

"CAOP II"

DEBTOR: Castle Arch Opportunity Partners II, LLC

MONTHLY OPERATING REPORT
CHAPTER 11

CASE NUMBER: 11-35241

Form 2-A
COVER SHEET

For Period Ending _____ 07/31/12

Accounting Method: Accrual Basis Cash Basis

THIS REPORT IS DUE 14 DAYS AFTER THE END OF THE MONTH

Mark One Box for Each
Required Document:

Debtor must attach each of the following reports/documents unless the U. S. Trustee
has waived the requirement in writing. File the original with the Clerk of Court.
Submit a duplicate, with original signature, to the U. S. Trustee.

Report/Document Attached	Previously Waived	REQUIRED REPORTS/DOCUMENTS
<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. Cash Receipts and Disbursements Statement (Form 2-B)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. Balance Sheet (Form 2-C)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. Profit and Loss Statement (Form 2-D)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. Supporting Schedules (Form 2-E)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. Quarterly Fee Summary (Form 2-F)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. Narrative (Form 2-G)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. Bank Statements for All Bank Accounts IMPORTANT: Redact account numbers and remove check images
<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. Bank Statement Reconciliations for all Bank Accounts

**I declare under penalty of perjury that the following Monthly Operating Report, and any
attachments thereto are true, accurate and correct to the best of my knowledge and belief.**

Executed on: 8/30/12

Print Name:

D. Ray Strong

Signature:



Title:

Manager

DEBTOR: Castle Arch Opportunity Partners II, LLC

CASE NO: 11-35241

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT

For Period: 7/1/12 to 7/31/12

CASH RECEIPTS DETAIL
(attach additional sheets as necessary)

Account No: Preferred Bank-***4704

Date	Payer	Description	Amount
07/09/12	Conix	Principal and Interest on Steel Capital	7,231.95
07/31/12	Conix	Principal and Interest on Oak Capital	19,835.47
07/31/12	Conix	Principal and Interest on Oak Capital	12,191.63
07/31/12	Conix	Principal and Interest on Steel Capital	4,680.52

Total Cash Receipts \$ 43,939.57 (1)

(1) Total for all accounts should agree with total cash receipts listed on Form 2-B, page 1

DEBTOR: Castle Arch Opportunity Partners II, LLC

CASE NO: 11-35241

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT

For Period: 7/1/12 to 7/31/12

CASH DISBURSEMENTS DETAIL
(attach additional sheets as necessary)

Account No: **Preferred Bank-***4704**

Date	Check No.	Payee	Description (Purpose)	Amount
07/02/12	EFT	CAREIC	July Management Fee	\$ 13,000.00
07/09/12	EFT	CAOPM	Intercompany Loan - US Trustee Fee	325.68
07/09/12	EFT	CASDF	Intercompany Loan - US Trustee Fee	325.68
07/09/12	EFT	CAK	Intercompany Loan - US Trustee Fee	325.68
07/27/12	3001	U.S. Trustee	2012 Q2 US Trustee Fee	975.00
07/27/12	EFT	CAK	Intercompany Loan - Insurance	49.08
07/31/12	EFT	CAK	Intercompany Loan - Insurance	49.08
07/31/12	EFT	CAOPM	Intercompany Loan - US Trustee Fee	162.77
07/31/12	EFT	CASDF	Intercompany Loan - US Trustee Fee	162.77
07/31/12	EFT	CAK	Intercompany Loan - US Trustee Fee	162.77

Total Cash Disbursements \$ 15,538.51 (1)

(1) Total for all accounts should agree with total cash disbursements listed on Form 2-B, page 1

