

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ALASKA**

In re:

SALMON FALLS RESORT, LLC,

Debtor.

Case No. K09-00301-DMD

Chapter 11

**Filed On
11/10/09**

MEMORANDUM RE RECONSIDERATION

The sales documents executed by the parties in this case were inartfully drafted. The original buy-sell agreement included a provision granting a security interest in certain personal property listed on “Exhibit A.”¹ Exhibit A to this agreement consists of four pages, although a footer at the bottom of this exhibit indicates that it may have, at one point, consisted of seven pages. Three pages were missing. This error was not corrected in the parties’ subsequent amendment to the buy-sell agreement.² The amendment contained two lists of personal property, but neither list matches Exhibit A. Nor did the amendment specify that Salmon Falls, Inc., would retain a security interest in the items listed on those two lists. An enforceable security interest arises only with respect to property described as collateral in a security agreement.³ The only personal property satisfying this requirement is the property listed on Exhibit A to the original buy-sell agreement.

The order and judgment which were entered on October 22, 2009, granted relief from stay as to some personal property not listed on Exhibit A and, thus, not covered

¹ Debtor’s Ex. 2.

² Debtor’s Ex. 3.

³ AS 45.29.203(b)(3)(A).

by the security agreement. Salmon Falls, Inc., does not have a colorable security interest in this personal property. Therefore, I will grant the debtor's motion for reconsideration and enter an amended order and judgment which limits relief from stay, insofar as personal property is concerned, just to the items listed on the four-page Exhibit A which was attached to the original buy-sell agreement.

DATED: November 10, 2009.

BY THE COURT

/s/ Donald MacDonald IV
DONALD MacDONALD IV
United States Bankruptcy Judge

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11/10/09