

EIGHTH JUDICIAL DISTRICT
COUNTY OF COLFAX
STATE OF NEW MEXICO

FILED
8TH JUDICIAL DISTRICT COURT
COLFAX COUNTY NM
FILED IN MY OFFICE
10/20/2020 3:17 PM
LAUREN M. FELTS-SALAZAR
DISTRICT COURT CLERK
Evanna Maldonado

**BOARD OF DIRECTORS OF
ASSOCIATION OF ANGEL FIRE
PROPERTY OWNERS, INC.,** a
New Mexico non-profit corporation,

Plaintiff.

v.

D-809-CV-2020-00183

ANGEL FIRE RESORT OPERATIONS, LLC,
a New Mexico limited liability company.

Defendant.

**COMPLAINT FOR DECLARATORY JUDGMENT,
BREACH OF FIDUCIARY DUTY AND INJUNCTIVE RELIEF**

Plaintiff Board of Directors of Association of Angel Fire Property Owners, Inc. (“AAFPO”),
by and through its attorneys, Walcott, Henry & Winston, P.C., for its Complaint for Declaratory
Judgment, Breach of Fiduciary Duty and Injunctive Relief, states as follows:

General Allegations

1. AAFPO is a New Mexico non-profit corporation with its principal place of business in Colfax County, New Mexico.
2. Defendant Angel Fire Resort Operations, LLC (the “Resort”) is a New Mexico limited liability company with its principal place of business in Colfax County, New Mexico.
3. On April 20, 1995, the United States Bankruptcy Court for the District of New Mexico entered an Amended Joint Plan of Reorganization (the “Plan”) that governs rights and duties between AAFPO and the Resort. The Plan is attached hereto and incorporated herein by reference as **Exhibit 1**.

4. Section 4.16(j)(ii) of the Plan was amended by Order dated February 21, 1996. (Ex. 1.)

5. AAFPO was incorporated on July 11, 1995. AAFPO's Articles of Incorporation (the "Articles") are attached hereto and incorporated herein by reference as **Exhibit 2**.

6. On February 15, 1996, AAFPO filed its By-Laws with the State of New Mexico, which are attached hereto and incorporated herein by reference as **Exhibit 3**.

7. On September 27, 1995, AAFPO filed a Supplemental Declaration of Restrictive Covenants and Easements ("Supplemental Declaration") in the Taos County Clerk's Office. The Supplemental Declaration is attached hereto and incorporated herein by reference as **Exhibit 4**.

8. Disputes between AAFPO and the Resort are governed by the provisions of Exhibits 1-4 hereto.

9. The Court has jurisdiction and venue to determine the disputes between the parties.

Count I

Declaratory Judgment Regarding the Lawful Constitution of AAFPO's Board of Directors

10. AAFPO incorporates herein by reference the General Allegations as if fully set forth herein.

11. On June 27, 2020, a regular AAFPO Board meeting was held to elect new officers for 2020. As of that date, the Board consisted of nine members.

12. On July 9, 2020, an Executive Session was called, during which four Directors resigned. As of that date, the Board consisted of five members.

13. On August 7, 2020, another Board member resigned, leaving the Board with four members.

14. On August 13, 2020, the remaining four Directors met and nominated four new

Directors to fill positions left vacant by resignations. As of August 13, 2020, the Board had eight Directors.

15. Since August 13, 2020, the Resort has repeatedly taken the position that the Board is not legally constituted because it did not have a quorum necessary to elect new Directors.

16. AAFPO's By-Laws, Article VI, Section 1 state that "the Association shall be managed by a Board of nine (9) Directors" (Ex. 3.)

17. NMSA 1978, § 53-8-20 states:

A. A majority of the number of directors fixed by the bylaws, or in the absence of a bylaw fixing the number of directors, then of the number stated in the articles of incorporation, shall constitute a quorum for the transaction of business, unless otherwise provided in the articles of incorporation or the bylaws; but in no event shall a quorum consist of less than one-third of the number of directors so fixed or stated. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless the act of a greater number is required by the Nonprofit Corporation Act, the articles of incorporation or the bylaws.

18. AAFPO's By-Laws, Article VI, Section 5, states:

Vacancies. In the event of death, resignation or removal of an elected director, his successor **shall be selected by the remaining elected directors** and shall serve until the next election of directors. (Emphasis added).

19. N.M.S.A.1978, § 53-8-19 (1975), states in pertinent part:

A. Any vacancy occurring in the board of directors and any directorship to be filled by reason of an increase in the number of directors may be filled **by the affirmative vote of a majority of the remaining directors, though less than a quorum of the board of directors**, unless the articles of incorporation or the bylaws provide that a vacancy or directorship so created shall be filled in some other manner, in which case such provision shall control. (Emphasis added).

20. Pursuant to the By-Laws, Article VI, Section 5, and NMSA 1978, §§ 53-8-19 and 53-

8-20, the Board had the authority, **and indeed the duty**, to appoint four new Directors so that the Board would have a quorum necessary to conduct the business of AAFPO on behalf of its members.

21. Consistent with the Declaratory Judgment Act, §§ 44-6-1, *et seq.* (1975), there is an actual controversy between the parties regarding interpretation of the By-Laws and provisions of the New Mexico Nonprofit Corporation Act, §§ 53-8-19 and 53-8-20, for which a decree from this Court may terminate any uncertainty or controversy.

22. AAFPO respectfully requests the Court enter a Declaratory Judgment that decrees that the current constitution of the Board of AAFPO is legal and that the Board has the authority to conduct business on behalf of AAFPO's members.

Count II

Declaratory Judgment Regarding AAFPO's Right to Information

23. AAFPO incorporates herein by reference the General Allegations and Count I as if fully set forth herein.

24. Pursuant to the Plan (Ex. 1.), the claims of the Property Owners, who are now members of AAFPO, were resolved in Section 4.16, by mutual agreements between the predecessor to the Resort and AAFPO and its members, in pertinent part to this dispute, as follows:

- a. AAFPO and its members would have rights to a Negative Easement for use of the Resort's Amenities (Ex. 1, § 4.16(a));
- b. AAFPO's members would pay an Annual Assessment, or would not have the right to use the Amenities (Ex. 1, § 4.16(b));
- c. The Resort would spend amounts received from the Annual Assessment for upkeep, maintenance, operation and improvement of the Amenities (Ex. 1, § 4.16(c));
- d. The Resort will provide an "annual amenities budget from the [Resort] prior to the

Annual Assessment being spent showing [AAFPO] how the [Resort] will break out the Annual Assessment proportionally by amenity” (Ex. 1, § 4.16(c));

- e. The Resort “shall prepare an annual report of the Annual Assessment collected for the prior year showing how the Annual Assessment was spent.” (Ex. 1, § 4.16(c));
- f. The Resort “must place the Annual Assessment funds in a separate segregated account to be held in trust for the Property Owners” (Ex. 1, § 4.16(f));
- g. AAFPO’s Board “will have veto power over the annual budget or any portion of the Annual Assessment contemplated by the [Resort] to be used for other than the Amenities, prior to those sums being spent.” (Ex. 1, § 4.16(f));
- h. AAFPO “will take responsibility for collection of the annual assessment in order to comply with requirements of New Mexico law wherein the [AAFPO] board must be responsible for annual assessment collection.” (Ex. 1, § 4.16(f));
- i. “A collection process will be worked out wherein [AAFPO] will subcontract the annual assessment collection to another party which could be the [Resort]. The process will be worked out with the [Resort] whereby the [AAFPO] board cannot unreasonably withhold the Annual Assessment funds from the [Resort].” (Ex. 1, § 4.16(f));
- j. “The [Resort] will not increase Annual Assessment for ‘commercial’ facilities, e.g., a new restaurant. The [Resort] understands that the Committee does not expect the Property Owners to use such facilities for free. Property Owners will be able to use, and will be charged the same rates as the public for use of these ‘commercial’ facilities.” (Ex. 1, § 4.16(i)(i));
- k. “The annual amenities budget provided to [AAFPO] each year shall include

\$100,000.00 or 5% of the collected annual assessments every year . . . whichever is greater.” (Ex. 1, § 4.16(j)(ii));

- l. As part of the 5% due to AAFPO, the Resort is to pay AAFPO “\$20,000.00 or 1% of the collected annual assessments every year, whichever is greater” as a “discretionary account” to cover “AAFPO’s ordinary and reasonable operating expenses.” (Ex. 1, § 4.16(j)(ii));
 - m. “The [Resort] agrees . . . 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 [AAFPO].” (Ex. 1, § 4.16(j)(ii));
 - n. “The [AAFPO] 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 [Resort] agrees to review the amenities operating and capital budget with the [AAFPO] Board prior to the fiscal year in which Annual Assessment monies are contemplated to be spent.” (Ex. 1, § 4.16(n)(vii)).
25. Pursuant to the Supplemental Declaration:
- a. “Declarant shall assess and the Property Owner of each Homesite shall pay to Declarant a nonrefundable annual assessment . . . to be used only for improvement, maintenance, upkeep, repair and operation of and additions to the Amenities.” (Ex. 4, § 3.A.)
 - b. “Declarant or the Association, as may be agreed between them, may enforce the provisions of this Paragraph 3.” (Ex. 4, § 3.C.)
 - c. “[T]he Property Owners irrevocably appoint the Association, and the Association

hereby accepts such Appointment, as their sole and exclusive agent for purpose of enforcing the provisions of Paragraphs 1 and 5 hereof and no Property Owner shall have an individual right to enforce the provisions of said paragraphs.” (Ex. 4, § 10.)

26. The Articles state, in pertinent part, that AAFPO shall have the power to:
 - a. Enforce the Protective Covenants and Restrictions (Ex. 2, Art. II(d));
 - b. Levy assessments and enforce payment thereof (Ex. 2, Art. II(e));
 - c. Review and approve the annual operating budget to be submitted by the Resort (Ex. 2, Art. II(f));
 - d. File or record liens and foreclose upon such liens for non-payment of assessments (Ex. 2, Art. II(h)).
27. The By-Laws set forth the Duties and Powers of the Board, including:
 - a. “To, in accordance with the Supplemental Declaration, establish the method for calculating the amount of yearly assessment dues to be paid by the members of the Association and to levy and collect those assessments, and to establish and collect reasonable annual assessments for the use of any or all of the Common Facilities and maintenance of the integrity of the Supplemental Declaration as the Board may deem necessary or desirable from time to time for the purpose of equitably allocating amount property owners and the public the cost of operation thereof.”
(Ex. 3, Art. VIII, § 14.)
 - b. “The method for calculating the amount of the assessments will be based upon the percentage of use of the Amenities by the members compared to that of the general public. These figures will be kept by the [Resort] along with the information on the income generated from the use of all Amenities, which will be annually audited and

submitted to the Board.” (Ex. 3, Art. VIII, § 14.)

- c. “[T]he [Resort] shall, no less than three (3) months prior to the beginning of the amenity year, submit a proposed operating budget, including the proposed yearly assessment amounts that individual property owners shall pay, and a list of the total amount of dues assessed. The Board shall have the right to review and approve said budget.” (Ex. 3, Art. VIII, § 14.)
- d. “The reasonableness of the annual assessment in the budget will be based on: 1) the pro rata share of the Members’ versus the general public’s use of the Amenities (broken down by amenity), compared to the income generated by each; and 2) the estimated operating expenses (by amenity), using the consumer price index as the basis for raising dues if necessary. This information will assist the Board in determining whether or not the Members’ assessments should be increased or decreased for the following fiscal year. (Ex. 3, Art. VIII, § 14.)
- e. “To perform all acts required of it under the Covenants and Restrictions, including but not limited to the enforcement of collection of the assessments, the hiring and designation of a collection agent, and enforcement of the Land Use Easement granted the Association and the Members in the Supplemental Declaration.”
(Ex. 3, Art. VIII, § 15.)
- f. “[T]he Board shall have the right to review the [Resort’s] amenities operating and capital budgets prior to the amenity year in which annual assessment monies are contemplated to be spent.” (Ex. 3, Art. VIII, § 17.)

28. The provisions of the Plan, Supplemental Declaration, Articles and By-Laws should all be considered when determining the rights, duties and obligations between AAFPO and the Resort.

29. AAFPO also has statutory duties as a Homeowners' Association:
 - a. Pursuant to NMSA 1978, § 47-16-6(B), AAFPO has the power to lien and foreclose liens on lots for unpaid assessments.
 - b. Pursuant to NMSA 1978, § 47-16-6(D), AAFPO has the duty to provide a recordable statement setting forth the amount of unpaid assessments against a lot owner's lot within ten business days after receipt of a request for such statement.
 - c. Pursuant to NMSA 1978, § 47-16-7(E), AAFPO shall adopt a budget annually and provide a copy of the budget to all lot owners.
 - d. Pursuant to NMSA 1978, § 47-16-7(F), AAFPO shall provide all lot owners a copy of the annual budget listing all fees and fines that may be charged to a lot owner by AAFPO or any management company retained by AAFPO.
 - e. AAFPO has an obligation to disclose the terms of any contract negotiated between AAFPO and any management company.
30. AAFPO has statutory and contractual duties to its members to provide information regarding what is being done with their annual assessments.
31. Currently, in order to discharge its statutory and contractual duties, AAFPO must rely on information to be provided by the Resort.
32. Currently, the Resort collects assessments from members of AAFPO.
33. The Resort maintains a database tracking compliance of AAFPO's members in paying assessments.
34. Pursuant to the Plan, the Resort is to pay AAFPO \$100,000 or 5% of assessments collected, whichever amount is greater, annually for AAFPO's amenities budget. (Ex. 1, § 4.16(j)(ii)).

35. Pursuant to the Plan, as part of the 5% due to AAFPO, the Resort is to pay AAFPO \$20,000 or 1% of assessments collected, whichever amount is greater, annually for AAFPO's discretionary account. (Ex. 1, § 4.16(j)(ii)).

36. Currently, the Resort pays 1% of assessments to AAFPO, less gross receipts taxes, on a monthly basis.

37. AAFPO is not receiving accounting from the Resort to show what the Resort is doing with the remaining collected assessments that should be paid to AAFPO.

38. Pursuant to the Plan, the Resort is to provide an annual report for AAFPO showing how it has spent the 95% of assessments that are not to be paid to AAFPO. (Ex. 1, § 4.16(c)).

39. AAFPO is currently not receiving a report from the Resort regarding its annual expenditures of collected assessments.

40. Pursuant to the Plan, the Resort is to provide a budget for AAFPO's approval regarding how future assessments will be spent. (Ex. 1, §§ 4.16 (c)& (f)).

41. AAFPO is not receiving information from the Resort required by the Plan prior to the Resort using the money it collects.

42. Currently, there is no written agreement between AAFPO and the Resort regarding the Resort's collection of and payment of monies due to AAFPO from AAFPO's members.

43. Although the Plan indicates that the Resort agrees to collect assessments on behalf of AAFPO, the Plan does not obligate AAFPO to contract with the Resort for the collection of assessments.

44. The Resort manages a database of AAFPO members. Although the Resort has maintained possession and control of the database, it is AAFPO's responsibility to be able to assess its members using accurate and updated membership information.

45. Currently, there is no written agreement between AAFPO and the Resort regarding the ownership and maintenance of the membership database.

46. AAFPO has made requests for access to information in the membership database from the Resort, and the Resort has refused to provide much of the information AAFPO has requested.

47. Consistent with the Declaratory Judgment Act, §§ 44-6-1, *et seq.* (1975), there is an actual controversy between the parties regarding interpretation of the Plan, Declaration, Articles, By-Laws and applicable statutes, regarding what information AAFPO is entitled to receive from the Resort, for which a decree from this Court may terminate any uncertainty or controversy.

Count III

Declaratory Judgment AAFPO's Right to Collect Assessments

48. AAFPO incorporates herein by reference the General Allegations and Counts I and II as if fully set forth herein.

49. Currently, the Resort is collecting assessments from members of the Association on behalf of AAFPO.

50. There is no formal agreement between AAFPO and the Resort regarding the rights, duties and responsibilities of the parties in the Resort's collection of assessments on behalf of AAFPO.

51. AAFPO has duties to its members to be responsible and account for the assessments paid by its members.

52. The Resort's control over the collection of and accounting for assessments is an impediment to the AAFPO's fulfillment of its duties and responsibilities to its members.

53. Pursuant to the Plan, AAFPO "will take responsibility for collection of the annual assessment in order to comply with requirements of New Mexico law wherein the [AAFPO] board

must be responsible for annual assessment collection.” (Ex. 1, § 4.16(f)).

54. The Plan, Section 4.16(j)(ii), also makes clear that to the extent the Resort has agreed to take on the responsibility of collections, it is as the agent for AAFPO. As principal, AAFPO may choose to use the Resort for collections, or choose to collect assessments in some other way.

55. In order to fulfill its statutory and contractual duties and responsibilities to its members, AAFPO’s Board has determined that AAFPO must take responsibility for collection of the annual assessment by contracting with a third party who is not the Resort.

56. The Resort, upon information and belief, will oppose turning over the collection of assessments from AAFPO’s members to AAFPO’s Board.

57. Consistent with the Declaratory Judgment Act, §§ 44-6-1, *et seq.* (1975), there is an actual controversy between the parties regarding interpretation of the Plan, Declaration, Articles, By-Laws and applicable statutes, regarding whether AAFPO is entitled to take responsibility for collection of assessments over from the Resort, which a decree from this Court may terminate any uncertainty or controversy.

Count IV

Breach of Fiduciary Duty

58. AAFPO incorporates herein by reference the General Allegations and Counts I, II and III as if fully set forth herein.

59. For many years, the Resort has been collecting monies from members of AAFPO on behalf of AAFPO, of which some monies belong to AAFPO.

60. For many years, the Resort has had the contractual obligation, pursuant to the Plan and the Supplemental Declaration to provide information to AAFPO regarding what monies have been collected, and how those monies have been and will be spent.

61. The Resort has a fiduciary duty to AAFPO in handling AAFPO monies and in providing AAFPO information.

62. The Resort has a contractual and fiduciary duty to AAFPO to pay AAFPO \$100,000 or 5% of assessments collected, whichever amount is greater, annually for AAFPO's Amenities budget. (Ex. 1, § 4.16(j)(ii)). The Resort has not paid AAFPO its contractual share of assessments.

63. As part of the 5% of assessments due to AAFPO, the Resort has a contractual and fiduciary duty to AAFPO to pay AAFPO \$20,000 or 1% of assessments collected, whichever amount is greater, annually for AAFPO's discretionary account. (Ex. 1, § 4.16(j)(ii)). The Resort has not paid AAFPO its contractual share of assessments.

64. Currently, because AAFPO has not received full accounting from the Resort regarding how it has used assessments it has collected, AAFPO has no idea how much of past assessments should have been, but were not, paid to AAFPO by the Resort.

65. Assessments due to AAFPO are to be kept by the Resort in a segregated account, and held in trust for the benefit of AAFPO. (Ex. 1, § 4.16(f)). The Resort has a contractual and fiduciary duty to hold monies in trust for the benefit of AAFPO and account for those monies.

66. Upon information and belief, the Resort has been failing and refusing to provide information regarding its use of collected assessments for many years.

67. Currently, the Resort is withholding information from AAFPO regarding the monies it has collected from AAFPO members, the monies it has spent on amenities pursuant to the terms of the Plan and Supplemental Declaration, and the monies that should have been paid to AAFPO.

68. The Resort withholding information is a breach of its fiduciary duty.

69. The Resort failing to pay AAFPO amounts due to AAFPO is a breach of fiduciary duty.

70. AAFPO should be entitled to any damages suffered as a result of the Resort's breach of fiduciary duties, including the cost of having to seek information from the Resort in this lawsuit.

Count V

Injunctive Relief

71. AAFPO incorporates herein by reference the General Allegations and Counts I, II, III and IV as if fully set forth herein.

72. Currently, the Resort is paying AAFPO 1% of collected assessments, less gross receipts taxes, on a monthly basis.

73. Pursuant to the Plan, AAFPO should be receiving 5% of collected assessments.

74. If AAFPO does not receive monies it is due pursuant to the Plan, AAFPO may suffer irreparable harm as a result of the Resort using said monies without AAFPO oversight or approval.

75. AAFPO has a duty to its members to account for the 5% of collected assessments it is entitled to receive from the Resort under the Plan, and has been and will continue to be unable to perform its fiduciary duties if the Resort does not begin making these payments to AAFPO.

76. The Resort will not suffer harm as a result of being compelled to perform its agreed upon contractual duties under the Plan to pay 5% of assessments to AAFPO.

77. There is a public interest in the thousands of members of AAFPO to having monies due to AAFPO, which are to be used for the benefit of the members, paid to AAFPO by the Resort, pursuant to the terms of the Plan.

78. AAFPO is entitled to a preliminary and permanent injunction ordering the Resort to pay AAFPO 5% of assessments it collects until such time as AAFPO takes over the collection of assessments from the Resort.

Wherefore, AAFPO respectfully requests the following relief:

1. A Declaratory Judgment that AAFPO has a legally constituted Board, pursuant to statute and its By-Laws;
2. A Declaratory Judgment that AAFPO has the right to information from the Resort regarding the monies it has collected from AAFPO members, access to the database maintained on AAFPO members, information on the monies the Resort has spent on amenities pursuant to the terms of the Plan and Supplemental Declaration, and an accounting of the monies that should have been paid to AAFPO;
3. A Declaratory Judgment that AAFPO has the authority to take over collection of assessments from its members from the Resort;
4. A judgment for any and all damages arising from the Resort's Breach of Fiduciary Duty;
5. A preliminary and permanent injunction requiring the Resort to pay 5% of assessments it collects until such time as AAFPO takes over the collection of assessments from the Resort;
6. Costs of suit and reasonable attorneys' fees, pursuant to § 4.16(e) of the Plan; and
7. Such further and additional relief as the Court deems just and proper.

Respectfully submitted,

WALCOTT, HENRY & WINSTON, P.C.

By: /s/ Donald A. Walcott
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Attorneys for Plaintiff AAFPO

COPY

IN THE UNITED STATES BANKRUPTCY COURT

FILED

FOR THE DISTRICT OF NEW MEXICO clock & min M

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

FOR THE DISTRICT OF NEW MEXICO

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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

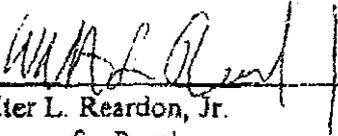
2. Paragraph 4.16(j)(ii) attached hereto is substituted for the same paragraph contained in the Amended Joint Plan of Reorganization filed on April 20, 1995.

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 Craig Martin
Craig 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

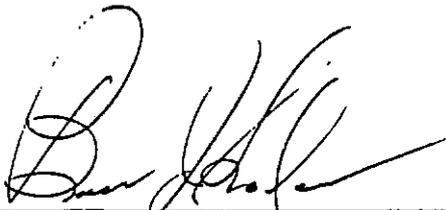
By Tim Allen
Its _____

ELAND ENERGY, INC.

By _____
Tim Allen, President

PARKER TOWN SQUARE, INC.

By _____
Kimberly Kittle, Vice President



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

POC

By _____
Wayne Jones, Chairman

TOM MASTIN, ROBERT DILLON,
BRUCE LAWRENCE AND A. L. CLANTON

By _____
Michael K. Daniels, Attorney

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ANGEL PROJECT LIMITED,
A TEXAS LIMITED PARTNERSHIP, INC.

CHAFFIN/LIGHT ASSOCIATES, INC.

By _____
Craig Martin, President Angel
Project, Inc., General Partner

By _____
James Horn, Vice President

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

ELAND ENERGY, INC.

By _____
Its _____

By _____
Tim Allen, President

PARKER TOWN SQUARE, INC.

By Kimberly Kittle, Vice President

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

POC

By Wayne Jones, Chairman

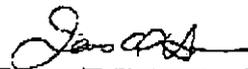
TOM MASTIN, ROBERT DILLON,
BRUCE LAWRENCE AND A. L. CLANTON

By Michael K. Daniels, Attorney

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. CHAFFIN/LIGHT ASSOCIATES, INC.

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

By  James Horn, Vice President

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

ELAND ENERGY, INC.

By ITS

By Tim Allen, President

signature

STATE OF NEW MEXICO



OFFICE OF
THE STATE CORPORATION COMMISSION

CERTIFICATE OF INCORPORATION

OF

ASSOCIATION OF ANCEstral FIRE PROPERTY OWNERS, INCORPORATED

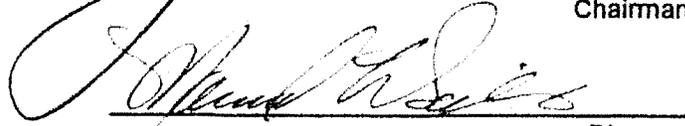
1738230

The State Corporation Commission certifies that duplicate originals of the Articles of Incorporation attached hereto, duly signed and verified pursuant to the provisions of the NONPROFIT CORPORATION ACT (53-8-1 to 53-8-10 NMSA 1978) have been received by it and are found to conform to law.

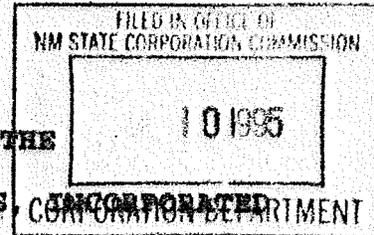
Accordingly, by virtue of the authority vested in it by law, the State Corporation Commission issues this Certificate of Incorporation and attached hereto a duplicate original of the articles of Incorporation.

