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9 UNITED STATES BANKRUPTCY COURT
10 NORTHERN DISTRICT OF CALIFORNIA
11 (Santa Rosa Division)

12 In Re

Case No. 10-13730

13 Superior Acquisitions, Inc.

Chapter 11

14 Debtor.

15 DISCLOSURE STATEMENT
16 IN SUPPORT OF DEBTOR'S PLAN OF REORGANIZATION
17 (February 21, 2011)

18 YOU ARE BEING SENT THIS DISCLOSURE STATEMENT BECAUSE YOU ARE A
19 CREDITOR OF SUPERIOR ACQUISITIONS, INC. THIS DOCUMENT DESCRIBES A PLAN
20 OF REORGANIZATION WHICH, WHEN CONFIRMED BY THE BANKRUPTCY COURT,
21 WILL GOVERN HOW YOUR CLAIM WILL BE PAID. YOU ARE URGED TO REVIEW THE
22 DISCLOSURE STATEMENT AND THE PLAN OF REORGANIZATION CAREFULLY
23 BEFORE VOTING ON THE PLAN.

24 DATED: February 21, 2011

/s/ Michael C. Fallon

25 _____
26 Michael C. Fallon
27 Attorney for Superior Acquisitions, Inc.
28

I.

Introduction

On September 28, 2010, Superior Acquisitions, Inc. ("the Debtor") filed a petition for reorganization under Chapter 11 of the United States Bankruptcy Code in the Northern District of California, Santa Rosa Division. This Disclosure Statement has been prepared by the Debtor in connection with the Plan of Reorganization proposed by him to comply with the provisions of the Bankruptcy Code that require the submission of information necessary for creditors to arrive at an informed decision in exercising their rights to vote for acceptance or rejection of the Debtor's Plan of Reorganization.

A. Repayment of Creditors/Treatment of Equity Holders

The debtor's obligation to the lenders secured by senior deeds of trust on the realty will be modified such that the lenders will receive the lesser of the current market value of the property and the balance due to the lender as of the date the plan is confirmed, plus a market rate of interest. In some instances the debtor will surrender the collateral to satisfy an obligation.

The debtor's obligation to the holders of junior deeds of trust will also be modified. The junior deeds of trust will for the most part be paid as the debtor and the lenders may agree. However, in the instance where agreement cannot be reached the debtor will either pay to the lender its allowed secured claim plus a market rate of interest or the lien will be avoided as may be appropriate with the claim paid as an allowed unsecured claim.

The unsecured creditors will in effect share in the equity of the debtor as the debtor intends to pay the creditors not less than \$600,000 over a period of ten years plus 25% of the debtor's net operating profit over the same time period. It is the debtor's intention to pay all creditors in full but the actual return will be dependent on the success of the debtor.

B. Creditors Allowed to Vote: Deadline

Creditors who wish to vote on the Plan should review this Disclosure Statement and the Plan, complete the enclosed ballot and return it to the Law Offices of Michael C. Fallon, 100 E Street, Suite 219, Santa Rosa, California 95404, on or before the date set for the return of ballots

1 as provided in the order approving this disclosure statement. Creditors who hold allowed claims
2 are entitled to vote to accept or reject the Plan. Ballots received by counsel after the date set
3 forth above will not be counted in determining whether the Plan should be confirmed. Even
4 though a creditor may choose to not vote or may vote against the Plan, all creditors will be
5 bound by the terms of the Plan if the Plan is accepted by the requisite majority in each class of
6 creditor and/or is confirmed by the Court. Creditors who fail to vote will not be counted in
7 determining acceptance or rejection of the Plan. Allowance of a claim or interest for voting
8 purposes does not necessarily mean the claim will be allowed or disallowed for purposes of
9 distribution under the Plan. Any claim on which an objection has been or will be made will be
10 allowed only for distribution after determination by the Court. Such determination may be
11 made after the Plan is confirmed.

12 C. Confirmation of the Chapter 11 Plan

13 The Bankruptcy Court will hold a hearing in the courtroom of the Honorable Alan
14 Jaroslovsky, United States Bankruptcy Judge, 99 South E Street, Santa Rosa, California to
15 determine whether the Plan has been accepted by the requisite number of creditors and whether
16 the other requirements for confirmation of the Plan have been satisfied. The date of the hearing
17 is contained in the order approving this Disclosure Statement.

