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ATTORNEYS FOR THE DEBTOR

UNITED STATES BANKRUPTCY COURT
DISTRICT OF ARIZONA

In re:

**INFORMATION SOLUTIONS, INC. (D/B/A
REFUGE GOLF & COUNTRY CLUB),**
Debtor.

Chapter 11

Case No. 0:17-bk-5481-MCW

**DISCLOSURE STATEMENT FOR REFUGE'S
AMENDED PLAN OF REORGANIZATION,
DATED AUGUST 21, 2017**

I. INTRODUCTION

Information Solutions, Inc. (d/b/a Refuge Golf & Country Club) ("**Refuge**") filed its voluntary petition under chapter 11 of the Bankruptcy Code on May 17, 2017. To reorganize Refuge proposes an amended plan of reorganization, dated August 21, 2017 (the "**Plan**"). To support an understanding of the Plan and to allow voting on the Plan, Refuge submits this disclosure statement for its Plan (the "**Disclosure Statement**"). A copy of the Plan is attached as **exhibit A**. (Capitalized terms used in this Disclosure Statement have the meanings attributed to them in the Plan or in the Bankruptcy Code.)

II. OVERVIEW AND RECOMMENDATION

Refuge's Plan provides for the resolution of all Allowed Claims as follows: (A) amounts owing to holders of priority claims will be paid in full on the Effective Date; (B) amounts owing to priority tax claims will be paid in full, with interest in equal

quarterly payments over 5 years; (C) secured creditor Horizon will have a \$2 million Allowed Secured Claim (or such other amount as may be determined by the court) that will be repaid with equal monthly payments of principal and interest at 5.25%, calculated on a 20-year amortization with all amounts due at the end of ten years (D) the Allowed Secured Claims of John Hughes and Tom Gonzales under sale-leaseback agreements will be repaid as secured loans with payments that are similar to the terms of the sale leaseback agreements; (E) amounts owing to general unsecured creditors will be paid 2% of the Allowed Claim in a single distribution on the Effective Date; (F) Refuge's shareholders' stock will be cancelled, but those shareholders making new capital contributions will receive newly issued shares.

The Plan will be funded by capital contributions from Refuge's shareholders and Refuge's ongoing operations. All funds from these sources will be held by Refuge and used only for Plan payments, operating expenses, and expenses associated with Refuge's course and club.

Refuge recommends that the Plan be accepted and approved because it provides for the full payment of all priority claims, the full payment of secured claims with interest, and a distribution to unsecured creditors that while modest far exceeds what those creditors would receive in a liquidation. The alternative to the Plan is a forced liquidation of Refuge's course and club, which could result in a reduced return to Refuge's secured creditors and no return to priority or general unsecured creditors.

A. General Information Regarding the Plan and Disclosure Statement.

This Disclosure Statement is intended to provide you with enough information about Refuge and the Plan to make an informed decision about whether to vote to accept or reject the Plan. It will be used to solicit acceptances of the Plan only after the Bankruptcy Court has determined that it contains adequate information. Approval of the Disclosure Statement by the Bankruptcy Court is not an opinion or ruling on any

issue other than whether it contains adequate information. Approval of the Disclosure Statement does not mean that the Plan has been, or will be, approved by the Bankruptcy Court.

The Bankruptcy Court will conduct a hearing on the Plan on _____, 2017 at ___m. (the “**Confirmation Hearing**”) at the United States Bankruptcy Court, 230 North First Avenue, Courtroom 702, 7th floor, Phoenix, Arizona 85003. At the Confirmation Hearing, the Bankruptcy Court will consider whether the Plan satisfies the requirements of the Bankruptcy Code. The Bankruptcy Court will also receive and consider a ballot report prepared by Refuge that will tally the votes accepting or rejecting the Plan. Accordingly, all votes properly and timely cast are important because they can determine whether the Plan will be confirmed. Once confirmed, the Plan is binding on all Creditors and other parties in interest in this case regardless of whether any particular Creditor or shareholder votes to accept the Plan.

THIS DISCLOSURE STATEMENT IS NOT THE PLAN. FOR THE CONVENIENCE OF CREDITORS AND SHAREHOLDERS, THE PLAN IS SUMMARIZED IN THIS DISCLOSURE STATEMENT. THE SUMMARY IS, HOWEVER, QUALIFIED IN ITS ENTIRETY BY THE PLAN ITSELF. IF THERE IS ANY INCONSISTENCY BETWEEN THIS DISCLOSURE STATEMENT AND THE PLAN, THE PLAN CONTROLS.

B. Representations Regarding this Disclosure Statement.

While Refuge has attempted to ensure that all information in this Disclosure Statement is accurate, it has not been subjected to a certified audit or other independent review. Other than as stated in this Disclosure Statement, Refuge has not authorized any representations or assurances concerning its business or assets. In deciding whether to accept or reject the Plan, you should not rely on any information relating to Refuge or the Plan other than the information contained in this Disclosure Statement or the Plan. You should report any unauthorized representations or inducements to the attorneys

for Refuge, who may present such information to the Bankruptcy Court for such action as may be appropriate. This Disclosure Statement is a solicitation by Refuge only, and not by its attorneys.

C. Who is Entitled to Vote.

If you hold an Allowed Claim that is impaired by the Plan, you are entitled to vote to accept or reject the Plan. An Allowed Claim is one that has been allowed within the meaning of section 502 of the Code or temporarily allowed within the meaning of Rule 3018(a), Federal Rules of Bankruptcy Procedure. An impaired Claim is one that is impaired within the meaning of Section 1124 of the Code. Shareholders of Refuge receive nothing under the Plan on account of their existing equity interests and are deemed to reject the Plan.

1. Allowed Claims.

You have an Allowed Claim if: (a) You timely filed a proof of Claim and no one objected to it; or (b) you timely filed a proof of Claim, an objection was filed, but the Bankruptcy Court overruled the objection and allowed the Claim; or (c) your Claim was listed by Refuge in the schedules it filed with the Bankruptcy Court (including any amendments) as liquidated, non-contingent, and undisputed and no one objected to it; or (d) your Claim was listed by Refuge in the schedules it filed with the Bankruptcy Court (including any amendments) as liquidated, non-contingent, and undisputed, an objection was filed, and the Bankruptcy Court overruled the objection and allowed your Claim.

If your Claim is not an Allowed Claim, it is a Disputed Claim, and you will not be entitled to vote on the Plan unless and until the Bankruptcy Court temporarily or provisionally allows it for voting purposes pursuant to Rule 3018, Federal Rules of Bankruptcy Procedure. If you are uncertain about the status of your Claim, you should review the Bankruptcy Court records carefully, including the schedules and any

amendments. You should seek legal advice if you have any dispute with Refuge about your Claim. Neither Refuge nor its attorneys can advise you about such matters.

All creditors should be aware that their Claims are subject to objection by Refuge and other interested parties. The deadline for filing such objections is 90 days after the Effective Date. Refuge reserves all of its rights with respect to the allowance or disallowance of any and all Claims including, without limitation, the right to object to them, assert counterclaims, seek to subordinate them, and seek affirmative relief against creditors. In voting on the Plan, creditors may not rely on the absence of an objection to their proofs of claim as an indication that Refuge or other parties in interest will not object to them, assert counterclaims, seek to subordinate them, or seek affirmative recoveries against such creditors.

2. Impaired Claims and Equity Interests

An Allowed Claim or Equity Interest is deemed impaired if the holder's legal, equitable, or contractual rights are altered in any manner by the Plan or, in the case of an Allowed Claim, if it will not be paid in full under the Plan. The Plan states whether each Class of Claims or Equity Interests is impaired. Holders of Claims or Equity Interests that are not impaired are deemed to have accepted the Plan. Holders of Claims or Equity Interests that are not entitled to receive or retain any property under the Plan on account of such Claims or Equity Interests are deemed to have rejected it.

D. Procedures for Voting.

After this Disclosure Statement has been approved by the Bankruptcy Court, and except as otherwise ordered by the Bankruptcy Court, all Creditors who are entitled to vote on the Plan will be sent: (i) a ballot, together with instructions for voting (the "**Ballot**"); (ii) a copy of this Disclosure Statement as approved by the Bankruptcy Court; and (iii) a copy of the Plan. You should read the Ballot carefully and follow the

instructions. Please use only the Ballot sent with this Disclosure Statement. You should complete your Ballot and return it by mail, email, or telefax, to:

John R. Worth
Forrester & Worth, PLLC
3636 North Central Avenue, Suite 700
Phoenix, Arizona 85012-1927
Fax No.: (602) 271-4300
E-mail: jrw@forresterandworth.com

TO BE COUNTED, YOUR BALLOT MUST BE RECEIVED AT THE ADDRESS LISTED ABOVE BY 5:00 P.M., ARIZONA TIME, ON [, 2017]. IF YOUR BALLOT IS NOT TIMELY RECEIVED, IT MAY NOT BE COUNTED IN DETERMINING WHETHER THE PLAN HAS BEEN ACCEPTED OR REJECTED.**

E. Summary of Voting Requirements.

For the Plan to be confirmed, the Plan must be accepted by at least one impaired Class of Claims. For a Class of Claims to accept the Plan, votes representing at least two-thirds in amount and a majority in number of the Claims voted in that Class (not including votes of insiders) must be cast to accept the Plan. Debtor is seeking acceptances from holders of Allowed Claims in the following Classes which are impaired under the Plan: 2, 3.1, 3.2, 3.3, and 4.

It is important that holders of Allowed Impaired Claims exercise their rights to vote to accept or reject the Plan. Debtor believes that the treatment of Creditors under the Plan is the best alternative for them and recommends that the holders of Allowed Claims vote in favor of the Plan.

III. GENERAL INFORMATION AND BACKGROUND

A. Background and Events Leading to Bankruptcy.

Refuge owns the Refuge golf course and country club in Lake Havasu City. The course currently is 6704 yards and a par 72. It has challenging variations in altitude and

was originally designed by the Arnold Palmer group. It is believed to be the nicest course in Lake Havasu and the surrounding area. The club has a restaurant, bar, large pool, work-out room, pro shop, and wedding pavilion. Refuge currently has some 260 members and 37 employees.

Refuge's bankruptcy follows the loss of a many-years long course of litigation with the homeowners' association for the Refuge community that surrounds Refuge's course and club.

The litigation has its roots in the failure of the original developer of the Refuge community and the Refuge course to link home ownership in the community with a membership in the course. The course and club were purchased from the developer's lender. Although the same developer was responsible for the Refuge community and the Refuge golf course and country club, the developer never linked ownership with membership. The course and club came with no requirement that the homeowners of the surrounding Refuge community purchase golf or club memberships.

So, to build sufficient revenue to support the upkeep of the course and club, Refuge, in keeping with permitted uses under its zoning and after obtaining the necessary development approvals, developed an upscale motor coach resort. The motor coach resort operated for a time and Refuge realized significant revenues from those operations. But the motor coach resort led to litigation, first with Brian Thienes and some other individual homeowners and then with the Refuge Community Association. The upscale motor coach resort was shut down. There was another attempt to develop a small hotel with casitas. But that, too, engendered further litigation. And on January 6, 2017 in *Thienes v. City Center Executive Plaza*, CV-2010-01563, the Mohave County Superior Court entered its order (the "Thienes Order") affirming its permanent injunction entered December 17, 2013 (the "Thienes Injunction") and ordering that further development of the previous RV property cease. The Thienes Order and Thienes

Injunction remain in effect.