Dated: JULY 10, 1999.

In Testimony Whereof, the State Corporation Commission of the State of New Mexico has caused this certificate to be signed by its Chairman and the Seal of said Commission to be affixed at the City of Santa Fe


Chairman

Director

1738236



**ARTICLES OF INCORPORATION OF THE
ASSOCIATION OF ANGEL FIRE PROPERTY OWNERS, INCORPORATED**

The undersigned, being desirous of forming a non-profit corporation under the laws of the State of New Mexico, has prepared and hereby adopts the following Articles of Incorporation:

ARTICLE I

The name of the Corporation shall be the Association of Angel Fire Property Owners, Incorporated. (Herein "the Association".)

ARTICLE II

The objects and purposes for which the Association is organized are to hold title to, manage, maintain and improve any land and improvements located within the Angel Fire development, an independent community located in Colfax County, New Mexico, for the benefit of the property owners in the development and the public at large. The Association shall have the powers, without limiting the powers granted it under New Mexico law, to carry out its purposes, which purposes are as follows:

(a) To repair, maintain, landscape, rehabilitate, restore or construct any real property or any improvements located thereon.

(b) To hold title to, for the common benefit and use of the members and the general public, the properties conveyed to the Association, if any, and to maintain, landscape, protect, operate and develop said areas. At no time shall it be a requirement or pre-condition to the Association having and exercising the powers

contained in these Articles of Incorporation that any property be conveyed to or owned by the Association.

(c) To act, through its officers and agents, as an Environmental and Architectural control committee, as called upon to do so, in accordance with the Protective Covenants and Restrictions for Angel Fire as may be recorded or as may be amended or supplemented.

(d) To enforce, through its officers and agents, the Protective Covenants and Restrictions for Angel Fire as are recorded or as, in the future, may be amended or supplemented, including but not limited to any Land Use Easement relating to the Amenities (as defined in the Supplemental Declaration of Restrictive Covenants and Easements recorded in Colfax County, New Mexico) of the Angel Fire development, to perform any and all other functions delegated to the Association under the Protective Covenants and Restrictions, and to set up various boards as the Association may from time to time deem necessary to preserve the character of the community.

(e) To Levy assessments and enforce payment thereof against the owners of each homesite within the Angel Fire development, to cover expenses incurred by the Association in maintaining, landscaping, protecting, operating and improving any of the Amenities of the community and any properties conveyed to the Association, to put restrictions on the frequency of and the amounts of increases in said assessments, and to determine the method by which the assessments will be calculated on a

proportional use by property owners of the Amenities in relation to the public use of those same Amenities.

(f) To review and approve the annual operating budget to be submitted by Angel Fire Corporation or its successors in interest to the Board of Directors of the Association.

(g) To determine the periods of operation for the various Amenities within the development and any properties conveyed to the Association, and to place restrictions on their use as the Association may deem necessary.

(h) To file or record liens upon any of the homesites to secure the payment of assessments and obligations due from the owners of said homesites to the Association, and to collect, foreclose or otherwise enforce, compromise, release, satisfy and discharge said liens, and do all things necessary to perfect the filing, enforcement and discharge of said liens.

(i) To determine the means for evidencing membership in the Association.

(j) To put restrictions and limitations upon memberships and their benefits, and to develop different types of memberships as the Association may deem necessary.

(k) To enter into, make, perform, and carry out contracts of every kind and for any lawful purpose pertaining to or incidental to its operations and business; to borrow or raise money for any of the purposes of this Association.

(l) To make contracts with third parties, firms and corporations and to perform work thereunder, and to make contracts

with any of the officers, directors, stockholders or employees of this Association, individually and without limitations, restrictions or prejudice, which contracts, when and if made, shall be considered and construed on the same basis as contracts with third parties, all in furtherance of the management, operation, objects and purposes of this Association.

(m) To serve as a liaison between the community, the general public, and the board of directors, on issues that require participation of larger governmental entities, to protect the interests of the members and of the community.

(n) To take any steps necessary to provide for the retention and protection of the natural or open space values of the real property, the assurance of the availability of real property for agricultural, forest, recreational or open space use, and the protection of natural resources and the maintenance of productive uses of real property pursuant to the Land Use Easement Act, §47-12-1, NMSA (1978), et seq., specifically relating to the Amenities of the Angel Fire resort as defined in the Supplemental Declaration of Restrictive Covenants and Easements recorded in Colfax County, New Mexico.

(o) To do all other things necessary, appropriate or convenient in the furtherance of any of the foregoing.

ARTICLE III

The Association is not for profit and does not afford pecuniary gain incidentally or otherwise to its members. No part of the net earnings of the Association shall inure to the benefit

of or be distributable to its directors, officers or other private persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments or distributions in furtherance of the purposes set forth above.

ARTICLE IV

Membership in this Association shall be limited solely to persons, including corporations, partnerships and other legal entities recognized by New Mexico law, acquiring or owning legal or equitable title to any homesite, as defined in the Supplemental Declaration of Restrictive Covenants and Easements, within the above described development, whether said homesite is in existence as of the date of the incorporation of the Association or not, excepting that Angel Fire Corporation and its successors in interest shall not be a member of the Association regardless of the properties it now holds title to or shall acquire title to. This exception shall apply throughout Article IV of these Amended Articles of Incorporation.

Each homesite shall have one membership, regardless of the ownership of the homesite. In the event any homesite is owned or is being purchased by two or more persons, and if a certificate of membership is issued by the Association, a single certificate shall be issued in the names of all of the said owners. In any event, where there is a multiple ownership of a homesite, the owners shall designate one of their members who shall have the power to vote at the meetings of the members of the Association. Each membership in

the Association, whether evidenced by a certificate or not, shall have such rights, privileges, limitations, prohibitions, restrictions and other attributes as are provided for in the By-Laws of this Association.

ARTICLE V

The existence of the Association shall be perpetual.

ARTICLE VI

The location of the principal office in New Mexico shall be The Angel Fire Country Club, County of Colfax, State of New Mexico, and the name of its initial registered agent at such address is H. Wayne Jones.

ARTICLE VII

The name and address of the incorporator is:

H. Wayne Jones
P.O. Box 978
37 Alta Road
Angel Fire, NM 87710

ARTICLE VIII

The management of the affairs of the Association shall be vested in the Board of Directors consisting of not less than five (5), nor more than nine (9) persons to be elected for one (1), two (2), or three (3) year terms, as specified in the By-Laws, at each Annual Meeting of the Members of the Association. Directors must be members of the Association in good standing. Angel Fire Corporation, or any successor thereto, will be entitled to have one ex-officio, non-voting member of the Board of Directors. Until the First Meeting of Members, the initial Board of Directors shall

consist of the eight (8) persons whose names and addresses appear below:

Tom Mastin
c/o Michael K. Daniels
911 Second Street NW
Albuquerque, NM 87102

A.L. Clanton
c/o Michael K. Daniels
911 Second Street NW
Albuquerque, NM 87102

Robert Dillon
c/o Michael K. Daniels
911 Second Street NW
Albuquerque, NM 87102

Ms. Rebecca D. Alzheimer
184 Big Horn Ridge, N.E.
Albuquerque, NM 87122

Ruth Bush
c/o Bush Realtors
Seaton Bldg. Drawer P
Angel Fire, NM 87710

Mr. H. Wayne Jones
P.O. Box 978
37 Alta Road
Angel Fire, NM 87710

Bruce Lawrence
c/o Michael K. Daniels
911 Second Street NW
Albuquerque, NM 87102

Mr. Paul Peppard
P.O. Box 429
Angel Fire, NM 87710
Geographic location:
5 miles South of Angel
Fire on State Hwy. 534,
1 mile West on County Road

ARTICLE IX

The Association shall initially have one class of membership. Every person or entity, except Angel Fire Corporation, or its successors in interest, who is the record owner of a fee simple or undivided fee interest in any homesite subject to the Supplemental Declaration of Restrictive Covenants and Easements filed for record with respect to the Angel Fire Community, shall be a member, provided that any person or entity holding such interest as security for the payment of a debt or performance of an obligation shall not be a member. Membership shall be appurtenant to and may not be separated from ownership of any lot, dwelling unit or

project unit which is subject to the Supplemental Declaration of Restrictive Covenants and Easements.

Members shall be entitled to vote as follows:

(a) Ownership of a lot zoned or designated for a single family through fourplex dwelling or commercial use, whether unimproved or improved - one vote.

(b) Ownership of a single lot actually occupied by a duplex, triplex or fourplex - one vote for each separate dwelling unit.

(c) Ownership of a lot zoned or designated as a project, but not yet improved, or re-subdivided as a project (whether such re-subdivisions or divisions are accompanied by a subdivision map or by a recorded declaration) - one vote.

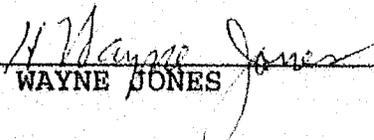
(d) Ownership of a resident project unit, whether or not improved, but subdivided either by a map or by a recorded declaration - one vote.

(Any person in categories (a) through (d), inclusive shall be deemed the owners of a "Homesite" as that term is used herein.)

The rights of membership, including the right to vote, the right to participate in corporate affairs, and the right to use the common areas and Amenities of the Angel Fire Community, are subject to suspension by the Board for: (1) failure or refusal to pay any assessment levied by the Association for a period of 30 days after the due date of such assessment; or (2) an infraction of, default in, or breach of any provision of the Supplemental Declaration of Restrictive Covenants and Easements, the Articles, the Bylaws, or the rules and regulations of the Association.

The Board of Directors may create additional classes of membership and may alter the voting rights contained herein by appropriate amendment to the By-Laws of the Association, and may provide for voting by proxy and/or by mail pursuant to the provisions of the By-Laws.

IN WITNESS WHEREOF, the undersigned incorporator of this Association has made and signed these Articles of Incorporation this 19 day of June, 1995.


H. WAYNE JONES

Jerome D. Block
Chairman

Eric J. Serna
Commissioner

Gloria Tristani
Commissioner

New Mexico
State Corporation Commission



CORPORATIONS DEPARTMENT

P. O. Drawer 1269
Santa Fe, NM 87504-1269

TELEPHONE (505) 827-4508
1-800-947-4722
FAX # (505) 827-4387

JULY 12, 1995

BEHLES-GIDDENS, P.A.
ROSEANN WALSH
P.O. BOX 849
ALBUQUERQUE, NM 87103-0849

RE: ASSOCIATION OF ANGEL FIRE PROPERTY OWNERS, INCORPORATED
SCC#1738236

BE ADVISED THAT THIS COMMISSION HAS APPROVED AND FILED THE ARTICLES OF INCORPORATION, FOR THE ABOVE REFERENCED CORPORATION, EFFECTIVE JULY 10, 1995. THE ATTACHED CERTIFICATE OF INCORPORATION SHOULD BECOME A PERMANENT DOCUMENT OF THE CORPORATION'S CORPORATE RECORDS.

THE ATTACHED CERTIFICATE DOES NOT CONSTITUTE AUTHORIZATION FOR THE ABOVE REFERENCED CORPORATION TO TRANSACT ANY BUSINESS WHICH REQUIRES COMPLIANCE WITH OTHER APPLICABLE FEDERAL OR STATE LAWS, INCLUDING, BUT NOT LIMITED TO, STATE LICENSING REQUIREMENTS. IT IS THE CORPORATION'S SOLE RESPONSIBILITY TO OBTAIN SUCH COMPLIANCE WITH ALL LEGAL REQUIREMENTS APPLICABLE THERETO PRIOR TO ENGAGING IN THE BUSINESS FOR WHICH IT HAS OBTAINED THE ATTACHED CERTIFICATE OF INCORPORATION.

REQUIRED FILING INFORMATION, WITH THE COMMISSION, FOLLOWS:

THE ENCLOSED FIRST REPORT IS TO BE COMPLETED AND FILED BY AUGUST 11, 1995, WITH A FILING FEE OF \$10.00. THE ORIGINAL FIRST REPORT IS TO BE FILED WITH OUR OFFICE, THE COPY IS FOR YOUR CORPORATE RECORDS. THEREAFTER, A CORPORATE REPORT MUST BE FILED ANNUALLY ON OR BEFORE THE FIFTEENTH DAY OF THE FIFTH MONTH FOLLOWING THE CORPORATION'S TAXABLE YEAR END. LATE FILING PENALTY OF \$10.00 WILL BE ADDED FOR UNTIMELY FILING OF ANY REPORT. THE FIRST REPORT IS NOT FILED IN LIEU OF ANY REQUIRED CORPORATE REPORT. THE REPORT IS REQUIRED TO BE FILED WHETHER A CORPORATION IS ACTIVE OR INACTIVE OR UNTIL SUCH TIME THAT THE CORPORATION IS RELIEVED FROM FILING THE REPORT AS REQUIRED BY LAW.

A SUPPLEMENTAL REPORT SHALL BE FILED WITHIN THIRTY DAYS IF, AFTER FILING OF THE CORPORATE REPORT, A CHANGE IS MADE AFFECTING THE REPORT. PLEASE CONTACT THIS COMMISSION FOR ADDITIONAL INFORMATION AND SUPPLEMENTAL REPORT FORMS.

IF BYLAWS WERE NOT FILED UPON INCORPORATION BY THE DOMESTIC CORPORATION, THEN BYLAWS, AND SUBSEQUENT AMENDED OR REVISED BYLAWS, SHALL BE ADOPTED AND FILED WITH THE COMMISSION BEFORE THEY BECOME EFFECTIVE. EACH SUBMITTED DOCUMENT MUST BE SIGNED BY THE CHIEF OFFICER AND SECRETARY WITH A \$10.00 FILING FEE.

YOUR CANCELLED CHECK, AS VALIDATED BY THIS COMMISSION, IS YOUR RECEIPT. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE CHARTERED DOCUMENT DIVISION AT (505) 827-4511 FOR ASSISTANCE.

CHARTERED DOCUMENT DIVISION
LAT

BY-LAWS

of

THE ASSOCIATION OF ANGEL FIRE PROPERTY OWNERS, INC.

1739236

FEB 15 1996

CORPORATION DEPARTMENT

ARTICLE I**RECITALS AND DEFINITIONS**

Section 1. This corporation has been formed pursuant to the Non-profit Corporation Act of the State of New Mexico, NMSA Chapter 53, Article 8, and is the successor to the Property Owners Association.

Section 2. The specific and primary purposes of this corporation are set forth in Article II of the Articles of Incorporation.

Section 3. The corporation is herein referred to as the "Association."

Section 4. The terms "Development" and "Resort" shall mean all of the real property within the boundaries of a certain real estate development in Colfax County, New Mexico, commonly known as "Angel Fire," and any additional property which is annexed thereto, pursuant to the provisions of the Protective Covenants and Restrictions recorded in the Office of the Recorder of the County of Colfax, State of New Mexico, in connection with the Development.

Section 5. Although there shall never be any requirement that the Association own any real or personal property as a precondition to the Association's existence or ability to exercise the powers set forth in the Supplemental Declaration of Restrictive Covenants and Easements (recorded in the records of Colfax County, New Mexico, on September 27, 1995, and hereinafter referred to as "Supplemental Declaration") or the Articles of Incorporation, the property and common facilities which the Association may initially own and control are more particularly described as follows:

(1) That certain Land Use Easement created in the Supplemental Declaration.

(2) Any other common facilities which the Association shall own, lease, or otherwise control and/or operate for the common use and benefit of the members, of the community, and the public at large.

The Association shall own and/or lease such equipment and personal property as is reasonably required from time to time for use in connection with the common facilities. The Association may own and/or lease other property, real or personal, from time to time, for the common benefit, use and enjoyment of the members of the Association and the general public.

All of the above described property which the Association shall own, lease, control, and/or operate is herein collectively referred to as "Association Property."

Section 6. The term "Homesite" shall mean any legally constituted lot, tract, parcel, condominium, apartment, town house unit, timeshare unit, cabinshare unit, or acreage which has been subdivided into lots within the Development, regardless of its designated use for residential, commercial, multi-family, or other purposes.

Section 7. The term "Owner" shall mean the person or entity holding the legal or equitable title to a homesite, which term shall include but not be limited to purchasers under an Acceptance Agreement (purchase contract), excepting that the Developer and its successors in interest shall not be considered "Owners" regardless of the number of homesites and lots they presently own or may obtain title to in the future.

Section 8. The term "Covenants and Restrictions" shall mean all limitations, restrictions, covenants, terms and conditions set forth in the Restrictive Covenants and Restrictions recorded in the Office of the Recorder of the County of Colfax with respect to the Development, as such declarations may from time to time be amended, supplemented, or modified by a subsequent Declaration so recorded. "Covenants and Restrictions" includes but is not limited to the Supplemental Declaration.

Section 9. The term "Common Facilities or "Common Area" shall mean and include, collectively, all real property and improvements located thereon, which are owned, managed, leased, or maintained by either the Association, the Developer, or its successors in interest, intended for the common use and enjoyment of Association members, specifically including, but not limited to the Amenities of the Development, as the term "Amenities" is defined in the Supplemental Declaration.

Section 10. The term "Good Standing" shall mean, with respect to a member, that the member is current in his/her assessment and dues payments, past and present, to the Association, and whose rights under these By-Laws have not been suspended.

Section 11. The term "Membership" shall mean membership in the Association as set forth in Article IV of the Articles of Incorporation. The term "Member" shall mean the person holding or designated to hold such membership in good standing. The Developer and its successors shall not be members.

Section 12. The term "Board" shall mean the duly elected and acting Board of Directors of the Association.

Section 13. The term "Person" or "Entity" shall mean and include any individual, corporation, partnership, association or other legal entity recognized by the laws of the State of New Mexico.

Section 14. The term "Developer" shall mean the Angel Fire Corporation and any of its successors or assigns, engaged in developing the Resort or any portion thereof.

**ARTICLE II
PRINCIPAL OFFICE**

The principal office of the Association shall be located at such place in the Angel Fire community as the Board shall from time to time designate by resolution.

**ARTICLE III
MEMBERSHIP**

Section 1. Each Owner of a homesite within the Development, except the Developer, shall be a member of the Association.

Section 2. Each Owner who is a member shall remain a member until he no longer qualifies as such under Article I, Section 11 above.

Section 3. The Board may provide for the issuance of certificates evidencing membership in the Association which shall be in such form as determined by the Board. The name and address of each member shall be entered in a Membership register maintained by the Secretary.

Section 4. If more than one person owns a residential homesite, all of said persons shall be deemed to be one member. Only one of the persons constituting that jointly held membership may cast its vote, and then only if an agreement signed by all persons constituting that jointly held membership so designates that person, and that agreement is filed with the Secretary at least ten (10) days in advance of the casting of the vote. Any such agreement shall stand unless or until it has been modified and filed in a like manner. If other than the designated voter attempts to cast a vote, either singly or in addition to the designated voter, the vote of the member shall be invalidated.

The Developer and its successors shall not be able to vote any lots or undeveloped real property owned by it in any election or vote held by the Association. The Developer and its successors shall be non-voting members of the Association.

Section 5. The Secretary shall have the right to demand proof of homesite ownership prior to accepting a person or entity as a member.

Section 6. Notwithstanding other provisions herein, property owners shall not have the exclusive right to use of the amenities.

**ARTICLE IV
MEETINGS OF MEMBERS**

There shall be two types of meetings of members: Regular meetings, of which the annual meeting shall be one, and special meetings. The

conduct of all meetings of members shall be guided by "Roberts Rules of Order."

Section 1. Regular Meetings.

a. Annual Meeting. The first annual meeting of the Members shall be held within ninety (90) days from the date of closing of the sale of the ANGEL FIRE RESORT to ANGEL PROJECTS I, L.P., and the first subsequent regular annual meeting of the Members shall be held at a time to be established by the Board of Directors. Thereafter, regular annual meetings shall be held during the same calendar month each year at a time to be established by the Board of Directors, and notice of those meetings given to members by first class mail, prepaid.

The principal purpose of the annual meeting shall be to elect directors to fill declared vacancies, and to seat the new Board of Directors for the ensuing year. However, other business may also be conducted at the annual meeting. Procedures shall be as follows:

(1) Not more than 45 days nor less than 30 days prior to the Annual Meeting, a Board of Directors meeting shall be held at which time nominations for membership on the Board of Directors will be accepted. The Election Committee shall make nominations from the floor in accordance with the procedures established in Article VI, Section 2. Additional nominations may be made from the floor by Members. All nominated individuals will be included on the ballot for the Annual Meeting.

(2) Other matters, if any, for which ballots will be cast at the Annual Meeting, shall be individually brought to the floor of the Board meeting [see (1) immediately above] by motion, seconded, and discussed. The actual vote on any such matters shall, however, be postponed until the Annual Meeting.

(3) Voting for candidates for the Board of Directors at the Annual Meeting shall be by secret ballot subject only to such reasonable procedures as may be implemented to preclude duplicate votes and/or voting by unqualified persons.

(4) Voting for the election of members to the Board of Directors, as well as on other matters, at the Annual Meeting shall be determined on a plurality of votes cast by members in good standing.

b. Other Regular Meetings. Other regular meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of one tenth of the members. Procedures shall be the same as for the Annual Meeting.

Section 2. Special Meetings.

Special meetings are characterized by not providing for the actual attendance of members. At the discretion of the Board of Directors, in addition to regular meetings wherein all members are requested to attend, the Board of Directors may establish voting days wherein all votes cast during such period will count toward a quorum for the taking of action as if a regular meeting had been convened. The following procedures shall apply to such meetings:

a. Notice-Contents: Not less than thirty (30) days prior to any voting days, the Board of Directors shall cause to be delivered to each Member by mail (determined on the date of such notice) a notice containing the following:

- (1) The days and times established for voting;
- (2) The place at which votes may be cast;
- (3) The matters to be voted on, together with the recommendation of the Board on those matters; and
- (4) The time and place of the Board of Directors meeting at which a discussion will be held concerning all issues to be voted on, such meeting to be held not more than twenty (20) days nor less than ten (10) days prior to the voting days.

b. Voting:

- (1) Voting shall be by secret ballot subject only to such reasonable procedures as may be implemented to preclude duplicate votes and/or voting by unqualified persons.
- (2) Issues voted upon shall be determined on a plurality of votes cast by members in good standing.

Section 3. Quorum. The quorum for all regular and special meetings of Members shall be the presence at such meetings in person or by proxy of members in good standing who are entitled to cast one tenth of the votes of the members then outstanding. If the required quorum is not forthcoming at a meeting, the meeting may be adjourned to another time no sooner than one week nor later than forty-five (45) days from the date, or such meeting may be continued for a period not to exceed 48 hours to obtain a quorum.

Section 4. Proxies. Each member in good standing may vote at a regular or special meeting in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease after eleven (11) months unless otherwise expressly provided therein. A proxy also shall be deemed revoked when the Secretary shall receive actual notice of the death or judicially declared incompetence of such Member, upon termination of such Member's status as an owner, or if the Member is not in good standing.

ARTICLE V MEMBERSHIP RIGHTS

Section 1. Subject to the provisions hereof, and of the provisions of the Articles of Incorporation and Covenants and Restrictions, Members shall have the following rights:

a. Each member in good standing with the Association shall be entitled to the use and enjoyment of all Common Facilities and Common Areas within the Development.

b. Each member in good standing shall have the right to designate members of his/her own family that reside with the Member who may use and enjoy the Common Facilities and Common Areas within the Development.

c. The invitees and guests of a member in good standing shall have the right to use and enjoy the Common Facilities and Areas within the Development, to the extent the Common Facilities and Areas permit. Purchaser may offer various incentive programs including discount guest ticket programs to Property Owners for the benefit of their guests.

Section 2. The right of use and enjoyment hereunder, shall at all times be subject to all existing published rules and regulations promulgated by the Board of Directors and resort owners, and shall at all times be subject to the Supplemental Declaration. The Board shall have the right to suspend the use and enjoyment of any Common Facility or Area for the failure of a person to comply with such rules and regulations and Supplemental Declaration, provided, however, that such suspension shall only be imposed after such person has been notified in writing and has been offered a reasonable opportunity to be heard by the Board.

ARTICLE VI BOARD OF DIRECTORS

Section 1. The affairs of the Association shall be managed by a Board of nine (9) Directors, each of whom must be a Member of the Association in good standing. The first elected regular Board of Directors shall serve terms of one, two, or three years, or until their respective successors for these terms are elected, or until their death, resignation or removal, whichever is the earlier. At the expiration of these first terms, new Board members shall be elected for three year terms. The Developer will be entitled to have one ex-officio, non-voting member of the Board of Directors.

No director shall serve for more than two (2) successive three (3) year elective terms; however, in the event that a person begins his/her tenure on the Board by filling a vacancy as an appointee, the maximum continuous tenure shall be seven (7) years.

No director shall be an employee of, nor receive compensation for any services he/she renders to, the Developer or its successors.

Not less than six (6) weeks prior to each annual meeting, the Board of Directors shall determine the number of directors to be elected.

Section 2. Method of Nomination. Candidates for election shall file a Petition for Candidacy, signed by not less than ten (10) Members in good standing, with the Elections Committee at least five (5) weeks before the annual meeting. The Elections Committee shall provide all members with a ballot containing the names of all bona fide candidates not less than three (3) weeks) before the annual meeting.

