

E FILED ON 3/5/13
THOMAS E. CROWE, ESQ.
THOMAS E. CROWE PROFESSIONAL
LAW CORPORATION
tcrowe@thomascrowelaw.com
2830 S. Jones Blvd. #3
Las Vegas, Nevada 89146
(702) 794-0373
Attorney for Debtors-in-possession
Nevada State Bar no. 3048

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:)	BANKRUPTCY NUMBER:
)	BK-S-11-27072-LBR
DON HOLBROOK and)	Chapter 11
LAURIE HOLBROOK,)	
)	
Debtors.)	Date: 4/19/13
)	Time: 2:00 p.m.

FIFTH AMENDED DISCLOSURE STATEMENT

I.

INTRODUCTION AND REPRESENTATIONS

A. INTRODUCTION

Don and Laurie Holbrook, the Debtors in the above-entitled proceeding, provide this Disclosure Statement to all of their known creditors and security holders pursuant to 11 U.S.C. §1125. The purpose of this Disclosure Statement is to provide the information that may be deemed material, important and necessary to the creditors and security holders of Debtors to make a reasonably informed decision in exercising their right to vote for acceptance of the Plan of Reorganization of the Debtors (hereinafter referred to as "The Plan"). The Disclosure Statement will describe the Debtors, describe events that have occurred in the Bankruptcy case,

explain the Plan, how it works and how to vote for or against it. The Plan was filed simultaneously with this Disclosure Statement in the United States Bankruptcy Court of the District of the State of Nevada.

B. REPRESENTATIONS

No representations concerning the Debtors or the Plan are authorized other than as set forth herein. Any representations or inducements to secure your acceptance of the Plan other than as contained herein should not be relied upon by you in arriving at a decision. The information contained herein has not been reviewed or passed upon by an accountant. The Debtors are unable to warrant or represent that the information contained herein is without any inaccuracy although all such information is accurate to the best of Debtors' knowledge, information and belief. The court has not verified the accuracy of the information contained herein, and the Court's approval of this Disclosure Statement does not imply that the Court endorses or approves the Plan, but only that the information is accurate and that, it is sufficient to provide an adequate basis for creditors and interest holders to make informed decisions whether to approve or reject the Plan. The information contained herein is provided as of the date of this Disclosure Statement unless clearly indicated to the contrary.

II.

GENERAL INFORMATION ON CHAPTER 11 REORGANIZATION PROCEEDINGS

Chapter 11 of the Bankruptcy Code is a remedial statute designed to effect the rehabilitation and reorganization of financially distressed individuals and entities. The statutory aims of a reorganization proceeding include the following:

- (a) preservation of the Debtors' property as a going concern and preservation of any going

concern value of the Debtors' business and operations;

(b) avoidance of a forced and destructive liquidation of the Debtors' assets;

(c) the protection of the interests of creditors, both secured and unsecured;

(d) the restructuring of the debts of the Debtors and, the finances of the Debtors, such as would enable them to retain those assets necessary to rehabilitate their finances and (at the same time) produce the greatest recovery for their creditors.

The formulation and confirmation of a plan of reorganization is the principal function of a Chapter 11 case. Such a plan normally includes provisions for: (a) altering and modifying rights of creditors; (b) dealing with the property of the Debtors; (c) paying costs and expenses of administering the Chapter 11 case; and (d) execution of the plan. The plan may affect the interests of all parties and creditors, reject executory contracts, and provide for prosecution or settlement of claims belonging to the Debtors. In order to be confirmed by the Court, the Code requires that there be a finding that the plan receive the votes of certain requisite classes and that the plan be "fair, equitable, and feasible," as to any dissenting classes of creditors.

In order for a plan to be "fair and equitable," it must comply with the so-called absolute priority rule. The absolute priority rule requires that beginning with the most senior rank of claims of creditors against the Debtors, each class in descending rank or priority must receive full and complete compensation before inferior or junior classes may participate in the distribution. This rule, has, however been modified for individual debtors. See U.S.C. § 1129(b)(2)(B)(ii), allowing individual debtors to retain property of the estate under § 1115. The plan must be accepted by the affirmative vote of a majority (in number of creditors and in amount) of claims filed and allowed by each class, unless adequate provisions are made for the classes of dissenting creditors. In order to

fully understand how a plan is confirmed, each individual creditor should review the Plan and Disclosure Statement with his or her own attorney and receive full advise on the inter-workings of Sections 507(a), 1111, 1122, 1123, 1124 and 1129 of the Code. **THE FOREGOING IS A BRIEF SUMMARY OF THE HIGHLIGHTS OF A PLAN AND CONFIRMATION OF SUCH, AND THIS FOREGOING SUMMARY SHOULD NOT SOLELY BE RELIED ON FOR VOTING PURPOSES. CREDITORS ARE URGED TO CONSULT WITH THEIR OWN COUNSEL BEFORE MAKING ANY DECISIONS ON A PLAN FILED HEREIN.**

In addition to the above, Section 1125 of the Code requires that there be a post-petition disclosure in the form of a disclosure statement which provides "adequate information" to creditors before anyone may solicit acceptances of a Chapter 11 plan. **THIS DISCLOSURE STATEMENT IS PREPARED IN ACCORDANCE WITH SECTION 1125 SO AS TO PROVIDE "ADEQUATE INFORMATION" TO THE CREDITORS IN THIS PROCEEDING. CREDITORS ARE URGED TO CONSULT WITH THEIR OWN INDIVIDUAL COUNSEL AND TO REVIEW ALL OF THE PLEADINGS FILED IN THIS BANKRUPTCY PROCEEDING IN ORDER TO FULLY UNDERSTAND THE DISCLOSURES MADE HEREIN, ANY PLAN OF REORGANIZATION FILED HEREIN, AND ANY OTHER PERTINENT MATTERS IN THIS PROCEEDING. ANY PLAN OF REORGANIZATION WILL BE COMPLEX, ESPECIALLY SINCE IT REPRESENTS A PROPOSED LEGALLY BINDING AGREEMENT BY DEBTOR (OR ANY OTHER PROPONENT OF A PLAN), AND ANY INTELLIGENT JUDGMENT CONCERNING ANY PROPOSED PLANS CANNOT BE MADE WITHOUT FULLY UNDERSTANDING THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AND THE**

FULL COMPLEXITIES OF ANY PLAN PROPOSED HEREIN.

The Debtors are suited for, and in dire need of, the broad protection afforded by Chapter 11. The Debtors were in a distressed financial condition largely as a consequence of the dramatic downturn in the real estate market, tax debt and loss of income. See section IV below. The Debtors have proposed a successful plan of reorganization in the form of the Plan submitted herewith, and plans to solicit approval and acceptance of it by the creditors, but only after there has been judicial approval of this disclosure statement, including any amendments hereto.

III.

PREPARATION OF PLAN

The plan and the history of the Debtors have been prepared by the Debtors, together with the attorney for the Debtors, THOMAS E. CROWE, ESQ..

IV.

BACKGROUND

Debtor Don Holbrook has worked in the capacity of a city planner for the last twenty years. When the recession began in 2007, many projects were stopped or slowed and some of Mr. Holbrook's clients filed Bankruptcy or were otherwise unable to pay for his services. This led to a cash flow shortage for the Holbrook's as well as created a sizeable income tax debt when the large payment Mr. Holbrook was expecting from a client failed to materialize. Debtors also suffered from the decline in the real estate market since they had invested in, and do currently own, several properties. Debtors have no "insiders" as defined in 11 U.S.C § 101(31), either within creditor classes or otherwise.

Debtors believe, based upon then experience, that the market will recover and have filed the

instant Chapter 11 to prevent destructive liquidation of the properties. Their intent would be to satisfy all secured claims, as determined under 11 U.S.C. § 506(a), pursuant to payments of principal and interest over the original term of the respective mortgages, in a modified amount based upon current market interest rates.

Aside from the secured claims, Debtors must also satisfy priority and unsecured creditors through a five-year disposable income plan, under which their “projected disposable income,” as defined in 11 U.S.C. §101 (10a), will be paid into the Plan, upon approval by the Court, to be divided pro rata among the unsecured claimants. See 11 U.S.C. §1129(a)(15). Debtors further are not planning, at least at this stage, any pursuit of avoidable transfers or objections to claims.

Debtors’ post petition operations are clearly detailed on their Monthly Operating Reports which are current through January, 2013. Said reports indicate the Debtors’ cash flow have been, adequate to make all required payments for the properties including principal and interest, taxes and insurance, property management, repairs, HOA fees, maintenance, etc. Debtors have sufficient net income per B22C and Schedules I and J to fund the proposed payments to unsecured creditors under the Plan.

V.

EMPLOYMENT PLAN

Debtors do not employ any other individuals in the operation of their rental properties.

VI.

**DESCRIPTION AND STATUS OF CHAPTER 11 PROCEEDINGS AND SUMMARY OF
ASSETS AND LIABILITIES PRIOR TO FILING**

Debtors' intention is that the following property be retained and the secured claims satisfied in full, pursuant to the Plan of Reorganization:

2230 N. PALO VERDE BLVD., LAKE HAVASU CITY, AZ 86404-1938

The statement of affairs and schedules of assets and liabilities of the Debtors have previously been filed herein and to the best of the knowledge, information and belief of the Debtors, these statements contain an accurate itemization of its assets and liabilities prior to filing. An Appraisal of the property being modified is attached as Exhibit T:

The property in Lake Havasu is used by Mr. Holbrook as a secondary workplace for his work in Arizona. It is a property with minimal equity for the estate, however, and is capable of producing income when not in use by Mr. Holbrook. Debtors propose to modify the loan only in so far as extending the term with the contractual rate of interest to prevail.

The Debtors' post-petition finances are, they feel, accurately reflected in the Monthly Operating Reports consistently filed by said Debtors since the date of the Petition. See Monthly Operating Report for January 2013 and attached hereto as Exhibit U. Said reports indicate the Debtors' cash flow has been, adequate to make all required payments for the properties including principal and interest, taxes and insurance, property management, repairs, HOA fees, maintenance, etc. In order to provide adequate protection for Secured Creditors, Debtors have commenced payments of what they believe are adequate Principal and Interest payments sufficient in amounts to satisfy the requirement of 11 U.S.C § 1329(b)(2)(A)(i)(II). Secured Creditors, under the Plan,

shall retain their liens, to the extent of the allowed amount of their claims, until the full value of their claims have been paid. Debtors have sufficient net income per form B22C and Schedules I and J to also fund the proposed payments to unsecured creditors under the Plan.

SUMMARY OF ACTIVITIES DURING PROCEEDINGS

On October 31, 2011, Debtors filed a Chapter 11 Voluntary Petition. On November 2, 2011, an order was entered setting a status conference for January 4, 2012. On November 3, 2011, Debtors filed an Application to Employ Thomas E. Crowe as attorney and Andrew Rana as accountant. On November 29, 2011, Debtors filed amended schedules B and C. On December 9, 2011, orders were entered granting employment of attorney and accountant. On December 20, 2011, Debtors filed a Monthly Operating Report for period ending November 2011. On December 20, 2011, Debtors entered into a stipulation with creditor Central Bank and Trust. On December 20, 2011, an order was entered on said stipulation.

On December 28, 2011, Debtors filed a Status Report. On December 28, 2011, Creditor Central Bank and Trust filed a Motion for Relief from Automatic stay regarding the property located at 2033 Mundy's Landing, Versailles, Kentucky. On January 13, 2012, Debtors filed an Opposition to said Motion. On January 23, 2012, Creditor Central Bank and Trust filed a Reply to said Objection. On February 21, 2012, Debtors filed a Monthly Operating Report for period ending January 2012. On February 27, 2012, Debtors filed a Motion to extend exclusivity period. On February 29, 2012, creditor Central bank filed a notice of noncompliance with oral order regarding motion for relief from stay regarding the Mundy's Landing property. On March 1, 2012, Debtors filed a reply to said notice. On March 2, 2012, Debtors filed a Disclosure Statement and Plan for Reorganization. On March 15, 2012, Debtors filed a Periodic Report for

period ending December 2011. On March 16, 2012, Debtors filed a First Amended Disclosure Statement. On March 20, 2012, Debtors filed a Monthly Operating Report for period ending February 2012. On March 20, 2012, Creditor Central Bank and Trust filed a Supplement Reply in support of motion for relief from stay. On March 30, 2012, an order was entered on said Motion.

On April 10, 2012, Debtors filed a Second Amended Disclosure Statement and First Modified Plan. On April 16, 2012, an order was entered granting Debtors' Amended Motion to Extend Exclusivity. On April 16, 2012 an order was entered approving the Disclosure Statement. On April 23, 2012, Debtors filed a Monthly Operating Report for period ending March 2012. On April 25, 2012, Debtors filed an Addendum to their Disclosure Statement and a Second Modified Plan. On May 21, 2012, Debtors filed a Monthly Operating Report for period ending April 2012. On May 31, 2012, Thomas E. Crowe filed an Application for Compensation. On June 20, 2012, Debtors filed a Monthly Operating Report for period ending May 2012. On July 3, 2012, Attorney Thomas E. Crowe filed a Supplement to his application for compensation.

On July 17, 2012, Debtors filed a Third Amended Disclosure Statement and Third Modified Plan for Reorganization. On July 23, 2012, Debtors filed a Monthly Operating Report for period ending June 2012. On August 6, 2012, an order was entered granting attorney's Application for Compensation. On August 8, 2012, Creditor Central Bank and Trust filed an Objection to Debtors' Disclosure Statement and Plan for Reorganization. On August 17, 2012, Debtors filed a Monthly Operating Report for period ending July 2012. On September 24, 2012, Debtors filed a Monthly Operating Report for period ending August 2012. On October 19, 2012, Debtors filed a Monthly Operating Report for period ending September 2012. On November 21,

2012, Debtors filed a Monthly Operating Report for period ending October 2012. On November 21, 2012, Debtors filed a Periodic Report regarding Value, operating, and profitability of entities in which the estate holds a substantial or controlling interest.

On December 4, 2012, an order was entered by the court to show cause. On December 20, 2012, Debtors filed a Monthly Operating Report for period ending November 2012. On January 3, 2013, Debtors filed a Fourth Amended Disclosure Statement and Fourth Modified Plan for Reorganization. On January 14, 2013, Debtors filed a Motion to reinstate Stay, ex parte motion for order shortening time, and attorney information sheet. On January 14, 2012, creditor Central Bank and Trust filed an Opposition to said motion. On January 15, 2012, the order shortening time was entered. On January 17, 2013, Debtors filed a Monthly Operating Report for period ending December 2012. On January 23, 2013, creditor Central Bank and Trust filed an Opposition to Debtors' Motion to reinstate stay. On January 24, 2013, creditor Central Bank and Trust filed an Amended Opposition to Debtors' Motion to reinstate stay. On January 29, 2013, Attorney Thomas Crowe filed an Application for compensation. On January 31, 2013, an order was entered denying Debtors' Motion to reinstate stay.

On February 8, 2013, Debtors filed a Fifth Modified Plan for reorganization. On February 12, 2013, Creditor Central Bank and Trust filed an Objection to Debtor's Disclosure Statement and Plan for Reorganization. On February 21, 2013, Debtors filed a Periodic Report for period ending December 2012. On February 26, 2013, Debtors filed their Certificate of Completion of Instructional Course concerning personal financial management. On February 26, 2013, Debtor filed a Monthly Operating Report for period ending January 2013.

PENDING LITIGATION

None.

VII.

PRESENT FINANCIAL CONDITION : ASSETS

The assets of the Debtors are more fully shown on schedules A and B of the schedules of assets and liabilities filed herein, as amended, as well as in post-petition operating reports. The properties are proposed to be retained subject to payment of the secured claims of the various creditors over no longer than 30 years. The non-real estate assets of the Debtors are of insignificant value to the estate. **TO THE BEST OF THE KNOWLEDGE, INFORMATION, AND BELIEF OF THE DEBTOR, THESE STATEMENTS AND SCHEDULES CONTAIN AN ACCURATE ITEMIZATION OF THE ASSETS AND LIABILITIES OF THE DEBTOR PRIOR TO FILING. CREDITORS ARE URGED TO SCRUTINIZE THE STATEMENT OF AFFAIRS AND SCHEDULES OF ASSETS AND LIABILITIES CLOSELY, AS WELL AS POST-PETITION OPERATION STATEMENTS, AND MAY INQUIRE WITH THE DEBTORS AND THEIR ATTORNEYS AS TO ANY PERTINENT FACTS REGARDING THESE MATTERS, SO THAT CREDITORS MAY BE ASSURED THAT FULL DISCLOSURE AND "ADEQUATE INFORMATION" ARE BEING FURNISHED WITH REGARD TO ASSETS AND LIABILITIES.**

LIABILITIES

The liabilities of the Debtors are set forth in schedules D through F of the schedules filed herein, as well as in post-petition operating reports. Liabilities not listed as disputed are deemed allowed under § 11 U.S.C. §1111(a). None of the unsecured claims listed by Debtors are disputed.

The claims register in this case indicates that unsecured claims in the amount of \$76,187.16 have been filed as well as secured claims of \$369,926.76. Were it not for the undersecured claimants, all unsecured creditors would be paid in full under the Plan. Undersecured creditors, however, are entitled to a bifurcated claim under the Plan. For each undersecured claim, the Plan provides, in accordance with 11 U.S.C. 1111 (b)(1)(A), that such creditors shall have both a secured claim for the value of their claims as set forth in Article VI above, as well as an unsecured claim for the balance of the claim over and above the value of the collateral.

The Plan proposes to bifurcate certain secured claims as detailed in section VI into secured and unsecured amounts. Secured claims are to be paid through equal monthly payments over no longer than 30 years. Unsecured creditors are to be paid the lesser of 42% or \$32,000.00 over no longer than 5 years under 11 U.S.C §1125(a)(15)(B), which references §1325(b)(2) of the Code.

TO THE BEST OF DEBTORS' KNOWLEDGE, INFORMATION AND BELIEF THE LIABILITIES SET FORTH HEREIN AND ON SAID SCHEDULES CONSTITUTE A FULL AND COMPLETE ESTIMATION OF ALL LIABILITIES OF THE DEBTOR, AND THE AMOUNTS THEREOF (EXCLUDING INTEREST, ATTORNEY'S FEES AND ANY OTHER UNKNOWN OR VARIABLE FACTS, BEARING ON THE AMOUNT OF THE LIABILITIES). CREDITORS ARE URGED TO FULLY REVIEW WITH THEIR ATTORNEYS (AND CONSULT WITH THE DEBTOR AND THEIR ATTORNEY) THE SCHEDULES OF LIABILITIES FILED HEREIN, TOGETHER WITH THE MONTHLY OPERATION REPORTS FILED WITH THIS COURT.

VALUATION

The Debtors believe that the valuation of their assets shown on the schedules and by appraisal

is a fair estimate, if the assets were sold at full market value. In the event, however, of the adjudication of the Debtors into a straight bankruptcy proceeding and the subsequent liquidation of their property over a short period of time (and possibly at forced sale values), it is highly possible that a significantly lower value might be received for their property, especially in view of the present economic climate. In all cases, Debtors have agreed with the creditor as to the resolution of value or discrepancies in value are in a narrow range whereby such values will be settled prior to confirmation. The Debtors believe that they may achieve the greatest value for their property and recovery for creditors through a Plan of Reorganization which will be proposed by the Debtors herein.

LIQUIDATION VALUE

In the event of any adjudication into a straight bankruptcy liquidation proceeding, the Debtors would suggest to creditors that they will be able to look for recovery from property sold by the Trustee only at a straight liquidation sale. The assets of the Debtors under a Chapter 7 would be liquidated as follows:

Item	Current Value	Liens	Liquidation Value	Rent Produced
9200 DALMAHOY PLACE LAS VEGAS, NEVADA 89145	\$200,000.00	\$00.00	\$00.00*	N/A
2230 N. PALO VERDE BLVD., LAKE HAVASU CITY, AZ 86404-1938	\$235,000.00	\$237,400.00	\$00.00	\$00.00 Per month
CONDO STORAGE UNIT 1A25 120-0 3529 HIGHWAY 95	\$10,000.00	\$00.00	\$10,000.00	\$00.00 Per month
0 PROFIT FORK 1 MILE OFF 15 WOODFORD CITY	\$25,000.00	\$00.00	\$25,000.00	\$00.00 per month
Checking Account and Cash	\$3,000.00	\$00.00	\$3,000.00	N/A

Furnishings/clothing/ household goods	\$6,400.00	\$00.00	\$00.00 *	N/A
Automobiles	\$37,700.00	\$00.00	\$00.00 *	N/A
Totals	\$647,100.00	\$367,400.00	\$38,000.00	\$000.00

* Exempt items under Nevada law

The Debtors allege and propose that the value which they would receive for their property in liquidation would be substantially less than would be received through a plan of reorganization, yielding a diminished recovery, especially for general unsecured creditors, for the following reasons:

(1) Secured creditors must be paid in full first from the sale of the encumbered assets before unsecured creditors may receive any funds. Therefore, in case of a forced bankruptcy liquidation, little recovery may be yielded for unsecured creditors, and in case of a forced liquidation through bankruptcy or otherwise, the equity of the Debtors' property will probably be eroded, thereby jeopardizing potential recoveries for junior lienholders as well.

(2) In connection with the above logic, administrative expenses would also be paid on a priority basis and before the general, unsecured creditors would receive any funds. Administrative expenses in liquidation proceedings often amount to between 10% and 25% of the value of the property liquidated. In this case, a substantial amount of potential equity could be "eaten up" by administrative expenses and court costs incurred with the liquidation proceedings, which would probably exceed the administrative expenses in a reorganization proceeding.

(3) A forced sale of the property owned by Debtors, through a straight bankruptcy proceeding, rather than an orderly realization of value in a reorganization proceeding, may erode considerably the potential value of the Debtors' assets for junior lienholders and unsecured creditors. For example, a bankruptcy trustee in a straight liquidation bankruptcy proceeding would be forced to sell the property at public auction and the bankruptcy trustee would probably not be able to

guarantee that the prices paid for the assets would be reasonable or appropriate to the value paid by the Debtors; rather, the prices paid might have to be in cash and at a reduced market value price indeed. In comparison, the Debtors are filing a plan of reorganization herein which will maintain the Debtors' business as a viable operation, thereby generating significantly more money and enabling all creditors to receive at least a portion of the money owed them. The liquidation value has been calculated at approximately \$38,000.00.

The amount which would be paid to the secured creditors, if a liquidation would take place in this case would be at least \$367,000.00. The liquidation figures above indicate a substantial decrease in value. Therefore, the proceeds of the liquidation would be applied toward the priority creditors, which would be paid first, and the payment to unsecured creditors would be zero. Upon an orderly sale of the property pursuant to this plan, 42% or \$32,000.00 will be produced for these unsecured creditors.

FEASIBILITY

The feasibility of the Plan in this case derives primarily from Mr. Holbrook's earning capacity. This is not a plan driven by or aimed at cramming down of rental properties. Debtors' income is sufficient to pay the priority claim of the Internal Revenue Service in full as well as pay a dividend of over 50% to unsecured creditors. The total unsecured claims total \$76,187.16. Depending on the economy, Debtors may be in a position to enhance the dividend to unsecured creditors prior to the date of confirmation. Should the budget improve, notice of such shall be provided to creditors in a separate addendum hereto. Debtors' intent would be that, subject to the Court's ruling on Use of Cash Collateral, any rents in excess of that necessary to service §506(a) claims of secured creditors along with any other disposable income pursuant to 11 U.S.C.