18 For the Plan to be deemed accepted by a class of creditors the Plan must be accepted by
19 creditors that hold at least two-thirds in dollar amount and more than one half in total number of
20 allowed claims within that class. For purposes of this calculation, only the claims of creditors
21 actually voting on the Plan will be counted. Under certain circumstances described in 11 U.S.C.
22 §1129(b), the Court may confirm a plan notwithstanding the rejection thereof by more than one
23 third in amount or one half in number of creditors voting on the plan in any given class. The
24 Plan Proponent intends to seek confirmation under 11 U.S.C. §1129(b) in the event any class of
25 creditors rejects the Plan.

26 D. Lack of Objection to the Disclosure Statement

27 The lack of an objection to the Disclosure Statement by any creditor or equity holder
28 does not, and will not, operate as a waiver of the creditor's right to raise any objections to

1 confirmation of the Plan of Reorganization.

2 E. Representations in the Disclosure Statement

3 The Debtor is not able to warrant or represent that the information contained in this
4 Disclosure Statement is without error, although reasonable efforts have been made to insure that
5 the information contained herein is accurate, complete and free from error.

6 Except as otherwise noted all estimates and analysis with respect to the Debtor's assets,
7 claims against the Debtor, property values, pending or anticipated litigation, are only the
8 Debtor's best estimates taken from the Debtor's Schedule of Assets and Liabilities filed under
9 penalty of perjury in this Chapter 11, and the Debtor cannot warrant that actual values, results,
10 and recoveries will, in fact, be consistent with this Disclosure Statement.

11 Any description of the terms of the Debtor's Plan is a summary only, and you are
12 cautioned to review the terms of the Plan for significant details.

13 II.

14 Background

15 This Debtor owns more than 13 million dollars of real estate consisting a mobile home
16 park in Lakeport, office buildings in Clearlake, Lakeport, Fall River Mills, a retail building in
17 Redding, and several construction sites in Clearlake. The Debtor finds itself in Chapter 11
18 because (i) the State of California Department of Motor Vehicles that leases two of the office
19 buildings has not made a lease payment since the budget crisis in California began earlier this
20 year, (ii) the Debtor was required to remove nearly a third of the mobile homes in its mobile
21 home park because the units were substandard, (iii) tenants did not pay rent as agreed, (iv)
22 unforeseen delays in building projects. The case was filed on the eve of the day a judgment
23 creditor, a material supplier, was to sell property at a sheriff's sale. The sheriff's sale, while a
24 precipitating factor, only hastened the inevitable as the creditor secured by the Department of
25 Motor Vehicle buildings and the Mobile Home Park was just weeks away from concluding the
26 foreclosure of its interest in the these properties.

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III.

Summary of Assets and Liabilities

Assets

<u>Description and Location</u>	<u>Market Value</u>
Mobile Home Park and RV Resort One First St., Lakeport, CA	\$ 1,700,000
Bare Land ((Safeway/Lowe's site) 7110 Old Hwy 53, Clearlake, CA	250,000
Bare Land (Carl's Jr. Site) 15895 Dam Road Ext., Clearlake, CA	1,275,000
Bare Land 6883 Old Hwy 53, Clearlake, CA	2,750,000
Office Building 965 Parallel Drive, Lakeport, CA	1,475,000
Lakeport Property 2 C Street, Lakeport, CA	675,000
Office Building 43467 Hwy 299, Fall River Mills, CA	895,000
Office Building 1153 Hilltop Drive, Redding, CA	125,000
Retail 2991 Churn Creek Road, Redding, CA	1,750,000
Bare Land 370 S. Main St., Lakeport, CA	650,000
Office Building 14340 Lake Drive, Clearlake, CA	795,000
Office Parking Lot 14335 Pearl Street, Clearlake, CA	100,000
Financial Accounts	1,530
Security Deposits	102,000
Accounts Receivable	98,000
Office Equipment	5,000
Machinery	43,000
Total	\$12,689,530

