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**IN THE UNITED STATES BANKRUPTCY COURT
OR THE DISTRICT OF UTAH**

In re:

CASTLE ARCH REAL ESTATE
INVESTMENT COMPANY, LLC; CAOP
MANAGERS, LLC; CASTLE ARCH
OPPORTUNITY PARTNERS I, LLC;

Bankruptcy Case No. 11-35082
Bankruptcy Case No. 11-35237
Bankruptcy Case No. 11-35240
Bankruptcy Case No. 11-35242
Bankruptcy Case No. 11-35243

CASTLE ARCH OPPORTUNITY PARTNERS II, LLC; CASTLE ARCH KINGMAN, LLC; CASTLE ARCH SECURED DEVELOPMENT FUND, LLC; and CASTLE ARCH SMYRNA, LLC, Debtors.	Bankruptcy Case No. 11-35246 Bankruptcy Case No. 11-35241 (Jointly Administered) (Chapter 11) The Honorable Joel T. Marker
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EX PARTE JOINT MOTION TO APPROVE STIPULATION RELATING TO CHAPTER 11 TRUSTEE'S CASH MANAGEMENT PLAN AND AUTHORIZING USE OF CASH

D. Ray Strong, the Chapter 11 Trustee (the "Trustee") for Castle Arch Real Estate Investment Company, LLC ("CAREIC"), together with the other above-captioned Debtors, through their respective counsel (collectively, the "Movants"), file this *Ex Parte Joint Motion to Approve Stipulation Relating to Chapter 11 Trustee's Cash Management Plan and Authorizing Use of Cash* (the "Stipulated Motion"), seeking authorization of the Trustee's continued use of cash as previously authorized by this Court pursuant to the *Order Granting Motion By D. Ray Strong, Chapter 11 Trustee for Castle Arch Real Estate Investment Company, LLC Seeking Approval of Proposed Cash Management Plan* [Docket No. 258] (the "Cash Management Order"). In support hereof, the Movants state as follows:

BACKGROUND

1. On October 17, 2011, CAREIC filed a petition seeking relief under Chapter 11 of the Bankruptcy Code, and on October 20, 2011, each of the other Debtors filed petitions seeking relief under Chapter 11 of the Bankruptcy Code.
2. The Debtors' respective Chapter 11 cases are being jointly administered.
3. The Trustee was appointed in CAREIC's Chapter 11 case on May 3, 2012.

4. On May 14, 2012, the Trustee filed the *Emergency Motion by D. Ray Strong, Chapter 11 Trustee for Castle Arch Real Estate Investment Company, LLC, Seeking Approval of Proposed Use of Cash On an Interim Basis* [Docket No. 219], which Motion was granted by Order entered by the Court on May 21, 2012 [Docket No. 233].

5. On June 5, 2012, the Trustee filed his *Motion By D. Ray Strong, Chapter 11 Trustee for Castle Arch Real Estate Investment Company, LLC, Seeking Approval of Proposed Cash Management Plan* [Docket No. 240], which Motion was granted pursuant to the Court's Cash Management Order entered on June 29, 2012.

6. Pursuant to the Cash Management Order, the Court authorized the Trustee to use the Debtors' cash pursuant to the Trustee's cash management plan, as set forth in the Cash Management Motion (the "Cash Plan").

7. The Cash Management Motion states: "The Trustee will schedule a hearing with the Court on a quarterly basis to provide a report on Management fees that have accrued and loans that have been made, and to request any adjustments to the plan as deemed necessary by the Trustee. . . ."

8. On or before September 30, 2012, the Trustee intends to file a Plan of Liquidation (the "Plan"). Relevant to the present matter is that the Plan proposes the substantive consolidation of, among others, the "Legacy Debtors" CAREIC, Castle Arch Kingman, LLC, Castle Arch Symrna, LLC, Castle Arch Secured Development Fund, LLC, and CAOP Managers, LLC. Accordingly, issues related to the Trustee's Cash Plan as it relates to the Legacy Debtors may be moot, and it would not be efficient at this time to revisit issues related thereto.

9. Furthermore, although the Trustee and Debtors Castle Arch Opportunity Partners I, LLC and Castle Arch Opportunity Partners II, LLC (collectively, the “CAOP Debtors”) recognize that the allocations of cash for management of the CAOP Debtors set forth in the current Cash Plan may be insufficient to compensate CAREIC’s estate in light of the time and expense the Trustee has incurred on behalf of the CAOP Debtors as their manager in, among other things, investigating assets and formulating a Plan, the Trustee and the CAOP Debtors agree that any such administrative expenses should be handled through the Plan to conserve resources of the respective estates.

10. The current Cash Plan provides sufficient cash for the Trustee to administer the estate prior to confirmation of the Plan.

11. Given all of the above-noted facts, the Movants stipulate to the Trustee’s continued use of cash pursuant to the Cash Plan until the earlier of (a) the Effective Date of any confirmed Chapter 11 plan, or (b) December 31, 2012, at which point the Trustee will either file another motion or schedule a hearing with the Court relating to the continued use of cash.

12. In making this Motion, none of the Movants waive any respective rights related to the potential claims discussed herein.

WHEREFORE, the Movants jointly request that the Court enter an Order authorizing the Trustee to continue using cash as previously authorized in the Cash Management Order until the earlier of the Effective Date of any confirmed Chapter 11 plan or December 31, 2012.

DATED this 1st day of October, 2012.

DORSEY & WHITNEY LLP

/s/ Peggy Hunt
Peggy Hunt
Nathan S. Seim
*Attorneys for D. Ray Strong, Chapter 11
Trustee of Castle Arch Real Estate
Investment Company, LLC*

DATED this 1st day of October, 2012.

DURHAM JONES & PINEGAR, PC

/s/ Penrod W. Keith
Penrod W. Keith
*Attorney for Castle Arch Opportunity
Partners II, LLC*

DATED this 1st day of October, 2012.

LABERTEW & ASSOCIATES, LLC

/s/ Michael L. Labertew
Michael L. Labertew
Attorney for Castle Arch Smyrna, LLC

DATED this 1st day of October, 2012

McKAY, BURTON & THURMAN

/s/ Gregory J. Adams
Gregory J. Adams
*Attorney for Castle Arch Opportunity
Partners II, LLC*

DATED this 1st day of October, 2012

**PEARSON, BUTLER, CARSON &
COOK**

/s/ Andrew B. Clawson
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