

**A. U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
SETTLEMENT STATEMENT**
Security Title Insurance Agency of Utah, Inc.
376 East 400 South
Suite 304
Salt Lake City, UT 84111
(801) 355-2866

B. TYPE OF LOAN
1. FHA 2. FMHA 3. CONV. UNINS.
4. VA 5. CONV. INS.
6. ESCROW FILE NUMBER: 00076852-001 MJ 7. LOAN NUMBER:
8. MORTGAGE INSURANCE CASE NUMBER:

FINAL

C. NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(P.O.C.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. NAME OF BORROWER: CASTLE ARCH REAL ESTATE INVESTMENT COMPANY INC.
ADDRESS OF BORROWER: 9595 WILSHIRE BOULEVARD #1000
BEVERLY HILLS, CA 90212

E. NAME OF SELLER: HIGHWAY ONE GROUP INC.
ADDRESS OF SELLER: 175 WEST 200 SOUTH, #2011
SALT LAKE CITY, UT 84101

F. NAME OF LENDER:
ADDRESS OF LENDER:

G. PROPERTY LOCATION: 03-024-0-0003
TOOELE COUNTY, UT 84074
TOOELE County 03-024-0-0003
Section 15, Township 3S, Range 4W

H. SETTLEMENT AGENT: Security Title Insurance Agency of Utah, Inc.
PLACE OF SETTLEMENT: 376 East 400 South, Suite 304, Salt Lake City, UT 84111

I. SETTLEMENT DATE: 9/14/2005 **PRORATION DATE:** 10/14/2005

J. SUMMARY OF BORROWER'S TRANSACTION **K. SUMMARY OF SELLER'S TRANSACTION**

100. GROSS AMOUNT DUE FROM BORROWER		400. GROSS AMOUNT DUE TO SELLER	
101. Contract Sales Price	2,050,380.00	401. Contract Sales Price	2,050,380.00
102. Personal Property		402. Personal Property	
103. Settlement charges to Borrower (line 1400)	2,427.00	403.	
104.		404.	
105.		405.	

ADJUSTMENTS FOR ITEMS PAID BY SELLER IN ADVANCE:				ADJUSTMENTS FOR ITEMS PAID BY SELLER IN ADVANCE:			
106. City/Town Taxes		406. City/Town Taxes					
107. County Taxes 10/14/05 to 12/31/05	1.18	407. County Taxes 10/14/05 to 12/31/05	1.18				
108. Assessments		408. Assessments					
109.		409.					
110.		410.					
111.		411.					
112.		412.					
113.		413.					
114.		414.					
115.		415.					

120. GROSS AMOUNT DUE FROM BORROWER: 2,052,808.18 **420. GROSS AMOUNT DUE TO SELLER:** 2,050,381.18

200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER		500. REDUCTIONS IN AMOUNT DUE TO SELLER	
201. Deposit or earnest money	20,000.00	501. Excess deposit (see instructions)	50,000.00
202. Principal amount of new loan(s)		502. Settlement charges to Seller (line 1400)	107,032.00
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204. ADDITIONAL DEPOSIT	30,000.00	504. Payoff of first mortgage loan	745,060.90
205.		505. Payoff of second mortgage loan	
206.		506. RICK SKANDALARIS	229,667.60
207. ADDITIONAL DEPOSIT RECEIVED FILE	150,000.00	507. ADDITIONAL DEPOSIT RECEIVED FILE	150,000.00
208.		508.	
209.		509.	

ADJUSTMENTS FOR ITEMS UNPAID BY SELLER:		ADJUSTMENTS FOR ITEMS UNPAID BY SELLER:	
210. City/Town Taxes		510. City/Town Taxes	
211. County Taxes		511. County Taxes	
212. Assessments		512. Assessments	
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. TOTAL PAID BY/FOR BORROWER:	200,000.00	520. TOTAL REDUCTIONS IN AMOUNT DUE SELLER:	1,281,750.50