§1325(b)(2) shall be paid to unsecured creditors, which are primarily the under-secured creditors, over the sixty-month period specified in 11 U.S.C. §1129(a)(15)(B). Debtors would note that the Kentucky property has already been sold. Since all rent proceeds from that property were previously turned over to Central Bank and Trust in any event, Debtor believes that the lack of rent will have no impact on the feasibility of the Plan.

ADMINISTRATIVE CLAIMS AND PRIORITY DEBTS

(UNCLASSIFIED CLAIMS)

In the event that the Debtors are adjudicated into a straight bankruptcy proceeding, and if their assets are sold, the trustee will be required to pay from the proceeds of the property the following expenses and/or debts in the following order:

(1) First, all secured claims validly secured by any property sold would have to be paid from the sales proceeds.

(2) Thereafter, administrative claims would have to be paid in full.

(3) Thereafter, priority debts and especially taxes, wages and union benefits owing at filing would have to be paid in full.

(4) Thereafter, unsecured claims would receive any residual equity from the proceeds of the property sold or administered. (It should be noted that junior lienholders and/or other creditors who are inadequately secured would be relegated to an unsecured status, if their security does not prove sufficient to pay their claims).

In a straight bankruptcy liquidation proceeding, administrative costs would include court costs, debts incurred during the pendency of the reorganization, and any professional fees which may be paid to auctioneers, attorneys, accountants, trustee (if any), and an examiner (if any).

In a reorganization proceeding, the creditors could expect that administrative expenses would principally be attorney's fees, which will probably exceed \$20,000.00 in this case. Please review the following disclaimer.

ADMINISTRATIVE EXPENSES AND CLAIMS CAN ONLY BE FIXED AND DETERMINED BY THE BANKRUPTCY JUDGE IN THIS CASE, AND THE DEBTOR WOULD RECOMMEND THAT EACH CREDITOR OBTAIN THE ADVICE OF HIS OR HER OWN INDIVIDUAL ATTORNEY TO THE PROBABILITY AND AMOUNT OF ANY ADMINISTRATIVE CLAIMS WHICH MAY BE PAID IN PREFERENCE TO CLAIMS OF GENERAL UNSECURED CREDITORS AND IN MAKING AN EVALUATION AS TO WHETHER A REORGANIZATION EFFORT WOULD BE PREFERABLE TO A LIQUIDATION OF THE ASSETS OF THE DEBTOR IN A STRAIGHT BANKRUPTCY PROCEEDING.

The administrative claims will have significant bearing on the decision of each individual creditor in voting in favor of or against the plan of reorganization. The Debtors would suggest to creditors that administrative claims will be significantly less if a plan of reorganization is confirmed, as opposed to a straight bankruptcy liquidation proceeding. Aside from attorney fees, the only other administrative expenses in this case are the expenses of maintenance and repair of the various properties as well as taxes and insurance and HOA dues as necessary, all of which are current, along with U.S. Trustee fees which are also current. There are no other priority debts in this case aside from administrative expenses.

VIII.

TAX IMPACT OF CHAPTER 11 REORGANIZATION

Under 26 U.S.C. §1398, the commencement of a Chapter 11 Bankruptcy case by an individual creates a Bankruptcy Estate that must file a Form 1041 income tax return reporting the income of the estate. A joint petition filed by spouses under 11 U.S.C. §302 creates two taxable Bankruptcy Estates. *In re Knobel*, 167 B.R. 436 (Bankr. W.D. Tex. 1994). The estates report the income of the Debtors to which the estates are entitled under the Bankruptcy Code, 26 U.S.C. § 1398(e). This includes earnings received from the Debtors' post-petition services that are brought into the estate by operating of 11 U.S.C. §1115(a)(2). Notice 2006-83, 2006-2 C.B. 596. Any tax due on the Form 1041 returns filed by the estate is an administrative expense of the estates. 11 U.S.C. §503(b).

Under 26 U.S.C. §1398, the obligation of the estates to filed Form 1041 returns continues until the estates terminate. Under 26 U.S.C. §108(b), cancellation of debt income triggered by a Bankruptcy discharge may be excluded under 26 U.S.C. §108(a)(1). However, such exclusion results in a reduction of tax attributes such as net operating losses and basis in property. Such reductions may affect future tax liabilities and are reported on Form 982, Reduction of Tax Attributes Due to Discharge of Indebtedness. Under 11 U.S.C. §1129(a)(9)(C)(ii), pre-petition priority tax claims must be paid over a period of "5 years after the date of the order for relief", unless the taxing authority agrees to a different treatment. This rule applies also to secured claims that would otherwise constitute priority obligations.

IX.

SUMMARY OF THE PLAN OF REORGANIZATION

The Debtors' Plan, which was filed with this Court, proposes to divide the creditors into four classifications: (a) Unclassified debts, (b) Oversecured Debts, (c) Undersecured Debts; and (d)

Unsecured Debts.

a. **Unclassified Debts.** The Administrative Debts include attorney's fees in the amount of approximately \$20,000.00; The quarterly payments to the Office of the United States Trustee, pursuant to 11 U.S.C. §1129 (a)(12) shall be paid in full on or by the effective date of the Plan. The total cash needed by Debtor to secure confirmation of the Plan will be under \$25,000.00. Priority debt of \$147,474.24 is due to the Internal Revenue. These amounts are to be paid in accordance with 11 U.S.C. §1129(a)(9)(c).

b. **Oversecured Debts.**

4.5 % and 3% variable interest paid at a monthly rate over a 30 year period. See attached copy of Article IV of the Plan, Exhibit V.

c. **Undersecured Debts.**

Contract interest paid at a monthly rate over a 30 year period. See attached copy of Article IV of the Plan, Exhibit V.

d. **Unsecured Debts.** The unsecured creditors, including bifurcated under secured claims, will receive pro rata payments of excess income available on a monthly basis, estimated be at 42% per cent on the dollar to all filed, settled and allowed claims, to a maximum of \$32,000.00. Contingent or unliquidated claims will not be paid. Creditors should note that, in the case that an unsecured creditor objects to confirmation, Debtors must pay not less than their projected disposable income, to be received over the following five years, under 11 U.S.C. §1129(a)(15)(B). Unsecured creditors should be aware of the effect of this statute on the payment of their claims. In case of a filed objection by an unsecured creditor, Debtors must pay all their disposable income projected over the forthcoming five year period. This number may or may not

exceed liquidation value, should it exceed liquidation value, however, Debtors must pay the higher amount to creditors.

SCHEDULE OF MONTHLY CASH FLOWS FOR 5 FUTURE YEARS

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Projected Income:					
1. Salary/Wages/Net Income	\$9,500.00	\$9,600.00	\$9,700.00	\$9,800.00	\$9,900.00
Projected Expenditures:					
1. Rent or home mortgage payment:	\$00.00	\$00.00	\$00.00	\$00.00	\$00.00
2. Utilities:					
a. Electricity and heating fuel:	\$300.00	\$306.00	\$312.00	\$318.00	\$324.00
b. Water and Sewer:	\$120.00	\$122.00	\$124.00	\$126.00	\$128.00
c. Telephone:	\$130.00	\$132.00	\$134.00	\$136.00	\$138.00
3. Home maintenance (repairs and upkeep):	\$100.00	\$102.00	\$104.00	\$106.00	\$108.00
4. Food:	\$400.00	\$408.00	\$416.00	\$424.00	\$432.00
5. Clothing:	\$200.00	\$204.00	\$208.00	\$212.00	\$216.00
6. Laundry and dry cleaning:	\$20.00	\$21.00	\$22.00	\$23.00	\$24.00
7. Medical and dental expenses:	\$150.00	\$153.00	\$156.00	\$159.00	\$162.00
8. Transportation (not including car payment):	\$550.00	\$560.00	\$570.00	\$580.00	\$590.00
9. Charitable contributions:	\$20.00	\$21.00	\$22.00	\$23.00	\$24.00
10. Insurance (not deducted from wage or included in home mortgage)					
a. Homeowner's or renter's:	\$55.00	\$56.00	\$57.00	\$58.00	\$59.00
b. Life:	\$225.00	\$230.00	\$235.00	\$240.00	\$245.00
c. Health:	\$330.00	\$336.00	\$342.00	\$348.00	\$354.00
d. Auto:	\$320.00	\$326.00	\$332.00	\$338.00	\$344.00

11.	Taxes (not deducted from wages or included in home mortgage):					
a.	Estimated IRS Priority Payment					
		\$1,750.00	\$1,750.00	\$1,750.00	\$1,750.00	\$1,750.00
b.	Current taxes:					
		\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00
12.	Installment payment:					
a.	Student Loan:					
		\$200.00	\$200.00	\$200.00	\$200.00	\$200.00
b.	HOA					
		\$180.00	\$183.00	\$186.00	\$189.00	\$192.00
c.	2230 Palo First Mortgage					
		\$742.06	\$742.06	\$742.06	\$742.06	\$742.06
d.	2230 Palo 2 nd Mortgage:					
		\$473.62	\$473.62	\$473.62	\$473.62	\$473.62
13.	Regular expenses from operation of business, profession, or farm (attach detailed statement):					
	TAXES/INS/ETC...	\$750.00	\$765.00	\$780.00	\$795.00	\$810.00
14.	Average monthly expenses:					
		<u>\$9,015.68</u>	<u>\$9,090.68</u>	<u>\$9,165.68</u>	<u>\$9,240.68</u>	<u>\$9,315.68</u>
15.	Statement of monthly net income					
a.	Average monthly income:					
		\$9,500.00	\$9,600.00	\$9,700.00	\$9,800.00	\$9,900.00
b.	Average monthly expenses					
		<u>\$9,015.68</u>	<u>\$9,090.68</u>	<u>\$9,165.68</u>	<u>\$9,240.68</u>	<u>\$9,315.68</u>
c.	Monthly net income:					
		<u>\$484.32</u>	<u>\$509.32</u>	<u>\$534.32</u>	<u>\$559.32</u>	<u>\$584.32</u>
Summary of PDI by year:		<u>\$5,811.84</u>	<u>\$6,111.84</u>	<u>\$6,411.84</u>	<u>\$6,711.84</u>	<u>\$7,011.84</u>
TOTAL PDI ⁵ :		<u>\$32,059.20</u>				

1= income is projected to increase at 2% per annum based on historical norms (incomes fell in 2009.)

2= generally based upon 2% inflation estimate.

3= tax increases limited by loss carry forwards.

4= home maintenance costs for rentals, as properties age; are expected to increase beyond normal inflation.

5= creditors should note projection are less than the amount offered as a dividend in the Plan. Liquidation value exceeds disposable income.

Debtors would also note that all claims are considered to be impaired.

X.

RISK FACTORS

Based on the income history of the Debtors-in-possession over the last year, the risk of voting for the plan and receiving 42% repayment or \$32,000.00, which is what the Debtors propose to pay as a minimum to the unsecured creditors under this plan, is far preferable than the prospect of receiving funds from the liquidation of the Debtors under Chapter 7 of the Bankruptcy Code. There are, however, certain risk factors which must be noted. First, it is possible that the real estate market will continue to decline, in which case Debtors may have to decide that a modified Plan to sell the properties prior to further loss of value would be contemplated. Second, payments to the unsecured creditors in this individual case is dependent on the continued income of Debtors. Mr. Holbrook is employed as an Economic consultant and has been so employed since 2005. Mrs. Holbrook just started employment as an independent outside sales. These projections do not anticipate any large increase in income. Debtors know of no potential event which would change income during the 5 disposable income period but, if that occurred, a modification of the Plan may be proposed. See Article XI. B infra. There has recently been a lift of the stay protecting the Debtors' Kentucky property and said property has been sold. Debtors have no mortgage on their residence and can utilize it to pay creditors if and as necessary.

XI.

APPROVAL OF PLAN

In order to obtain confirmation of the plan by the Bankruptcy Court, the plan must be accepted by a majority of the creditors in each class who hold at least two-thirds of the titled claims in each respective class. Other requirements for confirmation are contained in 11 U.S.C § 1129(a) and (b) of the Code.

Under the Bankruptcy Code, as long as the plan is accepted by the holders of claims or interest

in at least one class, the plan may be confirmed by the Bankruptcy Court "cramming down" the plan provision against the non-accepting classes of creditors. The provisions for effecting a "cramming down" are very detailed and complex, and reference to the Bankruptcy Code is recommended in affecting it on dissenting creditors. The Debtor has not decided whether he will utilize the "cramming down" provisions of the Bankruptcy Code to obtain confirmation of the Plan if the holders of claims or interests in any class do not accept the plan. This determination will be made at a later date. Creditors should note that the absolute priority rule does not apply in the case of an individual Debtor under 1129(b)(2)(B)(ii).

A. Who May Vote or Object.

Any party in interest may object to the confirmation of the Plan if the party believes that the requirements for confirmation are not met.

Many parties in interest, however, are not entitled to vote to accept or reject the Plan. A creditor or equity interest holder has a right to vote for or against the Plan only if that creditor or equity interest holder has a claim or equity interest that is both (1) allowed for voting purposes and (2) impaired.

In this case, the Plan Proponent believes that all classes are impaired and that holders of claims in each of these classes are therefore entitled to vote to accept or reject the Plan.

1. What is an Allowed Claim or an Allowed Equity Interest?

Only a creditor or equity interest holder with an allowed claim or an allowed equity interest has the right to vote on the Plan. Generally, a claim or equity interest is allowed if either (1) the Debtor has scheduled the claim on the Debtor's Schedules, unless the claim has been scheduled as disputed, contingent, or unliquidated, or (2) the creditor has filed a proof of claim or equity interest,

unless an objection has been filed to such proof of claim or equity interest. When a claim or equity interest is not allowed, the creditor or equity interest holder holding the claim or equity interest cannot vote unless the Court, after notice and hearing, either overrules the objection or allows the claim or equity interest for voting purposes pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure.

A creditor which elects under 11 U.S.C. §1111(b) is entitled to have its entire claim treated as a secured claim without interest. The total of all principal and interest payments such creditor must equal or exceed the amount of said secured claims although the amounts of said payments is still based upon the actual value of the collateral plus a reasonable interest rate over time.

The deadline for filing a proof of claim in this case was February 29, 2012.

2. **What is an Impaired Claim or Impaired Equity Interest?**

As noted above, the holder of an allowed claim or equity interest has the right to vote only if it is in a class that is impaired under the Plan. As provided in §1124 of the Code, a class is considered impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class.

3. **Who is NOT Entitled to Vote.**

The holders of the following five types of claims and equity interests are not entitled to vote:

- Holders of claims and equity interests that have been disallowed by an order of the Court;
- Holders of other claims or equity interests that are not “allowed claims” or “allowed equity interests” (as discussed above), unless they have been “allowed” for voting purposes;
- Holders of claims or equity interests in unimpaired classes;
- Holders of claims entitled to priority pursuant to §§ 507(a)(2), (a)(3) and (a)(8) of the

Code; and

- Holders of claims or equity interests in classes that do not receive or retain any value under the Plan;
- Administrative expenses.

Even If You Are Not Entitled to Vote on the Plan, You Have a Right to Object to the Confirmation of the Plan and to the Adequacy of the Disclosure Statement.

4. Who Can Vote in More Than One Class.

A Creditor whose claim has been allowed in part as a secured claim and in part as an unsecured claim, or who otherwise hold claims in multiple classes, is entitled to accept or reject the Plan in each capacity, and should cast one ballot for each claim. A Creditor who has elected under 11 U.S.C. § 1111(b) has no unsecured claim by definition and is therefore entitled to vote as a secured creditor only.

B. Votes Necessary to Confirm the Plan.

If impaired classes exist, the Court cannot confirm the Plan unless (1) at least one impaired class of creditors has accepted the Plan without counting the votes of any insiders within that class, and (2) all impaired classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by “cram down” on non-accepting classes, as discussed later in Section [B.2.].

1. Votes Necessary to Confirm the Plan.

A class of claims accepts the Plan if both of the following occur: (1) the holders of more than one-half (1/2) of the allowed claims in the class, who vote, cast their votes to accept the Plan, and (2) the holders of at least two-thirds (2/3) in dollar amount of the allowed claims in the

class, who vote, cast their votes to accept the Plan.

A class of equity interests accepts the Plan if the holders of at least two-thirds (2/3) in amount of the allowed equity interests in the class, who vote, cast their voted to accept the Plan.

2. Treatment of Nonaccepting Classes.

Even if one or more impaired classes reject the Plan, the Court may nonetheless confirm the Plan if the nonaccepting classes are treated in the manner prescribed by §1129(b) of the Code. A plan that binds nonaccepting classes is commonly referred to as a “cram down” plan. The Code allows the Plan to bind nonaccepting classes of claims or equity interests if it meets all the requirements for consensual confirmation except the voting requirements of §1129(a)(8) of the Code, does not “discriminate unfairly,” and is “fair and equitable” toward each impaired class that has not voted to accept the Plan.

You should consult your own attorney if a “cramdown” confirmation will affect your claim or equity interest, as the variations on this general rule are numerous and complex.

C. Liquidation Analysis.

To confirm the Plan, the Court must find that all creditors and equity interest holders who do not accept the Plan will receive at least as much under the Plan as such claim and equity interest holders would receive in a chapter 7 liquidation. A liquidation analysis is part of this Disclosure Statement on page 13.

ARTICLE XII

EFFECT OF CONFIRMATION OF PLAN

A. Discharge of Debtor

Discharge. Confirmation of the Plan does not discharge any debt provided for in the Plan

until the court grants a discharge on completion of all payments under the Plan, or as otherwise provided in §1141(d)(5) of the Code. Debtor will not be discharged from any debt excepted from discharge under §523 of the Code, except as provided in Rule 4007(c) of the Federal Rules of Bankruptcy Procedure.

B. Modification of Plan.

The Plan Proponent may modify the Plan at any time before confirmation of the Plan. However, the Court may require a new disclosure statement and/or revoting on the Plan.

Upon request of the Debtor, the United States trustee, or the holder of an allowed unsecured claim, the Plan may be modified at any time after confirmation of the Plan but before the completion of payments under the Plan, to (1) increase or reduce the amount of payments under the Plan on claims of a particular class, (2) extend or reduce the time period for such payments, or (3) alter the amount of distribution to a creditor whose claim is provided for by the Plan to the extent necessary to take account of any payment of the claim made other than under the Plan.

C. Final Decree

Once the estate has been fully administrated, as provided in Rule 3022 of the Federal Rules of Bankruptcy Procedure, the Plan Proponent, or such other party as the Court shall

/ / /

/ / /

/ / /

designate in the Plan Confirmation Order shall file a motion with the Court to obtain a final decree to close the case. Alternatively, the Court may enter such a final decree on its own motion.

DATED this 5th day of March, 2013.

THOMAS E. CROWE PROFESSIONAL
LAW CORPORATION

By /s/ THOMAS E. CROWE
THOMAS E. CROWE, ESQ.
2830 S. Jones Blvd. #3
Las Vegas, Nevada 89146
Attorney for Debtors-in-Possession

VERIFICATION

STATE OF NEVADA)
SS:
COUNTY OF CLARK)

Don & Laurie Holbrook, being first duly sworn, depose and say:

That they are the Debtors above-named, and that they has read the above and foregoing Disclosure Statement and knows the contents thereof, and that the same is true of their own knowledge except for those matters therein stated on information and belief, and as for those matters they believe them to be true.

/s/DON HOLBROOK
DON HOLBROOK

/s/LAURIE HOLBROOK
LAURIE HOLBROOK

SUBSCRIBED and SWORN to before me

This 5th day of March, 2013.

/s/ PAMELA POULSEN
NOTARY PUBLIC in and for said
County and State.

###

EXHIBIT T

APPRAISAL SHOP MJM INC.
CERTIFIED RESIDENTIAL APPRAISER

File No. AS11-216

APPRAISAL OF



SINGLE FAMILY RESIDENCE

LOCATED AT:

2230 PALO VERDE BLVD N
LAKE HAVASU CITY, AZ 86404-1938

CLIENT:

CLIENT: LAURIE & DON HOLBROOK
9200 DALMAHOY PLACE
LAS VEGAS, NV 89145

AS OF:

September 3, 2011

BY:

MICHAEL J MARTIN
AZ 20280

APPRAISAL SHOP MJM INC.

APPRAISAL SHOP MMJ INC.
CERTIFIED RESIDENTIAL APPRAISER

File No. AS11-216

CLIENT: LAURIE & DON HOLBROOK
9200 DALMAHOY PLACE
LAS VEGAS, NV 89145

File Number: AS11-216

In accordance with your request, I have appraised the real property at:

2230 PALO VERDE BLVD N
LAKE HAVASU CITY, AZ 86404-1938

The purpose of this appraisal is to develop an opinion of the defined value of the subject property, as improved.
The property rights appraised are the fee simple interest in the site and improvements.

In my opinion, the defined value of the property as of September 3, 2011 15:

5235,000
Two Hundred Thirty-Five Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions,
final opinion of value, descriptive photographs, assignment conditions and appropriate certifications.



MICHAEL J MARTIN
AZ 20280
CERTIFIED RESIDENTIAL APPRAISER

1824 GOLD DUST DRIVE, LAKE HAVASU CITY, AZ 86404

PH 928-855-0344 FAX 928-453-1088 E-MAIL APPRAISALSHOP@NPGCABLE.COM

SUMMARY APPRAISAL REPORT
Residential Appraisal Report

File No. AS11-216

The purpose of this appraisal report is to provide the client with a credible opinion of the defined value of the subject property, given the intended use of the appraisal.

Client Name/Intended User: CLIENT: LAURIE & DON HOLBROOK E-mail: JEWELLER@FRONTIER.NET

Client Address: 9200 DALMAHOY PLACE City: LAS VEGAS State: NV Zip: 89145

Additional Intended Use(s): CLIENT'S ASSIGNEE'S FOR TAX PURPOSES ONLY.

Intended Use: THE INTENDED USE IS FOR AN OPINION OF VALUE FOR THE CLIENT'S TAX PURPOSES ONLY, SUBJECT TO THE STATED SCOPE OF WORK, PURPOSE AND REPORT REQUIREMENTS OF THIS APPRAISAL FORM, AND DEFINITION OF MARKET VALUE.

Property Address: 2230 PALO VERDE BLVD N City: LAKE HAVASU CITY State: AZ Zip: 86404-1938

Owner of Public Record: DON A HOLBROOK County: MOHAVE

Legal Description: LAKE HAVASU CITY TRACT 2180, BLOCK 5, LOT 10

Assessor's Parcel #: 104-35-065 Tax Year: 2010 R.E. Taxes \$: 1,200.08

Neighborhood Name: LAKE HAVASU CITY Map Reference: E-3 Census Tract: 9525.00

Property Rights Appraised: ☒ For Single ☐ Leasehold ☐ Other (describe)

My research: ☐ did ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Prior Sale/Transfer: Date: NOT APPLICABLE Price: N/A Source(s): MLS / COUNTY RECORDS/WINDATA/SITE-X DATA.

Analysis of prior sale or transfer history of the subject property (and comparable sales, if applicable): SEE ATTACHED ADDENDUM

Offerings, options and contracts as of the effective date of the appraisal: NO KNOWN LISTINGS, CONTRACTS OR OPTIONS KNOWN, PROVIDED TO, OR FOUND BY THE APPRAISER AT TIME OF APPRAISAL.

