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2 Nevada State Bar No. 1701  
3 Sheerin, Walsh & Keele  
4 1692 County Road  
5 Minden, NV 89423  
6 Telephone: (775) 882-6269

7 WILLIAM A. VAN METER, ESQ.  
8 Nevada State Bar No. 2803  
9 1225 Westfield Ave., #4  
10 Reno, NV 89509  
11 Telephone: (775) 786-1980

12 Attorneys for the Debtor

RECEIVED AND FILED  
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U.S. BANKRUPTCY COURT  
PATRICIA GRAY, CLERK

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA

11 JUN REC'D

13 In re:

14 PRUETT RANCHES, INC.,  
15 gwz  
16 a Nevada Corporation,  
17 Debtor.

Case No.: BK-N 95-32230  
(Chapter 11)

ORDER CONFIRMING DEBTOR'S  
FOURTH AMENDED PLAN OF  
REORGANIZATION  
Date: February 13, 2001  
Time: 2:00 p.m.  
Time Required: 30 minutes

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20  
21 The Fourth Amended Plan of Reorganization filed under  
22 Chapter 11 of the Bankruptcy Code by PRUETT RANCHES, INC., on  
23 January 5, 2001, as modified pursuant to the terms and  
24 conditions of this Order, there being no written opposition to  
25 the proposed Fourth Amended Plan and all oral comments and  
26 objections having been resolved, and it having been determined  
27 after hearing on notice that all of the requirements for  
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1 confirmation set forth in 11 U.S.C. §§ 1129(a) and 1129(b)  
2 have been satisfied;

3 IT IS ORDERED that the Debtor's Fourth Amended Plan of  
4 Reorganization is confirmed as modified pursuant to the  
5 following terms and conditions:  
6

7 1. The Effective Date of the Debtor's Fourth Amended  
8 Plan of Reorganization shall be Wednesday, August 1, 2001 and  
9 the Debtor shall operate and remain a Debtor-in-Possession  
10 until the Effective Date, exercising all rights and performing  
11 all duties imposed upon a debtor-in-possession which are  
12 consistent with the Debtor's Fourth Amended Plan of  
13 Reorganization approved herein, which include without  
14 limitation the right to sell real property, mining claims and  
15 mill property, and other assets as proposed by the Debtor in  
16 its Fourth Amended Disclosure Statement filed herein on  
17 January 5, 2001, and incorporated herein by this reference,  
18 the effect of which is that the Debtor may sell any of said  
19 property free and clear of liens other than as set forth on  
20 the title policy and approved through escrow by the purchaser  
21 of such property from the Debtor. To the extent the Debtor's  
22 confirmed Fourth Amended Plan of Reorganization (which  
23 incorporates the Fourth Amended Disclosure Statement by  
24 reference) contemplates liquidation of property to fund the  
25 Plan, the Debtor may proceed with and complete any sales  
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1 necessary to fund the Plan prior to the Effective Date, or  
2 thereafter, without further notice or hearing. The first  
3 quarterly distribution required by the Debtor's plan shall be  
4 made on or before September 30, 2001.  
5

6 2. Any and all objections to claims that are presently  
7 allowed claims shall be filed and served on or before the  
8 Effective Date.

9 3. Any and all applications for fees and requests for  
10 payment shall be filed and served on or before Friday, June  
11 29, 2001, such that the hearing on all fee applications can be  
12 held, if possible, subject to the court's hearing calendar, on  
13 or before the Effective Date.  
14

15 4. The Debtor shall pay all unpaid U.S. Trustee's fees,  
16 if any, on or before the Effective Date.  
17

18 5. Pursuant to 11 U.S.C. § 1141(b), confirmation of the  
19 Debtor's Chapter 11 Plan shall vest all property of the  
20 Debtor's bankruptcy estate in the Debtor on the Effective  
21 Date.  
22

23 6. Pursuant to the consent of William A. Van Meter,  
24 Esq., George M. Keele, Esq., Alan R. Smith, Esq., and John  
25 Snow, Esq. these administrative claims may be deferred  
26 pursuant to agreements reached between the administrative  
27 claimants and the Debtor notwithstanding the provisions of 11  
28 U.S.C. § 1129(a)(9)(A). All requests for payment of

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1 administrative claims shall be filed on or before the  
2 Effective Date and shall be paid, unless otherwise agreed, on  
3 the later of the Effective Date, within ten days of bankruptcy  
4 court approval of the request, or pursuant to separate  
5 agreement between the administrative claimant and the Debtor.  
6