300. CASH AT SETTLEMENT FROM OR TO BORROWER **600. CASH AT SETTLEMENT FROM OR TO SELLER**

301. Gross amount due from Borrower (line 120)	2,052,808.18	601. Gross amount due to Seller (line 420)	2,050,381.18
302. Less amount paid by/for Borrower (line 220)	200,000.00	602. Less reduction in amount due Seller (line 520)	1,281,750.50
303. CASH (<input checked="" type="checkbox"/> FROM) (<input type="checkbox"/> TO) BORROWER:	1,852,808.18	603. CASH (<input type="checkbox"/> FROM) (<input checked="" type="checkbox"/> TO) SELLER:	768,630.68

SETTLEMENT CHARGES

ESCROW FILE NUMBER: 00076852-001 M J

BASED ON PRICE \$ 2,050,380.00 @ 5.000% = \$102,519.00		PAID FROM BORROWER'S FUNDS AT SETTLEMENT	PAID FROM SELLER'S FUNDS AT SETTLEMENT
DIVISION OF COMMISSION (LINE 700) AS FOLLOWS:			
701. \$	102,519.00 to CB RICHARD ELLIS		
702. \$	to		
703.	Commission paid at settlement		102,519.00
704.			
800. ITEMS PAYABLE IN CONNECTION WITH LOAN:			
801.	Loan Origination Fee %		
802.	Loan Discount Fee %		
803.	Appraisal Fee to:		
804.	Credit Report to:		
805.	Lenders Inspection Fee		
806.	Mortgage Insurance Application Fee to:		
807.	Assumption Fee		
808.			
809.			
810.			
811.			
900. ITEMS PAID BY THE BORROWER DURING YEAR:			
901.	Interest From to @ /day % (days)		
902.	Mortgage Insurance Premium for Month(s) to		
903.	Hazard Insurance Premium for Years(a) to		
904.			
905.			
1000. FEES DEPOSITED WITH LENDER:			
1001.	Hazard Insurance months @ \$ per month		
1002.	Mortgage Insurance months @ \$ per month		
1003.	City Property Taxes months @ \$ per month		
1004.	County Property Taxes months @ \$ 0.35 per month		
1005.	Annual Assessments months @ \$ per month		
1006.	months @ \$ per month		
1007.	months @ \$ per month		
1008.	Aggregate Acct. Adj. months @ \$ per month		
1100. TITLE CHARGES:			
1101.	Settlement or closing fee to Security Title Insurance Agency of Utah	125.00	125.00
1102.	Abstract or title search		
1103.	Title examination		
1104.	Title insurance binder		
1105.	Document preparation to Security Title Insurance Agency of Utah	50.00	50.00
1106.	Notary fees		
1107.	Attorney's Fees		
	(includes above items numbers:)		
1108.	Title Insurance to Security Title Insurance Agency of Utah		4,298.00
	(includes above items numbers:)		
1109.	Lenders coverage: \$		
1110.	Owner's coverage \$ 2,050,380.00		
1111.	REDRAW FEE to Security Title Insurance Agency of Utah	100.00	
1112.	WIRE FEE to Security Title Insurance Agency of Utah	25.00	
1113.	COURIER FEE to Security Title Insurance Agency of Utah	40.00	40.00
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES:			
1201.	Recording Fees: Deed \$ 25.00 Mortgage \$ Release \$	25.00	
1202.	City/County tax/stamps Deed \$ Mortgage \$		
1203.	State tax/stamps Deed \$ Mortgage \$		
1204.			
1205.			
1300. ADDITIONAL SETTLEMENT CHARGES:			
1301.	Survey		
1302.	Pest inspection		
1303.	ADDITIONAL END FOR FILE 7 to Security Title Insurance Agency of Uta	700.00	
1304.	END 110.1,100,29,103.7,118.4 to Security Title Insurance Agency of Utah	1,362.00	
1305.			
1306.			
1307.	**See attached for breakdown		
1400.	TOTAL SETTLEMENT CHARGES (Enter on line 103, Section J - and - line 502, Section K)	2,427.00	107,032.00

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

ROBERT D. GERINGER, PRESIDENT
 CASTLE ARCH REAL ESTATE INVESTMENT COMPANY, I

QUINN LEROY DUNN, OFFICER
 HIGHWAY ONE GROUP INC.

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or will cause the funds to be disbursed in accordance with this statement.

Security Title Insurance Agency of Utah, Inc. Settlement Agent Date

WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.