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B23784

Attorneys for Secured Creditor,
BSI FINANCIAL SERVICES, INC., servicing agent for
NSP LA TRUST c/o HMC ASSETS, LLC
as Administrator of the Trust, successor in interest
to Bayview Loan Servicing LLC

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEVADA

In re	) Bk. No.: 11-27072-lbr
)
DON HOLBROOK and	) Chapter 11
LAURIE HOLBROOK,)
	) FIFTEEN DAY NOTICE OF
	) DECLARATION RE BREACH
Debtors.	) OF DEBTORS' <i>EIGHTH</i> MODIFIED
	) CHAPTER 11 PLAN OF
	) REORGANIZATION
)
	) Date: January 8, 2014
	) Time: 2:00 p.m.
	) Place: Foley Federal Building
	) 300 Las Vegas Blvd, South
	) Las Vegas, NV 89101
)
	) HONORABLE LINDA B. RIEGLE

DECLARATION OF TARA SPANGLER

I, TARA SPANGLER declare and state:

1. As to the following facts, I know them to be true of my own personal knowledge, and if called upon to testify in this action, I could and would testify competently to the following facts personally known by me to be true.

1 2. I am an employee of BSI Financial Services, Inc., servicing agent for
2
3 NSP LA TRUST c/o HMC ASSETS, LLC as Administrator of the Trust, successor in
4 interest to Bayview Loan Servicing LLC, Secured Creditor herein. It is the regular
5 business practice of BSI Financial Services, Inc. to maintain detailed records for each of
6 the loans it services, and I am familiar with the procedures followed to maintain those
7 records. My duties as an employee include keeping an accurate record of all transactions
8 affecting the subject first trust deed loan while it is in bankruptcy.
9

10 3. On or about October 3, 2002, Debtor Don Holbrook, for valuable consideration,
11 made, executed, and delivered to First Arizona Savings, FSB ("FAS") an Adjustable Rate
12 Note in the principal sum of \$173,000.00 ("Note"). On or about October 3, 2002, Debtor
13 Don Holbrook made, executed and delivered to FAS a Deed of Trust (the "Deed of
14 Trust") granting FAS a security interest in the Property. The Deed of Trust was recorded
15 on October 8, 2002, in the Official Records of Mohave County, State of Arizona, as
16 instrument no. 2002068417. FAS transferred its beneficial interest in the Note and Deed
17 of Trust to Bayview by Assignment recorded on March 12, 2012. Bayview transferred its
18 beneficial interest to NSP LA TRUST c/o HMC ASSETS, LLC ("NSP") by Assignment
19 recorded on October 16, 2013.
20
21

22 4. The property subject to the first trust deed obligation held by NSP is generally
23 described as **2230 N Palo Verde Blvd, Lake Havasu City, AZ**. It is my understanding
24 that the subject property is a *vacation* home of the Debtors.
25

26 5. On October 3, 2013, an *Amended* Proof of Claim (Claim #5) on behalf of
27 Bayview, the predecessor to NSP. The total amount of the *Amended* Proof of Claim is
28 \$156,646.77 (**Exhibit "A"**). To my knowledge, our counsel, Edward G. Schloss, has

1 discussed the amounts calculated in the Amended Proof of Claim with Debtor's counsel,
2 Thomas Crowe.

3
4 6. I have examined Debtor's *Eighth Modified* Plan of Reorganization dated June
5 11, 2013 thereon entered on the docket on June 11, 2013, a copy of which is attached
6 hereto as **Exhibit "B"** and incorporated herein by reference, and have knowledge as to
7 whether the Debtors have complied with the requirements of the Proposed Plan. Bayview
8 is listed as a Class 1-A *oversecured* creditor, with principal and variable interest
9 payments commencing March 1, 2013, in addition to escrow payments for taxes and
10 insurance. The Plan states that the *initial principal and interest* payment amount is
11 \$694.50.
12

13 7. Pursuant to the proposed Plan, Debtors were to maintain regular monthly
14 mortgage payments to Bayview in a timely manner commencing with the **March 1, 2013**
15 payment, *plus* monthly payments for escrow for insurance and taxes. The *current*
16 monthly mortgage payment owed to Secured Creditor, effective November 1, 2013, is
17 **\$983.23**, which includes a *principal and interest* component of **\$757.91** and an *escrow*
18 component for taxes and insurance of **\$225.41**.
19

20 8. Section 7.07 of the Debtors' Chapter 11 Plan provides as follows:
21

22 *Default. In the case of any default in plan payments or other required action*
23 *by the Debtors under the Plan, then, upon fifteen days notice, unless a motion*
24 *to modify said Plan is filed in the interim, the stay shall lift in favor of any*
25 *creditor impacted by said default and said creditor may pursue collection by*
any means permitted under Non-Bankruptcy law.