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Liabilities

Bay Sierra (One First St)	\$ 1,250,000
Mobile Asset Group (One First St)	980,000
Bob Nutto (One First St)	120,000
J. Berger (One First St)	110,000
Lake County Tax Collector (One First St)	87,418
Clear Lake Lava (One First St)	41,000
Mobile Asset Group (43467 Hwy 299)	465,000
Bay Sierra (43467 Hwy 299)	250,000
Shasta County Tax Collector (43467 Hwy 299)	18,744
Mobile Asset Group (965 Parallel Dr)	975,000
Bay Sierra (965 Parallel Dr)	500,000
Lake County Tax Collector (965 Parallel Dr)	28,961
First Community Bank (6883 Old Hwy 53)	2,500,000
Village Properties (6883 Old Hwy 53)	40,000
Lake County Tax Collector (6883 Old Hwy 53)	12,490
Mobile Asset Group (370 S. Main St)	270,000
Larry Moss (370 S. Main St)	100,000
J. Berger (370 S. Main St)	75,000
Lake County Tax Collector (370 S. Main St)	16,480
Lake County Tax Collector (7110 Old Hwy 53)	18,260
Premier West Bank (15895 Dam Road)	1,700,000
Premier West Bank (15895 Dam Road)	629,000
Larry Moss (15895 Dam Road)	100,000
Premier West Bank (2 C St)	485,000
RC Pacific (2 C St)	92,000
Lake County Tax Collector (2 C St)	14,228
Mobile Asset Group (1153 Hilltop Dr)	72,000
Shasta County Tax Collector (1153 Hilltop Dr)	6,980
Mobile Asset Group (2991 Churn Creek Rd)	1,600,000
Shasta County Tax Collector (2991 Churn Creek Dr)	46,780
West America Bank (14340 Lake Dr)	200,000
Larry Moss (14340 Lake Dr)	200,000
Lake County Tax Collector (14340 Lake Dr)	9,318
WestAmerica Bank (14335 Pearl St)	100,000
Larry Moss (14335 Pearl St)	50,000
Lake County Tax Collector (14335 Pearl St)	2,778
Unsecured Priority Creditors	904
Unsecured Creditors	416,582
Total	\$15,283,923

IV.

Classification of Claims and Interests

The following is a designation of the classes of claims and the class of interests provided for in this Plan. Administrative claims, priority tax claims, and priority wages claims of the kinds specified in Bankruptcy Code § 507(a)(2) and §507(a)(8) respectively, have not been

1 classified and are excluded from the following classes in accordance with the provisions of
2 §1123(a)(1) of the Bankruptcy Code. A claim or interest shall be deemed classified in a
3 different class to the extent that any remainder of the claim or interest qualifies within the
4 description of such different class. A claim is in a particular class only to the extent that the
5 claim is an Allowed Claim in that class.

- 6 Class 1 Lake County Tax Collector (One First Street)
- 7 Class 2 DRMG (One First Street)
- 8 Class 3 Bay Sierra (One First Street)
- 9 Class 4 Jim Berger (One First Street)
- 10 Class 5 Bob Nutto (One First Street)
- 11 Class 6 Clear Lake Lave (One First Street)
- 12 Class 7 Lake County Tax Collector (7110 Old Hwy 53)
- 13 Class 8 Lake County tax Collector (15895 Dam Road)
- 14 Class 9 Larry Moss (15895 Dam Road)
- 15 Class 10 Premier West Bank (15895 Dam Road)
- 16 Class 11 Lake County Tax Collector (6883 Old Hwy 53)
- 17 Class 12 First Community Bank (6883 Old Hwy 53)
- 18 Class 13 Village Properties (6883 Old Hwy 53)
- 19 Class 14 Lake County Tax Collector (Parallel Drive)
- 20 Class 15 DRMG (Parallel Drive)
- 21 Class 16 Bay Sierra (Parallel Drive)
- 22 Class 17 Lake County Tax Collector (C Street)
- 23 Class 18 Premier West Bank (C Street)
- 24 Class 19 RC Pacific (C Street)
- 25 Class 20 Shasta County Tax Collector (43467 Hwy 299)
- 26 Class 21 DRMG (43467 Hwy 299)
- 27 Class 22 Bay Sierra (43467 Hwy 299)
- 28 Class 23 Shasta County Tax Collector (Hill Top Drive)

- 1 Class 24 DRMG (Hill Top Drive)
- 2 Class 25 Shasta County Tax Collector (Churn Creek)
- 3 Class 26 DRMG (Churn Creek)
- 4 Class 27 Lake County Tax Collector (South Main Street)
- 5 Class 28 DRMG (South Main Street)
- 6 Class 29 Larry Moss (South Main Street)
- 7 Class 30 Jim Berger (South Main Street)
- 8 Class 31 Lake County Tax Collector (Lake Drive)
- 9 Class 32 WestAmerica Bank (Lake Drive)
- 10 Class 33 Larry Moss (Lake Drive)
- 11 Class 34 Lake County Tax Collector (Pearl Street)
- 12 Class 35 WestAmerica Bank (Pearl Street)
- 13 Class 36 Larry Moss (Pearl Street)
- 14 Class 37 General Unsecured Creditors
- 15 Class 38 Barry Johnson

17 V.

18 Treatment and Provision for Non-Classified Claims

19 Each holder of an Allowed Claim of the kind specified in § 507(a)(1) and (a)(8) of the
20 Bankruptcy Code, not otherwise separately classified herein, and the Office of the United States
21 Trustee, shall receive on account of such claim cash equal to the allowed amount of such claim,
22 unless such holder shall have agreed to a less favorable treatment. Payments on account of the
23 Office of the United States Trustee shall be distributed on the later of the following dates:

24 (1) The Effective Date; or

25 (2) As soon as practical after the order allowing the claim becomes a Final Order, if the
26 claim is disputed or if applicable provisions of the Bankruptcy Code otherwise require
27 Bankruptcy Court approval.