As a result of the litigation, trial and appeals, Refuge was left with: (1) no ability to use the already developed motor coach resort, (2) a \$4 million loan from Horizon, which included amounts used to develop the motor coach resort, (3) unpaid fees to its attorneys of some \$4.7 million, and (4) soon to be entered (or entered) judgments in favor of Mr. Thienes, the other individual homeowners, and the Refuge Community Association for another \$2.3 million or so for their attorneys' fees.

B. Refuge's Assets.

The following is a summary of Refuge's assets as of the date it filed bankruptcy:

1. *Cash and accounts receivable.* Refuge had approximately \$ 1,187 in cash and \$16,842 of current receivables.

2. *Equipment, furniture, and furnishings.* Refuge had golf course maintenance equipment, furniture for the club, kitchen equipment, office furniture and equipment, and the like. The value of these assets is dealt with as part of the going concern value of the course and club.

3. *Inventory.* Refuge had inventories of food of approximately \$25,025 and pro shop inventory of \$13,257. The value of these assets is dealt with as part of the going concern value of the course and club.

4. *Golf course and club.* There are two formal appraisals of the course and club. Refuge obtained appraised values for the course and club of \$1,330,000, furniture, fixtures and equipment of \$400,000, and inventories and liquor license of \$50,000, a total for the course and club as a going concern of \$1,780,000. The separate office building currently leased to a real estate broker has a value of \$165,000. So, Refuge's appraised value of its real property and businesses totals \$1,945,000. Horizon obtained an appraised value of the course and club and the office building of \$2,650,000. The difference between the two appraisals is \$705,000. Complete copies of both appraisals

may be found at: <https://forresterandworth.sharefile.com/d-s956985a248d4c828>.

5. *Water rights.* Refuge owns water rights of 14 acre feet. Refuge obtained an appraised value of the water rights of \$196,000. Horizon has no known appraisal of the water rights.

6. *Secured claims.* Horizon has a first position lien on the course and club, the office building, and water rights. So Refuge's appraised value of Horizon's collateral is \$2,141,000. And using Refuge's appraised value of the water rights, Horizon's appraised value of its collateral is \$2,846,000. Refuge and Horizon are working to try to reach agreement on the value of Horizon's collateral and the amount of its secured claim. If a compromise can't be reached the court will determine the value of Horizon's collateral. But in any case, Horizon is under-secured in Refuge's assets, and undersecured by some \$1.171 to \$1.876 million. (Horizon holds other collateral for its loan that is not owned by Refuge including a first position security interest in undeveloped lots in the Refuge Community worth an estimated \$1 million and a third position security interest in the Aldridges' home worth an estimated \$800,000.)

Perkins Coie, Refuge's attorneys in the litigation with the homeowners and Refuge Community Association, hold a second position lien and are wholly unsecured and are classified as such. Because of Horizon's undersecured and Perkins Coie's unsecured claims all other security interests in Refuge's assets are wholly unsecured and are treated as such.

There are notices of other security interests that are believed to be of no force or effect and junior to Horizon's. T.R. Orr, Inc. filed a mechanics lien for some \$22,143 that is junior to Horizon and Perkins Coie's security interests. Before this bankruptcy Refuge used American Express for credit card processing. As part of the agreement with American Express, American Express recorded a UCC-1 Financing Statement that should now be released. There's another UCC-1 Financing Statement in favor of Corporation Service Company that is believed to relate to an earlier credit card

processing agreement. The Corporation Service Company UCC-1 should be released. In 2017, Ray Paci recorded a UCC-1 financing statement in connection with a loan he made to Refuge. Before Refuge filed bankruptcy, Mr. Paci converted his loan into 2,775 shares. Mr. Paci's UCC-1 should be released.

7. *Potential litigation claims.* Refuge has not actively pursued litigation claims during this case, and reserves such claims for prosecution by the Reorganized Debtor. Under the Plan, the Reorganized Debtor is Refuge's successor-in-interest to all claims or actions that could have been brought by Refuge. All of those against whom Refuge may have claims are placed on notice that it is the express intent of the Plan that all claims and causes of actions of the Refuge will be preserved and will not be deemed compromised or adjudicated by the Confirmation Order or any actions taken to implement the Plan.

The potential litigation claims include, without limitation, avoidance actions pursuant to §§ 502, 542, and 544-550 of the Code of Bankruptcy Code, such as claims for avoidable preferences and fraudulent transfers. Refuge has filed its Statements of Financial Affairs, which in response to question 3 lists all parties who received payments aggregating more than \$600 within the 90-day period prior to the bankruptcy filing. All parties identified on such list, and all parties who received relevant transfers that are not on the list, including without limitation any insider who received a transfer within the 1-year period before the bankruptcy filing, are hereby notified that Refuge reserves the right under the Plan to commence an action pursuant to Bankruptcy Code §§ 547 and 550 to avoid and recover any or all of these payments to the extent that they constitute avoidable preferences. The Reorganized Debtor may also pursue claims against any party that received a fraudulent transfer within the meaning of state or federal law, including, without limitation, § 548 of the Bankruptcy Code, and all such claims and causes of action are preserved under the Plan. The payments to creditors listed in response to question 3 total some \$280,000. No formal analysis of preference

avoidance claims has been undertaken, but an initial, informal analysis shows that the amount, if any, that might be recovered through avoidance actions is far less than the face amount and most likely are not worth pursuing. Most of the creditors listed continued to provide goods and services to Refuge and Refuge believes that most, if not all, of the payments were under the usual terms and conditions. Consequently, these creditors likely have “new value” or “ordinary course” defenses to a preference claim. Other creditors, such as Horizon, had secured claims. There was a \$7,000 payment to Cindy Aldridge on her loan, but she filed a chapter 7 bankruptcy as discussed further below. Although all preference avoidance claims are preserved, Refuge estimates the amount to be recovered as \$0.

The only other transfers listed in the disclosure statement are the sales to John Hughes and Tom Gonzales. In both cases, Refuge received cash payments, which are believed to represent the value of the assets sold. (The transactions are discussed in greater detail below.) Although all fraudulent transfer claims are preserved, Refuge estimates the amount to be recovered as \$0.

C. Refuge’s reorganization.

Freed from the burden of debt that can never be repaid, the course and club could enjoy modest financial success going forward. So, a group of shareholders who believe in the course and club, its members and employees, want to recapitalize Refuge, restructure its finances, and reorganize.

IV. REFUGE’S MANAGEMENT

Jerry and Cindy Aldridge purchased the Refuge course and club and have managed it as president and treasurer, respectively. Jerry and Cindy Aldridge continue to manage Refuge as president and treasurer, respectively, and intend to continue to do so going forward subject to the will of Refuge’s board of directors. Jerry Aldridge’s salary is \$50,000 a year; Cindy Aldridge’s salary is \$30,000 a

year. There are no agreements or arrangements to make any changes to their salaries or compensation, but Refuge's board of directors retains the right to do so.

When Refuge filed bankruptcy Jerry and Cindy Aldridge were Refuge's only directors. The Aldridges were the majority shareholders of Refuge. As recently as May, 2017, the Aldridges owned 51,000 of Refuge's issued shares. Unfortunately, they were and are personally liable for the debts to Horizon, Perkins Coie, Mr. Thienes, and the Refuge Community Association. Unable to continue to retain their equity interests and needing to raise funds for living expenses, they sold much of their shares. The Aldridges sold their shares to Dr. Glenn Nudelman (19,000 shares); Shelly Sanders (13,362 shares); Ray Paci (7,225 shares); and Lloyd Hightower (10,000 shares). At the time Refuge filed bankruptcy, the Aldridges held only 1,413 shares. After confirmation of the Plan, the Aldridges will no longer hold any equity interest in Refuge.

On August 5, 2017 Refuge held a shareholders meeting. New directors were elected. Currently Refuge's directors are: Cindy Aldridge, Don Clark, Lloyd Hightower, Ed Little, Dr. Glenn Nudelman, and Shelly Sanders. Without a new capital contribution, and as a result of Refuge's reorganization, the Aldridges' shares will be canceled and they will no longer hold any equity interest in Refuge.

Under Refuge's Plan, those shareholders making new capital contributions will receive newly issued shares. These new shareholders will elect a new board. The new board will select officers and decide upon the Aldridges' continued employment.

V. SIGNIFICANT EVENTS DURING THE BANKRUPTCY CASE

A. Employment of Professionals.

With the approval of the Bankruptcy Court, Refuge employed the law firm of Forrester & Worth, PLLC, to serve as general bankruptcy attorneys. Forrester & Worth will be compensated for its services at the rates approved by the court and must obtain

court approval before any payment is made for services rendered before the Effective Date. It will continue to represent the Reorganized Debtor after the Effective Date but will not be required to obtain court approval for payment of services rendered after the Effective Date.

B. Post-filing Financing.

With the Bankruptcy Court's approval, Refuge obtained authority to borrow up to \$250,000 from a group of shareholders. These funds have been and will be used to fund operations during the course of the bankruptcy. Refuge filed in mid-May as it was headed into its slower summer season. The loan was made with administrative priority and security interest priming entitlements. It is due and must be repaid upon the Effective Date of the Plan.

C. Deadline for Filing Proofs of Claim.

The Bankruptcy Court established August 31, 2017 as the deadline ("**Bar Date**") for filing proofs of claim. Under the Plan, the deadline for filing Administrative Claims, other than Claims under 11 U.S.C. § 503(b)(9), is 30 days after the Effective Date. Under the Plan, the Bar Date for filing claims arising from an Executory Contract or unexpired lease that is rejected is 14 calendar days after the Confirmation Date.

D. Club House Fire.

On June 25, 2017 there was a fire in a dumpster behind the kitchen of Refuge's club. The fire went on to cause damage to a small area of the club's roof and a back stairwell and there was extensive water and smoke damage in other parts of the club. Refuge has been working with its insurance company and has already made progress on clean up and remediation. Although the club is currently closed for remediation work, the course remains open for golf. Refuge has business interruption coverage. So far, Refuge's insurance company had paid \$175,000 for business interruption losses.

Refuge has used these funds to maintain its course and to keep its staff on payroll. Kitchen and club employees have been engaged in clean-up work and training. Because of Refuge's business interruption coverage no loss of revenue is expected. Current cash flow is above budget. See the actual v. forecast report attached as **exhibit E**.

The insurance company has also settled claims related to property damage for a further \$133,711.41. Refuge has already used some of these funds to order some new furniture and carpeting. Further orders to replace other furniture, fixtures, and inventory are anticipated. Refuge is in the final process of selecting a contractor to complete the restoration work. The bids for this work range from \$140,000 to \$180,000. Refuge expects to have a contractor selected by August 26. The club is expected to reopen October 1, 2017.

Note that the appraised values for the course and club reported above are based on the assumption that the restoration work will be completed.

E. Jerry and Cindy Aldridge's Chapter 7 Bankruptcy.

On August 1, 2017 Jerry and Cindy Aldridge filed a personal chapter 7 bankruptcy, case no. 17-bk-08867. As a result, the Aldridges' remaining stock in Refuge and their unsecured claim against Refuge are now held by Larry Warfield, their chapter 7 trustee.