DEBTOR: Castle Arch Opportunity Partners II, LLCCASE NO: 11-35241

Form 2-C
COMPARATIVE BALANCE SHEET

For Period Ended: 07/31/12

ASSETS	Current Month (1)	Petition Date (2)
Current Assets:		
Cash (from Form 2-B, line 5)	\$ 1,210,762.58	\$ 1,334,322.19
Accounts Receivable (from Form 2-E)	-	-
Receivable from Officers, Employees, Affiliates	1,566.03	-
Inventory	2,692,584.32	2,339,748.24
Other Current Assets :(List) <u>Properties for Sale</u>	30,000.00	9,040.00
<u>Pre-paid Legal & Deposits</u>	42,000.00	42,000.00
<u>Note Receivable</u>	-	-
Total Current Assets	\$ 3,976,912.93	\$ 3,725,110.43
Fixed Assets:		
Land	\$ -	\$ -
Building	-	-
Equipment, Furniture and Fixtures	-	-
Total Fixed Assets	-	-
Less: Accumulated Depreciation	(-)	(-)
Net Fixed Assets	\$ -	\$ -
Other Assets (List): _____	-	-
_____	-	-
TOTAL ASSETS	\$ 3,976,912.93	\$ 3,725,110.43
LIABILITIES		
Post-petition Accounts Payable (from Form 2-E)	\$ 75,345.96	\$ -
Post-petition Accrued Professional Fees (from Form 2-E)	41,000.00	-
Post-petition Taxes Payable (from Form 2-E)	-	-
Post-petition Notes Payable	-	-
Other Post-petition Payable(List): _____	-	-
<u>Preferred Dividend Payable</u>	653,036.33	-
_____	-	-
Total Post Petition Liabilities	\$ 769,382.29	\$ -
Pre Petition Liabilities:		
Secured Debt	-	-
Priority Debt	-	-
Unsecured Debt	637,964.06	637,964.06
Total Pre Petition Liabilities	\$ 637,964.06	\$ 637,964.06
TOTAL LIABILITIES	\$ 1,407,346.35	\$ 637,964.06
OWNERS' EQUITY		
Owner's/Stockholder's Equity	\$ 2,748,937.44	\$ 3,401,973.77
Retained Earnings - Prepetition	(314,827.40)	(314,827.40)
Retained Earnings - Post-petition	135,456.54	-
TOTAL OWNERS' EQUITY	\$ 2,569,566.58	\$ 3,087,146.37
TOTAL LIABILITIES AND OWNERS' EQUITY	\$ 3,976,912.93	\$ 3,725,110.43

(1) The Manager has not conducted a detailed analysis of the historical accounting balances contained herein to determine the accuracy of the information presented.

(2) Petition date values are taken from the Debtor's balance sheet as of the petition date or are the values listed on the Debtor's schedules.

DEBTOR: Castle Arch Opportunity Partners II, LLC

CASE NO: 11-35241

**Form 2-D
PROFIT AND LOSS STATEMENT**

For Period 07/01/12 to 07/31/12

	Current Month (1)	Accumulated Total (2)
Gross Operating Revenue	\$ 6,725.31	\$ 1,269,814.59
Less: Discounts, Returns and Allowances	(-)	(-)
Net Operating Revenue	\$ 6,725.31	\$ 1,269,814.59
Cost of Goods Sold	-	948,757.35
Gross Profit	\$ 6,725.31	\$ 321,057.24
Operating Expenses		
Officer Compensation	\$ -	\$ -
Selling, General and Administrative	13,000.00	116,488.51
Rents and Leases	-	-
Depreciation, Depletion and Amortization	-	-
Other (list): _____	-	19,499.94
	-	-
Total Operating Expenses	\$ 13,000.00	\$ 135,988.45
Operating Income (Loss)	\$ (6,274.69)	\$ 185,068.79
Non-Operating Income and Expenses		
Other Non-Operating Expenses	\$ -	\$ -
Gains (Losses) on Sale of Assets	-	-
Interest Income	2.52	73.25
Interest Expense	-	-
Other Non-Operating Income	-	-
Net Non-Operating Income or (Expenses)	\$ 2.52	\$ 73.25
Reorganization Expenses		
Legal and Professional Fees	\$ 6,000.00	\$ 42,210.50
Other Reorganization Expense	975.00	7,475.00
Total Reorganization Expenses	\$ 6,975.00	\$ 49,685.50
Net Income (Loss) Before Income Taxes	\$ (13,247.17)	\$ 135,456.54
Federal and State Income Tax Expense (Benefit)	-	-
NET INCOME (LOSS)	\$ (13,247.17)	\$ 135,456.54

(1) The Manager has not conducted a detailed analysis of the historical accounting balances contained herein to determine the accuracy of the information presented.

