

Dated: June 30, 2011



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12 IN THE UNITED STATES BANKRUPTCY COURT
13 FOR THE DISTRICT OF ARIZONA

14 In Re:
15 COR D'AMOR, LLC,
16 Debtor.

Proceedings Under Chapter 11
Case No. 2:10-bk-21160-SSC

**STIPULATED FINDINGS OF FACT
AND ORDER CONCERNING
SETTLEMENT OF CHAPTER 11
CASE**

Date:
Time:
Location: **230 N. First Avenue, # 701
Phoenix, AZ 85003**

Related DE: **37, 49**

23 This matter having come before the Court on Debtor's "Motion to Dismiss"
24 ("Dismissal Motion") of the above-captioned chapter 11 bankruptcy case (the "CDA
25 Bankruptcy"), and the response and objection of NFPS, Inc. ("NFPS"), the Court having
26 considered the "Stipulated Motion for Approval of Settlement Agreement" ("Stipulation")
27 filed by NFPS and Cor D'Amor, LLC ("Debtor" or "CDA") and the "Settlement and
28 Mutual Release Agreement" (the "Settlement Agreement") attached thereto, and having

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1 heard and considered the statements of the parties and counsels, and based upon the entire
2 record before the Court, the Court finds and orders as follows:

3 **THE COURT FINDS** that:

4 1. On December 7, 2009, Sedona Stars filed a Voluntary Petition for Chapter
5 11 Bankruptcy in the U.S. Bankruptcy Court for the District of Arizona as Case No. 2:09-
6 bk-31481-SSC (the "Sedona Stars Bankruptcy").

7 2. On July 7, 2010, CDA filed a Voluntary Petition for Chapter 11 Bankruptcy
8 in the U.S. Bankruptcy Court for the District of Arizona as Case No. 2:10-bk-21160-CGC.

9 3. On or about January 12, 2011, NFPS filed a "Verified Complaint For: (1)
10 Quiet Title; (2) Wrongful Lis Pendens; (3) Violation of 28 U.S.C. § 152; (4) Violation of
11 28 U.S.C. § 157; (5) For Injunction; and (6) Determination of the Validity, Priority, and
12 Extent of Liens" (the "Adversary Complaint") in the U.S. Bankruptcy Court for the
13 District of Arizona against Cor D' Amor, LLC ("CDA"), Sedona Stars, Clement
14 Anderson ("Anderson"), and Chris Preisel and Rosemary E. Preisel (collectively, the
15 "Preisels"), in Adv. No. 2:11-ap-00082 (the "Adversary Proceeding"). Sedona Stars,
16 CDA, Anderson, and the Preisels are sometimes collectively referred to as the "Debtor
17 Parties."

18 4. The Settlement Agreement is fair and equitable to the Debtor and represents
19 a reasonable exercise of the Debtor's business judgment.

20 5. Sedona Stars is the record owner of Tracts A & B¹, by virtue of the
21 Corporate Warranty Deed executed by the Cor D' Amor Homeowners Association (the
22 "Association") on or about June 26, 2009.

23 6. Sedona Stars is the current Declarant under the "Amended and Restated
24 Declaration of Covenants, Conditions, Restrictions and Easements for Cor D'Amor
25 Subdivision" dated April 9, 2007 and recorded in the Office of the County Recorder of
26 Yavapai County, Arizona, on April 16, 2007, at Instrument No. 4127696, Book 4498,
27

28 ¹ Unless otherwise defined herein or required by context, the capitalized terms used
herein shall have the same meaning ascribed to them in the Settlement Agreement.

1 page 327 (the “Cor D’Amor CC&Rs”).

2 7. Chris Preisel has represented and warranted that he is the sole managing
3 member of CDA and that CDA is the sole member of Sedona Stars and, further, that he is
4 authorized to execute the Settlement Agreement and take such actions are set forth therein
5 and required thereunder.

