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*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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**LIQUIDATING TRUSTEE'S REPORT OF SALE RELATING TO 126.9 ACRE-FEET OF  
WATER RIGHTS LOCATED IN TOOELE COUNTY, UTAH**

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Pursuant to Federal Rule of Bankruptcy Procedure 6004(f), D. Ray Strong (the  
“Liquidating Trustee”), as the Liquidating Trustee of the Consolidated Legacy Debtors  
Liquidating 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, hereby submits this Report of Sale relating to the sale of 126.9 acre-feet of water rights located in Tooele County, Utah (the “Tooele Water Rights”).

1. On February 25, 2015, the Liquidating Trustee entered into a *Water Rights Purchase Agreement* (the “Purchase Agreement”) with Telegraph Exchange, LLC (“Buyer”) for the sale of the Tooele Water Rights. A copy of the Purchase Agreement, which contains the legal description of the Tooele Water Rights, is attached as Exhibit A to Docket No. 1073.

2. On March 27, 2015, the Liquidating Trustee filed the *Trustee’s Motion Seeking Authorization and Approval of (1) Sale of 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* [Docket No. 1073] (the “Sale Motion”), seeking Court approval of the Purchase Agreement and authorization to sell the Tooele Water Rights to Buyer under the Purchase Agreement.

3. On April 20, 2015, the Court entered an *Order* granting the Sale Motion and approving the Purchase Agreement [Docket No. 1089] (the “Sale Order”).

4. Pursuant to the Sale Order and the terms of the Purchase Agreement, the Liquidating Trustee closed the sale of the Tooele Water Rights to Buyer on October 29, 2015 for the gross sales price of \$856,791.00. The Liquidating Trustee has received the proceeds of the sale, and a copy of the Settlement Statement is attached hereto as Exhibit A.

DATED this 30th day of October, 2015.

**DORSEY & WHITNEY LLP**

*/s/ Peggy Hunt*

Peggy Hunt

Nathan S. Seim

*Attorneys for Liquidating Trustee*

# EXHIBIT A

**Seller's Settlement Statement**

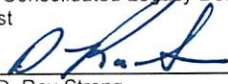
Cottonwood Title Insurance Agency, Inc.  
 1996 East 6400 South, Suite 120  
 Salt Lake City, UT 84121  
 Phone: (801)277-9999 Fax: (801)277-1411

Date: 10/14/15 Time: 9:08:17PM Escrow no.: 75769-DP  
 Close of escrow: 10/16/15 Escrow officer: Darla Milovich  
 Borrower: Penelope Rose, LLC  
 Seller: Castle Arch Real Estate Investment Company, LLC  
 Property location: 126.9 acre-feet of water rights

	Seller	
	Debit	Credit
<b>Financial Consideration</b>		
Contract sales price		856,791.00
<b>Commissions</b>		
Commission paid at settlement	51,407.46	
Listing agent commission to Dell Nichols Commercial Real Estate, LLC @ 6.00% = 51,407.46		856,791.00
<b>Escrow Charges</b>		
Settlement or closing fee to Cottonwood Title Insurance Agency, Inc.	150.00	
<b>Title Charges</b>		
Wire Fee (\$25 each) to Cottonwood Title Insurance Agency, Inc.	25.00	
Overnight Mail/Courier Fee (\$25 each) to Cottonwood Title Insurance Agency, Inc.	25.00	
Owner's title insurance to First American Title Insurance Agency	4,974.00	
<b>Subtotals</b>	56,581.46	856,791.00
<b>Balance Due TO Seller</b>	800,209.54	
<b>TOTALS</b>	856,791.00	856,791.00

Seller

Castle Arch Real Estate Investment Company,  
 LLC  
 By: Consolidated Legacy Debtors Liquidating  
 Trust

BY:   
 D. Ray Strong  
 Liquidating Trustee

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 Cottonwood Title Insurance Agency, Inc.  
 Settlement Agent

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

I hereby certify that on October 30, 2015, I electronically filed the foregoing **LIQUIDATING TRUSTEE'S REPORT OF SALE RELATING TO 126.9 ACRE-FEET OF WATER RIGHTS LOCATED IN TOOELE COUNTY, UTAH** 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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