Section 3. Method of Election. Election shall be by secret written ballot either at the annual meeting or delivered to the Chairman of the Elections Committee prior to the start of the annual meeting. Members in good standing may cast, in respect to each vacancy, one vote for each homesite. Cumulative voting shall not be permitted. Those persons receiving a plurality of votes cast shall be elected.

Section 4. Resignation and Removal. The unexcused absence of an elected director from two (2) consecutive regular meetings of the Board shall be deemed a resignation. Any elected director may be removed from the Board, with or without cause, by a majority vote of a quorum of the members of the Association. "Unexcused Absence" shall mean absence

without reasonable cause as defined by the Board, and prior notice to the Board of Directors.

Section 5. Vacancies. In the event of death, resignation or removal of an elected director, his successor shall be selected by the remaining elected directors and shall serve until the next election of directors.

Section 6. Compensation. No director shall receive compensation for any service he may render to the Association as a director. However, any director may be reimbursed for actual expenses incurred in the performance of his/her duties, to the extent that those duties for, and the rate at, which reimbursement is to be provided have been priorly determined by the Board. No director shall be an employee of the Association nor contract with the Association.

ARTICLE VII BOARD MEETINGS

Section 1. Regular meetings of the Board shall be held quarterly, one of which shall immediately follow the annual meeting of the membership, and the others at such place and hour as may be fixed annually by resolution of the Board at the annual meeting. Any change must be publicly announced at least thirty (30) days in advance by local newspaper or mail.

Section 2. Special meetings of the Board shall be held when called by the President or at the request of any three (3) directors after not less than ten (10) days notice to each Director and the public by local newspaper or mail.

Section 3. A majority of the number of directors shall constitute a quorum for the transaction of business.

Section 4. All meetings of the Board shall be open to observers, except the president may call the Board into executive session on matters of personnel, legal actions, or for hearings on infractions of published rules and regulations. Any action taken by the Board in executive session shall be recorded in the minutes of the Association. The conduct of all Board meetings shall be guided by "Roberts Rules of Order."

Section 5. The directors shall have the right to take any action in the absence of a meeting which they could take at a regular or special meeting by obtaining the written approval of all of the directors. Any action so taken shall have the same effect as though taken at a regular or special meeting of the directors, and shall be recorded in minutes in the same manner as if a meeting had been held.

**ARTICLE VIII
DUTIES AND POWERS OF THE BOARD**

Section 1. To judiciously exercise all powers vested in the Board under these By-Laws, the Articles of Incorporation, the Covenants and Restrictions, Supplemental Declaration, and under the laws of the State of New Mexico.

Section 2. To elect, appoint, and remove all Officers of the Association, provided that the removal of elected officers shall be by a vote of not less than a $\frac{2}{3}$ majority of the directors at a regular or special meeting.

Section 3. To appoint and remove, in accordance with rights vested in the Association pursuant to the Covenants and Restrictions, members of the Environmental and Architectural Control Committee provided for in Article II, Paragraph (c), of the Articles of Incorporation. Each member of the Environmental and Architectural Control Committee shall hold office until such time as he has resigned, has been removed, or his successor has been appointed by the Board.

Section 4. To appoint such agents and employ such employees, including attorneys and accountants, as it feels necessary to assist in the operation of the Association, and to specify their duties and establish their compensation.

Section 5. To adopt and establish rules and regulations governing the use of the Common Facilities and Common Areas, and to take such steps as it deems necessary for the enforcement of such rules and regulations, subject to the provisions of the Supplemental Declaration.

Section 6. To establish a means for evidencing membership in the Association.

Section 7. To establish different types of membership and to put restrictions upon membership benefits if the Board from time to time deems it necessary or beneficial.

Section 8. To enforce all applicable provisions of the Covenants and Restrictions, Supplemental Declaration, Articles of Incorporation, these By-Laws, and other regulations relating to the management and use of the Common Facilities and Common Areas within the Resort.

Section 9. To contract and pay premiums for fire, casualty, liability, and other insurance and bonds (including indemnity bonds) which may be required from time to time by the Association.

Section 10. To contract and pay for maintenance, landscaping, utilities, materials, supplies, labor and services, that may be required from time to time in relation to Association Property, and the Common Facilities and Common Areas within the Development.

Section 11. To pay all taxes, special assessments and other assessments and charges that are or may become the responsibility of the Association, which are or would become a lien on Association Property. To approve any new encumbrances or liens on any of the Amenities within the resort that the Developer, its successors in interest or assigns, may attempt to put on the properties or the facilities which would be consistent with the Supplemental Declaration.

Section 12. To contract for and pay for construction or reconstruction of Association property damaged or destroyed.

Section 13. To, if and when the Board deems it appropriate, grant concessions to be operated, in conjunction with the use of the Common Facilities, provided, however, any such concession shall not exceed a term of five (5) years without the prior approval of the Membership.

Section 14. To, in accordance with the Supplemental Declaration, establish the method for calculating the amount of yearly assessment dues to be paid by the members of the Association and to levy and collect those assessments, and to establish and collect reasonable annual assessments for the use of any or all of the Common Facilities and maintenance of the integrity of the Supplemental Declaration as the Board may deem necessary or desirable from time to time for the purpose of equitably allocating among the property owners and the public the cost of operation thereof.

The method for calculating the amount of the assessments will be based upon the percentage of use of the Amenities by the members compared to that of the general public. These figures will be kept by the Developer or its successors in interest along with the information on the income generated from the use of all Amenities, which will be annually audited and submitted to the Board. In addition, the Developer or its successors in interest shall, no less than three (3) months prior to the beginning of the amenity year, submit a proposed operating budget, including the proposed yearly assessment amounts that individual property owners shall pay, and a list of the total amount of dues assessed. The Board shall have the right to review and approve said budget. The reasonableness of the annual assessment in the budget will be based on: 1) the pro rata share of the Members' versus the general public's use of the Amenities (broken down by amenity), compared to the income generated by each; and 2) the estimated operating expenses (by amenity), using the consumer price index as the basis for raising dues if necessary. This information will assist the Board in determining whether or not the Members' assessments should be increased or decreased for the following fiscal year.

Section 15. To perform all acts required of it under the Covenants and Restrictions, including but not limited to the enforcement of collection of the assessments, the hiring and designation of a collection agent, and enforcement of the Land Use Easement granted to the Association and the Members in the Supplemental Declaration.

Section 16. To limit the amount and the number of increases in assessments charged to the members of the Association.

Section 17. To serve in an advisory capacity on issues such as operating programs, annual budgets, and capital improvements which fit within the limitations described herein. Specifically, the Board shall have the right to review the Developer's amenities operating and capital budgets prior to the amenity year in which annual assessment monies are contemplated to be spent. Further, the Board shall have veto power over any operating budget which proposes an increase in annual assessments over and above the CPI for normal operations and maintenance of the amenities.

Section 18. To maintain a full set of books and records showing the financial condition of the affairs of the Association in a manner consistent with generally accepted accounting principles, and at no greater than annual intervals obtain an independent audit of such books, a copy of which shall be made available to each member within thirty (30) days after completion.

Section 19. To appoint such committees as it deems necessary from time to time in connection with the affairs of the Association.

ARTICLE IX OFFICERS

Section 1. The Board-elected officers of the Association shall be members of the Association and shall consist of a president, vice president, secretary, and treasurer. If a member is a partnership, corporation or other legal entity under New Mexico law, then the member's employees shall qualify to be officers. Board-elected officers shall not hold any given office for more than three (3) successive one (1) year terms.

The Association may also have, in accordance with the provisions of Section 3 following, one or more Board-appointed assistant secretaries and/or assistant treasurers, and such other Board-appointed officers, as the Board may from time to time deem necessary. One person may hold two or more elected or appointed offices, except that the offices of president and secretary shall not be held by the same person.

Section 2. The officers of the Association, except such officers as may be appointed in accordance with the provisions of Section 3 and 5 following, shall be elected annually by the Board, and each shall hold his/her office until he/she shall resign or be removed or otherwise disqualified to serve, or his successor be elected.

Section 3. The Board may appoint, and may empower the president to appoint, such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided for in these By-Laws or as the Board may from time to time determine.

Section 4. Any officer may be removed, either with or without cause, by the Board or by any officer upon whom such power of removal

may be conferred by the Board; provided, however, that no such officer shall remove an officer chosen by the Board. Any officer may resign at any time by giving written notice to the Board or to the President or to the Secretary. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. A vacancy in any office shall be filled in the manner prescribed in these By-Laws for election or appointment to such office.

Section 6. The President, elected by the Board from among the directors, shall be the chief executive officer of the Association and shall, subject to the will of the Board, have general supervision, direction, and control of the affairs of the Association. He shall preside at all meetings of the Board, and shall have the general powers and duties of management usually vested in the office of President of a nonprofit corporation, together with such other powers and duties as may be prescribed by the Board or these By-Laws.

Section 7. The Vice-President, elected by the Board from among the directors, shall, in the absence of the President, perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restriction upon, the President. The Vice-President shall have such other powers and perform such other duties as from time to time may be prescribed by the Board or these By-Laws.

Section 8. The Secretary, elected by the Board from among the directors, shall keep or cause to be kept, at the principal office or such other place as the Board may order, a book of minutes of all meetings and non-meeting actions of Directors and members, as follows:

1) Minutes of director's meetings shall record the time, place, and type of meeting or action, how authorized, the notice given, the names of those present, and the proceedings thereof, including all motions, by whom made and seconded, and whether passed or rejected; and

2) Minutes of Member meetings shall record how authorized, the notice given, the number of members present in person or by proxy, and the proceedings thereof.

The Secretary also shall keep, or cause to be kept, appropriate current records showing the members of the Association, together with their addresses. He shall give, or cause to be given, notice of all meetings of the Board required by the By-Laws or by law to be given, and he shall keep the seal of the Association in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board or these By-Laws.

Section 9. The Treasurer, elected by the Board from among the directors, shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, and disbursements. The books of account shall at all reasonable times be open to inspection by any director or member.

The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board. He shall disburse the funds of the Association as may be ordered by the Board, shall render to the President and directors, whenever they so request, an account of all his/her transactions as Treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board or these By-Laws.

ARTICLE X COMMITTEES

Section 1. The Board shall appoint an Elections Committee no later than two (2) months prior to the annual meeting date. The committee shall consist of a chairman who shall not be a director, and at least four (4) other members, none of whom need be directors nor shall be candidates for office. It shall be the duty of the Committee to provide supervision of the nomination and election of directors in accordance with procedures adopted by the Board.

Section 2. The Board shall appoint such other committees it deems appropriate to carry out its purpose.

ARTICLE XI FISCAL YEAR

The fiscal year of the Association shall be the amenity year (October 1 through September 30) unless otherwise established by the Board.

ARTICLE XII INDEMNIFICATION OF OFFICERS AND DIRECTORS

Each officer and director of the Association, in consideration of his/her services as such, shall be indemnified by the Association to the extent permitted by law against expenses and liabilities reasonably incurred by him/her in connection with the defense of any action, suit or proceeding, civil or criminal, to which he/she may be a party by reason of being or having been a director or officer of the Association. The forgoing right of indemnification shall not be exclusive of any other rights to which the director or officer or person may be entitled by law, or agreement, or vote of the Members or otherwise.

ARTICLE XIII
SPECIAL PROVISION RELATING TO PROPOSALS MADE BY THE DEVELOPER

Section 1. In the event the Developer presents any matter to the Board which requires approval of the Board pursuant to the Supplemental Declaration, and the Board fails to vote on such matter within forty-five (45) days of the date of presentation of the issue by the Developer, the issue presented will be deemed approved.

Section 2. In the event the Developer presents any issue to the Board which, by the terms of the Supplemental Declaration requires the approval of the Membership, and the Board has not presented that issue to the Membership and obtained its vote within ninety (90) days from the date the Developer presents the issue to the Board, the issue presented will be deemed approved.

ARTICLE XIV
MISCELLANEOUS

Section 1. General.

a. All books, records and papers of the Association shall at all times, during reasonable business hours, be subject to the inspection of any member at the Offices of the Association, and all meeting minutes shall be placed on file at the Angel Fire Community Library and Chamber of Commerce.

b. The Board may, from time to time, employ the services of an Executive Director to manage the affairs of the Association and, to the extent not inconsistent with the laws of the State of New Mexico, and upon such conditions as are otherwise deemed advisable by the Board, the Board may delegate to the Executive Director any of its powers under these By-Laws and the Covenants and Restrictions. In such case, the Board shall, by specific resolution, detail those powers and set a specific sunset date, after which the delegation must be renewed.

c. These By-Laws may only be amended or repealed, and new By-Laws adopted by the members by a plurality vote of a quorum of the Membership. The Articles of Incorporation may only be amended by the affirmative vote of $\frac{2}{3}$ of a quorum of the Membership. The Quorum requirements of Article IV, Section 3 of the By-Laws shall apply to any vote of the Membership under this Section.

d. Any notice or other document permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered seven (7) days after a copy of same has been deposited in the United States mail, postage prepaid, to the last known address of the addressee.

e. In the event a municipality is formed which includes the Development, the members shall have the authority to vote, in accordance with Article IV, to direct the Board to transfer any or all of the

Common Facilities and/or Common areas then under its ownership to the municipality.

Section 2. Inclusions Required by the Amended Joint Plan Confirmed May 31, 1995.

a. There shall be an Initial Board of Directors composed of: Four (4) members of the Property Owners Committee (POC) [later designated to be Rebecca Alzheimer, Ruth Bush, Wayne Jones, and Paul Peppard]; Thomas Mastin, Jr., A. L. Clanton, Robert Dillon, and Bruce Lawrence; and a representative appointed by the Developer who shall serve ex-officio without vote. This Initial Board of Directors shall serve until the first meeting of the members has been held and the first regular Board of Directors has been elected and seated. In so serving, the Initial Board shall have all of the powers and duties of the regular Board of Directors. Further, the Initial Board shall determine the number of directors on the first elected regular Board who shall have one, two, or three year terms.

b. Others currently in good standing who are not property owners-- i.e., the approximately twenty-six (26) memberships previously sold by Fox Benton--shall have the continued right to the same use of the amenities as do property owners upon payment of annual assessments.

c. During the six (6) months following the Closing Date, the Developer may make a one time offer in the form of reduced payment on past due annual assessments to permit delinquent memberships to be reinstated and thus brought into compliance.

d. All existing multiple homesite owners shall be converted to full annual assessment paying status, such conversion to be graduated twenty-five (25) percent per year over the time period commencing October 1, 1995 and ending September 30, 1999, at which time multiple homesite owners shall be required to pay each of the full annual assessments as billed.

e. The Association will cooperate in good faith with the Developer in an attempt to create a structure that will, if legally possible, permit elimination of the New Mexico gross receipts tax on annual assessments. However, once the \$4.5 million gross 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, 1996, with a completion date of December 15, 1996, the gross receipts tax on the annual assessment collections may be added directly to the property owners' annual assessment to be paid in the 1996-97 annual assessment season.

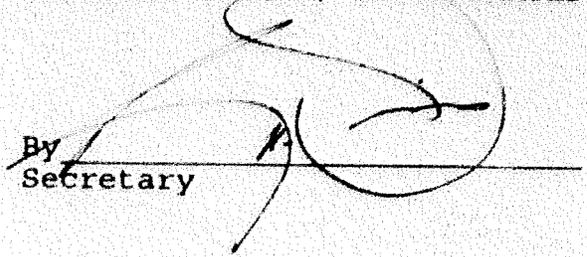
f. In the event the Village of Angel Fire or any other public taxing authority or government entity or unit imposes any discriminatory tax increase, levy, assessment, user fee, or similar charge for or on the amenities, such charge shall be added directly to the annual assessment to be paid by property owners.

KNOW ALL MEN BY THESE PRESENCE:

The undersigned, Secretary of the corporation known as The Association of Angel Fire Property Owners, Incorporated, does hereby certify that the above and forgoing amended By-Laws were duly adopted by the Board of Directors on the 2nd day of December, 1995, and are recommended for adoption by the membership of the Association.

THE ASSOCIATION OF ANGEL FIRE
PROPERTY OWNERS, INCORPORATED

By _____
Secretary

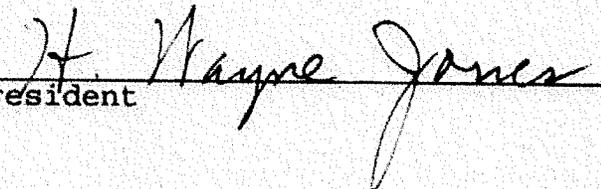
A large, stylized handwritten signature in black ink is written over a horizontal line. The signature is cursive and somewhat abstract, with a large loop at the end.

**RESOLUTION OF
THE ASSOCIATION OF ANGEL FIRE
PROPERTY OWNERS, INCORPORATED**

The following resolution was adopted by a plurality vote of a quorum of the membership of the ASSOCIATION OF ANGEL FIRE PROPERTY OWNERS, INCORPORATED at a meeting of the Membership held on the 27th day of January, 1996, at Angel Fire, New Mexico.

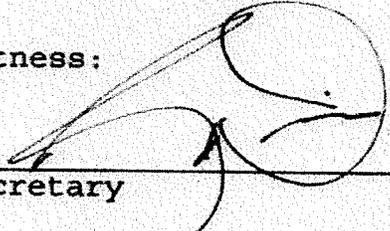
"Be it resolved that the amended By-Laws of the Association of Angel Fire Property Owners, Incorporated be and are adopted as set forth in the attached By-Laws of the Association of Angel Fire Property Owners, Incorporated."

I certify that the forgoing is a true copy of the resolution adopted by the Membership.



President

Witness:



Secretary

Gloria Tristani
Chairman

Eric P. Serna
Commissioner

Jerome D. Block
Commissioner

New Mexico
State Corporation Commission



CORPORATION DEPARTMENT

415 P.E.R.A. BUILDING
P.O. DRAWER 1288
Santa Fe, NM 87504-1288

1-800-847-4722
FAX 8 (505) 827-4887

Director's Office
(505) 827-4808

Certification Division
(505) 827-4813

Charter Documents Division
(505) 827-4511

Reports Compliance Division
(505) 827-4510

FEBRUARY 15, 1996

DR. PAUL F. PEPPARD
P.O. BOX 429
ANGEL FIRE ,NM 87110

RE: ASSOCIATION OF ANGEL FIRE PROPERTY OWNERS, INCORPORATED
SCC#1738236

THIS COMMISSION APPROVED AND FILED THE INITIAL BYLAWS ON FEBRUARY 15, 1996 (REFERENCE #3122660) FOR THE ABOVE CAPTIONED CORPORATION; SUBSEQUENT AMENDED/REVISED/RESTATED BYLAWS MUST BE FILED IN THIS OFFICE BEFORE THEY ARE EFFECTIVE AS REQUIRED BY LAW. FILING FEE OF \$10.00 MUST ACCOMPANY EACH DOCUMENT AND SAID DOCUMENT MUST BE SIGNED BY THE CHIEF OFFICER AND SECRETARY.

THE REFERENCED APPROVAL DOES NOT CONSTITUTE AUTHORIZATION FOR THE ABOVE REFERENCED CORPORATION TO TRANSACT ANY BUSINESS WHICH REQUIRES COMPLIANCE WITH OTHER APPLICABLE FEDERAL OR STATE LAWS, INCLUDING, BUT NOT LIMITED TO, STATE LICENSING REQUIREMENTS. IT IS THE CORPORATION'S SOLE RESPONSIBILITY TO OBTAIN SUCH COMPLIANCE WITH ALL LEGAL REQUIREMENTS APPLICABLE THERETO PRIOR TO ENGAGING IN THE BUSINESS FOR WHICH IT HAS OBTAINED APPROVAL OF THE REFERENCED DOCUMENT.

YOUR CANCELLED CHECK, AS VALIDATED BY THIS COMMISSION, IS YOUR RECEIPT. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE CHARTERED DOCUMENT DIVISION AT (505) 827-4511 FOR ASSISTANCE.

CHARTERED DOCUMENT DIVISION
AAG



OFFICE OF THE SECRETARY OF STATE
NEW MEXICO

****ELECTRONICALLY FILED****
Office of the New Mexico Secretary of State
Business ID#: 1738236
Filed On: 08/17/2016
Total Number of Pages: 1 of 2

Annual Report Fiscal Year End Date: 04/30/2016

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Business ID#: 1738236

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Filing Date: 08/17/2016

Fee: \$10.00

Penalty Fee: \$0.00

Total Payment Amount: \$10.00

Next Annual Meeting Date: 07/10/1995

NAICS Code: Other Services (except Public Administration) - 813990

NAICS Sub Code: Other Similar Organizations (except Business, Professional, Labor, and Political Organizations) - 983

Character of Affairs: Home Owners Association in Angel Fire New Mexico Resort areas.

Email Address: lfwier@gmail.com

Phone: 949-454-9866

Entity Address Type	Address	City	State	Zip	Country
Principal Place of Business in New Mexico	10 Miller Lane	Angel Fire	NM	87710	USA
Mailing Address	PO BOX 21	Angel Fire	NM	87710	USA

Registered Agent Information:

Agent Name: CAROL A. NEELLEY

Email Address: NONE

Phone Number: NONE

Type	Address	City	State	Zip	Country
Physical Address	233 JOHNSON STREET	SANTA FE	NM	87501	USA
Mailing Address	NONE	NONE	NONE	NONE	NONE

Officer/Director Information:

Title	Name	Address	Email Address	Phone Number	Term Expiration
President	LEONARD DAVIS	PO BOX 21, Angel Fire, NM, 87710 USA	NONE	NONE	NONE
Vice President	LELAND HOPSON	PO BOX 21, ANGEL FIRE, NM, 87710 USA	NONE	NONE	NONE
Secretary	CATHERINE MOON	PO BOX 21, ANGEL FIRE, NM, 87710 USA	NONE	NONE	NONE
Treasurer	SARA CULBRETH	PO BOX 21, ANGEL FIRE, NM, 87710 USA	NONE	NONE	NONE
Director	BRIAN SMITH	PO BOX 21, ANGEL FIRE, NM, 87710 USA	NONE	NONE	NONE
Director	DREW MAXWELL	PO BOX 21, ANGEL FIRE, NM, 87710 USA	NONE	NONE	NONE
Director	JOHN GOODSON	PO BOX 21, Angel Fire, NM, 87710 USA	NONE	NONE	NONE
Director	CARLA SIDES	PO BOX 21, ANGEL FIRE, NM, 87710 USA	NONE	NONE	NONE
Director	JOHN KANGERGA	PO BOX 21, ANGEL FIRE, NM, 87710 USA	NONE	NONE	NONE

Signature:

Authorizer Name	Title
LEONARD DAVIS	President
LELAND HOPSON	Vice President
CATHERINE MOON	Secretary
SARA CULBRETH	Treasurer



OFFICE OF THE SECRETARY OF STATE
NEW MEXICO

****ELECTRONICALLY FILED****
Office of the New Mexico Secretary of State
Business ID#: 1738236
Filed On: 09/11/2017
Total Number of Pages: 1 of 2

Annual Report Fiscal Year End Date: 04/30/2017

Transaction Type: Annual Report

Business ID#: 1738236

Entity Name: ASSOCIATION OF ANGEL FIRE PROPERTY OWNERS, INCORPORATED

Payment Type: Credit Card

Filing Date: 09/11/2017

Fee: \$10.00

Penalty Fee: N/A

Convenience Fee: \$1.25

Total Payment Amount: \$11.25

Next Annual Meeting Date: 06/09/2018

NAICS Code: Other Services (except Public Administration) - 813990

NAICS Sub Code: Other Similar Organizations (except Business, Professional, Labor, and Political Organizations) - 983

Character of Affairs: Home Owners Association in Angel Fire New Mexico Resort areas.

Email Address: lfwier@gmail.com

Phone: 949-454-9866

Entity Address Type	Address	City	State	Zip	Country
Principal Place of Business in New Mexico	10 Miller Lane	Angel Fire	NM	87710	USA
Mailing Address	PO BOX 21	Angel Fire	NM	87710	USA

Registered Agent Information:

Agent Name: CAROL A. NEELLEY

Email Address: NONE

Phone Number: NONE

Type	Address	City	State	Zip	Country
Physical Address	233 JOHNSON STREET	SANTA FE	NM	87501	USA
Mailing Address	NONE	NONE	NONE	NONE	NONE

Officer/Director Information:

Title	Name	Address	Email Address	Phone Number	Term Expiration
Vice President	LELAND HOPSON	PO BOX 21, ANGEL FIRE, NM, 87710	NONE	NONE	NONE
Secretary	CATHERINE MOON	PO BOX 21, ANGEL FIRE, NM, 87710	NONE	NONE	NONE
Treasurer	SARA CULBRETH	PO BOX 21, ANGEL FIRE, NM, 87710	NONE	NONE	NONE
President	Mike Woolley	PO BOX 21, Angel Fire, NM, 87710	NONE	NONE	NONE
Director	LEONARD DAVIS	PO BOX 21, Angel Fire, NM, 87710	NONE	NONE	NONE
Director	BRIAN SMITH	PO BOX 21, ANGEL FIRE, NM, 87710	NONE	NONE	NONE
Director	DREW MAXWELL	PO BOX 21, ANGEL FIRE, NM, 87710	NONE	NONE	NONE
Director	CARLA SIDES	PO BOX 21, ANGEL FIRE, NM, 87710	NONE	NONE	NONE
Director	JOHN KANGERGA	PO BOX 21, ANGEL FIRE, NM, 87710	NONE	NONE	NONE

Signature:

Authorizer Name	Title
CATHERINE MOON	Secretary
Mike Woolley	President



OFFICE OF THE SECRETARY OF STATE
NEW MEXICO

****ELECTRONICALLY FILED****
Office of the New Mexico Secretary of State
Business ID#: 1738236
Filed On: 07/14/2018
Total Number of Pages: 1 of 2

Annual Report Fiscal Year End Date: 04/30/2018

Transaction Type: Annual Report

Business ID#: 1738236

Entity Name: ASSOCIATION OF ANGEL FIRE PROPERTY OWNERS, INCORPORATED

Payment Type: E-Check

Filing Date: 07/14/2018

Fee: \$10.00

Penalty Fee: N/A

Total Payment Amount: \$10.00

Next Annual Meeting Date: 06/29/2019

NAICS Code: Other Services (except Public Administration) - 813990

NAICS Sub Code: Other Similar Organizations (except Business, Professional, Labor, and Political Organizations) - 983

Character of Affairs: Home Owners Association in Angel Fire New Mexico Resort areas.

