

# State of Idaho



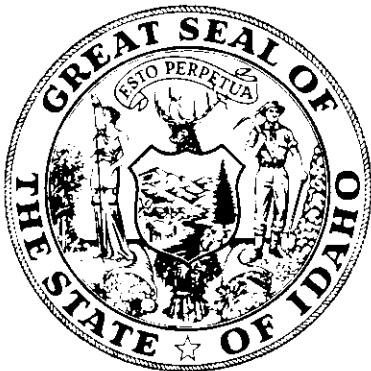
## CERTIFICATE OF MERGER OR CONSOLIDATION

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho hereby certify that  
duplicate originals of Articles of Merger of  
NATIONAL AMERICAN ENTERPRISES, INC., an Idaho corporation

into DYNAMIC AMERICAN CORPORATION, a Utah corporation,  
duly signed and verified pursuant to the provisions of the Idaho Business Corporation Act, have  
been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this certificate of  
merger, and attach hereto a duplicate original of the Articles of  
Merger.

Dated June 16, 19 37.



*Pete T. Cenarrusa*  
SECRETARY OF STATE

*[Signature]*  
Corporation Clerk

ARTICLES OF MERGER

BETWEEN

RECEIVED  
SEC. OF STATE

DYNAMIC AMERICAN CORPORATION, A ~~UTAH CORPORATION~~

AND

NATIONAL AMERICAN ENTERPRISES, <sup>INC</sup> AN IDAHO CORPORATION

Pursuant to Sections 16-10-66, 16-10-68, 16-10-69 and 16-10-72 of the Utah Business Corporation Act, Utah Code Annotated, 1953, as amended, and pursuant to Sections 30-1-71, 30-1-73, 30-1-74 and 30-1-77 of the Idaho Business Corporation Act, Idaho Code, as amended, Dynamic American Corporation, a Utah corporation, hereinafter referred to as Dynamic, and National American Enterprises, <sup>INC</sup> an Idaho corporation, hereinafter referred to as National, hereby adopt the following Articles of Merger for the purpose of merging National with and into Dynamic.

ARTICLE I

PLAN OF MERGER

PLAN OF REORGANIZATION AND IDENTITY OF PARTIES

Identity of Parties. Dynamic was incorporated on September 29, 1961, in the State of Utah as a general business corporation, originally under the name of National Land Corporation. Its name was changed to Dyna-Flex Corporation by amendment to the Articles of Incorporation on April 30, 1970, and subsequently changed to Dynamic American Corporation by amendment to the Articles of Incorporation on December 31, 1974. Dynamic has an authorized capitalization of:

TEN MILLION DOLLARS (\$10,000,000.00) divided into TEN MILLION SHARES (10,000,000) of common stock, par value \$1.00 per share, 2,231,236 shares of which are issued and outstanding.

National was incorporated on July 22, 1971, in the State of Idaho as a general business corporation, originally under the name of Intermountain Land Development Corporation. Its name was changed to National American Enterprises by amendment to the Articles of Incorporation on May 18, 1973. National has an authorized capitalization of:

ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) divided into TEN MILLION SHARES (10,000,000) of common stock, par value \$.01 per share, 4,600,000 shares of which are issued and outstanding.

Surviving Corporation. Dynamic shall, when this merger becomes effective under the laws of the States of Utah and Idaho, merge National into itself and National shall thereupon be merged into Dynamic, which shall be the surviving corporation, and they shall be a single corporation, and the separate existence of National shall cease. The surviving corporation shall have all the rights, privileges, immunities and powers and shall be subject to all duties and liabilities of a corporation organized under the laws of the State of Utah.

Assumption of Assets and Liabilities. At such time as all of the legal requirements, imposed by the laws of the States of Utah and Idaho, have been fully complied with concerning the merger of the constituent corporations hereto, Dynamic, the surviving corporation, shall assume all of the assets and all of the liabilities of National. Dynamic shall thereupon and thereafter possess all the rights, privileges, immunities, franchises, patents, patent rights, invention rights, etc., as well of a public as of a private nature, of National; and all property, real, personal and mixed, and all debts due on whatever account of, or belonging to, or due to National shall be taken and deemed to be transferred to and vested in such single corporation without

further act or deed, and the title to any real estate or any interest therein, vested in National shall not revert or be in any way impaired by reason of such merger. Dynamic shall thenceforth be responsible and liable for all the liabilities and obligations of National; and any claim existing or action or proceeding pending by or against National may be prosecuted as if such merger had not taken place, or such surviving corporation may be substituted in its place. Neither the right of creditors nor any liens upon the property of either corporation shall be impaired by such merger.