VI. DESCRIPTION OF THE PLAN OF REORGANIZATION

The following description of the Plan is for informational purposes only and does not purport to change or supersede any of the language of the Plan. Each holder of a Claim or Equity Interest is urged to read the Plan carefully with respect to the proposed treatment of their Claim or Equity Interest, and, if necessary, to consult with legal counsel. The Plan, if confirmed, will be binding upon Refuge, its Creditors, and its Equity Security Holders.

IF THERE IS ANY INCONSISTENCY BETWEEN THE TERMS OF THE PLAN AND THIS DISCLOSURE STATEMENT, THE TERMS OF THE PLAN CONTROL.

A. Funding Sources. Funding for the Plan will come from new capital contributions from contributing shareholders. The contributing shareholders and the amounts to be contributed are as set forth in the schedule of contributing shareholders attached as **exhibit B**. The new capital must be at least \$800,000. Going forward after confirmation, funding will also come from Refuge’s operations.

B. Estimated Distributions.

Refuge projects that funds will be distributed as follows:

Class/Nature of Claim	Treatment	Estimated Amount	Date of Distributions
DIP Loan	N/A	\$250,000	Effective Date (“ED”)
Administrative Claims	N/A	\$50,000	ED/Ordinary Course
Class 1 Priority Claims	Unimpaired	\$8,900	ED
Class 2 Priority Tax Claims	Impaired	\$92,955	\$5,390 on ED and then quarterly over 5 years
Class 3.1 Horizon Secured Claim	Impaired	\$2,200,000	\$14,825 on ED and then monthly with a balloon on the 10 th Anniversary
Class 3.2 Hughes Secured Claim	Impaired	\$270,000	\$5,000 on ED and then \$5,000 monthly
Class 3.3 Gonzales Secured Claim	Impaired	\$110,650	Approximately \$4,750 on ED and then apr. \$4,750 monthly
Class 4 Unsecured Claims	Impaired	\$200,000	ED

C. Classification and Treatment of Claims and Interests.

The Plan classifies Claims and Equity Interests in various Classes and specifies the treatment afforded to each Class. As of the Confirmation Hearing, any Class that

does not contain a Claim will be deemed deleted from the Plan. Similarly, any Class that does not contain any Allowed Claims (or Claims temporarily allowed for voting purposes) will be deemed deleted for voting purposes. The following is a summary of the treatment provided for each Class.

1. **Class 1 (Priority Claims).** Each holder of an Allowed Class 1 Claim will be paid in cash in full upon the Effective Date or in the ordinary course of business according to its terms. Class 1 is unimpaired under the Plan.

2. **Class 2 (Priority Tax Claims).** Each holder of an Allowed Class 2 Claim will be paid in full with interest at 6% in equal quarterly payments amortized over 5 years with the first payment on the Effective Date. Each holder of a secured Class 2 Claim will retain its lien or other security interest until the Claim has been paid in full. Class 2 is impaired. If the holder of any Allowed Class 2 Claim, including the Arizona Department of Revenue does not receive any of the payments described above in a timely manner, and if Refuge does not remedy such default(s) within 30 days after written notice to Refuge and its attorneys, the entire remaining balance due to the holder of the Class 2 Allowed Claim will be immediately due and owing. In the event of such a default, the holder of the Class 2 Allowed Claim may enforce the entire amount of its claim and exercise any rights and remedies under applicable non-bankruptcy law.

3. **Class 3 (Secured Claims)**

3.1 (Horizon's Secured Claim). Horizon's Allowed Secured Claim will be paid in full, together with interest at the rate of 5.25% per annum from and after the Effective Date. Beginning with the Effective Date, Horizon will be paid monthly based on a 20 year amortization with all remaining amounts due on the 10th anniversary of the Effective Date.

a. **Option A.**

If Horizon votes to accept the plan, the amount of its Allowed Secured Claim will be fixed at \$2.2 million as of the Effective Date. The balance of its Allowed Claim

will be treated as a Class 4 general unsecured claim.

b. Option B.

If Horizon votes to reject the plan, the amount of its Allowed Secured Claim will be determined by the court through further proceedings or through the claims estimation process of 11 U.S.C. § 502(c), if the Court deems that appropriate.

c. Provisions Applicable to Options A and B.

Horizon will retain its lien and security interest in the real and personal property collateral specified in his Deed of Trust, Security Agreement, and other loan documents until its Allowed Secured Claim is paid in full in accordance with the provisions of the Plan. Its lien and security interest will continue to be controlled by the terms of its Deed of Trust, Security Agreement, and other loan documents, as modified by the Plan, with the following additional exceptions: (a) all covenants relating to Refuge's financial condition or any minimum debt coverage ratio will be deemed to be deleted; and (b) for so long as Refuge is not in default under the Plan, Refuge will be deemed to be current and not delinquent for all purposes. All payments to Horizon will be applied first to interest that is accrued and unpaid as of the date of the payment, and then to principal. Horizon will be entitled to foreclose upon or otherwise enforce its rights in Refuge's real and personal property collateral securing its Allowed Secured Claim only for a breach of an obligation under this Plan. If it does not receive any of the payments described above in a timely manner, and if Refuge does not remedy such default(s) within 30 days after written notice to Refuge and its attorneys, Horizon may foreclose upon and otherwise enforce its rights in and to all of Refuge's real and personal property collateral securing its Allowed Secured Claim without further order of the Court or notice to Refuge, except as may be required by applicable non-bankruptcy law. Nothing in the Plan affects Horizon's rights to pursue other collateral in holds for the repayment of its claim. Nothing in the

Plan affects Horizon's rights to pursue any remedy it has under any guarantee it holds. If Horizon makes a timely election under section 1111(b), Refuge will make a further payment on the 10th anniversary of the Effective Date to Horizon in the amount needed, if any, so that the total face amount of payments to Horizon on its Allowed Secured Claim from all sources total the amount of its Allowed Secured Claim. Under either option, Horizon is impaired.

3.2 (Hughes Lease-Purchase). In October, 2016 to raise much needed funds, Refuge sold to John C. Hughes golf course maintenance equipment that it used in its ongoing operations. The equipment was sold for \$300,000 and then leased back from Mr. Hughes for \$5,500 a month for 54 months. The sale agreement provides that the equipment was sold free and clear of all liens. Refuge believes that Horizon was informed of the sale-leaseback and agreed to it. However, no written release of Horizon's security interest has been found or recorded. To avoid litigation with either Horizon or Mr. Hughes or both regarding the sale-leaseback agreement or the equipment, Refuge will treat Mr. Hughes' rights and interest under the sale-leaseback agreement as a security interest in the lawn maintenance equipment that is the subject of the sale-leaseback agreement. So, upon the Effective Date, Mr. Hughes will have an Allowed Secured Claim for the remaining amounts due under the sale-leaseback agreement without accrued interest, penalties, or fees. Interest will accrue on the Allowed Secured Claim at 6% per annum from and after the Effective Date. Mr. Hughes will retain whatever rights or interests he holds under his sale-leaseback agreement, except that so long as Refuge is not in default under the Plan, Refuge will be deemed to be current and not delinquent for all purposes. Mr. Hughes' Allowed Secured Claim will be repaid in monthly payments of \$5,000. All post-effective date payments to Mr. Hughes will be applied first to accrued interest and then to principal. Mr. Hughes is impaired.

3.3 (Gonzales Lease-Purchase). In October, 2016 to raise much needed funds, Refuge sold to Tom Gonzales 75 golf carts and assorted gym equipment that it used in its ongoing operations. The golf carts and gym equipment were sold for \$140,000 and then leased back from Mr. Gonzales for monthly payments calculated at the rate of \$2.50 per round of golf played. The sale agreement provides that the golf carts and gym equipment were sold free and clear of all liens. Refuge believes that Horizon was informed of the sale-leaseback and agreed to it. However, no written release of Horizon's security interest has been found or recorded. To avoid litigation with either Horizon or Mr. Gonzales or both regarding the sale-leaseback agreement, Refuge will treat Mr. Gonzales' rights and interest under the sale-leaseback agreement as a security interest. So, upon the Effective Date, Mr. Gonzales will have an Allowed Secured Claim for the remaining amounts due under the sale-leaseback agreement without accrued interest, penalties, or fees. Interest will accrue on the Allowed Secured Claim at 6% per annum from and after the Effective Date. Mr. Gonzales will retain whatever rights or interests he holds under his sale-leaseback agreement, except that so long as Refuge is not in default under the Plan, Refuge will be deemed to be current and not delinquent for all purposes. Mr. Gonzales' Allowed Secured Claim will be repaid in monthly payments calculated at the rate of \$2.50 per round of golf played. All post-effective date payments to Mr. Gonzales will be applied first to accrued interest and then to principal. Mr. Gonzales is impaired.

4. Class 4 (General Unsecured Claims). The holder of an Allowed Class 4 Claims will receive a single distribution equal to 2% of its Allowed Claim with the distribution amount rounded up to the next highest \$10 amount. The distribution will be paid on the later of the Effective Date or 30 days after entry of a final order allowing the claim. General unsecured creditors are impaired.

5. **Class 5 (Interests).** All Equity Interests of Refuge's shareholders will be cancelled as of the Effective Date. On the Effective Date, Refuge's articles of incorporation will be deemed to be amended and restated to provide for 125,000 authorized shares of common stock at \$.01 par value and to prohibit the issuance of non-voting equity securities. On the Effective Date, shares of common stock will be issued according to the Schedule of Contributing Shareholders, which is attached as **exhibit B**. Shares will be issued at the rate of one share for each \$8 contributed. Class 5 is impaired under the Plan.

6. **Disputed Claims** will be treated as follows: At the time of any Distribution to holders of Allowed Claims in a particular Class, an amount sufficient to have paid each holder of a Disputed Claim in that Class its pro rata share of such Distribution, calculated as though such Disputed Claim were an Allowed Claim, will be reserved for the potential benefit of the holders of such Disputed Claims, and later distributed in accordance with the Plan.

D. Summary of Other Plan Provisions.

1. **New Value Contribution.** Those shareholders electing to make new value contributions as set forth in the Shareholder Schedule attached to the Plan will deposit their contributions into a Trust Account. Refuge's attorneys, Forrester & Worth, PLLC will establish the Trust Account for purposes of holding the new value contributions. Upon the Effective Date of the Plan, the new value contributions will be transferred to Refuge. A schedule of contributing shareholders is attached as **exhibit B**.

2. **Cash Reserves.** All cash that is not paid to Creditors on the Effective Date will be held by the Reorganized Debtor and used for future Plan payments, operating expenses, and as working capital reserves.

3. **Disbursing Agent.** The Reorganized Debtor will function as disbursing agent under the Plan and will not be compensated for its services.

4. **Management.** The Reorganized Debtor will continue to be managed by

Jerry and Cindy Aldridge. Jerry and Cindy Aldridge will be paid \$50,000 and \$30,000, respectively, per year for their services as President and Treasurer of Refuge. They will serve “at will” or under any employment agreement later entered into between each of them and the board of directors of the company. If still serving as directors, then upon the Effective Date of the Plan, the Aldridges will resign as directors of the company.