Email Address: lfwier@gmail.com

Phone: 949-454-9866

Entity Address Type	Address	City	State	Zip	Country
Principal Place of Business in New Mexico	10 Miller Lane	Angel Fire	NM	87710	USA
Mailing Address	PO BOX 21	Angel Fire	NM	87710	USA

Registered Agent Information:

Agent Name: CAROL A. NEELLEY

Email Address: NONE

Phone Number: NONE

Type	Address	City	State	Zip	Country
Physical Address	233 JOHNSON STREET	SANTA FE	NM	87501	USA
Mailing Address	NONE	NONE	NONE	NONE	NONE

Officer/Director Information:

Title	Name	Address	Email Address	Phone Number	Term Expiration
Vice President	LEONARD DAVIS	PO BOX 21, Angel Fire, NM, 87710	NONE	NONE	NONE
Secretary	CATHERINE MOON	PO BOX 21, ANGEL FIRE, NM, 87710	NONE	NONE	NONE
Treasurer	RICK HOOKER	PO BOX 21, Angel Fire, NM, 87710	NONE	NONE	NONE
President	MIKE WOOLLEY	PO BOX 21, Angel Fire, NM, 87710	NONE	NONE	NONE
Director	BRIAN SMITH	PO BOX 21, ANGEL FIRE, NM, 87710	NONE	NONE	NONE
Director	DREW MAXWELL	PO BOX 21, ANGEL FIRE, NM, 87710	NONE	NONE	NONE
Director	CARLA SIDES	PO BOX 21, ANGEL FIRE, NM, 87710	NONE	NONE	NONE
Director	JOHN KANGERGA	PO BOX 21, ANGEL FIRE, NM, 87710	NONE	NONE	NONE
Director	MARTIN CARPENTER	PO BOX 21, Angel Fire, NM, 87710	NONE	NONE	NONE

Signature:

Authorizer Name	Title
CATHERINE MOON	Secretary
MIKE WOOLLEY	President



OFFICE OF THE NEW MEXICO
SECRETARY OF STATE

****ELECTRONICALLY FILED****
Office of the New Mexico Secretary of State
Business ID#: 1738236
Filed On: 09/13/2019
Total Number of Pages: 1 of 2

Annual Report Fiscal Year End Date: 04/30/2019

Transaction Type: Annual Report

Business ID#: 1738236

Entity Name: ASSOCIATION OF ANGEL FIRE PROPERTY OWNERS, INCORPORATED

Payment Type: E-Check

Filing Date: 09/13/2019

Fee: \$10.00

Penalty Fee: N/A

Total Payment Amount: \$10.00

Next Annual Meeting Date: 06/27/2020

NAICS Code: Other Services (except Public Administration) - 813990

NAICS Sub Code: Other Similar Organizations (except Business, Professional, Labor, and Political Organizations) - 983

Character of Affairs: Home Owners Association in Angel Fire New Mexico Resort areas.

Email Address: lfwier@gmail.com

Phone: 949-454-9866

Entity Address Type	Address	City	State	Zip	Country
Principal Place of Business in New Mexico	10 Miller Lane	Angel Fire	NM	87710	USA
Mailing Address	PO BOX 21	Angel Fire	NM	87710	USA

Registered Agent Information:

Agent Name: CAROL A. NEELLEY

Email Address: NONE

Phone Number: NONE

Type	Address	City	State	Zip	Country
Physical Address	233 JOHNSON STREET	SANTA FE	NM	87501	USA
Mailing Address	NONE	NONE	NONE	NONE	NONE

Officer/Director Information:

Title	Name	Address	Email Address	Phone Number	Term Expiration
Vice President	LEONARD DAVIS	PO BOX 21, Angel Fire, NM, 87710	NONE	NONE	NONE
Secretary	CATHERINE MOON	PO BOX 21, ANGEL FIRE, NM, 87710	NONE	NONE	NONE
Treasurer	RICK HOOKER	PO BOX 21, Angel Fire, NM, 87710	NONE	NONE	NONE
President	MIKE WOOLLEY	PO BOX 21, Angel Fire, NM, 87710	NONE	NONE	NONE
Director	BRIAN SMITH	PO BOX 21, ANGEL FIRE, NM, 87710	NONE	NONE	NONE
Director	DREW MAXWELL	PO BOX 21, ANGEL FIRE, NM, 87710	NONE	NONE	NONE
Director	BILLY PEPPER	PO BOX 21, Angel Fire, NM, 87710	NONE	NONE	NONE
Director	MIKE SMITH	PO BOX 21, Angel Fire, NM, 87710	NONE	NONE	NONE
Director	MARTIN CARPENTER	PO BOX 21, Angel Fire, NM, 87710	NONE	NONE	NONE

Signature:

Authorizer Name	Title
MIKE SMITH	Director
MIKE WOOLLEY	President



STATE OF NEW MEXICO

MAGGIE TOULOUSE OLIVER

SECRETARY OF STATE

****ELECTRONICALLY FILED****
Office of the New Mexico Secretary of State
Business ID#: 1738236
Filed On: 08/21/2020
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Annual Report Fiscal Year End Date: 04/30/2020

Transaction Type: Annual Report

Business ID#: 1738236

Entity Name: ASSOCIATION OF ANGEL FIRE PROPERTY OWNERS, INCORPORATED

Payment Type: E-Check

Filing Date: 08/21/2020

Fee: \$10.00

Penalty Fee: N/A

Total Payment Amount: \$10.00

Next Annual Meeting Date: 09/16/2020

NAICS Code: Other Services (except Public Administration) - 813990

NAICS Sub Code: Other Similar Organizations (except Business, Professional, Labor, and Political Organizations) - 983

Character of Affairs: Home Owners Association in Angel Fire New Mexico Resort areas.

Email Address: executive-director@aafpo.org

Phone: 804-837-3507

Entity Address Type	Address	City	State	Zip	Country
Principal Place of Business in New Mexico	10 ANGEL FIRE LANE	Angel Fire	NM	87710	USA
Mailing Address	PO BOX 21	Angel Fire	NM	87710	USA

Registered Agent Information:

Agent Name: CAROL A. NEELLEY

Email Address: NONE

Phone Number: NONE

Type	Address	City	State	Zip	Country
Physical Address	233 JOHNSON STREET	SANTA FE	NM	87501	USA
Mailing Address	NONE	NONE	NONE	NONE	NONE

325 DON GASPAR, SUITE 300 | SANTA FE, NEW MEXICO 87501
PHONE: (505) 827-3600 or (800) 477-3632 | FAX: (505) 827-8081
WWW.SOS.STATE.NM.US

Officer/Director Information:

Title	Name	Address	Email Address	Phone Number	Term Expiration
Vice President	PENNI DAVEY	PO BOX 21, Angel Fire, NM, 87710	NONE	NONE	NONE
Secretary	SANDRA TROM	PO BOX 21, Angel Fire, NM, 87710	NONE	NONE	NONE
Treasurer	CAROL RUPP	PO BOX 21, Angel Fire, NM, 87710	NONE	NONE	NONE
President	PEGGY TROTT	PO BOX 21, Angel Fire, NM, 87710	NONE	NONE	NONE
Director	SPENCER HAMONS	PO BOX 21, Angel Fire, NM, 87710	NONE	NONE	NONE
Director	HOLLY HAM	PO BOX 21, Angel Fire, NM, 87710	NONE	NONE	NONE
Director	JIM MILLER	PO BOX 21, Angel Fire, NM, 87710	NONE	NONE	NONE
Director	PEGGY TROTT	PO BOX 21, Angel Fire, NM, 87710	NONE	NONE	NONE
Director	HANK RENNAR	PO BOX 21, Angel Fire, NM, 87710	NONE	NONE	NONE

Signature:

Authorizer Name	Title
PENNI DAVEY	Vice President
SANDRA TROM	Secretary

BY-LAWS

of

THE ASSOCIATION OF ANGEL FIRE PROPERTY OWNERS, INC.

1738236

FEB 15 1996
CORPORATION DEPARTMENT

ARTICLE I

RECITALS AND DEFINITIONS

Section 1. This corporation has been formed pursuant to the Non-profit Corporation Act of the State of New Mexico, NMSA Chapter 53, Article 8, and is the successor to the Property Owners Association.

Section 2. The specific and primary purposes of this corporation are set forth in Article II of the Articles of Incorporation.

Section 3. The corporation is herein referred to as the "Association."

Section 4. The terms "Development" and "Resort" shall mean all of the real property within the boundaries of a certain real estate development in Colfax County, New Mexico, commonly known as "Angel Fire," and any additional property which is annexed thereto, pursuant to the provisions of the Protective Covenants and Restrictions recorded in the Office of the Recorder of the County of Colfax, State of New Mexico, in connection with the Development.

Section 5. Although there shall never be any requirement that the Association own any real or personal property as a precondition to the Association's existence or ability to exercise the powers set forth in the Supplemental Declaration of Restrictive Covenants and Easements (recorded in the records of Colfax County, New Mexico, on September 27, 1995, and hereinafter referred to as "Supplemental Declaration") or the Articles of Incorporation, the property and common facilities which the Association may initially own and control are more particularly described as follows:

(1) That certain Land Use Easement created in the Supplemental Declaration.

(2) Any other common facilities which the Association shall own, lease, or otherwise control and/or operate for the common use and benefit of the members, of the community, and the public at large.

The Association shall own and/or lease such equipment and personal property as is reasonably required from time to time for use in connection with the common facilities. The Association may own and/or lease other property, real or personal, from time to time, for the common benefit, use and enjoyment of the members of the Association and the general public.

All of the above described property which the Association shall own, lease, control, and/or operate is herein collectively referred to as "Association Property."

Section 6. The term "Homesite" shall mean any legally constituted lot, tract, parcel, condominium, apartment, town house unit, timeshare unit, cabinshare unit, or acreage which has been subdivided into lots within the Development, regardless of its designated use for residential, commercial, multi-family, or other purposes.

Section 7. The term "Owner" shall mean the person or entity holding the legal or equitable title to a homesite, which term shall include but not be limited to purchasers under an Acceptance Agreement (purchase contract), excepting that the Developer and its successors in interest shall not be considered "Owners" regardless of the number of homesites and lots they presently own or may obtain title to in the future.

Section 8. The term "Covenants and Restrictions" shall mean all limitations, restrictions, covenants, terms and conditions set forth in the Restrictive Covenants and Restrictions recorded in the Office of the Recorder of the County of Colfax with respect to the Development, as such declarations may from time to time be amended, supplemented, or modified by a subsequent Declaration so recorded. "Covenants and Restrictions" includes but is not limited to the Supplemental Declaration.

Section 9. The term "Common Facilities or "Common Area" shall mean and include, collectively, all real property and improvements located thereon, which are owned, managed, leased, or maintained by either the Association, the Developer, or its successors in interest, intended for the common use and enjoyment of Association members, specifically including, but not limited to the Amenities of the Development, as the term "Amenities" is defined in the Supplemental Declaration.

Section 10. The term "Good Standing" shall mean, with respect to a member, that the member is current in his/her assessment and dues payments, past and present, to the Association, and whose rights under these By-Laws have not been suspended.

Section 11. The term "Membership" shall mean membership in the Association as set forth in Article IV of the Articles of Incorporation. The term "Member" shall mean the person holding or designated to hold such membership in good standing. The Developer and its successors shall not be members.

Section 12. The term "Board" shall mean the duly elected and acting Board of Directors of the Association.

Section 13. The term "Person" or "Entity" shall mean and include any individual, corporation, partnership, association or other legal entity recognized by the laws of the State of New Mexico.

Section 14. The term "Developer" shall mean the Angel Fire Corporation and any of its successors or assigns, engaged in developing the Resort or any portion thereof.

**ARTICLE II
PRINCIPAL OFFICE**

The principal office of the Association shall be located at such place in the Angel Fire community as the Board shall from time to time designate by resolution.

**ARTICLE III
MEMBERSHIP**

Section 1. Each Owner of a homesite within the Development, except the Developer, shall be a member of the Association.

Section 2. Each Owner who is a member shall remain a member until he no longer qualifies as such under Article I, Section 11 above.

Section 3. The Board may provide for the issuance of certificates evidencing membership in the Association which shall be in such form as determined by the Board. The name and address of each member shall be entered in a Membership register maintained by the Secretary.

Section 4. If more than one person owns a residential homesite, all of said persons shall be deemed to be one member. Only one of the persons constituting that jointly held membership may cast its vote, and then only if an agreement signed by all persons constituting that jointly held membership so designates that person, and that agreement is filed with the Secretary at least ten (10) days in advance of the casting of the vote. Any such agreement shall stand unless or until it has been modified and filed in a like manner. If other than the designated voter attempts to cast a vote, either singly or in addition to the designated voter, the vote of the member shall be invalidated.

The Developer and its successors shall not be able to vote any lots or undeveloped real property owned by it in any election or vote held by the Association. The Developer and its successors shall be non-voting members of the Association.

Section 5. The Secretary shall have the right to demand proof of homesite ownership prior to accepting a person or entity as a member.

Section 6. Notwithstanding other provisions herein, property owners shall not have the exclusive right to use of the amenities.

**ARTICLE IV
MEETINGS OF MEMBERS**

There shall be two types of meetings of members: Regular meetings, of which the annual meeting shall be one, and special meetings. The

conduct of all meetings of members shall be guided by "Roberts Rules of Order."

Section 1. Regular Meetings.

a. **Annual Meeting.** The first annual meeting of the Members shall be held within ninety (90) days from the date of closing of the sale of the ANGEL FIRE RESORT to ANGEL PROJECTS I, L.P., and the first subsequent regular annual meeting of the Members shall be held at a time to be established by the Board of Directors. Thereafter, regular annual meetings shall be held during the same calendar month each year at a time to be established by the Board of Directors, and notice of those meetings given to members by first class mail, prepaid.

The principal purpose of the annual meeting shall be to elect directors to fill declared vacancies, and to seat the new Board of Directors for the ensuing year. However, other business may also be conducted at the annual meeting. Procedures shall be as follows:

(1) Not more than 45 days nor less than 30 days prior to the Annual Meeting, a Board of Directors meeting shall be held at which time nominations for membership on the Board of Directors will be accepted. The Election Committee shall make nominations from the floor in accordance with the procedures established in Article VI, Section 2. Additional nominations may be made from the floor by Members. All nominated individuals will be included on the ballot for the Annual Meeting.

(2) Other matters, if any, for which ballots will be cast at the Annual Meeting, shall be individually brought to the floor of the Board meeting [see (1) immediately above] by motion, seconded, and discussed. The actual vote on any such matters shall, however, be postponed until the Annual Meeting.

(3) Voting for candidates for the Board of Directors at the Annual Meeting shall be by secret ballot subject only to such reasonable procedures as may be implemented to preclude duplicate votes and/or voting by unqualified persons.

(4) Voting for the election of members to the Board of Directors, as well as on other matters, at the Annual Meeting shall be determined on a plurality of votes cast by members in good standing.

b. **Other Regular Meetings.** Other regular meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of one tenth of the members. Procedures shall be the same as for the Annual Meeting.

Section 2. Special Meetings.

Special meetings are characterized by not providing for the actual attendance of members. At the discretion of the Board of Directors, in addition to regular meetings wherein all members are requested to attend, the Board of Directors may establish voting days wherein all votes cast during such period will count toward a quorum for the taking of action as if a regular meeting had been convened. The following procedures shall apply to such meetings:

a. **Notice-Contents:** Not less than thirty (30) days prior to any voting days, the Board of Directors shall cause to be delivered to each Member by mail (determined on the date of such notice) a notice containing the following:

- (1) The days and times established for voting;
- (2) The place at which votes may be cast;
- (3) The matters to be voted on, together with the recommendation of the Board on those matters; and
- (4) The time and place of the Board of Directors meeting at which a discussion will be held concerning all issues to be voted on, such meeting to be held not more than twenty (20) days nor less than ten (10) days prior to the voting days.

b. Voting:

- (1) Voting shall be by secret ballot subject only to such reasonable procedures as may be implemented to preclude duplicate votes and/or voting by unqualified persons.
- (2) Issues voted upon shall be determined on a plurality of votes cast by members in good standing.

Section 3. Quorum. The quorum for all regular and special meetings of Members shall be the presence at such meetings in person or by proxy of members in good standing who are entitled to cast one tenth of the votes of the members then outstanding. If the required quorum is not forthcoming at a meeting, the meeting may be adjourned to another time no sooner than one week nor later than forty-five (45) days from the date, or such meeting may be continued for a period not to exceed 48 hours to obtain a quorum.

Section 4. Proxies. Each member in good standing may vote at a regular or special meeting in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease after eleven (11) months unless otherwise expressly provided therein. A proxy also shall be deemed revoked when the Secretary shall receive actual notice of the death or judicially declared incompetence of such Member, upon termination of such Member's status as an owner, or if the Member is not in good standing.

ARTICLE V MEMBERSHIP RIGHTS

Section 1. Subject to the provisions hereof, and of the provisions of the Articles of Incorporation and Covenants and Restrictions, Members shall have the following rights:

a. Each member in good standing with the Association shall be entitled to the use and enjoyment of all Common Facilities and Common Areas within the Development.

b. Each member in good standing shall have the right to designate members of his/her own family that reside with the Member who may use and enjoy the Common Facilities and Common Areas within the Development.

c. The invitees and guests of a member in good standing shall have the right to use and enjoy the Common Facilities and Areas within the Development, to the extent the Common Facilities and Areas permit. Purchaser may offer various incentive programs including discount guest ticket programs to Property Owners for the benefit of their guests.

Section 2. The right of use and enjoyment hereunder, shall at all times be subject to all existing published rules and regulations promulgated by the Board of Directors and resort owners, and shall at all times be subject to the Supplemental Declaration. The Board shall have the right to suspend the use and enjoyment of any Common Facility or Area for the failure of a person to comply with such rules and regulations and Supplemental Declaration, provided, however, that such suspension shall only be imposed after such person has been notified in writing and has been offered a reasonable opportunity to be heard by the Board.

ARTICLE VI BOARD OF DIRECTORS

Section 1. The affairs of the Association shall be managed by a Board of nine (9) Directors, each of whom must be a Member of the Association in good standing. The first elected regular Board of Directors shall serve terms of one, two, or three years, or until their respective successors for these terms are elected, or until their death, resignation or removal, whichever is the earlier. At the expiration of these first terms, new Board members shall be elected for three year terms. The Developer will be entitled to have one ex-officio, non-voting member of the Board of Directors.

No director shall serve for more than two (2) successive three (3) year elective terms; however, in the event that a person begins his/her tenure on the Board by filling a vacancy as an appointee, the maximum continuous tenure shall be seven (7) years.

No director shall be an employee of, nor receive compensation for any services he/she renders to, the Developer or its successors.

Not less than six (6) weeks prior to each annual meeting, the Board of Directors shall determine the number of directors to be elected.

Section 2. Method of Nomination. Candidates for election shall file a Petition for Candidacy, signed by not less than ten (10) Members in good standing, with the Elections Committee at least five (5) weeks before the annual meeting. The Elections Committee shall provide all members with a ballot containing the names of all bona fide candidates not less than three (3) weeks) before the annual meeting.

Section 3. Method of Election. Election shall be by secret written ballot either at the annual meeting or delivered to the Chairman of the Elections Committee prior to the start of the annual meeting. Members in good standing may cast, in respect to each vacancy, one vote for each homesite. Cumulative voting shall not be permitted. Those persons receiving a plurality of votes cast shall be elected.

Section 4. Resignation and Removal. The unexcused absence of an elected director from two (2) consecutive regular meetings of the Board shall be deemed a resignation. Any elected director may be removed from the Board, with or without cause, by a majority vote of a quorum of the members of the Association. "Unexcused Absence" shall mean absence

without reasonable cause as defined by the Board, and prior notice to the Board of Directors.

Section 5. Vacancies. In the event of death, resignation or removal of an elected director, his successor shall be selected by the remaining elected directors and shall serve until the next election of directors.

Section 6. Compensation. No director shall receive compensation for any service he may render to the Association as a director. However, any director may be reimbursed for actual expenses incurred in the performance of his/her duties, to the extent that those duties for, and the rate at, which reimbursement is to be provided have been priorly determined by the Board. No director shall be an employee of the Association nor contract with the Association.

ARTICLE VII BOARD MEETINGS

Section 1. Regular meetings of the Board shall be held quarterly, one of which shall immediately follow the annual meeting of the membership, and the others at such place and hour as may be fixed annually by resolution of the Board at the annual meeting. Any change must be publicly announced at least thirty (30) days in advance by local newspaper or mail.

Section 2. Special meetings of the Board shall be held when called by the President or at the request of any three (3) directors after not less than ten (10) days notice to each Director and the public by local newspaper or mail.

Section 3. A majority of the number of directors shall constitute a quorum for the transaction of business.

Section 4. All meetings of the Board shall be open to observers, except the president may call the Board into executive session on matters of personnel, legal actions, or for hearings on infractions of published rules and regulations. Any action taken by the Board in executive session shall be recorded in the minutes of the Association. The conduct of all Board meetings shall be guided by "Roberts Rules of Order."

Section 5. The directors shall have the right to take any action in the absence of a meeting which they could take at a regular or special meeting by obtaining the written approval of all of the directors. Any action so taken shall have the same effect as though taken at a regular or special meeting of the directors, and shall be recorded in minutes in the same manner as if a meeting had been held.

**ARTICLE VIII
DUTIES AND POWERS OF THE BOARD**

Section 1. To judiciously exercise all powers vested in the Board under these By-Laws, the Articles of Incorporation, the Covenants and Restrictions, Supplemental Declaration, and under the laws of the State of New Mexico.

Section 2. To elect, appoint, and remove all Officers of the Association, provided that the removal of elected officers shall be by a vote of not less than a $\frac{2}{3}$ majority of the directors at a regular or special meeting.

Section 3. To appoint and remove, in accordance with rights vested in the Association pursuant to the Covenants and Restrictions, members of the Environmental and Architectural Control Committee provided for in Article II, Paragraph (c), of the Articles of Incorporation. Each member of the Environmental and Architectural Control Committee shall hold office until such time as he has resigned, has been removed, or his successor has been appointed by the Board.

Section 4. To appoint such agents and employ such employees, including attorneys and accountants, as it feels necessary to assist in the operation of the Association, and to specify their duties and establish their compensation.

Section 5. To adopt and establish rules and regulations governing the use of the Common Facilities and Common Areas, and to take such steps as it deems necessary for the enforcement of such rules and regulations, subject to the provisions of the Supplemental Declaration.

Section 6. To establish a means for evidencing membership in the Association.

Section 7. To establish different types of membership and to put restrictions upon membership benefits if the Board from time to time deems it necessary or beneficial.

Section 8. To enforce all applicable provisions of the Covenants and Restrictions, Supplemental Declaration, Articles of Incorporation, these By-Laws, and other regulations relating to the management and use of the Common Facilities and Common Areas within the Resort.

Section 9. To contract and pay premiums for fire, casualty, liability, and other insurance and bonds (including indemnity bonds) which may be required from time to time by the Association.

Section 10. To contract and pay for maintenance, landscaping, utilities, materials, supplies, labor and services, that may be required from time to time in relation to Association Property, and the Common Facilities and Common Areas within the Development.

Section 11. To pay all taxes, special assessments and other assessments and charges that are or may become the responsibility of the Association, which are or would become a lien on Association Property. To approve any new encumbrances or liens on any of the Amenities within the resort that the Developer, its successors in interest or assigns, may attempt to put on the properties or the facilities which would be consistent with the Supplemental Declaration.

Section 12. To contract for and pay for construction or reconstruction of Association property damaged or destroyed.

Section 13. To, if and when the Board deems it appropriate, grant concessions to be operated, in conjunction with the use of the Common Facilities, provided, however, any such concession shall not exceed a term of five (5) years without the prior approval of the Membership.

Section 14. To, in accordance with the Supplemental Declaration, establish the method for calculating the amount of yearly assessment dues to be paid by the members of the Association and to levy and collect those assessments, and to establish and collect reasonable annual assessments for the use of any or all of the Common Facilities and maintenance of the integrity of the Supplemental Declaration as the Board may deem necessary or desirable from time to time for the purpose of equitably allocating among the property owners and the public the cost of operation thereof.

