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IN THE UNITED STATES BANKRUPTCY COURT

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FOR THE DISTRICT OF NEW MEXICO clock 8 min 14

IN RE:

APR 20 1995

ANGEL FIRE CORPORATION
ANGEL FIRE SKI CORPORATION,
SANGRE DE CRISTO LIMITED PARTNERSHIP IV,

OFFICE OF THE CLERK
U.S. Bankruptcy Court
Albuquerque, New Mexico

Debtors.

Jointly Administered
No. 11-93-12176 RA

AMENDED JOINT PLAN OF REORGANIZATION FILED BY
BILL J. SHOLER, TRUSTEE
AND
PARKER TOWN SQUARE, INC.
AND
ANGEL FIRE PROPERTY OWNERS' COMMITTEE ("POC")
AND
TOM MASTIN, ROBERT DILLON, BRUCE LAWRENCE AND A. L. CLANTON

Dated April 20, 1995

BILL J. SHOLER, TRUSTEE, PARKER TOWN SQUARE, INC., ANGEL FIRE PROPERTY OWNERS' COMMITTEE, and TOM MASTIN, ROBERT DILLON, BRUCE LAWRENCE AND A. L. CLANTON, propose the following Chapter 11 Plan of Reorganization in the Angel Fire Corporation, Angel Fire Ski Corporation, and Sangre de Cristo IV bankruptcy cases.

ARTICLE I
DEFINITIONS

1.1 "Administrative Claim" shall mean, collectively, a Claim for any cost or expense of any of the administration of the Reorganization Cases, asserted as being entitled to priority under §507(a)(1) of the Bankruptcy Code.

1.2 "Affiliate" shall mean "affiliate" as defined in §101(2) of the Bankruptcy Code.

1.3 "Allowed" when used with respect to a Claim or Interest, shall mean a Claim against or Interest in any of the Debtors, proof of which was filed on or before the date designated by the Bankruptcy Court as the last date for filing proofs of Claim or proofs of Interest; or, if no proof of Claim or proof of Interest was filed, a Claim or Interest which has been hereafter listed by any of the Debtors as liquidated in amount and not disputed or contingent; and, in either case, a Claim or Interest as to which either (i) no objection to the allowance thereof has been interposed within the applicable period of limitation fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court or (ii) if any

objection has been interposed, such Claim or Interest has been Allowed in whole or in part by a Final Order of the Bankruptcy Court.

1.4 "Amenities" shall mean some or all of the following real property in or around Angel Fire, New Mexico, commonly described as (i) the Angel Fire ski mountain, (ii) the Angel Fire golf course, (owned by AFC or AFSC), (iii) the Angel Fire country clubhouse, (iv) Monte Verde lake, (v) Angel Fire Olympic Park (playground, tennis courts, and lake), (vi) the Angel Fire stable area, and Greenbelt areas, (vii) RV Park, and (viii) all tennis courts.

1.5 "AFC" shall mean Angel Fire Corporation, a Texas Corporation, a debtor in bankruptcy case No.11-93-12176 RA.

1.6 "Angel Fire Services" shall mean Angel Fire Services, Inc, a New Mexico corporation, a wholly-owned subsidiary of AFC.

1.7 "Angel Fire Ski" or "AFSC" shall mean Angel Fire Ski Corporation, a Texas corporation, a wholly-owned subsidiary of the AFC, a debtor in bankruptcy case No. 11-93-12192 RA.

1.8 "Annual Assessment" shall mean the required annual dues payable to the Purchaser by the Property Owners. Upon payment of the Annual Assessment, Property Owners will have the use of the Amenities as set forth in the Plan.

1.9 "Annual Assessment Season" shall mean the year from October 1, 1994, through September 30, 1995, and each such year thereafter from October 1st through September 30th, pertaining to the homeowners' Annual Assessment which become due on or about July 1st of every year and which are used to operate and maintain the Amenities during each dues season.

1.10 "AP" shall mean Angel Project, L.L.C., a Texas Limited Liability Company.

1.11 "APL" shall mean Angel Projects I Limited, a Texas Limited Partnership.

1.12 "Asset Purchase Agreement" shall mean the Asset Purchase Agreement attached hereto as Exhibit "A".

1.13 "Ballot Date" shall mean the date set by the Bankruptcy Court by which all votes for acceptance or rejection of the Plan must be received.

1.14 "Bankruptcy Code" shall mean the Bankruptcy Reform Act of 1978, as amended from time and set forth in §§ 101 et seq of Title 11 of the United States Code.

1.15 "Bankruptcy Court" shall mean the United States Bankruptcy Court for the District of New Mexico and the United States Bankruptcy Judge presiding in the Debtors' Reorganization cases.

1.16 **"Bankruptcy Rules"** shall mean the Federal Rules of Bankruptcy Procedure, as the same may be amended and modified from time to time, and as applicable to cases pending before the Bankruptcy Court.

1.17 **"Barclays Action"** shall mean adversary proceeding No. 93-1346 R, filed in the AFSC bankruptcy case, the Bankruptcy Court's final Judgment in which was entered January 12, 1995.

1.18 **"Barclays Action Appeal"** shall mean the appeal and cross appeal of the Barclays Action, currently pending in the United States District Court for the District of New Mexico, Civil No. 95-85 JC/WWD, and any further appeal.

1.19 **"Bar Date"** shall mean April 8, 1994, the date set by the Bankruptcy Court by which all proofs of Claim or Interest must be filed in the Reorganization Cases, except that (i) for Administrative Claims and Fee Requests, the date is 30 days after the Closing Date, (ii) for rejected executory contract and unexpired lease Claims, the date is 30 days after the Closing Date; and (iii) for Claims of certain Property Owners based upon AFC's failure to escrow certain amounts for installation of water lines, the date is June 8, 1994.

1.20 **"Business Day"** shall mean any day other than Saturday, Sunday, or legal holiday, as defined in Bankruptcy Rule 9006(a).

1.21 **"Cash"** shall mean cash and cash equivalents.

1.22 **"Century"** shall mean Century Bank, F.S.B., a Federal Savings Bank located in Santa Fe, New Mexico.

1.23 **"Chapter 11 Trustee"** shall mean Bill Sholer, the Chapter 11 Trustee appointed in these Reorganization Cases, and any successor trustee.

1.24 **"Claim"** shall mean any right to payment from one of the Debtors, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; or any right to an equitable remedy for breach of performance if such breach gives rise to a right of payment from one of the Debtors, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.

1.25 **"Claimant"** shall mean the holder of a Claim.

1.26 **"Claims Fund"** shall mean a fund created by the Trustee for paying Unsecured Claims.

1.27 "Close" and or "Closing" shall mean the consummation of the transactions contemplated under the Asset Purchase Agreement or the Plan, either by the Purchaser or CLA pursuant to paragraph 7.21.

1.28 "Closing Date" shall mean the date Closing occurs, which shall be 30 days after the Effective Date or, if the title company is not ready to Close on that date, then within 72 hours after the title company is ready, but in any event no later than July 31, 1995; provided, however, if CLA exercises its option under paragraph 7.21, the Closing Date may be extended according to the terms of such option.

1.29 "Class" shall mean the group into which Claimants have been placed in this Plan.

1.30 "Colfax County" shall mean Colfax County, New Mexico.

1.31 "Committee" shall mean the Property Owners' Committee appointed in the AFC Reorganization Case by the Office of the United States Trustee for the District of New Mexico pursuant to §1102 of the Bankruptcy Code, as constituted from time to time.

1.32 "Committee Action" shall mean the adversary proceeding filed by the Committee in the AFC Reorganization Case, commencing proceeding no. 93-1392 M.

1.33 "Confirmation" shall mean entry of the Confirmation Order in the Reorganization cases.

1.34 "Confirmation Date" shall mean the date the Bankruptcy Court enters the Confirmation Order.

1.35 "Confirmation Order" shall mean the order of the Bankruptcy Court pursuant to §1129 of the Bankruptcy Code confirming the Plan and approving the transactions contemplated under the Plan.

1.36 "CPI" shall mean the consumer price index used and referenced in this Plan which is that promulgated by the Bureau of Labor Statistics of the U.S. Department of Labor as a measure of the average change in prices over time in a fixed market basket of goods and services and this definition specifically references the national average CPI recommended by the Bureau of Labor Statistics for use in escalator clauses. The CPI is released monthly and for the purposes of calculating the Annual Assessment increases the year to year change shall be calculated on the index for all urban consumers published monthly by the Bureau of Labor Statistics of the U.S. Department of Labor on a May to May year. For the 1994/1995 dues year calculation on this index results in a 2.3% increase in dues.

1.37 "Debtor(s)" shall mean when singular, one of AFC, AFSC or SDCIV and when plural, all of AFS, AFSC, and SDCIV.

1.38 **"Deficiency Claim"** shall mean the amount by which a Claimant's total Allowed Claim secured by collateral owned by a Debtor exceeds the value of the collateral, as determined in accordance with Section 506 of the Code.

1.39 **"Disclosure Statement"** shall mean the Trustee's Disclosure Statement, as approved by the Bankruptcy Court in the Reorganization Cases.

1.40 **"Disallowed Claim"** shall mean any Claim (i) listed as disputed, contingent, or unliquidated in any of the Debtors' schedules for which a proof of claim has not been timely filed, or (ii) for which a Final Order disallowing the Claim has been entered.

1.41 **"Disputed Claim"** shall mean, unless otherwise set forth in this Plan, a Claim (or portion thereof) against any Debtor as to which an objection to the allowance thereof has been interposed within the time period set forth herein for doing so, and which objection has not been determined by a Final Order.

1.42 **"Effective Date"** shall mean the first Business Day on which no stay of the Confirmation Order is and remains in effect that is at least ten days (calculated in accordance with Bankruptcy Rule 9006(a) following the entry of the Confirmation Order.

1.43 **"Eland"** shall mean Eland Energy, Inc., a Texas corporation.

1.44 **"Estate(s)"** shall mean, when singular, the estate of single Debtor and when plural, the estates of all the Debtors, created in the Reorganization Cases by § 541 of the Bankruptcy Code.

1.45 **"FNBSF"** shall mean the First National Bank of Santa Fe, located in Santa Fe, New Mexico.

1.46 **"Fee Request"** shall mean an Administrative Claim filed by a Professional Person for fees and costs incurred on behalf of a Debtor, the Chapter 11 Trustee, or the Committee in any of the Reorganization Cases.

1.47 **"Final Decree"** shall mean the final decree closing the Reorganization Cases, to be entered by the Bankruptcy Court pursuant to Bankruptcy Rule 3022.

1.48 **"Final Order"** shall mean an order or judgment of the Bankruptcy Court or any other court or adjudicative body, which order or judgment shall no longer be subject to appeal or certiorari proceeding, and with respect to which no appeal or certiorari proceeding shall then be pending.

1.49 **"Foreclosure Action"** shall mean the action brought by Parker against the Debtors and others in Colfax County, New Mexico, cause no. 93-29CV, including all counterclaims and other claims asserted by the Debtors and others.

1.50 **"Francine"** shall mean Francine Equities, a limited partnership whose main office is in New York.

1.51 **"GLM"** shall mean GLM, Inc., a New Mexico corporation.

1.52 **"Greyhound"** shall mean Greyhound Real Estate Finance Company or its Successor.

1.53 **"Greyhound Notes Receivable"** shall mean those certain Notes Receivable securing payment of a certain promissory note held by Greyhound in the original principal amount of \$1,500,000.

1.54 **"Guarantors"** shall mean Messrs. Gary Plante and Ron Evans, the guarantors of certain indebtedness owed by the Debtors, including indebtedness to Parker.

1.55 **"Homesite Owner"** shall mean any person with an interest in any legally constituted lot, tract, parcel, condominium, apartment unit, townhouse unit, time share unit, cabin share unit, or acreage which has been subdivided into lots within the subdivisions of the Angel Fire Resort and Development, excluding Purchaser or the reorganized entities, and successors, regardless of its designated use for residential, commercial, multi-family or other purposes. For purposes of the Plan a Homesite Owner does not include a person having an interest in a homesite solely as security for an obligation, nor does it include any of the Debtors and successors that own legal or equitable title to a homesite. The definition of Homesite Owner includes all property owners included in the definition of "Property Owners" at 1.77.

1.56 **"Infrastructure Claim"** shall mean an unsecured claim of certain Property Owners against AFC based upon AFC's failure to construct the Infrastructure Improvements, as set forth in the proof of Claim against the Debtors filed by the Committee on April 8, 1994 as Claim #37.

1.57 **"Infrastructure Claimants"** shall mean the holders of Infrastructure Claims for Infrastructure Improvements.

1.58 **"Infrastructure Improvements"** shall mean the proposed real property improvements including roads, sewer lines, water lines, telephone lines, and electrical lines, set forth in the proof of Claim against AFC filed by the Committee on April 8, 1994 as Claim #37.

1.59 **"Infrastructure Improvement Fund"** shall mean an account opened by the Purchaser on or before March 30, 1996, into which the Purchaser shall deposit funds to satisfy the Infrastructure Claims and into which the existing and future infrastructure trust accounts (1.54) will be deposited.

1.60 **"Infrastructure Trust Accounts"** shall mean the bank accounts or certificates of deposit held by AFC, which contain funds that may be held in trust for certain Infrastructure

Claimants, which funds the Committee alleges that AFC was supposed to use to construct a portion of the Infrastructure Improvements, more particularly described on Exhibit "F".

1.61 "ISB" shall mean the International State Bank of Raton, located in Raton, New Mexico.