5. Authority to Settle and Assign. In accordance with Bankruptcy Code §1123(b)(3), the Reorganized Debtor will own and retain, and may prosecute, enforce, compromise, settle, release, or otherwise dispose of, any and all claims, defenses, counterclaims, setoffs, and recoupments belonging to the Debtor or the Estate, without further order of the Court.

6. Conditions to Confirmation. The conditions to confirmation of the Plan are: (1) contributing shareholders have made new capital contributions that total at least \$800,000 and (2) that the court hold in the Confirmation Order that all actions taken by Refuge under the Plan are exempt from all applicable securities laws under 11 U.S.C. § 1145.

7. Effective Date. The Effective Date of the Plan is thirty calendar days after the Confirmation Order has been entered by the Clerk of the Bankruptcy Court or such earlier date as the Reorganized Debtor may select.

8. Discharge and Release of Liens. Except as otherwise specifically provided in the Plan, confirmation of the Plan will discharge Refuge from any debt that arose before the Confirmation Date and any debt of a kind specified in 11 U.S.C. §§ 502(g) through (i), whether or not a proof of claim based upon such debt is filed or deemed filed under 11 U.S.C. § 501, whether or not such Claim is allowed under 11 U.S.C. § 502 and whether or not the holder of such Claim accepted the Plan. The provisions of this Article are not intended to, nor will they be construed as, limiting the scope of the discharge provided by 11 U.S.C. § 1141. Except as otherwise provided in this Plan, all property dealt with by the Plan is free and clear of all liens, claims, and

interests of creditors and Equity Security holders from and after the Effective Date. Without limiting that release, the Confirmation Order will specifically provide for the release of recorded liens against Refuge's course and club, including the second deed of trust and assignment of rents (Perkins Coie, LLP, beneficiary) recorded at 2013038374 in the Official Records of Mohave County; the Amended Notice and Claim of Materialmans, Mechanic's or Professional Services Lien (T.R. Orr, Inc.) recorded at 2017012169 Official Records of Mohave County. Also, the Confirmation Order will specifically provide for the release of UCC-1 Financing Statements recorded in favor of American Express (2015-003-0320-9), Corporation Service Company (2014-002-8887-9), and Raymond Paci (2017-000-4283-8). The Confirmation Order may be recorded as evidence of the release of liens.

9. Release of Shareholders in Return for New Value Contributions. The Confirmation Order constitutes a waiver and release by Refuge and any predecessor or successor in interest of any and all claims, demands, causes of action, rights, and liability of any kind or nature against those shareholders making new value contributions, relating to any event, occurrence, or non-event before the Petition Date.

10. Executory Contracts. The following executory contracts are assumed under the Plan: (1) Reclaimed Water User Agreement, dated October 12, 2010, a copy of which is attached to proof of claim no. 19; (2) all golf and club memberships; and (3) the Karla Dunavant agreement (DE 70). Refuge projects that it will pay \$8,179 to cure defaults under the Reclaimed Water User Agreement. This amount is included in the estimated \$50,000 of administrative claims. All other executory contracts and unexpired leases that have not previously been assumed by Refuge are rejected as of the Effective Date, unless specific written notice of intent to assume is mailed or delivered to the other contracting party before the Effective Date.

11. Retention of Claims. The Plan preserves in full for the benefit of the Reorganized Debtor the Retained Causes of Action and all other claims and causes of

action of any sort owned by the Refuge or estate, pursuant to § 1123(b)(3) of the Code, other than those expressly released by the terms of the Plan.

12. Modification of the Plan. Refuge reserves the right to propose modifications or amendments to the Plan at any time before the Confirmation Date. After confirmation, the Reorganized Debtor may, with Court approval, and so long as it does not materially or adversely affect the interests of creditors, remedy any defect or omission, or reconcile any inconsistencies in the Plan, or in the Confirmation Order, in such manner as may be necessary to carry out the purposes and effect of the Plan.

13. Exculpation. Refuge and its advisors, attorneys, consultants, officers, managers, and agents will neither have nor incur any liability to any holder of a Claim or Equity Security, or any other party in interest, or any of their respective shareholders, former shareholders, members, former members, agents, employees, representatives, financial advisors, attorneys, consultants, affiliates, successors, or assigns for any acts or omissions relating to or arising out of this Case, the preparation for and administration of this Case, or the negotiation, execution, confirmation, consummation, or administration of the Plan, other than acts of gross negligence, fraud, breach of fiduciary duty, or willful misconduct.

14. Retention of Jurisdiction. Under the Plan, the Bankruptcy Court will retain jurisdiction after confirmation for the various purposes.

15. Payment of Statutory Fees and Filing of Quarterly Reports. All fees payable pursuant to 28 U.S.C. §1930, as determined by the Bankruptcy Court at or in conjunction with the Confirmation Hearing, will be paid on or before the Effective Date, and thereafter, in accordance with applicable bankruptcy law. All quarterly reports of disbursements required to be filed by applicable bankruptcy law will be filed in a timely manner.

VII. TAX CONSEQUENCES TO CREDITORS AND EQUITY SECURITY HOLDERS.

Refuge anticipates that consummation of the Plan may result in recognition of “discharge of indebtedness income” that would ordinarily be taxable to it. Refuge believes, however, that such discharge of indebtedness income will likely be excluded from its gross income. However, any discharge of indebtedness income may require a reduction in the Refuge’s basis in its assets and other tax attributes. Under the Plan, the claims of unsecured creditors will be compromised, and the amount of the discount will determine the amount of potential tax attribute reduction on account of the discharge of these claims. Because Refuge is insolvent and has experienced operating losses for several years, it believes that there will be no negative tax consequences to it as a result of the Plan other than the potential reduction of its tax attributes.

Refuge does not express any opinion as to the tax consequences of the Plan to creditors or equity security holders. Creditors and equity security holders are advised and encouraged to obtain their own tax advice.

BECAUSE REFUGE EXPRESSES NO TAX ADVICE, NEITHER IT NOR ANY OF ITS PROFESSIONAL ADVISORS WILL BE LIABLE IF, FOR ANY REASON, THE TAX CONSEQUENCES OF THE PLAN ARE OTHER THAN AS ANTICIPATED. CREDITORS AND EQUITY SECURITY HOLDERS MUST RELY SOLELY UPON THEIR OWN ADVISORS AS TO THE TAX CONSEQUENCES OF THE PLAN.

VIII. CONFIRMATION OVER DISSENTING CLASSES.

The Bankruptcy Code contains provisions for confirmation of the Plan even if it is not accepted by all impaired classes, provided that at least one impaired class of Claims has voted to accept the Plan. These “cramdown” provisions for confirmation of a Plan are set forth in 11 U.S.C. §1129(b). If one or more classes of impaired Claims does not accept the Plan, the Bankruptcy Court may confirm the Plan if it finds that the Plan: (i) was accepted by at least one impaired class; and (ii) does not discriminate unfairly against, and is fair and equitable as to, all non-accepting impaired classes. Refuge will

request confirmation of the Plan pursuant to 11 U.S.C. §1129(b) if all impaired classes do not accept the Plan.

Refuge contends that the Plan satisfies the new value corollary to the absolute priority rule of § 1129(b)(2)(B)(ii) of the Code because, among other things, the new value contribution to be provided by shareholders, which totals not less than \$800,000, is: (a) new and substantial; (b) necessary to the reorganization; (c) in money or money's worth; and, (d) reasonably equivalent to the interest received or retained. The shareholders are contributing some \$800,000 in cash, which is 40% of the value of the course and club. The Plan cannot be confirmed without this contribution because there would be insufficient funds to pay the DIP Loan and all priority claims. Without the contribution, no distribution could be made to unsecured creditors. The ownership interest that the shareholders will receive in return for their new value contribution is worth less than the contribution, as evidenced by the liquidation value of the Reorganized Debtor and the projected operating returns in the first year.

IX. FEASIBILITY OF THE PLAN

For the Court to confirm the Plan, the Bankruptcy Code requires that the court find that "confirmation of the plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the debtor . . . unless such liquidation or reorganization is proposed in the plan." 11 U.S.C. § 1129(a)(11). This is generally referred to as the "feasibility" requirement. Here, the Plan provides for the sole distribution to all unsecured creditors on the Effective Date, and feasibility is, therefore, not an issue for creditors in these Classes. As to the creditors who are to be paid over time, Refuge submits that it has satisfied the feasibility requirement. Refuge has prepared a detailed three-year cash flow projection attached as **exhibit C**, that shows modest but increasing positive operating results. Estimated working capital reserves after Effective Date payments of some \$250,000 to \$300,000 provide important assurance of Refuge's ability to meet its plan commitments.

The cash flow projections are based on historical revenues and costs adjusted to account for known changes in costs as a result of changes in operations. As to costs,

Refuge has reduced the amount of turf on its course and has obtained reduction in the rate charged to it for effluent used to irrigate its course. As a result of these changes its irrigation costs will be significantly reduced. Revenues are projected to grow a modest 1.5% as a result of shorter gaps between tee-time starts during the busy winter season.

X. ALTERNATIVES TO THE PLAN

Refuge has considered alternatives to the Plan, including liquidation under chapter 7 of the Bankruptcy Code. The liquidation analysis attached as **exhibit D** shows that unsecured creditors would receive nothing through a liquidation, under Chapter 7 or otherwise. Even if a return to unsecured creditors were possible, the return would be reduced because a chapter 7 trustee would not be familiar with the Refuge and its property and would incur fees and expenses that would be duplicative of those already incurred by Refuge. The Plan provides for the prompt distribution of pro rata payment to unsecured creditors, while a chapter 7 trustee would likely make only one distribution and only when the case was fully administered. In addition, a chapter 7 trustee would charge a fee of as much as five percent of the amount that he or she distributes, in addition to compensating one or more professionals. But again, there would be nothing available to unsecured creditors in a liquidation. Accordingly, Refuge believes that the Plan will enable all Creditors to receive a greater distribution than they would through a chapter 7 liquidation, and to receive it sooner.

XI. RECOMMENDATION AND CONCLUSION

Refuge believes that the Plan is in the best interests of all creditors and parties in interest and recommends that it be approved.

DATED August 21, 2017.

FORRESTER & WORTH, PLLC



/s/ JRW (012950)
S. Cary Forrester
John R. Worth
Attorneys for Refuge

**INFORMATION SOLUTIONS, INC. (D/B/A
REFUGE GOLF AND COUNTRY CLUB)**



/s/ Jerry Aldridge
Jerry Aldridge, President

EXHIBIT “A”

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ATTORNEYS FOR THE DEBTOR

UNITED STATES BANKRUPTCY COURT
DISTRICT OF ARIZONA

In re:

**INFORMATION SOLUTIONS, INC. (D/B/A
REFUGE GOLF AND COUNTRY CLUB),

Debtor.**

Chapter 11

Case No. 0:17-bk-5481-MCW

**DEBTOR'S AMENDED PLAN OF
REORGANIZATION DATED AUGUST 21,
2017**

This Plan of Reorganization (the "**Plan**") is proposed by Information Solutions, Inc., an Arizona Corporation, doing business as Refuge Golf & Country Club ("**Refuge**"), for the resolution of all outstanding creditor claims and equity interests. All creditors and equity security holders are encouraged to consult the Disclosure Statement (the "**Disclosure Statement**") before voting to accept or reject the Plan. The Disclosure Statement contains a discussion of Refuge's history, a description of its assets, and a summary and analysis of the Plan.