28 Payments on account of the United States Internal Revenue Service and the State of

1 California, to the extent there is a liability, shall be paid in full, together with statutory interest,
2 in sixty (60) equal monthly installments commencing the first day of the first month following
3 the Effective Date and continuing each month thereafter until paid as provided herein.

4 VI.

5 Summary and Implementation of the Plan

6 Summary

7 The debtor proposes to modify the terms of the Promissory Note and Security
8 Agreements held by the deed of trust holders as follows:

9 DRMG (One First Street)

10 DRMG will be paid in full together with 4.25% interest amortized over thirty years with
11 the unpaid principal and accrued interest to be all due and payable on the eight anniversary of
12 the day the plan is confirmed.

13 Bay Sierra (One First Street)

14 Bay Sierra shall be paid \$315,000 together with 1.95% interest amortized over thirty
15 years with the unpaid principal and interest to be all due and payable on the eight anniversary of
16 the day the plan is confirmed.

17 Jim Berger (One First Street)

18 The deed of trust held by Jim Berger will be avoided with the claim to be paid as a
19 general unsecured claim.

20 Bob Nutto (One First Street)

21 The deed of trust held by Jim Berger will be avoided with the claim to be paid as a
22 general unsecured claim.

23 Clear Lake Lave (One First Street)

24 The judicial lien held by Clear Lake Lave will be avoided and paid as a general
25 unsecured claim.

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28 Premier West Bank (15895 Dam Road)

1 Premier West Bank will be paid in full together with 4.25% interest amortized over thirty
2 years with the unpaid principal and accrued interest to be all due and payable on the eight
3 anniversary of the day the plan is confirmed.

4 Larry Moss (15895 Dam Road)

5 Larry Moss will be paid in full together with 4.25% interest amortized over thirty years
6 with the unpaid principal and accrued interest to be all due and payable on the eight anniversary
7 of the day the plan is confirmed.

8 Premier West Bank (15895 Dam Road)

9 The third deed of trust that secures this loan will be transferred to a parcel to be created
10 pursuant to an agreement amongst the Premier West Bank and co-owners Larry Moss and the
11 debtor. When the deed of trust transfers the debtor will either surrender the property to Premier
12 West Bank or the debtor will pay the obligation on terms mutually acceptable to the parties.

13 First Community Bank (6883 Old Hwy 53)

14 The debtor will either surrender the property to First Community Bank or the debtor will
15 pay the obligation on terms mutually acceptable to the parties.

16 Village Properties (6883 Old Hwy 53)

17 DRMG (Parallel Drive)

18 DRMG will be paid in full together with 4.25% interest amortized over thirty years with
19 the unpaid principal and accrued interest to be all due and payable on the eight anniversary of
20 the day the plan is confirmed.

21 Bay Sierra (Parallel Drive)

22 Bay Sierra shall be paid \$315,000 together with 1.95% interest amortized over thirty
23 years with the unpaid principal and interest to be all due and payable on the eight anniversary of
24 the day the plan is confirmed.

25 Premier West Bank (C Street)

26 Premier West Bank will be paid in full together with 4.25% interest amortized over thirty
27 years with the unpaid principal and accrued interest to be all due and payable on the eight
28 anniversary of the day the plan is confirmed.

1 RC Pacific (C Street)

2 RC Pacific will be paid in full together with 4.25% interest amortized over thirty
3 years with the unpaid principal and accrued interest to be all due and payable on the eight
4 anniversary of the day the plan is confirmed.

5 DRMG (43467 Hwy 299)

6 DRMG will be paid in full together with 4.25% interest amortized over thirty years with
7 the unpaid principal and accrued interest to be all due and payable on the eight anniversary of
8 the day the plan is confirmed.

9 Bay Sierra (43467 Hwy 299)

10 Bay Sierra shall be paid \$180,000 together with 1.95% interest amortized over thirty
11 years with the unpaid principal and interest to be all due and payable on the eight anniversary of
12 the day the plan is confirmed.