Conversion of Stock. The manner of converting the outstanding shares of National into shares of Dynamic, the surviving corporation, shall be as follows:

In the event that the shareholders of the constituent corporations, by appropriate actions and in accordance with the laws of the States of Utah and Idaho, approve the merger and plan of reorganization, as set forth in this agreement, and forthwith upon the filing and recording of this agreement as required by law, it is agreed that the presently issued and outstanding stock of National will be surrendered to Dynamic, the surviving corporation, for cancellation, and upon such surrender, there will be issued to the stockholders of National by Dynamic, the surviving corporation, one share of \$1.00 par value common stock of Dynamic for each two shares of the common stock of National surrendered for cancellation as aforesaid.

Each two shares of common stock of National shall be converted into one share of \$1.00 par value common stock of Dynamic, and each holder of shares of the common stock of said National, upon the surrender to Dynamic of one or more certificates of such shares for cancellation, shall be entitled to

receive a certificate equal to the number of shares represented by such certificates so surrendered for cancellation by such holder, divided by two.

Dissenters' Rights of Appraisal. The laws of the states of Utah and Idaho provide that any shareholder of a corporation shall have the right to dissent from any plan of merger to which the corporation is a party. The procedures for dissenting shareholders and the treatment thereof is stated in detail in the laws of both states, and is as outlined below:

(a) Dissenting Shareholders of Dynamic American Corporation (Governed by Utah law). Any shareholder electing to exercise such right of dissent shall file with Dynamic prior to, or at the meeting of shareholders at which such proposed merger is submitted to a vote, a written objection to such proposed merger. If the proposed merger is approved by the required vote and such shareholder shall not have voted in favor thereof, such shareholder may, within TEN DAYS after the date on which the vote was taken, make written demand on Dynamic for payment of the fair value of such shareholder's shares, and if the merger is effected, Dynamic shall pay to such shareholder, upon surrender of the certificate(s) representing such shares, the fair value thereof as of the day prior to the date on which the vote was taken approving the proposed merger, excluding any appreciation or depreciation in anticipation of such merger. Any shareholder failing to make demand within the applicable ten-day period shall be bound by the terms of the proposed merger. Any shareholder making such demand shall thereafter be entitled only to payment as provided by law and shall not be entitled to vote or to exercise any of the rights of a shareholder. No such demand may be withdrawn unless the corporation shall consent thereto.

Within ten days after the merger is affected, Dynamic shall give written notice thereof to each dissenting shareholder who has made demand as set forth above, and shall make a written offer to each such shareholder to pay for such shares at a specified price deemed by Dynamic to be the fair value thereof. If within 30 days after the date on which the merger was effected, the fair value of such shares is agreed upon between any such dissenting shareholder and the corporation, payment therefor shall be made within 90 days after the date on which the merger was effected, upon surrender of the certificate(s) representing such shares. Upon payment of the agreed value, the dissenting shareholder shall cease to have any interest in such shares.

If within such period of 30 days a dissenting shareholder and the corporation do not so agree, then the corporation, within 30 days after receipt of written demand from any dissenting shareholder given within 60 days after the date on which the merger was effected, shall, or at its election at any time within such period of 60 days may, file a petition with the Third Judicial District Court of Salt Lake County, State of Utah, praying that the fair value of such shares be found and determined. If Dynamic shall fail to institute said proceeding, any dissenting shareholder may do so in the name of Dynamic. All shareholders who are parties to the proceeding (which shall be all dissenting shareholders of Dynamic whose demands have not been settled, wherever residing) shall be entitled to judgment against Dynamic for the amount of the fair value of their shares.

