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Attorneys for D. Ray Strong, Chapter 11 Trustee for Castle Arch Real Estate Investment Company, LLC

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

In re:

CASTLE ARCH REAL ESTATE
INVESTMENT COMPANY, LLC; CAOP
MANAGERS, LLC; CASTLE ARCH
OPPORTUNITY PARTNERS I, LLC;
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. 11-35082
Bankruptcy Case No. 11-35237
Bankruptcy Case No. 11-35240
Bankruptcy Case No. 11-35242
Bankruptcy Case No. 11-35243
Bankruptcy Case No. 11-35246
Bankruptcy Case No. 11-35241
(Jointly Administered)

(Chapter 11)

The Honorable Joel T. Marker

[FILED ELECTRONICALLY]

**SUPPLEMENT TO APPLICATION OF D. RAY STRONG, CHAPTER 11 TRUSTEE
FOR CASTLE ARCH REAL ESTATE INVESTMENT COMPANY, LLC,
FOR ENTRY OF AN ORDER AUTHORIZING THE EMPLOYMENT OF
COMMERCE REAL ESTATE SOLUTIONS AS REAL ESTATE BROKER**

1. On June 19, 2012, D. Ray Strong, the duly appointed Chapter 11 trustee for Castle Arch Real Estate Investment Company, LLC (the "Trustee"), by and through his counsel Dorsey & Whitney LLP filed his "Application for Entry of an Order Authorizing the Employment of Commerce Real Estate Solutions as Real Estate Broker" [Docket No. 252] (the "Application"). The Application and the Declaration of Dell S. Nichols filed in support of the Application [Docket No. 252-1] described the terms of the "Listing Agreement", which was intended to be filed as Exhibit 1 to the Application. However, the Listing Agreement was inadvertently omitted from the version of the Application filed with the Court. To remedy the omission, the Trustee hereby files this supplement to the Application (the "Supplement") and has attached a copy of the Listing Agreement hereto as Exhibit A.

NOTICE

2. In accordance with Federal Rule of Bankruptcy Procedure 2014, notice of this Supplement has been given to the United States Trustee. Notice has also been given to all parties that have requested electronic notice in this case.

DATED this 13th day of July, 2012.

DORSEY & WHITNEY LLP

/s/ Peggy Hunt

Peggy Hunt
Jeffrey M. Armington
Attorneys for Trustee

EXHIBIT A



EXCLUSIVE AUTHORIZATION OF SALE

D. Ray Strong, as Chapter 11 Trustee for Castle Arch Real Estate Investment Company, LLC and manager of affiliated entities noted below ("Owner") in the bankruptcy cases being jointly administered under Case No. 11-35082 in the United States Bankruptcy Court for the District of Utah ("Bankruptcy Court") hereby grants to COMMERCE REAL ESTATE SOLUTIONS ("Broker"), the exclusive right to negotiate a sale with respect to the real property described below (the "Property") for a period commencing on June 7, 2012 and ending at midnight on June 6, 2013, (the "Listing Period") unless this Authorization is extended in writing and signed by both Owner and Broker, or unless otherwise ordered by the Bankruptcy Court. The Properties are as outlined on Exhibit "A" which by referenced is made a part hereof.

Notwithstanding the foregoing, the Owner and Broker shall have the option to terminate this Agency Agreement upon thirty (30) days written notice to the other party, or if otherwise ordered by the Bankruptcy Court. However, the Owner's agreement to pay a commission to the Brokerage extends until a date one (1) year following the termination date with regard to anyone who was shown or offered the Property under section 2 and who acquires it within this extended time period, unless the Broker terminates this Agency Agreement.

The price, terms and conditions of the sale for each property, owned by the entities shown on Exhibit "A", shall be determined by Owner on a property by property basis. The sales price, terms and conditions to which the Owner of the Property agrees in writing will be that represented to the marketplace. Any and all sales hereunder will be as is and expressly conditioned on approval by the Bankruptcy Court after appropriate notice and hearing.

In consideration of the mutual promises contained in this Authorization, Owner agrees to pay Broker commissions as follows:

Six (6%) percent of the gross sales price or as otherwise agreed to in writing by the Owner.

Commissions shall be paid through escrow upon the closing of sales or exchange transactions after Bankruptcy Court approval; absent an escrow, commissions shall be paid upon recordation of a deed or upon delivery of such deed or other instrument of conveyance if recordation is deferred more than one month thereafter. Owner shall pay said commissions to Broker if during the Listing Period: (a) the Property or any interest therein is sold, transferred or conveyed by or through Broker, Owner or any other person or entity; or (b) a purchaser is procured by or through Broker, Owner or any other person or entity who is ready, willing and able to purchase the Property or any interest therein on the terms above stated or other terms acceptable to the owner of the Property.