13 DRMG (Hill Top Drive)

14 DRMG will be paid in full together with 4.25% interest amortized over thirty years with
15 the unpaid principal and accrued interest to be all due and payable on the eight anniversary of
16 the day the plan is confirmed.

17 DRMG (Churn Creek)

18 DRMG will be paid in full together with 4.25% interest amortized over thirty years with
19 the unpaid principal and accrued interest to be all due and payable on the eight anniversary of
20 the day the plan is confirmed.

21 DRMG (South Main Street)

22 DRMG will be paid in full together with 4.25% interest amortized over thirty years with
23 the unpaid principal and accrued interest to be all due and payable on the eight anniversary of
24 the day the plan is confirmed.

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26 Larry Moss (South Main Street)\

27 Larry Moss will be paid in full together with 4.25% interest amortized over thirty years
28 with the unpaid principal and accrued interest to be all due and payable on the eight anniversary

1 of the day the plan is confirmed.

2 Jim Berger (South Main Street)

3 Jim Berger will be paid in full together with 4.25% interest amortized over thirty years
4 with the unpaid principal and accrued interest to be all due and payable on the eight anniversary
5 of the day the plan is confirmed.

6 WestAmerica Bank (Lake Drive)

7 WestAmerica Bank will be paid in full together with 4.25% interest amortized over thirty
8 years with the unpaid principal and accrued interest to be all due and payable on the eight
9 anniversary of the day the plan is confirmed.

10 Larry Moss (Lake Drive)

11 Larry Moss will be paid in full together with 4.25% interest amortized over thirty years
12 with the unpaid principal and accrued interest to be all due and payable on the eight anniversary
13 of the day the plan is confirmed.

14 WestAmerica Bank (Pearl Street)

15 WestAmerica Bank will be paid in full together with 4.25% interest amortized over thirty
16 years with the unpaid principal and accrued interest to be all due and payable on the eight
17 anniversary of the day the plan is confirmed.

18 Larry Moss (Pearl Street)

19 Larry Moss will be paid in full together with 4.25% interest amortized over thirty years
20 with the unpaid principal and accrued interest to be all due and payable on the eight anniversary
21 of the day the plan is confirmed.

22 Delinquent Real Property Taxes

23 The delinquent real proeprty taxes, if any, shall be paid in full plus statutory interest in
24 sixty (6) equal monthly installments.

25 General Unsecured Creditors

26 The unsecured creditors will be paid not less than \$600,000 over ten years plus 25% of
27 the debtor's net operating profit over the same time period. It is the debtor's intention to pay all
28 creditors in full but the actual return will be dependent on the success of the debtor.

1 Implementation

2 Attached to the Disclosure Statement are projects for each of the properties that set out
3 both the projected income and projected expenses.

4 VII.

5 Satisfaction of Claims and Interests

6 The Plan is intended to deal with all Claims against the Debtor of whatever character,
7 whether or not contingent or liquidated, and whether or not allowed by the Court. However,
8 only those Claims allowed will receive distributions under the Plan. All Creditors and other
9 parties in interest who have or assert Claims in any Class shall, upon Confirmation of the Plan,
10 be deemed to have acknowledged that their respective Claims are fully satisfied by the
11 distribution provided herein, each of which Claims, whether known or unknown, scheduled or
12 unscheduled, filed or unfiled, asserted or assertable, are declared and shall be, for all purposes,
13 upon the entry of the Order Confirming Plan, satisfied in full. All Impaired Classes of Claims
14 shall receive the distributions set forth in the Plan on account of, and in complete satisfaction of,
15 all such Allowed Claims. Without limiting the foregoing, on the Effective Date, each Creditor
16 shall be deemed to have waived, relinquished and released any and all of their rights, Claims,
17 other than as provided for in the Plan.

18 VIII.

19 Alternative to the Plan

20 To arrive at a judgment on whether or not to vote for or against the Plan proposed by
21 the Debtor, a Creditor or other party in interest needs to have an understanding of the
22 consequences of what would happen if the Case was converted to Chapter 7.

23 When a Chapter 11 is converted to Chapter 7 a trustee is appointed who is given the
24 task of liquidating assets that will, net of costs of sale and net of liens, allow for a meaningful
25 distribution to the unsecured creditors. In this case, value of the assets is seen in the continued
26 operation of the properties and not in their liquidation as liquidation of the assets in this very
27 difficult financial times would not bring to the creditors anywhere near what they might receive
28 over the proposed 7 year term of the plan. Properties that are abandoned and then foreclosed

1 would likely increase the unsecured creditor pool that would share pro rata with all of creditors
2 and thereby dilute the return to the unsecured creditors such that unsecured creditors would
3 receive a very minimal distribution.

