

RECEIVED

RECEIVED AND FILED 11-4-93

93 NOV -8 PM 3: 15

CLERK OF DISTRICT COURT  
PATRICIA GRAY, CLERK

1 John White, Jr.  
2 Nevada State Bar No. 1741  
3 White Law Chartered  
335 W. First Street  
4 Reno, NV 89503  
Telephone: (702) 322-8000  
Attorney for Debtor

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

IN RE

Case No. BK-N-93-31295  
Chapter 11

CAPRI RESORTS, INC.,  
a nevada corporation,

ORDER GRANTING LEAVE TO SELL  
FREE AND CLEAR OF LIENS;  
DETERMINING CONDITIONS FOR  
USE OF CASH COLLATERAL AND  
APPROVING POST-PETITION  
PRIORITY LOAN.

Debtor

DATE: October 26, 1993  
TIME: 2:00 p.m.

Debtor's Motion for Leave to Sell Property Free and Clear of  
Liens and Other Interests; for Use of Cash Collateral and for  
Post-Petition Super-priority loan, filed herein on October 13,  
1993 (herein the "Motion") having come on regularly for hearing  
this 26th day of October, 1993, at 2:00 p.m., and the court  
having considered the oppositions on file herein, and it  
appearing that the relief requested is reasonable and in the best  
interests of the Debtor and the estate, that all secured  
creditors are adequately protected, that the Debtor is in need of  
the requested funds and is unable to obtain them elsewhere or on  
better terms from GEICO, and good cause appearing,

**SEAL** IS HEREBY ORDERED,

A. SALE FREE AND CLEAR.

Capri Order/Liens #2467.01

I hereby certify that the attached instrument is a true and correct copy of the original on file in the office of the Bankruptcy Judge. Dated 11/18/93  
Authorized Clerk to Bankruptcy Judge  
Marilyn M. [Signature]

WHITE LAW  
CHARTERED  
LAWYERS  
TWENTIETH CENTURY  
BUILDING  
335 WEST FIRST STREET  
RENO, NEVADA 89503  
(702) 322-8000

327434  
BK0194PG2197

06

1           1. Upon acquiring any and all requisite local, State or  
2 Federal licenses or permits, and except as otherwise provided in  
3 this Order, Debtor is authorized to sell two hundred (200)  
4 intervals in the Kingsbury Crossing time share project free and  
5 clear of any and all liens, judgments or encumbrances of every  
6 kind and nature. Any such liens, judgments or encumbrances shall  
7 attach to a portion of the sale proceeds as provided below. Any  
8 such liens, judgments or encumbrances shall continue in full  
9 force and effect as to all remaining intervals and real property.

10           2. The sale shall not be free and clear of real property  
11 taxes, which shall be paid in full as each escrow closes.

12           3. To ensure that adequate monies are available, escrows  
13 shall be closed in batches of not less than forty (40), to wit:  
14 during the pendency of the reload program approved by this Order,  
15 an interval cannot be closed individually, but rather must be  
16 closed in groups of at least forty.

17 **B. CASH COLLATERAL:**

18           1. As each of the two hundred sales approved in this Order  
19 close, Debtor shall pay expenses as described and in the amounts  
20 delineated in Exhibit A-1 to the Motion, a copy of which Exhibit  
21 A-1 is also attached hereto and incorporated herein, except that  
22 any funds allegedly due to I.R. Ashleman shall be escrowed until  
23 such time as this court has heard Debtor's application to hire  
24 Mr. Ashleman as special counsel, provided however that the sum of  
25 eighteen thousand dollars (\$18,000.00) shall be accrued by  
26 escrowing \$90.00 from each closing in a special fund for junior  
27

1 secured creditors, which shall be paid over to secured creditors  
2 other than GEICO as their interests may appear. Administrative  
3 expenses, commissions and salaries shall be in the amounts and  
4 shall be paid at the times described and delineated in Exhibit E  
5 to the Motion, also attached hereto, except that they shall be  
6 modified downward in order to allow for the aforementioned  
7 \$18,000.00 due junior secured creditors. The salaries and  
8 commissions referenced in Exhibit E are all the salary and  
9 commission that will be allowed in conjunction with the 200 sales  
10 covered by this Order, regardless of the length of time it may  
11 take to make and close the referenced sales, and regardless of  
12 any difficulties that may arise prior to the closing of the 200th  
13 sale.

14 C. PRIORITY LOAN:

15 Debtor is authorized to borrow an additional twenty five  
16 thousand dollars (\$25,000.00) from GEICO in the manner, according  
17 to the terms, and for the purposes delineated in the Motion, to  
18 wit:

19 1. Up to \$18,000.00 to Kingsbury Crossing Owner's  
20 Association, in care of Richard Holley, Esq., as follows:

21 A. LODGING

22 Oct. 1 - Oct 15, 1993 \$1,610.00

23 Oct. 16 - Oct. 29, 1993 1,288.00

24 B. ROOM DEPOSIT

25 (4 units x \$23 x 4 wks x 7 nights) 2,576.00  
26  
27

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**C. TELEPHONE**

August bill	2,692.83
September bill	
9/1/93-9/27/93	2,814.14
9/28/93-10/1/93	509.21
October bill	
10/2/93-10/8/93	418.82
10/9/93-10/15/93	907.31
10/16/93-10/22/93	474.06
Phone Deposit	3,000.00
	<hr/>
Total loan proceeds to KCOA	\$16,290.37

2. \$3,500 to GEICO as and for loan fees

3. Remainder of loan proceeds to Debtor.

This loan is to be funded upon Debtor's being granted a permit to sell timeshares by the Nevada Department of Real Estate, or such earlier time as GEICO may determine, as is more fully set forth in the Motion. The aforementioned \$25,000.00, along with GEICO's existing pre-petition fifty thousand dollar (\$50,000.00) unsecured line of credit loan shall be accorded priority status over any or all administrative expenses under 11 U.S.C. §364 (C) (1).

**D. MISCELLANEOUS**

In the event that this case is converted to Chapter 7 any deposits hereafter made on interval purchases which have not closed at the time of the conversion shall be deemed property of

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

the purchaser, shall not become property of the Chapter 7 estate and shall be returned to the purchaser forthwith.

DATED THIS 8<sup>TH</sup> day of <sup>November</sup> October, 1993

*James Thompson*  
UNITED STATES BANKRUPTCY JUDGE

Approved/Disapproved as to form/Content this 3<sup>rd</sup> day of October, 1993.

*F. DeArmond Sharp*  
F. DeArmond Sharp

Approved/Disapproved as to form/Content this 2<sup>nd</sup> day of <sup>November</sup> October, 1993.

*Richard L. Holley*  
Richard Holley

Approved/Disapproved as to form/Content this 2<sup>nd</sup> day of <sup>November</sup> October, 1993.

*Kelly L. Turner*  
Kelly Turner

Approved/Disapproved as to form/Content this 3<sup>rd</sup> day of <sup>November</sup> October, 1993.

*Gayle A. Kern*  
Gayle A. Kern

REQUESTED BY  
*Suzanne Beaudreau*  
IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

Capri Order/Liens 02467.01

5 '94 JUN 12 NO:41

WHITE LAW  
CHARTERED  
LAWYERS  
TWENTIETH CENTURY  
BUILDING  
335 WEST FIRST STREET  
RENO, NEVADA 89503  
(702) 322-8000

327434

BK0194PG2201

SUZANNE BEAUDREAU  
RECORDER

\$11.00 PAID *OK* DEPUTY