Within 20 days after demanding payment for his shares, each shareholder demanding payment shall submit the certificate of certificates representing his shares to Dynamic for notation thereon that such demand has been made. His failure to do so shall, at the option of Dynamic, terminate his rights as a

dissenting shareholder unless a court of competent jurisdiction, for good and sufficient cause shown, shall otherwise direct.

(b) Dissenting Shareholders of National American Enterprises (Governed by Idaho Law). When the proposed merger is submitted to a vote at the meeting of shareholders of National, any shareholder who wishes to dissent and obtain Payment for his shares shall refrain from voting his shares in approval of such action. A shareholder who votes in favor of such action shall acquire no right to payment of his shares under Idaho law regarding dissenting shareholders. If the proposed merger is approved by the required vote at a meeting of National's shareholders, National shall mail a further notice to all shareholders who refrain from voting in favor of the proposed merger. The notice shall:

(1) State where and when a demand for payment must be sent and certificates must be deposited in order to obtain payment;

(2) Supply a form for demanding payment which includes a request for certification of the date on which the shareholder, or the person on whose behalf the shareholder dissents, acquired beneficial ownership of the shares; and

(3) Be accompanied by a copy of Sections 30-1-80 and 30-1-81, Idaho Code. The time set for the demand and deposit shall be not less than 30 days from the mailing of the notice.

A shareholder who fails to demand payment or fails to deposit certificates, as required by the notice referred to immediately above, shall have no right under the above-referenced sections of the Idaho Code to receive payment for his shares.

Immediately upon effectuation of the proposed merger, or upon receipt of

demand for payment if the merger has already been effectuated, National shall remit to dissenters who have made demand and have deposited their certificates, the amount which National estimates to be the fair value of the shares, with interest if any has accrued. The remittance shall be accompanied by:

(1) The corporation's closing balance sheet and statement of income for the last fiscal year, together with the latest available interim financial statement;

(2) A statement of the corporation's estimate of fair value of the shares; and

(3) A notice of the dissenter's right to demand supplemental payment.

If the corporation fails to remit as set forth above, or if the dissenter believes that the amount remitted is less than the fair market value of his shares, or that the interest is not correctly determined, he may send the corporation his own estimate of the value of the shares or of the interest and demand payment of the deficiency. If the dissenter does not file such an estimate within 30 days after the corporation's mailing of its remittance, he shall be entitled to no more than the amount remitted.

Within 60 days after receiving a demand for payment from a dissenting shareholder, if any such demands for payment remain unsettled, National shall file in the Ada County District Court, State of Idaho, a petition requesting that the fair value of the shares and interest thereon be determined by the court. All dissenters, wherever residing, whose demands have not been settled, shall be made parties to the proceeding. All dissenters who are made parties shall be entitled to judgment for the amount in which the fair value



of their shares is found to exceed the amount previously remitted, with interest.

If National fails to file a petition as provided above, each dissenter who made a demand and who has not already settled his claim against National shall be paid by National the amount demanded by him with interest, and may sue therefor in an appropriate court.

Articles of Incorporation. The Articles of Incorporation of the surviving corporation, Dynamic, as the same have been amended to the effective date of this agreement, are to be and remain the Articles of Incorporation of the surviving corporation.

Board of Directors. The first board of directors of the corporation after the date when the merger provided for herein shall become effective shall be those directors elected by the majority vote of the shareholders of each of the constituent corporations at the Special Meeting thereof called to approve this Plan of Merger. The nominees for election to the office of director are:

E. J. Knudson, Jr.

Boyd L. Knudson

Oliver B. Barlow

Effective Date. The effective date of this merger is that date that the Division of Corporations and Commercial Code of the State of Utah issues a Certificate of Merger. Notwithstanding approval of same by the relative boards of each company and a majority of the shareholders of each of the constituent corporations, the directors of any of the constituent corporations may, for any reason whatsoever, cancel, terminate or void the agreement to

merge at any time prior to the filing of the Articles of Merger with the Secretary of State of the State of Utah.