1.62 "Initial Distribution Date" shall mean (i) within 3 days of the Closing Date, for all Claims that are allowed on the Closing Date; or (ii) if the Claim is a Disputed Claim on the Closing Date, then the first day of the first month after entry of a Final Order allowing the Claim.

1.63 "Insider" shall mean an "insider" as defined by §101(31) of the Bankruptcy Code.

1.64 "Interest" shall mean any equity or stock interest in any of the Debtors. Interest specifically includes all Claims recharacterized as equity Interests by Order of the Bankruptcy Court.

1.65 "Mastin Group" shall mean Tom Mastin, Robert Dillon, Bruce Lawrence and A. L. Clanton.

1.66 "Negative Easement" shall mean the non-exclusive right of a Property Owner In Good Standing to use the Amenities more particularly described on Exhibit "E" and Section 4.16.

1.67 "Notes Receivable" shall mean all promissory notes, mortgages, and/or real estate contracts for sale executed in connection with AFC's sale of lots, condominiums, time share intervals, and cabin share intervals, including, but not limited to, the Parker Notes Receivable and the Greyhound Notes Receivable.

1.68 "Order" shall mean a judgment, order or other decree of the Bankruptcy Court or other court of competent jurisdiction, the effect of which has not been stayed.

1.69 "Parker" shall mean Parker Town Square, Inc., a Texas corporation, or its successors and assigns.

1.70 "Parker Notes Receivable" shall mean those Notes Receivable held by Parker as collateral securing payment of a promissory note held by Parker in the original principal amount of \$9,675,000.

1.71 "Person" shall mean an individual, corporation, partnership, joint venture, trust, estate, unincorporated association, unincorporated organization, governmental entity or political subdivision thereof, or any other entity.

1.72 **"Petition Date"** shall mean July 9, 1993, or July 13, 1993, as applicable, the date on which each of the Debtors filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code.

1.73 **"Plan"** shall mean this Plan of Reorganization filed by the Plan proponents and any exhibits attached hereto or documents incorporated herein by reference, as the same may from time to time be amended by any duly authorized amendment or modification.

1.74 **"Priority Claim"** shall mean any pre-petition Claim entitled to a priority in payment under §§507(a)(3), (4), (5), or (6), of the Bankruptcy Code, but shall not include any Tax Claim, Claim for penalties, or the Secured Claim of Colfax County for unpaid real property taxes.

1.75 **"Professional Person"** shall mean any Person, including attorneys and accountants for the Debtors, the Chapter 11 Trustee, or the Committee, retained or to be compensated pursuant to §§ 327, 328, 330, 331, 503(b)(2), or 1103 of the Bankruptcy Code.

1.76 **"Property of the Estate"** shall mean all property comprising or contained in the Estate, as set forth in § 541 of the Bankruptcy Code, including, without limitation all real property, personal property, Subsidiaries, and intangible property owned by the Debtors pre-petition.

1.77 **"Property Owners"** shall mean (i) all those Persons acquiring or owning legal or equitable title to any homesite in or near the Village of Angel Fire, Colfax County, New Mexico, excluding Purchaser and reorganized entities and successors, which property is more particularly described in the Negative Easement who were entitled, on the Petition Date, to use the Amenities upon payment of the annual required Annual Assessment, and their successors and assigns; and (ii) all Persons who hereafter acquire real property from the Purchaser or its successors who are granted the right to use the Amenities upon payment of the annual required Annual Assessment.

1.78 **"Property Owner Claim"** shall mean a Claim regarding the right to use the Amenities, other rights regarding the Amenities, as more particularly set forth in the proof of Claim filed by Committee against AFC on April 8, 1994, as claim #39, and the Amended Proof of Claim filed on April 7, 1995.

1.79 **"Property Owners' Association"** or **"POA"** shall mean the Association of Angel Fire Property Owners', a nonprofit corporation, a/k/a AAFPO.

1.80 **"Property Owners In Good Standing"** shall mean the property owner, their respective spouse, and their minor dependent children who can at all times present evidence of payment in full of all current membership dues of the Property Owners' Association as required for use of the Amenities from time to time.

1.81 **"Pro Rata"** shall mean, with respect to each Allowed Unsecured Claim, the ratio, as of the Initial Distribution Date, of the amount of such Unsecured Claim to the aggregate amount of (i) all Allowed Unsecured Claims, plus (ii) all Disputed Unsecured Claims.

1.82 **"Purchaser"** Purchaser shall mean Angel Project I, L.L.C., a Texas Limited Liability Company or Angel Project I Limited if it exercises its option to become Purchaser.

1.83 **"Reorganization Cases"** shall mean the three Chapter 11 cases commenced by the Debtors' filing of their voluntary Chapter 11 petitions under the Bankruptcy Code concerning cases 11-93-12176 RA (AFC); 11-93-12192 (AFS), and 11-93-12177 RA, Sangre de Cristo IV, and jointly administered under case number 11-93-12176 RA in the Bankruptcy Court.

1.84 **"Reorganized Debtors"** shall mean the Debtors, on and after the Effective Date, and their successors or assigns.

1.85 **"Sangre de Cristo IV"** or **"SDCIV"** shall mean Sangre de Cristo Limited Partnership IV, a Texas limited partnership, a debtor in Bankruptcy Case 11-93-12177 RA.

1.86 **"Secured Claim"** shall mean any Claim that is secured by property of any Debtor, to the extent of the creditor's interest in the Estate's interest in such property.

1.87 **"Subsidiaries"** shall mean all wholly or partially-owned subsidiaries of AFC.

1.88 **"Sunwest"** shall mean Sunwest Bank of Raton, New Mexico.

1.89 **"Tax Claim"** shall mean any Claim of a governmental unit for taxes entitled to priority pursuant to § 507(a)(7) of the Bankruptcy Code, but shall not include the Secured Claim of Colfax County for unpaid real property taxes.

1.90 **"Ticor"** shall mean Ticor Title Insurance Company.

1.91 **"UMCC"** shall mean United Mercantile Capital Corporation, a Texas corporation.

1.92 **"Unclaimed Property"** shall mean any funds or property dedicated for distribution under the Plan, which funds or property are unclaimed on and after such attempted distribution, including without limitation (a) checks (and the funds represented thereby) that have been returned as undeliverable without a proper forwarding address; (b) funds for checks that have not been paid or presented for payment; (c) checks (and the funds represented thereby) that were not mailed or delivered or that were returned because of the absence of a proper address, and that the Purchaser after reasonable efforts is unable to deliver to a proper address.

1.93 **"Unimpaired Class"** shall mean a class of Claims that is not impaired within the meaning of §1124 of the Bankruptcy Code.

1.94 "Unsecured Claims Fund" shall mean a fund for the payment of Allowed Unsecured Claims against AFC.

1.95 "Unsecured Claims Fund Amount" shall mean an amount of Cash to be put into the AFC Unsecured Claims Fund sufficient to pay Parker \$2 Million on account of its Allowed Deficiency Claim against AFC; provided, however, that if Parker's Secured Claims against the three Debtors are found to be less than \$4 million, then the Unsecured Claims Fund Amount shall be increased until the amount paid to Parker on its Unsecured Claim against AFC, plus the amount of its Secured Claims against the Debtors, total \$6 million plus the amounts necessary to pay other Unsecured Creditors a pro rata dividend equal to Parker's dividend on its Unsecured Claim.

1.96 "With Interest" shall mean that interest accrues at the rate of 9% per annum.

ARTICLE II TREATMENT OF UNCLASSIFIED CLAIMS

2.1 **Deadline for Filing Administrative Claims.** The holder of an Administrative Claim against any estate must file with the Bankruptcy Court, and serve on the Chapter 11 Trustee a notice of such Administrative Claim on or before the Bar Date. Such notice must include at a minimum (a) a statement of the date the liability for the Claim was incurred; (b) the holder of the Claim; (c) the amount of the Claim; and (d) the basis of the Claim. Failure to file timely and properly serve the required notice shall result in the Administrative Claim being forever barred and discharged.

2.2 **Deadline for Filing Fee Requests.** Each Professional Person who holds or asserts an Administrative Claim against any estate based on services rendered or costs incurred on behalf of the Debtor, the Trustee, or the Committee, whether or not such fees and costs have been previously paid by the Estate, shall be required to file with the Bankruptcy Court and serve on all parties required to receive notice, a Fee Request on or before the Bar Date. The failure to file timely the required Fee Request shall result in the Fee Request being forever barred and discharged. Payment of a Fee Request by a Debtor shall not waive the requirement of a Fee Request or the right of the Bankruptcy Court, the Trustee, or any party in interest to require a Fee Request and to thereafter object in whole or in part to the Fee Request.

2.3 **Allowance of Administrative Claims and Fee Requests.** An Administrative Claim against any Estate with respect to which notice has been properly filed and served shall become an Allowed Administrative Claim if no objection is filed within thirty (30) days of its filing and service. If an objection is filed within such thirty day period, the Administrative Claim shall only become an Allowed Claim to the extent Allowed by Order of the Bankruptcy Court. A Fee Request that has been properly and timely filed pursuant to the Plan shall become an Allowed Claim only to the extent Allowed by Final Order of the Bankruptcy Court.

2.4 Payment of Administrative Claims and Fee Requests. All Allowed Administrative Claims except for Fee Requests shall be paid in full, in Cash, on the Initial Distribution Date, or upon such other terms as may be agreed upon between the Purchaser and the holders of such Claims. All Allowed Fee Requests shall be paid in the amount determined by a Final Order of the Bankruptcy Court approving such Fee Requests, either on the Initial Distribution Date or within five (5) business days after the entry of an Order of the Bankruptcy Court approving such Fee Requests, or as may otherwise be agreed upon in writing between the Trustee and each such Claimant.

2.5 Tax Claims. All Allowed Tax Claims against any Estate, if any, shall be fully paid in Cash on the Initial Distribution Date. If the Tax Claim has not been Allowed before the Effective Date, and notwithstanding any provision to the contrary herein, the Allowed amount of each Tax Claim shall include interest at 9% from the Effective Date through the date the Tax Claim is Allowed.

ARTICLE III CLASSIFICATION OF CLAIMS AND INTERESTS

For purposes of voting and all other Plan Confirmation matters, except as otherwise provided herein all Claims and Interests shall be classified as set forth in this Article III. Any Claim or Interest is in a particular class only to the extent such Claim or Interest fits within the description of such class, and is in such other and different class to the extent that the remainder of such Claim or Interest fits within the description of such other class or classes, unless otherwise specified in this Plan. Any dispute with respect to classification of Claims or Interests shall be resolved by the Bankruptcy Court upon motion of the Claimant or Interest holder affected thereby, upon notice and a hearing.

Although the Secured Claims are shown as being secured by the collateral described below, the description is without waiver of the Trustee's or Purchaser's right to dispute that the Claimant has a valid and enforceable lien on the described collateral, to seek to avoid the lien or to seek a valuation of the claim or otherwise to object to the Claim. If a Claimant has a valid lien on collateral in addition to that described below, the classification shall also apply to the additional collateral. All real estate described is in or near Angel Fire, New Mexico.

Under this Plan, Claims and Interests are classified as follows:

3.1 Class 1 (Century Secured Claim). Class 1 shall consist of Century's Secured Claim against AFC, a Claim secured by a first lien on Lot 8, Block C, Monte Verde Subdivision, Unit #1.

3.2 Class 2 (Colfax County Claim). Class 2 shall consist of Colfax County's Secured Claim against each of the Debtors, a Claim secured by a first lien on the real property of each of the Debtors.

3.3 Class 3 (FNBSF Secured Claim).

Class 3.1 shall consist of FNBSF's Secured Claim against AFC, a Claim secured by a lien on:

- (1) Racquet Club condominiums #125, Building R-2; #RBC, Building R-2; #223, Building R-2; and #161, Building R-6;
- (2) Lot 13; Block F, Angel Fire Village Unit #2;
- (3) Lot 8, Block E, Angel Fire Village Unit #2; and
- (4) Lot 1, Block F, Angel Fire Village Unit #2;

Class 3.2 shall consist of FNBSF's Secured claim against AFSC, a claim secured by a lien on:

The AFSC ski mountain.

3.4 Class 4 (Francine Secured Claim). Class 4 shall consist of Francine's Secured Claim against AFC, a Claim secured by a first lien on the real property commonly known as the Angel Fire Country Club clubhouse.

3.5 Class 5 (GLM Secured Claims). Class 5 shall consist of GLM's Secured Claim against AFC, a Claim secured by lien on lots QIA and/or QIB, AF Village Unit #5.

3.6 Class 6 (Greyhound Secured Claim). Class 6 shall consist of Greyhound's Secured Claim against AFC, a Claim secured by a lien on:

- (1) the Greyhound Notes Receivable;
- (2) Tracts A, B, C and D, Angel Fire Chalets Unit #2;
- (3) Tract Q-1, Angel Fire Country Club Subdivision, Units One and Two;
- (4) Tracts M, N, and P Angel Fire Country Club Unit I & 2 re-amended;
- (5) Lots 1-150, Angel Fire Chalet Unit #3-B amended; and
- (6) Lots 3, 4, 13, and 14 of Block One, Angel Fire Village Unit 1.

3.7 Class 7 (Infrastructure Claims). Class 7 shall consist of the Infrastructure Claims against AFC, including PODA trust fund claimants.

3.8 **Class 8 (Hill Secured Claim).** Class 8 shall consist of Mr. Ed Hill's Secured Claim against AFC, a Claim secured by a first lien on lots 167 and 169, AF Village West.