Owner agrees to cooperate with Broker in effecting a sale of the Property and immediately to refer to Broker all inquiries of any person or entity interested in purchasing the Property. All negotiations are to be through Broker. Owner agrees that the applicable bankruptcy estate will pay all customary escrow, title and revenue charges after Bankruptcy Court approval, and Owner will execute such documents as may be necessary to effect a sale of the Property. Broker is authorized to accept a deposit from any prospective purchaser. In sales and exchange transactions, Broker is authorized, upon the opening of escrow, to transfer such deposit to the escrow agent for the account of the purchaser.

It is understood that it is illegal for either Owner or Broker to refuse to present, sell or lease real property to any person because of race, color, religion, national origin, sex, marital status, age or physical disability.

Owner hereby warrants and represents to Broker that: (1) he has authority to act on behalf of the title owners for the property as trustee in the above-noted bankruptcy case; neither Broker nor any salesperson affiliated with Broker has made any promises or representations to or agreements with Owner not contained herein which in any manner affected Owner's and Broker's rights and obligations under this Authorization.

In the event a claim or controversy arises concerning any failure to pay Broker all or any portion of the amounts provided herein, Owner and Broker hereby agree that such claim or controversy shall be determined by the Bankruptcy Court.

~~If there is a failure to make any payment at the time required herein, delinquent sum(s) shall bear interest at the rate of 18%.~~

AGENCY.

The Broker and its agents named in this Authorization are agents of the Owner. As such they owe the Owner fiduciary duties of undivided loyalty, obedience to lawful instructions, full disclosure, confidentiality, reasonable care, diligence and accounting.

(Please place initials in one of the spaces which follow.) ACCORDINGLY, THE OWNER
[X] DOES [] DOES NOT CONSENT TO LIMITED AGENCY SUBJECT TO THE LIMITATIONS
EXPRESSED ABOVE.

The Owner instructs the Broker to cooperate by sharing the commission under this Authorization with other licensed brokers and agents.

If the commission split is other than 50 / 50 of the net Broker commission amount with another broker, it must be approved in writing by the Owner.

The heirs, transferees, successors and assigns of the parties hereto are duly bound by the provisions hereof.

The Broker shall be permitted to co-list the Property with other brokers, providing the co-list broker commission shall be paid by Broker within the commission amounts stated above.

THIS LISTING AGREEMENT IS SUBJECT TO THE APPROVAL OF THE BANKRUPTCY COURT.

NO MODIFICATION OF OR AMENDMENT TO THIS LISTING SHALL BE EFFECTIVE UNLESS THE SAME IS IN WRITING AND SIGNED BY BOTH THE OWNER AND AN AUTHORIZED OFFICER OF BROKER.

Owner hereby acknowledges that neither Broker nor any salesperson associated with Broker is qualified or authorized to give legal or tax advice; if Owner desires such advice he shall consult with an attorney or accountant.

Owner acknowledges receipt of a copy of this Authorization and which Owner has read and understands.

D. Ray Strong as Chapter 11 Trustee of Castle Arch Real Estate Investment Company, LLC and in his capacity as Manager of CAOP Managers, LLC, Castle Arch Opportunity Partners I, LLC, Castle Arch Opportunity Partners II, LLC, Castle Arch Secured Development Fund, LLC, Castle Arch Kingman, LLC, Castle Arch Smyrna, LLC

DATED JUNE 18, 2012

By: 
D. Ray Strong

Its: Chapter 11 Trustee and Manager

Address: 201 South Main Street, Suite 450
Salt Lake City, UT 84111

COMMERCE REAL ESTATE SOLUTIONS


By: 
its agent



EXHIBIT "A"

PROPERTY

Tooele, UT – Land with Water Rights (if any) – Approx. 348 acres

Kingman, AZ – Land with Water Rights (if any) – Approx. 535 acres

Smyrna, TN – Land with Water Rights (if any) – Approx. 485 acres

Thayne, WY – Land with Water Rights (if any) – Approx. 39 acres

OWNERSHIP ENTITIES:

Castle Arch Real Estate Investment Company, LLC

CAOP Managers, LLC

Castle Arch Opportunity Partners I, LLC

Castle Arch Opportunity Partners II, LLC

Castle Arch Secured Development Fund, LLC

Castle Arch Kingman, LLC

Castle Arch Smyrna, LLC

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