Convening of Shareholders Meetings. Each of the constituent parties hereto shall prepare and cause to be mailed such notices as may be required or be desirable pursuant to the laws of the States of Utah and Idaho, and in addition, shall see to the mailing to the stockholders of the parties, of all information which may be reasonable, necessary or desirable in order to permit such stockholders to reach an intelligent and informed decision with respect to the proposed merger. The expense of all such notices, reports and information, and of the mailing of the same, shall be borne by the party with respect to which the material is prepared, or to whose stockholders the material is submitted, as the case may be, save only that neither party shall be charged by the other for the costs of preparing any reports or documents deemed desirable for such distribution.

Each of the parties hereto shall proceed with all due diligence, but strictly in cooperation with the other, to secure the approval of this Merger Agreement by the requisite vote of the stockholders of the parties and shall thereafter see to the filing of all required notices and undertakings of every kind and character, pursuant to the laws of the States of Utah and Idaho.

Upon the completion of the final steps necessary to permit this Merger Agreement to become effective, the same shall forthwith become effective wherein Dynamic shall take over the assets and assume the liabilities of National, and the non-dissenting stockholders of National shall surrender their stock certificates in exchange for common stock of Dynamic, computed on the ratio basis hereinabove set forth.

Expenses and Fees. Dynamic shall discharge all expenses in connection with calling and convening a special stockholders' meeting of its stockholders to ratify this Merger Agreement.

National shall discharge all expenses in connection with calling and convening a special stockholders' meeting of its stockholders to ratify this Merger Agreement.

Any and all charges or expenses incurred for attorneys' fees herein or in respect to any act or document required shall be borne by the party for whom said services were requested.

#### COVENANTS, REPRESENTATIONS AND WARRANTIES OF DYNAMIC

As an inducement to National to enter into this Merger Agreement, Dynamic hereby represents and warrants as follows:

Legal Status. Dynamic is a corporation duly organized, validly existing, and in good standing under the laws of the State of Utah, with corporate powers to own property and to carry on its business as it is now being conducted.

Subsidiary. Dynamic owns a controlling interest in the following corporation:

1. National American Enterprises, an Idaho corporation, 81.09%

Capitalization. Dynamic has, as of the date of this agreement, TWO MILLION TWO HUNDRED THIRTY ONE THOUSAND TWO HUNDRED THIRTY SIX (2,231,236) shares of \$1.00 par value common stock validly issued and outstanding, fully paid and non-assessable. Dynamic has an authorized capital of ten million shares.

Financial Statements. Dynamic has delivered to National its audited financial statements current as of December 31 of the last fiscal year. Such financial statements have been prepared in conformity with generally accepted accounting principles applied on a consistent basis, and present fairly the financial position of Dynamic as of the date thereof.

Litigation. There are no actions or proceedings pending, or to the knowledge of Dynamic, threatened against, threatened by or affecting Dynamic in any court, or before any governmental agency, domestic or foreign, which, if decided adversely to Dynamic would materially and adversely effect the condition or operation, financially or otherwise of Dynamic. Dynamic, to its knowledge, is not in default with respect to any order, or writ, injunction or decree of any court or agency.

Status of Shares Exchanged. The shares of stock of Dynamic to be exchanged pursuant to the terms of this agreement, when exchanged, will be validly issued, non-assessable, \$1.00 par value common stock of Dynamic.

#### COVENANTS, REPRESENTATIONS AND WARRANTIES OF NATIONAL

As an inducement to Dynamic to enter into this Merger Agreement, National hereby represents and warrants as follows:

Legal Status. National is a corporation duly organized, validly existing, and in good standing under the laws of the State of Idaho, with corporate powers to own property and to carry on its business as is now being conducted.

Subsidiaries. National owns a controlling interest in the following corporations:

1. Camelot International Resort Corporation, a Utah corporation, 100%
2. Camelot Resort Sales Corporation, a Utah corporation, 100%

Capitalization. National has 4,600,000 shares of its \$.01 par value common stock validly issued and outstanding, fully paid and non-assessable.

Compliance With Laws and Regulations. National is in compliance with all laws, regulations, and orders applicable to its business.

Taxes. All Federal, State, County, and local taxes, and other current advalorem taxes have been paid by National except as noted in their financial statements, and National has filed or shall file all Federal, State, County and other local tax returns which are required to be filed as of the effective date of the merger.