3.9 **Class 9 (ISB Secured Claims).** Class 9 shall consist of ISB's three Secured Claims against AFC, as follows:

3.9(A). The Claim secured by (i) Units 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12 of the Sunlodge Condominiums timeshare building and units, and/or any notes receivable and mortgages with respect to all such condominiums or timeshares pledged to ISB; and (ii) the Angel Fire Sales and Information Office;

3.9(B). The Claim secured by a lien on Tract P, Angel Fire Country Club Subdivision, Unit One and Two, Re-Amended; and

3.9(C). The Claim secured by a lien on a 1984 Gelco office trailer VIN #D0092371256.

3.10 **Class 10 (Interests).** Class 10 shall consist of all Interests in any of the Debtors. Class 10A shall consist of all interest in AFC. Class 10B shall consist of all interest in AFSC. Class 10C shall consist of all interest in SDCIV.

3.11 **Class 11 (Investors' Mortgage Secured Claim).** Class 11 shall consist of Investors Mortgage's Secured Claim against AFC, a Claim secured by a first lien on Tracts QIA and/or QIB, AF Village Unit #5.

3.12 **Class 12 (MacIntosh Secured Claim).** Class 12 shall consist of Mr. John MacIntosh's Secured Claim against AFC, a Claim secured by a mortgage on Lot 17, AF West Village.

3.13 **Class 13 (Other Secured Claims).** Class 13 shall consist of all Secured Claims not otherwise classified, if any, as follows:

Class 13A shall consist of all Secured Claims against AFC not otherwise classified, if any.

Class 13B shall consist of all Secured Claims against AFSC not otherwise classified, if any.

Class 13C shall consist of all Secured Claims against SDCIV not otherwise classified, if any.

3.14 **Class 14 (Parker Secured Claims).** Class 14 shall consist of Parker's Secured Claims, as follows:

Class 14A shall consist of Parker's Secured Claims against AFC, a Claim secured by, inter alia, 1) a first lien on the Debtor's stock; 2) the Parker Notes Receivable; 3) the Starfire condominiums; 4) Lots 6-15, Unit 1 AF West Vill; 5) Lots 3,4,13 &14, Block I AF Vill.; 6) Lots 1-50 and tracts B, C, and D, AF Chalets #5; and 7) undeveloped land near the Angel Fire Airport;

Class 14B shall consist of Parker's Secured Claims against AFSC, a Claim secured by a junior lien on the AFSC ski mountain; and

Class 14C shall consist of Parker's Secured Claims against SDCIV, a Claim secured by a lien on the Legends Hotel owned by SDCIV.

3.15 **Class 15 (Priority Claims).** Class 15 shall consist of all Priority Claims, as follows:

Class 15A shall consist of all Priority Claims against AFC;

Class 15B shall consist of all Priority Claims against AFSC; and

Class 15C shall consist of all Priority Claims against SDCIV.

3.16 **Class 16 (Property Owner Claims).** Class 16 shall consist of the Property Owner Claims against AFC.

3.17 **Class 17 (Small Unsecured Claims).** Class 17 shall consist of Unsecured Claims less than \$500, or Claims of more than \$500 if the holder of an Unsecured Claim elects to reduce the Claim to \$500, as follows:

Class 17A shall consist of all Small Unsecured Claims against AFC;

Class 17B shall consist of all Small Unsecured Claims against AFSC; and

Class 17C shall consist of all Small Unsecured Claims against SDCIV.

3.18 **Class 18 (Sunwest Secured Claims).** Class 18 shall consist of Sunwest's two Secured Claims against AFC, as follows:

3.18.1. The Claim secured by a lien on the Angel Fire day care facility (a portion of Tract 6, Baca Grande, Angel Fire Corporation subdivision); and

3.18.2. The Claim secured by a lien on the Angel Fire golf course maintenance shed (a tract of land containing .437 acres, adjacent to and south of Golf View Terrace, a dedicated road, and also south of lot 1 in Block B of Monte Verde Subdivision Unit #1).

3.19 Class 19 (Ticor Secured Claim). Class 19 shall consist of Ticor's secured claim against AFS, secured by a lien on the AFS ski mountain.

3.20 Class 20 (Thomas Secured Claim). Class 20 shall consist of Ms. Ruby Thomas' Secured Claim against AFC, a claim secured by a lien on lots 3, 4, and 5 of Angel Fire Village, Unit One, Block L; lots 17, 18, and 19 of Angel Fire West Village; and lot 7, Unit 1, Block D, Angel Fire Village.

3.21 Class 21 (UMCC Secured Claim). Class 21 shall consist of UMCC's Secured Claim against AFC, a Claim secured by lien on:

- (1) Lots 1, 2, and 3, and Tract A, Angel Fire Country Club Unit 4;
- (2) Tracts A, B, and C, Angel Fire Country Club Units I and 2 re-amended;
- (3) Lots 1562 through 1594, Lots 1607 through 1702, Lots 1717 through 1785, of Angel Fire Chalets, Unit 2; and
- (4) Miscellaneous personalty and general intangibles.

3.22 Class 22 (Unsecured Claims). Class 22 shall consist of all Unsecured Claims other than Small Unsecured Claims including Deficiency Claims.

Class 22.A shall consist of Allowed Unsecured Claims against AFC;

Class 22.B shall consist of Allowed Unsecured Claims against AFSC; and

Class 22.C shall consist of Allowed Unsecured Claims against SDCIV.

ARTICLE IV TREATMENT OF CLASSIFIED CLAIMS

Each classified Claim shall be treated as set forth below. If a Claimant has a valid lien on collateral in addition to that described above, the additional collateral shall be treated as a Class 13 Claim. Of the different classes, Class 15, Priority Claims, and Class 17, Small Unsecured Claims, are unimpaired.

4.1 Class 1 (Century Secured Claim). Century's Claim, to the extent Allowed, shall be satisfied in full by payment in Cash equal to the value of the Allowed Secured Claim on the Initial Distribution Date or at Purchaser's option surrendering the collateral to Claimant. Any Deficiency Claim will be treated as a Class 22A Claim.

4.2 Class 2 (Colfax County Secured Claim). Colfax County's Secured Claim, to the extent Allowed, shall be paid in Cash on the Initial Distribution Date.

4.3 **Class 3 (FNBSF Secured Claim).** FNBSF's Claim, to the extent Allowed, shall be satisfied in full by payment in Cash against AFC claim on the Initial Distribution Date. Any Deficiency Claim will be treated as a Class 22A Claim.

4.4 **Class 4 (Francine Secured Claim).** Francine's Claim against AFC, to the extent Allowed, shall be satisfied in full by payment in Cash equal to the value of the Allowed Secured Claim on the Initial Distribution Date. Any Deficiency Claim will be treated as a Class 22A Claim.

4.5 **Class 5 (GLM Secured Claim).** GLM's Claim against AFC, to the extent Allowed, shall be satisfied in full by payment of Cash equal to the value of the Allowed Secured Claim in the amount on the Initial Distribution Date or at Purchaser's option surrendering collateral to Claimant. Any Deficiency Claim will be treated as a Class 22A Claim.

4.6 **Class 6 (Greyhound Secured Claim).** Greyhound's Secured Claim, to the extent Allowed, shall be satisfied in full by:

(a)(1) If the holder of the Greyhound Secured Claim votes to accept the Plan, continuing to pay Greyhound all amounts paid under the Greyhound Notes Receivable, and (2) (at the Purchaser's option) surrendering some or none of the collateral other than the Greyhound Notes Receivable and paying the balance of the Allowed Secured Claim, if any, after credit for the value of any surrendered collateral and the monthly amounts received from the Greyhound Notes Receivable, in monthly payments amortized over 5 years With Interest. The first payment shall commence on the Initial Distribution Date. On the Effective Date, Greyhound will execute a special warranty deed, in a form reasonably acceptable to the Purchaser, transferring title to Lots 3, 4, 13, and 14 of Block One, Angel Fire Village Unit 1, to the Purchaser, and the Purchaser shall grant Greyhound a mortgage on such property to secure payment of Greyhound's Allowed Secured Claim. The form of mortgage shall be the standard Valiant, long-form mortgage used in New Mexico. Any Deficiency Claim arising on account of such Claim shall be treated as a Class 22A Other Unsecured Claim; or in the alternative,

(b) Greyhound's Secured Claim, to the extent Allowed, shall be satisfied in full by crediting against the Secured Claim the fair market value of Lots 3, 4, 13, and 14 of Block One Angel Fire Village Unit One which were previously foreclosed upon by Greyhound. Any such recalculation of interest paid or credited to Greyhound shall also be adjusted to reflect the foreclosure. Any remaining Secured Claim shall be satisfied in full by payment of cash equal to the value of the Allowed Secured Claim on the Initial Distribution Date or at Purchaser's option surrendering the collateral to Claimant. Any Deficiency Claim will be treated as a Class 22A Claim in AFC.

4.7 **Class 7 (Infrastructure Claims).** The Infrastructure Claims against AFC, or to the extent Allowed, shall be satisfied as follows:

(a) Infrastructure Commitment. The Purchaser shall commit and shall pay into the Infrastructure Improvement Fund to be established by the Purchaser and the Committee, subject to the terms and conditions of this paragraph, \$2 million or 50%, whichever is less, of the total cost to complete the Infrastructure Improvements which has been estimated to be approximately \$4.5 million (the "Infrastructure Commitment"). The Infrastructure Commitment shall be satisfied through a two-stage process. The 50% limitation shall apply to both stage one and stage two below:

(1) At stage one, the Purchaser shall be obligated after the Closing Date, to perform only those Infrastructure Improvements related to water and sewer line extensions that can be completed in the reasonable judgment of the Purchaser without the need or requirement for Purchaser or any other entity to develop or expand water and/or sewer facilities and services and/or water rights (the "Stage One Commitment"). The Stage One Commitment shall be limited to and shall not exceed \$333,000.00 for each consecutive year for six (6) years until all improvements not requiring expansion of water and/or sewer facilities and services and/or water rights are completed. It will require formation of a special assessment district to bond the affected Property Owners. Any amounts paid toward Purchaser's Stage One Commitment shall be credited against and serve to reduce dollar for dollar the Infrastructure Commitment.

(2) Under the second stage, the Purchaser's obligation to pay the remainder of the Infrastructure Commitment and those Infrastructure Improvements that are not subject to the Stage One Commitment, is subject to satisfaction of the following: (i) the formation of a new special assessment district created by the Village of Angel Fire or other appropriate governmental or political entity; (ii) the commitment by a special assessment district or other appropriate governmental or political entity or unit to issue bonds to finance the cost to complete the Infrastructure Improvements; and (c) the development and implementation of a solution to the Water and Sewer Issues described herein.

(3) The Infrastructure Commitment shall be the obligation of and shall be paid by the Purchaser to acquire Debtors' real estate held for development and sale. The Purchaser shall seek to obtain financing to pay the Infrastructure Commitment or alternatively if financing cannot be obtained then the Infrastructure Commitment shall be paid into the Infrastructure Improvement Fund out of the Purchaser's future net cash flow resulting from future real estate sales by the Purchaser in the amount of 10% of gross real estate sales per year over a term of six years, or until the Infrastructure Commitment is paid in full, whichever is earlier. Notwithstanding the foregoing, the minimum yearly amount to be deposited into the Infrastructure Improvement Fund shall be \$333,000.00 during the six year time period. Any amounts paid under stage one shall be credited against and serve to satisfy this minimum yearly commitment, so that the total Infrastructure Commitment remains \$2 million or 50%, whichever is less, of the total cost to complete the Infrastructure Improvements.

(4) Any funds expended for the Infrastructure Improvements shall only be expended to the extent that such funds are matched by the affected Property Owner and shall

only be expended on a pro-rata basis to ensure that each Infrastructure Claimant receives an equal proportionate share of the Infrastructure Commitment.

(5) It is contemplated that any special assessment district created under 4.7a1 or 2 above will be created only for the purposes of issuing bonds for the financing of the completion of the Infrastructure Improvements. In addition, any bonds that may be issued may be retired in whole or in part by assessing Homesite Owners in the special assessment district in annual assessments sufficient to retire the bonds. The aggregate amount of bonds and liens to secure these bonds which may be placed upon the affected Infrastructure claimants property shall not include the amount required to meet the Purchaser's commitments in paragraph 4.7a1, 2 and 3 above.

(6) There exists in the Debtor AFC certain funds described on Exhibit "F" which are blocked funds for certain improvements which may be considered Infrastructure Improvements. The account referred to as containing the PODA funds can only be used in accord with contracts for sale, the covenants and conditions governing the PODA and for the specific purpose of providing designated improvements to those certain lots in Chalet #3. On closing, this fund shall be transferred to the Purchaser as a trust account subject to the original terms and conditions. The funds identified as the Angel Fire Water Services Escrow Account shall be used for the completion of the Infrastructure Improvements by the Purchaser and shall be transferred to the Purchaser in trust for this purpose on the Closing Date. None of the funds identified on Exhibit "F" can be credited by the Purchaser against the amounts which may be required to be deposited under this section by the Purchaser.

(b) Settlement of the Infrastructure Lawsuit. The provisions of this Plan shall be deemed a full and complete settlement of all claims raised by any party in the lawsuit brought by some of the Infrastructure Claimants against AFC pending in the United States District Court for the District of New Mexico as cause no. CIV 92-1475 LH. The lawsuit will be dismissed with prejudice if still pending.

(c) HALO Lawsuit Settled. The provisions of this Plan shall be deemed a full and complete settlement of all claims raised by any person in the lawsuit brought by the Home and Land Owners Association, Inc. against AFC pending in the Eighth Judicial District as cause no. 93-35CV. The lawsuit will be dismissed with prejudice if still pending.

(d) Full Satisfaction of all Infrastructure Claims. The Purchaser performance of the terms of this Plan shall be a full and complete satisfaction of all Infrastructure Claims.