7 7. The claim of Kleinfelder, Inc. shall be paid \$20,000  
8 on or before Friday, April 13, 2001, and an additional  
9 \$81,601.92 plus interest at the rate of nine percent (9%)  
10 commencing on date of Plan Confirmation, pursuant to the terms  
11 and conditions of the Confirmed Plan, including without  
12 limitation forty-eight (48) consecutive monthly installment  
13 payments of \$2,030.71 each, commencing September 1, 2001, and  
14 continuing on the first day of each month thereafter until  
15 paid in full. In the event the initial payment is not made as  
16 required by this Order, the automatic stay shall no longer be  
17 in effect as to this creditor and its lien rights, if any,  
18 shall survive confirmation and the proposed modification of  
19 the claim shall be ineffective until the \$20,000.00 is paid  
20 and the Debtor commences distributions pursuant to the terms  
21 and conditions of the Confirmed Plan.  
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25 8. The IRS administrative claim shall be paid on or  
26 before the Effective Date pursuant to the Stipulation with the  
27 Internal Revenue Service which is attached to this Order as  
28 Exhibit A.

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1           9.    The Debtor shall pay all required post-confirmation  
2 quarterly fees to the Office of the United States Trustee  
3 pending entry of a Final Decree. Pursuant to Fed. R. Bankr.  
4 P. 3022 and L.R. 3022, the Court shall enter a Final Decree  
5 when the Debtor's case has been Substantially Consummated as  
6 that term is defined in 11 U.S.C. § 1101(2).  
7

8           10. Pursuant to the Stipulation between the County of  
9 Douglas, State of Nevada ("the County"), which is attached  
10 hereto as Exhibit B and incorporated herein by this reference,  
11 Class 2 Priority Claimant, the County, was scheduled in the  
12 Debtor's Fourth Amended Plan filed herein on January 5, 2001,  
13 as having an estimated claim of \$3,300 for real and personal  
14 property taxes due for tax years 1998-99 and 1999-2000.  
15 Through an error that occurred in assessing personal property  
16 incidental to the sale in 1994 by Sonora Mining to the Debtor  
17 of the Buckskin mill and related mining claims, the Douglas  
18 County Assessor inadvertently assessed the Debtor  
19 approximately \$25,000 more over the past six years than was  
20 owed by the Debtor to the County. Certain items of personal  
21 property actually removed from the mill site at the time of  
22 its acquisition by the Debtor were assessed to the Debtor for  
23 seven (7) years after the Debtor acquired the mill site, even  
24 though the referenced personal property was no longer present  
25 at the site. The Debtor and the County have stipulated that,  
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1 to correct the overassessment, the Debtor will pay and Douglas  
2 County will accept the sum of \$25,557.32 in lieu of the total  
3 (i.e. \$50,810.18) of the taxes for that period shown on  
4 Exhibit A to Exhibit B attached hereto. Any action to collect  
5 taxes fixed by the Nevada Department of Taxation or assessed  
6 by the County of Douglas upon Douglas County Assessor's Parcel  
7 No. 1323-00-001-014 for tax years 1994-95 and earlier,  
8 pursuant to subsection 3 of section 11.190 of the Nevada  
9 Revised Statutes and in accordance with the Stipulation by the  
10 County of Douglas that this Court may dispose of such  
11 obligations under applicable federal and state law, is time-  
12 barred. The Debtor is ordered to comply with this Stipulation.

13  
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15 11. Until entry of a Final Decree, the Debtor shall file  
16 with the Clerk, not later than 20 days after the end of the  
17 calendar quarter which occurs after the entry of this Order,  
18 i.e. not later than September 30, 2001, and every six months  
19 thereafter until a Final Decree is entered, a report of the  
20 action taken by the reorganized Debtor and the progress made  
21 toward consummation of the confirmed Plan. Said report shall  
22 include, at a minimum, the following information:  
23  
24

25 (1) A schedule (including the cost)  
26 of any real property acquired since  
27 confirmation of the Plan, and a schedule  
28 of each item of personal property,  
acquired at a cost of more than \$5,000.00,  
since confirmation of the Plan.

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1 (2) A schedule of payments to each  
2 class of claims, listing the total amount  
3 the Plan required to be paid, the amount  
4 required to be paid to date, the amount  
5 actually paid to date, and the amount  
6 unpaid.