The method for calculating the amount of the assessments will be based upon the percentage of use of the Amenities by the members compared to that of the general public. These figures will be kept by the Developer or its successors in interest along with the information on the income generated from the use of all Amenities, which will be annually audited and submitted to the Board. In addition, the Developer or its successors in interest shall, no less than three (3) months prior to the beginning of the amenity year, submit a proposed operating budget, including the proposed yearly assessment amounts that individual property owners shall pay, and a list of the total amount of dues assessed. The Board shall have the right to review and approve said budget. The reasonableness of the annual assessment in the budget will be based on: 1) the pro rata share of the Members' versus the general public's use of the Amenities (broken down by amenity), compared to the income generated by each; and 2) the estimated operating expenses (by amenity), using the consumer price index as the basis for raising dues if necessary. This information will assist the Board in determining whether or not the Members' assessments should be increased or decreased for the following fiscal year.

Section 15. To perform all acts required of it under the Covenants and Restrictions, including but not limited to the enforcement of collection of the assessments, the hiring and designation of a collection agent, and enforcement of the Land Use Easement granted to the Association and the Members in the Supplemental Declaration.

Section 16. To limit the amount and the number of increases in assessments charged to the members of the Association.

Section 17. To serve in an advisory capacity on issues such as operating programs, annual budgets, and capital improvements which fit within the limitations described herein. Specifically, the Board shall have the right to review the Developer's amenities operating and capital budgets prior to the amenity year in which annual assessment monies are contemplated to be spent. Further, the Board shall have veto power over any operating budget which proposes an increase in annual assessments over and above the CPI for normal operations and maintenance of the amenities.

Section 18. To maintain a full set of books and records showing the financial condition of the affairs of the Association in a manner consistent with generally accepted accounting principles, and at no greater than annual intervals obtain an independent audit of such books, a copy of which shall be made available to each member within thirty (30) days after completion.

Section 19. To appoint such committees as it deems necessary from time to time in connection with the affairs of the Association.

ARTICLE IX OFFICERS

Section 1. The Board-elected officers of the Association shall be members of the Association and shall consist of a president, vice president, secretary, and treasurer. If a member is a partnership, corporation or other legal entity under New Mexico law, then the member's employees shall qualify to be officers. Board-elected officers shall not hold any given office for more than three (3) successive one (1) year terms.

The Association may also have, in accordance with the provisions of Section 3 following, one or more Board-appointed assistant secretaries and/or assistant treasurers, and such other Board-appointed officers, as the Board may from time to time deem necessary. One person may hold two or more elected or appointed offices, except that the offices of president and secretary shall not be held by the same person.

Section 2. The officers of the Association, except such officers as may be appointed in accordance with the provisions of Section 3 and 5 following, shall be elected annually by the Board, and each shall hold his/her office until he/she shall resign or be removed or otherwise disqualified to serve, or his successor be elected.

Section 3. The Board may appoint, and may empower the president to appoint, such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided for in these By-Laws or as the Board may from time to time determine.

Section 4. Any officer may be removed, either with or without cause, by the Board or by any officer upon whom such power of removal

may be conferred by the Board; provided, however, that no such officer shall remove an officer chosen by the Board. Any officer may resign at any time by giving written notice to the Board or to the President or to the Secretary. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. A vacancy in any office shall be filled in the manner prescribed in these By-Laws for election or appointment to such office.

Section 6. The President, elected by the Board from among the directors, shall be the chief executive officer of the Association and shall, subject to the will of the Board, have general supervision, direction, and control of the affairs of the Association. He shall preside at all meetings of the Board, and shall have the general powers and duties of management usually vested in the office of President of a nonprofit corporation, together with such other powers and duties as may be prescribed by the Board or these By-Laws.

Section 7. The Vice-President, elected by the Board from among the directors, shall, in the absence of the President, perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restriction upon, the President. The Vice-President shall have such other powers and perform such other duties as from time to time may be prescribed by the Board or these By-Laws.

Section 8. The Secretary, elected by the Board from among the directors, shall keep or cause to be kept, at the principal office or such other place as the Board may order, a book of minutes of all meetings and non-meeting actions of Directors and members, as follows:

1) Minutes of director's meetings shall record the time, place, and type of meeting or action, how authorized, the notice given, the names of those present, and the proceedings thereof, including all motions, by whom made and seconded, and whether passed or rejected; and

2) Minutes of Member meetings shall record how authorized, the notice given, the number of members present in person or by proxy, and the proceedings thereof.

The Secretary also shall keep, or cause to be kept, appropriate current records showing the members of the Association, together with their addresses. He shall give, or cause to be given, notice of all meetings of the Board required by the By-Laws or by law to be given, and he shall keep the seal of the Association in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board or these By-Laws.

Section 9. The Treasurer, elected by the Board from among the directors, shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, and disbursements. The books of account shall at all reasonable times be open to inspection by any director or member.

The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board. He shall disburse the funds of the Association as may be ordered by the Board, shall render to the President and directors, whenever they so request, an account of all his/her transactions as Treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board or these By-Laws.

ARTICLE X COMMITTEES

Section 1. The Board shall appoint an Elections Committee no later than two (2) months prior to the annual meeting date. The committee shall consist of a chairman who shall not be a director, and at least four (4) other members, none of whom need be directors nor shall be candidates for office. It shall be the duty of the Committee to provide supervision of the nomination and election of directors in accordance with procedures adopted by the Board.

Section 2. The Board shall appoint such other committees it deems appropriate to carry out its purpose.

ARTICLE XI FISCAL YEAR

The fiscal year of the Association shall be the amenity year (October 1 through September 30) unless otherwise established by the Board.

ARTICLE XII INDEMNIFICATION OF OFFICERS AND DIRECTORS

Each officer and director of the Association, in consideration of his/her services as such, shall be indemnified by the Association to the extent permitted by law against expenses and liabilities reasonably incurred by him/her in connection with the defense of any action, suit or proceeding, civil or criminal, to which he/she may be a party by reason of being or having been a director or officer of the Association. The forgoing right of indemnification shall not be exclusive of any other rights to which the director or officer or person may be entitled by law, or agreement, or vote of the Members or otherwise.

ARTICLE XIII
SPECIAL PROVISION RELATING TO PROPOSALS MADE BY THE DEVELOPER

Section 1. In the event the Developer presents any matter to the Board which requires approval of the Board pursuant to the Supplemental Declaration, and the Board fails to vote on such matter within forty-five (45) days of the date of presentation of the issue by the Developer, the issue presented will be deemed approved.

Section 2. In the event the Developer presents any issue to the Board which, by the terms of the Supplemental Declaration requires the approval of the Membership, and the Board has not presented that issue to the Membership and obtained its vote within ninety (90) days from the date the Developer presents the issue to the Board, the issue presented will be deemed approved.

ARTICLE XIV
MISCELLANEOUS

Section 1. General.

a. All books, records and papers of the Association shall at all times, during reasonable business hours, be subject to the inspection of any member at the Offices of the Association, and all meeting minutes shall be placed on file at the Angel Fire Community Library and Chamber of Commerce.

b. The Board may, from time to time, employ the services of an Executive Director to manage the affairs of the Association and, to the extent not inconsistent with the laws of the State of New Mexico, and upon such conditions as are otherwise deemed advisable by the Board, the Board may delegate to the Executive Director any of its powers under these By-Laws and the Covenants and Restrictions. In such case, the Board shall, by specific resolution, detail those powers and set a specific sunset date, after which the delegation must be renewed.

c. These By-Laws may only be amended or repealed, and new By-Laws adopted by the members by a plurality vote of a quorum of the Membership. The Articles of Incorporation may only be amended by the affirmative vote of $\frac{2}{3}$ of a quorum of the Membership. The Quorum requirements of Article IV, Section 3 of the By-Laws shall apply to any vote of the Membership under this Section.

d. Any notice or other document permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered seven (7) days after a copy of same has been deposited in the United States mail, postage prepaid, to the last known address of the addressee.

e. In the event a municipality is formed which includes the Development, the members shall have the authority to vote, in accordance with Article IV, to direct the Board to transfer any or all of the

Common Facilities and/or Common areas then under its ownership to the municipality.

Section 2. Inclusions Required by the Amended Joint Plan Confirmed May 31, 1995.

a. There shall be an Initial Board of Directors composed of: Four (4) members of the Property Owners Committee (POC) [later designated to be Rebecca Alzheimer, Ruth Bush, Wayne Jones, and Paul Peppard]; Thomas Mastin, Jr., A. L. Clanton, Robert Dillon, and Bruce Lawrence; and a representative appointed by the Developer who shall serve ex-officio without vote. This Initial Board of Directors shall serve until the first meeting of the members has been held and the first regular Board of Directors has been elected and seated. In so serving, the Initial Board shall have all of the powers and duties of the regular Board of Directors. Further, the Initial Board shall determine the number of directors on the first elected regular Board who shall have one, two, or three year terms.

b. Others currently in good standing who are not property owners-- i.e., the approximately twenty-six (26) memberships previously sold by Fox Benton--shall have the continued right to the same use of the amenities as do property owners upon payment of annual assessments.

c. During the six (6) months following the Closing Date, the Developer may make a one time offer in the form of reduced payment on past due annual assessments to permit delinquent memberships to be reinstated and thus brought into compliance.

d. All existing multiple homesite owners shall be converted to full annual assessment paying status, such conversion to be graduated twenty-five (25) percent per year over the time period commencing October 1, 1995 and ending September 30, 1999, at which time multiple homesite owners shall be required to pay each of the full annual assessments as billed.

e. The Association will cooperate in good faith with the Developer in an attempt to create a structure that will, if legally possible, permit elimination of the New Mexico gross receipts tax on annual assessments. However, 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, 1996, with a completion date of December 15, 1996, the gross receipts tax on the annual assessment collections may be added directly to the property owners' annual assessment to be paid in the 1996-97 annual assessment season.

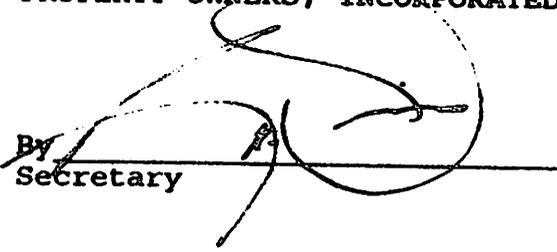
f. In the event the Village of Angel Fire or any other public taxing authority or government entity or unit imposes any discriminatory tax increase, levy, assessment, user fee, or similar charge for or on the amenities, such charge shall be added directly to the annual assessment to be paid by property owners.

KNOW ALL MEN BY THESE PRESENCE:

The undersigned, Secretary of the corporation known as The Association of Angel Fire Property Owners, Incorporated, does hereby certify that the above and forgoing amended By-Laws were duly adopted by the Board of Directors on the 2nd day of December, 1995, and are recommended for adoption by the membership of the Association.

**THE ASSOCIATION OF ANGEL FIRE
PROPERTY OWNERS, INCORPORATED**

By _____
Secretary

A large, stylized handwritten signature in black ink is written over a horizontal line. The signature is highly cursive and loops around the line, extending above and below it.

RESOLUTION OF

THE ASSOCIATION OF ANGEL FIRE
PROPERTY OWNERS, INCORPORATED

The following resolution was adopted by a plurality vote of a quorum of the membership of the ASSOCIATION OF ANGEL FIRE PROPERTY OWNERS, INCORPORATED at a meeting of the Membership held on the 27th day of January, 1996, at Angel Fire, New Mexico.

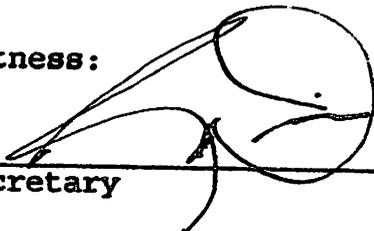
"Be it resolved that the amended By-Laws of the Association of Angel Fire Property Owners, Incorporated be and are adopted as set forth in the attached By-Laws of the Association of Angel Fire Property Owners, Incorporated."

I certify that the forgoing is a true copy of the resolution adopted by the Membership.



President

Witness:



Secretary

Filed For Record 9-27-95 at 5:29PM Barbara Castillo, Recorder
**SUPPLEMENTAL DECLARATION OF RESTRICTIVE
COVENANTS AND EASEMENTS**

This Supplemental Declaration of Restrictive Covenants and Easements is made by _____ ("Declarant"), the Property Owners, as further defined herein, and by the Association of Angel Fire Property Owners, Incorporated, as further defined herein, this 21st day of September, 1995.

RECITALS:

A. Declarant is the successor to the developers of a resort in Colfax County, New Mexico, generally known as Angel Fire. Declarant's predecessors as part of that development, over a period of years have subdivided and platted various tracts of real property and filed for record Declarations of Restrictive Covenants in connection with such subdivisions. A list of such subdivisions ("the subdivisions") and the date of recording of the Restrictive Covenants (the "Restrictive Covenants") for each Subdivision is attached hereto as Exhibit A.

B. More than 5,600 Homesites have been sold to Property Owners in the Subdivisions. For purposes of this Supplemental Declaration, "Homesites" means any legally constituted lot, tract, parcel, condominium, apartment unit, townhouse unit, timeshare unit, cabinshare unit or acreage which has been subdivided into lots within the Subdivisions, regardless of its designated use for residential, commercial, multi-family or other purposes. For purposes of this Supplemental Declaration, "Property Owner" means the person other than Declarant who owns the legal or equitable title to a Homesite. "Property Owner" does not include a person

Return original to:
James L. Rasmussen
Kemp, Smith, Dunbar P.C.
P.O. Box 1276
Albuquerque, NM 87103-1276

having an interest in a homesite solely as security for an obligation.

C. Declarant's predecessors, as part of the development of Angel Fire, constructed, and have maintained and operated various Amenities, all as more fully set forth on Exhibit B attached hereto (the "Amenities"). The Amenities are owned by Declarant. The Amenities benefit, and therefore concern, the Homesites. The Amenities are part of a general plan or scheme of improvement for the benefit and complement of all the Subdivisions.

D. The Property Owners and their predecessors have paid an annual assessment to Declarant's predecessors to defray the cost of constructing, maintaining, repairing and operating the Amenities. In the case of nonpayment of this assessment, certain of the Restrictive Covenants have treated the unpaid amount as a lien on the Homesite owned by the delinquent Property Owner. The Property Owners and their predecessors have used the Amenities. These arrangements, whether or not created by express language in the Restrictive Covenants and MUD Disclosures previously filed, have created certain property interests which run with the land and may be variously described as mutual reciprocal equitable easements, implied reciprocal negative easements, implied restrictive covenants, equitable servitudes or equitable easements.

E. On July 10, 1995 the Association of Angel Fire Property Owners, Incorporated (the "Association"), a New Mexico non-profit corporation, was formed. The Association is the successor to the Angel Fire Property Owners Association, a New

CERTIFICATE OF AUTHENTICITY

I, the undersigned, do hereby certify that the microphotographs appearing on this page are true and correct copies of the original documents as shown on the records of the COUNTY CLERK, as delivered in the regular course of business for microfilming.

Manda Gates-Ortiz
County Operator

Mexico non-profit corporation, formed on March 30, 1973. Every Property Owner, except Declarant, is automatically a member of the Association.

F. On July 9, 1993, Declarant's predecessor sought bankruptcy protection in Case No. 11-92-12179-MA in the United States Bankruptcy Court for the District of New Mexico.

G. On September 29, 1993, the Bankruptcy Court entered an order forming the Angel Fire Property Owners' Committee. The Property Owners' Committee is the representative of the Property Owners in the Bankruptcy case referred to above.

H. On December 17, 1993, the Angel Fire Property Owners' Committee filed Adversary Proceeding No. 93 1392M (the "Lawsuit") in the United States Bankruptcy Court for the District of New Mexico, against the Angel Fire Corporation and others seeking a declaratory judgment in reference to the Amenities and rights of the members of the Association.

I. Declarant, for itself, its successors and assigns, the Property Owners and the Association, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, desire to resolve the Lawsuit and as part of the settlement, to make the covenants and easements applicable to the Amenities uniform, to restate and clarify the implied covenants and easements described in Paragraph D hereof by setting forth express covenants and easements as further described herein, and to provide a land use easement to the Property Owners and the Association pursuant to New Mexico law.

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Mada Galar-Guzon
County Operator

CERTIFICATE OF AUTHORITY

COVENANTS:

1. Covenant Regarding Nature of Declarant's Use of Amenities.

A. As of the date hereof, Declarant is the titled owner of the Amenities. The Amenities shall be used for recreational purposes only. Declarant shall not change the specific recreational use of an Amenity without the consent of the Association. There shall be no residential or commercial construction on the property on which an Amenity is located which is inconsistent with its use and which does not improve, enhance or continue the use of the property consistent with the Amenity. Incompatible residential or commercial (not directly supporting recreational use) construction or proposed changes in a specific recreational use of an Amenity shall be submitted to the board of directors of the Association for approval. The Association's approval of the proposal shall not be unreasonably withheld. Approval of the Association's board of directors shall be conclusive evidence that the proposal complies with the provisions of this paragraph. If such approval is not given, the Association may seek enforcement of this paragraph. Any such action shall be brought within one year from the date the proposal was submitted to the board for approval or it shall be forever time barred.

B. The Amenities identified as the Angel Fire RV Park, Olympic Park, Tennis Courts, Greenbelts, Petting Zoo, and/or stable area may be relocated so long as the new facilities are of like kind, character and nature as the existing Amenities being

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Wanda Gates-Owens
County Clerk

relocated and so long as the Association approves the proposed relocation. For purposes of this paragraph, "relocation" includes any act by Declarant to change the use of a Greenbelt. A proposed relocation shall be submitted to the board of directors of the Association for approval. The Association's approval of a relocation shall not be unreasonably withheld. Approval by the Association's board of directors shall be conclusive evidence that the proposed relocation complies with the provisions of this paragraph. If such approval is not given, the Association may seek enforcement of this paragraph. Any such action shall be brought within one year from the date the proposal was submitted to the board for approval or it shall be forever time barred.

C. Declarant shall have the right, but not the obligation, to bring additional Amenities with this Supplemental Declaration. Additions shall be evidenced by a recorded Supplemental Declaration which may contain, with respect to such additional Amenities only, such additions and modifications of these Declarations as may be necessary to reflect the different character, if any, of the additional Amenities but which are not inconsistent with the provisions of this Supplemental Declaration, which may only be modified as provided herein.

D. Declarant will not engage in activities which materially and negatively impact the Property Owners' rights running with the land for the use and enjoyment of the Amenities.

E. Declarant's obligations in this Paragraph 1 shall be a covenant running with the land and shall be binding upon

Declarant and upon all parties having or acquiring any right, title or interest whether by purchase, lease or grant in the Amenities. In the event that a portion of the Amenities is transferred by Declarant to another person or entity, Declarant and the transferee shall make arrangements to apportion the assessments described in paragraph 3 and 4 hereof between transferred and un-transferred Amenities. Such arrangement must be approved by the Association prior to the transfer. The Association's approval of such arrangement shall not be unreasonably withheld.

2. Covenant Relating to Use of Amenities by Property Owners.

Every Property Owner and his or her spouse and dependent children shall have the right to use the Amenities upon the terms and conditions set forth herein and subject to the rules and regulations described in Paragraph 6 hereof. The right of use granted in this Paragraph 2 shall be a covenant running with the land and a negative easement in favor of the Property Owners and shall be binding upon Declarant and upon all parties having or acquiring any right, title or interest in the Amenities; provided, however, that a Property Owner's right to use the Amenities may be suspended or terminated for failure to comply with his obligations pursuant to Paragraphs 3 and 4 or for failure to comply with the rules and regulations described in Paragraph 6.

3. Covenant Relating to Payment of Annual Assessment by Property Owners.

A. Declarant shall assess and the Property Owner of each Homesite shall pay to Declarant a nonrefundable annual assessment,

CERTIFICATE OF PREPARATION

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Wanda Hatch-Orris
County Operator

plus gross receipts tax, if applicable, to be used only for the improvement, maintenance, upkeep, repair and operation of and additions to the Amenities. The initial annual assessment for 1995-1996 shall be as follows:

See Exhibit D attached hereto.

The assessment may be increased by Declarant annually by an amount equal to the increase in the Consumer Price Index (U.S. Government published Consumer Price Index) in effect on May 1st or from an average of prior months, on May 1st of each year.

B. If any assessment is not paid in full when due, Declarant may charge a late fee of \$15 per month and the unpaid portion shall bear interest from the due date at the rate of eight percent per annum, or at such other rate as may be determined from time to time by the Association in conformance with New Mexico law.

C. The property Owner's obligations under this Paragraph 3 shall be a covenant running with the land and shall be binding upon the Property Owner and upon all parties having or acquiring any right, title or interest in a Homestead owned by Property Owner. Declarant or the Association, as may be agreed between them, may enforce the provisions of this Paragraph 3.

4. Covenant Relating to Special Assessments.

A. In addition to the annual assessment, Declarant may, subject to the limitations contained in Paragraph 4(B), levy a special assessment for capital improvements to the Amenities against the Property Owners and Property Owners agree to pay said special assessment. Any special assessment not in compliance with

COPIES OF AMENITIES

THIS IS TO CERTIFY that the above-mentioned assessment is due and payable by the Property Owner and that the same is being levied against the Property Owner in accordance with the provisions of the COCHISE COUNTY DEED as delivered in the regular course of business for recording.

Wanda Gates-Orcis
County Operator

Paragraph 4(B) may only be done with the consent of the Association. Declarant and the Association shall agree to the amount, payment terms and other details related to any special assessment.

F. The limitations contained in Section 4.1-(g) in the Plan of Reorganization for Jointly Administered Debtors Filed by Bill J. Sholer, Trustee, Parker Town Square, Inc., Angel Fire Property Owners' Committee, and Tom Mastin, Robert Dillon, Bruce Lawrence and A.L. Claxton, dated on or about April 20, 1995, filed in In re Angel Fire Corporation, No. 11-93-12176 MA, Jointly Administered, on file with the Clerk of the United States Bankruptcy Court, P.O. Box 546, 421 Gold Avenue, S.W., 3rd Floor, Albuquerque, NM 87103, are applicable to any special assessment, and are specifically incorporated herein by reference. The limitations are set forth in Exhibit B attached hereto.

G. Land Use Easement. Pursuant to the Land Use Easement Act, Sections 47-12-1 NMSA 1978 et seq., the Association and the Property Owners are hereby granted a land use easement in the Amenities and pursuant to said easement, the Association shall be obligated to protect the natural or open space values of the Amenities, to assure the availability of the Amenities for forest, recreational or open space use, and to maintain the productive uses of the Amenities. The parties acknowledge and agree that these purposes are served by the enforcement of the covenants and easements described in this Supplemental Declaration and by fulfillment by the Association of its obligations under Paragraphs

THIS IS TO CERTIFY that the microfilm copy appearing on this page is a true and correct copy of the original as the same appears on the records of the County Clerk as delivered to the regular court of the County of Santa Fe, New Mexico.

Manda G. ...
County Clerk
Santa Fe, New Mexico

COUNTY OF SANTA FE, NEW MEXICO

1 and 6 hereof. The Association is hereby expressly empowered to enforce any term of the easement created by this Paragraph 5. The easement created by this Paragraph 5 shall be a covenant running with the land and an easement binding upon all parties hereto,

6. Enactment of Rules and Regulations.

A. Declarant and the Association have adopted rules and regulations relating to the use of the Amenities by the Property Owners. Declarant may modify the rules and regulations from time to time, so long as such modifications are reasonable and not inconsistent with the rights of the Property Owners or the Association under Paragraphs 1 and 5 above. Declarant and the Association agree that the rules and regulations shall be amended whenever necessary to comply with safety restrictions, insurance requirements or regulatory requirements imposed by local, state or federal authorities applicable to all or part of the Amenities.

B. In the event that Declarant and the Association cannot agree on a modification, then either party may request that the matter be decided by arbitration conducted by a panel of three persons. Declarant shall choose one panel member within 15 days of the date of the request, the Association shall choose one panel member within 15 days of the date of the request, and those two members shall choose the third panel member within 30 days of the date of the request. No panel member may be a director, officer or employee of the parties or a member of the Association. Except as provided herein, the arbitration shall be conducted pursuant to the

CERTIFICATE OF AUTHENTICITY

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Wanda Carter-Ortiz
County Clerk

rules of the American Arbitration Association. The decision of the panel shall be final and binding.

C. Declarant shall adopt and publish reasonable rules and regulations relating to the billing procedures for the annual assessment, increase in the assessment pursuant to the Consumer Price Index, and enforcement of the assessment.

7. Term. These Restrictions do and shall affect and run with the land and shall exist and be binding upon all parties and all persons claiming under them from the date of filing hereof in perpetuity, unless an instrument, signed by a majority of the then Property Owners and by Declarant, has been recorded agreeing to change the covenants in whole or in part.

8. Modification of Existing Declarations of Record.

A. The provisions of this Supplemental Declaration shall replace and supersede any and all provisions in the Restrictive Covenants which relate to the Amenities, the use of the Amenities, assessments in connection with the Amenities, and rights or obligations of the Association in reference to the Amenities, except that nothing herein shall affect any easements or rights-of-way for ingress or egress or for utilities which may be granted by the Restrictive Covenants in connection with the Amenities.