Not in Default. National has not received any notice of default, and to the knowledge of any of its officers or directors, is not in default under:

- a. Any order, writ, injunction, or decree of any court, or any commission or any administrative agency.
- b. Any agreement or obligation to which it is a party or to which it may be bound or to which it may be subject.

Litigation. There is no litigation, proceeding, or governmental investigation pending, or to the knowledge of any officers, directors, or other person in control of or in control with National threatened, which would affect National or any of its properties, nor do any such officers, directors,

or other persons in control of or in a controlling relationship with National know or have reason to know of any grounds for any such litigation, proceeding or investigation, nor will any such person hereafter engage in any conduct or activity that will give rise to any such litigation, proceeding or investigation.

Certified Shareholders List and Records. National, prior to the time set by Dynamic for the convening of its shareholders' meeting to ratify this agreement, shall deliver to Dynamic a list of its shareholders which list shall include the full names, addresses and shareholdings of each person so listed. National shareholders list shall be certified as being correct and accurate to the best of their knowledge, such certification shall be made by either a certified public accountant or by the officers and directors of National at the option of National.

National shall also make available to Dynamic all of its books, records, minutes, vouchers, correspondence, ledger accounts, tax returns, stock ledger books, corporate seal and other records, documents and property now owned by National.

Financial Statements. National shall deliver to Dynamic, prior to the time set by Dynamic for the convening of its shareholders' meeting, National's financial statements current as of the latest fiscal year. Said financial statements shall accurately reflect the financial condition of the company as of the date thereof and shall be prepared in conformity with generally accepted accounting principles applied on a consistent basis. It is further warranted that National's financial condition shall not have materially changed at the time that this Merger Agreement shall be presented to the

shareholders of all constituent corporations for their ratification and approval.

Activity Since Balance Sheet Date. Except as previously disclosed to Dynamic in writing, National, since the date of this agreement and the date of its certified financial statement, shall not:

a. Sell, exchange, or otherwise dispose of any of its properties or any interest therein.

b. Enter into any agreement or arrangement to sell, exchange or otherwise dispose of any of its assets, or grant any preferential or other right to purchase any of its assets, or rights, or require the consent of any party to the transfer or assignment of such assets and rights.

c. Incur or agree to incur any significant contractual obligations or liabilities, absolute or contingent.

d. Issue any stock, bonds, or other corporate securities, or any obligations with respect thereto.

e. Waive any right or claim of any value.

f. Declare or pay any dividend, or make, or agree to make, any other distribution to any shareholder.

g. Enter into any transaction or transactions, the effect of which, considered as a whole, would be to cause its net ownership in any of its properties to be materially less than it was at the date of this agreement.

Continuing Warranties. All representations, warranties and agreements made herein shall continue to be true and correct at the time that this agreement shall be ratified and approved by the shareholders of the constituent corporations hereto, and shall also survive the date that this

merger shall become effective. As a material inducement to Dynamic to enter into this agreement, the officers and directors of National, affixing their signatures hereto, jointly and severally in their corporate capacities, warrant the within and foregoing representations to be true and correct.

#### STATUTORY MERGER

This merger is made and adopted in accordance with and pursuant to Section 368 (a) (1) (A) of the Internal Revenue Code of 1954, whereby a tax-free exchange is contemplated pursuant to statutory mergers.

#### REMEDIES

In addition to any and all remedies that any of the parties hereto shall have under the laws of the States of Utah and Idaho, the parties, in addition thereto, may in the event that any of the covenants, representations, warranties or agreements made herein shall become untrue or materially change or shall not have been performed prior to the time of the convening of the shareholders' meeting of any of the corporations, without notice to the others, adjourn such shareholders' meeting with or without date until such representation, warranty or agreements shall be true and correct or until such act has been fully performed.

#### ARTICLE II

##### FEDERAL REGISTRATION

The shares of the surviving corporation issued pursuant to this merger have been registered with the United States Securities and Exchange Commission under Form S-4, a registration statement under the Securities Act of 1933.