7 (3) A schedule of executory  
8 contracts entered into or assumed after  
9 plan confirmation.

10 (4) A statement indicating that  
11 post-petition taxes of every kind have  
12 been paid current, identifying each type  
13 of tax which has been paid and is current  
14 (i.e., income, payroll, property, sales,  
15 etc.), or a detailed explanation of any  
16 and all delinquencies, by type of tax, and  
17 dollar amount.

18 (5) A Statement regarding the  
19 progress to Substantially Consummate the  
20 Plan and an estimate of the time for  
21 Substantial Consummation and application  
22 for Final Decree.

23 (6) A statement regarding the status  
24 of payment of both pre-confirmation and  
25 postconfirmation fees to the office of the  
26 United States Trustee.

27 (7) Any other pertinent information  
28 needed to explain the progress toward  
completion of the confirmed Plan.

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1 (8) If there are no pending contested  
2 matters or adversary proceedings, the case  
3 shall be deemed Substantially Consummated  
4 six (6) months after the Effective Date  
5 (i.e. February 1, 2002) and the clerk may  
6 enter a Final Decree without further  
7 notice and hearing.

8 DATED: This 12 day of JUNE, 2001.

9  
10   
11 UNITED STATES BANKRUPTCY JUDGE

12 Approved/Disapproved

13 Fred Green, Esq.  
14 Internal Revenue Service  
15 4750 W. Oakey Blvd.  
16 Las Vegas, NV 89102

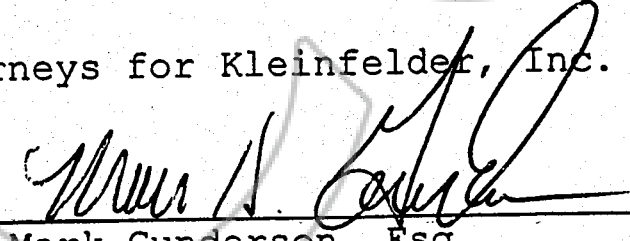
17 Attorneys for the Internal Revenue Service

18 By: see attached fax signature Date: 6/8/2001

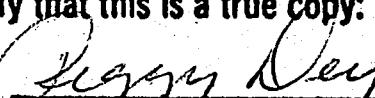
19 Approved/Disapproved

20 Mark H. Gunderson, Esq.  
21 6121 Lakeside Drive, #230  
22 Reno, NV 89511

23 Attorneys for Kleinfelder, Inc.

24  
25 By:  Date: 6/6/01  
26 Mark Gunderson, Esq.

27 I certify that this is a true copy:

28 Attest:   
Deputy Clerk, Bankruptcy Court

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8

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SEAL



1 Approved/Disapproved

2 Office of the United States Trustee  
3 300 Booth Street, Room 2129  
4 Reno, Nevada 89509

5 By: *Nicholas Strozza* Date: 6-6-01  
6 Nicholas Strozza, Esq.

7  
8  
9 Approved Disapproved

10 Alan R. Smith, Esq.  
11 505 Ridge Street  
12 Reno, NV 89501

13 Attorney for the Unsecured Creditors' Committee

14 By: *Alan R. Smith* Date: 6/9/01  
15

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(8) If there are no pending contested matters or adversary proceedings, the case shall be deemed Substantially Consummated six (6) months after the Effective Date (i.e. February 1, 2002) and the clerk may enter a Final Decree without further notice and hearing.

DATED: This \_\_\_\_\_ day of \_\_\_\_\_, 2001.

UNITED STATES BANKRUPTCY JUDGE

Approved/Disapproved

Fred Green, Esq.  
Internal Revenue Service  
4750 W. Oakey Blvd.  
Las Vegas, NV 89102

Attorneys for the Internal Revenue Service

By: [Signature] Date: JUNE 8, 2001

Approved/Disapproved

Mark H. Gunderson, Esq.  
6121 Lakeside Drive, #230  
Reno, NV 89511

Attorneys for Kleinfelder, Inc.

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Mark Gunderson, Esq.

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1 GEORGE M. KEELE, ESQ.  
2 Nevada State Bar No. 1701  
3 Sheerin, Walsh & Keele  
4 1692 County Road  
5 Minden, Nevada 89423  
6 Telephone: (775) 882-6269

7 Attorneys for the Debtor

8 UNITED STATES BANKRUPTCY COURT

9 DISTRICT OF NEVADA

10 In re:

11 PRUETT RANCHES, INC.,  
12 a Nevada Corporation,

Case No.: BK-N 95-32230  
(Chapter 11)

13 Debtor.

Hrg. DATE: February 13, 2001  
and TIME: 2:00 p.m.  
Time Req'd: 15 min.

