase price for the Tooele Land offered by the Buyer is \$6,500.00 per acre, or \$2,266,810.00, and the purchase price for the Tooele Water is \$4,500.00 per acre-foot of water, or \$2,200,500.00, for a total purchase price of \$4,467,310.00. **IF YOU DESIRE TO SUBMIT A HIGHER AND BETTER OFFER FOR THE ENTIRE TOOELE PROPERTY, YOU MUST DO SO PRIOR TO DECEMBER 7, 2015 (the "Higher and Better Bid Deadline").**

All competing offers must be: (1) made in writing; (2) submitted to the Liquidating Trustee through his counsel at seim.nathan@dorsey.com prior to the expiration of the Higher and Better Bid Deadline; and (3) accompanied by a cash deposit in the amount of \$50,000.00 and evidence of ability to perform (a "Qualified Bid"). The Liquidating Trustee will not consider any offer that does not meet the requirements of a Qualified Bid, and the Liquidating Trustee will not consider any offers for only the Tooele Land or only the Tooele Water. If a Qualified Bid is determined to be the highest and best offer, the \$50,000.00 will become nonrefundable upon the Court's approval of the sale to such offeror, regardless of whether the contract is cancelled during any due diligence period, and the deposit will be

applied to the purchase price. If a Qualified Bid is determined not to be the highest and best offer, the \$50,000.00 will be returned to the person submitting the Qualified Bid. Whether a Qualified Bid constitutes a higher and better will be determined by the Liquidating Trustee in his sole discretion.

In the event that Qualified Bids are submitted, the Liquidating Trustee will provide copies of the Qualified Bids to the Buyer and all other persons submitting Qualified Bids. If the Liquidating Trustee determines that it is appropriate, he may conduct an auction prior to the date of the hearing on the Motion, inviting the Buyer and all those who have submitted Qualified Bids to participate.

FREE AND CLEAR, AS IS SALE

PLEASE TAKE FURTHER NOTICE that pursuant to the Purchase Agreement and 11 U.S.C. § 363(b) and (f), the proposed sale of the Tooele Property is “AS IS,” “WHERE IS,” and free and clear of any liens, claims, encumbrances and interests. The Liquidating Trustee is aware of only one lien on the Tooele Property in favor of Southern Properties in Northern Dollars, LLC (“SPND”), as assignee of ANB Venture, LLC. The lien of SPND, as well as any other liens that may exist against the Tooele Property, will attach to the net sale proceeds upon the Court’s entry of an Order granting the Motion and approving the Purchase Agreement. *Failure to assert an interest in the Tooele 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 reserved hearing on the Motion has been scheduled for **December 14, 2015 at 3:00 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 OR COMPETITING OFFERS ARE SUBMITTED TO THE LIQUIDATING 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 Tooele Property to the Buyer, the Liquidating Trustee's request for authorization to pay costs associated with the sale, or any interests you may assert in the Tooele Property, then you or your attorney must do the following:

(1) On or before **December 7, 2015**, 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 so that the Court **actually receives it on or before December 7, 2015**. You must also mail a copy of your objection to the Liquidating 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 14, 2015 at 3:00 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 Liquidating 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 20th day of November, 2015.

DORSEY & WHITNEY LLP

/s/ Peggy Hunt

Peggy Hunt

Nathan S. Seim

Attorneys for Liquidating Trustee