B. The Association described herein shall replace for all purposes the Association described in the Restrictive Covenants and whenever reference is made to the Association in the Restrictive Covenants said reference shall be deemed to mean the Association described herein. To the extent that any provision of

CERTIFICATE OF AUTHORITY

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Vanda Catta-Ortiz
Clerk Operator

the Restrictive Covenants relating to the Association conflicts with the provisions of this Supplemental Declaration, the provisions of this Supplemental Declaration shall control.

C. Except as described in this Paragraph A, the Restrictive Covenants shall remain in full force and effect according to their terms.

9. De Larant, for itself, its successors and assigns, further agrees and covenants that no mortgage, lien or encumbrance of any nature will be granted in the existing Amenities unless the Association has consented to the granting of such mortgage, lien or encumbrance. The Association may not withhold its consent to a proposed loan secured by a mortgage, lien or encumbrance if it is demonstrated that the annual cash flow from the Amenities is equal to or exceeds 125% of the annual debt service of the proposed loan plus all previously existing loans which are, or are to be, secured by any mortgage, lien or encumbrance against the amenities, or if the proposed loan plus all previously existing loan does not exceed 80% of the value of the proposed collateral.

10. Mutuality of Benefit and Obligation. The Restrictions and Covenants set forth herein are made for the mutual and reciprocal benefit of each and every Homesite in the Subdivisions and are intended to create mutual, equitable servitudes upon each of said Homesites in favor of each and all of the other Homesites; to create reciprocal rights between the respective Property Owners of all of said Homesites; to create a privity of contract and

SECRET/DATE OF AUTHORITY

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Wash. Cater-Ortiz
Camera Operator

estate between the grantees of said Homesites, their heirs, successors and assigns, and shall, to the Property Owners and the Declarant, their heirs, successors and assigns, operate as covenants running with the land for the benefit of each and all other Homesites in the Subdivisions and their respective Property Owners; provided, however, that the Property Owners irrevocably appoint the Association, and the Association hereby accepts such appointment, as their sole and exclusive agent for purposes of enforcing the provisions of Paragraphs 1 and 5 hereof and no Property Owner shall have an individual right to enforce the provisions of said paragraphs.

11. Non-Severability. The Restrictions and Covenants set forth herein are made for the mutual and reciprocal benefit of the Property Owners, Declarant and the Association and are intended to create mutual, equitable servitudes upon the Property Owners, Declarant and the Association, their heirs, successors and assigns. Said Restrictions and Covenants are not severable.

12. The provisions of this Supplemental Declaration of Restrictive Covenants and Easements may not be changed unless an instrument, signed by a majority of the then Property Owners and by Declarant, has been recorded agreeing to change the covenants in whole or in part.

IN WITNESS WHEREOF, the Declarant, Property Owners and the Association have executed this Supplemental Declaration on the day, month and year set forth above.

Declarant
ANGEL PROJECTS, LLC

By [Signature] Trustee
Its Trustee

PROPERTY OWNERS
By Property Owners' Committee

By _____
Its _____

THE ASSOCIATION OF ANGEL VINT
PROPERTY OWNERS, INCORPORATED

By _____
Its President

STATE OF NY
COUNTY OF NY

The foregoing instrument was acknowledged before me this 21
day of February, 1991, by Trustee
Its Trustee Declarant.

[Signature]
NOTARY PUBLIC

My Commission Expires:
11/2/96

PETER LUPKE
Notary Public, State of New York
No. 021000000000
Qualified in New York County
Commission Expires 11/2/96



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RECORDED BY J. W. H. H. H.
Made Permanent
Carbon Copies

Declarant

By _____
Its _____

PROPERTY OWNERS
By Property Owners' Committee

By H. Wayne Jones
Its Chairman

THE ASSOCIATION OF ANGEL FIRE
PROPERTY OWNERS, INCORPORATED

By H. Wayne Jones
Its President

STATE OF New Mexico)
COUNTY OF Concha) ss.

The foregoing instrument was acknowledged before me this 12th
day of August, 1998, by H. Wayne Jones,
its _____, Declarant.

B.U. Terry
NOTARY PUBLIC

My Commission Expires:
3-31-99



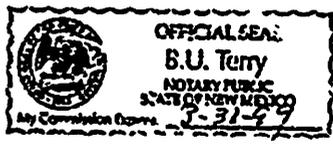
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 Made date-delta
 Concha Operator

STATE OF New Mexico }
COUNTY OF Colfax } ss.

The foregoing instrument was acknowledged before me this 12th
day of August, 1998, by H. Wayne Jones
its _____ by Property Owners by Property
Owners' Committee.

B.U. Terry
NOTARY PUBLIC

My Commission Expires:
3-31-99

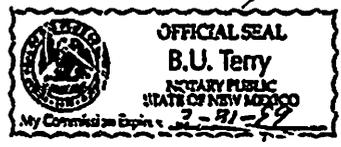


STATE OF New Mexico }
COUNTY OF Colfax } ss.

The foregoing instrument was acknowledged before me this 12th
day of August, 1998, by H. Wayne Jones
its _____ of The Association of Angel Fire
Property Owners, Incorporated, on behalf of said association.

B.U. Terry
NOTARY PUBLIC

My Commission Expires:
3-31-99



CERTIFICATE OF AUTHORITY
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Wanda Gates-Griffin
Clerk Operator

Exhibit A

<u>Subdivision</u>	<u>Dates on Which Restrictive Covenants were Recorded</u>
Monte Verde Unit 1	August 5, 1975
Monte Verde Unit 2	October 26, 1966
Monte Verde Unit 3	November 7, 1968
Monte Verde Unit 4	No Restrictive Covenants Filed
Monte Verde "V" Unit 1	No Restrictive Covenants Filed
Monte Verde Lake Unit 1	April 4, 1967
Angel Fire Village Unit 1 (Residential)	March 31, 1967
Angel Fire Village, Unit 1 (Commercial Area and Apartment Sites)	March 31, 1967, Amendment Recorded May 24, 1976
Angel Fire Village Unit 2	March 31, 1967
Angel Fire Village Unit 2 (Commercial Area and Apartment Sites)	March 31, 1967
Angel Fire Village Unit 3 (Commercial Area and Apartment Sites)	April 4, 1967
Angel Fire Village Unit 4 (Residential)	August 13, 1966
Angel Fire Village Unit 5	December 14, 1983
Angel Fire Village Unit 6	No Restrictive Covenants Filed
Angel Fire Country Club Unit 1	February 21, 1973
Angel Fire Country Club Unit 1A amended	October 15, 1982
Angel Fire Country Club Unit 1B amended	October 31, 1984, Amended Declaration Recorded April 5, 1985; Amended Declaration Recorded August 9, 1985.

Angel Fire Country Club Unit 2	August 17, 1973, Revoked October 31, 1984
Angel Fire Country Club Unit 3	August 17, 1973
Angel Fire Country Club Unit 3A amended	October 15, 1982
Angel Fire Country Club Unit 4	No Restrictive Covenants Filed
Angel Fire Country Club Unit 1 amended	August 25, 1978
Angel Fire Country Club Unit 2 amended	August 30, 1978
Angel Fire Country Club Unit 1 re-amended	April 13, 1981
Angel Fire Country Club Unit 2 re-amended	April 13, 1981
Angel Fire Chalets Unit 1	August 17, 1973
Angel Fire Chalets Unit 1A amended	October 15, 1982
Angel Fire Chalets Unit 2	August 17, 1973
Angel Fire Chalets Unit 2A amended	April 24, 1978
Angel Fire Chalets Unit 2B amended	April 24, 1978
Angel Fire Chalets Unit 2C amended	April 24, 1978
Angel Fire Chalets Unit 2D amended	April 24, 1978
Angel Fire Chalets Unit 2E amended	February 23, 1981
Angel Fire Chalets Unit 2F amended	February 23, 1981
Angel Fire Chalets Unit 2G amended	October 15, 1982
Angel Fire Chalets Unit 2H amended	October 15, 1982
Angel Fire Chalets Unit 2J	No Restrictive Covenants Filed
Angel Fire Chalets Unit 3	August 17, 1973, Supplemental Declaration Recorded December 16, 1978
Angel Fire Chalets Unit 3A amended	No Restrictive Covenants Filed

CERTIFICATE OF NON-EXISTENCE

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Marilyn C. Galt-Ortiz
County Clerk

Angel Fire Chalets Unit 3B amended	No Restrictive Covenants Filed
Angel Fire Chalets Unit 4	November 1, 1984
Angel Fire Chalets Unit 4A amended	No Restrictive Covenants Filed
Angel Fire Chalets Unit 5	No Restrictive Covenants Filed
Angel Fire Chalets Unit 5A amended	No Restrictive Covenants Filed
Angel Fire Chalets Unit 6	No Restrictive Covenants Filed
Angel Fire Grants Unit 2	August 17, 1973, Amended Declaration Recorded April 21, 1981
Angel Fire Grants Unit 1A	No Restrictive Covenants Filed
Angel Fire Mobile Home Estates Unit 1	August 17, 1973
Angel Fire Village North	December 30, 1983
Angel Fire West Village	October 15, 1982, Revoked February 2, 1983, Declared February 2, 1983
Angel Fire West Village, Lot 5	October 15, 1982
Woodrun Subdivision Unit 1	April 22, 1983
Woodrun Subdivision Unit 2	April 22, 1988
Woodrun Subdivision Unit 3	April 22, 1988
Moreno Valley Land, Third Subdivision, Lots 176, 177, 189, 190 and 197	March 27, 1981
Moreno Valley Land, Third Subdivision, Lots and Portions of Lots (Tracts 174, 175 and 179)	April 1, 1982
Moreno Valley Land, Third Subdivision, Lots and Portions of Lots (Tracts 178 and 188)	November 16, 1983

CERTIFICATE OF AFFIDAVIT

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Wanda Gates-Orris
County Clerk

**Exhibit B
The Amenities**

All recreational facilities including:

- (a) Angel Fire Ski Mountain
- (b) Angel Fire Golf Course
- (c) Angel Fire Country Club and facilities area
- (d) Angel Fire Olympic Park
- (e) Monte Verde Lake Operation
- (f) Angel Fire Stables area
- (g) Angel Fire Upper and Lower Tennis Courts
- (h) Angel Fire RV Park
- (i) Angel Fire Petting Zoo
- (j) Greenbelt areas consisting of grassy and treed areas, some of which are suitable for use as picnic grounds.

44-1524

SECRET/EXEMPT FROM AUTOMATIC DOWNGRADING

DO NOT WRITE IN THE MARGINS OF THIS DOCUMENT. ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE. DATE 10/15/01 BY 60322 UCBAW/STP

Wanda Calne-Orris
Covers Operator

EXHIBIT "D"

ANGEL FIRE RESORT
New Property Owners Dues Structure

	Number	Annual Dues	Gross Billing
Unimproved Single Family Lot	3,271	350	1,144,850
Condominium Lot Unimproved	2	350	700
Single Family Dwelling	782	750	586,500
Condominium	602	750	451,500
Timeshare Unit	0	1,500	0
Commercial	0	750	0
Multiple Lot Unimproved	600	100	60,000
Multiple Lot Improved	54	100	5,400
	5,311		2,248,950
Estimated Non-Payment Percentage			<u>15.00%</u>
Estimated Net Collections			<u>1,911,608</u>

A new, uniform dues structure will be imposed on all Property Owners as of the Effective Date. The annual membership dues shall be \$750.00 for each single family lot (1st family), \$750.00 for each single family lot (2nd family), \$750.00 for each condominium, \$750.00 for commercial lot (1st owner), \$750.00 for each commercial lot (2nd owner), \$1,500.00 per unit per year for each timeshare unit, \$350.00 for each unimproved int, and \$100.00 per each additional unimproved lot for owners of multiple lots, for the dues year beginning October 1, 1995, and shall be adjusted annually thereafter in an amount by which the Consumer Price Index for May 1 of the succeeding year has changed relative to the Consumer Price Index from May 1 of the preceding year. All existing differing dues arrangements shall be canceled and be null and void. The dues year shall commence on October 1, the date on which dues become payable, and terminate on September 30th of the succeeding year. 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.

ANGEL FIRE RESORT

CERTIFICATE OF AUTHORITY

THIS IS TO CERTIFY that the microphotographic copy of this and all other records of the records of the ANGEL FIRE RESORT are delivered to the regular source of business for microfilming.

Wanda J. Lee-Ortiz
County Operator

Exhibit B
Limitations on Special Assessments for Capital Improvements

Special Assessments for capital improvements to existing Amenities are subject to the following limitations:

1. Declarant will limit the increase in the Special Assessments to no more than 5% in any one year and 9% cumulative, and to no more than 3% per year increase on average.

2. The temporary capital improvement Special Assessments charges will be imposed at a rate of no more than 3% per year during the membership years 1995, 1996 and 1997. According to the capital improvement budget which provides for improvements totaling almost \$4.5 million, this capital improvement Special Assessment charge would cumulatively total approximately 5% over that period. Capital improvements Special Assessments charges would be deferred during years in which qualifying capital improvements are made and the consumer price index (CPI) measure of inflation exceeds 7%. Capital improvements Special Assessments charges would resume after the CPI falls below 7%. The Declarant may construct capital improvements to existing Amenities in any years in which the CPI increase exceeds 7%.

3. All increases related to capital improvements will be allocated to the members based upon their usage of the Amenities relative to usage by others including the general public.

4. The IRS class life as set forth in the general depreciation system (MACRS) will be used for determining the amortization period over which Special Assessments would be increased related to agreed upon improvements to the Amenities, so

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Maude Catur-Orris
Camera Operator

CONFIDENTIAL - SECURITY OF AMENITIES

long as the class life is never greater than fifteen (15) years. The Declarant shall use a cost basis for determining any appropriate Special Assessment increases.

5. All increases in Special Assessments related to capital improvements over and above those mentioned in this section will require Association board approval.

6. No Special Assessments increases 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.

7. No Special Assessment increase related to capital improvements will be assessed until the capital improvement is fully in service.

8. The limited Special Assessment increase will terminate when the improvement has been amortized as defined herein.

9. Declarant will review with the Association a deferral of Special Assessment increases related to capital improvements in the event that inflation causes the CPI to increase to 7% or more.

10. 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.

11. The definition of a "capital improvement" to an existing Amenity for which Property Owners' Special Assessment will increase should include an expenditure that would do any of the following:

- a. Increase the capacity or use of an existing amenity; or
- b. Provide an additional service to those using the amenities; or
- c. Increase the quality of the experience of those using the amenities while following a generally accepted accounting definition of a capital expenditure.

CERTIFICATE OF AUTHORITY

THIS IS TO CERTIFY that the microfilm strips appearing in this roll of film are accurate and complete reproductions of the records of the GAZAX CO. (INC) as delivered in the regular course of business to the IRS in accordance with the regular course of business.

Special Agent in Charge
Internal Security Division

EXHIBIT A

PARCEL 2

Lots 9, 10 and 11 in Block I, Angel Fire Village Subdivision, Unit #1, Colfax County, New Mexico, as shown in Plat Book 4, Page 21, records of Colfax County, New Mexico, more particularly described as follows:

Lot 9:

Beginning at the Northwesterly corner of said Lot No. 9 being also the common corner of Lots no. 7, 8 and 10 of said Block I; thence S 80° 39' 00" E a distance of 193.12 feet along the Northerly line said Lot 9, being also the Northerly line of said Lot 8, to the Northeastly corner of said Lot 9; thence S 74° 04' 17" W a distance of 239.95 feet to a point beginning a curve to the right with a central angle of 07° 55' 48" and a radius of 224.27 feet, an arc distance of 31.04 feet to the Southeastly corner of said Lot No. 9 being also the common corner with said Lot No. 10; thence N 29° 03' 22" E a distance of 189.85 feet along the Easterly line of said Lot No. 9, being also the Easterly line of said Lot No. 10, to the Point of Beginning. Containing .4270 acres of land, more or less.

Lot 10:

Beginning at the Northwesterly corner of said Lot No. 10 being also the common corner of Lots 7, 8 and 9 of said Block I; thence S 29° 03' 22" N a distance of 189.85 feet to the beginning of a curve therein, concave to the southwest and having a radius of 224.27 feet; thence southeasterly along said curve along a central angle of 14° 33' 29" a distance of 57.01 thence Easterly along the arc of a curve concave to the North through a central angle of 13° 28' 36" and a radius of 224.27 feet a distance of 52.75 feet to a point said point being the corner common to lots 10 and 11 of said subdivision on the Northerly right-of-way of Aspen Street; thence N 29° 03' 22" E a distance of 232.30 feet; thence S 60° 59' 00" E a distance of 100.00 feet to the point and place of beginning. Containing .4957 acres more or less.

Lot 11:

A portion of said Lot No. 11 more particularly described as follows:

Beginning at the Northwesterly corner of said Lot also being the corner common to Lots 6, 7 and 10, thence S 29° 03' 22" N a distance of 232.30 feet; continuing along the arc of said curve through a central angle of 4° 45' 50" and a radius of 224.27 feet a distance of 35.29 feet to a point; thence N 60° 36' 38" W a distance of 64.86 feet; thence N 29° 03' 22" E a distance of 235 feet; thence S 60° 59' 00" E a distance of 100.00 feet to the point and place of beginning. Containing .5388 acres more or less.

EXCEPTING the land lying within the dedicated street as shown on plat of Lodge Drive Dedication & Aspen Road abandonment, recorded in Plat Book 8, Page 383, records of Colfax County, New Mexico.

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Wanda (State)-Grete
County Operator

EXHIBIT A

Lot 6 in Block 1 and the East 1/2 of Lot 5 in Block 1, Boca Grande Angel Fire Village Unit 41, more particularly described as follows:

Beginning at the NW corner of Lot 6 with a 1/2" rebar on the North boundary of Lot 6 being the point and place of beginning:

Thence from said point and place of beginning South 46° 32' 35" East 53.62 feet;

Thence South 72° 52' 37" West 216.39 feet;

Thence North 20° 12' 32" West 100.58 feet;

Thence North 29° 03' 22" East 30.00 feet;

Thence North 60° 58' 38" West 90.00 feet;

Thence North 29° 07' 48" East 207.22 feet;

Thence South 61° 13' 16" East 32.35 feet to the beginning of a curve therein, concave to the Southwest and having a radius of 257.88 feet;

Thence Southeasterly along said curve along a central angle of 03° 54' 30" a distance of 17.43 feet, to the beginning of a curve therein, concave to the Southwest also having a radius of 257.88 feet;

Thence Southeasterly along said curve along a central angle of 10° 25' 07" a distance of 48.83 feet to the point and place of beginning.

EXCEPTING the land lying within the dedicated street as shown on plat of Lodge Drive Dedication & Aspen Road Abandonment, recorded in Plat Book 8, Page 383, records of Colfax County, New Mexico.

Page 4

Lots 7 and 8 in Block 1, Angel Fire Village Subdivision, Unit 41, Colfax County, New Mexico, as shown in Plat Book 4, Page 21, records of Colfax County, New Mexico more particularly described as follows:

Beginning at the Northwest corner of Lot No. 7 along North Angel Fire Road, thence S 46° 56' 32" E a distance of 146.11 feet to the point of a curve; thence Southeasterly along the arc of a curve concave to the Southwest through a central angle of 20° 43' 43" and a radius of 113.24 feet a distance of 40.97 feet to a point of tangency; thence continuing South 20° 12' 50" East along said right-of-way line a distance of 33.41 feet to a point of curve; thence South-Southeasterly along the arc of a curve concave to the Southwest through a central angle of 10° 17' 08" and a radius of 342.95 feet a distance of 97.47 feet to a point of tangency; thence South 15° 55' 43" East along a line a distance of 17.60 feet to a point of curve on said North Angel Fire Road right-of-way line; thence Southerly and Southwesterly along the arc of a curve concave to the Northwest through a central angle of 90° 00' 00" and a radius of 50.00 feet a distance of 78.54 feet; thence N 60° 59' 00" W a distance of 293.12 feet; thence N 29° 03' 22" E a distance of 216.61 feet to the point and place of beginning. Containing 1.1297 acres more or less.

THIS IS TO CERTIFY that the above described boundaries are shown on the plat of said subdivision and that the same are in accordance with the records of the Colfax County, N.M., as delivered to the register of water of this county for recording.

Boca Grande
Angel Fire

EXHIBIT A

PARCEL 5

Lot A, Rochester Pines Plat as shown in Plat Book 8, Page 297, recorded April 19, 1984 at 2:55 p.m., records of Colfax County, New Mexico; being a re-plat of a portion of Lot 8, Block F, Angel Fire Village, Unit #2, as recorded in Plat Book 7, Page 368, records of Colfax County, New Mexico.

PARCEL 6

Parcels A, B and D as set out in plat of Lodge Drive Dedication and Aspen Road Abandonment and recorded in Plat Book 8, Page 383, records of Colfax County, New Mexico.

EXCEPTING FROM PARCEL B the following described tract:

A portion of Parcel B, commencing at the Northeastly corner of Parcel B, being also the Northwestly corner of Parcel C;

Thence South 74° 04' 17" West, a distance of 89.37 feet;

Thence South 15° 55' 43" East, a distance of 30.00 feet;

Thence North 74° 04' 17" East, a distance of 89.97 feet;

Thence North 15° 55' 43" West, a distance of 30.00 feet to the point of beginning; and Parcel C, as shown on the Lodge Drive Dedication and Aspen Road Abandonment pursuant to Plat Book 8, Page 383.

ALSO EXCEPTING THEREFROM HOWEVER, the lands described in Deed recorded in Real Estate Record Book 1, page 3689 from Angel Fire Corporation, a New Mexico corporation to Village of Angel Fire, a New Mexico municipality, dated June 27, 1990, filed July 13, 1990 at 5:01 p.m., records of Colfax County, New Mexico.

ALSO EXCEPTING THEREFROM HOWEVER, from Parcels 2, Parcel 4 and Parcel 5 of those parcels in Exhibit A above the Condemnation for road or highway on Colfax County District Court proceedings in DC #92-61-CV.

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Wanda Cabe-della
Clerk

All that certain parcel of land lying and being situate at Lot 8, Block "G" and vicinity as shown on a subdivision plat entitled "MONTE VERDE SUBDIVISION UNIT ONE" filed in the Office of the Colfax County Clerk in plat book 4, pages 4 and 5, and within the Maxwell Land Grant, Colfax County, New Mexico, being more particularly described as follows:

Commencing at a U.S.C. and G.S brasscap inscribed "U-293"; thence N16°30'07"W, 3125.56' to a 1/2" rebar marking the northwest corner of Lot 8, Block "G" as shown on the above entitled subdivision plat, the point of beginning of the herein described parcel of land; thence running from said point of beginning N31°55'23"E, 42.54' to a point on the southerly right-of-way of a dedicated county road known as Country Club Drive; thence with a curve to the left having a central angle of 23°52'35", a radius of 180.00', an arc length of 73.01' and whose chord bears S75°24'13"E, 74.47' to a point; thence S67°20'31"E, 37.63' to a point; thence with a curve to the left having a central angle of 27°36'08", a radius of 180.00', an arc length of 86.71' and whose chord bears N78°31'23"E, 95.80' to a point; thence S24°36'33"E, leaving the aforesaid southerly right-of-way of Country Club Drive, 122.97' to a point on the northerly right-of-way of a vacated road known as Tom O'Shenter Terrace; thence S13°50'36"E, 127.87' to a point on the easterly right-of-way of a vacated unnamed road, the last mentioned point also being on the westerly line of Lot 11, Block "C" as shown on the above entitled subdivision plat; thence S28°22'04"W, 116.53' to a point in the centerline of said vacated unnamed road; thence in a general westerly, northwesterly and northerly direction along the southerly, southwesterly and westerly line of said Lot 8, Block "G", the following courses and distances:
N86°31'07"W, 110.28' to a 1/2" rebar; thence
N60°48'11"W, 4.49' to a 1/2" rebar; thence
N61°34'52"W, 54.36' to a 1/2" rebar; thence
N35°52'11"W, 80.64' to a 1/2" rebar; thence
N35°53'11"W, 10.80' to a 1/2" rebar; thence
N17°42'25"W, 90.61' to a 1/2" rebar; thence
N91°32'43"E, 40.46' to a 1/2" rebar; thence
N00°56'42"E, 71.70' to the point of beginning. Containing 1.772 Acres of land more or less.

The above described parcel of land being more fully shown on a plat entitled "IMPROVEMENT PLAT FOR THE ANGEL FIRE CORPORATION" dated Nov. 6, 1987 by William Moser, H.M.P.L.S. No. 0455 having plat no. 87-138.

AND Parking Easement on Lots 1 and 7 of Block G and 11 of Block C on the plat entitled Monte Verde Subdivision Unit 1 filed in the office of Colfax County of the Colfax County Clerk in Plat Book 4, pages 4 and 5 within the Maxwell Land Grant, Colfax County, New Mexico; as set out in Easement dated November 20, 1987 and filed for record November 30, 1987, in Miscellaneous Book 121 page 627, records of Colfax County, New Mexico.

SPECIFICATE OF AUTHORITY

THIS IS TO CERTIFY that the aforementioned appearing on this roll of files are accurate and correct reproductions of the records of the COLFAX COUNTY CLERK, as delivered in the regular course of business for recording.

