

State of Idaho

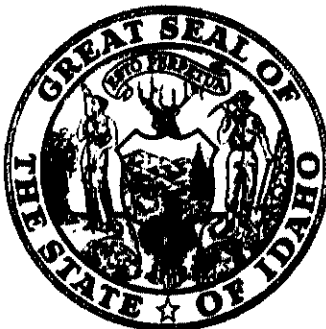
Department of State

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 Consolidation of FAIRWAY 9 CONDOMINIUM PHASE I ASSOCIATION, INC; FAIRWAY 9 CONDOMINIUMS PHASE II ASSOCIATION, INC., and FAIRWAY 9 CONDOMINIUMS PHASE III ASSOCIATION, INC., all Idaho nonprofit corporations, into FAIRWAY NINE I CONDOMINIUM ASSOCIATION, INC., an Idaho nonprofit 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 consolidation, and attach hereto a duplicate original of the Articles of Consolidation.

Dated: December 23, 1991



Pete T. Cenarrusa

SECRETARY OF STATE

Long J. Clark

Corporation Clerk

DEC 23 4 57 PM '91
SECRETARY OF STATE

ARTICLES OF CONSOLIDATION
OF DOMESTIC CORPORATIONS INTO
FAIRWAY NINE I CONDOMINIUM ASSOCIATION, INC.

Pursuant to Chapter 3 of Title 30, Idaho Code, and Section 30-1-74 of the Idaho Business Corporation Act, the undersigned corporations adopt the following Articles of Incorporation for the purpose of consolidating them into a new corporation:

FIRST: The following Plan of Consolidation was approved by the Board of Directors and the members of each of the undersigned Idaho non-profit membership corporations in the manner prescribed by the Idaho Business Corporation Act:

1. **NAMES OF CONSOLIDATING AND NEW CORPORATIONS.** The names of the corporations proposing to consolidate are Fairway 9 Condominiums Phase I Association, Inc., an Idaho non-profit membership corporation, Fairway 9 Condominiums Phase II Association, Inc., an Idaho non-profit membership corporation, and Fairway 9 Condominiums Phase III Association, Inc., an Idaho non-profit membership corporation. The name of the new corporation into which the consolidating corporations propose to be consolidated is Fairway Nine I Condominium Association, Inc., an Idaho non-profit membership corporation.

2. **CONSENT TO USE OF NAME.** The consolidating corporations hereby consent to the use of the name of "Fairway Nine I Condominium Association" by the new corporation.

3. **TERMS AND CONDITIONS OF PROPOSED CONSOLIDATION.** The terms and conditions of the proposed consolidations are as follows:

(a) The consolidating corporations will convey to the new corporation all of their assets of every nature, kind and description to the consolidating corporations. All consolidating corporations will contribute an equal proportionate share of cash and assessments receivable, based upon square footage of condominium units, to the new corporation. This will be accomplished either by special

assessment or preferably adjusting capital reserve allocations that would provide cash within one year. Once equal proportions have been contributed by each corporation, then all cash accounts will merge, and all accounting will be maintained as one association in the new corporation.

(b) The new corporation will assume all of the debts, obligations, and liabilities of the consolidating corporations including the rights, powers and obligations under the condominium declarations for Fairway 9 Condominiums Phase I, recorded as Instrument No. 216493 in the records of Blaine County, Idaho; the condominium declarations for Fairway 9 Condominiums Phase II, recorded as Instrument No. 221012 in the records of Blaine County, Idaho; and the condominium declarations of Fairway 9 Condominiums Phase III, recorded as Instrument No. 233266 in the records of Blaine County, Idaho, and the new corporation will indemnify and hold harmless the consolidating corporations of and from any further liability for said debts and obligations.

(c) This new corporation will immediately assume responsibility for the maintenance of all "common areas" of Fairway 9 Condominiums Phase I, Fairway 9 Condominiums Phase II, and Fairway 9 Condominiums Phase III in accordance with the above-described condominium declarations.

(d) All memberships of the consolidating corporations will be exchanged for memberships in the new corporation, which shall carry the same voting rights with the same number of votes as each existing membership now has in each of the consolidating corporations. The number of votes of each new membership in the new corporation will be computed in the manner prescribed by the condominium declaration of the Fairway 9 Condominium Phase in which the member is an owner. As the number of votes of each member of the consolidating corporations will be the same in the new corporation, and as there are presently ten thousand (10,000) votes in each of the three consolidating

corporations, there will be a total of thirty thousand (30,000) votes in the new corporation.