26 9. A list of payments received from the Debtors for the Plan since March 1, 2013
27 is attached as **Exhibit "C"**. As of the date of this Declaration, Movant has not received
28

1 the purported principal and interest payments during the months of May 2013 and June
2 2013. In addition, Debtors have also failed to tender any escrow payments for taxes and
3 insurance to Secured Creditor for the following months:

- | | | |
|---|---------------|-------------------|
| 4 | 1. March 2013 | 6. August 2013 |
| 5 | 2. April 2013 | 7. September 2013 |
| 6 | 3. May 2013 | 8. October 2013 |
| 7 | 4. June 2013 | |
| 8 | 5. July 2013 | |

9 10. Due to the Debtor's failure to timely and properly comply with the Plan as
10 hereinabove set forth, Debtors' are in default of the Plan terms. Debtors' Declaration of
11 October 22, 2013 (docket # 206) that they are in compliance with their payments on all
12 payments is simply not true.
13

14 I declare under penalty of perjury under the laws of the State of California, that
15 the foregoing is true and correct.
16

17 Executed December 23, 2013 at Titusville, PA.

18
19 
TARA SPANGLER

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21
22 \\Schloss2003\law files\DRB\NV13BLSouth.holbrook.DRB(2).wpd
23
24
25
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27
28

B 10 (Official Form 10) (12/11)

UNITED STATES BANKRUPTCY COURT		District of Nevada	PROOF OF CLAIM
Name of Debtor: DON HOLBROOK and LAURIE HOLBROOK		Case Number: 11-27072-LBR-11	
NOTE: Do not use this form to make a claim for an administrative expense that arises after the bankruptcy filing. You may file a request for payment of an administrative expense according to 11 U.S.C. § 503.			
Name of Creditor (the person or other entity to whom the debtor owes money or property): BAYVIEW LOAN SERVICING, LLC			
Name and address where notices should be sent: BAYVIEW LOAN SERVICING, LLC 4425 PONCE DE LEON BLVD., 5TH FLOOR CORAL GABLES, FLORIDA 33146 Telephone number: (954) 590-7145 email:		COURT USE ONLY <input checked="" type="checkbox"/> Check this box if this claim amends a previously filed claim. Court Claim Number: <u>5</u> (If known) Filed on: <u>01/16/2012</u>	
Name and address where payment should be sent (if different from above): BAYVIEW LOAN SERVICING, LLC - ATTN: CASHIERING 4425 PONCE DE LEON BLVD., 5TH FLOOR CORAL GABLES, FLORIDA 33146 Telephone number: (954) 590-7145 email:		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to this claim. Attach copy of statement giving particulars.	
1. Amount of Claim as of Date Case Filed: \$ <u>156,646.77</u> If all or part of the claim is secured, complete item 4. If all or part of the claim is entitled to priority, complete item 5. <input checked="" type="checkbox"/> Check this box if the claim includes interest or other charges in addition to the principal amount of the claim. Attach a statement that itemizes interest or charges.			
2. Basis for Claim: <u>MONEY LOANED - MORTGAGE NOTE</u> (See instruction #2)			
3. Last four digits of any number by which creditor identifies debtor: <u>7 0 1 8</u>	3a. Debtor may have scheduled account as: (See instruction #3a)	3b. Uniform Claim Identifier (optional): (See instruction #3b)	
4. Secured Claim (See instruction #4) Check the appropriate box if the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information. Nature of property or right of setoff: <input checked="" type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: 2230 NORTH PALO VERDE BLVD, LAKE HAVASU CITY, AZ 86404 Value of Property: \$ _____ Annual Interest Rate <u>2.875%</u> <input type="checkbox"/> Fixed or <input checked="" type="checkbox"/> Variable (when case was filed)		Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any: \$ <u>31,696.54</u> Basis for perfection: <u>FIRST TRUST DEED</u> Amount of Secured Claim: \$ <u>156,646.77</u> Amount Unsecured: \$ _____	
5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507 (a). If any part of the claim falls into one of the following categories, check the box specifying the priority and state the amount.			
<input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507 (a)(1)(A) or (a)(1)(B). <input type="checkbox"/> Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. § 507 (a)(7).		<input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before the case was filed or the debtor's business ceased, whichever is earlier – 11 U.S.C. § 507 (a)(4). <input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. § 507 (a)(8).	
		<input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. § 507 (a)(5). <input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. § 507 (a)(____).	
		Amount entitled to priority: \$ _____	
*Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.			
6. Credits. The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #6)			