Neighborhood Characteristics			One-Unit Housing Trends			One-Unit Housing		Present Land Use %	
Location	<input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit			
Build-Up	<input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$1000	(Yrs)	2-4 Unit			
Growth	<input type="checkbox"/> Rapid <input type="checkbox"/> Stable <input checked="" type="checkbox"/> Slow	Marketing Time	<input type="checkbox"/> Under 2 mths <input checked="" type="checkbox"/> 2-6 mths <input type="checkbox"/> Over 6 mths	69 Low		Multi-Family			
Neighborhood Boundaries: SEE ATTACHED ADDENDUM			700 High		46	Commercial			
			170 Pred.		12	Other V.C.N.Y.			
Neighborhood Description: SUBJECT IS LOCATED IN THE NORTHERN SECTION OF LAKE HAVASU CITY. THE AREA IS A MIX OF CONVENTIONAL HOMES, CUSTOM HOMES, MULTI-FAMILY AND COMMERCIAL USE WITH NO APPARENT ADVERSE AFFECT ON VALUE OR MARKETABILITY. SUBJECT HAS POLICE, FIRE, MEDICAL SCHOOLS AND EMPLOYMENT AREAS WITHIN 1-5 MILES WHICH IS TYPICAL FOR THE AREA. LONG TERM STABILITY OF THE NEIGHBORHOOD APPEARS ADEQUATE AT THIS TIME.									
Market Conditions (including support for the above conclusions): SEE ATTACHED ADDENDUM									

Dimensions: SEE PLAT MAP/PTER CNTY RCRD Area: 13922 SF +/- Shape: IRREGULAR View: SUB/LAKE/AVG

Specific Zoning Classification: R-1 Zoning Description: SINGLE FAMILY RESIDENTIAL

Zoning Compliance: ☒ Legal ☐ Legal Nonconforming (Grandfathered Use) ☐ No Zoning ☐ Illegal (describe)

Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? ☒ Yes ☐ No H.N.O. describe: SUBJECT

HIGHEST AND BEST USE IN THIS AREA IS SINGLE FAMILY RESIDENCE.

Utilities		Public		Other (describe)		Off-site Improvements—Type		Public		Private	
Electricity	<input checked="" type="checkbox"/> N					Street	ASPHALT				
Gas	<input checked="" type="checkbox"/> N					Alley	NONE				
Water	<input checked="" type="checkbox"/> N										
Sanitary Sewer	<input checked="" type="checkbox"/> N										

Site Comments: NO APPARENT ADVERSE EASEMENTS OR ENCROACHMENTS NOTED AT TIME OF APPRAISAL. THE SUBJECT IS LOCATED IN CLOSE PROXIMITY TO AN ELEMENTARY SCHOOL WHICH SEE'S INCREASED VEHICLE TRAFFIC DUE TO BEING ADJACENT TO THE SCHOOL'S MAIN ENTRY AND EXIT AREA IS AN ADVERSE CONDITION TO THE SITE VALUE. THE SUBJECT HAS AN AVERAGE VIEW FROM THE REAR OF THE SUBJECT WHICH IS PRIMARILY OF THE ELEMENTARY SCHOOL AND A SMALL PORTION OF LAKE VIEW. THE SUBJECT SITE IS IN SIZE FOR THE AREA. SEE THE ATTACHED FLOOD MAP.

GENERAL DESCRIPTION		FOUNDATION		EXTERIOR DESCRIPTION		INTERIOR	
Units: <input checked="" type="checkbox"/> One <input type="checkbox"/> One w/face unit	<input checked="" type="checkbox"/> Concrete Slab <input type="checkbox"/> Craw Space	Foundation Walls	CONCRETE / UNK	Floors	CRP/TILE / G		
# of Stories: 1	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	FRM/STUCCO / G	Walls	DRY/WALL / G		
Type: <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det/End Unit	Basement Area: NONE sq. ft.	Roof Surface	TILE / G	Trim/Finish	WOOD / G		
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish: %	Gutters & Downspouts	NONE/NONE	Bath Floor	TILE / G		
Design (Style): RANCH	Outside Entry/Exit: <input type="checkbox"/> Sump Pump	Window Type	DUO/PANE/SLDR / G	Bath Wetsuit	CERAMIC/FG / G		
Year Built: 1995		Storm Sash/Insulated	NONE/NONE	Cm Storage	<input type="checkbox"/> None		
Effective Age (Yrs): 12		Screens	YES / G	Driveway	# of Cars: 4 CAR/G		
Attic: <input type="checkbox"/> None	Heating: <input checked="" type="checkbox"/> FWA <input type="checkbox"/> HW <input type="checkbox"/> Radiant	Amenities	<input type="checkbox"/> Wood/Shovel(s) #	Driveway Surface	CONCRETE / G		
<input type="checkbox"/> Drop Stair	<input type="checkbox"/> Other: Fuel ELEC/T	Fireplace(s) #	<input checked="" type="checkbox"/> Fence: BLK/HRN	Garage	# of Cars: 3 CAR/G		
Floor: <input checked="" type="checkbox"/> S. Scallo	Cooling: <input checked="" type="checkbox"/> Central Air Conditioning	<input checked="" type="checkbox"/> Patio/Deck COV	<input checked="" type="checkbox"/> Porch COV	Carport	# of Cars		
Finished: <input type="checkbox"/> Heated	Individual: <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Pool GUNITE	<input checked="" type="checkbox"/> Other SPA	<input checked="" type="checkbox"/> Det. <input type="checkbox"/> Built-in			
Appliances: <input checked="" type="checkbox"/> Refrigerator <input checked="" type="checkbox"/> Range/Oven <input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Disposal <input checked="" type="checkbox"/> Microwave <input checked="" type="checkbox"/> Washer/Dryer							
Finished area above grade contains: 7 Rooms	3 Bedrooms	3 Bnd(s)		1,933 Square Feet of Gross Living Area Above Grade			
Additional Features: SEE ATTACHED ADDENDUM							

Comments on the Improvements: NO APPARENT PHYSICAL OR FUNCTIONAL INADEQUACIES NOTED AT TIME OF APPRAISAL. NO PHYSICAL OR INTERNAL OBSOLESCENCE NOTED AT TIME OF APPRAISAL. SUBJECT APPEARS TO BE WELL MAINTAINED IN GOOD CONDITION WITH NO APPARENT MAJOR REPAIRS NOTED AT TIME OF APPRAISAL. COUNTY RECORDS SHOW THE SUBJECT AS HAVING 1796 S.F. OF GROSS LIVING AREA. THE APPRAISER HAS PHYSICALLY MEASURED THE SUBJECT AND HAS A CALCULATION 1933 S.F. THIS APPEARS TO BE FROM A PATIO THAT WAS ENCLOSED AND THE IMPROVEMENTS ARE SIMILAR IN QUALITY OF CONSTRUCTION. WERE DONE IN A PROFESSIONAL WORKMANSHIP LIKE MANNER AND HAVE TYPICAL UTILITY TO THE HOME. IN CHECKING WITH THE CITY BUILDING DEPARTMENT, THERE WERE VARIOUS PERMITS FOR THE POOL-SPA-PATIO, DECK ADDITION AND WALLS AND THE CITY NOTED THAT THERE WERE NO OPEN VIOLATIONS ON THE SUBJECT PROPERTY AT THIS TIME.

SUMMARY APPRAISAL REPORT
Residential Appraisal Report

File No. ASTI-216

FEATURE	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
2230 PALO VERDE BLVD N	2230 PALO VERDE BLVD N	2830 OAKRIDGE DRIVE	2515 HILLVIEW DRIVE	
Address LAKE HAVASU CITY, AZ 86404	LAKE HAVASU CITY, AZ 86404	LAKE HAVASU CITY, AZ 86404	LAKE HAVASU CITY, AZ 86404	
Proximity to Subject	0.02 miles ESE	1.16 miles NE	0.71 miles ESE	
Sale Price	\$ N/A	\$ 190,500	\$ 200,000	\$ 239,000
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 103.25 sq. ft.	\$ 114.35 sq. ft.	\$ 134.88 sq. ft.
Data Source(s)	INSPECTION	MLS850798/WINDATA/CNTY/RCD	MLS853645/WINDATA/CNTY/RCD	MLS848559/WINDATA/CNTY/RCD
Verification Source(s)	APPS DOM	104-35-066 - DOM 112	112-18-043 - DOM 85	104-32-206 - DOM 160
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
Sale or Financing	NOT APPLICABLE	CONVENTIONAL	CASH	CONVENTIONAL
Concessions	NOT APPLICABLE	NONE KNOWN	NONE KNOWN	HOME WRRNTY
Date of Sale/Time	NOT APPLICABLE	04/14/2011	06/10/2011	03/21/2011
Location	AVERAGE	AVERAGE	SUPERIOR	SUPERIOR
Leasehold/Free Simple	FEE SIMPLE	FEE SIMPLE	FEE SIMPLE	FEE SIMPLE
Site	13939 SF +/-	10890 SF +/-	NMD	10454 SF +/-
View	SUBLAKE/AVG	SUBLAKE/AVG	NMD	SUBLAKE/AVG
Design (Style)	RANCH	RANCH	RANCH	RANCH
Quality of Construction	STCC/TILE/AVG	STCC/TILE/AVG	STCC/TILE/AVG	STCC/TILE/AVG
Actual Age	16.E-12	18.E-12	NMD	15.E-12
Condition	GOOD	GOOD	GOOD	GOOD
Above Grade				
Room Count	7 3 5	7 3 2	4,000 6 3 2	4,000 6 3 3
Gross Living Area	1,933 sq. ft.	1,845 sq. ft.	3,872	1,772 sq. ft.
Basement & Finished	NONE	NONE	NONE	NONE
Rooms Below Grade	NONE	NONE	NONE	NONE
Functional Utility	AVERAGE	AVERAGE	AVERAGE	AVERAGE
Heating/Cooling	CENTRAL A/C	CENTRAL A/C	CENTRAL A/C	CENTRAL A/C
Energy Efficient Items	NONE	NONE	NONE	NONE
Garage/Carport	G-3, 31'DP, PRK PD	G-3, 32'DP	2,000	G-3, 34'DP
Porch/Patio/Deck	ENT/PAT/DK/BHO	ENTRY/PATIO	2,000	ENT/PAT/GZ/BFP
FIREPLACE	NONE	FIREPLACE	NMD	NONE
POOL/SPA/FENCE	PL/SP/BLK/IRON	BLK/IRON/FENCE	26,000	POOL/BLK/IRON
LANDSCAPE	GRAVEL/LNDSCP	GRAVEL/LNDSCP	NMD	GRAVEL/LNDSCP
Net Adjustment (Total)	[X] + [] = \$ 37,872	[X] + [] = \$ 12,096	[X] + [] = \$ 84	
Adjusted Sale Price of Comparables	Not Adj. 19.2%	Not Adj. 6.0%	Not Adj. 0.0%	Gross Adj. 8.4%
Summary of Sales Comparison Approach	SEE ATTACHED ADDENDUM			
COST APPROACH TO VALUE				
Site Value Comments SEE ATTACHED ADDENDUM				
ESTIMATED <input checked="" type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW				
OPINION OF SITE VALUE = \$ 37,000				
Source of cost data MARSHALL & SWIFT / LOCAL BUILDERS				
Dwelling 1,933 Sq. Ft. @ \$ 89.00 = \$ 172,037				
Quality rating from cost service AVG Effective date of cost data 04/2011				
Comments on Cost Approach (gross living area calculations, depreciation, etc.)				
SEE ATTACHED ADDENDUM				
ENTRY/PATIOS/DECK/POOL/SPA/FENCE 73,200				
Garage/Carport 850 Sq. Ft. @ \$ 34.00 = \$ 28,900				
Total Estimate of Cost-New 274,137				
LESS 60 Physical Functional External				
Depreciation \$55,255 \$10,000 = \$ 65,255				
Depreciated Cost of Improvements = \$ 208,882				
Adjusted Value of Site Improvements = \$ 7,800				
INDICATED VALUE BY COST APPROACH = \$ 253,700				
INCOME APPROACH TO VALUE				
Estimated Monthly Market Rent \$ N/A X Gross Rent Multiplier N/A = \$ N/A Indicated Value by Income Approach				
Summary of Income Approach (including support for market rent and GRM) THERE IS INSUFFICIENT RENTAL DATA FROM SUBJECT NEIGHBORHOOD TO PRODUCE RELIABLE GRMS FOR SUBJECT TO APPLY INCOME APPROACH. SUBJECT IS NOT A TYPICAL RENTAL PROPERTY IN THIS AREA.				
Indicated Value by: Sales Comparison Approach \$ 235,000 Cost Approach (if developed) \$ 253,700 Income Approach (if developed) \$ N/A				
FINAL VALUATION BASED ON MARKET APPROACH WITH SUPPORT FROM COST APPROACH TO VALUE. INSUFFICIENT RENTAL DATA TO MAKE INCOME APPROACH RELIABLE, AND THEREFORE WAS NOT DEVELOPED. THIS APPRAISAL REPORT IS INTENDED FOR USE BY THE CLIENT, LAURIE AND DON HOLBROOK FOR AN OPINION OF VALUE FOR TAX PURPOSES ONLY.				
This appraisal is made <input checked="" type="checkbox"/> as is, <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed <input type="checkbox"/> subject to the following:				
THIS APPRAISAL IS NOT VALID WITHOUT ALL ADDENDA AS PER ORIGINAL SUBMISSION. THIS REPORT PREPARED IN COMPLIANCE WITH USPAP GUIDELINES.				
Based on the scope of work, assumptions, limiting conditions and appraiser's certification, my (our) opinion of the defined value of the real property that is the subject of this report is \$ 235,000 as of 09/03/2011, which is the effective date of this appraisal.				



SUMMARY APPRAISAL REPORT
Residential Appraisal Report

File No. A511-216

FEATURE	SUBJECT	COMPARABLE SALE NO. 4	COMPARABLE SALE NO. 5	COMPARABLE SALE NO. 6
2230 PALO VERDE BLVD N	3648 TARPON DRIVE	2649 PALO VERDE BLVD N		
Address LAKE HAVASU CITY, AZ 86404	LAKE HAVASU CITY, AZ 86406	LAKE HAVASU CITY, AZ 86404		
Proximity to Subject	3.80 miles ESE	0.73 miles E		
Sale Price	\$ N/A	\$ 270,000	\$ 250,000	
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 121.46 sq. ft.	\$ 144.95 sq. ft.	
Data Source(s)	INSPECTION	MLS856744/WINDATA/CNTY/RCD	MLS856728/WINDATA/CNTY/RCD	
Verification Source(s)	APP'S DOM	110-12-154 - DOM 49	112-11-025 - DOM 78	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
Sale or Financing	NOT APPLICABLE	CASH	NONE KNOWN	
Concessions	NOT APPLICABLE	HOME WRRNTY	NONE KNOWN	
Date of Sale/Time	NOT APPLICABLE	08/05/2011	ACTIVE LISTING	-12,995
Location	AVERAGE	SUPERIOR	SUPERIOR	-10,000
Leasehold/Free Simple	FEE SIMPLE	FEE SIMPLE	FEE SIMPLE	
Site	13932 SF +/-	10012 SF +/-	14374 SF +/-	NMD
View	SUBLAKE/AVG	SUBURBAN/AVG	SUBLAKE/AVG	
Design (Style)	RANCH	SANTA FE	SANTA FE	NMD
Quality of Construction	STCC/TILE/AVG	STCC/TILE/AVG	STCC/TILE/AVG	NMD
Actual Age	16.6-12	11.6-11	12.6-12	NMD
Condition	GOOD	GOOD	GOOD	
Above Grade	Total Bldgs. 3	Total Bldgs. 3	Total Bldgs. 3	
Room Count	7 3 3	6 3 2.5	6 3 2.5	
Gross Living Area	1,933 sq. ft.	2,223 sq. ft.	1,793 sq. ft.	6,160 sq. ft.
Basement & Finished	NONE	NONE	NONE	
Rooms Below Grade	NONE	NONE	NONE	
Functional Utility	AVERAGE	AVERAGE	AVERAGE	
Heating/Cooling	CENTRAL A/C	CENTRAL A/C	CENTRAL A/C	
Energy Efficient Items	NONE	NONE	NONE	
Garage/Carport	G-3, 31'DP, PRK PD	G-3, 48'DP	G-3, 31'DP	2,000
Porches/Patio/Deck	ENT/PATIS/DK/BBO	ENTRY/PATIO	ENTRY/PATIO	2,000
FIREPLACE	NONE	NONE	FIREPLACE	NMD
POOL/SPA/FENCE	FL/ST/BLK/IRON	POOL/BLK/FNCE	POOL/BLK/IRON	3,000
LANDSCAPE	GRAVEL/LNDSCP	GRAVEL/LNDSCP	GRAVEL/LNDSCP	NMD
Net Adjustment (Total)		\$ 20,760	\$ 7,835	
Adjusted Sale Price of Comparables	Not Adj. -7.7%	249,240	252,065	
Summary of Sales Comparison Approach				

**SUMMARY APPRAISAL REPORT
Residential Appraisal Report**

File No. AS11-216

Scope of Work, Assumptions and Limiting Conditions

Scope of work is defined in the Uniform Standards of Professional Appraisal Practice as "the type and extent of research and analyses in an assignment." In short, scope of work is simply what the appraiser did and did not do during the course of the assignment. It includes, but is not limited to: the extent to which the property is identified and inspected, the type and extent of data researched, the type and extent of analyses applied to arrive at opinions or conclusions.

The scope of this appraisal and ensuing discussion in this report are specific to the needs of the client, other identified intended users and to the intended use of the report. This report was prepared for the sole and exclusive use of the client and other identified intended users for the identified intended use and its use by any other parties is prohibited. The appraiser is not responsible for unauthorized use of the report.

The appraiser's certification appearing in this appraisal report is subject to the following conditions and to such other specific conditions as are set forth by the appraiser in the report. All extraordinary assumptions and hypothetical conditions are stated in the report and might have affected the assignment results.

1. The appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or title thereto, nor does the appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
 2. Any sketch in this report may show approximate dimensions and is included only to assist the reader in visualizing the property. The appraiser has made no survey of the property.
 3. The appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made thereto.
 4. Neither all, nor any part of the content of this report, copy or other media thereof (including conclusions as to the property value, the identity of the appraiser, professional designations, or the firm with which the appraiser is connected), shall be used for any purposes by anyone but the client and other intended users as identified in this report, nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent of the appraiser.
 5. The appraiser will not disclose the contents of this appraisal report unless required by applicable law or as specified in the Uniform Standards of Professional Appraisal Practice.
 6. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the appraiser is assumed by the appraiser.
 7. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering or testing, which might be required to discover such factors. This appraisal is not an environmental assessment of the property and should not be considered as such.
 8. The appraiser specializes in the valuation of real property and is not a home inspector, building contractor, structural engineer, or similar expert, unless otherwise noted. The appraiser did not conduct the intensive type of field observations of the kind intended to seek and discover property defects. The viewing of the property and any improvements is for purposes of developing an opinion of the defined value of the property, given the intended use of this assignment. Statements regarding condition are based on surface observations only. The appraiser claims no special expertise regarding issues including, but not limited to: foundation settlement, basement moisture problems, wood destroying (or other) insects, pest infestation, radon gas, lead based paint, mold or environmental issues. Unless otherwise indicated, mechanical systems were not activated or tested.
- This appraisal report should not be used to disclose the condition of the property as it relates to the presence/absence of defects. The client is invited and encouraged to employ qualified experts to inspect and address areas of concern. If negative conditions are discovered, the opinion of value may be affected.
- Unless otherwise noted, the appraiser assumes the components that constitute the subject property improvement(s) are fundamentally sound and in working order.
- Any viewing of the property by the appraiser was limited to readily observable areas. Unless otherwise noted, attics and crawl space areas were not accessed. The appraiser did not move furniture, floor coverings or other items that may restrict the viewing of the property.
9. Appraisals involving hypothetical conditions related to completion of new construction, repairs or alteration are based on the assumption that such completion, alteration or repairs will be competently performed.
 10. Unless the intended use of this appraisal specifically includes issues of property insurance coverage, this appraisal should not be used for such purposes. Reproduction or Replacement cost figures used in the cost approach are for valuation purposes only, given the intended use of the assignment. The Definition of Value used in the assignment is unlikely to be consistent with the definition of Insurable Value for property insurance coverage/use.
 11. The ACR General Purpose Appraisal Report (GPARSM) is not intended for use in transactions that require a Fannie Mae 1004/Freddie Mac 70 form, also known as the Uniform Residential Appraisal Report (URAR).

Additional Comments Related To Scope Of Work, Assumptions and Limiting Conditions

THE INTENDED USER OF THIS REPORT IS THE CLIENT. THE INTENDED USE IS TO EVALUATE THE PROPERTY THAT IS THE SUBJECT OF THIS APPRAISAL REPORT FOR AN OPINION OF VALUE FOR THE CLIENT'S TAX PURPOSES ONLY, SUBJECT TO THE STATED SCOPE OF WORK, PURPOSE OF THE APPRAISAL, REPORTING REQUIREMENTS OF THIS APPRAISAL FORM AND DEFINITION OF MARKET VALUE STATED IN THIS FORM. NO OTHER ADDITIONAL USERS OF THIS OF THIS REPORT HAVE BEEN IDENTIFIED BY THE APPRAISER.

SCOPE OF WORK IS STATED AS IDENTIFICATION OF THE APPRAISAL ASSIGNMENT AND THE INTENDED USER, A COMPLETE INSPECTION OF THE INTERIOR AND EXTERIOR OF SUBJECT PROPERTY, EXTERIOR INSPECTION OF COMPARABLES, SALES HISTORY OF SUBJECT AND COMPARABLES, ANY ADDITIONAL TRANSFERS AND LISTING HISTORY FOR SUBJECT AND COMPARABLES. SUBJECT NEIGHBORHOOD AND SURROUNDING AREAS HAVE BEEN INSPECTED. IN FORMING A FINAL RECONCILIATION ALL LIMITING CONDITIONS AND ASSUMPTIONS WERE ANALYZED INCLUDING DATA THAT WAS RESEARCHED AND FOUND ON SUBJECT AND COMPARABLES. DATA USED IN THIS REPORT HAS BEEN VERIFIED THROUGH LOCAL MLS SERVICE AND COUNTY RECORDS TO CROSS VERIFY. COUNTY DATA IS AVAILABLE THRU ONLINE SERVICES. COUNTY RECORDS ARE OFTEN NOT AVAILABLE AT TIME OF APPRAISAL REPORTS DUE TO TIME TO RECORD BY THE COUNTY AS THERE IS OFTEN A BACK LOG IN COUNTY SERVICES. FOR THIS REASON SOME INFORMATION MAY NOT BE READILY AVAILABLE AT TIME OF APPRAISAL FOR PROPERTIES AND EVERY MEANS HAVE BEEN MADE TO VERIFY DATA USED IN THE REPORT.

NOTE: THIS IS NOT A HOME INSPECTION.

SUMMARY APPRAISAL REPORT
Residential Appraisal Report

File No. AS11-216

Appraiser's Certification

The appraiser(s) certifies that, to the best of the appraiser's knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are the appraiser's personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. Unless otherwise stated, the appraiser has no present or prospective interest in the property that is the subject of this report and has no personal interest with respect to the parties involved.
4. The appraiser has no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. The appraiser's engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. The appraiser's compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. The appraiser's analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. Unless otherwise noted, the appraiser has made a personal inspection of the property that is the subject of this report.
9. Unless noted below, no one provided significant real property appraisal assistance to the appraiser signing this certification. Significant real property appraisal assistance provided by: As of the date of this report, I, Michael J. Martin, has completed the Standards and Ethics Education Requirement of the Appraisal Institute for associate members.