Vanda Case-Orris
County Operator

A parcel of land located in the Maxwell Land Grant, in Colfax County, State of New Mexico, and described as follows:

Lots 1, 2 and 3 in Block "H" of the recorded Plat of Angel Fire Village, Unit One, as originally recorded in the Colfax County, New Mexico Record Plat Book Four, Page 21, on February 8, 1967 and subsequently recorded as "Interpretation of Intent of Plats and Surveys" in said Colfax County, New Mexico Record Plat Book Seven, Page 387, on November 4, 1974. Also including a contiguous parcel beginning at the Southwest corner of said Lot 3, Block "H", Angel Fire Village, Unit One, Plat;

Thence South $03^{\circ} 54' 18''$ East, a distance of 1,996.17 feet;
 Thence North $82^{\circ} 25' 29''$ East, a distance of 1,274.24 feet;
 Thence South $66^{\circ} 37' 09''$ East, a distance of 2,600.62 feet;
 Thence South $01^{\circ} 42' 45''$ East, a distance of 2,073.64 feet;
 Thence South $69^{\circ} 23' 37''$ East, a distance of 1,089.69 feet;
 Thence South $65^{\circ} 07' 36''$ East, a distance of 1,596.78 feet;
 Thence North $67^{\circ} 54' 26''$ East, a distance of 5,071.80 feet;
 Thence North $66^{\circ} 25' 58''$ East, a distance of 4,543.42 feet;
 Thence North $36^{\circ} 58' 11''$ West, a distance of 3,442.01 feet;
 Thence South $45^{\circ} 30' 29''$ West, a distance of 5,266.57 feet;
 Thence North $69^{\circ} 22' 03''$ West, a distance of 9,617.44 feet to the Southeastly corner of said Lot No. 1, Block "H", Angel Fire Village, Unit One, Plat;

Thence along the Southerly line of lots 1, 2 and 3 in Block H Angel Fire Village Unit 1 as shown in Plat Book 4 page 21 to the Southwest corner of said lot 3, the place of beginning;

Said parcel contains 839.67 acres of land, including Lots 1, 2 and 3;

Also including Lot 22 Angel Fire Chalets #5 as set out in Plat Book 8, Page 238, records of Colfax County.

EXCEPTING THEREFROM HOWEVER the following tracts;

- (1) EXCEPTING lands described in Deed Book 163 page 96 from Angel Fire Ski Corporation to Angel Fire Corporation.
- (2) EXCEPTING lands platted as Angel Fire Chalets 2A Amended as shown in Plat Book 8 page 7 being a part of Camino Real Road, part of lot 195, part of Tract L-5 and part of lot 222.
- (3) Any lands platted in Angel Fire Chalets #2 as shown in Plat Book 7 page 99 being a part of Tract FF, part of Platted road and part of Tract GG.
- (4) Any lands platted in Angel Fire Chalets #3B Amended as shown in Plat Book 8, page 293, being a portion of Tract A.
- (5) Any land platted in Angel Fire Village #2 as shown in Plat Book 4 page 22, being a portion of Five Springs Road.

CERTIFICATE OF AUTHORITY

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Wanda Gates-Orrin
Camera Operator

Units 1 thru 12 according to the Floor Plan filed January 9, 1982 at 3:35 p.m., and Condominium Declaration for SUN LODGE, recorded in Miscellaneous Book 103 page 60, records of Colfax County, New Mexico which Plan and Declaration are incorporated herein by reference, together with 2.333 percentage undivided interest in the common area and facilities for each unit, which Unit shall be used for residential purposes only and subject to other restrictive covenants set forth in the Declaration.

EXCEPTING HOWEVER any timeshare interest whether filed for record or not filed for record whether deeded or security interest and any liens or other interests against the timeshare interest are excepted therefrom.

CERTIFICATE OF AUTHENTICITY

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Ursula Gates-Ostis
Clerk

TRACT 1

Portions of the Angel Fire Country Club Units One and Two re-awarded subdivision in Tract 6 of the Maxwell Land Grant, Colfax County, New Mexico as filed in the Colfax County Clerk's Office in Plat Book 8, Page 140-163 inclusive and more particularly described as follows:

All of Tract G of said subdivision and also that portion of Tract R of said subdivision described as: Beginning at a point being the northerly common corner of Lots No. 673 and 674 of said subdivision and the Southwest corner of this portion of said Tract R:

Thence, North 25°26'20" West, 501.32 feet;
 Thence, North 26°17'17" East, 224.80 feet;
 Thence, North 19°36'02" West, 212.02 feet to a point on the Southerly right-of-way line of Spyglass Hill Road, a dedicated street and beginning a curve to the left along said right-of-way with a central angle of 23°02'49" and a radius of 370.00 feet, an arc length of 148.83 feet;

Thence, South 56°58'54" East, 200.00 feet;
 Thence, South 36°32'04" East, 553.54 feet to a point on the Westerly right-of-way line of Woodlands Drive, a dedicated street and beginning a curve to the left along said right-of-way with a central angle of 54°17'47" and a radius of 200.00 feet, an arc length of 189.53;

Thence, South 48°15'26" West, 195.07 feet;
 Thence, South 67°04'45" West, 310.63 feet to the point of beginning.

Also including in addition to the above described parcels Tract D of said subdivision as revised by the relocation of Country Club Drive, a dedicated street as filed in said County Clerk's Office in Plat; said revision only, in the Southeastery corner of said Tract D, being described as follows:

Beginning at the Southeastery corner of Tract C of said being a common corner with said Tract D and the Westerly right-of-way line of said Country Club Drive; thence, South 45°26'38" West, 80.51 feet to a point beginning a curve to the left with a central angle of 19°50'59" and a radius of 432.00 feet, an arc distance of 149.66 feet; thence, South 25°35'39" West, 179.74 feet to a point beginning a curve to the right with a central angle of 03°10'24" and a radius of 45.36 feet, an arc distance of 2.51 feet to a point continuing a curve to the right with a central angle of 33°26'47" and a radius of 120.03 feet, an arc length of 70.05 feet, thence, North 87°20'31" West, 37.63 feet to a point beginning a curve to the right with a central angle of 23°52'36" and a radius of 120.00 feet, an arc distance of 50.03 feet;

Thence, North 63°27'05" West, 18.26 feet;
 Thence, North 26°25'23" West, 0.77 feet to a point beginning a curve to the right with a central angle of 11°39'38" and a radius of 369.94 feet, an arc length of 75.29 feet to a point continuing a curve to the right with a central angle of 16°06'00" and a radius of 530.64 feet, an arc distance of 149.11 feet;

Thence, North 88°39'45" West, 50.00 feet;
 Thence, North 85°39'06" West, 20.03 feet to the point of termination of said revision being also the Northeastery corner of Lot No. 3 in Block II of the Monte Verde Unit Two subdivision as filed in said County Clerk's Office in Plat Book 4, Pages 13 and 14.

The above described parcels have a combined total area of 36.25 Acres.

Subject to easements, recorded or unrecorded.

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Made at _____
 County Clerk

TRACT 2PARCEL B

That portion of the Monte Verde Unit One subdivision as filed in said Colfax County, New Mexico Clerk's Office in Plat Book 4, Pages 4 and 5 and more particularly described as follows:

Beginning at the Northerly corner of Lot 15 in Block 4 of said subdivision being the Southeastery corner of this parcel and also a point on the Westerly right-of-way line of Golfview Terrace, a dedicated roadway;

Thence, South $32^{\circ}17'15''$ West, 347.00 feet;
 Thence, South $44^{\circ}15'32''$ West, 412.39 feet;
 Thence, South $62^{\circ}03'10''$ West, 179.52 feet to a point beginning a curve to the right with a central angle of $66^{\circ}03'15''$ and a radius of 69.09 feet, an arc distance of 92.23 feet, thence, North $51^{\circ}50'35''$ West, 57.70 feet to a point beginning a curve to the left with a central angle of $23^{\circ}17'31''$ and a radius of 306.48 feet, an arc distance of 124.59 feet to a point on the Easterly right-of-way line of Country Club Drive a dedicated street as shown in said County Clerk's Office in Plat Book 3, Page 144 and a beginning a curve to the left along said right-of-way with a central angle of $67^{\circ}03'51''$ and a radius of 180.00 feet, an arc distance of 210.69 feet; thence, North $25^{\circ}35'39''$ East, 54.15 feet; thence, turning said right-of-way and bearing North $08^{\circ}30'0''$ East, 228.87 feet;

Thence, North $45^{\circ}26'38''$ East, 255.51 feet;
 Thence, North $16^{\circ}00'00''$ East, 629.00 feet to a point on said Westerly right-of-way line of Golfview Terrace and beginning a curve to the right along said right-of-way with a central angle of $33^{\circ}48'00''$ and a radius of 270.97 feet, an arc distance of 159.85 feet; thence, South $09^{\circ}27'45''$ East, 226.14 feet to the Point of Beginning.

Subject to easements, recorded or unrecorded.

The above described Parcel B contains 4.35 Acres of land, more or less.

PARCEL C

That portion of Block C of the Monte Verde Unit One subdivision as filed in said Colfax County Clerk's Office in Plat Book 4, Pages 4 and 5 and more particularly described as follows:

Beginning at the Southeastery corner of Lot 18 in said Block C being also on the Northerly right-of-way line of Blue Hill Way a dedicated street and the Southwestery corner of this Parcel C;

Thence, North $19^{\circ}49'15''$ East, 350.24 feet;
 Thence, North $16^{\circ}22'11''$ East, 239.59 feet;
 Thence, North $07^{\circ}33'14''$ West, 101.45 feet;
 Thence, North $12^{\circ}06'45''$ West, 373.95 feet to a point beginning a curve to the right with a central angle of $08^{\circ}14'29''$ and a radius of 100.00 feet, an arc distance of 14.38 feet;

Thence, North $62^{\circ}06'10''$ East, 110.56 feet;
 Thence, South $12^{\circ}06'45''$ East, 626.75 feet;
 Thence, South $19^{\circ}49'15''$ West, 584.86 to a point on said Northerly right-of-way line of Blue Hill Way and beginning a curve to the left along said right-of-way with a central angle of $35^{\circ}02'51''$ and a radius of 59.29 feet, an arc distance of 36.27 feet; thence, South $34^{\circ}35'15''$ West, 92.65 feet to the point of beginning.

Subject to easements, recorded or unrecorded.

The above described Parcel C contains 3.30 Acres of land, more or less.

THIS IS TO CERTIFY that the aforementioned bearings appearing on this plat of film are correct and true reproductions of the records of the COLFAX COUNTY CLERK'S OFFICE as delivered in the original course of business to the undersigned.

Ursula Gates-Ortiz
County Clerk

TRACT 3

PARCEL D

That portion of Block 3 of the Monte Verde Unit One subdivision as filed in said Colfax County Clerk's office in Plat Book 1, Pages 4 and 5 and more particularly described as follows;

Beginning at the Northeast corner of Lot 4 of said Block D being also the Northwest corner of this parcel also; on the Southerly right-of-way line of Blue Hill Way, a dedicated street; thence, North 24°35'15" East, 177.60 feet to a point beginning a curve to the right with a central angle of 86°42'00" and a radius of 20.00 feet, an arc distance of 30.26 feet; thence, South 03°42'45" East, 533.50 feet to a point beginning a curve to the right with a central angle of 19°50'18" and a radius of 519.55 feet, an arc distance of 181.10 feet; thence, South 11°15'03" West, 290.75 feet to a point beginning a curve to the right with a central angle of 11°05'24" and a radius of 553.20 feet, an arc distance of 107.56 feet;

Thence, North 35°10'45", 19.46 feet to a point beginning curve to the left with a central angle of 07°16'35" and a radius of 75.00 feet, an arc distance of 9.52 feet; thence, North 15°09'15" East, 423.77 feet; thence, North 05°24'45" West, 689.14 feet to the point of beginning.

Subject to easements, recorded or unrecorded.

EXCEPTING FROM TRACT lands described in Mortgage Book 184 page 91, records of Colfax County, New Mexico.

TRACT 4

A tract of land containing 0.437 acres more or less, lying adjacent to and Southerly of Golf View Terrace a dedicated road and also being South of lot 1 in Block B of Monte Verde Subdivision Unit #1 as shown in Plat Book 4 page 4 records of Colfax County, New Mexico and more particularly described as follows.

Commencing at the Northeast corner of said lot 1 in Block B;
Thence Southerly along the Easterly line of said lot 1, South 08° 42' 45" East, 161.98 feet to a point on the South line of said Golf View Terrace Road;
Thence North 81° 17' 15" East, 56.00 feet;
Thence South 08° 42' 45" East, 134 feet;
Thence South 81° 17' 15" West, 142.00 feet;
Thence North 08° 42' 45" West, 134.00 feet to the South line of said Golf View Terrace;
Thence North 81° 17' 15" East along South right of way line of said Golf View Terrace, 86.00 feet to the point and place of beginning.

THIS IS TO CERTIFY that the information appearing on this map of film are accurate and complete reproductions of the records of the COLFAX COUNTY CLERK as delivered in the regular course of business for microfilming.

Yvonne Cates-Ortiz
County Operator

CONTINUATION OF ANNEALING

That portion of the following tract of land lying South of the South right of way line of U.S. Highway 64 and West of the Westerly right of way of New Mexico State Highway #38:

Beginning at a point South 3250 feet from one quarter corner to Sections 26 and 35, Township 26 North, Range 15 East, N.M.P.M.;

Thence due South 5528 feet;

Thence South 32° East, 4390 feet;

Thence North 82° 30' East, 4624 feet;

Thence North 18° 14' West, 2400 feet along the West side of Black Lake Road;

Thence North 9° 50' West, 2263 feet along the West side of Black Lake Road;

Thence North 55° 08' West, 5043.6 feet;

Thence North 51° 30' West, 1957 feet to point of beginning.

The following lands, all in the Third Subdivision of Moreno Valley Lands by New Mexico Land Sales Company, as per the official plat of said lands filed in the office of the County Clerk of Colfax County, New Mexico, in Book 2 at page 49: Lots 30, 31, 32 and 33.

EXCEPTING THEREFROM HOWEVER the tract of land conveyed by New Mexico Land Sales Company to Leopold Sluga by deed dated October 10, 1922, recorded in Deed Book 50 page 555, records of Colfax County, New Mexico. and

ALSO EXCEPTING The tract of land conveyed by New Mexico Land Sales Company to Frank Billia by deed dated September 28, 1920, recorded in Book 48 of Deeds at page 526 of the records of Colfax County, New Mexico.

ALSO EXCEPTING THEREFROM HOWEVER lands described as Mobile Home Estates Unit #1, recorded in Plat Book 7 page 1, records of Colfax County, New Mexico.

BUT INCLUDING
Lots 5, 7 and 8 and lots 10 through 495 inclusive; lots 499 through 502 inclusive and lot 506 and Tracts A through H inclusive, all of the Mobile Home Estates Unit #1 as shown in Plat Book 7 page 1, records of Colfax County, New Mexico.

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Maria Casas-Gertis
County Clerk

REPRODUCTION ON MICROFILM

TRACT 2

Being in Tract 6, of the Baca Grande, Angel Fire Corporation, subdivision located in

A part of the Northeast $\frac{1}{4}$, of the Northwest $\frac{1}{4}$, of Section 19, Township 25 North, Range 16 East, Colfax County, New Mexico.

Commencing at the intersection of the centerline of New Mexico State Highway No. 38, which bears South $03^{\circ} 24' 46''$ East, and the centerline of North Angel Fire Road, which bears South $72^{\circ} 39' 56''$ East, which point of commencement is located South $90^{\circ} 13' 43''$ East 2802 feet, and South $17^{\circ} 20' 40''$ West 170 feet, and North $72^{\circ} 39' 59''$ West 203.25 feet from the Southwest corner of Lot 196 of the Third Moreno Valley Land Subdivision as shown in Plat Book 2, page 49, records of Colfax County, New Mexico;

Thence South $03^{\circ} 24' 46''$ East, along the center line of State Road 38, a distance of 53.47 feet;

Thence South $72^{\circ} 39' 56''$ East, a distance of 64.16 feet, said point to be the Northwest corner of the described lot, also the East right-of-way of State Road 38, and the South right-of-way of North Angel Fire Road;

Thence along this right-of-way line South $03^{\circ} 24' 46''$ East, a distance of 228.61 feet, said point to be the South West corner of the described lot;

Thence North $86^{\circ} 35' 14''$ East, a distance of 172.63 feet, said point to be the Southeast corner of the described lot;

Thence North $17^{\circ} 20' 04''$ East, a distance of 152.63 feet, said point to be the Northeast corner of the described lot, also the South right-of-way of North Angel Fire Road;

Thence along this right-of-way North $72^{\circ} 39' 56''$ West, a distance of 242.42 feet, said point to be the Northwest corner of the described lot;

Thence North $72^{\circ} 39' 56''$ West, a distance of 64.16 feet to the center line of State Road 38;

Thence North $03^{\circ} 24' 46''$ West, a distance of 53.47 feet, to the point of beginning.

CERTIFICATE OF AUTHENTICITY

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Manda Gates-Ortiz
Camera Operator

TRACT 1

A parcel of land being a part of Tract 5, of the Baca Grande, Angel Fire Corporation, subdivisions located in a part of the Northeast 1/4, of the Northwest 1/4, of Section 19, in Township 23 North, Range 15 East, New Mexico Principal Meridian, Colfax County, New Mexico, and more fully described as follows:

Commencing at the intersection of the centerline of New Mexico State Highway No. 38, which bears South 03°24'46" East, and the centerline of North Angel Fire Road, which bears South 72°39'56" East, which point of commencement is located South 00°13'43" East 2862 feet, and South 17°20'47" West 170 feet, and North 72°39'59" West 203.25 feet from the Southwest corner of Lot 196 of the Third Moreno Valley Land Subdivision as shown in Plat Book 2 page 49, records of Colfax County, New Mexico,

Thence South 03°24'46" East along said centerline of State Highway No. 38 a distance of 32.08 feet.

Thence South 72°39'56" East, a distance of 64.16 feet to the point of intersection of the 60 ft. State Highway No. 38 Easterly right-of-way line and the 30 ft. North Angel Fire Road southerly right-of-way line.

Thence continuing South 72°39'56" East along said North Angel Fire Road right-of-way, a distance of 250 feet to the true point of beginning. Said Point being the Northwesterly corner of this parcel.

Thence continuing South 72°39'56" East along said North Angel Fire Road right-of-way, a distance of 150 feet to a point being the Northeasterly corner of this parcel..

Thence South 17°20'04" West, a distance of 150 feet to a point being the Southeasterly corner of this parcel.

Thence North 72°39'56" West, a distance of 150 feet to a point being the Southwesterly corner of this parcel.

Thence North 17°20'04" East, a distance of 150 feet to the true point of beginning.

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Wanda Gates-Doyle
County Clerk

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Wanda Gates-Doyle
County Clerk

TRACT EQ. 2 aka TRACT 1

The Northeast Quarter of the Southeast Quarter, the North Half of the Southwest Quarter and the North Half of the Southeast Quarter of the Southwest Quarter of Section 19, Township 27 North, Range 15 East, N.M.P.M., and also

The Northeast Quarter of the Southeast Quarter and the Southeast Quarter of the Northeast Quarter of Section 24, Township 26 North, Range 15 East, N.M.P.M.,

EXCEPTING, HOWEVER, that portion of the same which has heretofore been dedicated and platted as Monte Verde "A" - Unit 1 Subdivision, as shown in Plat Book 4 at pages 6 and 7 of the records of Colfax County, New Mexico.

EXCEPTING THEREFROM lands described in the following instruments:

Deed from Angel Fire Corporation, a New Mexico corporation to Max A. Hertz and Nancy M. Hertz, his wife, recorded in Deed Book 150 page 350.

Deed from Angel Fire Corporation, a New Mexico corporation to A. T. Sindel, a married man, recorded in Deed Book 151 page 50 and in corrective deed 153 page 3, which corrects legal description on Deed 151 page 50.

ALSO EXCEPTING land conveyed to Colfax County, New Mexico, shown at page 16 of Abstract T6263. The exact location of this land excepted cannot be determined.

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Hilda Ester-Ostis
County Operator

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EXHIBIT "A"

The following lands, all in the Third Subdivision of Moreno Valley Lands by New Mexico Land Sales Company, as per the official plat of said lands filed in the office of the County Clerk of Colfax County, New Mexico, in Book 2 of Maps at page 49; Lots 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, and 115; the North 18.2 acres of lot 116; all of lots 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 144, 145, 146, 147, 148, 149, 151, 152, 153, 154, 155, 157, 158, 159, 160; the South 30 acres of lot 161; all of lots 162, 163, 164, 165, 166, 169, 170, 171, 173, 174, 175, 176, 177, 178, 179, 180, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193 and 194

BUT AND EXCEPTING AND EXCLUDING THEREFROM, HOWEVER, the following tracts of land:

a. The tract of land conveyed by New Mexico Land Sales Company to Ioratto Bove by deed dated September 17, 1917, recorded in Book 43 of Deeds at page 223 of the records of Colfax County, New Mexico.

EXCEPTING THEREFROM HOWEVER THE LANDS DESCRIBED IN THE FOLLOWING INSTRUMENTS:

Deed from The Angel Fire Corporation, a New Mexico corporation to T. L. Spencer, recorded in Deed Book 147 page 283 and Deed Book 153 page 6.

Deed from Angel Fire Corporation, a New Mexico Corporation to American Creek Ranch, Inc., a New Mexico Corporation recorded in Deed Book 143 page 26 and re-recorded in Deed Book 143 page 367.

Land as set out in Grant Unit #1 as shown on Plat Book 7 page 23, filed August 17, 1973 at 1:23 p.m.

Deed from Angel Fire Corporation, a New Mexico Corporation to Dale Langley, a married man, recorded in Deed 143 page 342.

Land as set out in Grants Unit 1A amended as shown on Plat 8 page 167, filed July 8, 1981.

Land as set out in Camino Grande Road Dedication as set out in Plat 8 page 174A, filed July 8, 1981.

Deed from The Angel Fire Corporation, a New Mexico Corporation to Colfax County, a New Mexico Municipal Body recorded in Deed book 154 page 62.

Deed from The Angel Fire Corporation, a New Mexico Corporation to Tierra Del Cielo, Inc., a New Mexico Corporation, recorded in Deed book 161 page 387.

BUT INCLUDING THE FOLLOWING LANDS:

TRACT 1

Lots 65 through 158, inclusive and lots 261 through 344 inclusive, Angel Fire Grants Unit #1, as set out in Plat Book 7 page 23, records of Colfax County, New Mexico. Excepting from part of lots 309-211 as set out in Plat Book 8 page 316 and also excepting part of lots 338-340 as set out in Deed Book 154 page 62, records of Colfax County, New Mexico.

TRACT 2

Lots 64 and 159, Angel Fire Grants Unit 1A Amended, as set out in

CERTIFICATE OF INTEREST

THIS IS TO CERTIFY that the microphotographic copy of the original instrument is a true and correct copy of the original instrument as the same appears in the records of the COLFAX COUNTY CLERK as delivered to the regular course of business for recording.

Wanda L. Bess-Ortiz
County Operator

THIS IS TO CERTIFY that the microphotographic copy is a true and correct copy of the original instrument as the same appears in the records of the COLFAX COUNTY CLERK as delivered to the regular course of business for recording.

Plat Book 8 page 167, records of Colfax County, New Mexico.

TRACT 4

Tract A(A), Tract 1-A(A), Tract 1-C(A), Tract 1-F(A) of Angel Fire Grants Unit 1A Amended as set out in Plat Book 8 page 167, records of Colfax County, New Mexico.

TRACT 5

That portion of Tract A, Tract 1-A, Tract 1-C, Tract 1-F lying outside of the platting of Angel Fire Grants 1-A Amended, records of Colfax County, New Mexico.

TRACT 6

Tract 1-H, Tract 1-I, Tract H, Tract 1-J of Angel Fire Grants #1 as set out in Plat Book 7, page 23, records of Colfax County, New Mexico.

CONTINUED ON REVERSE

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Wanda Gates-Orris
County Operator

CONTINUED ON REVERSE

Lot 1a Angel Fire Village Subdivision Unit #5 as shown on Plat Book 8 page 286, records of Colfax County, New Mexico.

~~LESS~~; Ski Run Condominium as set out in Declaration recorded in Miscellaneous Book 116 page 333 and Amended in Miscellaneous Book 113 page 393, records of Colfax County, New Mexico.

Lot 1b Angel Fire Village Subdivision Unit #5 as shown on Plat Book 8 page 286, records of Colfax County, New Mexico.

LESS; Lands Deeded to Joe Poist recorded in Dead Book 167 page 4966, filed September 1, 1989 at 3:52 p.m., records of Colfax County, New Mexico.

ALSO EXCEPTING from aforesaid Lot 1b of Angel Fire Village Subdivision Unit #5, any overlap with the land described in Commitment 5107 Agent Case No. 3886 pc by reason of conveyances recorded in Dead Book 143 page 489 from The Angel Fire Corporation to Angel Fire Ski Corporation, records of Colfax County, New Mexico.

STATE OF NEW MEXICO

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Wanda Gates-Owels
Camera Operator

STATE OF NEW MEXICO

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All of lots 195 and 196 of the Third Moreno Subdivision, records of Colfax County, New Mexico.

LESS THE FOLLOWING DESCRIBED LANDS;

Deed Book 133 page 3 from the Angel Fire Corporation, a New Mexico Corporation to Lewis Construction Company, Incorporated, and corrective Deed filed in Deed Book 137 page 429.
 Deed Book 135 page 324 from Baca Grande Angel Fire Corporation, a New Mexico corporation to Kit Carson Electric Cooperative, Inc., a New Mexico corporation.