Exhibit "A"

B 10 (Official Form 10) (12/11)

2

7. Documents: Attached are redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. If the claim is secured, box 4 has been completed, and redacted copies of documents providing evidence of perfection of a security interest are attached. (See instruction #7, and the definition of "redacted".)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

8. Signature: (See instruction #8)

Check the appropriate box.

- ☒ I am the creditor. ☐ I am the creditor's authorized agent. ☐ I am the trustee, or the debtor, or their authorized agent. ☐ I am a guarantor, surety, indorser, or other codebtor. (See Bankruptcy Rule 3005.)

I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief.

Print Name: MONICA RODRIGUEZ
 Title: BANKRUPTCY COORDINATOR
 Company: BAYVIEW LOAN SERVICES, LLC
 Address and telephone number (if different from notice address above):
4426 PONCE DE LEON BLVD, FIFTH FLOOR
CORAL GABLES, FL 33146

(Signature)

(Date)

Telephone number: _____ email: _____

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, exceptions to these general rules may apply.

Items to be completed in Proof of Claim form

Court, Name of Debtor, and Case Number:

Fill in the federal judicial district in which the bankruptcy case was filed (for example, Central District of California), the debtor's full name, and the case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is at the top of the notice.

Creditor's Name and Address:

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:

State the total amount owed to the creditor on the date of the bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on delivering health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if an interested party objects to the claim.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:
 State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

3a. Debtor May Have Scheduled Account As:

Report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

3b. Uniform Claim Identifier:

If you use a uniform claim identifier, you may report it here. A uniform claim identifier is an optional 24-character identifier that certain large creditors use to facilitate electronic payment in chapter 13 cases.

4. Secured Claim:

Check whether the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See Definitions.) If the claim is secured, check the box for the nature and value of property that secures the claim, attach copies of lien documentation, and state, as of the date of the bankruptcy filing, the annual interest rate (and whether it is fixed or variable), and the amount past due on the claim.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. § 507 (a).

If any portion of the claim falls into any category shown, check the appropriate box(es) and state the amount entitled to priority. (See Definitions.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6. Credits:

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

7. Documents:

Attach redacted copies of any documents that show the debt exists and a lien secures the debt. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary in addition to the documents themselves. FRBP 3001(a) and (d). If the claim is based on delivering health care goods or services, limit disclosing confidential health care information. Do not send original documents, as attachments may be destroyed after scanning.

8. Date and Signature:

The individual completing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 3005(a)(2) authorizes courts to establish local rules specifying what constitutes a signature. If you sign this form, you declare under penalty of perjury that the information provided is true and correct to the best of your knowledge, information, and reasonable belief. Your signature is also a certification that the claim meets the requirements of FRBP 9011(b). Whether the claim is filed electronically or in person, if your name is on the signature line, you are responsible for the declaration. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. If the claim is filed by an authorized agent, attach a complete copy of any power of attorney, and provide both the name of the individual filing the claim and the name of the agent. If the authorized agent is a service, identify the corporate service as the company. Criminal penalties apply for making a false statement on a proof of claim.

B 10 (Official Form 10) (12/11)

3

DEFINITIONS**INFORMATION****Debtor**

A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

Creditor

A creditor is a person, corporation, or other entity to whom debtor owes a debt that was incurred before the date of the bankruptcy filing. See 11 U.S.C. §101 (10).