Additional Certifications:

IN THE ACCEPTANCE AND DURING THE COMPLETION OF THIS APPRAISAL ASSIGNMENT, NO EMPLOYEE, DIRECTOR, OFFICER, OR AGENT OF THE CLIENT, OR ANY OTHER THIRD PARTY ACTING AS A JOINT VENTURE PARTNER, OR INDEPENDENT CONTRACTOR, OR PARTNER ON BEHALF OF THE CLIENT, HAS INFLUENCED OR ATTEMPTED TO INFLUENCE THE DEVELOPMENT, REPORTING, RESULTS OR REVIEW OF THIS ASSIGNMENT THROUGH COERCION, EXTORTION, COLLUSION, COMPENSATION, INSTRUCTION, INDUCEMENT, INTIMIDATION, BRIBERY OR BY ANY OTHER MEANS OR IN ANY OTHER MANNER.

Definition of Value: ☒ Market Value ☐ Other Value:

Source of Definition: THE APPRAISAL OF REAL ESTATE 12TH EDITION.

THE MOST PROBABLE PRICE WHICH A PROPERTY SHOULD BRING IN A COMPETITIVE AND OPEN MARKET UNDER ALL CONDITIONS REQUISITE TO A FAIR SALE, THE BUYER AND SELLER EACH ACTING PRUDENTLY AND KNOWLEDGEABLY AND ASSUMING THE PRICE IS NOT AFFECTED BY UNDUCE STIMULUS. IMPLICIT IN THIS DEFINITION IS THE CONSUMMATION OF A SALE AS OF A SPECIFIED DATE AND THE PASSING OF TITLE FROM SELLER TO BUYER UNDER CONDITIONS WHEREBY: BUYER AND SELLER ARE TYPICALLY MOTIVATED; BOTH PARTIES ARE WELL INFORMED OR WELL ADVISED, AND ACTING IN WHAT THEY CONSIDER THEIR BEST INTEREST; A REASONABLE TIME IS ALLOWED FOR EXPOSURE IN THE OPEN MARKET; PAYMENT IS MADE IN TERMS OF CASH IN UNITED STATES DOLLARS OR IN TERMS OF FINANCIAL ARRANGEMENTS COMPARABLES THERETO AND THE PRICE REPRESENTS THE NORMAL CONSIDERATION FOR THE PROPERTY SOLD UNAFFECTED BY SPECIAL OR CREATIVE FINANCING OR SALES CONCESSIONS GRANTED BY SOMEONE ASSOCIATED BY THE SALE.

ADDRESS OF THE PROPERTY APPRAISED:

7239 PALO VERDE RD N

LAKE HAVASU CITY, AZ 86404-1938

EFFECTIVE DATE OF THE APPRAISAL: 09/03/2011

APPRAISED VALUE OF THE SUBJECT PROPERTY \$ 235,000

APPRAISER

Signature: 

Name: MICHAEL J. MARTIN

State Certification # 20280

or License #

or Other (describe):

State #: AZ

State: AZ

Expiration Date of Certification or License: 03-31-2012

Date of Signature and Report: 09/12/2011

Date of Property Viewing: 09/03/2011

Degree of property viewing:

☒ Interior and Exterior☐ Exterior Only☐ Did not personally view

SUPERVISORY APPRAISER

Signature: _____

Name: _____

State Certification # _____

or License # _____

State: _____

Expiration Date of Certification or License: _____

Date of Signature: _____

Date of Property Viewing: _____

Degree of property viewing:

☐ Interior and Exterior☐ Exterior Only☐ Did not personally viewProduced using ACI software, 180.224.6/27 view search.com
Page 4 of 4The Appraisal Institute of America, Inc. All Rights Reserved.
(GPAR) General Purpose Appraisal Report, 03/2011
(GPAR) 10/2011

APPRAISAL SHOP

ADDENDUM

Client: CLIENT:LAURIE & DON HOLBROOK
 Property Address: 2230 PALO VERDE BLVD N
 City: LAKE HAVASU CITY

File No.: AS11-216

Case No.:

State: AZ

Zip: 86404-1938

LAKE HAVASU CITY AREA ADDENDUM:

Lake Havasu City and its surrounding communities are located in the southwestern portion of Arizona in Mohave County. The Colorado River runs west of Lake Havasu City which is the border between Arizona and California. Lake Havasu and the London Bridge are main attractions for residents and tourists visiting the area. Lake Havasu City is a desert community in an area known as the tri-state area which includes the city of Kingman and its surrounding communities and the city of Bullhead and its surrounding communities. Lake Havasu City lies southwest of Interstate 40 along Highway 95 that runs thru the city. The city of Parker and Parker Dam are south of Lake Havasu City with Bullhead City and Davis Dam to the north along the Colorado River.

The state of Arizona is one of the fastest growing areas in the western states in terms of new residents. The population of Mohave County is approximately 165,000 and is the second largest county in the state. The population of Lake Havasu City is approximately 55,000. Lake Havasu City was established in 1963 and incorporated in 1978. The city was founded by Robert McCulloch Sr. who purchased the historic London Bridge and had it moved to Lake Havasu City where it has become a large tourist attraction for the city.

The London Bridge and Lake Havasu are main tourism attractions for the city with events being held such as jet ski races, boat regattas and fishing tournaments. Boating, fishing and camping, fishing are popular tourism activities and major holiday weekends bring in a large influx of tourists thru out the year. There are numerous camp grounds, city parks, boat marina, golf courses, a city water park complex, hotels-motels and restaurants that are available to visitors. There is an island that was created by building a channel and the London Bridge provides access to the island. The island has a golf course, motels, restaurants, shopping country park and shoreline accessible by the public. The island has some residential use, development, and some commercial use, development occurring.

The city has an industrial park with boat manufacturing, the Sterlite manufacturing corporation, jet ski component companies and building construction suppliers. There is a Home Depot, a Lowe's home improvement center and several car dealerships. Tourism and development of the city are the primary industry in the city. Development of the city is driven by tourism and winter visitors who desire the milder winter climate of the area.

Lake Havasu City has a community college with an extension program for Northern Arizona University in Flagstaff Arizona, a high school, elementary-middle schools and some charter schools with schools sites set aside for future expansion of the city and its residents. There are some assisted care and retirement facilities located thru out the city as well. There are sections of state land that could be developed around the city that could eventually increase the city area as residential use and business expands with the growth of the city.

Lake Havasu City does not have tract housing and homes have been spot built thru out the city. For this reason buyers tend to search thru out the city as there are homes and home sites that offer similar amenities located from one end of the city to the other. Property types in the city range from typical single family units, condos, multi-family units, condominium units, manufactured homes and large custom homes. There is pocket areas of residential use that include golf course homes, manufactured home area and equestrian area. There is custom homes, condominium and commercial use on the island. With the mix use areas located thru out the city, it is common for appraisers to use homes from one end of the city to the other to locate similar properties that buyers will consider when purchasing homes. It is not uncommon to find smaller homes located near commercial use and large custom homes and condominiums. This does not appear to deter buyers from purchasing properties with these types of uses as there are homes with lake views that buyers desire located in these types of areas nor does it appear to have a significant adverse effect on the marketability or value of properties. In years past and in the early times of development of the city there was often inappropriate land use planning, however since incorporation and adequate planning and zoning regulations and enforcement there is more appropriate use in place.

Comments on Environmental conditions:

The estimated values stated in this report is based on the assumption that the property is not adversely affected by the existence of any hazardous substances, materials or detrimental environmental conditions. The Appraiser is not an expert in the identification of these items. The Appraiser thru the process of viewing and inquiring of the subject property did not observe or develop any information that would indicate any apparent significant hazardous materials or environmental conditions that would adversely affect the property. It is possible that that test and inspections done by a qualified expert in this field would reveal the existence of hazardous materials and environmental conditions on or around the subject property, and this could adversely affect the value or marketability of the subject property. The existence of any potentially hazardous materials used in the construction or maintenance of the subject property such as urea-formaldehyde foam insulation and or soil displacement due to nuclear testing was not observed by the Appraiser, nor does the Appraiser have any knowledge of the existence of such materials on or near the subject property. It is highly recommended by the Appraiser that the client retain an expert in the hazardous materials profession if any such materials, substances or conditions are suspected.

The Appraiser is not a structural engineer or a home inspector. The Appraiser reports any noticeable problems on page 1 of this report. This report is not a home inspection. If repairs are required they will also be listed on page 1 of the report or in the addendum section of that field of the report. Users of this report should have a home inspection done by a qualified individual and this report should not be considered a home inspection only a valuation.

The Appraiser assumes there are no hidden factors or unapparent conditions of the property, subsoil or structures that would render it more or less valuable. The Appraiser assumes no responsibility for such conditions, or for engineering which might be required to discover such factors.

This report is intended to comply with federal fair housing regulations. This Appraiser has completed the course "Fair Lending Policies For Appraisers"

Prior Sales Comments

NO PRIOR SALE FOUND ON SUBJECT IN PAST 36 MONTHS.

SEE THE TEXT ADDENDUM WITH SUBJECT'S ADDITIONAL COUNTY DOCUMENT HISTORY.

COUNTY RECORDS SHOW A TRANSFER ON COMP 4 IN 06/16/2011 - FEE#2011032252 - \$204,501-TENANCY BY ENTIRETIES DUE TO FORECLOSURE-TRUSTEE'S SALE AND WAS NOT AN ARMS LENGTH TRANSACTION.

NO OTHER PRIOR SALES OR TRANSFER'S FOUND ON COMPARABLES 12 MONTHS PRIOR TO SALE DATE.

ADDITIONAL TRANSFERS DO NOT NECESSARILY MEAN TRANSFER BETWEEN BUYER AND SELLER BUT TRANSFERS FOR REASONS SUCH AS REFINANCES AND TRUSTS, ETC. AT TIME OF APPRAISAL COUNTY RECORDS INFORMATION IS LIMITED DUE TO THE COUNTY CHANGES IN ACCESS TO INFORMATION THAT IS AVAILABLE TO THE PUBLIC AS WELL AS OTHER PROFESSIONALS AND INFORMATION PROVIDED IN THE REPORT IS AS UP TO DATE AS POSSIBLE. IF THERE ARE ANY SIGNIFICANT CHANGES FOUND AT A LATER DATE THAT WOULD HAVE A SIGNIFICANT EFFECT ON THE REPORT, THE INFORMATION WILL BE FORWARDED TO THE CLIENT.

ALL SALES DATES OF COMPARABLES ARE BASED ON CLOSE OF ESCROW THRU THE LOCAL MLS SYSTEM. IF THERE IS A SIGNIFICANT AMOUNT OF TIME BETWEEN VERIFIABLE CONTRACT DATE AND CLOSING DATE THAT WOULD HAVE A SIGNIFICANT EFFECT ON VALUE DUE TO MARKET CHANGES OR ANY TERMS OF SALE DURING THAT TIME, IT WILL BE ADDRESSED IN THE RECONCILIATION SECTION OF THE REPORT. THIS IS DUE TO THE AMOUNT OF TIME THAT THE COUNTY DOCUMENT NUMBERS BECOME AVAILABLE AFTER CLOSE OF ESCROW AND THE INFORMATION THAT IS AVAILABLE THRU THE MLS SYSTEM.

Client: CLIENT LAURIE & DON HOLBROOK
Property Address: 2730 PALO VERDE BLVD N
City: LAKE HAVASU CITY

File No.: AS11-216
Case No.:
State: AZ Zip: 86404-1939

DAYS ON MARKET ARE APPROXIMATE. DAYS ON MARKET FROM ORIGINAL LISTING DATE DUE TO MIS INFORMATION SOME TIMES STILL CALCULATING DAYS ON MARKET EVEN AFTER A CONTRACT MAY HAVE BEEN MADE AND ARE RESEARCHED AS BEST AS POSSIBLE FOR ACCURACY.

THE COUNTY RECORDER HAS NOTED THAT AS OF 01/01/2010, RECORDINGS ARE DONE UNDER THE FEE NUMBER RATHER THAN THE PRIOR USE OF DOCUMENT NUMBERS UNDER BOOK-PAGE. ANY NOTED PRIOR SALES OR TRANSFERS OF RECORDINGS AFTER 01/01/2010 WILL NOW BE PROVIDED AND NOTED AS FEE NUMBERS.

Neighborhood Boundaries

LAKE HAVASU CITY IS A SPOT BUILT COMMUNITY WITH A NORTHERN AND NORTHEASTERN AREA SECTION THAT HAS SOME SINGLE FAMILY-CONDO ZONED-USE AREA, RESIDENTIAL- AGRICULTURAL USE, EQUESTRIAN ZONED AREA, MANUFACTURED HOME ZONED-USE AREA, MULTI-FAMILY ZONED-USE AREAS AND COMMERCIAL ZONED-USE AREA.

THE WESTERLY SECTION HAS COMMERCIAL ZONED-USE AREA, MANUFACTURED HOME ZONED-USE AREA, MULTI FAMILY ZONED-USE AREAS AND SINGLE FAMILY-CONDO ZONED-USE AREA.

THE CENTRAL SECTION HAS SINGLE FAMILY-CONDO ZONED-USE AREA, MULTI-FAMILY ZONED-USE AREAS AND COMMERCIAL ZONED-USE AREAS. THERE IS 2 GOLF COURSES IN THE CENTRAL SECTION OF THE CITY. THE EASTERN-EASTERLY SECTION CONSIST OF SINGLE FAMILY ZONED-USE AREAS, MULTI-FAMILY ZONED-USE AREAS, AND SOME COMMERCIAL ZONED-USE AREA.

THE SOUTHERN-SOUTH WESTERLY SECTION OF THE CITY HAS AN AREA OF RESIDENTIAL-ACRICULTURAL-EQUESTRIAN ZONED-USE AREA, MANUFACTURED HOME ZONED-USE AREA, SINGLE FAMILY-CONDO AND COMMERCIAL ZONED-USE AREA.

SOUTHWESTERLY OF THE CENTRAL SECTION OF THE CITY IS THE LONDON BRIDGE-ISLAND THAT HAS COMMERCIAL ZONED-USE AREA, SINGLE FAMILY-CONDO ZONED-USE AREA AND RECREATIONAL USE AREAS.

WITHIN THESE AREAS MANY SINGLE FAMILY HOMES DUE TO THE TOPOGRAPHY OF LAKE HAVASU CITY, OFTEN COMPETE WITH EACH OTHER AND IT IS TYPICAL FOR HOMES FROM ONE SECTION OF THE CITY TO COMPETE WITH HOMES FROM THE OTHER SECTION OF THE CITY IF THEY OFFER SIMILAR AMENITIES BUYERS ARE LOOKING FOR.

THE SUBJECT IS LOCATED EAST OF HIGHWAY 95 AND LAKE HAVASU AVENUE, WEST OF AVALON AVENUE AND NORTH OF N. KHOWA BLVD. THE SUBJECT IS LOCATED ON THE CORNER OF N. PALO VERDE BLVD. AND PATRICIAN DRIVE AND IS LOCATED ACROSS THE SIDE STREET FROM NAUTILUS ELEMENTARY SCHOOL.

SEE AREA MAP ADDENDUM.

Neighborhood Market Conditions

PROPERTY VALUES HAVE DECLINED IN PAST 10-12 MONTHS. IN GENERAL SUPPLY IS UP IN PAST 10-12 MONTHS AND IS DUE IN PART TO SOME SELLERS HOLDING OUT FOR A LONGER MARKETING TIME TO TRY TO GET THEIR ASKING PRICE. REDUCED MARKET ACTIVITY, THE AVAILABILITY OF BANK OWNED PROPERTIES AND FORECLOSURES THAT ARE OFTEN PRICED FOR A QUICK SALE. MARKETING TIMES HAVE ALSO INCREASED BUT ARE STILL WITHIN 3-6 MONTHS AND PROPERTIES THAT ARE LISTED FOR SALE WITH ASKING PRICES THAT ARE REASONABLE TO COMPETING PROPERTIES ARE STILL FALLING WITHIN THE 3-6 MONTH MARKETING TIME. THE AMOUNT OF LISTINGS APPEAR TO BE STABILIZING FROM INDICATORS THRU 2011, HOWEVER THERE IS STILL A GENERAL OVER SUPPLY.

THERE ARE FEWER VACANT LAND SALES OCCURING THAN IN PAST 12-18 MONTHS AND VACANT LAND SALES PRICES HAVE DROPPED.

TYPICAL MARKETING TIME IN THE CITY IS 3-6 MONTHS. THERE ARE CUSTOM HOMES THRU OUT THE CITY THAT SOMETIMES EXCEED TYPICAL MARKETING TIME AND THESE HOMES ARE USUALLY IN THE UPPER END OF THE MARKET. THERE IS STILL MARKET ACTIVITY IN THE UPPER END HOMES AND SALES ARE OCCURING IN THIS BRACKET OF HOME.

THERE ARE SOME HOMES FOR SALE BY OWNERS. HOWEVER, THERE IS NOT A VERIFIABLE SOURCE FOR THE AMOUNT OF HOMES FOR SALE BY OWNERS AND IT DOES NOT APPEAR TO BE A LARGE AMOUNT.

AVERAGE LISTING TO SALES PRICE RATIO AT THIS TIME IS APPROXIMATELY 89% TO 99%.

MARKET DATA RESEARCH AND RECONCILIATION OF DAYS ON MARKET FOR HOMES OF SUBJECT TYPE AND VALUE RANGE INDICATE AN AVERAGE MARKETING TIME OF 3-6 MONTHS AND A SIMILAR EXPOSURE TIME OF 3-6 MONTHS FOR HOMES SIMILAR TO THE SUBJECT.

Additional Features

COVERED ENTRY, COVERED PATIO-SUNDECK AND CONCRETE PATIO AREAS, BLOCK AND IRON FENCE, GRAVELED-LANDSCAPED YARD, CONCRETE PARKING PAD, IN GROUND GUNITE SWIM POOL AND SPA WITH GAS HEATER, BBQ AREA AND FIRE PIT, CEILING FANS, ALARM SYSTEM, WALK IN CLOSETS, GRANITE KITCHEN COUNTER TOPS, STAINLESS STEEL APPLIANCES, JETTED BATH TUB, RO-WATER SOFTNER, 3 CAR GARAGE WITH DOOR OPENERS, CONCRETE DRIVE WAY.

Comments on Sales Comparison

COMP 1 ORIGINAL ASK PRICE \$199,900, ASK PRICE AT TIME OF SALE \$199,900, DAYS ON MARKET, 112.

COMP 2 ORIGINAL ASK PRICE \$219,900, ASK PRICE AT TIME OF SALE \$219,900, DAYS ON MARKET, 83.

COMP 3 ORIGINAL ASK PRICE \$279,900, ASK PRICE AT TIME OF SALE \$279,900, DAYS ON MARKET, 160.

COMP 4 ORIGINAL ASK PRICE \$275,000, ASK PRICE AT TIME OF SALE \$275,000, DAYS ON MARKET, 49.

COMP 5 ORIGINAL ASK PRICE \$264,900, CURRENT ASK PRICE \$259,900, DAYS ON MARKET, 78.

COMPARABLE SELECTION:

THERE IS A VERY LIMITED AMOUNT OF SIMILAR COMPARABLE SALES FROM SUBJECT IMMEDIATE AREA AT TIME OF APPRAISAL. WITH THE SLOW DOWN IN THE MARKET IN PAST 12 MONTHS, SALES FROM AREAS IN CLOSE PROXIMITY TO EACH OTHER ARE REDUCED AND THEREFORE THE AVAILABILITY OF SALES WITHIN A DESIRED PROXIMITY ARE LIMITED. FOR THESE REASONS, WHEN AVAILABLE COMPETING PROPERTIES IN CLOSE PROXIMITY ARE LIMITED, COMPARABLES FROM FURTHER AWAY THAN DESIRED ARE SELECTED FOR BEING AS CLOSE AS POSSIBLE TO THE SUBJECT PROPERTIES FOR SIZE, AGE, QUALITY OF CONSTRUCTION, CONDITION, AMENITIES, MOST RECENT SALES DATES AND FOR WHAT WOULD BE CONSIDERED IN THE MARKET, TO BE COMPETING PROPERTIES.

THERE ARE OTHER SALES IN THE AREA, HOWEVER, THEY ARE EITHER LARGER, NEWER HOMES WITH SUPERIOR

ADDENDUM

Client: CLIENT LAURIE & DON HOLBROOK

File No. AS11-216

Property Address: 2230 PALO VERDE BLVD N

Case No.:

City LAKE HAVASU CITY

State: AZ

Zip: 86404-1938

AMENITIES AND SITE VALUES THAT WOULD REQUIRE LARGER ADJUSTMENTS THAN THE COMPARABLES PROVIDED IN THE REPORT AND WOULD NOT BE CONSIDERED HOMES THAT WOULD DIRECTLY COMPETE WITH THE SUBJECT, OR THEY ARE OLDER, SMALLER HOMES WITH INFERIOR AMENITIES AND HAVE INFERIOR CONDITIONS AND WOULD NOT BE CONSIDERED HOMES THAT WOULD DIRECTLY COMPETE WITH THE SUBJECT, OR THEY ARE SALES OF HOMES WITH MUCH OLDER SALES DATES AND LESS REFLECTIVE OF THE CURRENT MARKET CONDITIONS, HOWEVER THEY WERE ALL CONSIDERED FOR THEIR POSSIBLE CONTRIBUTION AS MARKET INDICATORS FOR THE SUBJECT AT THE TIME OF APPRAISAL.

THE SUBJECT IS LOCATED ON A CORNER LOT WHICH HAS SET BACK REQUIREMENTS AND FOR THIS REASON THE SUBJECT AND COMPARABLES HAVE SIMILAR EFFECTIVE LOT SIZES, THEREFORE NO ADJUSTMENT WAS MADE FOR LOT SIZES. COMPS AND SUBJECT HAVE SIMILAR EFFECTIVE AGES AND CONDITIONS, THEREFORE NO ADJUSTMENT WAS MADE. COMPS ADJUSTED FOR VARYING AMENITIES, LOCATIONS DUE TO SUBJECT'S PROXIMITY TO THE LOCAL SCHOOL, LAKE VIEWS, SQUARE FOOTAGE BATHROOMS, VARYING GARAGE SIZES AND POOLS-SPAS AND REAR YARD IMPROVEMENTS.

COMPS 1,2,3,5 ARE FROM THE SUBJECT MARKET AREA IN THE NORTHERN SECTION OF THE CITY, COMP 1 IS ADJACENT TO THE SUBJECT AND HAS A SIMILAR SITE VALUE. COMPS 2 AND 3 ARE FROM THE SURROUNDING AREA TO THE SUBJECT. COMP 4 IS A VERY RECENT SALE OF A LARGER HOME FROM OUTSIDE THE SUBJECT IMMEDIATE AREA AND WAS A HOME PURCHASED IN 06/2011 AT TRUSTEE'S SALE THEN RE-MARKETED AND IS REPRESENTATIVE OF THE UPPER END OF SALES PRICE FOR COMPETING PROPERTIES WITH THE SUBJECT. COMP 5 IS AN ACTIVE LISTING FROM THE SUBJECT STREET THAT DOES NOT HAVE THE ADVERSE CONDITION OF BEING LOCATED IN CLOSE PROXIMITY TO THE SCHOOL AND IS REPRESENTATIVE OF COMPETING PROPERTIES ON THE SUBJECT STREET CURRENTLY AVAILABLE TO PURCHASE.

IN CURRENT MARKET CONDITIONS WITH THE AVAILABILITY OF DISTRESSED HOMES SELLING AND THE AVAILABILITY OF HOMES TO PURCHASE, THE RESULT IS A VERY WIDE RANGE OF SALES PRICE AND ASKING PRICES OF HOMES SIMILAR TO SUBJECT. EVEN WITH THE LARGE RANGE OF CLOSED SALES, ADJUSTED COMPARABLES IN THE REPORT AND ACTIVE LISTINGS OF AVAILABLE COMPETING PROPERTIES, COMPS STILL PROVIDE A RANGE FROM WHICH TO ESTIMATE VALUE FOR THE SUBJECT AT THE TIME OF APPRAISAL.