## ARTICLE III

### APPROVAL OF BOARDS OF DIRECTORS

In accordance with the Utah Business Corporation Act and the Idaho Business Corporation Act, the aforementioned Plan of Merger constituting Article I hereof was approved by the unanimous vote of the Board of Directors of each of the corporations constituent hereto pursuant to resolutions adopted by each such Board on the 15th day of March, 1986.

## ARTICLE IV

### RATIFICATION BY SHAREHOLDERS

On the 23th day of March, 1987, and in accordance with Utah and Idaho law, the aforementioned Plan of Merger, constituting Article I hereof, was submitted to shareholders of Dynamic American Corporation. The number of shares outstanding at the record date and number voted for and against the proposed Plan of Merger was: 2,212,569 shares outstanding, 1,193,204 shares voted in favor and 13,677 shares voted against.

On the 23th day of March, 1987, and in accordance with Utah and Idaho law, the aforementioned Plan of Merger, constituting Article I hereof, was submitted to shareholders of National American Enterprises. The number of shares outstanding and number voted for and against the proposed Plan of Merger was: 4,600,000 shares outstanding, 3,875,631 shares voted in favor and 140,006 shares voted against.

## ARTICLE V

### AGREEMENT WITH THE STATE OF IDAHO

(1) Dynamic American Corporation agrees that it may be served with process in the State of Idaho in any proceeding for the enforcement of any

obligation of National American Enterprises and in any proceeding for the enforcement of the rights of a dissenting shareholder of National American Enterprises against Dynamic American Corporation, the surviving corporation.


(2) Dynamic American Corporation irrevocably appoints the Idaho Secretary of State as its agent to accept service of process in any such Proceeding.

(3) Dynamic American Corporation agrees that it will promptly pay to the dissenting shareholders of National American Enterprises, the amount, if any, to which they shall be entitled under provisions of the Idaho Business Corporation Act with respect to the rights of dissenting shareholders.

IN WITNESS WHEREOF, the Plan of Merger was approved and adopted by a majority vote of the shareholders of each of the constituent corporations in accordance with Utah and Idaho law, and these Articles of Merger have been executed on this 10th day of June, 1987.

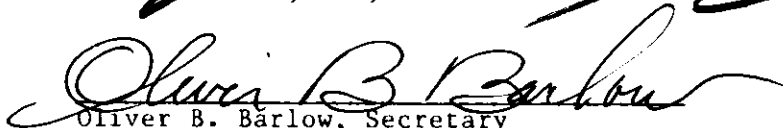
DYNAMIC AMERICAN CORPORATION

  
E. J. Hudson, Jr., President

  
Oliver B. Barlow, Secretary

NATIONAL AMERICAN ENTERPRISES

  
E. J. Hudson, Jr., President

  
Oliver B. Barlow, Secretary

STATE OF UTAH            )  
                              : ss.  
County of Salt Lake)

On the 10th day of June, 1987, personally appeared before me E. J. Knudson, Jr., and Oliver B. Barlow, who being by me duly sworn did say, each for himself, that he, the said E. J. Knudson, Jr. is the president, and he, the said Oliver B. Barlow is the secretary of DYNAMIC AMERICAN CORPORATION, and the within and foregoing instrument was signed in behalf of said corporation by authority of a resolution of its board of directors and said E. J. Knudson, Jr., and Oliver B. Barlow each duly acknowledged to me that said corporation executed the same.

  
Notary Public

My commission expires 1-24-91 . My residence is Salt Lake City, Utah.

STATE OF UTAH            )  
                              : ss.  
County of Salt Lake)

On the 10th day of June, 1987, personally appeared before me E. J. Knudson, Jr. and Oliver B. Barlow, who being by me duly sworn did say, each for himself, that he, the said E. J. Knudson, Jr. is the president, and he, the said Oliver B. Barlow is the secretary of NATIONAL AMERICAN ENTERPRISES, and that the within and foregoing instrument was signed in behalf of said corporaion by authority of a resolution of its board of directors and said E. J. Knudson, Jr. and Oliver B. Barlow each duly acknowledged to me that said corporation executed the same.

  
Notary Public

My commission expires 1-24-91 . My residence is Salt Lake City, Utah