Claim

A claim is the creditor's right to receive payment for a debt owed by the debtor on the date of the bankruptcy filing. See 11 U.S.C. §101 (5). A claim may be secured or unsecured.

Proof of Claim

A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. The creditor must file the form with the clerk of the same bankruptcy court in which the bankruptcy case was filed.

Secured Claim Under 11 U.S.C. § 506 (a)

A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car. A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien.

A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

Unsecured Claim

An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

Claim Entitled to Priority Under 11 U.S.C. § 507 (a)

Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

Redacted

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor must show only the last four digits of any social-security, individual's tax-identification, or financial-account number, only the initials of a minor's name, and only the year of any person's date of birth. If the claim is based on the delivery of health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information.

Evidence of Perfection

Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

Acknowledgment of Filing of Claim

To receive acknowledgment of your filing, you may either enclose a stamped self-addressed envelope and a copy of this proof of claim or you may access the court's PACER system (www.pacer.psc.uscourts.gov) for a small fee to view your filed proof of claim.

Offers to Purchase a Claim

Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 *et seq.*), and any applicable orders of the bankruptcy court.

Mortgage Proof of Claim Attachment

Description	Dates Incurred	Amount
1. Late charges	08/01/2011-10/02/2013	(1) \$ 115.05
2. Non-sufficient funds (NSF) fees		(2) \$
3. Attorney's fees		(3) \$
4. Filing fees and court costs		(4) \$
5. Advertisement costs		(5) \$
6. Sheriff/auctioneer fees		(6) \$
7. Title costs		(7) \$
8. Recording fees		(8) \$
9. Appraisal/broker's price opinion fees		(9) \$
10. Property inspection fees	08/01/2011-10/02/2013	(10) \$ 64.15
11. Tax advances (non-escrow)		(11) \$
12. Insurance advances (non-escrow)		(12) \$
13. Escrow shortage or deficiency (Do not include amounts that are part of any installment payment listed in Part 3.)		(13) \$
14. Property preservation expenses. Specify:		(14) \$
15. Other. Specify: Previous Servicer's fees	08/01/2011-10/02/2013	(15) \$ 3,714.90
16. Other. Specify:		(16) \$
17. Other. Specify:		(17) + \$
18. Total prepetition fees, expenses, and charges. Add all of the amounts listed above.		(18) \$ 3,894.10

Part 3. Statement of Amount Necessary to Cure Default as of the Petition Date

Does the installment payment amount include an escrow deposit?

☐ No☒ Yes Attach to the Proof of Claim form an escrow account statement prepared as of the petition date in a form consistent with applicable nonbankruptcy law.

1. Installment payments due	Date last payment received by creditor	<u>09/04/2013</u> mm/dd/yyyy
	Number of installment payments due	(1) <u>25</u>
		<u>1,146.00</u>
2. Amount of installment payments due	<u>2</u> installments @	\$ <u>1,136.96</u>
	<u>22</u> installments @	\$ <u>983.32</u>
	<u>1</u> installments @	+ \$ <u>28,288.44</u>
	Total installment payments due as of the petition date	\$ <u>28,288.44</u> Copy total here ► (2) \$ <u>28,288.44</u>
3. Calculation of cure amount	Add total prepetition fees, expenses, and charges	Copy total from Part 2 here ► + \$ <u>3,894.10</u>
	Subtract total of unapplied funds (funds received but not credited to account)	- \$ <u>486.00</u>
	Subtract amounts for which debtor is entitled to a refund	- \$ <u> </u>
	Total amount necessary to cure default as of the petition date	(3) \$ <u>31,696.54</u>

Copy total onto Item 4 of Proof of Claim form

ESCROW COMPONENT BREAKDOWN FOR
BAYVIEW LOAN SERVICING, LLC
LOAN NO. *****7018

DON HOLBROOK and LAURIE HOLBROOK
Bk. No. 11-27072-lbr
Case Filed: 10/31/2011

Principal and Interest	\$ <u>757.91</u>
Escrow Component	\$ <u>225.41</u>
Regular Monthly Payment:	\$ <u>983.32</u>

ESCROW BREAKDOWN ATTACHMENT
(FORM B 10A)

E FILED ON 06/11/2013
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: TO BE DETERMINED
	)	Time:

DEBTORS' EIGHTH MODIFIED PLAN OF REORGANIZATION

DATED JUNE 11, 2013.