4.8 **Class 8 (Hill Secured Claim).** Mr. Ed Hill's Secured Claim against AFC, to the extent Allowed, shall satisfied in full by payment of Cash equal to the value of the Allowed Secured Claim on the Initial Distribution Date. Any Deficiency Claim will be treated as a Class 22A Claim.

4.9 Class 9 (ISB Secured Claims). ISB's Secured Claims against AFC set forth in subparagraphs (A), (B), and (C) of paragraph 3.9, to the extent Allowed, shall be satisfied in full by payment of Cash on equal to the value of the Allowed Secured Claim on the Initial Distribution Date or at Purchaser's option surrendering collateral to Claimant. Any Deficiency Claim will be treated as a Class 22A Claim.

4.10 Class 10 Interests.

Class 10A. Holders of Interests in the AFC Reorganization Case shall receive nothing for their Interests. On the Effective Date, all common, preferred, or other capital stock of AFC held by Interest holders shall be canceled as of the Effective Date, or transferred to Purchaser, if Purchaser so requests.

Class 10B. Holders of Interests in the AFSC Reorganization Case shall receive nothing for their Interests. On the Effective Date, all common, preferred, or other capital stock of AFSC held by Interest holders shall be canceled as of the Effective Date, or transferred to Purchaser, if Purchaser so requests.

Class 10C. Holders of Interests in the SDCIV Reorganization Case shall receive nothing for their Interests. On the Effective Date, all partnership interests of SDCIV held by Interest holders shall be canceled as of the Effective Date, or transferred to Purchaser, if Purchaser so requests.

4.11 Class 11 (Investors' Mortgage Secured Claim). Investors' Mortgage's Secured Claim against AFC, to the extent Allowed, shall be satisfied in full by payment of Cash equal to the value of the Allowed Secured Claim on the Initial Distribution Date or, at Purchaser's option, surrendering collateral to Claimant. Any Deficiency Claim will be treated as a Class 22A Claim.

4.12 Class 12 (MacIntosh Secured Claim). Mr. John MacIntosh's Secured Claim against AFC, to the extent Allowed, shall be satisfied in full by payment of Cash equal to the value of the Allowed Secured Claim on the Initial Distribution Date or, at Purchaser's option surrendering collateral, to Claimant. Any Deficiency Claim will be treated as a Class 22A Claim.

4.13 Class 13 (Other Secured Claims). Other Secured Claims against any Debtor, to the extent Allowed, shall be satisfied in full by payment of Cash equal to the value of the Allowed Secured Claim on the Initial Distribution Date or at Purchaser's option surrendering collateral to Claimant. Any Deficiency Claim will be treated as a Class 22 Claim in the appropriate estate or estates.

4.14 Class 14 (Parker Secured Claims). Parker's Secured Claims shall be treated as follows:

A. Treatment of Claims.

Class 14A. Parker's Secured Claims against AFC shall be deemed Allowed in the total amount of \$2,000,000 and shall be paid in full, in Cash, on the Initial Distribution Date. Parker's Deficiency Claim against AFC shall be deemed Allowed in the amount of \$5.0 Million and shall be treated as a Class 22A Unsecured Claim.

Class 14B. Parker's Secured Claims against AFSC shall be deemed Allowed in the total amount of \$1,000,000 and shall be paid in full, in Cash, on the Initial Distribution Date. Parker shall have no Deficiency Claim against AFSC.

Class 14C. Parker's Secured Claim against SDCIV shall be deemed Allowed in the total amount of \$1,000,000 and shall be paid in full, in Cash, on the Initial Distribution Date. Parker's Deficiency Claim against SDCIV, shall be deemed allowed in the amount of \$24.0 Million, shall receive no payment, and shall not be deemed to be a Class 22C Claim.

B. Dismissal of Counterclaims in the Dallas County Action. On the Closing Date, the Purchaser shall become the assignee of all claims of Mr. Gary Plante against Parker and Guaranty Federal Bank, FSB asserted in the lawsuit brought by Parker in Dallas County, Texas, and shall dismiss such claims with prejudice. Parker shall dismiss all claims against Plante in such lawsuit with prejudice. The Purchaser, at its expense, shall defend and indemnify Parker and Guaranty, and hold Parker and Guaranty harmless, from and against any and all claims, loss, damages, liability and expense (including reasonable attorneys fees) in any manner arising from or related to any claims by Plante or his assigns asserted or which could have been asserted in such lawsuit.

C. Dismissal of Foreclosure Action. On the Closing Date, the Purchaser and Parker will dismiss the Foreclosure Action (including all counterclaims and third party claims asserted therein) with prejudice, provided, however, that the dismissal shall not affect the validity of Parker's claims against any Person who is not a party to the Foreclosure Action, including the Guarantors.

D. Parker to Receive \$6,000,000 in Cash. The foregoing treatment provides for a payment to Parker of \$6,000,000 in cash. The payment of \$6,000,000 to Parker is a negotiated settlement of all Parker's Claims against the Debtors, and the Debtor's counterclaims against Parker. If for any reason the amount paid to Parker on account of its Secured Claims against the Debtors is reduced from that set forth above, the amount paid to Parker on account of its Deficiency Claims shall be increased until Parker receives a total of \$6,000,000 in Cash on the Closing Date.

E. Assignment of Rights against Sangre de Cristo II. On the Closing Date, Parker shall assign to the Purchaser all rights and claims against Sangre de Cristo II, and such rights and claims shall not be deemed extinguished by this Plan.

F. Dismissal of Barclays Action Appeal. On the Closing Date, Parker shall dismiss the Barclays Action Appeal with prejudice.

G. Allowance and Treatment is a Settlement of Disputed Claims. The allowance and treatment of Parker's Claims as set forth above is a negotiated settlement of disputes between the Trustee, the Debtors, and Parker. An order confirming this Plan shall constitute approval by the Bankruptcy Court of such settlement without limiting the general applicability of paragraph 9.5 of this Plan, such paragraph is specifically made applicable to the settlement of the allowance and treatment of Parker's Claims. The allowance and treatment of Parker's Claims shall be null and void if the Closing does not occur.

4.15 Class 15 (Priority Claims).

Class 15A. Priority Claims against AFC, to the extent Allowed, shall be paid in full in Cash on the Initial Distribution Date, unless the holder and the Purchaser agree to other terms for the treatment of such Claim. Holders of Class 15A Claims shall not be entitled to any other distribution under the Plan on account of such Claims. Class 15A is an Unimpaired Class.

Class 15B. Priority Claims against AFSC, to the extent Allowed, shall be paid in full in Cash on the Initial Distribution Date, unless the holder and the Purchaser agree to other terms for the treatment of such Claim. Holders of Class 15B Claims shall not be entitled to any other distribution under the Plan on account of such Claims. Class 15B is an Unimpaired Class.

Class 15C. Priority Claims against SDCIV, to the extent Allowed, shall be paid in full in Cash on the Initial Distribution Date, unless the holder and the Purchaser agree to other terms for the treatment of such Claim. Holders of Class 15C Claims shall not be entitled to any other distribution under the Plan on account of such Claims. Class 15C is an Unimpaired Class.

4.16 Class 16 (Property Owners' Claims). The Claims of the Property Owners against AFC shall be satisfied as follows:

(a) **Recording of the Negative Easement and Restrictive Covenants and the Declaratory Action.** After the Closing Date, the Purchaser shall become an additional defendant in the Committee's suit for Declaratory Judgment in the United States Bankruptcy Court for the District of New Mexico, Adversary No. 93-1392 ("Adversary Proceeding"), and shall consent to a judgment in the Adversary Proceeding. By that consent, the Purchaser shall have agreed to and shall have recognized the Negative Easement of the Property Owners of the Angel Fire Resort, which runs with the land for the Property Owners' amenity rights. The Purchaser shall execute and also record the Negative Easement marked Exhibit "E" and attached to this Plan. The Court shall retain jurisdiction in the adversary proceeding to enter an appropriate form of judgment recognizing the negative easement.

(b) **Payment of Annual Assessment.** The Property Owners shall be assessed the Annual Assessment annually as set forth in Exhibit "D" to Exhibit "E". If any Property Owner fails to pay the annual assessment or any prior past due annual assessments, Purchaser or its successors or assigns has the absolute right to suspend such property owner's use of the amenities until the past due amounts are repaid. The suspension shall continue until reinstatement upon payment of such past due amounts. For the annual assessment period beginning October 1, 1995, and all years thereafter, any past due amounts shall be assessed a late fee of \$15 per month and the unpaid portion shall bear interest at the rate of 8% per annum or at other such rate as may be determined from time to time by the Association in conformance with New Mexico law. Membership in the Property Owners Association shall be evidenced by such means as Purchaser and the Property Owners Association may adopt, such as by card or pass, so long as such means is reasonably convenient for members and Purchaser to administer, and not susceptible to abuse or fraud.

(c) **Spending of Required Annual Assessment.** The required Annual Assessment shall be paid by the Property Owners to the Purchaser, its successors, assigns, or its agents. Each year, the Purchaser or its successors or assigns shall prepare an annual report of the Annual Assessment collected for the prior year showing how the Annual Assessment was spent. The Purchaser and its successors or assigns may only spend the Annual Assessment on the upkeep, maintenance, operation and improvement of the Amenities. The Purchaser shall be obligated to maintain the Amenities so long as it receives the Annual Assessment.

(d) **Spending of Past Due Annual Assessment.** All amounts received by the Purchaser for Annual Assessments that were past due on the Effective Date shall be used for capital improvements or maintenance of the existing Amenities, in a manner determined by the Purchaser. Purchaser shall provide the POA with an accounting of how said collected late dues were actually spent on said capital improvements or maintenance of the existing Amenities.

(e) **The Property Owners Use of Amenities.** The Property Owners of Angel Fire Resort shall have, upon payment of their yearly Annual Assessment, unlimited use of the following amenities subject to the following restrictions: The Ski Hill (with a number of lifts and runs presently in operation); the Olympic Park; Monte Verde Lake; the existing RV park; all existing tennis courts; the existing greenbelt areas (i.e., picnic spots); the existing petting zoo or stable area; and the existing country club facilities including 18 hole golf course, all subject to the terms and conditions of the negative easement. However, there must be certain times allocated for resort guests to use the amenities to assure the success of the resort. Accordingly, Purchaser and POA will establish a usage schedule that will provide fair and reasonable access to members and resort guests. The POA and purchaser will agree to a fair and reasonable minimum golf usage schedule but never less than 55% for Property Owners' use with equal portions of weekends and weekdays included in the Property Owners' usage throughout the golf season, subject to later review. The Property Owners' rights to the use of the Amenities shall be governed by such terms and conditions as may be adopted from time to time so long as they are consistent with the terms set forth in this Plan and are consistent with the Negative Easement. Any change in the use, terms, and conditions must be approved by the new POA

board within forty-five (45) days of receiving a written request from the purchaser to do so. If the new POA board refuses to approve any revision to the amenities, terms, use and conditions, the purchaser may at its sole election institute the amended use, terms, and conditions. However, the new POA board may take such legal action against the purchaser as it deems necessary in a court of competent jurisdiction to have the court declare that the amendment to the use, terms, and conditions constitutes an inappropriate and illegal restriction of the property owners' rights under the Negative Easement and it shall be entitled to recovery to reasonable legal fees and costs in so doing, if it prevails. If the POA board does not prevail in any such legal action, then the new POA shall be required to pay to the Purchaser (or its agents) reasonable legal fees and costs in defending any such action.

(f) **Required Annual Assessment.** The POA board will receive the annual amenities budget from the Purchaser prior to the Annual Assessment being spent showing the POA board how the Purchaser will break out the Annual Assessment proportionally by amenity and showing that sufficient funds remain on hand to fund the operation of each amenity. The Purchaser must place the Annual Assessment funds in a separate segregated account to be held in trust for the Property Owners by the Purchaser. The POA board will have veto power over the annual budget of any portion of the Annual Assessment contemplated by the Purchaser to be used for other than the Amenities, prior to those sums being spent. The POA board will take responsibility for the collection of the annual assessment in order to comply with the requirements of New Mexico law wherein the POA board must be responsible for annual assessment collection. A collection process will be worked out wherein the POA board will subcontract the annual assessment collection to another party which could be the Purchaser or its successor. The process will be worked out with the Purchaser whereby the POA board cannot unreasonably withhold the Annual Assessment funds from the Purchaser or its successor, if there are disagreements between the new POA board and the Purchaser. The POA board will get to review and comment on the budget for the use of the Annual Assessment. Starting with the Annual Assessment funds which were billed in July of 1994 for the 1994/1995 dues season, the annual assessment will be subject to CPI increase of 2.3%. The Annual Assessment may be increased every year by no more than the CPI in effect on May 1, unless specified otherwise in this plan. The Purchaser will have the right to increase the annual assessment annually based on the CPI as set forth in this plan. The POA board is not required to guarantee any level of annual assessment collection.

(g) **Capital Improvements Annual Assessment.** The Annual Assessment may be increased when the purchaser makes capital improvements to existing Amenities. In the event that the capital improvements are financed by the purchaser, any interest required to be paid by the purchaser shall be included as a cost when determining the increase in the Annual Assessment pursuant to this plan subject to the following limitations:

(i) Purchaser will limit the increase in the Annual Assessment to no more than 5% in any one year and 9% cumulative, and to no more than 3% per year increase on average.

(ii) Capital improvements Annual Assessment charges would be deferred during years in which qualifying capital improvements are made and the CPI measure of inflation exceeds 7%. Capital improvements Annual Assessment charges would resume after the CPI falls below 7%. The Purchaser may construct capital improvements to existing Amenities in any years in which the CPI increase exceeds 7%.