(e) The 1990 assessments of the consolidating corporations shall remain unchanged as heretofore levied by the consolidating corporations, and collected by the consolidating corporations or by the new corporation after consolidation. Such collected assessments shall be the property of the new corporation.

(f) Commencing in 1991, the new corporation shall make equal assessments on its members based upon the square footage of each condominium unit so that the assessments for all like units shall be equal in amount.

(g) The initial Board of Directors of the new corporation who will execute the Articles of Incorporation will be five (5) in number. All future members of the Board of Directors of the new corporation shall be elected in number and in the manner prescribed by the Bylaws of the new corporation and pursuant to Idaho law.

(h) It is intended by this proposed consolidation that the new corporation shall have all of the rights, powers, and obligations of the "ASSOCIATION" under the declarations for Fairway 9 Condominiums Phase I, Phase II, and Phase III, as a "successor and assign" of the consolidating corporations pursuant to Section 2.10 of each of the above-described condominium declarations.

4. MANNER OF CONVERTING MEMBERSHIPS. Every membership in each of the three (3) consolidating corporations shall be exchanged and converted into a new membership of the new corporation and the voting rights of each new membership shall be the same as the voting rights now held in the consolidating corporation. There shall be no exchange in whole or in part for cash or other property.

5. ARTICLES OF INCORPORATION OF NEW CORPORATION. The Articles of Incorporation of the new corporation are attached hereto as Exhibit "A" and incorporated by reference herein.

6. EXPENSES OF CONSOLIDATION. All expenses of this consolidation including legal fees shall be paid for by the new

corporation from the assets of the consolidating corporations conveyed to the new corporation and from future assessments.

SECOND: As to each of the undersigned corporations, the number of votes of memberships outstanding and the designation of each class entitled to vote as a class on such plan are as follows:

<u>Name of Corporation</u>	<u>Number of Memberships Outstanding</u>	<u>Designation of Class</u>	<u>Votes Entitled to Vote</u>
Fairway 9 Condominiums Phase I Association, Inc.	<u>10,000</u>	All One Class	10,000
Fairway 9 Condominiums Phase II Association, Inc.	<u>10,000</u>	All One Class	10,000
Fairway 9 Condominiums Phase III Association, Inc.	<u>10,000</u>	All One Class	10,000

THIRD: As to each of the undersigned corporations, the Board of Directors approved the above plan of consolidation and the total number of votes of membership which were voted for and against such plan are as follows:

<u>Name of Corporation</u>	<u>Membership Voted For</u>	<u>Membership Voted Against</u>	<u>Total Votes For</u>	<u>Total Votes Against</u>
Fairway 9 Condominiums Phase I Association, Inc.	<u>.678%</u>	<u>0%</u>	<u>67.8%</u>	<u>0%</u>
Fairway 9 Condominiums Phase II Association, Inc.	<u>.6904</u>	<u>0</u>	<u>69.04%</u>	<u>0%</u>
Fairway 9 Condominiums Phase III Association, Inc.	<u>.678</u>	<u>0</u>	<u>67.8%</u>	<u>0%</u>

DATED this 30 day of August, 1991.

FAIRWAY 9 CONDOMINIUMS PHASE I
ASSOCIATION, INC.

By Rm Winans
Its President

ATTEST:

W. Sead
Secretary

FAIRWAY 9 CONDOMINIUMS PHASE II
ASSOCIATION, INC.

By Rm Winans
Its President

ATTEST:

W. Sead
Secretary

FAIRWAY 9 CONDOMINIUMS PHASE III
ASSOCIATION, INC.

By Rm Winans
Its President

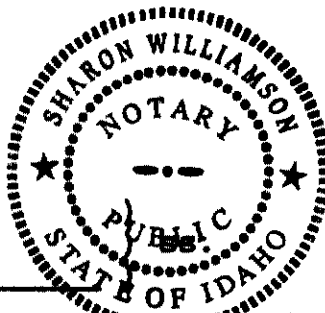
ATTEST:

W. Sead
Secretary

VERIFICATION AND ACKNOWLEDGMENT

STATE OF IDAHO

County of Blaine



On this 25 day of October, 1991, before me, the undersigned, a Notary Public in and for said state, personally appeared Win Laufer and _____, being by me first duly sworn, and declared that they are the President and Secretary, respectively, of Fairway 9 Condominiums Phase I, II, III Association, Inc., an Idaho corporation, and further declared that they signed the foregoing document as officers of said corporation, and that the statements therein contained are true.