ARTICLE I
SUMMARY

This Plan of Reorganization (the "Plan") under Chapter 11 of the Bankruptcy Code (the "Code") proposes to pay creditors of DON and LAURIE HOLBROOK, (the "Debtors") from rents on property (for secured creditors) and other current monthly income.

This Plan provides for 3 classes of secured claims; 1 class of unsecured claims; and 0 classes of equity security holders. Unsecured creditors holding allowed claims will receive distributions, which the proponent of this Plan has valued at approximately \$43,750.00 paid over 25 months starting October 2016. This Plan also provides for the payment of administrative claims, deferred as necessary to achieve Plan confirmation but paid prior to distribution to unsecured creditors.

All creditors should refer to Articles III through VI of this Plan for information regarding the precise treatment of their claim. A disclosure statement that provides more detailed information regarding this Plan and the rights of creditors and equity security holders has been circulated with this Plan. **Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)**

Exhibit "B"

ARTICLE II
CLASSIFICATION OF CLAIMS AND INTERESTS

- 2.01 Class 1. Oversecured creditors as listed in Article IV
- 2.02 Class 2. The claims of undersecured creditors listed as Class 2
creditors in Article IV, to the extent allowed as a secured claim under §506
of the Code.
- 2.03 Class 3. All unsecured claims allowed under §502 of the Code.
- 2.04 Class 4. “The interests of the individual Debtors in property of the
estate.”

ARTICLE III
TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS,
U.S. TRUSTEE FEES, AND PRIORITY TAX CLAIMS

3.01 Unclassified Claims. Under section §1123(a)(1), administrative expense claims, and priority tax claims are not in classes.

3.02 Administrative Expense Claims. Each holder of an administrative expense claim allowed under §503 of the Code will be paid in full on the effective date of this Plan (as defined in Article VII), in cash, or upon such other terms as may be agreed upon by the holder of the claim and the Debtors.

3.03 Priority Tax Claims. Each holder of a priority tax claim will be paid within 5 years after the order for relief. The Internal Revenue Service filed a Proof of Claim totaling \$196,384.18, \$147,474.24 of which is Priority. Debtor will make thirty-nine monthly payments beginning in July 2013, with 4% interest, at \$1,000.00 per month. Debtors will additionally make a \$164,884.18 balloon payment in the Month of July, 2016. This amount is to be paid from the sale or refinancing of the Debtors' residence, which valued at \$250,000.00 and is free of any liens or encumbrances. Debtors shall attempt to refinance the property. If, however, refinancing proves impossible for any reason, the property shall be sold to the highest bidder no later than July 2016. The cost of refinancing the residence at current interest rates over a standard thirty-year term is estimated to be \$787.74 in principal and interest per month, commencing August 2016. Debtors will execute a Deed of Trust against the property to secure payment of the Internal Revenue Service prepetition priority claim.

3.04 United States Trustee Fees. All fees required to be paid by 28 U.S.C. §1930(a)(6) (U.S. Trustee Fees) will accrue and be timely paid until the case is closed, dismissed, or converted to another chapter on the Code. Any U.S. Trustee fees owed on or before the effective date of this Plan will be paid on the effective date.

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 <u>March 1, 2013</u> through <u>February 1, 2038</u> 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 <u>March 1, 2013</u> through <u>February 1, 2043</u> 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 <u>(Includes Interest and Penalties accrued post petition of any non-dischargeable IRS claim.)</u>	Impaired \$43,750.00 paid over 25 months.	<u>Payments will commence in October 2016 at a rate of \$1,000.00 per month through June 2020. The Plan payments during this segment of the Plan will total \$43,750.00. Debtors may elect if possible to pay this sum from sale or refinance of the residence in July 2016.</u>
Class 4 – Equity Security Holders of the Debtor	N/A	N/A

ARTICLE V ALLOWANCE AND DISALLOWANCE OF CLAIMS

5.01 Disputed Claim. A disputed claim is a claim that has not been allowed or disallowed [by a final non-appealable order], and as to which either: (i) a proof of claim has been filed or deemed filed, and the Debtors or another party in interest has filed an objection; of (ii) no proof of claim has been filed, and the Debtors have scheduled such claim as disputed, contingent, or unliquidated.