6 8. The proposed Settlement Agreement have been duly and properly served on
7 and noticed to all persons and entities entitled to notice.

8 9. Debtor Sedona Stars has separately filed the Dismissal Motion concerning
9 the Sedona Stars Bankruptcy. Upon the Court’s entry of this Order, any objections to the
10 Dismissal Motion, including the objection filed by NFPS, will be deemed withdrawn.
11 Once the Debtor Parties have complied with all of the terms and conditions of the
12 Settlement Agreement and this Order, including without limitation, the execution of the
13 Special Warranty Deed, Assignment and Consent (all of which are defined below), and
14 First American Title Insurance Company has closed escrow number NCS-455858-PHX1
15 (the “Escrow”), the Debtor will lodge a separate order granting the Dismissal Motion and
16 dismissing the Sedona Stars Bankruptcy.

17 10. Pursuant to the Settlement Agreement, and as a condition to the dismissal of
18 the CDA Bankruptcy, the Bank, Sedona Stars, CDA, Anderson and the Preisels have
19 agreed to, among other things, the following:

20 (a) Transfer of Tracts A & B. Upon final Court approval of the
21 Settlement Agreement, Sedona Stars shall execute and deliver to the Bank
22 that certain “Special Warranty Deed” in the form attached to the Settlement
23 Agreement as Exhibit “A” (the “Special Warranty Deed”). The Special
24 Warranty Deed shall transfer Tracts A & B to the Association. Bank, or its
25 agent, transferee or assign, may take any and all steps necessary to
26 effectuate and record the transfer of Tracts A & B, and the Debtor Parties
27 agree to cooperate in the transfer of Tracts A & B and to sign any additional
28 documents necessary to effectuate the transfer, including any other

1 documentation prepared by First American Title Company in and for the
2 Escrow.

3 (b) Assignment of Declarant Rights. Upon final Court approval of the
4 Settlement Agreement, Sedona Stars shall execute and deliver to the Bank
5 that certain "Assignment of Declarant Rights Under Amended and Restated
6 Declaration of Covenants, Conditions, Restrictions and Easements for Cor
7 D'Amor Subdivision" in the form attached to the Settlement Agreement as
8 Exhibit "B" (the "Assignment") to unconditionally assign all of the
9 declarant rights under the CC&R's to NFPS. Bank may take any and all
10 steps necessary to effectuate the assignment of the declarant rights, and the
11 Debtor Parties agree to cooperate in the assignment of the declarant rights
12 and to sign any additional documents necessary to effectuate the transfer.

13 (c) A.R.S. § 10-3704 Consent of Debtor Parties. Upon final Court
14 approval of the Settlement Agreement, Debtor Parties shall cause Cor
15 D'Amor II, LLC to execute and deliver to the Bank that certain "Unanimous
16 Written Consent of the Members of Cor D'Amor Homeowners Association,
17 Inc." in the form attached to the Settlement Agreement as Exhibit "C" (the
18 "Consent") to consent to the removal of existing directors and officers of the
19 Association and election of Chad Kolodisner, David Goldstein, and Ken
20 Abrahams as members of the board of directors of the Association. Bank
21 may take any and all steps necessary to effectuate the removal and election
22 of board members, and the Debtor Parties agree to cooperate in the process
23 and to sign any additional documents necessary to effectuate the transition.

24 Based on the forgoing Findings of Fact, and the entire record in this matter, **IT IS**
25 **HEREBY ORDERED, ADJUDGED AND DECREED** that:

- 26 A. The Settlement Agreement is approved and ratified in its entirety;
- 27 B. Entry of this Order makes valid and enforceable each provision of the
28 Settlement agreement in accordance with its terms;

1 C. The Debtor Parties are authorized and directed to do any acts and to execute
2 any documents necessary and appropriate to implement and carry out the terms and intent
3 of the Settlement Agreement;

4 D. The Court shall retain jurisdiction to the extent necessary to enforce and
5 implement the terms of the Settlement Agreement;