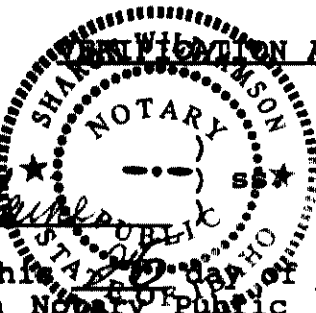
SUBSCRIBED AND SWORN TO Before me this 25 day of October, 1991.

By Sharon Williamson
Notary Public for Idaho
Residing at Blaine, Idaho

VERIFICATION AND ACKNOWLEDGMENT

STATE OF IDAHO

County of Blaine



On this 26 day of October, 1991, before me, the undersigned, a Notary Public in and for said state, personally appeared Ron Winans and _____, being by me first duly sworn, and declared that they are the President and Secretary, respectively, of Fairway 9 Condominiums Phase II, I, III Association, Inc., an Idaho corporation, and further declared that they signed the foregoing document as officers of said corporation, and that the statements therein contained are true.

SUBSCRIBED AND SWORN TO Before me this 26 day of October, 1991.

By Sharon Williamson
Notary Public for Idaho
Residing at Blaine, Idaho

VERIFICATION AND ACKNOWLEDGMENT

ARTICLES OF CONSOLIDATION - 6.

DEC 23 4 57 PM '91
SECRETARY OF STATE

ARTICLES OF INCORPORATION

OF

FAIRWAY NINE I CONDOMINIUM ASSOCIATION, INC.

WHEREAS, Articles of Consolidation of Domestic Corporations have been filed following approval of the Board of Directors and members of the three (3) consolidating corporations of the plan of consolidation, Fairway 9 Condominiums Phase I Association, Inc., Fairway 9 Condominiums Phase II Association, Inc., and Fairway 9 Condominiums Phase III Association, Inc., all in accordance with the provisions of Title 30, Chapters 1 and 3 of the Idaho Code, now, therefore, the following Articles of Incorporation are hereby certified, declared and adopted.

ARTICLE I

The name of the corporation is: FAIRWAY NINE I CONDOMINIUM ASSOCIATION, INC.

ARTICLE II

The period of existence and the duration of the life of this corporation shall be perpetual.

ARTICLE III

This corporation shall be a non-profit membership corporation.

ARTICLE IV

The location and post office address of the registered office of this corporation shall be ^{125 N. Homestead Way, Ketchikan, ID 83353} ~~the city of Sun Valley, Blaine County, Idaho, 83353~~, and its registered agent at that address shall be Charles Williamson, d/b/a Professional Land Management Co., Inc.

ARTICLE V

This corporation is formed to be a Management Body as permitted by the provisions of the Idaho Condominium Property Act, Idaho Code, Title 55, Chapter 15, and its powers are and shall be consistent with the provisions of this Act.

ARTICLE VI

A. The nature of the business and the object and purpose of this corporation shall be as follows:

(1) This corporation (hereinafter referred to as the Association) shall be the "Management Body" as defined in Section 55-1503, Idaho Code, and as provided for in the terms and conditions of the Condominium Declarations for Fairway 9 Condominiums Phase I, Fairway 9 Condominiums Phase II, and Fairway 9 Condominiums Phase III, recorded as Instrument Nos. 216493, 221012, and 233266, in the records of Blaine County, Idaho, (hereinafter collectively referred to as the "Declarations") executed by the Dempsey Construction Corporation, which delegate and authorize this Association to exercise certain functions as the Management Body.

(2) The Association shall have the power to have, exercise, and enforce all rights and privileges, and to assume, incur, perform, carry out, and discharge all duties, obligations, and responsibilities of a Management Body as provided for in the Idaho Condominium Property Act and in the Declarations, as such Declarations were originally executed or, if amended, as amended. The Management Body shall have the power to adopt and enforce rules and regulations covering the use of any condominium project or any area or units thereof, to levy and collect the annual and special assessments and charges against the condominiums and the members thereof and in general to assume and perform all of the functions to be assumed and performed by the Management Body as provided for in the Declarations. It shall have the power to transfer, assign or delegate such

duties, obligations, or responsibilities to other persons or entities as permitted or provided for in the Idaho Condominium Property Act, the Declarations, or in an agreement executed by the Association with respect thereto. The Management Body shall actively foster, promote, and advance the interest of owners of condominium units within the condominium project.