14 **STIPULATION**

15 COME NOW, the UNITED STATES INTERNAL REVENUE SERVICE  
16 (hereinafter: "the IRS"), by and through its counsel, ~~Michael~~<sup>Fred</sup>  
17 ~~Freitag~~<sup>F. Green, Jr.</sup>, Esq., and PRUETT RANCHES, INC., by and through its  
18 counsel, Sheerin, Walsh & Keele and George M. Keele, Esq.,  
19 (hereinafter: "the Debtor"), and agree and stipulate with each  
20 other as follows:

21 1. The Debtor has recently filed its proposed Fourth  
22 Amended Plan of Reorganization in the above-entitled  
23 proceeding.

24 2. In the Plan of Reorganization, the Debtor proposes to  
25 continue making Five Thousand Dollars (\$5,000) installment  
26 payments to the IRS on its arrearages in tax payments to the  
27 IRS.

28 Sheerin, Walsh & Keele  
1692 County Road  
Minden, NV 89423

Phone: 782-9781  
or 882-6269  
FAX: 782-2970

EXHIBIT A, page 1

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3. The IRS objects to the Debtor's proposed treatment of the IRS under the Debtor's Fourth Amended Plan of Reorganization.

4. Additionally, the Debtor has developed an arrearage in payment to the IRS under an agreement for installment payments. The Debtor is currently in arrears for the month of January 2001. Moreover, the Debtor will owe the IRS another \$5,000 installment payment on or before February 15, 2001.

5. In consideration of their mutual promises, the parties agree and stipulate as follows:

a. The Debtor will forthwith cure its arrearage by making its payment of Five Thousand Dollars (\$5,000) for the month of January 2001 to the IRS;

b. The Debtor will make its February 15 installment payment promptly when due;

c. Assuming the Bankruptcy Court approves the Debtor's Fourth Amended Plan of Reorganization, taking into account this Stipulation, the Debtor will continue to make installment payments of Five Thousand Dollars (\$5,000) per month each, payable on or before the 15th day of each month, until on or before the expiration of 160 days after the entry of the Court's Order approving the Debtor's Plan of Reorganization as modified by the instant Stipulation;

d. On or before the expiration of 160 days following approval of the Debtor's modified Plan, the Debtor

Sheerin, Walsh & Keele  
1692 County Road  
Minden, NV 89423  
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or 882-6269  
FAX: 782-2970

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1 must pay to the IRS the entire balance the Debtor owes the IRS  
 2 (less the installment payments made in the interim to the IRS),  
 3 or, alternatively, if all other creditors included in the  
 4 Debtor's approved Plan in this Chapter 11 proceeding are to be  
 5 paid on an installment basis, then the Debtor may continue to  
 6 make \$5,000 per month installment payments to the IRS until the  
 7 entire balance of the Debtor's obligation is paid in full;

9 e. However, if all other creditors, no matter what  
 10 class they may occupy, are not being paid on an installment  
 11 basis, then the Debtor must pay the entire balance owing by the  
 12 debtor to the IRS in full on or before the 160th day following  
 13 the entry of the Court's Order approving the Debtor's Plan.

15 6. The IRS and the Debtor will continue to cooperate  
 16 with each other in good faith in establishing the exact amount  
 17 the Debtor is in arrears in its payments to the IRS.

18 7. The Debtor will pay its current taxes to the IRS as  
 19 they come due.

21 8. By signing this Stipulation, the parties intend to  
 22 cooperate with each other to their mutual benefit, but neither  
 23 party waives any right it may have.