(iii) All increases in Annual Assessment related to capital improvements will be allocated annually to the members based upon their usage of the Amenities relative to usage by others including the general public for the preceding year.

(iv) The IRS class life as set forth in the general depreciation system (MACRS) will be used for determining the amortization period over which Annual Assessment would be increased related to agreed upon improvements to the Amenities, so long as the class life was never greater than fifteen (15) years. The Purchaser would use the cost basis for determining any appropriate Annual Assessment increases. If the capital improvement annual assessment is deferred pursuant to paragraph (ii) above, such deferral year would not count against the class life limitation as outlined above.

(v) All increases in Annual Assessment related to capital improvements over and above those mentioned in this section will require POA Board approval. However, Purchaser may wish to construct capital improvements to the existing Amenities without POA Board approval, in which case the Purchaser may charge members wishing to use the improvements through user fees.

(vi) No Annual Assessment increase related to capital improvements will be assessed to multiple lot owners until the members have been phased into a full Annual Assessment paying category and have use privileges.

(vii) No Annual Assessment increase related to capital improvements will be assessed until the capital improvement is fully in service.

(viii) The limited Annual Assessment increase will terminate when the improvement has been amortized as defined herein.

(ix) The Purchaser will review with the POA Board a deferral of Annual Assessment increases related to capital improvements in the event that inflation causes the CPI to increase to 7% or more.

(x) There will be no new user fees in categories where there are existing Amenities for Property Owners other than those that are currently in effect, e.g., cart use fees.

(xi) The definition of a "capital improvement" to an existing amenity for which Property Owners' Annual Assessment will increase will include an expenditure that would do any of the following:

- (1) Increase the capacity or use of an existing amenity; or
- (2) Provide an additional service to those using the Amenities;

or

(3) Increase the quality of the experience of those using the Amenities while falling under a generally accepted accounting definition of a capital expenditure.

(h) **Grandfather of Existing Annual Assessment.** Upon the sale, conveyance or transfer in any manner whatsoever of any homesite by a Property Owner, the Purchaser shall be entitled to set forth and implement a new Annual Assessment structure commensurate with the Annual Assessment structure established by the Purchaser for new homesites (i.e., Homesites owned and sold by the Purchaser after the Effective Date). Notwithstanding the foregoing, this paragraph shall apply and effect only those sales, conveyances or transfers occurring after September 30, 1996, and shall not, at any time, apply to or affect sales, conveyances, or transfers in any manner whatsoever to Children, Parents, Brothers, Sisters, Grandchildren, or Grandparents (as those terms may be defined in the New Mexico Probate Code NMSA §§45-1-101 *et seq.*) of the Property Owners existing as of the Effective Date. After September 30, 1996, nothing in this Plan shall prohibit Purchaser from allowing a suspended member of the Property Owners' Association access to the Amenities on such terms and conditions as Purchaser and such suspended member may contract for including, but not limited to, any other plan, membership or program as Purchaser may from time to time offer the public.

(i) **New Amenities.** By way of example, new Amenities such as a new golf course or new ski basin will not be a mandatory part of the current Annual Assessment structure. The Property Owners will not automatically have rights to use "New" Amenities. The Purchaser will negotiate with the POA Board in determining the new Amenities and the most fair and reasonable manner to pay for them. The Purchaser may offer an optional dues supplement and/or user fees to the Property Owners who wish to participate in and use any New Amenities and will do so should any such new amenity be constructed.

(i) The Purchaser will not increase Annual Assessment for "commercial" facilities, e.g., a new restaurant. The Purchaser understands that the Committee does not expect the Property Owners to use such facilities free. Property Owners will be able to use, and will be charged the same rates as the public, for use of these "commercial" facilities.

(ii) Purchaser shall commit to inject, pursuant to the terms and conditions of this Plan, \$4.5 million to fund capital improvements to the Amenities during the years 1995 through 1999.

COPY
IN THE UNITED STATES BANKRUPTCY COURT

FILED

FOR THE DISTRICT OF NEW MEXICO

95 FEB 21 AM 9:43

U.S. BANKRUPTCY COURT
ALBUQUERQUE, NM

IN RE:

ANGEL FIRE CORPORATION
ANGEL FIRE SKI CORPORATION,
SANGRE DE CRISTO LIMITED PARTNERSHIP IV,

Debtors.

Jointly Administered
No. 11-93-12176 RA

**ORDER GRANTING
JOINT AND AMENDED MOTION OF ANGEL PROJECTS I, LTD.
AND ASSOCIATION OF ANGEL FIRE PROPERTY OWNERS, INC.
TO CLARIFY AMENDED JOINT PLAN OF REORGANIZATION**

THIS MATTER is before the Court on the Joint and Amended Motion of Angel Projects I, Ltd. And Association of Angel Fire Property Owners, Inc. To Clarify Amended Joint Plan of Reorganization filed on October 31, 1995. Notices were mailed to the property owners affected by the Motion between December 22, 1995 and December 27, 1995. More than 20 days has expired and no objections have been filed.

This Court has retained jurisdiction for the purpose of reconciling any inconsistencies or construing any ambiguities in the Plan or in the Confirmation Order. The Joint Motion presents a solution to the problem described in the Motion which has been negotiated between the Purchaser and the AAFPO which furthers the interests of the parties and the property owners in general. Now, therefore,

IT IS ORDERED AS FOLLOWS:

1. The 1995/96 dues billing as billed will be used as the base for the CPI; and

EXHIBIT A

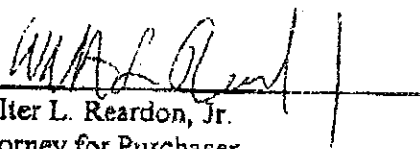
2. Paragraph 4.16(j)(ii) attached hereto is substituted for the same paragraph contained in the Amended Joint Plan of Reorganization filed on April 20, 1995.

STEWART ROSE

STEWART ROSE, U. S. Bankruptcy
Judge

Submitted by:

Watrous & Reardon

By 
Walter L. Reardon, Jr.
Attorney for Purchaser
3733 Eubank Blvd. NE
Albuquerque, NM 87111
Phone: 505/293-7000

Kemp, Smith, Duncan & Hammond

By Telephonic Approval 2/13/96
James Rasmussen, Attorney for the AAFPO
Kemp, Smith, Duncan & Hammond
P. O. Box 1276
Albuquerque, NM 87103
Phone: 505/247-2315

4.16(j)(ii) The annual amenities budget provided to the # (AAFPO) each year shall include an AAFPO discretionary account category which shall be \$100,000.00 or 5% of the collected annual assessments each year (starting with the 1995/1996 season), whichever is greater. In the 1995/1996 year "collected annual assessments" shall not include collected delinquent annual assessments for prior years and shall not include interest or penalties on such collected delinquent assessments for prior years. In years subsequent to the 1995/1996 year "collected annual assessments" shall include collected delinquent annual assessments with interest and penalties thereon for prior years, but only reaching back through the 1995/1996 year.

In the 1995/1996 year, \$30,000.00 out of that AAFPO discretionary account may be used by the AAFPO to defray the AAFPO's expenses. In subsequent years, the amount out of that year's discretionary account which may be used by the AAFPO to defray its expenses shall be \$20,000.00 or 1% of the collected annual assessments every year, whichever is greater. (This \$20,000.00 or 1% is part of and not in addition to the \$100,000.00 or 5% discretionary account described above.) At the conclusion of each year, the Purchaser (or its successor in interest) and the AAFPO board shall consider and shall have authority by agreement between them to adjust the amount out of the next year's discretionary account which may be used to defray AAFPO expenses, such adjustment not to go below \$20,000.00 or 1% of collected annual assessments whichever is greater. Such consideration of adjustment shall be guided by the intention to cover the AAFPO's ordinary and reasonable operating expenses.

The AAFPO and Purchaser (or successor in interest) shall also cooperate with each other to do combined mailings to property owners whenever feasible with the intention of reducing the expenses chargeable to the AAFPO. Purchaser (or its successor in interest) and the AAFPO shall share equally the cost of four mailings per year including AAFPO and Purchaser materials.

The portion of the discretionary account not permitted to be used for AAFPO expenses pursuant to this section and any future agreement between the Purchaser (or successor in interest) and the AAFPO board shall be used for the improvement, maintenance or construction of any amenity or amenity related project as designated by the AAFPO board in its sole discretion.

The Purchaser agrees for itself and successors in interest that the AAFPO responsibilities for collection of assessments will be contracted to the Purchaser or its successors in interest and that they will be performed for consideration of no more than \$1 chargeable to the AAFPO discretionary account as an expense of the AAFPO.

The Purchaser (or successor in interest) shall obtain at its expense general liability insurance coverage to which the Association of Angel Fire Property Owners, Inc., a New Mexico non-profit corporation and its officers and directors shall be added as additional insureds.

(iii) The Purchaser or an agent designated jointly by POA and Purchaser will collect the Annual Assessment as an agent of the POA under a contract for so doing.

(j) **Future POA Decisions.** The following matters shall be the subject of future POA discussions and mutual agreement between the Plan Funder and the POA Board.

(i) Usage of amenities and rules therefore:

(ii) The annual amenities budget provided to the POA each year shall include \$100,000.00 POA discretionary account category which includes .05% of the collected annual assessments every year (starting with the 1995/1996 season) to defray the POA's expenses (i.e. postage, mailings to POA member, copy costs), and which remaining amount may be designated to the Property Owners' Association in its sole discretion for the improvement, maintenance or construction of any amenity or amenity related project. The POA discretionary account shall be deemed to be a part of the amount needed for summer operations for the purposes of determining the balance needed to be retained in the property owner's account as of April 15th of each dues year.

(k) **Infrastructure Improvements.** Pursuant to the Plan, Purchaser hereby covenants that it shall complete the installation of the Infrastructure Improvements, commonly referred to as the "Infrastructure Improvements," previously promised to the Property Owners by AFC as outlined in section 4.7. Within sixty (60) days of the Effective Date, Purchaser shall provide the Property Owners Association with its plans for installation of the Infrastructure improvements.

(l) **Capital Improvements.** The Purchaser shall commit to pay \$4.5 million to fund capital improvements to the Amenities during the years 1995 through 1999, subject to and only upon the satisfaction of the following:

(i) The Purchaser obtaining all necessary and required permits and licenses for improving the Amenities; and

(ii) The Purchaser obtaining appropriate agreements to acquire adequate water rights for the development of those capital improvements to the Amenities related to snow making and the golf course.

(m) **Guest Privileges.** The half-price structure for fees on guests use of the amenities shall be terminated as of the Closing Date. Purchaser may offer various incentive programs including discount guest ticket programs to Property Owners for the benefit of their guests.

(n) **Miscellaneous Provisions.** In addition to the changes discussed hereinabove, the Bylaws of the Property Owners Association shall be amended to reflect the following terms of the Plan:

(i) During the six (6) months following the Closing Date, the Purchaser may make a one time offer in the form of reduced payment on past due Annual Assessment to permit delinquent memberships to be reinstated.

(ii) The POA, and the Purchaser will cooperate in good faith in an attempt to create a structure to eliminate New Mexico gross receipts tax on Annual Assessment collections if legally possible.

(iii) Once the \$4.5 million capital improvements to the resort begin and the contracts state a completion date (which completion date shall be prior to the start of the next ski season) then the gross receipts tax shall be implemented in the following Annual Assessment Season (the Assessment Season which follows the start of the capital improvements), e.g., if \$4 million in lift improvements begin in June of 1996, with the completion date of December 15, 1996, the gross receipts tax on the Annual Assessment collections may be added directly to the Property Owners' Annual Assessments to be paid by the Property Owners starting in the 1996-97 Annual Assessment Season.

(iv) In the event that the Village of Angel Fire or any other public taxing authority or governmental entity or unit imposes any discriminatory tax increase, levy, assessment, user fee or similar charge for or on the Amenities, such charge shall be added directly to the Property Owners' Annual Assessment to be paid by the Property Owners.

(v) All existing multiple Homesite Owners shall be converted to full Annual Assessment paying status. The conversion shall be graduated 25% per year over the time period commencing on October 1, 1995 and ending on September 30, 1999, at which time multiple Homesite Owners shall be required to pay each of the full Annual Assessments as billed.

(vi) The POA Board will have an advisory role on issues such as operating programs, annual budgets and capital improvements which fit within the limitation described herein. The Purchaser agrees to review the amenities operating and capital budget with the POA Board prior to the fiscal year in which Annual Assessment monies are contemplated to be spent. Except as set forth herein with respect to Annual Assessment increases related to capital improvements, it is not contemplated that Annual Assessment money would be spent on capital improvements. The POA Board will have veto power over any operating budget which proposes an increase of Annual Assessment over and above the CPI for normal operations and maintenance of the amenities.

(vii) The AAFPO will be formed as a successor to the existing POA. It will be immediately effective and will have four (4) members of the Committee and Tom Mastin, A. L. Clanton, Robert Dillon, and Bruce Lawrence, as its initial Board of Directors. If the Board of the POA has not voted and tabulated the votes on any matter presented to it for a vote by the Purchaser within 45 days of the date of presentation of the issue, the issue presented will be deemed approved. If an issue is presented by the Purchaser to the POA which

requires a vote of the membership of the POA, such vote will be taken and tabulated within ninety (90) days of presentation of the issue, or it will be deemed approved. The proposed Articles and By-Laws for the POA, are attached hereto and incorporated herein as Exhibit "I". These Articles and By-Laws shall become operative upon the Effective Date. The POA Articles and By-Laws shall provide that the Purchaser shall hold an ex officio seat on the Board of Directors of the POA. The Purchaser and its successors will not be able to vote any lots or undeveloped real property owned by it in any election or vote held by the POA. The Purchaser and successors shall be a non-voting member of the POA.