(2) Accumulated Totals include all revenue and expenses since the petition date.

DEBTOR: Castle Arch Opportunity Partners II, LLC

CASE NO: 11-35241

Form 2-E
SUPPORTING SCHEDULES
 For Period: 07/01/12 to 07/31/12

POST PETITION TAXES PAYABLE SCHEDULE

	<u>Beginning Balance (1)</u>	<u>Amount Accrued</u>	<u>Amount Paid</u>	<u>Date Paid</u>	<u>Check Number</u>	<u>Ending Balance</u>
Income Tax Withheld:						
Federal	\$ -	\$ -	\$ -			\$ -
State	-	-	-			-
FICA Tax Withheld	-	-	-			-
Employer's FICA Tax	-	-	-			-
Unemployment Tax						
Federal	-	-	-			-
State	-	-	-			-
Sales, Use & Excise Taxes	-	-	-			-
Property Taxes	-	-	-			-
Accrued Income Tax:						
Federal	-	-	-			-
State	-	-	-			-
Other:	-	-	-			-
TOTALS	\$ -	\$ -	\$ -			\$ -

(1) For first report, Beginning Balance will be \$0; thereafter, Beginning Balance will be Ending Balance from prior report.

INSURANCE SCHEDULE

	<u>Carrier</u>	<u>Amount of Coverage</u>	<u>Expiration Date</u>	<u>Premium Paid Through</u>
Workers' Compensation	None	\$ -	\$	
General Liability	Travelers (1)	\$ 2,000,000	10/18/12	\$ 10/18/12
Property (Fire, Theft)	Travelers (1)	\$ 25,000	10/27/12	\$ 10/27/12
Vehicle	None	\$ -	\$	
Other (list): D&O	Rockhill	\$ 5,000,000	See Note 2	
		\$		

(1) The Manager was informed in late May that the vacant land policy for the Tooele, Kingman, Star Valley, and Smyrna properties was terminate. The Manager worked with Travelers to get the policy reinstated in June 2012.

(2) The D&O policy is a claims made policy and was paid by CAREIC through October 2011. At the time, the Manager understands the premiums are being paid by the former officers and directors. The Manager is currently in discussions with carrier regarding coverage issues.

DEBTOR: Castle Arch Opportunity Partners II, LLC

CASE NO: 11-35241

**Form 2-E
SUPPORTING SCHEDULES**

For Period 07/01/12 to 07/31/12

ACCOUNTS RECEIVABLE AND POST PETITION PAYABLE AGING

<u>Due</u>	<u>Accounts Receivable</u>	<u>Post Petition Accounts Payable</u>
Under 30 days	\$ 0.00	\$ 0.00
30 to 60 days	0.00	0.00
61 to 90 days	0.00	0.00
91 to 120 days	0.00	-7,500.00
Over 120 days	0.00	82,845.96
Total Post Petition	<u>0.00</u>	
Pre Petition Amounts	<u>0.00</u>	
Total Accounts Receivable	\$ 0.00	
Less: Bad Debt Reserve	0.00	
Net Accounts Receivable (to Form 2-C)	<u>0.00</u>	
	Total Post Petition Accounts Payable	\$ <u>75,345.96</u>

* Attach a detail listing of accounts receivable and post-petition accounts payable