Deed Book 126 page 474 from The Baca Grande Angel Fire Corporation, a New Mexico corporation to Devil Oil Company, Inc., a Texas corporation.

Deed Book 132 page 149 from The Angel Fire Corporation to Tracco Building Systems, Inc.

Deed Book 16 page 1776 from The Angel Fire Corporation, a New Mexico Corporation to Javier Ramirez et al.

ALSO INCLUDED:

The following described lands in Colfax County, New Mexico:

A tract of land lying with Tract 196 of the Third Moreno Valley Subdivision and within Colfax County, New Mexico, being more particularly described as follows:

Beginning at a point marked by a 1/2" rebar from whence a 1-1/2" pipe marking the Southwest Corner of Lot 196 bears South 22 degrees 05 minutes 56 seconds West, 380.52 feet and also from the 1/2" rebar survey control point Base South as shown on sheet 6 of the Plat for The Baca Grande Angel Fire, Grants, Unit One filed in Plat Book 7, Page 29, in the Records of Colfax County, New Mexico, bears South 62 degrees 01 minute 50 seconds West, 962.28 feet;
 Thence North 02 degrees 54 minutes 16 seconds West, 164.18 feet;
 Thence North 89 degrees 29 minutes 32 seconds East, 218.19 feet;
 Thence South 03 degrees 19 minutes 40 seconds East, 162.10 feet;
 Thence South 88 degrees 56 minutes 08 seconds West, 219.31 feet, to the point and place of beginning,

CERTIFICATE OF AUTHENTICITY

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Linda Cater-Ortiz
 Camera Operator

CERTIFICATE OF AUTHENTICITY

All of the following described land that lies westerly of the west line of the lands shown and set out in Plat Book 8 page 273 Angel Fire Country 11th 11E and westerly line of said subdivision extended north and south to the north and south line of the following tract:

A tract of land bounded and described as follows: Beginning at the southeast corner of the tract of land conveyed by The Maxwell Land Grant Company to Ute Creek Ranch Company by deed No. 1531 dated August 10, 1905, and recorded in Book W of Deeds at page 39 of the records of Colfax County, New Mexico, said point of beginning being located 20 chains North and 4 chains East of the section corner common to Sections 15, 16, 21, and 22, Township 25 North, Range 16 East, N.M.P.M.; thence East 142.50 chains; thence South 16 degrees 10 minutes East 56 chains; thence South 10 degrees 12 minutes West 38.50 chains; thence South 12 degrees 30 minutes East 68.50 chains; thence South 17 degrees 30 minutes East 36.50 chains; thence South 53 degrees 25 minutes West 76.10 chains; thence South 5 degrees West 9.00 chains to intersection with the south boundary of the Maxwell Land Grant, at a point 34 chains West of the 7th mile post from the southwest corner of the Maxwell Land Grant; thence West along said south boundary for a distance of 526 chains, more or less, to the southwest corner of said Maxwell Land Grant; thence northerly along the west boundary of said Maxwell Land Grant to the southwest corner of the tract of land conveyed by The Maxwell Land Grant Company to George D. Siemantel by deed No. 1529 recorded in Book 85 of Deeds at page 246 of the records of Colfax County, New Mexico; thence East 26,820 feet, more or less, to the point of beginning;

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Wanda Carter-Ortiz
Survey Operator

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having a radius of 940.00 feet; thence Southeast by along said last mentioned curve through a central angle of $13^{\circ}18'04''$, a length of 218.22 feet to a point hereinafter referred to as Point "B"; thence North $75^{\circ}54'59''$ West, 173.44 feet; thence North $22^{\circ}55'27''$ East, 464.55 feet to the north Southerly corner of said Lot 1; thence along the Southeast line of said Lot 1 North $56^{\circ}18'03''$ East 44.01 feet to said Easterly line of Lot 1; thence North $11^{\circ}18'03''$ East along said Easterly line 148.88 feet to the true point of beginning.

EXCEPTING HOWEVER ANY TIME-SHARE REGIME regardless of type, character or nature, whether statutory or not and whether filed of record or not.

CERTIFICATE OF AUTHENTICITY

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Maude G. G. G. G.
County Clerk

CERTIFICATE OF AUTHENTICITY

ANGEL FIRE COUNTRY CLUB UNIT #1, as set out in Plat Book 5, page 18, records of Colfax County, New Mexico.

Lots 165, 166, 171, 172, 195, 318, 419, 548, 726, 841, 1318, 1321, 1420, 1430, 1432, 1444, 1445, 1446 and 1459.

ANGEL FIRE COUNTRY CLUB UNIT 1 AND 2 RE-AMENDED, as set out in Plat Book 8, page 140, records of Colfax County, New Mexico.

Lots 1001, 1002, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1016, 1017, 1021, 1022, 1023, 1024, 1026, 1027, 1028, 1029, 1031, 1107, 1108, 1109, 1112, 1178, 1186, 1187, 1188, 1202, 1205, 1208 thru 1211, 1214, 1231, 1277 and 1284 AND Tract Q-1, Angel Fire Country Club subdivision, Units One and Two, Re-Amended, Colfax County, New Mexico, as shown in Plat Book 8 page 140, records of Colfax County, New Mexico. EXCEPTING THEREFROM HOWEVER ANY TIME-SHARE REGIME regardless of type character or nature, whether statutory or not and whether filed of record or not.

ANGEL FIRE COUNTRY CLUB UNIT 1 AND 2 AMENDED, as set out in Plat Book 8, page 77, records of Colfax County, New Mexico.

Lot 180, 181, 198, Tract A, B, C, D, E, G, J, H, N, P, Q, R, and S

ANGEL FIRE COUNTRY CLUB UNIT #1-A AMENDED, as set out in Plat Book 8, page 225, records of Colfax County, New Mexico.

Lot 2, 5, 6, 9, 16, 21, 22, 23, 25, 26, 27, 30, 31, 32, 38, 41, 42, 43, 44, 51, 52, 57, 58, 59, 64, 65, 66, 68, 69, 70, 71, 72, 74, 75, 78, 86, Tract C and Tract I

ANGEL FIRE COUNTRY CLUB UNIT #1-B AMENDED, as set out in Plat Book 8, page 273, records of Colfax County, New Mexico.

Lots 1, 5, 6, 8, 11, 14, 16, 18, 20, 28, 30, 31, 32, 33, 36, 42, 43, 45 thru 145.

ANGEL FIRE WEST VILLAGE, as set out in Plat Book 8, page 226, records of Colfax County, New Mexico.

Lots 3, 7, 8, 9, 10, 11, 14, 15, 28, 29, 38, 43, 45, Part of Lot 2, 12, 88, 104, 138, 112, 153, 154, 162, 163, 171 thru 181, 17, 18, 19 and 67. Lot 1 excepting therefrom however Deed as set out in Deed Book 132, page 76, records of Colfax County, New Mexico Tracts 1, 2 and 3.

MONTE VERDE "V", as set out in Plat Book 4, page 6, records of Colfax County, New Mexico.

Lots 11, 20, 30, 31, 32, 33

ANGEL FIRE CHALETS #2, as set out in Plat Book 7, page 99, records of Colfax County, New Mexico.

Lots 176, 421, 422, 423, 568, 570, 584, 587, 601, 608, 648, 649, 657, 662, 665, 670, 672, 679, 974, 975, 977, 987, 988, 996, 997, 1022, 1124, 1127, 1128, 1132, 1134, 1137, 1142, 1144, 1145, 1149, 1184, 1219, 1295, 1310, 1312, 1322, 1333, 1355, 1341, 1354, 1377, 1387, 1421, 1424, 1427, 1436, 1451, 1475, 1498, 1510, 1511, 1512, 1542, 1543, 1544 and Tracts A, B, C and D

ANGEL FIRE CHALETS UNIT #2A, as set out in Plat Book 8, page 7, records of Colfax County, New Mexico.

Lots 202, 206, 209, 211 and 212; All of Tract L-5 excepting therefrom Deed Book 142, page 342.

THIS IS TO CERTIFY that the microphotographs appearing on this roll of film are accurate and complete reproductions of the records of the COLFAX COUNTY CLERK as delivered in the regular course of business for identification.
Peggy Gates-Cox
County Clerk

THIS IS TO CERTIFY that the microphotographs appearing on

CERTIFICATE OF AUTHENTICITY

CERTIFICATE OF AUTHENTICITY

ANGEL FIRE CHALETS UNIT #2E AMENDED, as set out in Plat Book 8, page 106, records of Colfax County, New Mexico.

Lot 7 and Tracts A and Y

ANGEL FIRE CHALETS UNIT #2F, as set out in Plat Book 8, page 118, records of Colfax County, New Mexico.

Lots 562, 563, 564, 1110, 1113, 1114, and Tracts R, Z and DDD

ANGEL FIRE CHALETS UNIT #3, as set out in Plat Book 7, page 228, records of Colfax County, New Mexico.

Lots 2368 thru 2396 inclusive, 2406, 2417, 2420, 2424, 2444, 2476, 2497, 2519, 2523, 2548, 2557, 2621, 2525, 2631, 2749, 2761, 2762, 2775, Lots 2803, 2809, 2813, 2828 thru 2865 inclusive, 2872, 2887, 2924, Lots 2949 thru 2976 inclusive, 2941, 2981, Lots 3004 thru 3076 inclusive, Lots 3058 thru 3212 inclusive, Lots 3252 thru 3292 inclusive, 3295, Lots 3301 thru 3418 inclusive, 3420, 3422, 3430, and 3432 Tracts D, F, H, K, L, M, N, P, Q, R, S, T AND U

ANGEL FIRE CHALETS UNIT #3B AMENDED, as set out in Plat Book 8, page 293, records of Colfax County, New Mexico.

Lots 1 thru 150 inclusive; Lots 151 thru 334 inclusive
Tracts A, B, C, D, E, F and H

ANGEL FIRE CHALETS UNIT #6, as set out in Plat Book 8, page 291, records of Colfax County, New Mexico.

Lots 1 thru 542 inclusive
Tracts A, B, C, D, E, F and G

ANGEL FIRE COUNTRY CLUB UNIT #3, as set out in Plat Book 7, page 56, records of Colfax County, New Mexico.

Lots 1558, 1866 and 1673
Tracts 1A, 1B, 1C and 1D

ANGEL FIRE COUNTRY CLUB UNIT #3-A, as set out in Plat Book 8, page 226, records of Colfax County, New Mexico.

Lots 1623 and 1624
Tract A

ANGEL FIRE CHALETS UNIT #A, as set out in Plat Book 8, page 285, records of Colfax County, New Mexico.

Lots 28, 29, 32, 33, 34, 35, 36, 37, 38, 39, 41, 42, 43, 44, 61, 66, 68, 69, 87, 95, 96, 97, 98, 99, 101, 102, 103, 104, 108, 109, 110, 111, 112, 113, 114, 116, 125, 126, 131, 133, 136, 137, 138, 139, 140, 142, 143, 144, 145, 146, 148, 149, 150, 152

ANGEL FIRE CHALETS UNIT #4-A AMENDED, as set out in Plat Book 8, page 302, records of Colfax County, New Mexico.

Lots 45, 46, 47, 89, 90, 91 and 92

ANGEL FIRE CHALET UNIT #2-J AMENDED, as set out in Plat Book 8, page 290, records of Colfax County, New Mexico.

Lots 1, 2, 3, 4, 5, 6 and 7
Tracts AA and RR

ANGEL FIRE CHALETS UNIT #3-A AMENDED, as set out in Plat Book 8, page 287, records of Colfax County, New Mexico.

Lots 325, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 348, 247, 348, 349, 350 and 351

CERTIFICATE OF AUTHENTICITY

THIS IS TO CERTIFY that the microphotographs appearing on this roll of film are accurate and complete reproductions of the records of the COLFAX COUNTY CLERK as delivered in the original copies to business for microfilming.

Wanda Castro-Ortiz
County Operator

CERTIFICATE OF AUTHENTICITY

THIS IS TO CERTIFY that the microphotographs appearing on this roll of film are accurate and complete reproductions of the records of the COLFAX COUNTY CLERK as delivered in the original copies to business for microfilming.

ANGEL FIRE VILLAGE UNIT #1, as set out in Plat Book 4, page 21, records of Colfax County, New Mexico.

Part of Lot 1, All of Lots 2 and 3 in Block A, LESS Deed 167 page 102
 Lot 1 in Block B
 Lots 1 and 2, Lots 8 thru 11 in Block D
 Lots 2 thru 4 in Block E
 Lots 3 thru 6, 7, 10, 13, 14 in Block L

ANGEL FIRE VILLAGE #6, as set out in Plat Book 8, page 294, records of Colfax County, New Mexico.

Tract R, Tract AA, A, C, D,
 Lots 1, 2, 3, 4, 5, 6, 7, 8 and 9

EXCEPTING HOWEVER, Warranty Deed as set out in Real Estate Record Book 1, page 3680 between Angel Fire Corporation, a New Mexico corporation to Village of Angel Fire, a New Mexico municipality, dated June 27, 1990, filed July 13, 1990 at 4:57 p.m., records of Colfax County, New Mexico. (TRACTS, AA, A, C, D, E, LOTS 1 THRU 9 ANGEL FIRE VILLAGE #6)

AND

Warranty Deed as set out in Real Estate Record Book 1, page 3686 between Angel Fire Corporation, a New Mexico corporation to Village of Angel Fire, a New Mexico municipality, dated June 27, 1990, filed July 13, 1990 at 5:00 p.m., records of Colfax County, New Mexico. (TRACTS AA, A, C, D, E, LOTS 1 THRU 9 ANGEL FIRE VILLAGE #6)

ANGEL FIRE CHALETS UNIT #2C AMENDED, as set out in Plat Book 8, page 28, records of Colfax County, New Mexico.

Lots 267, 274, 277, 278, 279, 282, 285, 287, 289, 299, 330, 331, 333, 335, 336, 338, 345, 351, 352, 353, 355, 356 and 361

ANGEL FIRE CHALETS UNIT #2B AMENDED, as set out in Plat Book 8, page 21, records of Colfax County, New Mexico.

Lots 223, 251, 252, 257, 259, 260 and 262

ANGEL FIRE CHALETS UNIT #2D, as set out in Plat Book 8, page 53, records of Colfax County, New Mexico.

Lots 369, 371, 373, 389, 399, 412, 464, 467, 473, 475, 481, 486, 496, 506 and 507

ANGEL FIRE CHALETS UNIT #2H AMENDED, as set out in Plat Book 8, page 226, records of Colfax County, New Mexico.

Lot 1 and Tract A

ANGEL FIRE COUNTRY CLUB UNIT #4, as set out in Plat Book 8, page 284, records of Colfax County, New Mexico.

Lots 1, 2, 3 and Tract A

ANGEL FIRE COUNTRY CLUB UNIT #1-B, as set out in Plat Book 8, page 273, records of Colfax County, New Mexico.

Lot 15

ANGEL FIRE CHALETS UNIT #4, as set out in Plat Book 8, page 285, records of Colfax County, New Mexico.

Lot 9, 13, 20, 23, 62, 100, 117, 118, 157, 163 and 164

ANGEL FIRE CHALETS UNIT #2G AMENDED, as set out in Plat Book 8, page 209, records of Colfax County, New Mexico.

having a radius of 940.00 feet; thence Southwesterly along said last mentioned curve through a central angle of 13°18'02", a length of 218.22 feet to a point hereinafter referred to as Point "B"; thence North 75°54'59" West, 173.94 feet; thence North 22°56'27" East, 464.55 feet to the most Southerly corner of said Lot 1; thence along the Southeast line of said Lot 1 North 56°18'03" East 44.01 feet to said Easterly line of Lot 1; thence North 11°18'03" East along said Easterly line 168.88 feet to the true point of beginning.

EXCEPTING HOWEVER ANY TIME SHARE REGIME regardless of type, character or nature, whether statutory or not and whether filed of record or not

THIS IS TO CERTIFY that the above described appearing on this plat of file are the true and correct copies of the records of the County of Santa Clara as delivered in the regular course of business for a certain date.

Made this 11th day of
Camera Operator

(2) A certain tract of land situate within the Maxwell Land Grant in Colfax County, New Mexico, hereinafter referred to as WOODRUM, L&T 2, Angel Fire, New Mexico and being more particularly described by BHI control bearings and ground distances as follows:

BEGINNING at the northwest corner of the tract herein described, being a point on the northerly boundary of the above mentioned WOODRUM, UNIT 2, whence the BHI Monument No. 32 bears N 05° 49' 39" W, 2055.51 feet; thence, from said point of beginning along consecutive bearings and distances as follows:

N 56° 46' 15" E, 549.73 feet to the northeast corner of the tract herein described; thence,
 S 37° 10' 47" E, 200.34 feet to a point; thence,
 S 85° 05' 00" E, 58.35 feet to a point; thence,
 S 37° 56' 42" E, 445.25 feet to a point; thence,
 S 73° 27' 15" E, 177.04 feet to a point; thence,
 S 33° 53' 18" E, 129.81 feet to a point; thence,
 S 01° 23' 11" E, 183.09 feet to a point; thence,
 S 61° 39' 08" E, 173.15 feet to a point; thence,
 S 85° 27' 04" E, 101.14 feet to a point; thence,
 S 72° 56' 15" E, 94.11 feet to a point; thence,
 S 55° 08' 34" E, 108.43 feet to a point; thence,
 S 40° 16' 42" E, 170.71 feet to a point; thence,
 S 50° 54' 17" E, 108.03 feet to a point; thence,
 S 60° 30' 36" E, 149.93 feet to a point; thence,
 S 75° 26' 39" E, 137.43 feet to a point; thence,
 N 81° 20' 00" E, 79.80 feet to a point; thence,
 S 35° 57' 55" E, 185.22 feet to a point; thence,
 S 01° 00' 18" E, 61.59 feet to a point; thence,
 S 29° 24' 19" E, 127.70 feet to a point; thence,
 S 16° 06' 52" E, 187.53 feet to a point; thence,
 S 01° 40' 39" E, 39.87 feet to a point; thence,
 S 16° 58' 04" W, 173.73 feet to a point; thence,
 S 06° 17' 15" W, 132.95 feet to a point; thence,
 S 09° 11' 28" E, 205.11 feet to a point; thence,
 S 59° 58' 39" E, 246.87 feet to a point; thence,
 S 01° 12' 28" W, 260.08 feet to the southeast corner of the tract herein described; thence,
 N 80° 22' 16" W, 242.67 feet to a point; thence,
 N 71° 25' 11" W, 130.84 feet to a point; thence,
 S 36° 15' 35" W, 119.87 feet to a point; thence,
 N 88° 10' 10" W, 248.38 feet to a point; thence,
 N 78° 05' 09" W, 89.17 feet to a point; thence,
 N 68° 41' 27" W, 203.82 feet to a point; thence,
 N 62° 48' 00" W, 184.84 feet to a point; thence,
 N 80° 47' 30" W, 116.80 feet to a point; thence,
 N 83° 32' 12" W, 308.82 feet to a point; thence,
 N 51° 08' 52" W, 303.72 feet to a point; thence,
 N 43° 40' 22" W, 143.48 feet to a point; thence,
 N 76° 03' 31" W, 328.65 feet to a point; thence,
 N 89° 40' 17" W, 257.15 feet to a point; thence,
 N 78° 41' 45" W, 228.03 feet to a point; thence,
 N 81° 59' 44" W, 78.18 feet to a point; thence,

THIS IS TO CERTIFY that the above description of the land herein described is a true and correct copy of the original survey as filed in the records of the County Clerk, as delivered in the regular course of business for record.

Maria G. ...
 County Clerk

N 38° 23' 05" W, 72.70 feet to a point; thence,
 N 27° 21' 35" W, 162.32 feet to a point; thence,
 N 24° 41' 45" W, 191.95 feet to a point; thence,
 N 06° 28' 14" W, 140.55 feet to a point; thence,
 N 21° 11' 50" E, 57.54 feet to a point; thence,
 N 49° 25' 24" E, 76.91 feet to a point; thence,
 N 73° 36' 51" E, 379.11 feet to a point; thence,
 N 20° 26' 05" W, 517.79 feet to a point; thence,
 N 10° 15' 03" E, 139.08 feet to the point and place of beginning.

Tract Contains 91.0737 acres, more or less.

- (3) A certain tract of land situate within the Maxwell Land Grant in Colfax County, New Mexico, hereinafter referred to as WOOLDRUN, UNIT 3, Angel Fire, New Mexico and being more particularly described by B-11 control bearings and ground distances as follows:

BEGINNING at the northwest corner of the tract herein described, being a point on the northerly boundary of the above mentioned WOOLDRUN, UNIT 3, whence the B-11 Monument No. 32 bears N 33° 59' 12" W, 3187.52 feet; thence, from said point of beginning along consecutive bearings and distances as follows:

N 46° 43' 46" E, 161.13 feet to a point; thence,
 N 74° 54' 21" E, 151.67 feet to a point; thence,
 N 81° 36' 30" E, 236.44 feet to a point; thence,
 N 81° 16' 03" E, 141.91 feet to a point; thence,
 N 57° 44' 01" E, 88.23 feet to a point; thence,
 N 63° 15' 22" E, 244.82 feet to a point; thence,
 S 85° 33' 24" E, 240.69 feet to a point; thence,
 S 57° 07' 08" E, 168.67 feet to a point; thence,
 S 10° 50' 40" E, 125.97 feet to a point; thence,
 S 13° 58' 40" E, 124.64 feet to a point; thence,
 S 25° 52' 56" E, 198.91 feet to a point; thence,
 S 30° 50' 17" E, 217.44 feet to a point; thence,
 S 44° 14' 14" E, 411.11 feet to a point; thence,
 S 28° 44' 13" E, 378.51 feet to a point; thence,
 S 20° 59' 59" E, 404.75 feet to a point; thence,
 S 17° 12' 50" E, 116.65 feet to a point; thence,
 S 34° 15' 22" E, 179.98 feet to a point; thence,
 S 41° 58' 05" E, 102.81 feet to a point; thence,
 S 81° 17' 50" E, 100.53 feet to a point; thence,
 S 22° 50' 49" E, 100.48 feet to the southeast corner of the tract herein described; thence,
 S 51° 17' 04" W, 133.33 feet to a point; thence,
 S 85° 34' 25" W, 205.75 feet to a point; thence,
 S 85° 33' 08" W, 181.05 feet to a point; thence,
 N 75° 15' 34" W, 113.52 feet to a point; thence,
 N 83° 28' 05" W, 110.91 feet to a point; thence,
 N 65° 21' 42" W, 210.72 feet to a point; thence,
 N 80° 09' 31" W, 275.24 feet to a point; thence,
 N 87° 06' 14" W, 99.92 feet to a point; thence,
 S 86° 50' 24" W, 191.39 feet to a point; thence,
 N 76° 19' 18" W, 74.37 feet to a point; thence,

THIS IS TO CERTIFY that the above bearings and distances were taken by the surveyor on the 10th day of July, 1911, and that the same are correct and true to the original survey of the Maxwell Land Grant.

Walter A. Allen
 Surveyor General

N 52° 55' 58" W, 170.05 feet to a point; thence,
 N 46° 11' 35" W, 166.39 feet to a point; thence,
 N 05° 56' 25" W, 152.38 feet to a point; thence,
 N 03° 49' 01" E, 109.36 feet to a point; thence,
 N 25° 19' 14" E, 99.26 feet to a point; thence,
 N 00° 36' 23" W, 162.50 feet to a point; thence,
 N 17° 39' 02" W, 140.92 feet to a point; thence,
 N 21° 16' 08" W, 186.25 feet to a point; thence,
 N 50° 12' 17" W, 157.22 feet to a point; thence,
 N 44° 49' 43" W, 127.69 feet to a point; thence,
 S 78° 49' 43" W, 130.64 feet to a point; thence,
 N 71° 05' 10" W, 134.66 feet to a point; thence,
 N 48° 22' 59" W, 131.45 feet to a point; thence,
 N 54° 32' 52" W, 214.47 feet to a point; thence,
 N 50° 46' 00" W, 154.12 feet to the point and place of beginning.

Tract Contains 60.6700 acres, more or less.

RECORDS OF AGRICULTURE

THIS IS TO CERTIFY that the Microfilm reproducing on this roll of film are accurate and complete reproductions of the records in the COUNTY CLERK'S OFFICE as delivered in the regular manner to the County Clerk for microfilming.

Wanda G. Sand-Orcutt
County Operator

ANGEL FIRE VILLAGE WRST, as set out in Plat Book 8, page 226, records of Colfax County, New Mexico;

Lot 138

ANGEL FIRE VILLAGE NORTH, as set out in Plat Book 8, page 283, records of Colfax County, New Mexico;

Lot 115

ANGEL FIRE COUNTRY CLUB UNIT #1, as set out in Plat Book 5, page 18, records of Colfax County, New Mexico;

Lot 1168

ANGEL FIRE CHALETS UNIT #4, as set out in Plat Book 8, page 285, records of Colfax County, New Mexico;

Lot 74

THIS IS TO CERTIFY that the microfilm copies appearing on this roll of film are accurate and complete reproductions of the records of the ANGEL FIRE COUNTRY CLUB as reflected in the regular books of business for the year 1968.

Hand Carried
Copies of