WHEN ESTIMATING VALUE FOR SUBJECT, CONSIDERATION HAS BEEN GIVEN TO THE CLOSED SALES AND THEIR ADJUSTED RANGE, ACTIVE LISTINGS AND THEIR ASKING PRICES, PRICE REDUCTIONS AND DAYS ON MARKET TO PRODUCE A SALE FOR COMPETING PROPERTIES WITH MOST CONSIDERATION GIVEN TO COMPS 1,2,3,5 FOR BEING PROPERTIES FROM THE SUBJECT AREA IN THE NORTHERN PORTION OF THE CITY, CONSIDERATION GIVEN TO COMP 4 FOR BEING RECOGNIZED AS THE MOST RECENT SALE OF A COMPETING PROPERTY FROM OUTSIDE THE SUBJECT AREA AND BEING WITHIN A RANGE OF THE INDICATED MEDIAN COMPARABLE SALES PRICE FOR THE PAST 90 DAYS OF HOMES WITHIN A MARKET RANGE OF THE SUBJECT.

NMD=NO MARKETABLE DIFFERENCE.

Support for the Opinion of Site Value

LAND SALES FROM SUBJECT AREA AND SURROUNDING COMPETING AREAS WERE RESEARCHED AND ANALYZED TO ESTIMATE SITE VALUE. IN AREAS THAT ARE BUILT UP WITH LIMITED LAND SALES, EXTRACTION WAS CONSIDERED. THERE HAS BEEN A LIMITED AMOUNT OF VACANT LAND SALES IN THE SUBJECT AREA AND SURROUNDING COMPETING AREAS IN THE PAST 12 MONTHS, SALES PRICES RANGE FROM \$15,000 TO \$59,900, ACTIVE LISTINGS RANGE FROM \$19,999 TO \$109,900 WITH THE LARGE DIFFERENCE IN ASKING PRICES BEING FOR VARYING LOT SIZES AND VIEWS AND POTENTIAL SITE PREPARATION TO CONSTRUCT HOMES ON.

Cost Approach Comments

LOCAL BUILDERS COST AND MARSHALL SWIFT COST HANDBOOK HAS BEEN USED AS BASIS FOR COST APPROACH. MARSHALL SWIFT AGE/LIFE METHOD USED. LAND TO VALUE RATIO IS TYPICAL FOR SUBJECT AREA. MOST CONSIDERATION HAS BEEN GIVEN TO LOCAL BUILDING COST AS IT IS MOST INDICATIVE OF CURRENT MARKET CONDITIONS. \$10,000 ADJUSTMENT IN THE COST APPROACH REFLECTS THE SITE'S ADVERSE MARKETABILITY DUE TO BEING LOCATED IN CLOSE PROXIMITY TO THE SCHOOL WHICH SEE'S HIGH TRAFFIC USE.

Income Approach Comments

THERE IS INSUFFICIENT RENTAL DATA FROM SUBJECT NEIGHBORHOOD TO PRODUCE RELIABLE GIMS FOR SUBJECT TO APPLY INCOME APPROACH.

Extra Comments

THIS APPRAISAL REPORT IS PREPARED FOR THE USE OF CLIENT: LAURIE AND DON HOLBROOK (INTENDED USER) TO ASSIST WITH AN OPINION OF VALUE FOR TAX PURPOSES ONLY. (INTENDED USE). THE APPRAISER IS NOT A HOME INSPECTOR. THIS REPORT SHOULD NOT BE RELIED UPON TO DISCLOSE ANY CONDITIONS PRESENT IN THE SUBJECT PROPERTY. THIS APPRAISAL REPORT DOES NOT GUARANTEE THE PROPERTY IS FREE OF DEFECTS. IF ANY QUESTIONS ARISE AS PREVIOUSLY STATED, A HOME INSPECTION IS RECOMMENDED.

1. AT TIME OF APPRAISAL SUBJECT PROPERTY HAS BEEN RESEARCHED FOR PREVIOUS SALES IN PAST 36 MONTHS AND LISTINGS IN PAST 12 MONTHS. THE APPRAISER'S SOURCES ARE COUNTY RECORDS, LOCAL MLS-LISTING AGENTS AND SELLING AGENTS, SITE-X DATA AND WIN2DATA. COUNTY RECORDS ARE USUALLY NOT CURRENT AT TIME OF APPRAISAL REPORTS AND SALES CAN BE FOUND AFTER REPORTS ARE COMPLETED. IF A SALE IS FOUND AFTER COMPLETION AND DELIVERY OF A REPORT, THE APPRAISER WILL FORWARD SUCH INFORMATION IN A CORRECTED REPORT. SITE-X DATA AND WIN2DATA CAN BE 30-60 DAYS AFTER RECORDINGS ARE DONE. APPRAISERS FILES ARE ALSO SEARCHED FOR INFORMATION.

2. ALL SALES USED AS COMPARABLES IN THIS REPORT ARE VERIFIED AS CLOSED SALES. IF SALES USED ARE NOT CLOSED, IT IS NOTED AS SUCH. ALL SALES WERE INSPECTED AFTER CLOSING AS SOON AS CLOSING DATA WAS AVAILABLE TO APPRAISER. ANY ADJUSTMENTS ON CLOSED SALES ARE FOR AMENITIES AT TIME OF CLOSING THAT WERE INCLUDED IN THE SALE.

3. SITE/VIEW ADJUSTMENTS BASED SITE VALUES OF CLOSED SALES OF VACANT LAND FROM SUBJECT AND COMPETING AREAS.

4. ADJUSTMENTS TO COMPARABLES USED IN THIS REPORT ARE FOR AMENITIES BASED ON MARKET EXTRACTION AND WHAT THE MARKET MAY BE WILLING TO PAY FOR THESE AMENITIES COMPARED TO THEIR REPLACEMENT COST IN THE MARKET.

5. THE DEVELOPMENT OF THE COST APPROACH HAS BEEN ATTEMPTED IN THIS REPORT, HOWEVER IT WAS CONSIDERED AND NOT RELIED UPON FOR FINAL VALUE CONCLUSION.

ADDENDUM

Client: CLIENT LAURIE & DON HOLBROOK

File No.: AS11-215

Property Address: 2230 PALO VERDE BLVD N

Case No.:

City: LAKE HAVASU CITY

State: AZ

Zip: 86404-1988

6. DUE TO THE LACK OF TRUE INCOME PRODUCING PROPERTIES IN THE CITY, THE INCOME APPROACH IS NOT ALWAYS CONSIDERED A RELIABLE INDICATOR. THERE ARE MANY SECOND HOMES THAT ARE RENTED SEASONALLY AND VACATION RENTALS THAT OWNERS RENT TO THEM TO HELP OFFSET THE COST TILL THEY CHOSE TO SELL THEM AND OFTEN TIMES USE THEM AS RETIREMENT HOMES. GRM'S PRODUCED BY THESE TYPES OF RENTALS ARE NOT TYPICAL INVESTMENT RENTALS BUT RATHER PERSONAL RENTALS. THE INCOME APPROACH IS CONSIDERED ON APPLICABLE PROPERTIES, HOWEVER IS NOT RELIED UPON FOR FINAL VALUE CONCLUSIONS.

7. IF COMPARABLES USED ARE OVER 6 MONTHS OLD PRIOR TO APPRAISAL DATE, IT MAY BE NOT NECESSARILY MEAN THE MARKET IS SLOW BUT RATHER THAT THE COMPARABLES USED AT TIME OF APPRAISAL MAY BE MORE REFLECTIVE OF VALUE FOR THE SUBJECT AT TIME OF APPRAISAL. OFTEN TIMES IN AREAS LESS THAN 100% BUILT UP, IT IS DIFFICULT TO FIND COMPARABLES LESS THAN 6 MONTHS OLD AND COMPARABLES USED IN THE REPORT REFLECT BEST AVAILABLE COMPARABLES FOR SUBJECT AT TIME OF APPRAISAL.

8. THE LAND VALUE MAY EXCEED 30% OF SUBJECT'S APPRAISED VALUE, HOWEVER THIS LAND TO VALUE RATIO IS TYPICAL IN THIS AREA AND DOES NOT HAVE A SIGNIFICANT ADVERSE EFFECT ON THE SUBJECT'S MARKETABILITY.

9. THE SUBJECT'S APPRAISED VALUE IS HIGHER THAN THE PREDOMINATE NEIGHBORHOOD VALUE, HOWEVER SUBJECT IS NOT AN OVER IMPROVEMENT FOR THE AREA AND HAS TYPICAL MARKETABILITY.

10. SOME COMPARABLES USED IN THIS REPORT MAY EXCEED THE 15% NET AND 25% GROSS TYPICAL GUIDELINES, HOWEVER THE USE OF OTHER COMPARABLES THAT WERE ANALYZED WOULD HAVE REQUIRED MORE EXCESSIVE ADJUSTMENTS, MAY LESS SIMILAR TO SUBJECT AND THEREFORE LESS INDICATIVE OF VALUE FOR SUBJECT AT TIME OF APPRAISAL.

11. SOME COMPARABLES MAY BE FURTHER AWAY FROM SUBJECT THAN TYPICAL, COMPARABLES USED AT TIME OF APPRAISAL ARE FROM COMPETING AREAS WHICH OFTEN TIMES CAN BE SEVERAL MILES APART, HOWEVER IN THIS AREA THEY DO COMPETE BECAUSE OF SIMILAR AMENITIES AND THIS IS NOT UNCOMMON FOR THE LAKE HAVASU CITY AREA.

12. THE CONTRIBUTION OF RECURRING AND NON-RECURRING CLOSING COST BY SELLERS IS COMMON IN THIS MARKET AND DOES NOT APPEAR TO HAVE A SIGNIFICANT AFFECT ON VALUE OR MARKETABILITY. IF THE AMOUNT OF THESE COST APPEARS TO HAVE AN AFFECT ON THE VALUE OR MARKETABILITY OF THE SUBJECT PROPERTY IT WILL BE ADDRESSED IN THE BEGINNING SECTION OF THIS REPORT.

13. THE USE OF SEPTIC SYSTEMS IN THE AREA IS TYPICAL AND DOES NOT APPEAR HAVE AN ADVERSE EFFECT ON VALUE OR MARKETABILITY. LAKE HAVASU CITY HAS PASSED A SEWER BOND AND PORTIONS OF THE CITY ARE CURRENTLY BEING CONNECTED. ONCE CONNECTED THERE IS AN INITIAL HOOK-UP FEE WHICH CAN BE PAID IN FULL OR OVER A PERIOD OF TIME. ONCE CONNECTED TO SEWER SYSTEM THERE WILL BE A MONTHLY CHARGE TO THE WATER BILL. AT THE PRESENT TIME THIS DOES NOT APPEAR TO HAVE AN ADVERSE EFFECT ON VALUE OR MARKETABILITY. THE SUBJECT IS LOCATED IN AN AREA THAT IS CONNECTED.

14. NO PERSONAL PROPERTY OR FIXTURES NOT PERMANENTLY AFFIXED TO THE SITE HAVE HAD VALUE ATTRIBUTED TO THEM IN THIS APPRAISAL REPORT.

15. THE BUREAU OF CENSUS HAS TRACTED MOHAVE COUNTY. THIS REPLACES THE MSA # PREVIOUSLY USED FOR MOHAVE COUNTY. ALL CENSUS TRACT #'S ARE BASED ON MAPS PRODUCED BY THE US GOVERNMENT PRINTING OFFICE AND CENSUS BUREAU.

16. "EFFECTIVE AGE IS THE AGE INDICATED BY THE CONDITION AND UTILITY OF THE STRUCTURE (AMERICAN INSTITUTE OF REAL ESTATE APPRAISERS, APPRAISING RESIDENTIAL PROPERTIES, PUBLISHED 1988, PAGE 273)."

17. IT IS NOTED THAT NOT ALL REAL ESTATE TRANSACTIONS, WITHIN MOHAVE COUNTY, ARE THROUGH REAL ESTATE OFFICES. OR REAL ESTATE OFFICES THAT PARTICIPATE IN MLS. COUNTY RECORDS DO NOT REQUIRE LISTING PRICE OR DAYS ON MARKET.

18. LAKE HAVASU CITY IS A RECREATION AREA WITH BOATING, RV'S AND OFF HIGHWAY VEHICLES BEING COMMON IN THE AREA. WITH THIS TYPE OF USE BUYERS DESIRE LARGER THAN TYPICAL GARAGES THAN IN TYPICAL METROPOLITAN AREAS AND ARE WILLING TO PAY FOR EXTRA GARAGE AREA. FOR THIS REASON LARGE ADJUSTMENTS FOR ADDITIONAL GARAGE AREA IS COMMON IN THIS MARKET.

19. SUBJECT NEIGHBORHOOD HAS BEEN DESCRIBED IN THE FRONT PAGE. WITH A CITY THE SIZE OF LAKE HAVASU THE ENTIRE CITY COULD BE CONSIDERED AS A NEIGHBORHOOD. AND IT IS NOT UNCOMMON FOR COMPARABLES TO BE LOCATED THRU OUT THE CITY. THIS IS TYPICAL IN THE LAKE HAVASU CITY AREA.

20. THIS REPORT MAY CONTAIN AN ELECTRONIC SIGNATURE WHICH IS A TRUE REPRESENTATION OF THE APPRAISER'S SIGNATURE AND HAS BEEN INSERTED BY THIS APPRAISER.

21. THE APPRAISER HAS CONSIDERED RELEVANT COMPETITIVE LISTINGS AND/OR CONTRACT OFFERINGS IN THIS APPRAISAL REPORT AND IN THE TRENDING INFORMATION REPORTED IN THIS SECTION. IF APPLICABLE, I HAVE ATTACHED AN ADDENDUM PROVIDING RELEVANT COMPETITIVE LISTINGS OR CONTRACTS.

22. MANY HOMES IN LAKE HAVASU CITY CAN SEE THE LAKE TO SOME DEGREE FROM SOMEWHERE ON THE PROPERTY. LAKE VIEWS HAVE A SIGNIFICANT EFFECT ON LAND VALUES IN THE CITY AND LOTS THAT COMMAND A HIGHER VALUE USUALLY HAVE GOOD VIEWS FROM THE REAR OF THE PROPERTY WHICH BUYERS DESIRE AND ARE WILLING TO PAY FOR. FOR THIS REASON ANY ADJUSTMENT FOR LAKE VIEWS ARE FOR SIGNIFICANT, MARKET DESIRABLE VIEWS AND NOT JUST FOR BEING ABLE TO SEE THE LAKE. MANY TIME HOMES ARE MARKETED AS "LAKE VIEW", HOWEVER THEY ARE TYPICAL OF MOST HOMES IN THE CITY AND OFTEN HAVE SIMILAR SITE VALUES AS HOMES THAT ARE MARKETED AS NOT HAVING LAKE VIEW.

23. OFTEN TIMES HOMES WITH FENCING MAY SOMETIMES SHARE A SIDE OF THE FENCING THAT MAY BE ON THE ADJACENT PROPERTY AND IN EFFECT GIVING THAT PROPERTY A FULLY FENCED YARD. WHEN HOMES HAVE FENCING AND UTILIZE AN ADJOINING PROPERTY WALL, THAT PROPERTY IS PERCEIVED IN THE MARKET AS HAVING A FULLY FENCED YARD. THIS DOES NOT NECESSARILY MEAN THERE IS AN ENCROACHMENT, BUT ONLY A MUTUAL BENEFIT FOR THE ADJOINING PROPERTIES FROM THIS TYPE OF SITUATION. IN SOME SITUATIONS A PROPERTY MAY HAVE A FULLY FENCED YARD FROM SURROUNDING PROPERTIES WHEN THE PROPERTY ACTUALLY HAS NO OWNERSHIP OF ANY OF THE FENCING.

Client: CLIENT: LAURIE & DON HOLBROOK

File No.: AS11-216

Property Address: 2330 PALO VERDE BLVD N

Case No:

City: LAKE HAVASU CITY

State: AZ

Zip: 86404-1938

THERE ARE PROPERTIES THAT HAVE RETAINING WALLS AND THESE WALLS MAY HAVE BEEN BUILT DUE TO HAVING TO RETAIN SOIL FOR THE PURPOSE OF CONSTRUCTING A HOME AND NOT NECESSARILY FOR THE PURPOSE OF ADDING IMPROVEMENTS FOR THE PURPOSE OF INCREASING DESIRABILITY OR MARKETABILITY OR FOR ADDING VALUE TO THE PROPERTY. WHEN CONSIDERING IMPROVEMENTS BETWEEN SUBJECT PROPERTIES AND COMPARABLES WITH CONSIDERATION GIVEN TO MARKET EXTRACTION FOR SUCH ITEMS AND ADJUSTMENTS, THESE CONDITIONS OF FENCING OR RETAINING WALLS ARE TAKEN INTO CONSIDERATION.

24. SUMMARY APPRAISAL REPORT.

25. THE APPRAISER'S FEE FROM THE CLIENT FOR THIS REPORT IS \$375.00.

SUMMARY APPRAISAL REPORT

Market Conditions Addendum to the Appraisal Report File No. ASI-216

The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address: 2230 PALO VERDE BLVD N City: LAKE HAVASU CITY State: AZ Zip Code: 86404-1938

Borrower: N/A

Instructions: The appraiser must use the information required on this form as the basis for his/her conclusions, and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all the information to the extent it is available and reliable and must provide an analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include the data in the analysis. If data sources provide the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

Inventory Analysis:	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months		Overall Trend		
Total # of Comparable Sales (Settled)	21	18	20		Increasing	X Stable	Declining
Absorption Rate (Total Sales/Months)	3.50	6.00	6.67		Increasing	X Stable	Declining
Total # of Comparable Active Listings	26	32	35		Declining	X Stable	Increasing
Months of Housing Supply (Total Listings/Ab. Rate)	7.43	5.33	5.25		Declining	X Stable	Increasing
Median Sale & List Price, DOM, Sale/List %							
Median Comparable Sale Price	240,000	225,000	228,000		Increasing	X Stable	Declining
Median Comparable Sales Days on Market	85	97	97		Declining	X Stable	Increasing
Median Comparable List Price	257,000	278,900	279,000		Increasing	X Stable	Declining
Median Comparable Listings Days on Market	75	73	75		Declining	X Stable	Increasing
Median Sale Price as % of List Price	96.07%	94.70%	97.31%		Increasing	X Stable	Declining
Seller (developer, builder, etc.) paid financial assistance prevalent?	<input checked="" type="checkbox"/> Yes	No			Declining	X Stable	Increasing

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.)

SELLER CONCESSIONS IN PAST 12 MONTHS APPEARS TO HAVE REMAINED STABLE IN SELLERS OFFERINGS OF CLOSING COST THAT ARE PAID FOR BUYERS WHICH HAS RANGED FROM 1%-4% WITH PREDOMINATELY CLOSING COST AND HOME WARRANTIES BEING PAID FOR BY SELLERS THIS INCLUDES GOVERNMENT LOANS AS WELL (FHA-VA) AND THIS TREND IS STABLE. THERE HAS BEEN SOME PROPERTIES THAT ARE LOCATED IN AREAS WITH OUTSTANDING SEWER FEES THAT ARE OFTEN INCLUDED AS BEING PAID FOR BY SELLERS PARTICULARLY WITH FORECLOSURE SALES.

Are foreclosure sales (REO sales) a factor in the market? ☒ Yes ☐ No If yes, explain (including the trends in listings and sales of foreclosed properties).

FORECLOSURE SALES HAVE BEEN A PORTION OF SALES OCCURRING IN PAST 12 MONTHS. MOST FORECLOSURES ARE MARKETED AT SIMILAR COMPETING ASKING PRICES OF NON DISTRESSED SALES THEN HAVE LARGE PRICE REDUCTIONS IN A SHORT TIME PERIOD TO PRODUCE A SALE. THIS HAS HAD AN EFFECT ON THE MEDIAN SALES PRICE DATA, MEDIAN SALES PRICE TO ASKING PRICE RATIOS, MEDIAN ASKING PRICES AND MEDIAN DAYS ON MARKET RATIOS FOR NON DISTRESSED PROPERTIES. THERE ARE STILL SHORT SALES AND FORECLOSURES OCCURRING.

Cite data sources for above information. **THE LOCAL MLS 1004MC APPRAISAL ADDENDUM CALCULATOR HAS BEEN UTILIZED AS THE DATA SOURCE.**

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions.

IN THE CURRENT MARKET CONDITIONS IN LAKE HAVASU CITY AND THE SURROUNDING COMPETING AREA THAT SUBJECT IS LOCATED IN, THERE HAS BEEN A VERY WIDE RANGE OF MARKET ACTIVITY RANGING FROM LOW SALES PRICES AND LOW ASKING PRICES FOR DISTRESSED PROPERTIES AND A WIDE RANGE OF NON DISTRESSED PROPERTIES. ASKING PRICES AND SALES PRICES, MONTH TO MONTH DATA, HAS A WIDE RANGE OF INDICATORS OF THE CURRENT AND PAST MARKET ACTIVITY FROM WHICH TO MAKE A DETERMINATION FOR MARKET CONDITIONS AND TRENDS. SEE THE ENDING ADDENDUM DESCRIBING LAKE HAVASU CITY AND ITS NEIGHBORHOODS AND ITS MARKET AREAS. STATISTICS FOR DATA LISTED ABOVE REFLECTS COMPETING HOMES OF SIZE, AGE AND ADORNITIES FROM THRU OUT THE ENTIRE AREA OF LAKE HAVASU CITY THAT COMPETE WITH THE SUBJECT AND ARE OF SINGLE FAMILY DETACHED HOMES WITHIN A MARKET RANGE OF THE SUBJECT.

If the subject is a unit in a condominium or cooperative project, complete the following:

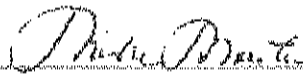
Subject Project Data	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months		Overall Trend		
Total # of Comparable Sales (Settled)					Increasing	Stable	Declining
Absorption Rate (Total Sales/Months)					Increasing	Stable	Declining
Total # of Active Comparable Listings					Declining	Stable	Increasing
Months of Unit Supply (Total Listings/Ab. Rate)					Declining	Stable	Increasing

Are foreclosure sales (REO sales) a factor in the project? ☐ Yes ☐ No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties.

NOT APPLICABLE.