SCHEDULE OF PAYMENTS TO ATTORNEYS AND OTHER PROFESSIONALS

	<u>Month-end Retainer Balance</u>	<u>Current Month's Accrual</u>	<u>Paid in Current Month</u>	<u>Date of Court Approval</u>	<u>Month-end Balance Due *</u>
Debtor's Counsel (1)	\$ 30,000	\$ 6,000	\$ -		\$ 41,000
Counsel for Unsecured Creditors' Committee	-	-	-		-
Trustee's Counsel	-	-	-		-
Accountant	-	-	-		-
Other:	-	-	-		-
Total	<u>\$ 30,000</u>	<u>\$ 6,000</u>	<u>\$ -</u>		<u>\$ 41,000</u>

*Balance due to include fees and expenses incurred but not yet paid.

SCHEDULE OF PAYMENTS AND TRANSFERS TO PRINCIPALS/EXECUTIVES**

<u>Payee Name</u>	<u>Position</u>	<u>Nature of Payment</u>	<u>Amount</u>
_____	_____	_____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____

**List payments and transfers of any kind and in any form made to or for the benefit of any proprietor, owner, partner, shareholder, officer or director.

(1) Amount includes previous months fees that were not included in previous estimates.

DEBTOR: Castle Arch Opportunity Partners II, LLC

CASE NO: 11-35241

**Form 2-F
QUARTERLY FEE SUMMARY ***

For the Month Ended: 07/31/12

<u>Month</u>	<u>Year</u>		<u>Cash Disbursements **</u>	<u>Quarterly Fee Due</u>	<u>Check No.</u>	<u>Date Paid</u>
January	<u>2012</u>	\$	338,769.69			
February	<u>2012</u>		654,941.00			
March	<u>2012</u>		981,235.59			
TOTAL 1st Quarter		\$	<u>1,974,946.28</u>	\$ 6,500.00	3000	06/07/12
April	<u>2012</u>	\$	62,512.00			
May	<u>2012</u>		20,930.50			
June	<u>2012</u>		12,900.00			
TOTAL 2nd Quarter		\$	<u>96,342.50</u>	\$ 975.00	3001	07/27/12
July	<u>2012</u>	\$	15,538.51			
August	<u> </u>		-			
September	<u> </u>		-			
TOTAL 3rd Quarter		\$	<u>15,538.51</u>	\$		
October	<u>2011</u>	\$	-			
November	<u>2011</u>		-			
December	<u>2011</u>		-			
TOTAL 4th Quarter		\$	<u>-</u>	\$ 325.00	1002	02/08/12

FEE SCHEDULE (as of JANUARY 1, 2008)

Subject to changes that may occur to 28 U.S.C. §1930(a)(6)

<u>Quarterly Disbursements</u>	<u>Fee</u>	<u>Quarterly Disbursements</u>	<u>Fee</u>
\$0 to \$14,999.....	\$325	\$1,000,000 to \$1,999,999.....	\$6,500
\$15,000 to \$74,999.....	\$650	\$2,000,000 to \$2,999,999.....	\$9,750
\$75,000 to \$149,999.....	\$975	\$3,000,000 to \$4,999,999.....	\$10,400
\$150,000 to \$224,999.....	\$1,625	\$5,000,000 to \$14,999,999.....	\$13,000
\$225,000 to \$299,999.....	\$1,950	\$15,000,000 to \$29,999,999....	\$20,000
\$300,000 to \$999,999.....	\$4,875	\$30,000,000 or more	\$30,000

* This summary is to reflect the current calendar year's information cumulative to the end of the reporting period

** Should agree with line 3, Form 2-B. Disbursements are net of transfers to other debtor in possession bank accounts

Failure to pay the quarterly fee is cause for conversion or dismissal of the chapter 11 case. [11 U.S.C. Sec. 1112(b)(10)]

In addition, unpaid fees are considered a debt owed to the United States and will be assessed interest under 31 U.S.C. §3717

DEBTOR: Castle Arch Opportunity Partners II, LLC

CASE NO: 11-35241

Form 2-G
NARRATIVE
For Period Ending: 07/31/12

Please provide a brief description of any significant business and legal actions taken by the debtor, its creditors, or the court during the reporting period, any unusual or non-recurring accounting transactions that are reported in the financial statements, and any significant changes in the financial condition of the debtor which have occurred subsequent to the report date.