24 DATED: 2-13-2001

*Fred E. Green, Jr.*  
 MICHAEL FREITAG, ESQ.  
 Attorney for Internal Revenue Service

27 DATED: 2-14-2001

*George M. Keele*  
 GEORGE M. KEELE, ESQ.  
 Attorney for Pruett Ranches, Inc.,  
 Debtor

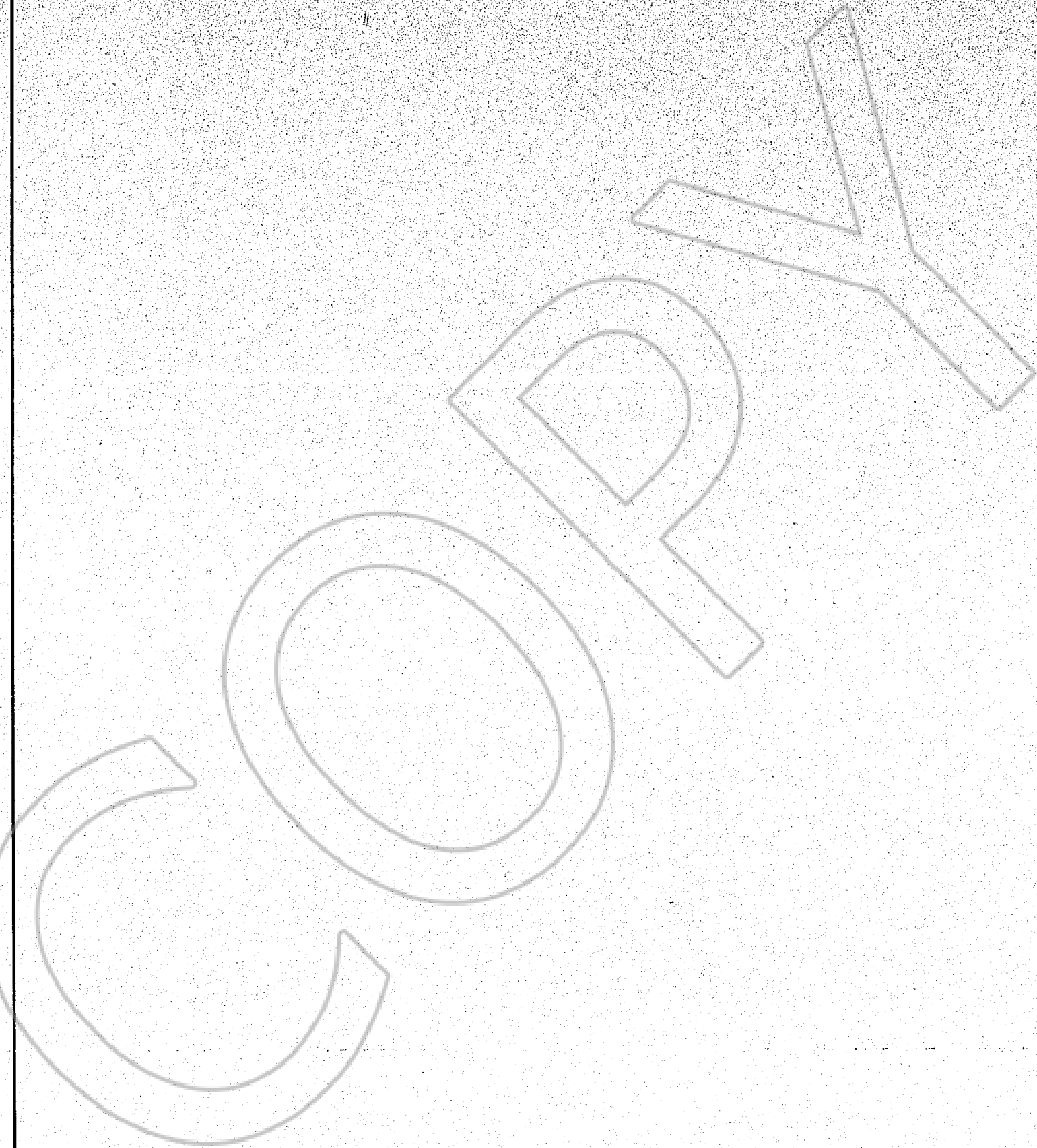
28 Sheerin, Walsh  
 & Keele  
 1692 County Road  
 Minden, NV 89423

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1 EXHIBIT B  
2 STIPULATION WITH COUNTY OF DOUGLAS, STATE OF NEVADA  
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9 1225 Westfield Ave., #4  
10 Reno, NV 89509  
11 Telephone: (775) 786-1980