(viii) Nothing in this Plan shall be deemed to constitute an exclusive right of Property Owners to use of the Amenities.

(ix) Other members currently in good standing who are not property owners, the approximately 26 memberships previously sold by Fox Benton, shall have the continued right to the same use of the amenities as property owners upon payment of annual assessment dues.

(o) The new Articles of Incorporation and By-Laws of the POA are attached hereto as Exhibit "I".

(p) **Water and Sewer Improvements.** Those improvements necessary and required for the development of adequate water and sewer systems and facilities shall be subject to the following alternatives, one of which shall be implemented:

(i) The sale or transfer of water and sewer facilities to the Village of Angel Fire subject to approval of the public Utilities Commission and the lease or sale of adequate water rights for the development and expansion of water treatment and distribution facilities, sewer collection and treatment facilities and adequate water rights for the operation of existing Amenities and future development of the Angel Fire resort, acceptable to Purchaser in its reasonable discretion; or

(ii) The creation and development of a quasi-municipal sewer and water district or other appropriate governmental or political entity or unit in good faith cooperation with the Property Owners, for acquiring water treatment and distribution facilities and adequate water rights for the operation of existing Amenities and future Development of the Angel Fire Resort acceptable to Purchaser in its reasonable discretion; or

(iii) In the event that alternatives a or b immediately above cannot be agreed upon and implemented within a reasonable period of time, then the Purchaser shall charge and the Property Owners (including the Purchaser's improved lots) shall pay as needed in the reasonable judgment of the Purchaser, as a special water and sewer improvement charge, \$2 million, or if required under either subsection a or b immediately above, up to \$2 million, toward the creation and development of water treatment and distribution facilities, sewer collection and treatment facilities and adequate water rights for the operation of existing

Amenities and future development of the Angel Fire Resort. The special water and sewer improvement charge shall be amortized and administered in line with the annual increases in the Annual Assessment for capital improvements as provided for under the Plan, but shall not be subject to any cap provided therein.

4.17 Class 17 (Small Unsecured Claims).

Class 17A. Each holder of a Small Unsecured Claim against AFC, to the extent Allowed, will be paid in full in Cash on the Initial Distribution Date. Class 17A is an Unimpaired Class.

Class 17B. Each holder of a Small Unsecured Claim against AFSC, to the extent Allowed, will be paid in full in Cash on the Initial Distribution Date. Class 17B is an Unimpaired Class.

Class 17C. Each holder of a Small Unsecured Claim against SDCIV, to the extent Allowed, will be paid in full in Cash on the Initial Distribution Date. Class 17C is an Unimpaired Class.

4.18 Class 18 (Sunwest Secured Claim). Sunwest's Secured Claims against AFC set forth in subparagraphs (A) and (B) of paragraph 3.18, to the extent Allowed, shall be satisfied in full by payment of Cash equal to the value of the Allowed Secured Claim on the Initial Distribution Date. Any Deficiency Claim will be treated as a Class 22A Claim.

4.19 Class 19 (Ticor Secured Claims). Ticor's Secured Claim against ASC to the extent allowed, shall be satisfied in full by payment of cash equal to the value of the Allowed Secured Claim on the Initial Distribution Date. Any Deficiency Claim will be treated as a Class 22B Claim.

4.20 Class 20 (Thomas Secured Claim). Mrs. Ruby Thomas' Secured Claim against AFC, to the extent Allowed, shall be satisfied in full by payment of Cash equal to the value of the Allowed Secured Claim on the Initial Distribution Date. Any Deficiency Claim will be treated as a Class 22A Claim.

4.21 Class 21 (UMCC Secured Claim). UMCC's Secured Claim against AFC, to the extent Allowed, shall be satisfied in full by payment of Cash equal to the value of the allowed secured claim on the Initial Distribution Date. Any Deficiency Claim will be treated as a Class 22 Claim in the appropriate estate or estates.

4.22 Class 22 (Unsecured Claims).

Class 22A. Each holder of an Unsecured Claim against AFC, including Parker's \$5 Million Deficiency Claim, to the extent Allowed, shall be paid in Cash on the Initial Distribution Date, their Pro Rata share of the AFC Unsecured Claims Fund Amount.

Class 22B. Each holder of an Unsecured Claim against AFSC, to the extent Allowed, shall be paid in Cash in full on the Initial Distribution Date up to \$10,000.00.

Class 22C. Each holder of an Unsecured Claim against SDCIV, to the extent Allowed, shall be paid in Cash on the Initial Distribution Date, their Pro Rata share of \$10,000.

ARTICLE V EXECUTORY CONTRACTS

5.1 Executory Contracts and Unexpired Leases.

A. **Assumption Of Certain Executory Contracts.** All of the Debtors' executory contracts, licenses, and unexpired leases shall be deemed rejected as of the Confirmation Date except the following (if they have not expired), which shall be deemed assumed:

AFC

- (i) The contract dated February, 1993 between the Debtor and Northern New Mexico Security;
- (ii) The lease dated January, 1990 between the Debtor and Moreno Valley Broadcasting;
- (iii) The lease, if any, for the health equipment located in the Legends hotel;
- (iv) The lease dated 1990 between the Debtor and Textron Financial Corporation;
- (v) The lease between the Debtor and Gelco for an office trailer;
- (vi) The equipment lease agreement dated December 14, 1990 between the Debtor and Winter Lock, Ltd. (National Management Services);
- (vii) The outdoor concession agreement dated August 31, 1993, between Debtor and Debra E. Ledford, d/b/a Siberian Espresso;
- (viii) The television service contract agreement dated January 1, 1994 between the Debtor and Amco Televisions, Inc.;
- (ix) The television lease agreement dated May 28, 1991 between the Debtor and GE Capital;

- (x) The lease between the Debtor and United States Outfitters, Inc.;
- (xi) The lease dated September 14, 1987 between the Debtor and Borg-Warner;
- (xii) The oral lease between the Debtor and Luis Pereda ;
- (xiii) The contract dated in October, 1993 between the Debtor and Christopher Stewart;
- (xiv) All executory contracts evidenced by the Notes Receivable, except for any executed by and between the Debtor and any Infrastructure Claimant; and
- (xv) Those unexpired leases and executory contracts with respect to which the Purchaser has filed an application to assume prior to thirty (30) days after the Effective Date.
- (xvi) Unexpired lease between the Debtor and the Angel Fire Sportsman's & Conservation Club, dated September 8, 1977.

AFSC

- (i) The lease dated August 15, 1991 between the Debtor and Bell TriCon Leasing;
- (ii) The equipment lease agreement dated December 14, 1990 between the Debtor and Winter Lock, Ltd. (National Management Services);
- (iii) The lease dated September 14, 1987 between the Debtor and Borg-Warner; and
- (iv) Those unexpired leases and executory contracts with respect to which the Purchaser has filed an application to assume prior to thirty (30) days after the Effective Date.

SDCIV

- (i) The equipment lease, if any, with Universal Gym Equipment, Inc. regarding exercise equipment at the Hotel;
- (ii) The equipment lease dated October 1, 1993 between the Debtor and Amco Televisions, Inc.;

(iii) The lease dated November 21, 1991 between the Debtor and Roger Hill, Brenda Crank, and Margaret Cottingham;

(iv) The rental contract dated February, 1994 between the Debtor and Ed's Refrigeration, Inc.;

(v) The lease dated June 23, 1989 between the Debtor and Mark Leininger and Deborah McCaleb, d/b/a Mountain Sweets and Gifts; and

(vi) Those unexpired leases and executory contracts with respect to which the Purchaser has filed an application to assume prior to thirty (30) days after the Effective Date.

ARTICLE VI ACCEPTANCE OR REJECTION OF PLAN

6.1 **Impaired Classes.** All Classes except Classes 15 and 17 are impaired by the Plan, and Creditors holding Claims in such Classes shall be entitled to vote to accept or reject the Plan.

6.2 **Acceptances of Plan.** Each Impaired Class shall have accepted the Plan if the Plan is accepted by at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the holders of Claims of each Class that have accepted or rejected the Plan.

6.3 **Confirmation of Plan by Bankruptcy Court by Cramdown.** If any Impaired Class fails to accept the Plan, the Trustee and Parker nonetheless request that the Bankruptcy Court confirm the Plan in accordance with Section 1129(b) of the Bankruptcy Code.

ARTICLE VII MEANS OF EXECUTION

7.1 **Funding the Plan.** Trustee and Purchaser will close the sale of all assets of the estates on the Closing Date in accordance with the Asset Purchase Agreement, at which time all assets will be transferred to Purchaser. The distributions hereunder shall be provided by (i) cash on hand on the Effective Date; (ii) up to \$12,000,000 in cash from the Purchaser; (iii) cash flow from the post-confirmation operations of the Purchaser.

7.2 **Actions taken to Consummate the Plan.** The Debtors and/or the Chapter 11 Trustee shall execute all documents and take all other action necessary or appropriate to accomplish the transactions contemplated under the Plan.

7.3 **Control of the Reorganized Debtors.** On the Closing Date the Purchaser shall be the sole owner of the Reorganized Debtors, and shall have all rights attendant thereto. To

the extent required, the Reorganized Debtors' corporate charter shall comply in all respects with § 1123(a)(7) of the Bankruptcy Code.

7.4 Payment of Allowed Secured Claims. On the Closing Date, the Purchaser shall pay all Allowed Secured Claims in Cash.

7.5 Payment of Allowed Unsecured Claims.

A. Payment of Allowed Unsecured Claims Against AFC.

1. Establishment of the AFC Unsecured Claims Fund. On the Closing Date, the Purchaser shall put the AFC Unsecured Claims Fund Amount into the AFC Unsecured Claims Fund.

2. Payments from the AFC Unsecured Claims Fund. On the Initial Distribution Date, the Purchaser shall distribute from the AFC Unsecured Claims Fund to holders of Allowed Unsecured Claims against AFC such holders' Pro Rata share of the AFC Unsecured Claims Fund Amount.

3. Payments of Disputed Unsecured Claims that Are Subsequently Allowed. If any Disputed Unsecured Claim is later Allowed in full or in part by the Bankruptcy Court, the Purchaser shall make distributions from the AFC Unsecured Claims Fund to the holder of such Claim on the Initial Distribution Date.

4. Increase in Pro Rata Share for Disallowed Unsecured Claims. If any Disputed Unsecured Claim is determined to be a Disallowed Claim in full or in part, the disallowed amount of the Claim shall increase the Pro Rata share of the AFC Unsecured Claims Fund of each holder of an Allowed Unsecured Claim; provided that the payment to Parker shall not increase such that Parker receives a total of more than \$6,000,000 for all of its Claims.

5. Resolution of Disputed Unsecured Claims. Unsecured Claims that are Disputed Claims shall be resolved in accordance with Article VIII of this Plan. Pending resolution of the Disputed Claims, the Purchaser shall not be required to distribute any funds to Disputed Claims, but may retain such funds in the AFC Unsecured Claims Fund.

B. Payment of Allowed Unsecured Claims Against AFSC. On the Initial Distribution Date, the Purchaser shall pay in full in Cash to holders of Allowed Unsecured Claims against AFSC the Allowed amount of their Claims. Unsecured Claims that are Disputed Claims shall be resolved in accordance with Article VIII of this Plan. Pending resolution of the Disputed Claims, the Purchaser shall not be required to distribute any funds to Disputed Claims, but may retain such funds. If any Disputed Unsecured Claim is later Allowed in full or in part by the Bankruptcy Court, the Purchaser shall pay such Claim on the Initial Distribution Date up to \$10,000.00.

C. Payment of Allowed Unsecured Claims Against SDCIV. On the Initial Distribution Date, the Purchaser shall pay to holders of Allowed Unsecured Claims against SDCIV such holders' Pro Rata share of \$10,000. Unsecured Claims that are Disputed Claims shall be resolved in accordance with Article VIII of this Plan. Pending resolution of the Disputed Claims, the Purchaser shall not be required to distribute any funds to Disputed Claims, but may retain such funds. If any Disputed Unsecured Claim is later Allowed in full or in part by the Bankruptcy Court, the Purchaser shall pay to the holder of such Claim its Pro Rata share of \$10,000 on the Initial Distribution Date.

7.6 Unclaimed Property. All Unclaimed Property shall vest in the Purchaser if not claimed by the proper Claimant within two years after the date the property was supposed to have been distributed.

7.7 Dissolution of the Committee. Upon the Closing Date, the Committee shall be dissolved and its members, agents, and Professional Persons shall be deemed released of all of their duties, responsibilities, and obligations, and they shall be without any further duties, responsibilities, or authority in connection with the Debtor, the Purchaser, the Purchaser, the Reorganization Case, or the Plan and its implementation. Fees incurred after the Closing Date by Professional Persons employed by the Committee shall not be Allowed.

7.8 Post-Confirmation Operations. On the Closing Date, the Purchaser shall have full authority to operate its business, retain professionals, buy and sell property, hire and fire employees, and otherwise operate to the fullest extent allowed by law, without further order of the Bankruptcy Court, and without Bankruptcy Court approval of compensation for any services rendered after the Effective Date. Between the Effective Date and Closing Date all prior orders of the Bankruptcy Court shall remain in full force and effect.