On May 3, 2012, D. Ray Strong was appointed as Chapter 11 Trustee of Castle Arch Real Estate Investment Company, LLC ("Trustee"). Pursuant the Trustee's appointment and the existing ownership structure of the other related debtors, the Trustee also functions as the Manager of CAOP Managers, LLC ("CAOP Managers"), Castle Arch Opportunity Partners I, LLC ("CAOPI"), Castle Arch Opportunity Partners II, LLC ("CAOPII"), Castle Arch Secured Development Fund, LLC ("CASDF"), Castle Arch Kingman, LLC ("CAK"), and Castle Arch Smyrna, LLC ("CAS") (collectively the "Debtors").

Shortly after his appointment, the Trustee engaged Dorsey & Whitney, LLP as his counsel and Berkeley Research Group, LLC as his accountants. Their employment was approved by the Bankruptcy Court on June 13, 2012. The existing counsel for CAOPII remains engaged until a plan is confirmed to address issues pertaining to this debtor.

Upon the Trustee's appointment, the Trustee terminated all existing management except Glen Martinsen who was retained to assist with the day-to-day operations and accounting. The Trustee is utilizing a payroll services, Paychex, for the calculation and reporting of payroll. The payroll related expenses are netted and paid to Paychex in a lump-sum for the payroll period. Mr. Martinsen provides services for the Manager relating to CAOPII.

On June 5, 2012, the Trustee filed a motion seeking approval of a proposed cash management plan. The cash management plan included, among other things, the assessment of monthly CAREIC management fees for the various Debtors, establishment of a quarterly procedure by the Court to reassess the monthly management fees, and authorization of minimal loans from CAOPI and CAOPII to certain Debtors to pay ongoing expenses. The management fees from July 2012 through September 2012 are: (a) \$2,000 for CAOP Managers; (b) \$13,000 for CAOPI; (c) \$13,000 for CAOPII; (d) \$7,000 for CAK; (e) \$7,000 for CAS; and (f) \$4,000 for CASDF. The amounts requested for the certain Debtors to borrow on an as needed bases are up to: (a) \$5,000 for CAOP Managers; (b) \$20,000 for CAK; (c) \$15,000 for CASDF. The cash management plan motion was granted by the Bankruptcy Court on June 29, 2012.

On June 18, 2012, the Trustee/Manager engaged and subsequently submitted a motion to the Bankruptcy Court to employ Commerce Real Estate Solutions ("Commerce") as its real estate broker to sell certain real property and water rights owned by CAREIC and/or its related entities. The identified real property to be sold included approximately: (a) 348 acres in Tooele, Utah; (b) 534 acres in Kingman, Arizona; (c) 484 acres in Smyrna, Tennessee; and 39 acres in Thayne, Wyoming. Commerce is currently reviewing the various parcels, existing entitlements, and related documentation. The real property transactions are complex and convoluted which is taking time to fully understand the properties in order to list the properties. Commerce has listed the Tooele property which can be found at the LoopNet website (<http://www.loopnet.com/lid/17795803>). Commerce is visiting with city officials in Kingman the first week of September 2012 to gather additional information about entitlements, water rights, and mineral rights. They anticipate listing the Kingman property shortly. The Smyrna and Star Valley properties are still under review and investigation.

Form 2-G – Page 2
NARRATIVE
For Period Ending: 07/31/12

Please provide a brief description of any significant business and legal actions taken by the debtor, its creditors, or the court during the reporting period, any unusual or non-recurring accounting transactions that are reported in the financial statements, and any significant changes in the financial condition of the debtor which have occurred subsequent to the report date.