6 E. First American Title Insurance Company is authorized to close the Escrow.

7 F. The Stipulation is GRANTED and approved in its entirety;

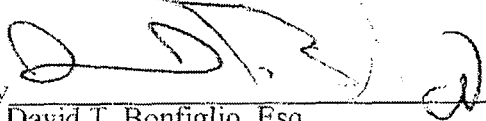
8 G. Upon the Court's entry of this Order, any objections to the Dismissal
9 Motion, including the objection filed by NFPS, is hereby deemed withdrawn. Upon the
10 Debtor Parties' compliance with all of the terms and conditions of the Settlement
11 Agreement and this Order, including without limitation, the execution of the Special
12 Warranty Deed, Assignment and Consent, and First American Title Insurance Company
13 has closed the Escrow, the Debtor will lodge a separate order granting the Dismissal
14 Motion and dismissing the CDA Bankruptcy; and

15 H. Upon the Debtor Parties performance of all requirements set forth in the
16 Settlement Agreement and this Order to Bank's satisfaction, and following the close of
17 Escrow, the Bank shall lodge with the Court a separate order to dismiss the Adversary
18 Proceeding, with prejudice, as to the Debtor Parties.

19 DATED AND SIGNED ABOVE BY THE COURT.


20 STIPULATED AS TO FORM AND CONTENT BY:

21 DAVID T. BONFIGLIO P.C.

22
23 By 
24 David T. Bonfiglio, Esq.
25 4422 N. Civic Center Plaza, Suite 101
26 Scottsdale, AZ 85251
27 Attorneys for Cor D'Amor, LLC
28 Attorneys for Cor D'Amor, LLC

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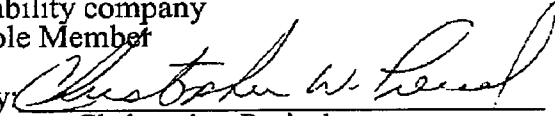
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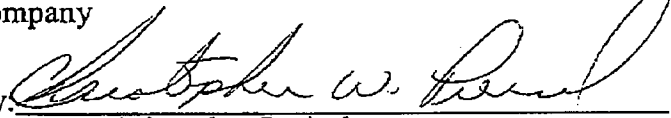
"DEBTOR PARTIES"

SEDONA STARS, LLC, an Arizona limited liability company

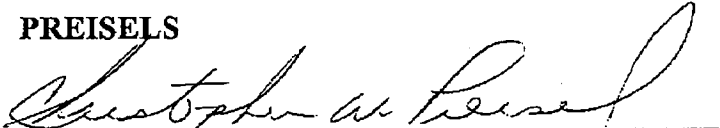
By: Cor D' Amor, LLC, a Delaware limited liability company
Its: Sole Member

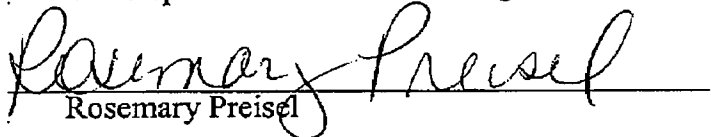
By 
Name: Christopher Preisel
Title: Sole Managing Member

COR D'AMOR, LLC, a Delaware limited liability company


By 
Name: Christopher Preisel
Title: Sole Managing Member

PREISELS


Christopher Preisel


Rosemary Preisel

ANDERSON


Clement Anderson

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Attorneys for NFPS, Inc.

“DEBTOR PARTIES”

SEDONA STARS, LLC, an Arizona limited liability company

By: Cor D’Amor, LLC, a Delaware limited liability company
Its: Sole Member

By: _____
Name: Christopher Preisel
Title: Sole Managing Member

COR D’AMOR, LLC, a Delaware limited liability company

By: _____
Name: Christopher Preisel
Title: Sole Managing Member

PREISELS

Christopher Preisel

Rosemary Preisel

ANDERSON



Clement Anderson