7.9 Transferred Bankruptcy and Other Powers of the Purchaser. As of the Closing Date, the Purchaser shall own and exercise, all the powers of a debtor in possession for the purposes of objecting to Claims and prosecuting claims and causes of action under §§ 542, 543, 544, 545, 547, 548, 549, 550 and 553 of the Bankruptcy Code, available to the Debtors' Estates, with full authority to preserve, compromise, and resolve all such Claims and causes of action. The powers and duty of the Chapter 11 Trustee shall continue after the confirmation date until the Closing Date. The Purchaser shall also have full right, power, and authority to investigate and, if necessary, object to Claims and to commence actions to collect any assets or causes of action. For these purposes, the Purchaser shall be considered a representative of the Debtors' Estates, under § 1123(b)(3)(B) of the Bankruptcy Code.

7.10 Further Authorization. The Purchaser shall be entitled to seek such orders, judgments, injunctions, and rulings as it deems necessary to carry out the intentions and purposes of, and to give full effect to the provisions of, the Plan.

7.11 Final Decree. Notwithstanding any other provision of the Plan, the Final Decree shall be entered only after all conditions precedent to substantial consummation of the Plan have been satisfied or waived.

7.12 Withholding Taxes. The Purchaser shall be entitled to deduct any federal or state withholding taxes from any payments made with respect to Allowed Claims, as appropriate, and shall otherwise comply with § 345 of the Bankruptcy Code.

7.13 Abandonment. The Purchaser may abandon any property it determines in its reasonable discretion to be of de minimis value, including any adversary proceeding or other legal action commenced or commenceable by the Debtors or the Purchaser.

7.14 Cramdown. If any impaired class of Claims fails to accept this Plan, the Plan proponents request that the Bankruptcy Court confirm the Plan in accordance with 11 U.S.C. § 1129(b).

7.15 Indemnification Obligations. Any obligations of the Debtors to indemnify or defend the Debtors' present or former directors, shareholders, officers, attorneys, agents, or partners pursuant to charter, bylaws, contract, and/or applicable state law shall be deemed to be, and shall be treated as though they are, executory contracts that are specifically rejected under the Plan, and no such obligation shall survive confirmation of the Plan.

7.16 Reducing Plan Provisions to Further Writings. The Plan provisions that apply to each Class upon the Effective Date need not be further reduced to writing and executed by the parties to be binding.

7.17 Operating Reports. The Purchaser shall not be required to file any monthly or other operating reports after the Closing Date.

7.18 Termination of Officers and Directors. On the Closing Date, the Debtors' present management, officers, and directors shall be terminated. Accordingly, after such date no current officer or director of the Debtors shall have further obligations or authority with respect to the Reorganization Cases or the Purchaser.

7.19 Termination of the Chapter 11 Trustee. Upon Closing Date, after making all required cash distributions, the Chapter 11 Trustee's duties shall terminate, the Chapter 11 Trustee shall be discharged, and all of the Chapter 11 Trustee's duties and powers shall vest in the Purchaser. Fees incurred after the Closing Date by Professional Persons employed by the Chapter 11 Trustee shall not be Allowed.

7.20 Treatment of Expenses Incurred in Bankruptcy. All expenses, including attorneys fees and costs, of Chaffin Light Associates ("CLA") and the NC Group incurred in pursuit of the Angel Fire acquisition, which expenses include, but are not limited to, CLA's due diligence costs and expenses and all expenses incurred related to this Plan and the POC/CLA

Plan and Disclosure Statement, up to and including April 20, 1995, and continued legal, travel and related costs past April 20, 1995, to the extent involving approval of, or defending challenges to the provisions of this Plan concerning the treatment of CLA and the NC Group, shall be treated by the Purchaser as more fully set forth in and subject to the terms of the agreement between Purchaser and CLA in the following manner:

A. The payment to CLA and the NC Group in cash by the Purchaser on the Closing Date of \$200,000, including and in addition to one of the following three options to be selected by CLA pursuant to the agreement:

1. CLA and the NC Group shall receive from Purchaser a 2% "net profits" interest (the "Net Profit Interest") in the total operations of the assets acquired by Purchaser to be paid pro rata with the capital accounts of Purchaser after the initial equity in Purchaser has been repaid together with a 10% return thereon and the payment by Purchaser of the balance of CLA and the NC Group's unreimbursed expenses on the same basis as Purchaser's initial equity; or

2. CLA shall have the right to buy, at a price of \$4,167 per lot, thirty (30) foreclosed lots and CLA shall receive payment from Purchaser of its unreimbursed expenses in the same manner as provided in paragraph 1 immediately above; or

3. CLA and the NC Group shall receive the Net Profit Interest as provided in paragraph 1 above and shall take title to thirty (30) lots at a time no later than the time Purchaser has acquired, via foreclosure, sixty (60) lots. CLA shall not receive payment for unreimbursed expenses under this option.

7.21 **CLA Option.** CLA and the NC Group shall have the option to assume the rights and obligations of the Purchaser under this Plan in the event Purchaser is unwilling, unable, or otherwise fails to close for any reason. The option shall be exercised and CLA shall Close within thirty (30) days, after the earlier of (i) the date Purchaser is required to Close under this Plan and fails to do so, or (ii) the date Purchaser states in writing that it will not Close for any reason, unless extended by the written consent of all Plan proponents.

7.22 **Management Agreement.** CLA and Purchaser shall enter into a Management Agreement for CLA to manage the development, marketing, and sales of the real estate held for development and sale by Purchaser with these key provisions:

a. CLA shall receive fees for the management services equal to 3% of the gross sales in the real estate development entity plus 15% of the "net profits." In addition to these fees, CLA will receive a fixed fee of \$150,000 during the first two years. The definition of "net profits" will be based upon generally accepted accounting principles for determining net income from the real estate development with provisions which include specifically agreed upon amounts allocated to the initial purchase of the real estate; preclude unusual allocations of other capital costs, operating expenses, or parent company expenses from the other resort

operations, parent companies, or other affiliates of either party; and provide for a long-term lease and rent at a market rate on the existing sales office.

b. The Management Agreement shall have a term of 25 years with a provision that Purchaser may not terminate the agreement during the first two years, can terminate the agreement during years 3 - 10 by paying a termination fee of \$500,000 and can terminate the agreement after 10 years by paying a termination fee of \$250,000.

c. The real estate which CLA will manage will include all real estate acquired by Purchaser at closing and any subsequently acquired real estate by Purchaser or its affiliates which will be held for development and sale. Excluded from the assets which CLA will manage are the operating assets of the resort, e.g., the Legends Hotel, the ski area, the golf course, clubhouse, tennis courts and other operating amenities, any notes receivable, and the present time share inventory.

ARTICLE VIII PROCEDURE FOR RESOLVING DISPUTED CLAIMS

8.1 **Power to Object to, Litigate, and Settle Disputed Claims.** After the Closing, the Purchaser will have sole authority to (i) file objections to Claims, (ii) to file proofs of Claim on behalf of creditors who do not file claims within the period set for doing so, pursuant to Bankruptcy Rule 3004, and (iii) litigate to final judgment, settle, or withdraw objections to Disputed Claims.

8.2 **Time to Object to Claims.** The Purchaser shall file any objections to Claims on the later of (i) thirty (30) days after the Effective Date, or such later date as the Bankruptcy Court shall fix pursuant to a motion filed prior to thirty days after the Effective Date, or (ii) with respect to Claims based upon the rejection of unexpired leases or executory contracts, sixty days after the Bar Date for filing such Claims, except for objections to Administrative Claims and Fee Requests set forth in Article II. Provided, however, that nothing in this section or any other language in this Plan shall be interpreted to bar CLA from having the right to object to Claims within thirty (30) days subsequent to the exercise of the option contained in Section 7.21 (this Section does not modify Section 4.14).

8.3 **Valuation of Secured Claims.** Pursuant to § 506(a) of the Bankruptcy Code and Bankruptcy Rule 3012, the Bankruptcy Court pursuant to a motion of the Purchaser filed within thirty (30) days after the Effective Date, shall determine the value of any Claim secured by a lien on property in which the Estate has an interest, unless the value is agreed upon by the parties or previously determined by the Bankruptcy Court. If the Purchaser elects to surrender some but not all of a Secured Claimant's collateral, the Court shall determine the value of both the surrendered collateral and the retained collateral. If no such motion to value is filed by the required date with respect to a Secured Claim, that Claim shall be deemed to be an Allowed Secured Claim in the amount set forth in the Claimant's proof of Claim, or as otherwise agreed by the Purchaser and the Claimant. If an objection to a Claim is timely filed, a subsequent

amendment to the objection may also be deemed timely, even if filed subsequent to the deadline for filing the original objection, and even if the amendment raises facts or legal theories not raised in the original objection.

8.4 Escrow in Event of Disputed Secured Claim. With respect to all Disputed Secured Claims, the Purchaser shall withhold from the property to be distributed under the Plan, and shall place in escrow, all amounts that would otherwise be distributed. Upon request for estimation by the Purchaser, the Bankruptcy Court shall determine what amount is sufficient to withhold as the escrowed amount. If practicable, the Purchaser may invest any cash it has withheld in escrow in a manner that will yield a reasonable net return, taking into account the safety of the investment.

8.5 Payment After Allowance. Payments to holders of Disputed Claims or Interests, to the extent such Claims or Interests ultimately are Allowed, shall be made in accordance with the provisions of the Plan governing the Class of Claims or Interests to which the respective holder belongs. As soon as practicable after the date that the order or judgment of the Bankruptcy Court allowing such Claim or Interests becomes a Final Order, any property that would have been distributed prior to the date on which a Disputed Claim or Interest became Allowed shall be distributed, together with Interest at the rate provided for in the Plan.

8.6 Treatment of Disallowed Claims. Disallowed Claims shall receive no payment, and shall be discharged in full. Any amounts the Purchaser escrowed on account of such Disallowed Claim pending a determination of the Bankruptcy Court of the Claim's Allowance shall be (i) used to pay other, Allowed Claims, or (ii) returned to the Purchaser.

8.7 Resolution of Disputed Claims. After the Closing, the Purchaser shall diligently pursue resolution of all Disputed Claims.

ARTICLE IX EFFECT OF PLAN ON CLAIMS AND INTERESTS

9.1 Limitation of Claims Against the Purchaser. Except for liabilities and obligations expressly assumed by the Purchaser under the Plan, the Purchaser shall have no liability for any Claims and Interests, including without limitation demands, liabilities, Claims, and Interests that arose before the Confirmation Date and all debts of the kind specified in 11 U.S.C. §§ 502(g), 502(h), or 502(i), whether or not: (a) a proof of claim or proof of interest based on such Claim or interest is filed or deemed filed pursuant to 11 U.S.C. § 501; (b) a Claim or Interest based on such debt or interest is Allowed pursuant to §502; (c) the holder of the Claim or Interest has accepted the Plan or (d) the basis for asserting liability is that the Purchaser is the successor of the Debtors under applicable law; and all Persons shall be precluded from asserting against the Purchaser, or its successors, or its assets or properties, any other or further Claims or equity Interests based upon any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Confirmation Date. To the extent not inconsistent with §1141(d)(3) of the Bankruptcy Code, the Plan shall act as a discharge of any

and all Claims against and all debts and liabilities of the Debtors, as provided in 11 U.S.C. §§ 524 and 1141, and such discharge shall void any judgment against the Debtors at any time obtained to the extent that it relates to a Claim discharged, provided however, that (i) the Purchaser will not be discharged or released from the obligations or liabilities to be paid or performed under the Plan, and (ii) any liability of the Guarantors to creditors shall not be discharged. The Purchaser assumes only those obligations or liabilities to be paid or performed under the Plan.

9.2 Injunction. Except as otherwise expressly provided in this Plan, entry of the Confirmation Order will permanently enjoin all Persons who have held, hold, or may hold Claims or Interests on and after the Effective Date (a) from commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claim or Interest against the Purchaser; (b) from the enforcement, attachment, collection, or recovery by any manner or means of any judgment, award, decree, or order against the Purchaser, or the property of the Purchaser with respect to any such Claim; (c) from creating, perfecting, or enforcing any encumbrance of any kind against the Purchaser or against the property of the Purchaser with respect of any such Claim; (d) from asserting any setoff, right of subrogation, or recoupment of any kind against any obligation due from the Purchaser thereof, or against the property of the Purchaser with respect to any such Claim or (e) from asserting that the Purchaser is liable for any Claim or Interest because it is the successor of the Debtors under applicable law. If Purchaser or Chaffin Light Associates fails to Close, the injunction is dissolved.

9.3 Full and Final Satisfaction. The final payments and distributions provided in respect of each Allowed Claim in the Plan shall be in full settlement of such Allowed Claim to such Claimant.

9.4 Reservation of Rights. Unless otherwise provided for in the Plan, all claims or causes of action, cross-claims, and counterclaims of any of the Debtors, of any kind or nature whatsoever, against third parties arising before the Confirmation Date that have not been disposed of prior to the Confirmation Date shall be preserved for the benefit of the Purchaser, and vested in and prosecuted by the Purchaser as it sees fit.

9.5 Plan not an Admission of Liability. Until the Closing Date, (i) the compromises, settlements, releases, and abandonments set forth in the Plan, including the deemed allowance of Parker's claims shall be of no force or effect except for purposes of obtaining confirmation of this Plan; (ii) nothing contained in the Plan, including the allowance and treatment of Parker's Claims, shall be deemed to be an admission that any Claim that could be asserted by any Person is valid in any respect; and (iii) nothing in the Plan or Disclosure Statement, including the allowance and treatment of Parker's Claims, may be admitted into evidence or otherwise used in opposition to any action, suit, motion, or other proceeding brought on any such Claim. If the Closing Date does not occur, nothing contained in the Plan shall be deemed to alter, amend, release, waive, or modify any defense, claim, or offset that Parker, the Trustee or the Debtors may have to the Claims of any holder under this Plan.