NO SOLICITATION MATERIALS OTHER THAN THE DISCLOSURE STATEMENT AND THE MATERIALS ACCOMPANYING IT HAVE BEEN AUTHORIZED BY THE BANKRUPTCY COURT FOR USE IN SOLICITING ACCEPTANCES OR REJECTIONS OF THIS PLAN.

ARTICLE I

CLASSIFICATION OF CLAIMS AND INTERESTS

A. All Allowed Administrative Claims are treated as unclassified claims.

B. All other Allowed Claims and Allowed Interests are placed in the classes described below, and will receive the treatment set forth in Article III and in other sections of the Plan:

1. **Class 1 (Priority Claims):** All Allowed Claims entitled to priority under § 507 of the Code other than priority tax claims.

2. **Class 2 (Priority Tax Claims):** All Allowed Claims entitled to priority under Section 507(a)(8) of the Bankruptcy Code and each holder of a secured claim that would otherwise meet the description of a governmental unit under Section 507(a)(8) of the Bankruptcy Code but for the secured status of the claim.

3. **Class 3 (Secured Claims):**

3.1 **(Horizon's Secured Claim).** The Allowed Secured Claim of Horizon, which is secured by a senior deed of trust on the Property and a senior perfected security interest in all of Refuge's property.

3.2 **(Hughes Lease-Purchase).** The Allowed Secured Claim of John Hughes for the remaining amounts due under a sale-leaseback agreement for golf course maintenance equipment.

3.3 **(Gonzales Lease-Purchase).** The Allowed Secured Claim of Tom Gonzales for the remaining amounts due under a sale-leaseback agreement for golf carts and other equipment.

4. **Class 4 (General Unsecured Claims):** All Allowed Unsecured Claims other than Priority Claims.

5. **Class 5 (Interests):** All equity interests of Refuge shareholders.

ARTICLE II
IMPAIRED AND UNIMPAIRED CLAIMS

Class 1 Priority Claims are unimpaired. All other Classes are impaired.

ARTICLE III
TREATMENT OF CLAIMS AND INTERESTS

The treatment of the various classes of Claims and Interests under the Plan is as follows:

A. Unclassified Claims. Each holder of an Allowed Administrative Claim will be paid in cash in full on the Effective Date, unless such holder agrees in writing to other treatment or the amount of such Claim is not due on the Effective Date, in which case it will be paid when it is due. Professionals employed at the expense of the estate on or before the Effective Date, and any entities that may be entitled to reimbursement or allowance of fees and expenses pursuant to Section 503(b) of the Bankruptcy Code, will receive cash in the amount awarded to them at such time as an order is entered pursuant to Sections 330, 331 or 503(b) of the Bankruptcy Code. Ordinary post-petition operating expenses incurred before or after the Effective Date, such as taxes, salaries, fees, and insurance, that do not require Court approval, will be paid in the ordinary course of business as and when due.

Compensation earned by Refuge's professionals after the Effective Date need not be approved by the Court pursuant to Sections 330, 331 or 503(b) of the Bankruptcy Code, or otherwise, and will be paid in the ordinary course of business as and when due.

ANY PERSON OR ENTITY CLAIMING TO HOLD AN EXPENSE OF ADMINISTRATION AS OF THE EFFECTIVE DATE OF THE PLAN, MUST HAVE FILED A MOTION FOR ALLOWANCE OF ADMINISTRATIVE EXPENSE WITH THE COURT AND SERVED A COPY ON REFUGE'S ATTORNEYS NOT LATER THAN 30 DAYS AFTER THE EFFECTIVE DATE, OR SUCH CLAIM WILL BE DISALLOWED.

B. Classes of Claims and Interests. The treatment of the various classes of Claims and Equity Interests under the Plan is as follows:

1. Class 1 (Priority Claims). Each holder of an Allowed Class 1 Claim will be paid in cash in full upon the Effective Date or in the ordinary course of business according to its terms. Note that Allowed Class 1 Claims for pre-petition accrued wages entitled to priority under section 507(a)(5) were earlier paid under court order (DE 29). For those holding Allowed Class 1 Claims entitled to priority under section 507(a)(7) for deposits for weddings, Refuge assumes all contracts for wedding or event services that haven't been already performed in the ordinary course of its business and will satisfy these claims in the ordinary course of Refuge's business according to the assumed contracts. For those holding Allowed Class 1 Claims entitled to priority under section 507(a)(7) for pre-paid golf or club privileges, Refuge has earlier paid some of these claims under court order (DE 56). Any remaining balances will be honored in the ordinary course as presented. Class 1 is unimpaired under the Plan.

2. Class 2 (Priority Tax Claims). Each holder of an Allowed Class 2 Claim will be paid in full with interest at 6% in equal quarterly payments amortized over 5 years with the first payment on the Effective Date. Each holder of a secured Class 2 Claim will retain its lien or other security interest until the Claim has been paid in full. Class 2 is impaired under the Plan. If the holder of any Allowed Class 2 Claim, including the Arizona Department of Revenue does not receive any of the payments described above in a timely manner, and if Refuge does not remedy such default(s) within 30 days after written notice to Refuge and its attorneys, the entire remaining balance due to the holder of the Class 2 Allowed Claim will be immediately due and owing. In the event of such a default, the holder of the Class 2 Allowed Claim may enforce the entire amount of its claim and exercise any rights and remedies under applicable non-bankruptcy law.

3. Secured Claims

3.1 Class 3.1 (Horizon's Secured Claim). Horizon's Allowed Secured

Claim will be paid in full, together with interest at the rate of 5.25% per annum from and after the Effective Date. Beginning with the Effective Date, Horizon will be paid monthly based on a 20 year amortization with all remaining amounts due on the 10th anniversary of the Effective Date.

a. Option A.

If Horizon votes to accept the plan, the amount of its Allowed Secured Claim will be fixed at \$2.2 million as of the Effective Date. The balance of its Allowed Claim will be treated as a Class 4 general unsecured claim.

b. Option B.

If Horizon votes to reject the plan, the amount of its Allowed Secured Claim will be determined by the court through further proceedings or through the claims estimation process of 11 U.S.C. § 502(c), if the Court deems that appropriate.

c. Provisions Applicable to Options A and B.

Horizon will retain its lien and security interest in the real and personal property collateral specified in his Deed of Trust, Security Agreement, and other loan documents until its Allowed Secured Claim is paid in full in accordance with the provisions of this Plan. Its lien and security interest will continue to be controlled by the terms of its Deed of Trust, Security Agreement, and other loan documents, as modified by this Plan, with the following additional exceptions: (a) all covenants relating to Refuge's financial condition or any minimum debt coverage ratio will be deemed to be deleted; and (b) for so long as Refuge is not in default under this Plan, Refuge will be deemed to be current and not delinquent for all purposes. All payments to Horizon will be applied first to interest that is accrued and unpaid as of the date of the payment, and then to principal. Horizon will be entitled to foreclose upon or otherwise enforce its rights in Ref-

uge's real and personal property collateral securing its Allowed Secured Claim only for a breach of an obligation under this Plan. If it does not receive any of the payments described above in a timely manner, and if Refuge does not remedy such default(s) within 30 days after written notice to Refuge and its attorneys, Horizon may foreclose upon and otherwise enforce its rights in and to all of Refuge's real and personal property collateral securing its Allowed Secured Claim without further order of the Court or notice to Refuge, except as may be required by applicable non-bankruptcy law. Nothing in this Plan affects Horizon's rights to pursue other collateral in holds for the repayment of its claim. Nothing in this Plan affects Horizon's rights to pursue any remedy it has under any guarantee it holds. If Horizon makes a timely election under section 1111(b), Refuge will make a further payment on the 10th anniversary of the Effective Date to Horizon in the amount needed, if any, so that the total face amount of payments to Horizon on its Allowed Secured Claim from all sources total the amount of its Allowed Secured Claim.

Class 3.2 (Hughes Lease-Purchase). Upon the Effective Date, Mr. Hughes will have an Allowed Secured Claim for the remaining amounts due under the sale-leaseback agreement without accrued interest, penalties, or fees. Interest will accrue on the Allowed Secured Claim at 6% per annum from and after the Effective Date. Mr. Hughes will retain whatever rights or interests he holds under his sale-leaseback agreement, except that so long as Refuge is not in default under the Plan, Refuge will be deemed to be current and not delinquent for all purposes. Mr. Hughes' Allowed Secured Claim will be repaid in monthly payments of \$5,000. All post-effective date payments to Mr. Hughes will be applied first to accrued interest and then to principal.

Class 3.3 (Gonzales Lease-Purchase). Upon the Effective Date, Mr. Gonzales will have an Allowed Secured Claim for the remaining amounts due under the sale-leaseback agreement without accrued interest, penalties, or fees. Interest will accrue on the Allowed Secured Claim at 6% per annum from and after the Effective Date. Mr. Gonzales will retain whatever rights or interests he holds under his sale-leaseback agreement, except that so long as Refuge is not in default under the Plan, Refuge will be deemed to be current and not delinquent for all purposes. Mr. Gonzales' Allowed Secured Claim will be repaid in monthly payments calculated at the rate of \$2.50 per round of golf played. All post-effective date payments to Mr. Gonzales will be applied first to accrued interest and then to principal.

4. **Class 4 (General Unsecured Claims).** The holder of an Allowed Class 4 Claims will receive a single distribution equal to 2% of its Allowed Claim with the distribution amount rounded up to the next highest \$10 amount. The distribution will be paid on the later of the Effective Date or 30 days after entry of a final order allowing the claim.

5. **Class 5 (Interests).** All Equity Interests of Refuge's shareholders will be cancelled as of the Effective Date. On the Effective Date, Refuge's articles of incorporation will be deemed to be amended and restated to provide for 125,000 authorized shares of common stock at \$.01 par value and to prohibit the issuance of non-voting equity securities. On the Effective Date, shares of common stock will be issued according to the Schedule of Contributing Shareholders, which is attached to the disclosure statement as **exhibit B**. Shares will be issued at the rate of one share for each \$8 contributed. Class 5 is impaired under the Plan.

6. **Disputed Claims.** will be treated as follows: At the time of any Distribution to holders of Allowed Claims in a particular Class, an amount sufficient to have paid each holder of a Disputed Claim in that Class its pro rata share of such Distribu-

tion, calculated as though such Disputed Claim were an Allowed Claim, will be reserved for the potential benefit of the holders of such Disputed Claims, and later distributed in accordance with this Plan.

ARTICLE IV

MEANS FOR EXECUTION OF THE PLAN

A. New Value Contribution. Those shareholders electing to make new value contributions will deposit their contributions into a Trust Account. Refuge's attorneys, Forrester & Worth, PLLC will establish a Trust Account for purposes of holding the new value contributions. Upon the Effective Date of the Plan, the new value contributions will be transferred to Refuge. Refuge has received commitments from a group of its current shareholders to make new capital contributions of not less than \$800,000. A schedule of contributing shareholders and their commitments is attached to the disclosure statement as **exhibit B**.

B. Cash Reserves. All cash that is not paid to Creditors on the Effective Date will be held by the Reorganized Debtor and used for future Plan payments, operating expenses, and as working capital reserves.

C. Disbursing Agent. The Reorganized Debtor will function as disbursing agent under the Plan and will not be compensated for its services.