The Trustee/Manager and his professionals have spent a significant amount of time reviewing and analyzing the multi-million dollar claims filed by Longview Financial Holdings, Inc. and Longview Financial Group, Inc. (collectively "Longview") against CAREIC and the related Debtors in an effort to potentially resolve the claims. The Trustee/Manager and his professionals continue to analyze the claims and related issues. On July 3, 2012, Longview filed an amended motion seeking relief from the automatic stay, which the Trustee/Manager opposed on July 23, 2012. Longview replied to the Trustee's objection on August 2, 2012. A preliminary hearing was scheduled and held on August 8, 2012 which scheduled an evidentiary hearing for August 27, 2012. The August 27, 2012 hearing was held and continued until September 13, 2012 while Longview and the Trustee attempt to settlement the matter.

The Trustee/Manager and his professionals have developed and analyzed a plan concept that was shared with the Bankruptcy Court at the June 29, 2012 hearing regarding the cash management plan. The Trustee/Manager is working to file a disclosure statement an plan with the Bankruptcy Court by September 30, 2012, if not sooner.

The Manager has relied on the currently available records and records prepared by the Debtors to obtain historical activity included on the balance sheet referenced in Form 2C and the profit and loss statement in Form 2D. Work is ongoing to ascertain and determine appropriate balances. Balances may be over or understated and are subject to material modification. The financial statements may change as information becomes available to the Manager. The Manager may dispute the nature and amount of the assets and liabilities presented in these financial statements. As new information becomes available, these balances may be adjusted and updated to reflect the correct amounts. The fact that liabilities and assets may have been omitted, listed and/or adjusted, does not necessarily reflect the final opinion as to the eventual treatment under a plan of reorganization or otherwise.

Historically, activity between the Debtors was recorded through various intercompany accounts which have been very convoluted and commingled.

In an effort to provide interested parties with as much information as possible, the Trustee/Manager has created a website located at www.castlearchtrustee.com. Interested parties should reference the website for more detailed information.

11:40 AM

08/17/12

Castle Arch Opportunity Partners II LLC
A/P Aging Summary
As of July 31, 2012

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>91 - 120</u>	<u>> 120</u>	<u>TOTAL</u>
CAREIC	0.00	0.00	0.00	0.00	-7,500.00	82,704.29	75,204.29
Colonial Stock Transfer	0.00	0.00	0.00	0.00	0.00	141.67	141.67
Durham Jones & Pinegar	6,000.00	3,000.00	0.00	-3,000.00	35,000.00	0.00	41,000.00
TOTAL	6,000.00	3,000.00	0.00	-3,000.00	27,500.00	82,845.96	116,345.96

11:45 AM
 08/17/12
 Accrual Basis

Castle Arch Opportunity Partners II LLC
Balance Sheet
 As of July 31, 2012

	Jul 31, 12
ASSETS	
Current Assets	
Checking/Savings	
10001 · TD Ameritrade - CAOPII	0.04
10005 · Pref Bank [REDACTED]	1,210,762.54
Total Checking/Savings	1,210,762.58
Other Current Assets	
Loan Receivable	42,000.00
16000 · Prepaid Expense	30,000.00
17300 · Properties Held for Sale	
17103 · Western Showcase	554,624.38
17895 · CREO114, LLC	
N/R-Conix-1st Carolina	106,604.91
N/R-Conix-Oak Capital	468,636.83
N/R-Conix-Steel Capital	134,367.79
N/R-Conix-Town Capital I	119,828.07
N/R-Conix 1st Maryland	2,375.81
17895 · CREO114, LLC - Other	7,060.53
Total 17895 · CREO114, LLC	838,873.94
17905 · Blackstar Financial Inc	1,299,086.00
Total 17300 · Properties Held for Sale	2,692,584.32
22501 · I/C-Post Trustee-CAK	586.61
22503 · I/C-Post Trustee-CASDF	488.45
22504 · I/C-Post Trustee-CAOPM	488.45
22510 · I/C Interest Accrual	2.52
Total Other Current Assets	2,766,150.35
Total Current Assets	3,976,912.93
TOTAL ASSETS	3,976,912.93
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	75,345.96
20010 · Accrued Legal - Debtors Counsel	41,000.00
Total Accounts Payable	116,345.96
Other Current Liabilities	
25050 · Intercompany Notes	
25056 · CAREIC	103,378.41
25200 · Accrued Interest	-558.08
Total 25050 · Intercompany Notes	102,820.33
Total Other Current Liabilities	102,820.33
Total Current Liabilities	219,166.29
Long Term Liabilities	
23600 · Preferred Dividend Payable	1,188,180.06
Total Long Term Liabilities	1,188,180.06
Total Liabilities	1,407,346.35
Equity	
30000 · Preferred Units Round A	
30010 · Preferred Redemptions Round A	-50,000.00
30000 · Preferred Units Round A - Other	4,401,900.00
Total 30000 · Preferred Units Round A	4,351,900.00
39000 · Retained Earnings	-364,413.08