9.6 Purchaser Not A Successor of the Debtors. To the extent the Plan does not pay a Claim against or debt of any Debtor in full, whether or not (i) such Claim or debt was Allowed, (ii) the holder of such Claim or debt timely filed a proof of Claim, or (iii) the holder of such Claim received notice of the Reorganization Cases, the holder of such a Claim or debt may not seek to have the Purchaser or its assets pay or be obligated for such Claims or debts, on the theory that under applicable federal, state, or other law the Purchaser is the successor of any Debtor.

ARTICLE X VESTING OF ASSETS

10.1 Property Vests in Purchaser. On the Closing Date, except as otherwise specifically set forth in this Plan all Property of the Estate of the Debtors and each and every claim or cause of action that was asserted or could have been asserted by the Debtors or the Chapter 11 Trustee against any party, in the Reorganization Cases or otherwise, including causes of action for recovery of preferences, fraudulent conveyances, and any other action maintainable under §§ 542 through 553 of the Bankruptcy Code, shall vest in the Purchaser, free and clear of all Claims and Interests. Upon the Closing Date the Purchaser shall be substituted as a party to all pending matters, adversary proceedings, claims, administrative proceedings, and lawsuits involving any Debtor, whether before the Bankruptcy Court or otherwise.

10.2 Litigation of Estate Claims. After the Closing Date, pursuant to 11 U.S.C. § 1123(b)(3)(B), the Purchaser shall retain and enforce, litigate, and liquidate all claims, causes of action, and interests belonging to the Debtors, the Chapter 11 Trustee, or to the Debtors' Estates.

10.3 Property Free and Clear of Liens and Interests. All Property of the Estate and the Purchaser, whether real property, personal property, stock in Subsidiaries, intangible property, or any other property interest, of any nature whatsoever, shall be free of Claims or interests of creditors, Interest holders, and other parties in interest, including taxing authorities, except as specifically provided for in the Plan or the Confirmation Order.

ARTICLE XI MODIFICATION OF THE PLAN

11.1 Prior to Confirmation. The Plan proponents, with the consent of Purchaser, may upon mutual agreement modify this Plan at any time prior to Confirmation so long as the modification complies with the requirements of §§ 1122 and 1123 of the Bankruptcy Code, including but not limited to modifying the treatment of one or more Classes of creditors if necessary to obtain Confirmation of the Plan or otherwise appropriate. Upon the filing of any such modification with the Bankruptcy Court, the Plan as modified becomes the Plan. Any signatory to the Plan shall agree to any modification that does not adversely affect the signatory's rights or treatment, or adversely affect the confirmability of the Plan, so long as, in

the signatory's reasonable judgment, such modification does not substantially affect the confirmability of the Plan.

11.2 **After Confirmation.** The Purchaser may modify this Plan after Confirmation to the extent permitted under § 1127 of the Bankruptcy Code, so long as such modification does not adversely affect any signatory's rights or treatment under the Plan. Notice shall be deemed sufficient if given to each creditor with an unpaid Allowed Claim in this Reorganization Case. However, if in the opinion of the Court the modification does not materially and adversely affect the interests of the creditors, the Court may authorize modification of the Plan without notice to any creditor.

11.3 **Acceptances.** Any acceptance of the Plan shall be deemed an acceptance of any subsequent modification of the Plan determined by the Bankruptcy Court not to materially and adversely affect or impair the Class of creditors for which the acceptance was presented.

ARTICLE XII RETENTION OF JURISDICTION

12.1 **Jurisdiction.** Unless the Bankruptcy Court determines otherwise, the Bankruptcy Court shall retain jurisdiction of the Reorganization Cases and over all adversary proceedings, contested matters, and other matters or proceedings under Title 11 of the United States Code or arising in or related to the Reorganization Cases, including without limitation jurisdiction to:

A. Consider any modification of the Plan under § 1127 of the Bankruptcy Code, to the fullest extent permitted under the Bankruptcy Code;

B. Hear and determine controversies, suits, and disputes between the Purchaser and any creditor that may arise in connection with the interpretation or enforcement of the Plan;

C. Hear and determine all requests for allowance of compensation and/or reimbursement of expenses by Professional Persons made after the Confirmation Date;

D. Classify, fix, liquidate, allow, or disallow Claims and direct distribution of the funds under the Plan, and hear and determine all objections to Claims, controversies, suits, and disputes pending on or after the Confirmation Date;

E. Hear and determine all adversary proceedings still pending and not dismissed, or which are hereinafter filed to determine disputed matters not disposed of by the Plan, but which relate to the Plan;

F. Adjudicate all Claims or controversies arising out of any purchase, sale, or contract made or undertaken by the Debtor during the pendency of these Reorganization Cases;

G. Hear and determine any and all applications, adversary proceedings, and other matters arising out of or related to the Plan, including but not limited to actions under §§ 506, 542, 543, 544, 545, 547, 548, 549, 550, or 553 of the Bankruptcy Code;

H. Order the sale of assets by the Purchaser out of the ordinary course of business and free and clear of or subject to liens or encumbrances, as the case may be, pursuant to § 363 of the Bankruptcy Code;

I. Correct any defect, cure any omission, or reconcile any inconsistency in the Plan or the Confirmation Order as may be necessary to carry out the Plan or the Confirmation Order, or as may be necessary to carry out the purposes and intent of the Plan;

J. Determine disputed applications for the assumption or rejection of executory contracts and unexpired leases under § 365 of the Bankruptcy Code, and determine the allowance of Claims resulting therefrom;

K. Determine any and all disputes arising under or relating to the Plan and enforce and administer the provisions of the Plan;

L. Enforce all Orders, judgments, injunctions, and rulings entered in connection with the Reorganization Case, including using Rule 7070 of the Federal Rules of Bankruptcy Procedure;

M. Enter a Final Decree under Bankruptcy Rule 3022 closing the Reorganization Cases;

N. Make such Orders as are necessary or appropriate to carry out the provisions of the Plan;

O. Make such Orders or give such direction as may be appropriate under § 1142 of the Bankruptcy Code; and

P. Undertake such other matters, consistent with the Plan, as may be provided for in the Confirmation Order.

ARTICLE XIII MISCELLANEOUS

13.1 **Remedies to Cure Defects.** After the Confirmation Date the Purchaser may, with the approval of the Bankruptcy Court and so long as it does not materially adversely affect the interest of Claimants, remedy any defect or omission, or reconcile any inconsistency in the Plan, or in the Confirmation Order, if necessary to carry out the purposes and the intent of the Plan.

13.2 Headings. Paragraph headings in this Plan have been inserted for the convenience of the reader. Such headings shall not serve in any way to limit or modify the provisions of the paragraph.

13.3 No Liability. In no event shall any signatory to this Plan, or any officers, directors, employees, attorneys, accountants, or the agents of any signatory to this Plan, have any responsibility or liability whatsoever to the Debtors, creditors, or other parties in interest, for any reason, unless expressly agreed in writing.

13.4 Effect of Failure to Close. If Purchaser does not Close on the Closing Date, and if CLA does not exercise its option set forth in paragraph 7.21 and Close on the Closing Date, the treatment of creditors set forth in the Plan shall be null and void, and the pre-confirmation rights and liens of all parties (including the right to file objections to the Claims of any creditors) shall be the same as before the Plan was confirmed and the time to object to Claims set out in Section 8.2 shall not apply.

13.5 Default in Payments. If any payment to a creditor or CLA required under this Plan is not made in the specified amount on or before the specified due date, the Purchaser shall be in default in its payment obligations under this Plan to that creditor or CLA, if the Purchaser fails to make the required payment within ten (10) business days after receipt of a written notice from the creditor and CLA, or the AAFPO on behalf of Class 7 and Class 16 creditors, that the payment was not made, sent by certified mail, return receipt requested. If there is an uncured payment default to a creditor or CLA after notice is given as set forth herein, that creditor or CLA may accelerate and declare immediately due the entire unpaid balance owing to that creditor or CLA under this Plan, enforce collateral rights, if any, and commence a collection action against the Purchaser for that amount in any court of competent jurisdiction; provided, however, that if Purchaser does not pay the funds required to be paid on the Closing Date, closing shall not occur and if CLA does not timely exercise its option under Section 7.21, any one or more Plan proponents may file modified plans either with or without joinder in the modified plans either with or without joinder in the modified plan(s) by other Plan proponents. However, the Purchaser may "decelerate" its obligation to the creditor or CLA (i.e., reinstate the payment provisions of this Plan) by paying to the creditor or CLA within thirty (30) days after expiration of the cure period all amount(s) past due (without acceleration), plus a late fee of fifteen percent (15%) of such past due amounts.

13.6 Other Defaults. If the Purchaser fails to perform any of its obligations under this Plan to a creditor or CLA, other than an obligation to pay money to a creditor or CLA, the Purchaser shall be in default in its nonpayment obligations under this Plan to that creditor or CLA if the Purchaser fails to perform the nonpayment obligation within thirty (30) days after receipt of written notice from that creditor or CLA, or the AAFPO on behalf of Class 7 and Class 16 creditors, of the Purchaser's failure to perform, sent by certified mail, return receipt requested or, if the default is not reasonably curable within 30 days, commence the cure within the 30 day period and diligently complete the cure. If there is an uncured nonpayment default to a creditor or CLA, that creditor or CLA may accelerate and declare immediately due the

entire unpaid principal balance owing to that creditor or CLA under the Plan, enforce collateral rights if any, and commence a collection action against the Purchaser for that amount in any court of competent jurisdiction.

13.7 **Setoff.** Nothing contained in this Plan shall constitute a waiver or release by the Debtors or the Purchaser of any right of setoff the Debtors or the Purchaser may have against any Claim or holder thereof.

13.8 **Binding.** As of the Effective Date, the provisions of this Plan shall be binding upon the Trustee, Parker, the Debtors, the Purchaser, and all creditors, holders, and parties in interest, and their respective agents and representatives, pursuant to § 1141(a) of the Bankruptcy Code.

13.9 **Successors and Assigns.** The rights, duties, and obligations of Persons named or referred to in this Plan shall be binding upon, and shall inure to the benefit of, the successors and assigns of such Persons.

13.10 **Governing Law.** Except to the extent the Bankruptcy Code is applicable, the rights and obligations arising under the Plan shall be governed and construed in accordance with the laws of the State of New Mexico.

13.11 **Enlargement of Time.** Any deadline to act or take action hereunder may be enlarged or shortened by written agreement of all affected parties. Upon appropriate notice and after a hearing, the Bankruptcy Court may shorten or enlarge the time to take or conduct any act required or allowed to be done under the Plan, for cause shown.

13.12 **Notices.** All notices and requests shall be given in the manner specified (or, if no manner is specified, by first class mail or overnight or hand delivery) and shall be deemed to have been given when received. Notices to the Purchaser shall be delivered to Walter L. Reardon, Jr., Trustee. The Purchaser may designate, in writing, other or additional recipients of notices by written notice.

13.13 **Means of Execution.** The Plan proponents or the Purchaser (as the case may be) shall take all steps and execute all documents necessary to implement the Plan.

PARKER TOWN SQUARE, INC.

By Kimberly Kittle
Kimberly Kittle, Vice President

POC

By Wayne Jones
Wayne Jones, Chairman

Tom Mastin, Robert Dillon,
Bruce Lawrence and A. L. Clanton

By Michael K. Daniels
Michael K. Daniels, Attorney

BILL J. SHOLER, TRUSTEE
5353 Wyoming Blvd. NE #1
Albuquerque, NM 87109
505/821-3343

THE FOLLOWING PARTIES HAVE AGREED TO BE BOUND BY THE TERMS OF THIS PLAN AS MAY BE MODIFIED FROM TIME TO TIME TO THE EXTENT APPROVED IN WRITING BY THEM IN THEIR SOLE DISCRETION, AND CONFIRMED BY ORDER OF THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF NEW MEXICO.

ANGEL PROJECT LIMITED,
A TEXAS LIMITED PARTNERSHIP
INC.

By Graig Martin
Graig Martin, President Angel
Project, Inc., General Partner

CHAFIN/LIGHT ASSOCIATES,

By _____
James W. Light, Chairman

ANGEL PROJECTS I, L.L.P., a Texas
Limited Liability Company

By Tim Allen
Its _____

ELAND ENERGY, INC.

By _____
Tim Allen, President

PARKER TOWN SQUARE, INC.

By _____
Kimberly Kittle, Vice President

POC

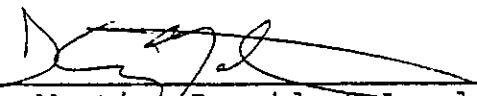
By _____
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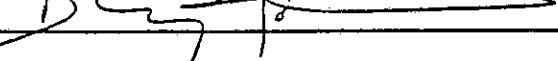
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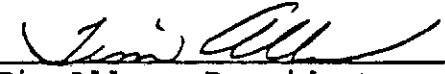
By 
Its manager

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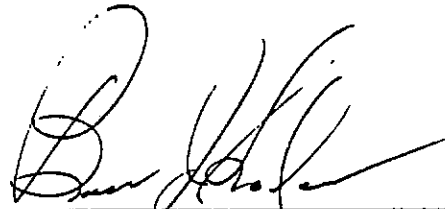
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ELAND ENERGY, INC.

By 
Tim Allen, President

PARKER TOWN SQUARE, INC.

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Kimberly Kittle, Vice President



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By _____
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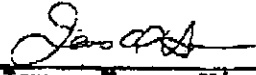
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signature