Summarize the above trends and address the impact on the subject unit and project. **NOT APPLICABLE**

APPRaiser

Signature 
 Name MICHAEL J. MARTIN
 Company Name APPRAISAL SHOP ALIM INC.
 Company Address 1824 GOLD DUST DRIVE
 LAKE HAVASU CITY, AZ 86404
 State License/Certification # 20280 State AZ
 Email Address APPRAISALSHOP@NPGCABLE.COM

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
 Name _____
 Company Name _____
 Company Address _____
 State License/Certification # _____ State _____
 Email Address _____

TEXT ADDENDUM
WIN2DATA PROPERTY DATA

Borrower: N/A	File No.: A511-216
Property Address: 2230 PALO VERDE BLVD N	Case No.:
City: LAKE HAVASU CITY	State: AZ Zip: 86404-1938
Lender: CLIENT: LAURIE & DON HOLBROOK	

PROPERTY INFORMATION

1) Property: 2230 PALO VERDE BLVD N, LAKE HAVASU CITY AZ 86404-1938 R002
 APN: 104-35-065 Tax Area: 2571 Use: SFR
 Card#: Prop Tax: \$1,200.08 Total Value: \$148,467
 County: MOHAVE, AZ Tax Yr: 2010 Delinq: Land Value: \$30,769
 Census: 9525.00 Exemptions: Improv Value: \$117,698
 Sectional: 2714N20W Primary Asmt: Taxable Val: \$148,467
 School Dist: Second Asmt: Building Val: \$208,275
 T/R/S: 27-14-20 Assd Yr: 2012
 Subdivision: % Improved: 979%
 Owner: HOLBROOK DON A Owner Vest: A1A1 / SE

Phone:

Mail: 9280 DALMAHOY PL, LAS VEGAS NV 89145-8721 C069

Owner Transfer = Sale Dt: Price: Doc#: Type:

SALE & FINANCE INFORMATION IMPROVEMENTS

LAST SALE PRIOR SALE Gross Area: 2,646
 Record/Sale Date: 10/08/2002 09/11/2003 10/04/1995 08/1995 Bldg/Liv Area: 1,796
 Sale Price/Type: \$173,000 \$120,000 Ground Flr: 1,796
 Document #: 4227-637 2629-351 \$120.00 S/SF:
 Deed Type: DEED (REG) JOINT TENANCY DEED TB Rooms:
 1st Mtg Amt/Type: \$173,000 CONV Bedrooms:
 Rate/Type/Term: 5.88 /ADJ /30 TB Baths/Fixt:
 Cash Down: \$6,000 Yr Built/Eff: 1995
 Lender: FIRST AZ SVCS FSB # Stories: 1.00

Pool: SPA

2nd Mtg Amt/Type: Pool Size:

Rate/Type/Term: / / Perimeter: 231

Transfer B&P: Porch Type:

Title Company: STATE TITLE CO. Patio Type:

Seller: HOLBROOK LAURIE A # Patios: 4

New Construction: Construct: STEEL/WOOD

Other Last Sale Info = Parcels: Type 2: Pond: Ext Wall: STUCCO

SITE INFORMATION Roof Type:

Roof Mat: CONCRETE TILE

Zoning: Acres: 0.32 Heat Type: HEAT PUMP

County Use: Lot Area: 13,939.2 Air Cond: REFRIGERATION

State Use: 0131 Lot Width: Improv Type:

Bldg Class: 3 Lot Depth: Condition: AVERAGE

Bldgs: 1 Flood Panel: 040160000 Quality:

Bldg Type: SINGLE FAMILY Panel Date: Garage Cap#: 3

Legal Blk/Bldg: 5 Flood Zone: X Parking Sqft: 850

Legal Lot/Unit: 10 Parking Type: ATTACHED GARAGE

Legal Desc: TRACT: 2180 LAKE HAVASU CITY TR 2180 SEC 27 & 34 BLK 5 LOT 10

TENT ADDENDUM
COUNTY ASSESSOR PROPERTY INFORMATION

Borrower: N/A	File No.: AS11-216
Property Address: 2230 PALO VERDE BLVD N	Case No.:
City: LAKE HAVASU CITY	State: AZ
Lender: CLIENT: LAURIE & DON HOLBROOK	Zip: 86404-1938

Parcel Information

Tax Year: 2011

Parcel Number: 194-35-065

Site Address: 2230 PALO VERDE BLVD LAKE HAVASU CITY

Owner: HOLBROOK DON A

Owner 2:

Mailing Address: 9200 DALMAHOY PL.

LAS VEGAS, NV 89145

Tax Area: 2571

Land Value: \$34,401.00

Improvement Value: \$109,074.00

Full Cash Value: \$143,475.00

Assessed Full Cash Value: \$14,347.00

Limited Value: \$143,475.00

Assessed Limited Value: \$14,347.00

Value Method: Market

Exempt Amount:

Exempt Type:

Use Code: 0131

Property Use: SFR 010-3 URBAN-SUBDIVID

Class Code: Residential

Assessment Ratio: 10.00%

Last Sale Information

Sale Price: \$173,000.00

Sale Date: 10/08/2002

Recorded Instr Type: W/D

Fee Number: 2007068415

Book:

Page:

Legal Description Information

Parcel Size: .32 Acres

Township, Range and Section: 14N, 20W, 27

Legal Description: TRACT: 2180 LAKE HAVASU CITY TR 2180 SEC 27 & 34 BLK 5 LOT 10

TEXT ADDENDUM
COUNTY DOCUMENT HISTORY

Borrower: N/A		File No.: AS11-216
Property Address: 2230 PALO VERDE BLVD N		Case No.:
City: LAKE HAVASU CITY	State: AZ	Zip: 86404-1938
Lender: CLIENT LAURIE & DON HOLBROOK		
<p>Warranty Deed 2002068415 10/08/2002 02:42:00 PM B: 4227 P: 635 Grantor: FINN JOHN G, FINN ANNA B Grantee: HOLBROOK DON A 104-35-065, LAKE HAVASU CITY AZ Lot: 10 Block: 5 Tract: 2180</p> <p>Disclaimer Deed 2002068416 10/08/2002 02:43:00 PM B: 4227 P: 637 Grantor: HOLBROOK LAURIE A Grantee: HOLBROOK DON A LAKE HAVASU CITY AZ Lot: 10 Block: 5 Tract: 2180</p> <p>Deed Of Trust 2002068417 10/08/2002 02:43:00 PM B: 4227 P: 639 Grantor: HOLBROOK DON A Grantee: FIRST AZ SAVINGS BNFY 104-35-065, LAKE HAVASU CITY AZ Lot: 10 Block: 5 Tract: 2180</p> <p>Deed Of Trust 2005068757 01/26/2005 04:37:00 PM B: 5410 P: 397 Grantor: HOLBROOK DON A Grantee: WELLS FARGO FINANCIAL NATIONAL BANK, WELLS FARGO BANK NA BNFY 104-35-065, Lot: 10 Block: 5 Tract: 2180</p> <p>Surveyors Report 2006016478 02/16/2006 07:25:00 AM B: 6111 P: 481 Grantor: SCHULTHEISS RUSSELL A Grantee: LAKE HAVASU CITY AZ Lot: 10 Block: 5 Tract: 2180Trac...</p> <p>Government Agreement 2007088310 10/12/2007 07:55:24 AM B: 6987 P: 176, ... Grantor: HOLBROOK DON A Grantee: LAKE HAVASU CITY 104-35-065, LAKE HAVASU CITY Lot: 10 Block: 5 Tract: 2180Section..., SEC 27 & 34</p> <p>Government Deed Of Trust 2008031823 05/06/2008 11:37:46 AM B: 7193 P: 589, ... Grantor: HOLBROOK DON A Grantee: LENKOWSKY PAUL, LAKE HAVASU CITY BNFY LAKE HAVASU CITY Lot: 10 Block: 5 Tract: 2180Section..., POR SEC 27 & 34</p> <p>Government Agreement 2007088310 10/12/2007 07:55:24 AM B: 6987 P: 176, ... Grantor: HOLBROOK DON A Grantee: LAKE HAVASU CITY 104-35-065, LAKE HAVASU CITY Lot: 10 Block: 5 Tract: 2180Section..., SEC 27 & 34</p>		

FLOOD MAP

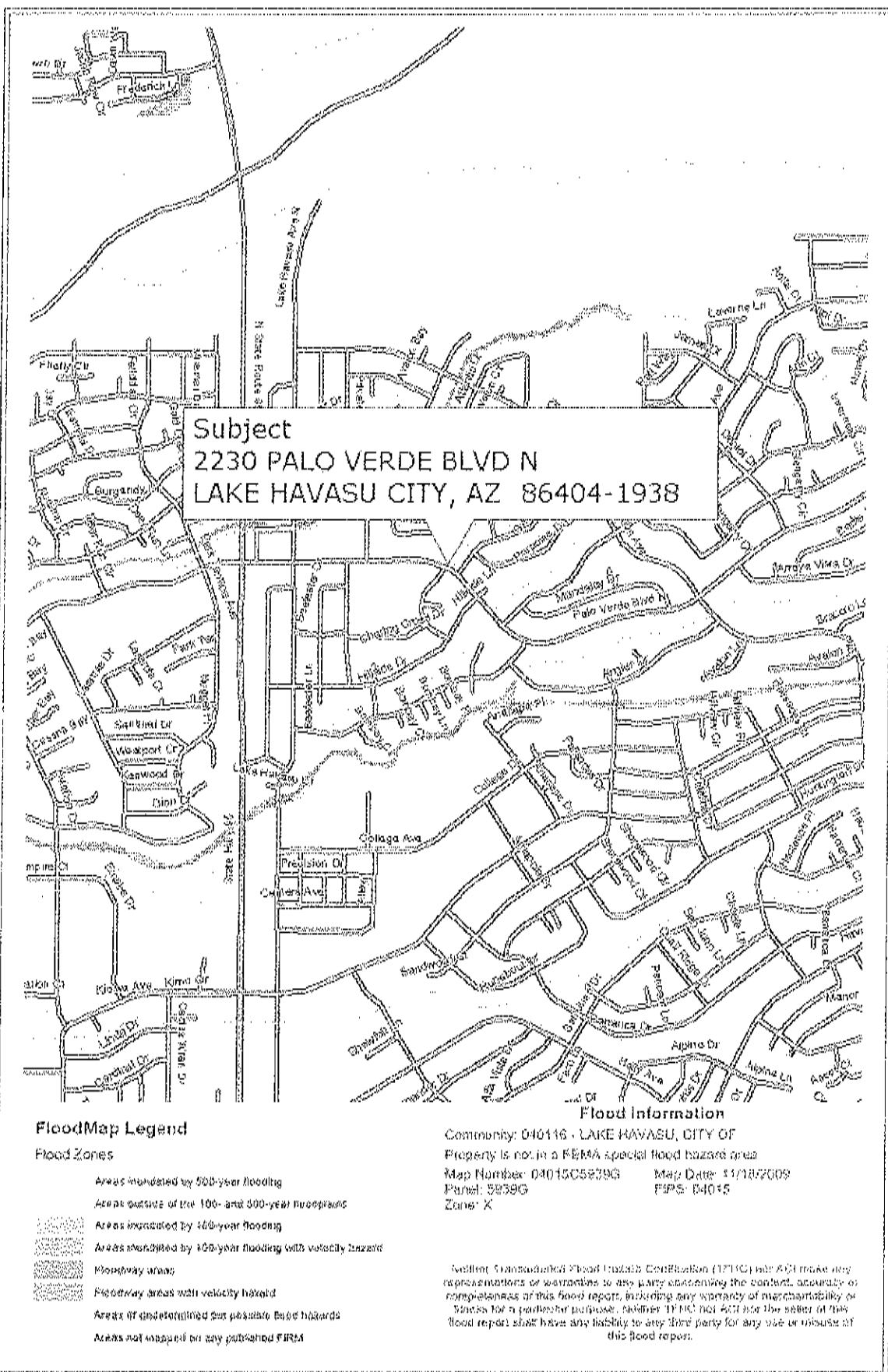
Client: CLIENT: LAURIE & DON HOLBROOK
 Property Address: 2230 PALO VERDE BLVD N
 City: LAKE HAVASU CITY

File No.: AS11-216

Case No.:

State: AZ

Zip: 86404-1938



FLOORPLAN

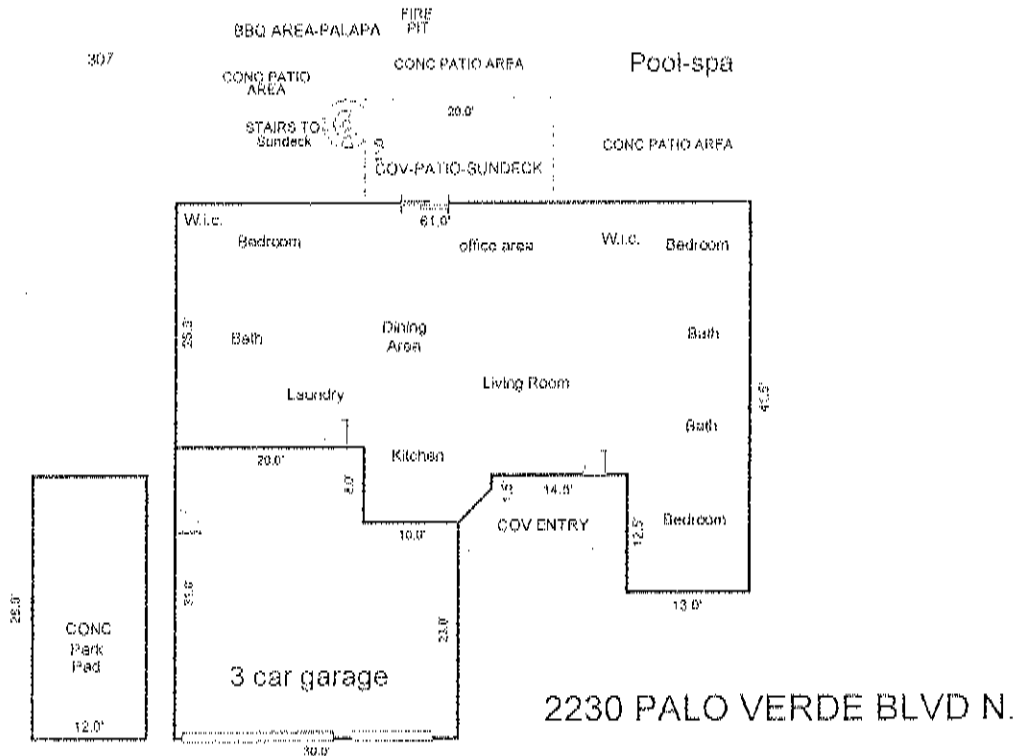
Client: CLIENT LAURIE & DON HOLBROOK
 Property Address: 2230 PALO VERDE BLVD N
 City: LAKE HAVASU CITY

File No.: ASU-216

Case No.:

State: AZ

Zip: 86404-1938



Created by Area IV™

Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLAL	First Floor	1932.9	1932.9
P/P	COVERED ENTRY	132.6	352.6
	COV-PAT-SUNDECK	220.0	850.0
GAR	Garage	850.0	336.0
OTH	CONCRETE PARK PAD	336.0	
Net LIVABLE Area		(Rounded)	1933

LIVING AREA BREAKDOWN			
Breakdown			Subtotals
First Floor	40.0 x	34.0	340.0
	20.0 x	26.0	520.0
0.5 x	3.5 x	3.5	6.1
	29.0 x	31.0	899.0
	3.5 x	3.5	9.3
	12.5 x	13.0	162.5
6 Items			(Rounded) 1933

GROSS BUILDING AREA (GBA)		1,933
GROSS LIVING AREA (GLA)		1,933
Area(s)	Area	% of GLA
Living	1,933	100.00
Level 1	1,933	100.00
Level 2	0	0.00
Level 3	0	0.00
Other	689	35.64
Basement	0	
Garage	850	

Produced using ATU software. AUG 2014 2012 / www.atu-eu.com

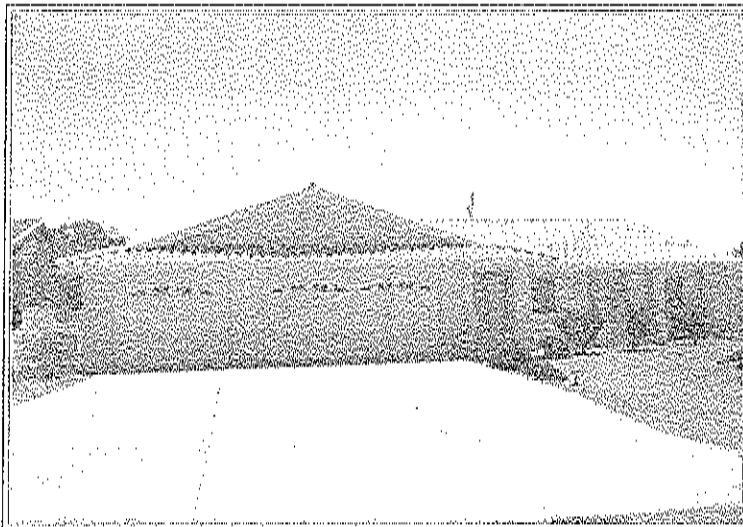
COMPARABLE PROPERTY PHOTO ADDENDUM

Client: CLIENT: LAURIE & DON HOLBROOK	File No.: AS11-216
Property Address: 2230 PALO VERDE BLVD N	Case No.:
City: LAKE HAVASU CITY	State: AZ Zip: 86404-1938



COMPARABLE SALE #1

2240 PALO VERDE BLVD N
LAKE HAVASU CITY, AZ 86404
Sale Date: 04/14/2011
Sale Price: \$ 190,500



COMPARABLE SALE #2

2830 OAKRIDGE DRIVE
LAKE HAVASU CITY, AZ 86404
Sale Date: 06/10/2011
Sale Price: \$ 200,000



COMPARABLE SALE #3

2515 HILLVIEW DRIVE
LAKE HAVASU CITY, AZ 86404
Sale Date: 03/21/2011
Sale Price: \$ 239,000

COMPARABLE PROPERTY PHOTO ADDENDUM

Client: CLIENT LAURIE & DON HOLBROOK	File No.: AN11-216
Property Address: 2236 PALO VERDE BLVD N	Case No.:
City: LAKE HAVASU CITY	State: AZ Zip: 86404-1938



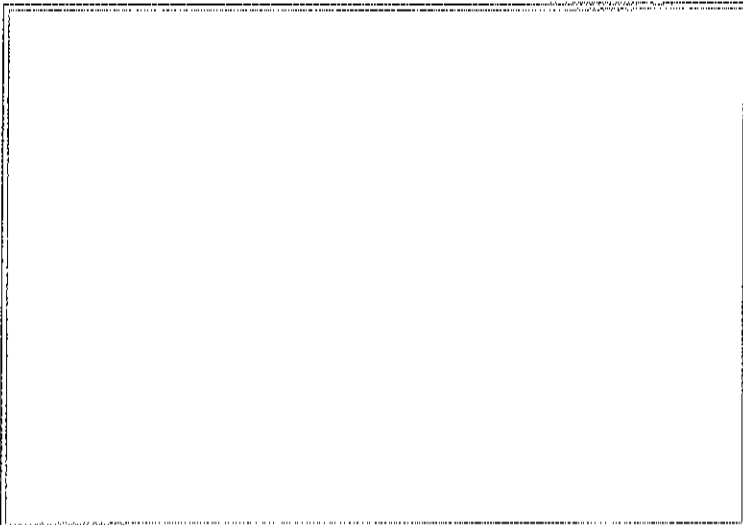
COMPARABLE SALE #4

3648 TARPON DRIVE
LAKE HAVASU CITY, AZ 86406
Sale Date: 08/05/2011
Sale Price: \$ 270,000



COMPARABLE SALE #5

2649 PALO VERDE BLVD N
LAKE HAVASU CITY, AZ 86404
Sale Date: ACTIVE LISTING
Sale Price: \$ 259,900

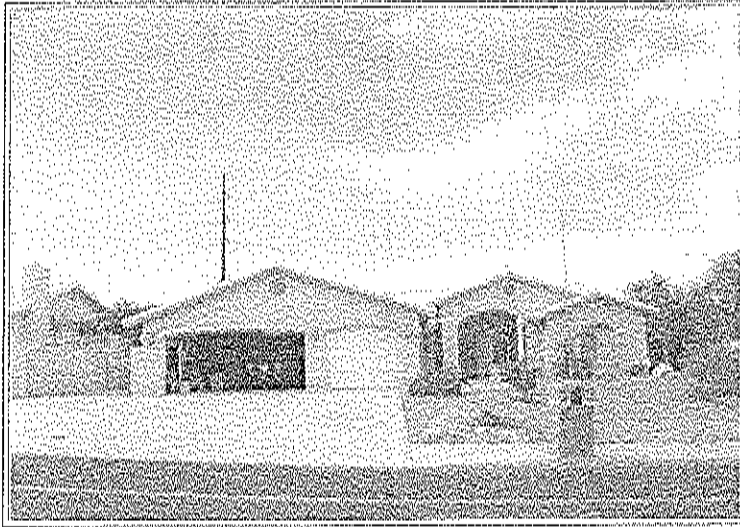
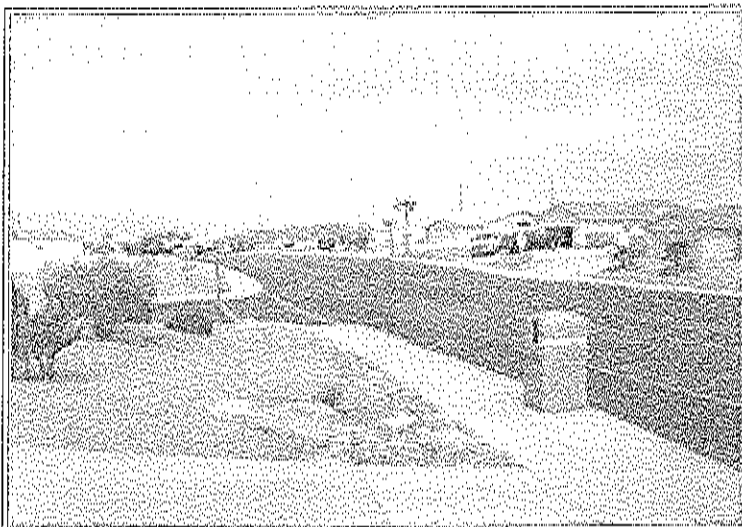


COMPARABLE SALE #6

Sale Date:
Sale Price: \$

SUBJECT PROPERTY PHOTO ADDENDUM

Client: CLIENT: LAURIE & DON HOLD BROOK	File No.: AS11-216
Property Address: 2230 PALO VERDE BLVD N	Case No.:
City: LAKE HAVASU CITY	State: AZ Zip: 86404-1938

FRONT VIEW OF
SUBJECT PROPERTYAppraised Date: September 3, 2011
Appraised Value: \$ 236,000REAR VIEW OF
SUBJECT PROPERTY

STREET SCENE

ADDITIONAL SUBJECT PHOTOS

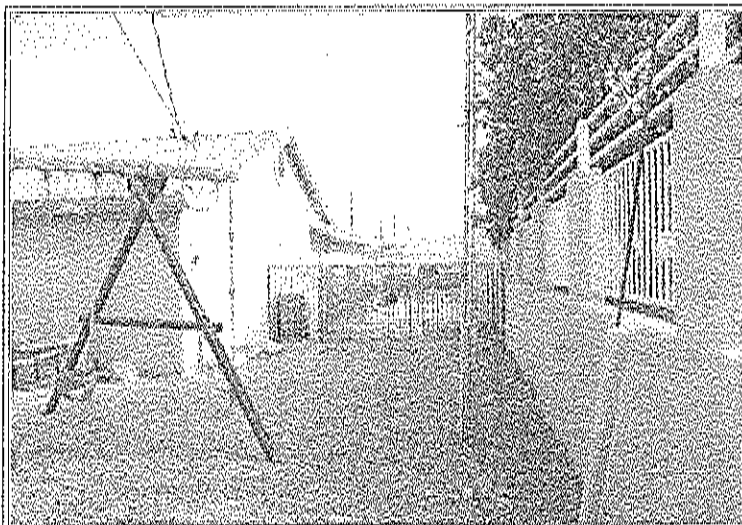
Client: CLIENT LAURIE & DON HOLBROOK	File No.: AS11-214
Property Address: 2220 PALO VERDE BLVD N	Case No.:
City: LAKE HAVASU CITY	State: AZ Zip: 86404-1938