11:45 AM
08/17/12
Accrual Basis

Castle Arch Opportunity Partners II LLC
Balance Sheet
As of July 31, 2012

	<u>Jul 31, 12</u>
39100 · Equity Adjustments	
39101 · Preferred Dividends Accrued	-1,188,180.06
39107 · Cash Commissions	-414,782.50
Total 39100 · Equity Adjustments	-1,602,962.56
Net Income	185,042.22
Total Equity	2,569,566.58
TOTAL LIABILITIES & EQUITY	<u>3,976,912.93</u>

11:59 AM
08/17/12
Accrual Basis

Castle Arch Opportunity Partners II LLC
Profit & Loss
July 2012

	<u>Jul 12</u>
Ordinary Income/Expense	
Income	
41200 · Sales	
CREO114	6,725.31
Total 41200 · Sales	<u>6,725.31</u>
Total Income	<u>6,725.31</u>
Gross Profit	6,725.31
Expense	
60580 · Legal Fees	6,000.00
68000 · Management Fee	13,000.00
Total Expense	<u>19,000.00</u>
Net Ordinary Income	-12,274.69
Other Income/Expense	
Other Income	
43000 · Interest Income	2.52
Total Other Income	<u>2.52</u>
Other Expense	
60100 · US Trustee Fees	975.00
Total Other Expense	<u>975.00</u>
Net Other Income	<u>-972.48</u>
Net Income	<u><u>-13,247.17</u></u>

4:19 PM
08/13/12

Castle Arch Opportunity Partners II LLC
Reconciliation Detail
10005 · Pref Bank [REDACTED] Period Ending 07/31/2012

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						1,135,444.36
Cleared Transactions						
Checks and Payments - 9 items						
Check	7/2/2012	EFT	CAREIC	X	-13,000.00	-13,000.00
Check	7/9/2012	EFT	CAOPM	X	-325.68	-13,325.68
Check	7/9/2012	EFT	CAK	X	-325.68	-13,651.36
Check	7/9/2012	EFT	CASDF	X	-325.68	-13,977.04
Check	7/27/2012	EFT	CAK	X	-49.08	-14,026.12
Check	7/31/2012	EFT	CASDF	X	-162.77	-14,188.89
Check	7/31/2012	EFT	CAK	X	-162.77	-14,351.66
Check	7/31/2012	EFT	CAOPM	X	-162.77	-14,514.43
Check	7/31/2012	EFT	CAK	X	-49.08	-14,563.51
Total Checks and Payments					-14,563.51	-14,563.51
Deposits and Credits - 2 items						
Deposit	6/29/2012			X	46,917.12	46,917.12
Deposit	7/9/2012			X	7,231.95	54,149.07
Total Deposits and Credits					54,149.07	54,149.07
Total Cleared Transactions					39,585.56	39,585.56
Cleared Balance					39,585.56	1,175,029.92
Uncleared Transactions						
Checks and Payments - 1 item						
Check	7/27/2012	3001	U.S. Trustee		-975.00	-975.00
Total Checks and Payments					-975.00	-975.00
Deposits and Credits - 1 item						
Deposit	7/31/2012				36,707.62	36,707.62
Total Deposits and Credits					36,707.62	36,707.62
Total Uncleared Transactions					35,732.62	35,732.62
Register Balance as of 07/31/2012					75,318.18	1,210,762.54
Ending Balance					75,318.18	1,210,762.54