4 IX.

5 Executory Contracts and Unexpired Leases

6 The debtor will assume all executory contracts and unexpired leases.

7 X.

8 Tax Consequences

9 There should be no tax consequences to any class of creditors as a result of
10 confirmation of the plan except those creditors who receive a distribution that may have
11 previously written off the claim for tax purposes. As to those creditors there may be a
12 recognizable gain when the claim is paid. Creditors are urged to consult with their own tax
13 advisors.

14 XI.

15 1111(b) Election

16 An undersecured creditor may elect to have its claim treated as fully secured under
17 section 1111(b)(2), meaning that a creditor relinquishes the right to vote and to share in the
18 distribution as an unsecured creditor. However, a class of claims may not make such election if
19 (I) the interest on account of such claim of the holder of such claim in such property is of
20 inconsequential value or (ii) the holder of a claim has recourse against the Debtor on account of
21 such claim and such property is sold.

22 XII.

23 Conclusion

24 If the plan is not confirmed the real property creditors can expect to lose an additional
25 twenty percent or more from what is being offered by the Debtor; the unsecured creditors will
26 be paid little or nothing.

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Dated: February 21, 2011

s/ Michael C. Fallon

Michael C. Fallon
Attorney for the Debtor

**SUPERIOR ACQUISITIONS, INC.
INCOME AND EXPENSE PROJECTION**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7
CARL'S JR. - 15895 DM RD							
RENTAL INCOME	85,154.00	85,154.00	85,154.00	85,154.00	85,154.00	85,154.00	85,154.00
PREMIER WEST (\$629K)	37,131.60	37,131.60	37,131.60	37,131.60	37,131.60	37,131.60	37,131.60
LARRY MOSS (\$100K)	5,903.28	5,903.28	5,903.28	5,903.28	5,903.28	5,903.28	5,903.28
TOTAL REVENUES	85,154.00	85,154.00	85,154.00	85,154.00	85,154.00	85,154.00	85,154.00
TOTAL EXPENSES	43,034.88	43,034.88	43,034.88	43,034.88	43,034.88	43,034.88	43,034.88
NET INCOME	42,119.12	42,119.12	42,119.12	42,119.12	42,119.12	42,119.12	42,119.12

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7
CHURN CREEK							
RENTAL INCOME - CHURN CREEK	212,400.00	242,400.00	272,400.00	302,400.00	332,400.00	362,400.00	392,400.00
INSURANCE - CHURN CREEK	13,191.60	13,191.60	13,191.60	13,191.60	13,191.60	13,191.60	13,191.60
LEASE EXPENSE - CHURN CREEK	22,180.00	22,180.00	22,180.00	22,180.00	22,180.00	22,180.00	22,180.00
PROPERTY TAXES - CHURN CREEK	19,428.04	19,428.04	19,428.04	19,428.04	19,428.04	19,428.04	19,428.04
REPAIR & MAINT - CHURN CREEK	12,141.84	12,141.84	12,141.84	12,141.84	12,141.84	12,141.84	12,141.84
SECURITY - CHURN CREEK	7,800.00	7,800.00	7,800.00	7,800.00	7,800.00	7,800.00	7,800.00
UTILITIES - CHURN CREEK	600.00	600.00	600.00	600.00	600.00	600.00	600.00
DRMG - N/P (\$1.6MIL)	12,480.00	12,480.00	12,480.00	12,480.00	12,480.00	12,480.00	12,480.00
TOTAL REVENUES	94,452.48	94,452.48	94,452.48	94,452.48	94,452.48	94,452.48	94,452.48
TOTAL EXPENSES	212,400.00	242,400.00	272,400.00	302,400.00	332,400.00	362,400.00	392,400.00
NET INCOME	182,273.96	182,273.96	182,273.96	182,273.96	182,273.96	182,273.96	182,273.96