GARAGE INTERIOR



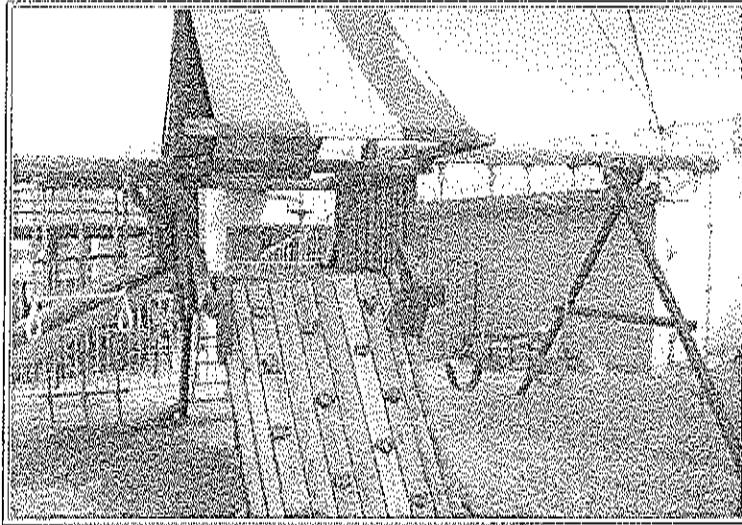
GARAGE INTERIOR



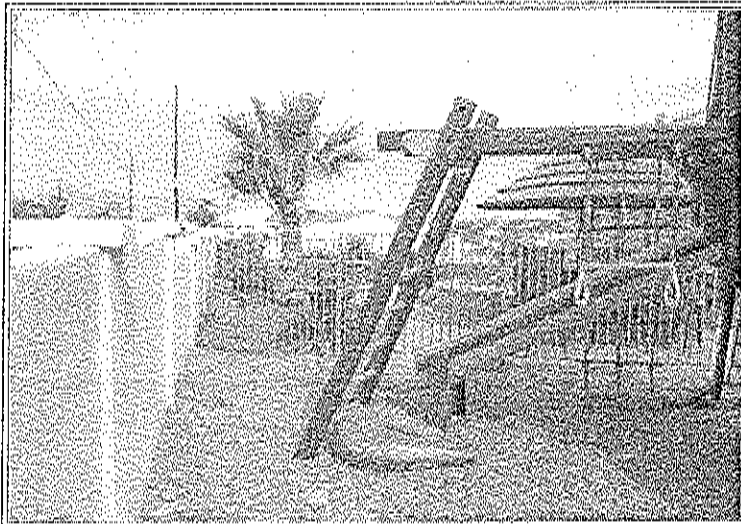
REAR SIDE YARD

ADDITIONAL SUBJECT PHOTOS

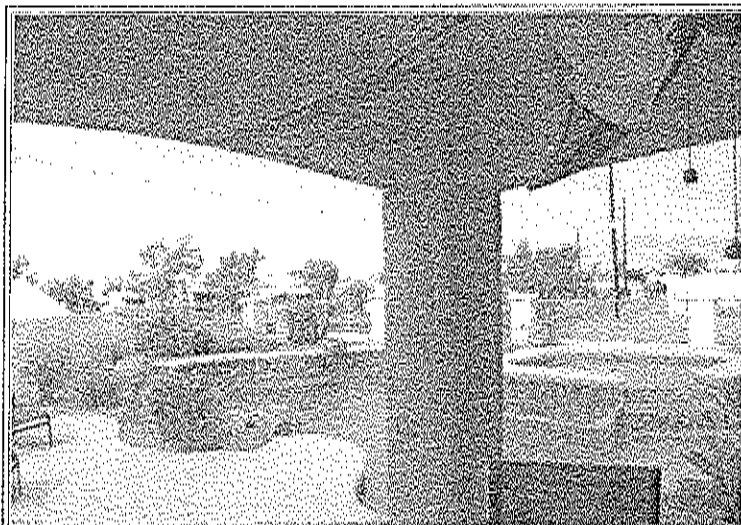
Client: CLIENT: LAURIE & DON HOLBROOK	File No.: AS11-216
Property Address: 2230 PALO VERDE BLVD N	Case No.:
City: LAKE HAVASU CITY	State: AZ Zip: 86404-1938



REAR YARD



REAR YARD



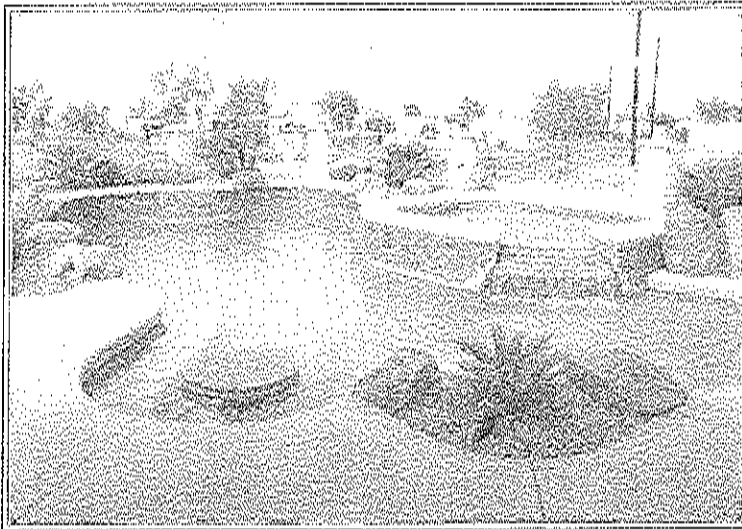
VIEW FROM COVERED PATIO

ADDITIONAL SUBJECT PHOTOS

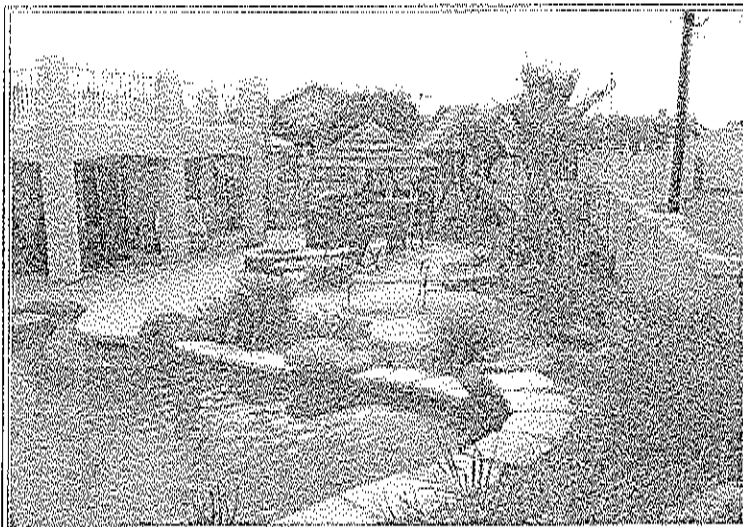
Client: CLIENT: LAURIE & DON HOLBROOK	File No.: AS11-216
Property Address: 2230 PALO VERDE BLVD N	Case No.:
City: LAKE HAVASU CITY	State: AZ Zip: 86404-1938



VIEW FROM REAR OF SCHOOL AND LAKE



POOL-SPA



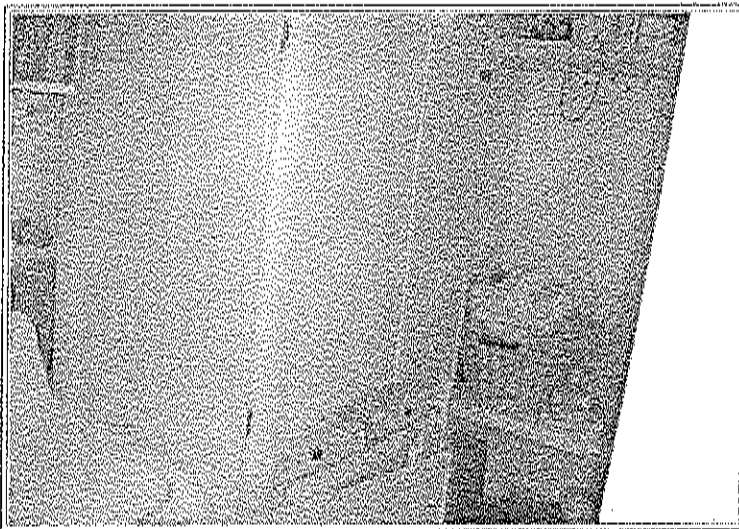
REAR YARD

ADDITIONAL SUBJECT PHOTOS

Client: CLIENT LAURIE & DON HOLBROOK	File No.: AS11-216
Property Address: 2230 PALO VERDE BLVD N	Case No.:
City: LAKE HAVASU CITY	State: AZ Zip: 86403-1938



REAR SIDE VIEW



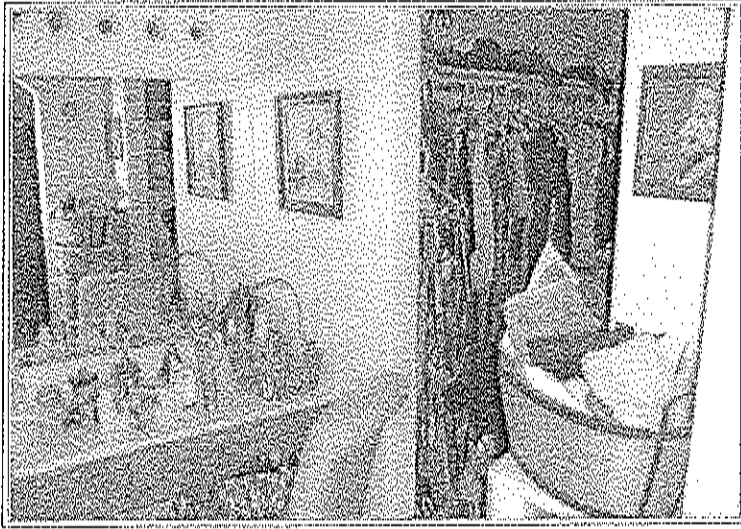
LAUNDRY ROOM



BEDROOM

ADDITIONAL SUBJECT PHOTOS

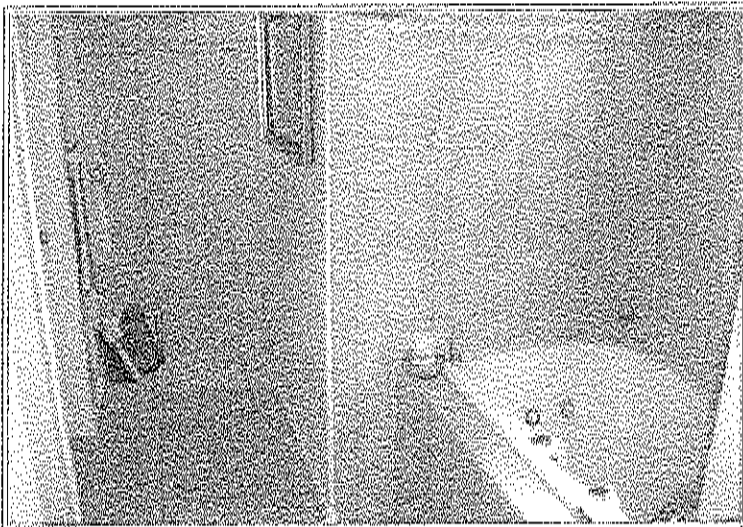
Client: CLIENT:LAURIE & DON HOLBROOK	File No: AS11-216
Property Address: 1230 PALO VERDE BLVD N	Case No:
CITY: LAKE HAVASU CITY	State: AZ Zip: 86404-1938



BATHROOM-WALK IN CLOSET



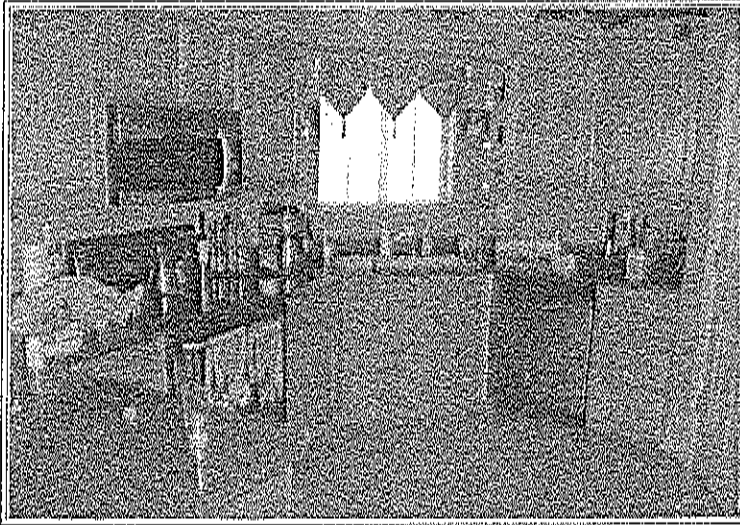
BATHROOM



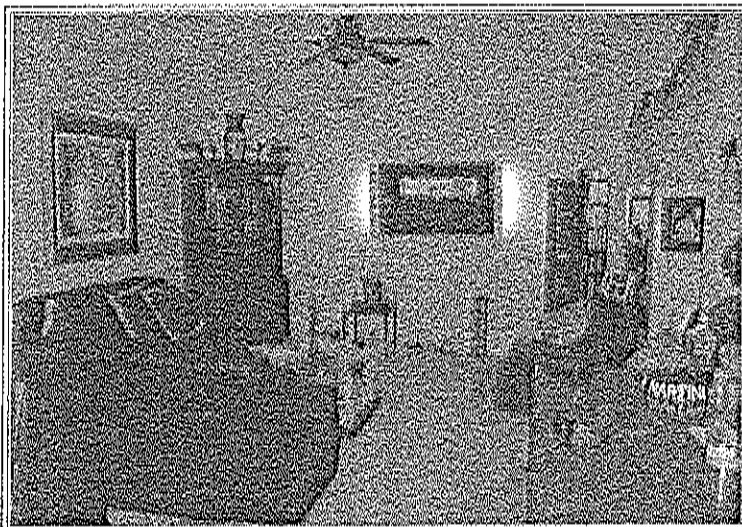
BATHROOM-JETTED TUB

ADDITIONAL SUBJECT PHOTOS

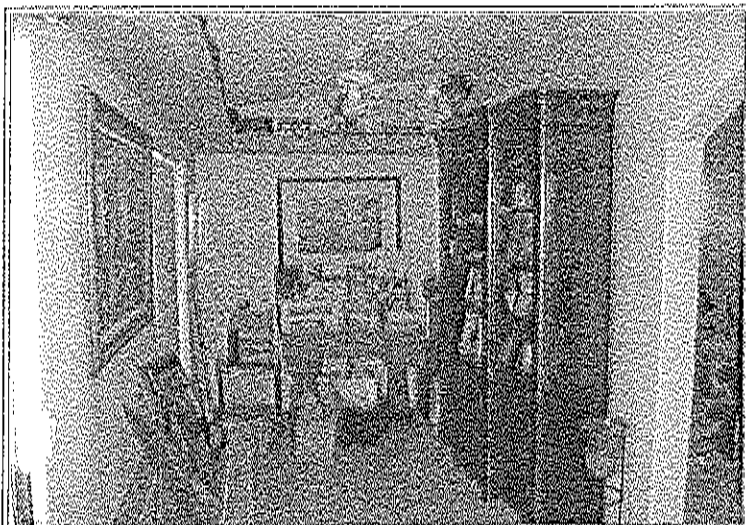
Client: CLIENT: LAURIE & DON HOLBROOK	File No.: AN11-216
Property Address: 2230 PALO VERDE BLVD N	Case No.:
City: LAKE HAVASU CITY	State: AZ Zip: 86404-1938



KITCHEN

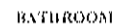
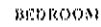
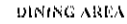


LIVING ROOM



OFFICE AREA

File No.: A811-216
Case No.:
Zip: 86404-1938

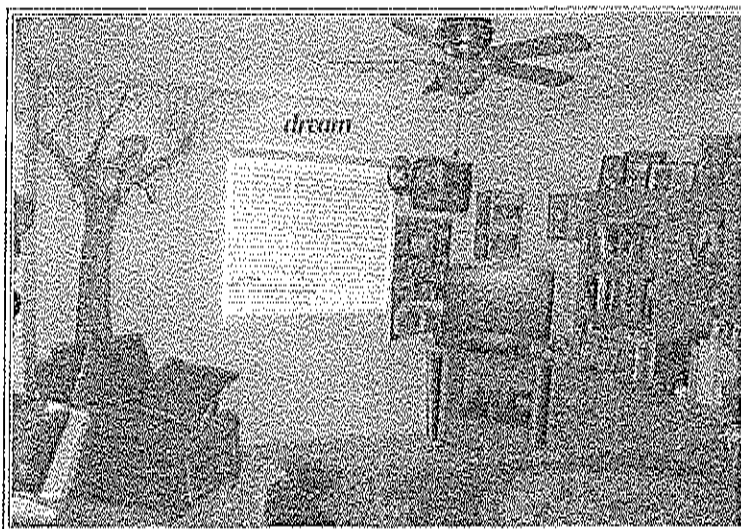


ADDITIONAL SUBJECT PHOTOS

Client: CLIENT: LAURIE & DON HOLBROOK	File No.: AS11-216
Property Address: 2230 PALO VERDE BLVD N	Case No.:
City: LAKE HAVASU CITY	State: AZ Zip: 86404-1938



BATHROOM



BEDROOM



REAR OF SUBJECT FROM SIDE STREET

LICENSE

Client: CLIENT: LAURIE & DON HOLBROOK	File No.: AS11-216
Property Address: 2230 PALO VERDE BLVD N	Case No.:
City: LAKE HAVASU CITY	State: AZ ZIP: 86404-1938

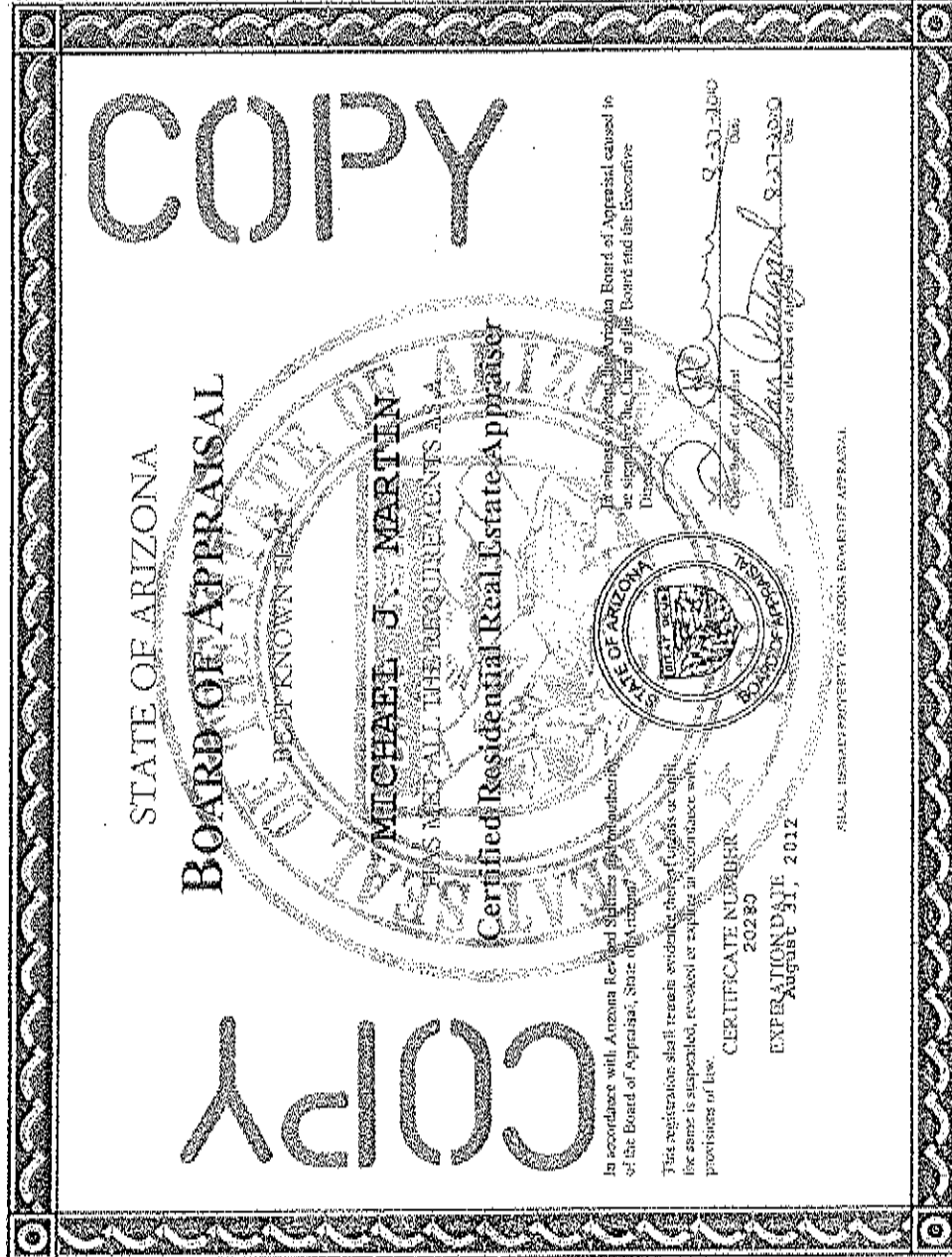


EXHIBIT U

Miscellaneous:

11-27072-lbr DON HOLBROOK and LAURIE HOLBROOK

Type: bk

Chapter: 11 v

Office: 2 (Las Vegas)

Assets: y

Judge: lbr

Case Flag: BAPCPA

U.S. Bankruptcy Court

District of Nevada

Notice of Electronic Filing

The following transaction was received from THOMAS E. CROWE entered on 2/26/2013 at 1:10 PM PST and filed on 2/26/2013

Case Name: DON HOLBROOK and LAURIE HOLBROOK

Case Number: 11-27072-lbr

Document Number: 160

Docket Text:

Monthly Operating Report for Filing Period Ending January 2013 Filed by THOMAS E. CROWE on behalf of DON HOLBROOK, LAURIE HOLBROOK (CROWE, THOMAS)

The following document(s) are associated with this transaction:

Document description:Main Document

Original filename:doc20130226130917.pdf

Electronic document Stamp:

[STAMP bkecfStamp_ID=989277954 [Date=2/26/2013] [FileNumber=24155520-0]
][605289f90e778541f2967ccc89436681688a986c95b7a9c80c79d4ee11755bd1d60
fbf1e7d9faa70df2768b037e35f6775bfce11e65928a7089ff83f2b1c2927]]

11-27072-lbr Notice will be electronically mailed to:

LOUIS M. BUBALA on behalf of Creditor CENTRAL BANK & TRUST CO.
lbubala@armstrongteasdale.com, bsalinas@armstrongteasdale.com

JANET L. CHUBB on behalf of Creditor CENTRAL BANK & TRUST CO.
bsalinas@armstrongteasdale.com

THOMAS E. CROWE on behalf of Debtor DON HOLBROOK
tcrowe@thomascrowelaw.com

GORDON R. GOOLSBY on behalf of Creditor CENTRAL BANK & TRUST CO.
ggoolsby@armstrongteasdale.com, bsalinas@armstrongteasdale.com

U.S. TRUSTEE - LV - 11
USTPRegion17.lv.ecf@usdoj.gov

11-27072-lbr Notice will not be electronically mailed to:

NATIONSTAR MORTGAGE
P.O. BOX 829009
DALLAS, TX 75382

PRA RECEIVABLES MANAGEMENT, LLC
PO BOX 12907
NORFOLK, VA 23541

ANDREW RANA

,

EDWARD G SCHLOSS on behalf of Creditor BAYVIEW LOAN SERVICING, LLC
EDWARD G. SCHLOSS LAW CORP
3637 MOTOR AVE, STE 220
LOS ANGELES, CA 90034

E FILED ON 2/26/13
THOMAS E. CROWE, ESQ.
THOMAS E. CROWE PROFESSIONAL
LAW CORPORATION
tcrowe@thomascrowelaw.com
2830 S. Jones Blvd. #3
Las Vegas, Nevada 89146
(702) 794-0373
Attorney for Debtors-in-possession
Nevada State Bar no. 3048

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:)	BANKRUPTCY NUMBER:
)	BK-S-11-27072-LBR
DON HOLBROOK and)	Chapter 11
LAURIE HOLBROOK,)	
)	
Debtors.)	
_____)	

MONTHLY OPERATING REPORT

The above mentioned Debtors hereby submit, by and through their attorney,
THOMAS E. CROWE, ESQ., the monthly operating report for the period ending January, 2013.