D. Management. The Reorganized Debtor will continue to be managed by Jerry and Cindy Aldridge. Jerry and Cindy Aldridge will be paid \$50,000 and \$30,000, respectively, per year for their services as President and Treasurer of Refuge. They will serve "at will" or under any employment agreement later entered into between each of them and the board of directors of the company. If still serving as directors, then upon the Effective Date of the Plan, the Aldridges will resign as directors of the company.

E. Authority to Settle and Assign. In accordance with Bankruptcy Code §1123(b)(3), the Reorganized Debtor will own and retain, and may prosecute, enforce,

compromise, settle, release, or otherwise dispose of, any and all claims, defenses, counterclaims, setoffs, and recoupments belonging to the Debtor or the Estate, without further order of the Court.

F. Location of Claimants and Uncashed Distribution Checks.

1. Bad Addresses. If the Reorganized Debtor is unable to locate a Claimant, it will hold the amount of any Distribution to such Claimant as though such Claim were a Disputed Claim. It will hold that amount for 120 days and, if the address of the Claimant is then still unknown, the amount will be distributed to other Claimants. The Reorganized Debtor will have fulfilled any duty that it may have to locate the holder of a Claim by mailing any Distribution to the address for that Claimant set forth in the Master Mailing List or in any Proof of Claim or Notice of Appearance filed with the Court. The Reorganized Debtor will be under no obligation to undertake further efforts to locate the holder of a Claim if the Distribution is returned "addressee unknown," and the Reorganized Debtor may delete any such Claimant from its mailing list.

2. Uncashed Distribution Checks. Any Distribution check that has not been returned by the U.S. Post Office but which has not been cashed within 60 days after it is mailed, will be deemed undeliverable. The Reorganized Debtor is authorized to stop payment on such check and the payee will then be treated in the manner set forth above for Claimants whose addresses are unknown.

G. Notices. In order to minimize the expense of providing notices after the Confirmation Date, only Special Notice Creditors will receive notice of matters brought before the court after the Confirmation Date. The failure of a creditor to become a Special Notice Creditor by filing a Notice of Appearance or Request for Notice after the Confirmation Date will not affect such creditor's right to receive any Distributions provided for under the Plan.

H. Payment of Statutory Fees and Filing of Quarterly Reports. All fees payable pursuant to 28 U.S.C. §1930, as determined by the Bankruptcy Court at or in conjunction with the Confirmation Hearing, will be paid on or before the Effective Date, and after that, in accordance with applicable bankruptcy law. All quarterly reports of disbursements required to be filed by applicable bankruptcy law will be filed in a timely manner.

ARTICLE V

CONDITION TO CONFIRMATION/EFFECTIVE DATE

The conditions to confirmation of the Plan are: (1) contributing shareholders have made new capital contributions that total at least \$800,000 and (2) that the court hold in the Confirmation Order that all actions taken by Refuge under the Plan are exempt from all applicable securities laws under 11 U.S.C. § 1145.

The Effective Date is thirty calendar days after the Confirmation Order has been entered by the Clerk of the Bankruptcy Court or such earlier date as the Reorganized Debtor may select.

ARTICLE VI

EFFECT OF CONFIRMATION

A. Discharge. Except as otherwise specifically provided in the Plan, confirmation of the Plan will discharge Refuge from any debt that arose before the Confirmation Date and any debt of a kind specified in 11 U.S.C. §§ 502(g) through (i), whether or not a proof of claim based upon such debt is filed or deemed filed under 11 U.S.C § 501, whether or not such Claim is allowed under 11 U.S.C. § 502 and whether or not the holder of such Claim accepted the Plan. The provisions of this Article are not intended to, nor will they be construed as, limiting the scope of the discharge provided by 11 U.S.C. § 1141.

B. Release of Shareholders in Return for New Value Contributions. The

Confirmation Order constitutes a waiver and release by Refuge and any predecessor or successor in interest of any and all claims, demands, causes of action, rights, and liability of any kind or nature against those shareholders making new value contributions, relating to any event, occurrence, or non-event before the Petition Date. This waiver and release is given in return for the contributing shareholders new value contributions.

C. Automatic Stay and Post-Confirmation Injunction. Notwithstanding any other provisions of the Plan, the automatic stay will terminate on the Effective Date, but all holders of Claims dealt with by the Plan, and all creditors who received notice of the Case, will be enjoined from pursuing collection of their Claims from the assets of Refuge, the estate, and the Reorganized Debtor.

D. Release and Extinguishment of Liens, Claims, and Encumbrances. Except as otherwise provided in this Plan, all property dealt with by the Plan is free and clear of all liens, claims, and interests of creditors and Equity Security holders from and after the Effective Date. Without limiting that release, the Confirmation Order will specifically provide for the release of recorded liens against Refuge's course and club, including the second deed of trust and assignment of rents (Perkins Coie, LLP, beneficiary) recorded at 2013038374 in the Official Records of Mohave County; the Amended Notice and Claim of Materialmans, Mechanic's or Professional Services Lien (T.R. Orr, Inc.) recorded at 2017012169 Official Records of Mohave County; the UCC-1 Financing Statements recorded with the Arizona Secretary of State in favor of American Express (2015-003-0320-9), Corporation Service Company (2014-002-8887-9), Raymond Paci (2017-000-4283-8). The Confirmation Order may be recorded as evidence of the release of liens.

ARTICLE VII

EXECUTORY CONTRACTS

The following executory contracts are assumed under the Plan: (1) Reclaimed

Water User Agreement, dated October 12, 2010, a copy of which is attached to proof of claim no. 19; (2) all golf and club memberships; and (3) the Karla Dunavant agreement (DE 70). All other executory contracts and unexpired leases that have not previously been assumed by Refuge are rejected as of the Effective Date, unless specific written notice of intent to assume is mailed or delivered to the other contracting party before the Effective Date. In the event of assumption, and except as otherwise agreed to by the other contracting party, all pre-petition defaults will be cured on the Effective Date, or as soon thereafter as is reasonably practicable. In the event of any dispute over the cure amounts, the dispute will be resolved by the Court. All parties to rejected executory contracts and unexpired leases will have 14 calendar days after the Confirmation Date to file a Proof of Claim for the damages, if any, resulting from such rejection. All parties to rejected contracts and leases who have timely filed Proofs of Claim for damages, if any, resulting from such rejection, will be treated as holders of Class 4 Allowed or Disputed Claims, as appropriate. Any party in interest may file an objection to a Claim for damages arising from rejection of an executory contract or lease. The failure of any party to a rejected contract or lease to timely file a Proof of Claim bars that party from participating under the Plan or from receiving any payment on account of such rejected executory contract or lease.

ARTICLE VIII

RETENTION AND ENFORCEMENT OF CLAIMS

The Plan preserves in full for the benefit of the Reorganized Debtor the Retained Causes of Action and all other claims and causes of action of any sort owned by the Refuge or estate, pursuant to § 1123(b)(3) of the Code, other than those expressly released by the terms of the Plan. Retained Causes of Action and all other claims and causes of action will be controlled by the Reorganized Debtor. The Reorganized Debtor is designated as the estate representative pursuant to 11 U.S.C. §1123(b)(3)(B).

ARTICLE IX
MODIFICATION OF PLAN

Refuge reserves the right to propose modifications or amendments to the Plan at any time before the Confirmation Date. After confirmation, the Reorganized Debtor may, with Court approval, and so long as it does not materially or adversely affect the interests of creditors, remedy any defect or omission, or reconcile any inconsistencies in the Plan, or in the Confirmation Order, in such manner as may be necessary to carry out the purposes and effect of the Plan. The foregoing provisions of this Article do not limit the ability of any party to modify the Plan under 11 U.S.C. § 1127 and applicable Rules.

ARTICLE X
EXCULPATION

Refuge and its advisors, attorneys, consultants, officers, managers, and agents (the “**Exculpated Parties**”) will neither have nor incur any liability to any holder of a Claim or Equity Security, or any other party in interest, or any of their respective shareholders, former shareholders, members, former members, agents, employees, representatives, financial advisors, attorneys, consultants, affiliates, successors, or assigns (the “**Exculpating Parties**”), for any acts or omissions relating to or arising out of this Case, the preparation for and administration of this Case, or the negotiation, execution, confirmation, consummation, or administration of the Plan (the “**Exculpated Acts**”), other than acts of gross negligence, fraud, breach of fiduciary duty, or willful misconduct. The Exculpating Parties will have no right of action against any of the Exculpated Parties for any of the Exculpated Acts, and the Exculpated Parties are released of and from all claims or liabilities, known or unknown, arising out of or related to the Exculpated Acts. The provisions of this Article will not be deemed to limit any existing protections or immunities afforded to the Exculpated Parties under existing law. The provisions of this Article will not apply to any claim, action or cause of action by the SEC,

and the SEC will not be included in the definition of “Exculpating Parties.”

ARTICLE XI RETENTION OF JURISDICTION

Notwithstanding confirmation of this Plan, the Bankruptcy Court will retain jurisdiction for the following purposes:

1. To determine the allowance of Claims and interests upon objection to such Claims or interests by the Reorganized Debtor, or by any other party in interest.
2. To consider requests for payment of Claims entitled to priority under Code § 507(a), including, without limitation, compensation of professionals pursuant to §§ 330 and 503.
3. To hear, determine and enforce all claims and causes of action which may exist on behalf of Debtor or the estate, including, but not limited to, any right of the Reorganized Debtor or the estate to recover assets pursuant to the provisions of the Code, whether or not such claims, causes of action, or rights are Retained Causes of Action, and whether they are pursued by the Reorganized Debtor or another appropriate party.
4. To consider and act upon the compromise and settlement of any Claims against, or cause of action on behalf of, the Reorganized Debtor or the Estate.
5. To resolve controversies and disputes regarding the interpretation or enforcement of the terms of the Plan, or any related documents.
6. To resolve controversies and disputes regarding implementation of the Plan, and to enter orders in aid of confirmation of the Plan and appropriate orders to protect the Reorganized Debtor or its successors in interest.
7. To determine all matters and controversies regarding state, local, and federal taxes pursuant to all applicable provisions of the Bankruptcy Code.
8. To enter a Final Decree closing Refuge's case.

ARTICLE XII

CLOSING OF THE CASE

The Court, upon motion of any interested party, will enter a Final Decree pursuant to § 350 of the Code and Bankruptcy Rule 3022, closing this Case and making provisions, by way of injunction or otherwise, as may be equitable.

ARTICLE XIII

GENERAL PROVISIONS AND DEFINITIONS

A. Extension of Payment Dates and Other Deadlines. If any payment date or other deadline falls due on a Saturday, Sunday or legal holiday, then such due payment date or other deadline will be extended to the next business day.

B. Notices. Any notice required or permitted to be provided under the Plan will be in writing and served by first class mail, hand-delivery, or e-mail, on all Special Notice Beneficiaries.

C. Interest. Whenever interest is to be computed under the Plan, interest will be simple interest and not compounded. Unless otherwise specifically provided for in the Plan or the Confirmation Order, post-petition interest will not accrue or be paid on Claims, and no holder of a Claim will be entitled to interest accruing on or after the Petition Date on any Claim.

D. Vesting. As of the Effective Date, the Reorganized Debtor will be vested with all property of the Debtor and the Estate free and clear of all Claims, liens, security interests, assignments, encumbrances, charges, and other interests of Creditors, except as otherwise provided in the Plan.