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7
FALL RIVER DMV							
RENTAL INCOME	96,069.00	96,069.00	96,069.00	96,069.00	96,069.00	96,069.00	96,069.00
INSURANCE	1,950.00	1,950.00	1,950.00	1,950.00	1,950.00	1,950.00	1,950.00
MANAGEMENT FEES	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
PROPERTY TAXES	3,147.30	3,147.30	3,147.30	3,147.30	3,147.30	3,147.30	3,147.30
REPAIR & MAINT	5,328.12	5,328.12	5,328.12	5,328.12	5,328.12	5,328.12	5,328.12
SECURITY	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
TELEPHONE	540.00	540.00	540.00	540.00	540.00	540.00	540.00
UTILITIES	960.00	960.00	960.00	960.00	960.00	960.00	960.00
SANTA ROSA MORTGAGE	600.00	600.00	600.00	600.00	600.00	600.00	600.00
DRMG	11,013.72	11,013.72	11,013.72	11,013.72	11,013.72	11,013.72	11,013.72
TOTAL REVENUES	27,450.24	27,450.24	27,450.24	27,450.24	27,450.24	27,450.24	27,450.24
TOTAL EXPENSES	96,069.00	96,069.00	96,069.00	96,069.00	96,069.00	96,069.00	96,069.00
NET INCOME	56,989.38	56,989.38	56,989.38	56,989.38	56,989.38	56,989.38	56,989.38

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7
LAKEPORT DMV							
RENTAL INCOME	178,891.20	178,891.20	178,891.20	178,891.20	178,891.20	178,891.20	178,891.20
INSURANCE	6,548.00	6,548.00	6,548.00	6,548.00	6,548.00	6,548.00	6,548.00
PROPERTY TAXES	12,611.42	12,611.42	12,611.42	12,611.42	12,611.42	12,611.42	12,611.42
PROPERTY TAX ARREARAGES	14,275.92	14,275.92	14,275.92	14,275.92	14,275.92	14,275.92	14,275.92
REPAIR & MAINT	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
SECURITY	680.00	680.00	680.00	680.00	680.00	680.00	680.00
UTILITIES	4,800.00	4,800.00	4,800.00	4,800.00	4,800.00	4,800.00	4,800.00
BAY SIERRA	22,027.44	22,027.44	22,027.44	22,027.44	22,027.44	22,027.44	22,027.44
DRMG	59,032.80	59,032.80	59,032.80	59,032.80	59,032.80	59,032.80	59,032.80
TOTAL REVENUES	178,891.20	178,891.20	178,891.20	178,891.20	178,891.20	178,891.20	178,891.20
TOTAL EXPENSES	125,955.58	125,955.58	125,955.58	125,955.58	125,955.58	125,955.58	125,955.58
NET INCOME	52,935.62	52,935.62	52,935.62	52,935.62	52,935.62	52,935.62	52,935.62

LAKESHORE & PEARL ST

RENTAL INCOME - LAKESHORE	12,000.00	15,000.00	18,000.00	18,000.00	18,000.00	18,000.00	21,000.00
INSURANCE - LAKESHORE	5,029.00	5,029.00	5,029.00	5,029.00	5,029.00	5,029.00	5,029.00
PROPERTY TAXES - LAKESHORE	2,169.78	2,169.78	2,169.78	2,169.78	2,169.78	2,169.78	2,169.78
PROPERTY TAXES - PEARL ST	692.36	692.36	692.36	692.36	692.36	692.36	692.36
PROP TX ARREARAGES - LAKESHORE	2,412.96	2,412.96	2,412.96	2,412.96	2,412.96	2,412.96	0.00
PROP TX ARREARAGES - PEARL ST	696.24	696.24	696.24	696.24	696.24	696.24	0.00
WEST AM BANK - LAKE (\$200K)	11,806.56	11,806.56	11,806.56	11,806.56	11,806.56	11,806.56	11,806.56
WEST AM BANK - PEARL (\$100K)	5,903.28	5,903.28	5,903.28	5,903.28	5,903.28	5,903.28	5,903.28
LARRY MOSS - LAKE (\$200K)	11,806.56	11,806.56	11,806.56	11,806.56	11,806.56	11,806.56	11,806.56
LARRY MOSS - PEARL ST (\$50K)	2,951.64	2,951.64	2,951.64	2,951.64	2,951.64	2,951.64	2,951.64
TOTAL REVENUES	12,000.00	15,000.00	18,000.00	18,000.00	18,000.00	18,000.00	21,000.00
TOTAL EXPENSES	55,468.38	52,568.10	55,565.10	55,565.10	55,565.10	52,455.80	55,455.90
NET INCOME	-43,468.38	-37,568.10	-37,565.10	-37,565.10	-37,565.10	-34,455.80	-34,455.90