5.02 Delay of Distribution on a Disputed Claim. No distribution will be made on account of a disputed claim unless such claim is allowed [by a final non-appealable order].

5.03 Settlement of Disputed Claims. The Debtors will have the power and authority to settle and compromise a disputed claim with the court approval and compliance with Rule 9019 of the Federal Rules of Bankruptcy Procedure.

ARTICLE VI MEANS FOR IMPLEMENTATION OF THE PLAN

All rents received for Debtors' properties will be devoted to principal and interest payments to secured creditors, maintenance and repairs for each property, taxes, insurance and management. All other "current monthly income" of Debtors will be utilized to pay unsecured creditors as required by the confirmed Plan over the 60 month disposable income period.

ARTICLE VII GENERAL PROVISIONS

7.01 Definitions and Rules of Construction. The definitions and rules of construction set forth in §§101 and 102 of the Code shall apply when terms defined or construed in the Code are used in this Plan, and they are supplemented by the following definitions: N/A.

7.02 Effective Date of Plan. The effective date of this Plan is the eleventh business day following the date of the entry of the order of confirmation. But if a stay of the confirmation order is in effect on that date, the effective date will be the first business day after that date on which no stay of the confirmation order is in effect, provided that the confirmation order has not been vacated.

7.03 Severability. If any provision in this Plan is determined to be unenforceable, the determination will in no way limit or affect the enforceability and operative effect of any other provision of this Plan.

7.04 Binding Effect. The rights and obligations of any entity names or referred to in the Plan will be binding upon, and will inure to the benefit of the successors or assigns of such entity.

7.05 Captions. The headings contained in this Plan are for convenience or reference only and do not affect the meaning or interpretation of this Plan.

7.06 Controlling Effect. Unless a rule of law or procedure is supplied by federal law (including the Code and the Federal Rules of Bankruptcy Procedure), the laws of the State of Nevada govern this Plan and any agreements, documents, and instruments executed in connection with this Plan, except as otherwise provided in this Plan.

7.07 Default. In case of any default in plan payments or other required action by the Debtors under this Plan, then, upon fifteen days notice, unless a motion to modify said Plan is filed in the interim, the stay shall lift in favor of any creditor impacted by said default and said creditor may pursue collection by any means permitted under Non-Bankruptcy law.

7.08 Tax Impact. To the extent Debtors accomplish payment of the anticipated balloon payments by virtue of a refinancing of the existing lien-free property, no positive or adverse tax consequence will result to the reorganized Debtors. In the event refinancing fails, and sale of the property is required, no adverse tax consequence to Debtors is anticipated since the property to be sold is the Debtors' residence, in which they have resided for more than two years prior to the filing of the instant Bankruptcy.

ARTICLE VIII

DISCHARGE

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

8.02. Lien avoidance. To the extent any lien is determined as totally unsecured, under this
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///

Plan, said lien shall be avoided in full upon discharge of the Debtors.

DATED this 11th day of June, 2013.

Respectfully submitted.

By: /s/ DON HOLBROOK
The Plan Proponent

By: /s/ LAURIE HOLBROOK
The Plan Proponent

THOMAS E. CROWE PROFESSION
LAW CORPORATION

/s/ THOMAS E. CROWE
THOMAS E. CROWE, ESQ.
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POST-PETITION PAYMENT HISTORY OF
DON HOLBROOK AND LAURIE HOLBROOK

Bk. No. 11-27072-lbr

Case Filed: 10/31/2011

<u>Date</u> <u>Received Post</u>	<u>Amount</u> <u>Received</u>
04/08/13	\$694.50*
07/30/13	\$694.50*
08/06/13	\$694.50*
09/04/13	\$694.50*
10/4/13	\$694.50*
11/13/13	\$983.32

**Debtors tendered partial monthly mortgage payments, which failed to include the portion for escrow.*

***Debtors failed to make any post-petition monthly mortgage payments pursuant to the proposed plan during the months of March 2013, May 2013, June 2013, and December, 2013.*

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Exhibit "C"