E. Successors and Assigns. The rights and obligations of any Creditor or holder of an Equity Interest referred to in the Plan will be binding upon, and will inure to the benefit of, the successors, assigns, heirs, devisees, executors, and personal representatives of such Creditor or such holder of an Equity Interest.

F. Payment of Statutory Fees and Filing of Quarterly Reports. All fees payable pursuant to 28 U.S.C. §1930, as determined by the Bankruptcy Court at or in conjunction with the Confirmation Hearing, will be paid on or before the Effective Date, and after that in accordance with applicable bankruptcy law. All quarterly reports of disbursements required to be filed by applicable bankruptcy law will be filed in a timely manner.

ARTICLE XIV DEFINITIONS

Defined Terms. The following terms have the following meanings whenever used in the Plan.

Administrative Claim means: (a) every cost or expense of administration of the Bankruptcy Case, including any actual and necessary post-petition expenses entitled to priority under 11 U.S.C. §§503(b) and 507(a)(1); (b) any actual and necessary post-petition expenses of operating Refuge; (c) all Professional Charges approved by the Bankruptcy Court pursuant to interim and final allowances in accordance with 11 U.S.C. §§105, 330, 331, and 503(b); and, (d) all fees and charges assessed against the Estate under 28 U.S.C. § 1930.

Allowed Claim means every Claim, other than an Administrative Claim:

1. As to which a timely Proof of Claim has been filed within the time fixed by the Bankruptcy Court; or,
2. If such claim arises from an Executory Contract that is rejected by the Plan or the Confirmation Order, as to which a timely Proof of Claim has been filed no later than the first Business Day that is 14 calendar days after the Confirmation Date; or,
3. If Refuge scheduled such claim in its Schedules (including any amendments) as liquidated in amount, undisputed, and non-contingent;

- a. And, in regard to all of the foregoing claims that have either been filed or deemed filed: As to which no objection has been filed within any applicable time period fixed by the Bankruptcy Court or Plan; or
- b. As to which an order has been entered allowing such claim and (a) such order has become final and non-appealable without any appeal, review, or other challenge having been taken, or (b) if taken, any such appeal, review or other challenge has been finally resolved in favor of the claimant.
- c. The term Allowed Claim may be used throughout the Plan with each of the various creditor's claims or classes of those claims (*e.g.*, "Allowed Class 1 Claims") to signify that such claims must be, unless otherwise indicated, Allowed Claims in order to qualify for the specified treatment under the Plan.

Avoidance Actions means all claims and causes of action under §§ 502, 542, and 544-550 of the Code, whether or not asserted or pending on the Confirmation Date, which are to be preserved, administered, prosecuted, compromised, or otherwise disposed of for the benefit of Creditors.

Bankruptcy Code or **Code** means Title 11 of the United States Code.

Bankruptcy Court or **Court** means the United States Bankruptcy Court for the District of Arizona or any other court that may have jurisdiction over any particular proceeding arising under, in, or relating to this Chapter 11 case.

Case means the Debtor's bankruptcy case before the Bankruptcy Court, and all adversary proceedings, contested matters and other litigation arising in or related to the Case.

Claim means "claim" as defined in 11 U.S.C. §101(5).

Claimant means the holder of a Claim.

Confirmation Date means the date of entry of the Confirmation Order.

Confirmation Order means the appealable order of the Bankruptcy Court confirming the Plan.

Debtor or **Debtor-in-Possession** means Information Solutions, Inc., an Arizona corporation doing business as Refuge Golf and Country Club.

Disclosure Statement means the Disclosure Statement pertaining to the Plan, including any amendments or modifications thereto.

Disputed Claim means a Claim, including one that is deemed filed pursuant to 11 U.S.C. § 1111(a), as to which Refuge or any other party in interest has filed an objection within 90 days after the Effective Date and which has not been resolved by a Final Order or pursuant to this Plan. Contingent Claims will be treated as Disputed Claims for all purposes relating to Distributions under the Plan until such time as any such contingent Claim becomes fixed or absolute or becomes an Allowed Claim.

Distribution means the property required by the Plan to be distributed to the holders of Allowed Claims.

Effective Date is defined in Article V.

Equity Security means any ownership interest in Refuge.

Filing Date or **Petition Date** means May 17, 2017.

Final Order means an order, judgment or other decree of the Bankruptcy Court, including, without limitation, a stipulation or other agreement which is "so ordered" by the Bankruptcy Court, the operation or effect of which has not been reversed or stayed and as to which order, judgment or other decree (or any revision, modification or amendment thereof) the time to appeal or seek review has expired and as to which no appeal or petition for review or certiorari has been taken or is pending or, if such appeal or petition has been taken or granted, it has been finally resolved.

Penalty Claims means any unsecured Claims for any fine, penalty, forfeiture, multiple damages, punitive damages, or exemplary damages not meant to compensate the claimant for actual pecuniary loss.

Plan means this Plan of Reorganization dated June 22, 2017, including any amendment or modification made in accordance with the applicable provisions of the Code.

Horizon means secured creditor, Horizon Community Bank.

Property means Refuge's real property, which consists of a golf course and country club facilities located in Lake Havasu City, Arizona, consisting of approximately 168.23 acres.

Refuge means the Debtor.

Reorganized Debtor means Refuge on and after the Effective Date. The Reorganized Debtor may also be referred to as Refuge in this Plan.

Retained Causes of Action means all Avoidance Actions and all other claims and causes of action of every kind and nature whatsoever arising before the Effective Date which have not been resolved or disposed of before the Effective Date, whether or not such claims or causes of action are specifically identified in the Disclosure Statement.

Special Notice Creditors means every Creditor or party in interest that files a Notice of Appearance and/or Request for Notice, and forwards a copy to Debtor's counsel at the address set forth above, before or after the Confirmation Date.

General Rules Regarding Defined and Undefined Terms. As used in this Plan, all capitalized words and other terms defined in the Bankruptcy Code or the Rules of Bankruptcy Procedure will have the meanings given to them in the Bankruptcy Code or the Rules of Bankruptcy Procedure unless the context clearly requires otherwise. For purposes of this Plan, the singular and plural uses of all defined terms and the conjunctive and disjunctive uses thereof will be interchangeable (unless the context

otherwise requires), and the defined terms will include masculine, feminine, and neuter genders.

Dated August 21, 2017.

FORRESTER & WORTH, PLLC

/s/ JRW (012950)_____

S. Cary Forrester

John R. Worth

Attorneys for the Debtor

INFORMATION SOLUTIONS, INC., an
Arizona corporation, doing business as Refuge
Golf and Country Club

By: _____

Jerry Aldridge, President

EXHIBIT “B”

Schedule of Contributing Shareholders

The following shareholders have made non-binding commitments to make new capital contributions in support of Refuge's proposed plan of reorganizations:

Shareholder	New capital contribution	Additional capital contributions (as needed)
Troy Bybee	\$2,500	
Michael and Lisa Carr	\$2,500	\$17,500
Lloyd and Julia Hightower	\$203,190	\$50,000
Ed and Carol Little	\$10,000	\$5,000
Bill Newman	\$14,000	Yes, but unstated
Glenn and Terri Nudelman	\$203,190	<u>\$50,000</u>
Ray Paci	\$200,000	
Shelly Sanders Trust	\$160,000	
Theron & Summer Tilgner	<u>\$3,000</u>	
Total	\$798,380	\$122,500

Aggregate total, including additional contributions:

\$920,880

Exhibit B

EXHIBIT “C”

**Refuge Golf & Country Club
 Three Year Projection
 January 2018 through December 2020**

	Jan - Dec 18	Jan - Dec 19	Jan - Dec 20
Ordinary Income/Expense			
Income			
4300 - Golf Fees	950,000.00	975,000.00	1,000,000.00
4305 - Initiation Fee	150,000.00	150,000.00	150,000.00
4310 - Pro Shop Income	50,000.00	50,000.00	50,000.00
4315 - Member Dues	230,000.00	240,000.00	250,000.00
4320 - Restaurant Income	500,000.00	500,000.00	500,000.00
4325 - Monthly Minimum	35,000.00	35,000.00	35,000.00
4330 - Bar Income	250,000.00	250,000.00	250,000.00
4335 - Facility Fee	100,000.00	100,000.00	100,000.00
4340 - Commission Received	125,000.00	125,000.00	125,000.00
4355 - Spa Income	10,000.00	10,000.00	10,000.00
Total Income	2,400,000.00	2,435,000.00	2,470,000.00
Cost of Goods Sold			
5900 - Alcohol - COG	70,000.00	70,000.00	70,000.00
5901 - Food - COG	175,000.00	175,000.00	175,000.00
5902 - Beverage	6,500.00	6,500.00	6,500.00
5904 - Pro Shop Inventory	22,500.00	22,500.00	22,500.00
Total COGS	274,000.00	274,000.00	274,000.00
Gross Profit	2,126,000.00	2,161,000.00	2,196,000.00
Expense			
5015 - Insurance - Workers' Comp	11,900.00	12,250.00	12,460.00
5016 - Insurance - Health	46,073.82	46,073.82	46,073.82
5600 - Payroll Expenses	850,000.00	875,000.00	890,000.00
6180 - Insurance - Property	38,093.00	38,093.00	38,093.00
6295 - Rent	11,954.24	11,954.24	11,954.24
9005 - Advertising	40,800.00	41,395.00	41,990.00
9010 - Printing	5,000.00	5,000.00	5,000.00
9100 - Sales Expense	5,000.00	5,000.00	5,000.00
9201 - Property Tax	76,565.10	76,565.10	76,565.10
9400 - Accounting Fees	2,850.00	2,850.00	2,850.00
9500 - Sales Taxes Paid	81,600.00	82,790.00	83,980.00
9615 - Commissions Paid	75,000.00	75,000.00	75,000.00
9616 - Employee Gifts	2,000.00	2,000.00	2,000.00
9617 - Contract Labor	6,000.00	6,000.00	6,000.00
9618 - Entertainers	20,000.00	20,000.00	20,000.00
9620 - Fuel & Oil	14,000.00	15,000.00	16,000.00
9621 - Equipment Rental	1,000.00	1,000.00	1,000.00
9640 - Licenses & Permits	4,373.81	4,373.81	4,373.81
9642 - Memberships Dues & Fees	5,352.10	5,352.10	5,352.10
9645.1 - R & M - Clubhse	20,000.00	20,000.00	20,000.00
9645.2 - R & M - Golf	15,000.00	15,000.00	15,000.00
9645.4 - R & M - Pavillion	2,500.00	2,500.00	2,500.00
9651 - Cleaning Supplies	1,916.75	1,916.75	1,916.75
9655 - Dining Supplies	1,000.00	1,000.00	1,000.00

Refuge Golf & Country Club
Three Year Projection
 January 2018 through December 2020