SOUTH MAIN

RENTAL INCOME	36,000.00	36,000.00	36,000.00	36,000.00	36,000.00	36,000.00	54,000.00
MANAGEMENT FEE	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00
PROPERTY TAXES	2,695.92	2,695.92	2,695.92	2,695.92	2,695.92	2,695.92	2,695.92
PROPERTY TAX ARREARAGES	2,551.44	2,551.44	2,551.44	2,551.44	2,551.44	2,551.44	2,551.44
REPAIR & MAINT	900.00	900.00	900.00	900.00	900.00	900.00	900.00
DRMG (\$270K)	15,938.88	15,938.88	15,938.88	15,938.88	15,938.88	15,938.88	15,938.88
MOSS (\$100K)	5,903.28	5,903.28	5,903.28	5,903.28	5,903.28	5,903.28	5,903.28
BERGER (\$75K)	4,427.40	4,427.40	4,427.40	4,427.40	4,427.40	4,427.40	4,427.40
TOTAL REVENUES	36,000.00	36,000.00	36,000.00	36,000.00	36,000.00	36,000.00	54,000.00
TOTAL EXPENSES	33,616.92	33,616.92	33,616.92	33,616.92	33,616.92	33,616.92	33,616.92
NET INCOME	2,383.08	2,383.08	2,383.08	2,383.08	2,383.08	2,383.08	20,383.00

WILLOW POINT RESORT

RENTAL INCOME	272,509.00	287,212.00	311,212.00	356,612.00	360,712.00	369,712.00	401,712.00
ACCOUNTING	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00
ADVERTISING	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00
BANK FEES	1,440.00	1,440.00	1,440.00	1,440.00	1,440.00	1,440.00	1,440.00
INSURANCE	14,520.00	14,520.00	14,520.00	14,520.00	14,520.00	14,520.00	14,520.00
LICENSES, FEES & PERMITS	4,104.00	4,104.00	4,104.00	4,104.00	4,104.00	4,104.00	4,104.00
MANAGEMENT FEES	19,200.00	19,200.00	19,200.00	19,200.00	19,200.00	19,200.00	19,200.00
OFFICE EXPENSE	1,020.00	1,020.00	1,020.00	1,020.00	1,020.00	1,020.00	1,020.00
OUTSIDE SERVICE	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00
POSTAGE	176.00	176.00	176.00	176.00	176.00	176.00	176.00
PROPERTY TAXES	9,295.56	9,295.56	9,295.56	9,295.56	9,295.56	9,295.56	9,295.56
PROPERTY TAX ARREARAGES	28,618.08	28,618.08	28,618.08	28,618.08	28,618.08	28,618.08	28,618.08
REPAIR & MAINT	20,500.00	20,500.00	20,500.00	20,500.00	20,500.00	20,500.00	20,500.00
TELEPHONE	3,420.00	3,420.00	3,420.00	3,420.00	3,420.00	3,420.00	3,420.00
UTILITIES	45,120.00	20,500.00	18,100.00	20,500.00	20,500.00	20,500.00	20,500.00
DRMG	76,742.64	76,742.64	76,742.64	76,742.64	76,742.64	76,742.64	76,742.64
BAY SIERRA	13,877.28	13,877.28	13,877.28	13,877.28	13,877.28	13,877.28	13,877.28
TOTAL REVENUES	272,509.00	287,212.10	311,212.00	356,612.00	360,712.00	369,712.00	401,712.00
TOTAL EXPENSES	252,433.56	252,433.56	252,433.56	252,433.56	252,433.56	252,433.56	252,433.56
NET INCOME	20,075.44	34,778.54	58,778.44	104,178.44	108,278.44	117,278.44	149,278.44

1153 HILLTOP DRIVE

RENTAL INCOME	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PROPERTY TAXES	1,147.50	1,147.50	1,147.50	1,147.50	1,147.50	1,147.50	1,147.50
PROPERTY TAX ARREARAGES	482.28	482.28	482.28	482.28	482.28	482.28	482.28
DRMG	4,250.40	4,250.40	4,250.40	4,250.40	4,250.40	4,250.40	4,250.40
TOTAL REVENUES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENSES	4,250.40	4,250.40	4,250.40	4,250.40	4,250.40	4,250.40	4,250.40
NET INCOME	-4,250.40	-4,250.40	-4,250.40	-4,250.40	-4,250.40	-4,250.40	-4,250.40

GRAND TOTAL ALL PROPERTIES

TOTAL REVENUES	863,023.20	940,726.30	997,726.20	1,088,126.20	1,091,926.20	1,161,226.20	1,229,226.20
TOTAL EXPENSES	754,023.06	751,119.78	754,119.78	754,119.88	767,119.88	690,649.62	732,264.80
NET INCOME	139,000.14	189,606.52	243,606.42	334,006.32	324,806.32	470,576.58	496,961.40