029 00001 00
ACCOUNT:



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07/31/2012

11-35241 B
BANKRUPTCY ESTATE OF
CASTLE ARCH OPPTY PARTNERS II
D RAY STRONG, TRUSTEE 29
201 S MAIN ST SUITE 450 0
SALT LAKE CITY UT 84111 0

PREFERRED BANK - LOS ANGELES
601 S. FIGUEROA ST. 29TH FLOOR
LOS ANGELES, CA 90017

TELEPHONE:213-891-1188

eSTATEMENTS ARE HERE - LOG ON PBnet PERSONAL ONLINE BANKING TO ENROLL
FDIC deposit insurance rules have changed. Accounts are now insured to
at least \$250,000 under the Standard Maximum Deposit Insurance Amount
(SMDIA) rules. See your branch operations officer or FDIC.gov for more
information.

BANKRUPTCY CHECKING ACCOUNT

AVG AVAILABLE BALANCE 1,158,355.89
AVERAGE BALANCE 1,160,048.05
LAST STATEMENT 06/29/12 1,135,444.36
2 CREDITS 54,149.07
9 DEBITS 14,563.51
THIS STATEMENT 07/31/12 1,175,029.92

OTHER CREDITS

DESCRIPTION DATE AMOUNT
IN MAIL/NIGHT DROP DEPOSIT 07/09 46,917.12
IN MAIL/NIGHT DROP DEPOSIT 07/17 7,231.95

OTHER DEBITS

DESCRIPTION DATE AMOUNT
Outgoing Wire Transfer CASTLE ARCH REAL ESTATE INVESMENT 07/03 13,000.00
1933
Outgoing Wire Transfer CAOP MANAGERS, LLC 2109 07/09 325.68
Outgoing Wire Transfer CASTLE ARCH SECURED DEVELOPMENT 2112 07/09 325.68
Outgoing Wire Transfer CASTLE ARCH KINGMAN, LLC 2113 07/09 325.68
Outgoing Wire Transfer CASTLE ARCH KINGMAN LLC 2916 07/27 49.08
Outgoing Wire Transfer CASTLE ARCH KINGMAN LLC 3040 07/31 49.08
Outgoing Wire Transfer CAOP MANAGERS LLC 3037 07/31 162.77
Outgoing Wire Transfer CASTLE ARCH SECURED DEVELOPMENT 3035 07/31 162.77
Outgoing Wire Transfer CASTLE ARCH KINGMAN LLC 3042 07/31 162.77

* * * C O N T I N U E D * * *



029 00001 00
ACCOUNT:

PAGE: 2
07/31/2012

11-35241

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BANKRUPTCY CHECKING ACCOUNT [REDACTED]

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- - - ITEMIZATION OF OVERDRAFT AND RETURNED ITEM FEES - - -

```
*****
*                                     |          TOTAL FOR          |          TOTAL          *
*                                     |          THIS PERIOD         |          YEAR TO DATE    *
*-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----*
* TOTAL OVERDRAFT FEES:              |          $ .00              |          $ .00          *
*-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----*
* TOTAL RETURNED ITEM FEES:          |          $ .00              |          $ .00          *
*****
```

- - - DAILY BALANCE - - -

```
DATE.....BALANCE      DATE.....BALANCE      DATE.....BALANCE
07/03      1,122,444.36     07/17      1,175,616.39     07/31      1,175,029.92
07/09      1,168,384.44     07/27      1,175,567.31
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- END OF STATEMENT -