NOTICE OF IMPOSITION OF SPECIAL LEVY PERTAINING TO PUBLIC IMPROVEMENT DISTRICT NO. 2007-1 LOCATED IN ANGEL FIRE, NEW MEXICO

The Public Improvement District Act (Sections 5-11-1 through 5-11-27 NMSA 1978, as amended) (the "Act") authorizes the formation of public improvement districts in the State of New Mexico. On October 12, 2007, Angel Fire Resort Operations, LLC submitted to the Village of Angel Fire, New Mexico (the "Village") an application for the creation of Public Improvement District No. 2007-1 (the "District"), proposed to be located within the Village. The application included documents, required by the Act, that describe the geographical extent of the District, the improvements to be created pursuant to the District, the assessments to be imposed to finance the improvements, and various other matters. Such documents include, without limitation, a General Plan (as amended, the "General Plan") and a Rate and Method of Apportionment of Special Levy (as amended, the "Rate and Method"). On February 14, 2008, the Council of the Village of Angel Fire adopted its Resolution 2008-07 (the "Formation Resolution"), approving revisions to the General Plan and the Rate and Method and approving the formation of the District, subject to an election required under the Act. The District was subsequently approved by an election of Property Owners and resident qualified electors (as such terms are defined in the Formation Resolution) held on April 21, 2008 (the "Election").

Pursuant to the Formation Resolution, the District includes the lots and tracts shown on Exhibit A hereto (the "PID Lots"). The PID Lots are subject to assessments for the maximum annual special levies (subject to adjustment as provided in the Act, the Formation Resolution, the General Plan and the Rate and Method) that are also shown on Exhibit A (the "Special Levies"). The Special Levies shall be imposed starting in tax (calendar) year 2008, and shall continue through tax (calendar) year 2037. The maximum annual amount of the Special Levies, subject to adjustment, is $2,554,918.10.

Also attached to this notice are copies of the Formation Resolution (Exhibit B), the General Plan (Exhibit C), and the Rate and Method (Exhibit D).

The Special Levies applicable to individual PID Lots may be adjusted as provided in the Rate and Method upon subdivisions or consolidations of PID Lots. Pursuant to Section 5-11-20(F), the maximum amount of the Special Levies shall not be increased over time by an amount exceeding two percent per year, except that the amount of the Special Levies actually imposed may be increased by up to ten percent as a result of the delinquency or default by the owner of any other PID Lot.

Pursuant to Section 5-11-20(G) NMSA 1978, the Special Levies constitute a lien on the PID Lots (including properties acquired by the state or its political subdivisions after imposition of the Special Levies) which shall be effective during the period in which the special levy is imposed and shall have priority co-equal to the lien of property taxes. The Special Levies shall be subject to foreclosure by the District at any time after six months following written notice of delinquency to the owner of the PID Lot(s) to which the delinquency applies. The lien shall include delinquencies, penalties and interest thereon at a rate not to exceed the maximum legal rate of interest per year and penalties otherwise applicable for delinquent property taxes, the

District's actual costs of foreclosure and any other costs of the District resulting from the delinquency.

The District has established the following foreclosure and redemption procedures for delinquent Special Levies:

A. The District may foreclose on a delinquent Special Levy after six months following written notice of the delinquency to the owner of the real property to which the delinquency applies.

B. Any delinquent Special Levy shall be foreclosed in the manner provided by law for the foreclosure of mortgages on real estate.

C. In any action seeking the foreclosure of a Special Levy lien after any District bonds payable from Special Levy revenues ("Bonds") have been issued, if there is no other purchaser for the real property having a delinquent Special Levy, the District or other trustee of the funds from which the Bonds are to be paid may (i) purchase the real property sold at the foreclosure sale, and (ii) bid, in lieu of cash, the amount of the Special Levy, interest, penalties, attorneys' fees, and costs found by the court to be due and payable under the resolution creating the lien and any cost taxed by the court in the foreclosure proceedings against the property ordered sold. Upon the purchase of the real property, title to the tract or parcel of land, subject to the right of redemption provided in the following paragraph D, shall vest in the trustee of the fund from which the Bonds are payable.

D. No real property shall be sold to satisfy a delinquent assessment until at least fifteen days after the date of the order, judgment or decree of the court, within which time the owner of the tract or parcel of land may pay off the decree and avoid the sale. After the expiration of the fifteen-day period, the property may be sold at a public or private sale subject to the right of redemption. Any property sold under any order, judgment, or decree of court to satisfy the Special Levy lien may be redeemed at any time within one year of the date of sale by the owner or mortgage holder or other person having an interest, or their assigns, by repaying to the purchaser or his assignee the amount paid plus interest from the date of purchase at a rate of twelve percent per year.

E. The proceeds of the sale of the foreclosed real property at either a public or private sale shall be applied as follows:

1. First, to the payment of costs in giving notice of the sale and of conducting the sale;

2. Second, to costs and fees taxed against the real estate in the foreclosure proceedings;

3. Third, on a pro rata basis, to the indebtedness claimed under the Special Levy lien and any other lien on the property that has a priority coequal to the Special Levy lien; and

4. Fourth, after all costs, liens, assessments, and taxes are paid, to the former owner, mortgage holder or other parties having an interest in the real estate, upon the foregoing person's providing satisfactory proof to the court of the interest and upon approval of the court.

F. Receipts for the satisfaction of the indebtedness claimed under the Special Levy lien shall be paid into the proper District fund for payment of debt service on the Bonds, or, if no Bonds are outstanding, to pay District expenses.

G. No public rights of way or public property shall be subject to foreclosure by the District.

Executed this 29th day of May, 2008, at Angel Fire, New Mexico.

PUBLIC IMPROVEMENT DISTRICT NO. 2007-1

By ______________________________
Jim Lebus
Chairman of the Board of Directors

STATE OF NEW MEXICO)
) ss.
COUNTY OF COLFAX)

This instrument was acknowledged before me on May 29th, 20008 by Jim Lebus as Chairman of the Board of Directors of Public Improvement District No. 2007-1, a New Mexico public improvement district.

Robin L. Marlow
Notary Public

My commission expires: 3/17/09

OFFICIAL SEAL
Robin L. Marlow
NOTARY PUBLIC
STATE OF NEW MEXICO
My Commission Expires: 3/17/09