12 Attorneys for the Debtor

13 UNITED STATES BANKRUPTCY COURT  
14 DISTRICT OF NEVADA

15 In re:

16 PRUETT RANCHES, INC.,  
17 a Nevada Corporation,  
18 Debtor.

19 Case No.: BK-N 95-32230 gwz  
20 (Chapter 11)

21 STIPULATION

22 Date: February 13, 2001  
23 Time: 2:00 p.m.  
24 Time Required: 30 minutes

25 \_\_\_\_\_ /  
26  
27 COME NOW, the COUNTY OF DOUGLAS, STATE OF NEVADA  
28 (hereinafter: "the County"), by and through its District  
Attorney, Scott Doyle, Esq., and PRUETT RANCHES, INC., by and  
through its counsel, Sheerin, Walsh & Keele and George M.  
Keele, Esq. (hereinafter: "the Debtor"), and agree and  
stipulate with each other as follows:

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1 1. Through no fault of the County or of the Nevada  
2 Department of Taxation whose responsibility it is under Nevada  
3 law to value the personal and real property of all mines in the  
4 State of Nevada, the Douglas County Assessor inadvertently  
5 overassessed the Debtor for years 1994-95. The parties now know  
6 that certain assets believed to be on the Debtor's mining  
7 property for the past seven years have not been on the Debtor's  
8 mill site since the site was purchased by the Debtor in 1994.  
9 Now that the error has been discovered, the County and the  
10 Debtor desire to correct the error.

11  
12  
13 2. Therefore, in consideration of their mutual promises,  
14 the parties agree and stipulate as follows:

15 A. In lieu of remitting \$50,810.18 (as reflected on  
16 Exhibit A attached hereto and made a part hereof by this  
17 reference) to the County in payment of its tax obligations  
18 on Douglas County Assessor's Parcel Number 1323-00-001-014  
19 for tax years 1994-95, 1995-96, 1996-97, 1997-98, 1998-99,  
20 1999-2000, and 2000-01, the Debtor will pay to the County  
21 the correct sum of \$25,557.32 in full satisfaction of its  
22 tax bill to date.

23  
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25 B. This \$25,557.32 should be substituted for the  
26 estimated figure of \$3,300 (shown to be owing to the  
27 Douglas County Tax collector for tax years "1998-99; 1999-  
28 2000 Real property taxes;" whereas, the actual amount

1 owing by the Debtor for tax years 1995-96 through and  
2 including 2000-01 is \$25,557.32.)

3 C. Any other taxes assessed for tax years 1994-95  
4 and earlier may be disposed of by the above-entitled Court  
5 under the applicable federal and state statutes and rules.  
6

7 D. The Debtor will pay its current taxes to Douglas  
8 County as they come due.

9 E. By signing this Stipulation, the parties intend  
10 to cooperate with each other to their mutual benefit, but  
11 neither party waives any right it may have.  
12

13 SCOTT DOYLE, ESQ.  
14 District Attorney  
15 County of Douglas, State of Nevada

16 DATED: 6-6-2001

17 By Robert T. Morris  
18 Robert T. Morris, Esq.  
19 Deputy District Attorney

20 DATED: 6 June 2001

21 George M. Keele  
22 GEORGE M. KEELE, ESQ.  
23 Attorney for Bruett Ranches, Inc.,  
24 Debtor  
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26  
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**Pruett Values  
Nevada Department of Taxation  
Figures**

Year	Land	Fixed Assett	Mobile Assett	Improvement	Tax Rate	Taxes Due
1994-95	Paid	\$ 448,203	\$ 89,300	\$ 559,332	\$ 2.3451	\$ 25,252.86
1995-96	Paid	\$ 55,671	\$ 42,231	\$ 116,428	\$ 2.3165	\$ 4,984.95
1996-97	\$ 2,100	\$ 46,562	\$ 42,231	\$ 118,122	\$ 2.2217	\$ 4,643.69
1997-98	\$ 2,100	\$ 46,562	\$ 34,512	\$ 115,443	\$ 2.1722	\$ 4,314.36
1998-99	\$ 3,500	\$ 40,798	\$ 30,029	\$ 117,122	\$ 2.1383	\$ 4,093.71
1999-00	\$ 3,500	\$ 34,628	\$ 25,244	\$ 118,827	\$ 2.1194	\$ 3,861.53
2000-01	\$ 3,500	\$ 29,520	\$ 20,980	\$ 118,800	\$ 2.1291	\$ 3,679.08
						\$ 50,810.18

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REQUESTED BY  
**FIRST AMERICAN TITLE CO.**

IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

2001 JUN 19 PM 3: 56

LINDA SLATER  
RECORDER

\$ 25<sup>00</sup> PAID bc DEPUTY

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