	Jan - Dec 18	Jan - Dec 19	Jan - Dec 20
9656 - Linens	9,395.34	9,395.34	9,395.34
9657 - Golf Supplies	8,671.56	8,671.56	8,671.56
9660 - Office Supplies	7,380.73	7,380.73	7,380.73
9661 - Golf Course Supplies	60,000.00	60,000.00	60,000.00
9663 - Kitchen Supplies	15,000.00	15,000.00	15,000.00
9665 - Spa & Fitness Supplies	1,000.00	1,000.00	1,000.00
9692 - Security Services	1,332.46	1,332.46	1,332.46
9694 - Uniforms	3,067.41	3,067.41	3,067.41
9695 - Bank Service Charges	2,330.58	2,330.58	2,330.58
9696 - Credit Card Fees	8,640.00	8,766.00	8,892.00
9700 - Postage	4,402.23	4,402.23	4,402.23
9710 - Education & Training	5,000.00	5,000.00	5,000.00
9750.6 - Prof. Fees Legal Fees	27,378.50	22,378.50	12,378.50
9850 - Telephone & Internet	19,000.00	19,000.00	19,000.00
9950 - Utilities - Gas & Elec	115,000.00	115,000.00	115,000.00
9952 - Utilities - Water	37,299.74	37,299.70	37,299.74
9955 - Utilities - Irrig Water	104,000.00	104,000.00	104,000.00
9960 - Utilities - Trash	4,172.52	4,172.52	4,172.52
9970 - Utilities - Television	3,249.70	3,249.70	3,249.70
9985 - Event Expense	6,151.04	6,151.04	6,151.04
Total Expense	1,780,450.63	1,803,711.59	1,811,832.63
Net Ordinary Income	345,549.37	357,288.41	384,167.37
Debt Reduction			
Horizon Community Bank (\$2.2M @ 5.25%)	177,894.84	177,894.84	177,894.84
Golf Cars - TG	57,000.00	36,750.00	0.00
Equipment - JH	60,000.00	60,000.00	60,000.00
Sales Tax Payments	21,564.96	21,564.96	21,564.96
Total Other Expense	316,459.80	296,209.80	259,459.80
Net Income	29,089.57	61,078.61	124,707.57

EXHIBIT “D”

Refuge Liquidation Analysis

8/21/2017

ASSETS	Amount	Note
Golf course, club, related equipment, furniture, fixtures, and water rights	\$ 2,141,000	1
Accounts Receivable	\$ 1796	2
Pro shop and restaurant inventory	\$ _____	3
Subtotal	\$ 2,141,000	
Less costs of Liquidation (estimated at 10%)	\$ <u>(214,100)</u>	
Subtotal	\$ 1,926,900	
Cash	\$ <u>140,351</u>	2
Total Liquidation Proceeds	\$ 1,916,085	
SECURED CLAIMS	\$ 8,810,340	3
FUNDS AVAILABLE FOR ADMINISTRATIVE, PRIORITY, AND UNSECURED CREDITORS	\$ 0	

- 1 This amount is taken from Refuge's appraisal. Liquidation value is believed to be less.
- 2 From July monthly operating report (DE 116).
- 3 Included in appraised value of course and club.
- 3 The secured claims with valid, perfected liens in Refuge's assets are: Court Approved Post-Petition Loan (all assets) \$149,500; Horizon Community Bank (all assets) \$4,017,536; Perkins Coie (course and club) \$4,657,804. Horizon holds other collateral to secure its loan outside this bankruptcy estate: Lots in the Refuge Community worth approximately \$1,000,000 and a third position lien on the home of Jerry and Cindy Aldridge lien position worth approximately \$800,000. Perkins Coie holds a second position lien on the Refuge Community lots behind Horizon.

Exhibit D

EXHIBIT “E”

REFUGE GOLF & COUNTRY CLUB

Cash Flow Forecast

	May 15 - 21	May 22 - 28	May 29 - June 4	June 5 - 11	June 12 - 14	June 15 - July 14	July 15 - Aug 14	Total Budget	ACTUAL 8/14/17	Aug 15 - Sept 14	Sept 15 - Oct 14	Oct 15 - Nov 14	Total
WE ARE HERE													
CASH RECEIPTS													
Revenue	\$5,000.00	\$3,500.00	\$3,500.00	\$112,000.00	\$2,500.00	\$130,000.00	\$130,000.00	\$386,500.00	\$433,652.55	\$130,000.00	\$145,000.00	\$155,000.00	\$1,636,652.55
DIP Financing	\$66,000.00	\$27,000.00	\$42,000.00					\$135,000.00	\$149,500.00	\$15,000.00	\$58,000.00	\$37,000.00	\$529,500.00
TOTAL CASH RECEIPTS	\$71,000.00	\$30,500.00	\$45,500.00	\$112,000.00	\$2,500.00	\$130,000.00	\$130,000.00	\$521,500.00	\$583,152.55	\$145,000.00	\$203,000.00	\$192,000.00	\$2,166,152.55
CASH PAID OUT													
Advertising & Sales Expense	\$250.00	\$250.00	\$3,000.00	\$300.00	\$409.00	\$2,500.00	\$4,400.00	\$11,109.00	\$7,607.27	\$3,900.00	\$3,900.00	\$4,000.00	\$41,625.27
Appraiser						\$2,000.00	\$5,000.00	\$7,000.00	\$7,000.00				
COGS	\$3,560.00	\$3,560.00	\$3,560.00	\$3,560.00	\$375.00	\$19,500.00	\$19,500.00	\$53,615.00	\$28,451.97	\$19,500.00	\$21,750.00	\$23,250.00	\$200,181.97
Commissions and fees	\$0.00	\$0.00	\$0.00	\$0.00	\$3,032.00	\$0.00	\$2,560.00	\$5,592.00	\$23,824.36	\$0.00	\$0.00	\$0.00	\$35,008.36
Contract labor	\$0.00	\$319.00	\$371.00	\$100.00	\$0.00	\$286.00	\$140.00	\$1,216.00	\$1,043.80	\$358.00	\$358.00	\$429.00	\$4,620.80
Deferred Maintenance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,000.00	\$0.00	\$5,000.00	\$5,350.00	\$10,000.00	\$0.00	\$0.00	\$25,350.00
Effluent	\$0.00	\$8,000.00	\$0.00	\$16,000.00	\$0.00	\$0.00	\$16,000.00	\$40,000.00	\$39,835.51	\$14,000.00	\$13,000.00	\$20,000.00	\$166,835.51
Employee benefit programs	\$210.96	\$2,230.44	\$0.00	\$0.00	\$0.00	\$2,230.44	\$2,230.44	\$6,902.28	\$7,656.00	\$2,230.44	\$2,230.44	\$2,230.44	\$28,151.88
Entertainers	\$250.00	\$750.00	\$250.00	\$0.00	\$0.00	\$750.00	\$750.00	\$2,750.00	\$2,430.00	\$750.00	\$750.00	\$1,750.00	\$11,180.00
Event Expense	\$100.00	\$300.00	\$100.00	\$100.00	\$0.00	\$300.00	\$300.00	\$1,200.00	\$774.88	\$300.00	\$300.00	\$300.00	\$4,074.88
Fuel	\$0.00	\$0.00	\$0.00	\$1,500.00	\$0.00	\$0.00	\$1,400.00	\$2,900.00	\$2,860.43	\$1,500.00	\$1,200.00	\$1,600.00	\$12,960.43
Insurance - property	\$9,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,000.00	\$0.00	\$18,000.00	\$18,058.00	\$0.00	\$9,000.00	\$0.00	\$63,058.00
Licenses & Permits	\$0.00	\$1,650.00	\$630.00	\$0.00	\$0.00	\$600.00	\$700.00	\$3,580.00	\$4,139.69	\$900.00	\$0.00	\$1,800.00	\$13,999.69
Linens & Uniforms	\$250.00	\$474.00	\$165.00	\$250.00	\$0.00	\$982.00	\$670.00	\$2,791.00	\$2,522.03	\$988.00	\$1,000.00	\$1,249.00	\$11,341.03
Office expense	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$1,350.00	\$1,350.00	\$3,950.00	\$4,196.28	\$1,350.00	\$1,350.00	\$1,500.00	\$16,296.28
Property Tax	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$25,666.00	\$25,666.00
Rent or lease	\$0.00	\$950.00	\$0.00	\$0.00	\$0.00	\$950.00	\$950.00	\$2,850.00	\$3,164.00	\$950.00	\$950.00	\$950.00	\$11,714.00
Repairs and maintenance	\$500.00	\$500.00	\$500.00	\$1,350.00	\$0.00	\$2,200.00	\$2,065.00	\$7,115.00	\$10,575.07	\$6,700.00	\$3,500.00	\$6,700.00	\$41,705.07
Sales Tax	\$0.00	\$0.00	\$0.00	\$5,200.00	\$0.00	\$4,000.00	\$4,000.00	\$13,200.00	\$8,585.41	\$4,000.00	\$5,600.00	\$6,000.00	\$50,585.41
Supplies (not in COGS)	\$2,700.00	\$513.00	\$574.00	\$400.00	\$1,917.00	\$4,469.00	\$2,699.00	\$13,272.00	\$12,435.80	\$5,047.00	\$44,800.00	\$4,593.00	\$93,419.80
Travel	\$830.00	\$25.00	\$0.00	\$0.00	\$0.00	\$65.00	\$65.00	\$985.00	\$669.03	\$65.00	\$95.00	\$2,400.00	\$5,199.03
Trustee Fees						\$4,875.00		\$1,625.00	\$1,625.00		\$4,875.00		\$13,000.00
Utilities	\$1,000.00	\$10,000.00	\$1,500.00	\$1,500.00	\$1,000.00	\$15,000.00	\$15,000.00	\$45,000.00	\$41,570.04	\$15,000.00	\$15,000.00	\$15,000.00	\$176,570.04
Utilities Lake Havasu City Effluent	\$2,899.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,899.67	\$2,899.67	\$0.00	\$0.00	\$0.00	\$8,699.01
Wages	\$35,000.00	\$0.00	\$30,000.00	\$0.00	\$30,000.00	\$60,000.00	\$60,000.00	\$215,000.00	\$236,462.88	\$60,000.00	\$60,000.00	\$60,000.00	\$846,462.88
Workers Comp	\$0.00	\$0.00	\$1,700.00	\$0.00	\$0.00	\$1,300.00	\$1,700.00	\$4,700.00	\$4,805.28	\$1,200.00	\$1,200.00	\$1,700.00	\$18,305.28
SUBTOTAL	\$56,800.63	\$29,771.44	\$42,600.00	\$30,510.00	\$36,983.00	\$137,357.44	\$141,479.44	\$472,251.95	\$478,542.40	\$148,738.44	\$190,858.44	\$181,117.44	\$1,947,022.62
Golf Cars - TG	\$0.00	\$0.00	\$2,850.00	\$0.00	\$0.00	\$2,850.00	\$2,850.00	\$8,550.00	\$6,497.50	\$2,850.00	\$3,500.00	\$3,500.00	\$33,447.50
Utility Deposits	\$4,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$14,100.00	\$0.00	\$18,100.00	\$15,200.33	\$0.00	\$0.00	\$0.00	\$51,400.33
Equipment - JH	\$5,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,000.00	\$5,000.00	\$15,000.00	\$15,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$60,000.00
Fire Related Expenses *								\$0.00	\$15,282.89				
TOTAL CASH PAID OUT	\$65,800.63	\$29,771.44	\$45,450.00	\$30,510.00	\$36,983.00	\$159,307.44	\$149,329.44	\$513,901.95	\$530,523.12	\$156,588.44	\$199,358.44	\$189,617.44	\$2,107,165.34

*To be reimbursed by insurance