

Dated: June 30, 2011



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*Sarah S. Curley*

Sarah S. Curley, Bankruptcy Judge

7 IN THE UNITED STATES BANKRUPTCY COURT  
8 FOR THE DISTRICT OF ARIZONA

9 In Re:  
10 SEDONA STARS, LLC,  
11 Debtor.

Proceedings Under Chapter 11

Case No. 2:09-bk-31481-SSC

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

Related to DE: 99, 109, 117

12 This matter having come before the Court on Debtor's "Motion to Dismiss"  
13 ("Dismissal Motion") of the above-captioned chapter 11 bankruptcy case (the "Sedona  
14 Stars Bankruptcy"), and the response and objection of NFPS, Inc. ("NFPS"), the Court  
15 having considered the "Stipulation for Approval of Settlement Agreement" ("Stipulation")  
16 filed by NFPS and Sedona Stars, LLC ("Debtor" or "Sedona Stars") and the "Settlement  
17 and Mutual Release Agreement" (the "Settlement Agreement") attached thereto, and  
18 having heard and considered the statements of the parties and counsels, and based upon  
19 the entire record before the Court, the Court finds and orders as follows:

20 **THE COURT FINDS that:**

21 1. On December 7, 2009, Sedona Stars filed a Voluntary Petition for Chapter  
22 11 Bankruptcy in the U.S. Bankruptcy Court for the District of Arizona as Case No. 2:09-  
23 bk-31481-SSC (the "Sedona Stars Bankruptcy").

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

3           3.       Sedona Stars is the record owner of Tracts A & B<sup>1</sup>, by virtue of the  
4 Corporate Warranty Deed executed by the Cor D' Amor Homeowners Association (the  
5 "Association") on or about June 26, 2009.

6           4.       Sedona Stars is the current Declarant under the "Amended and Restated  
7 Declaration of Covenants, Conditions, Restrictions and Easements for Cor D' Amor  
8 Subdivision" dated April 9, 2007 and recorded in the Office of the County Recorder of  
9 Yavapai County, Arizona, on April 16, 2007, at Instrument No. 4127696, Book 4498,  
10 page 327 (the "Cor D' Amor CC&Rs").

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

20          6.       Chris Preisel has represented and warranted that he is the sole managing  
21 member of CDA and that CDA is the sole member of Sedona Stars and, further, that he is  
22 authorized to execute the Settlement Agreement and take such actions are set forth therein  
23 and required thereunder.

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

26          8.       Debtor Sedona Stars has separately filed the Dismissal Motion concerning  
27

28 <sup>1</sup> 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 the Sedona Stars Bankruptcy. Upon the Court's entry of this Order, any objections to the  
2 Dismissal Motion, including the objection filed by NFPS, will be deemed withdrawn.  
3 Once the Debtor Parties have complied with all of the terms and conditions of the  
4 Settlement Agreement and this Order, including without limitation, the execution of the  
5 Special Warranty Deed, Assignment and Consent (all of which are defined below), and  
6 First American Title Insurance Company has closed escrow number NCS-455858-PHX1  
7 (the "Escrow"), the Debtor will lodge a separate order granting the Dismissal Motion and  
8 dismissing the Sedona Stars Bankruptcy.

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

12 (a) Transfer of Tracts A & B. Upon final Court approval of the  
13 Settlement Agreement, Sedona Stars shall execute and deliver to the Bank  
14 that certain "Special Warranty Deed" in the form attached to the Settlement  
15 Agreement as Exhibit "A" (the "Special Warranty Deed"). The Special  
16 Warranty Deed shall transfer Tracts A & B to the Association. Bank, or its  
17 agent, transferee or assign, may take any and all steps necessary to  
18 effectuate and record the transfer of Tracts A & B, and the Debtor Parties  
19 agree to cooperate in the transfer of Tracts A & B and to sign any additional  
20 documents necessary to effectuate the transfer, including any other  
21 documentation prepared by First American Title Company in and for the  
22 Escrow.

23 (b) Assignment of Declarant Rights. Upon final Court approval of the  
24 Settlement Agreement, Sedona Stars shall execute and deliver to the Bank  
25 that certain "Assignment of Declarant Rights Under Amended and Restated  
26 Declaration of Covenants, Conditions, Restrictions and Easements for Cor  
27 D'Amor Subdivision" in the form attached to the Settlement Agreement as  
28 Exhibit "B" (the "Assignment") to unconditionally assign all of the

1 declarant rights under the CC&R's to NFPS. Bank may take any and all  
2 steps necessary to effectuate the assignment of the declarant rights, and the  
3 Debtor Parties agree to cooperate in the assignment of the declarant rights  
4 and to sign any additional documents necessary to effectuate the transfer.

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

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

18 A. The Settlement Agreement is approved and ratified in its entirety;

19 B. Entry of this Order makes valid and enforceable each provision of the  
20 Settlement agreement in accordance with its terms;

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

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

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

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

28 G. Upon the Court's entry of this Order, any objections to the Dismissal


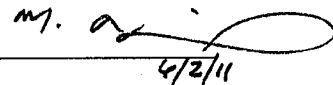
1 Motion, including the objection filed by NFPS, is hereby deemed withdrawn. Upon the  
2 Debtor Parties' compliance with all of the terms and conditions of the Settlement  
3 Agreement and this Order, including without limitation, the execution of the Special  
4 Warranty Deed, Assignment and Consent, and First American Title Insurance Company  
5 has closed the Escrow, the Debtor will lodge a separate order granting the Dismissal  
6 Motion and dismissing the Sedona Stars Bankruptcy; and

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

11 DATED AND SIGNED ABOVE BY THE COURT.

12 STIPULATED AS TO FORM AND CONTENT BY:

13 CAMPBELL & COOMBS, P.C.

14  
15 By  M.  4/2/11  
16 Ryan M. Hicks  
17 Campbell & Coombs, P.C.  
18 1811 S. Alma School, Ste. 225  
19 Mesa, AZ 85225  
20 Attorneys for Sedona Stars, LLC

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22 Christopher H. Bayley  
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27 Attorneys for NFPS, Inc.  
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13 CAMPBELL & COOMBS, P.C.

14  
15 By \_\_\_\_\_  
16 Harold Campbell  
17 Campbell & Coombs, P.C.  
18 1811 S. Alma School, Ste. 225  
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27 400 E. Van Buren  
28 Phoenix, AZ 85004-2202  
Attorneys for NFPS, Inc.



1 **"DEBTOR PARTIES"**

2 **SEDONA STARS, LLC**, an Arizona limited liability  
3 company

4 By: Cor D'Amor, LLC, a Delaware limited  
5 liability company

6 Its: Sole Member

7 By: \_\_\_\_\_  
8 Name: Christopher Preisel  
9 Title: Sole Managing Member

10 **COR D'AMOR, LLC**, a Delaware limited liability  
11 company

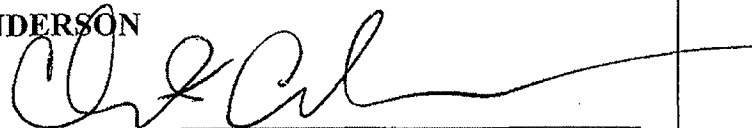
12 By: \_\_\_\_\_  
13 Name: Christopher Preisel  
14 Title: Sole Managing Member

15 **PREISELS**

16 \_\_\_\_\_  
17 Christopher Preisel

18 \_\_\_\_\_  
19 Rosemary Preisel

20 **ANDERSON**

21 \_\_\_\_\_  
22   
23 Clement Anderson

24 **Snell & Wilmer**

25 LLP  
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