DATED this 26th day of February, 2013.

THOMAS E. CROWE PROFESSIONAL
LAW CORPORATION

By /s/ THOMAS E. CROWE
THOMAS E. CROWE, ESQ.
2830 S. Jones Blvd. # 3
Las Vegas, NV 89146
Attorney for Debtors-
in-possession

###

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re: HOLBROOK, DON & LAURIE

Case No. 2:11-bk-27072

**CHAPTER 11
MONTHLY OPERATING REPORT
(SMALL REAL ESTATE/INDIVIDUAL CASE)**

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: 01/31/13PETITION DATE: 10/31/11

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).

Dollars reported in \$12. **Asset and Liability Structure**

a. Current Assets

b. Total Assets

c. Current Liabilities

d. Total Liabilities

End of Current
Month

End of Prior
Month

As of Petition
Filing

\$264\$1,780\$647,264\$648,780\$650,000\$0\$0\$558,410\$558,410\$558,4103. **Statement of Cash Receipts & Disbursements for Month**

a. Total Receipts

b. Total Disbursements

c. Excess (Deficiency) of Receipts Over Disbursements (a - b)

d. Cash Balance Beginning of Month

e. Cash Balance End of Month (c + d)

Current Month

Prior Month

Cumulative
(Case to Date)

\$11,924\$9,046\$91,883\$13,440\$7,606\$94,619(\$1,516)\$1,440(\$2,736)\$1,780\$340\$3,000\$264\$1,780\$264

Current Month

Prior Month

Cumulative
(Case to Date)

N/AN/AN/A4. **Profit/(Loss) from the Statement of Operations**5. **Account Receivables (Pre and Post Petition)**6. **Post-Petition Liabilities**7. **Past Due Post-Petition Account Payables (over 30 days)**\$0\$0\$0**At the end of this reporting month:**

8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee)

9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee)

10. If the answer is yes to 8 or 9, were all such payments approved by the court?

11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee)

12. Is the estate insured for replacement cost of assets and for general liability?

13. Are a plan and disclosure statement on file?

14. Was there any post-petition borrowing during this reporting period?

YesNo

15. Check if paid: Post-petition taxes ; U.S. Trustee Quarterly Fees ; Check if filing is current for: Post-petition tax reporting and tax returns: .
(Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 2/25/13

Responsible Individual

BALANCE SHEET
 (Small Real Estate/Individual Case)
 For the Month Ended 01/31/13

		Check if Exemption Claimed on Schedule C	Market Value
Assets			
Current Assets			
1	Cash and cash equivalents (including bank accts., CDs, etc.)		\$264
2	Accounts receivable (net)		
3	Retainer(s) paid to professionals		
4	Other:		
5			
6	Total Current Assets		\$264
Long Term Assets (Market Value)			
7	Real Property (residential)		
8	Real property (rental or commercial)		\$600,000
9	Furniture, Fixtures, and Equipment	X(\$5,000.00)	\$6,800
10	Vehicles	X(\$15,000.00)	\$37,700
11	Partnership interests		
12	Interest in corporations		
13	Stocks and bonds		\$2,500
14	Interests in IRA, Keogh, other retirement plans		
15	Other:		
16			
17	Total Long Term Assets		\$647,000
18	Total Assets		\$647,264
Liabilities			
Post-Petition Liabilities			
Current Liabilities			
19	Post-petition not delinquent (under 30 days)		
20	Post-petition delinquent other than taxes (over 30 days)		
21	Post-petition delinquent taxes		
22	Accrued professional fees		
23	Other:		
24			
25	Total Current Liabilities		\$0
26	Long-Term Post Petition Debt		
27	Total Post-Petition Liabilities		\$0
Pre-Petition Liabilities (allowed amount)			
28	Secured claims (residence)		\$367,400
29	Secured claims (other)		
30	Priority unsecured claims		\$148,200
31	General unsecured claims		\$42,810
32	Total Pre-Petition Liabilities		\$558,410
33	Total Liabilities		\$558,410
Equity (Deficit)			
34	Total Equity (Deficit)		\$88,854
35	Total Liabilities and Equity (Deficit)		\$647,264

NOTE:

Indicate the method used to estimate the market value of assets (e.g., appraisals, familiarity with comparable market prices, etc.) and the date the value was determined.

SCHEDULES TO THE BALANCE SHEET**Schedule A
Rental Income Information**List the Rental Information Requested Below By Properties (For Rental Properties Only)

	<u>Property 1</u>	<u>Property 2</u>	<u>Property 3</u>
1 Description of Property	<u>2033 MUNDYS LANDING</u>	<u>2230 N PALO VERDE</u>	<u>15 WOODFORD CITY</u>
2 Scheduled Gross Rents	<u>\$500</u>	<u></u>	<u></u>
Less:			
3 Vacancy Factor	<u></u>	<u></u>	<u></u>
4 Free Rent Incentives	<u></u>	<u></u>	<u></u>
5 Other Adjustments	<u>\$178</u>	<u></u>	<u></u>
6 Total Deductions	<u>\$178</u>	<u>\$0</u>	<u>\$0</u>
7 Scheduled Net Rents	<u>\$322</u>	<u>\$0</u>	<u>\$0</u>
8 Less: Rents Receivable (2)	<u></u>	<u></u>	<u></u>
9 Scheduled Net Rents Collected (2)	<u>\$322</u>	<u>\$0</u>	<u>\$0</u>

(2) To be completed by cash basis reporters only.

**Schedule B
Recapitulation of Funds Held at End of Month**

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>
10 Bank	<u>MOHAVE ST BANK</u>	<u>CHASE</u>	<u>CHASE</u>
11 Account No.	<u>310601010</u>	<u>000000968437095</u>	<u>2900178274</u>
12 Account Purpose	<u>GENERAL</u>	<u>DIP</u>	<u>DIP</u>
13 Balance, End of Month	<u>\$0</u>	<u>\$264</u>	<u>\$0</u>
14 Total Funds on Hand for all Accounts	<u>\$264</u>		

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 01/31/13

	Actual Current Month	Cumulative (Case to Date)
Cash Receipts		
1 Rent/Leases Collected	\$500	\$6,660
2 Cash Received from Sales		
3 Interest Received		
4 Borrowings		
5 Funds from Shareholders, Partners, or Other Insiders	\$11,424	\$80,033
6 Capital Contributions		
7 INSURANCE (FLOOD DAMAGE)		\$5,190
8		
9		
10		
11		
12 Total Cash Receipts	\$11,924	\$91,883
Cash Disbursements		
13 Selling		
14 Administrative	\$270	\$2,664
15 Capital Expenditures		
16 Principal Payments on Debt	\$0	\$2,795
17 Interest Paid		
Rent/Lease:		
18 Personal Property		
19 Real Property		
Amount Paid to Owner(s)/Officer(s)		
20 Salaries		
21 Draws	\$12,993	\$77,366
22 Commissions/Royalties		
23 Expense Reimbursements	\$0	\$3,200
24 Other		
25 Salaries/Commissions (less employee withholding)		
26 Management Fees	\$177	\$1,806
Taxes:		
27 Employee Withholding		
28 Employer Payroll Taxes		
29 Real Property Taxes		
30 Other Taxes		
31 Other Cash Outflows:		
32 HOA		
33 UTILITIES		\$511
34 REPAIRS	\$0	\$6,133
35 INSURANCE		\$144
36		
37 Total Cash Disbursements:	\$13,440	\$94,619
38 Net Increase (Decrease) in Cash	(\$1,516)	(\$2,736)
39 Cash Balance, Beginning of Period	\$1,780	\$3,000
40 Cash Balance, End of Period	\$264	\$264

Expense January 2013

Service Fee - 15.⁰⁰

Utilities - 822.²⁹

Landscaping / pest control - 67.⁰⁰

Doctor Bills - 113.²⁰

Property Management - 177.⁸⁰

Insurance - 165.³¹

Attorney legal 270 -

Pool Maintenance (redone) \$700 -

Target - 608.²⁰

Wages - 11,424.¹¹

Rent - 500 -

1292 Transfer to Checking Bk. = \$6103.⁰⁰

8790 Transfer to Ian - 582.⁰⁰

6790 Transfer to Savings - 2850.⁰⁰ (School account)

MMA Transfer - 10.⁰⁰

2810 - PPK - Aidem - 200 -

Cash withdrawal 580 -



JPMorgan Chase Bank, N.A.
P O Box 859754
San Antonio, TX 78265-9754

January 01, 2013 through January 31, 2013
Account Number: 000000968437095

CUSTOMER SERVICE INFORMATION

Web site:	Chase.com
Service Center:	1-800-242-7338
Deaf and Hard of Hearing:	1-800-242-7383
Para Espanol:	1-888-622-4273
International Calls:	1-713-262-1679



00175884 1 AV 0.36



00175884 DRE 763 142 03213 NNNNNNNNNN T 1 CD0000000 61 0000 T1033315 #24060

LAURIE AND DON HOLBROOK DIP
DEBTOR IN POSSESSION
CASE #
9200 DALMAHOY PL
LAS VEGAS NV 89145-8721

IMPORTANT UPDATES TO THE DEPOSIT ACCOUNT AGREEMENT

We will be making the following changes to the Deposit Account Agreement for Chase checking and savings accounts, effective March 24, 2013.

We have

- Added the following language to the Important Definitions section: Debit card transaction: includes any purchase from a merchant using your ATM card or debit card.
- Modified the agreement to clarify that we will only send one copy of any notice relating to your account, even if the account has more than one owner.
- Revised our Funds Availability Policy. Under Longer Delays May Apply, we describe circumstances where funds may not be available until the seventh business day after the day of deposit. We are deleting the sentence saying that the first \$200 from your deposit will be available on the next business day, so if we delay availability in those cases the delay may apply to the full amount of the deposit.

All other terms of your account agreement remain the same. If you have questions about the changes, please call us at the number on this statement or visit your nearest branch.

CHECKING SUMMARY

Chase BusinessSelect Checking

	INSTANCES	AMOUNT
Beginning Balance		\$2,004.95
Deposits and Additions	9	11,924.11
Electronic Withdrawals	81	- 13,070.23
Fees and Other Withdrawals	4	- 595.00
Ending Balance	94	\$263.83

DEPOSITS AND ADDITIONS

DATE	DESCRIPTION	PPD ID: 911111101	AMOUNT
01/03	Richmont North A Direct Dep		\$1,075.02
01/04	Bluegreen Payroll	PPD ID: 8030300793	1,005.25
01/09	Deposit 1136793759		500.00
01/11	Bluegreen Payroll	PPD ID: 8030300793	1,302.17
01/17	Richmont North A Direct Dep	PPD ID: 911111101	1,230.92
01/17	Richmont North A Direct Dep	PPD ID: 911111101	1,031.27

Don Holbrook

+1 (702) 982-6903



January 01, 2013 through January 31, 2013
Account Number: 000000968437095

DEPOSITS AND ADDITIONS

(continued)

DATE	DESCRIPTION	PPD ID	AMOUNT
01/18	Bluegreen Payroll	PPD ID: 8030300793	3,211.41
01/25	Bluegreen Payroll	PPD ID: 8030300793	1,633.08
01/31	Richmont North A Direct Dep	PPD ID: 9111111101	934.99
Total Deposits and Additions			\$11,924.11

ELECTRONIC WITHDRAWALS

DATE	DESCRIPTION	AMOUNT
01/02	01/01 Online Transfer To Chk ... 1292 Transaction#: 3039748043	\$135.00
01/02	01/02 Online Transfer To Chk ... 1292 Transaction#: 3041690154	100.00
01/02	01/02 Online Payment 3041758797 To Louis Palazzo	270.00
01/02	01/02 Online Payment 3041771889 To Terra West Property Management	177.80
01/02	Target Debit Crd ACH Tran 00043179623 POS ID: 1410215170	79.28
01/02	01/03 Online Transfer To Chk ... 1292 Transaction#: 3044477794	400.00
01/03	01/03 Online Payment 3044482024 To Derek Williams	40.00
01/03	01/03 Online Payment 3044493940 To Cox Communications	130.00
01/03	01/03 Online Transfer To Chk ... 1292 Transaction#: 3045319746	45.00
01/03	01/03 Online Transfer To Chk ... 1292 Transaction#: 3045439932	125.00
01/03	01/03 Online Transfer To Chk ... 8730 Transaction#: 3045710849	100.00
01/04	01/04 Online Transfer To Chk ... 1292 Transaction#: 3045710996	483.00
01/04	01/04 Online Transfer To Chk ... 1292 Transaction#: 3045710996	600.00
01/07	01/05 Online Payment 3048644930 To Pool Biz	40.00
01/07	01/05 Online Payment 3048644918 To Cox Communications	70.00
01/07	01/06 Online Transfer To Chk ... 1292 Transaction#: 3049632196	100.00
01/07	01/06 Online Transfer To Chk ... 8730 Transaction#: 3049972613	130.00
01/07	01/06 Online Transfer To Chk ... 1292 Transaction#: 3049973497	200.00
01/07	01/06 Online Transfer To Ppx ... 2810 Transaction#: 3050449420	100.00
01/07	01/07 Online Transfer To Chk ... 8730 Transaction#: 3050953714	35.00
01/07	01/07 Online Transfer To Chk ... 1292 Transaction#: 3052127284	140.59
01/07	Target Debit Crd ACH Tran 00043179623 POS ID: 1410215170	18.95
01/07	Target Debit Crd ACH Tran 00043179623 POS ID: 1410215170	11.72
01/07	Target Debit Crd ACH Tran 00043179623 POS ID: 1410215170	200.00
01/08	01/08 Online Transfer To Chk ... 1292 Transaction#: 3052340314	240.00
01/09	01/09 Online Transfer To Chk ... 1292 Transaction#: 3054429124	120.00
01/09	01/09 Online Transfer To Chk ... 1292 Transaction#: 3055438025	155.00
01/10	01/10 Online Transfer To Chk ... 1292 Transaction#: 3056615326	80.35
01/10	Target Debit Crd ACH Tran 00043179623 POS ID: 1410215170	500.00
01/11	01/11 Online Transfer To Chk ... 1292 Transaction#: 3057374413	100.00
01/11	01/11 Online Transfer To Chk ... 1292 Transaction#: 3058036255	50.00
01/14	01/12 Online Transfer To Chk ... 1292 Transaction#: 3059804782	82.00
01/14	01/13 Online Transfer To Chk ... 8730 Transaction#: 3081597154	200.00
01/14	01/13 Online Transfer To Chk ... 1292 Transaction#: 3061645532	80.00
01/15	01/15 Online Transfer To Chk ... 1292 Transaction#: 3064141340	55.86
01/16	Target Debit Crd ACH Tran 00043179623 POS ID: 1410215170	500.00
01/17	01/17 Online Transfer To Chk ... 1292 Transaction#: 3068161143	75.00
01/17	01/17 Online Transfer To Chk ... 1292 Transaction#: 3068220546	180.00
01/17	01/17 Online Transfer To Chk ... 1292 Transaction#: 3068866117	100.00
01/18	01/18 Online Transfer To Chk ... 8730 Transaction#: 3089958639	



January 01, 2013 through January 31, 2013
Account Number: 000000968437095

ELECTRONIC WITHDRAWALS (continued)

DATE	DESCRIPTION	AMOUNT
01/18	01/18 Online Transfer To Chk ... 1292 Transaction#: 3069961610	1,000.00
01/18	01/18 Online Payment 3069991887 To Cox Communications	168.62
01/18	01/18 Online Payment 3069991914 To Shadow Emergency	15.00
01/18	01/18 Online Payment 3069991944 To Shadow Emergency	10.00
01/18	01/18 Online Payment 3069991964 To Shadow Emergency	10.00
01/18	01/18 Online Payment 3070019352 To City of Las Vegas Sewer Services	110.46
01/18	01/18 Online Payment 3070019372 To Dish Network	33.41
01/18	01/18 Online Payment 3070019387 To Havasu Pest Control	27.00
01/18	01/18 Online Payment 3070019427 To Lake Havasu City Utility Bills	125.00
01/18	01/18 Online Payment 3070019444 To Las Vegas Surgical Assoc	25.00
01/18	01/18 Online Payment 3070019406 To Lake Havasu City Utility Bills	20.25
01/18	01/18 Online Payment 3070019468 To Pool Biz	100.00
01/18	01/18 Online Payment 3070019481 To Southwest Gas Corporation	75.00
01/18	01/18 Online Payment 3070019455 To Lvwvd	23.42
01/18	01/18 Online Payment 3070097172 To Mally Medical	53.70
01/18	01/18 Online Transfer To Chk ... 6790 Transaction#: 3070099171	2,500.00
01/22	01/22 Online Transfer To Chk ... 1292 Transaction#: 3075305581	100.00
01/22	Target Debit Crd ACH Tran 00043179623 POS ID: 1410215170	24.08
01/22	Target Debit Crd ACH Tran 00043179623 POS ID: 1410215170	15.18
01/23	01/23 Online Transfer To Chk ... 1292 Transaction#: 3077002259	100.00
01/23	01/23 Online Transfer To Chk ... 1292 Transaction#: 3077967571	30.00
01/25	01/25 Online Transfer To Chk ... 1292 Transaction#: 3080752909	150.00
01/25	01/25 Online Transfer To Chk ... 6790 Transaction#: 3080753985	350.00
01/25	01/25 Online Transfer To Chk ... 8730 Transaction#: 3080863157	100.00
01/25	01/25 Online Payment 3080871416 To Uns Electric Inc	96.53
01/25	01/25 Online Transfer To Chk ... 1292 Transaction#: 3081087345	140.00
01/25	01/25 Online Transfer To Chk ... 1292 Transaction#: 3081769275	280.00
01/25	01/25 Online Transfer To Mma ... 8274 Transaction#: 3081770261	10.00
01/25	Target Debit Crd ACH Tran 00043179623 POS ID: 1410215170	109.38
01/25	Target Debit Crd ACH Tran 00043179623 POS ID: 1410215170	43.83
01/26	01/26 Online Transfer To Chk ... 1292 Transaction#: 3083024522	130.00
01/28	01/26 Online Transfer To Chk ... 1292 Transaction#: 3083038247	25.00
01/28	01/27 Online Transfer To Chk ... 1292 Transaction#: 3084004230	10.00
01/28	01/28 Online Transfer To Chk ... 1292 Transaction#: 3085560164	70.00
01/28	Geico Prem Coll PPD ID: 3530075853	82.90
01/28	Anpac Easy Pay Premium PPD ID: 4310108951	82.41
01/28	Target Debit Crd ACH Tran 00043179623 POS ID: 1410215170	31.51
01/30	01/30 Online Transfer To Chk ... 1292 Transaction#: 3087339372	45.00
01/30	01/30 Online Transfer To Chk ... 1292 Transaction#: 3087761814	20.00
01/30	01/30 Online Transfer To Chk ... 1292 Transaction#: 3088444874	15.00
01/31	01/31 Online Transfer To Chk ... 1292 Transaction#: 3088965773	400.00
01/31	01/31 Online Transfer To Chk ... 1292 Transaction#: 3090624356	85.00
Total Electronic Withdrawals		\$13,070.23



January 01, 2013 through January 31, 2013

Account Number: 000000968437095

FEES AND OTHER WITHDRAWALS

DATE	DESCRIPTION	AMOUNT
01/09	01/09 Withdrawal	\$60.00
01/11	01/11 Withdrawal	340.00
01/31	01/31 Withdrawal	180.00
01/31	Service Fee	15.00
Total Fees & Other Withdrawals		\$595.00

DAILY ENDING BALANCE

DATE	AMOUNT	DATE	AMOUNT
01/02	\$1,242.87	01/16	114.84
01/03	1,577.89	01/17	1,622.03
01/04	2,000.14	01/18	436.58
01/07	555.88	01/22	297.32
01/08	355.88	01/23	167.32
01/09	435.88	01/25	520.66
01/10	200.53	01/28	88.84
01/11	562.70	01/30	8.84
01/14	230.70	01/31	263.83
01/15	170.70		

SERVICE CHARGE SUMMARY

You were charged a monthly service fee this month. Your Chase BusinessSelect Checking monthly Service Fee can be waived in five different ways during any statement period:

- Maintain an average daily balance of \$7,500.00. Your average daily balance was \$664.00. OR
- Maintain a relationship balance of \$25,000.00 or more during the statement period. Your relationship balance was \$719.00. OR
- Link a qualifying personal checking account to your Chase BusinessSelect Checking account. You have no qualifying personal account linked. OR
- Spend at least \$1,000.00 on a linked Chase Business Credit Card. You spent \$0.00. OR
- Pay at least \$50.00 in qualifying checking-related services or fees. You paid \$0.00.

See your Account Rules and Regulations or stop in to see a banker today to find out more.

TRANSACTIONS FOR SERVICE FEE CALCULATION

	NUMBER OF TRANSACTIONS
Checks Paid / Debits	16
Deposits / Credits	9
Deposited Items	1
Transaction Total	26

SERVICE FEE CALCULATION

	AMOUNT
Service Fee	\$15.00
Service Fee Credit	\$0.00
Net Service Fee	\$15.00
Excessive Transaction Fees (Above 200)	\$0.00
Total Service Fees	\$15.00

EXHIBIT V

ARTICLE IV
TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN

4.01 Claims and interests shall be treated as follows under this Plan:

Class	Creditor, Impairment, and Collateral	Treatment
Class 1 Oversecured Creditors	Impaired	
Class 1-A	<u>Creditor:</u> Bayview Loan Servicing <u>Collateral:</u> 2230 N. Palo Verde Blvd., Lake Havasu, Arizona 86404 1 st Mortgage	Allowed amount of secured claim: \$146,453.30 at 3% interest (Variable) paid at \$694.50 initial Principal and Interest payment per month starting February 1, 2012 through January 1, 2037 or until secured claim is paid in full, whichever is sooner. Liens to be retained to full amount of secured claim until paid in full. <u>Debtors are responsible for monthly escrow payments for taxes and insurance.</u>
Class 1-B	<u>Creditor:</u> Wells Fargo <u>Collateral:</u> 2230 N. Palo Verde Blvd., Lake Havasu, Arizona 86404 2 nd Mortgage	Allowed amount of secured claim: \$93,473.46. 4.5% interest paid at \$473.62 Principal and Interest per month starting February 1, 2012 through January 1, 2042 or until secured claim is paid in full, whichever is sooner. (Pre-confirmation adequate protection payments credited to principal balance.) Liens to be retained to full amount of secured claim until paid in full.
Class 1-C	<u>Creditor:</u> Central Bank and Trust <u>Collateral:</u> 2033 Mundy's Landing, Versailles, Kentucky 40383	<u>Entire secured claim to be paid from sale of property.</u>
Class 2 Under Secured claims	Impaired 1 st or 2 nd mortgages	
N/A	N/A	<u>N/A</u>
Class 3 – General Unsecured Creditors	Impaired	42% over 60 months or \$32,000.00, whichever is lesser

Class 4 – Equity Security Holders of the Debtor	N/A	N/A
---	-----	-----