B. In addition to the foregoing, where not inconsistent with either the Idaho Condominium Property Act (Chapter 15, Title 55, Idaho Code) or Title 10, Idaho Code, the corporation shall have the following powers:

(1) The authority set forth in Title 30 of the Idaho Code relating to the organization and conduct of general business corporations.

(2) To buy, sell, acquire, hold, or mortgage or enter into security agreements, pledge, lease, assign, transfer, trade and deal in and with all kinds of personal property, goods, wares, and merchandise of every kind, nature, and description.

(3) To buy, sell, lease, let, mortgage, exchange, or otherwise acquire or dispose of lands, lots, houses, buildings, and real property, hereditaments, and appurtenances of all kinds and wheresoever situated, and of any interest and rights therein, to the same extent as natural persons might or could do, and without limit as to amount.

(4) To have one or more officers to carry on all or any part of its operations and business, and to do all and everything necessary, suitable, convenient or proper for the accomplishment of any of the purposes, or the attainment of any one or more of the objects herein named, or which shall at any time appear conducive or expedient for the protection or benefit of the Association, and which now or hereafter may be authorized by law, and this to the same extent and as fully as natural persons might or could do, as principals, agents, contractors, trustees or otherwise, and either alone or in connection

with any firm, person, association or corporation.

(5) The foregoing clauses are to be construed both as objects and powers. As hereby expressly provided, an enumeration herein of the objects, powers and purposes shall not be held to restrict in any manner the general powers of the corporation. The corporation shall have the power to do all acts that are necessary and convenient to obtain the objects and purposes herein set forth to the same extent and as fully as any natural person could or might do, within the framework of the Idaho Condominium Property Act, these Articles of Incorporation, and the general corporation laws of the state of Idaho.

ARTICLE VII

MEMBERSHIP CERTIFICATES, VOTING POWER, AND DETERMINATION OF PROPERTY RIGHTS AND INTERESTS

Section 1. Each member shall be entitled to receive a certificate of membership, and be entitled to cast one vote as a member of the Association.

Section 2. There shall be one membership in the corporation for each condominium in Fairway 9 Condominiums Phase I, Fairway 9 Condominiums Phase II, and Fairway 9 Condominiums Phase III as established in the Declarations. The members of the corporation must be and remain owners of condominiums within the project set forth in the Declarations recorded in Blaine County, state of Idaho, and the Association shall include all owners of condominiums within the project. If title to a condominium is held by more than one person, the membership relating to that condominium shall be shared by all such persons in the same proportionate interest and the same type of tenancy in which the title to the condominium is held.

Section 3. No person or entity other than an owner may be a member of the Association. A member shall not assign or transfer his membership certificate except in connection with the transfer or sale of a condominium. Every person or entity who is an owner of any condominium unit included in any condominium project for which the Association has been or may be designated as a Management Body shall be required to be a member of the Association and remain a member so long as such person or entity shall retain the ownership of the condominium unit. Membership in

shall retain the ownership of the condominium unit. Membership in the Association is declared to be appurtenant to the title of the condominium unit upon which such membership is based and automatically shall pass with the sale or transfer of the title of the unit. Members shall not have preemptive rights to purchase other memberships in the Association or other condominium units in the project.

Section 4. The voting rights and interest of a member of the Association shall be determined by the owner-member's percentage interest in the "common area" of Phases I, II, and III of the Fairway 9 Condominium project described in the Declarations, as the term "Common Area" is defined in Section 55-1503 of the Idaho Code; therefore, the voting rights and interests of each member owner will not in all cases be equal. The Declarations, or an exhibit attached thereto, set forth the percentage interest of each member in the "common area" of the Phase of the Fairway 9 Condominiums in which he is an owner, which interest depends upon the number and type of condominium units. The voting rights and interests of new members shall be determined in the same way as such percentage interests and rights were determined for old members.

Section 5. The total number of votes that attach to membership certificates shall be exercised by the members of the corporation from and after the date of the incorporation. Each member shall be entitled to vote the same percentage of 10,000 votes of his Phase of the Fairway 9 Condominiums as he is given percentage in the "common area" of the particular phase of the Fairway 9 Condominiums in which he is an owner. As there are three (3) phases of the Fairway 9 Condominiums, there are 30,000 votes of members of the Association.

ARTICLE VIII

Each member shall be liable for the payment of Assessments provided for in the Declarations and for the payment and discharge of the liabilities of the corporation as provided for in the Declarations, the Idaho Condominium Property Act (Title 55, Chapter 15), and as set forth in the Bylaws of the corporation. The general expenses of the corporation, and the costs of this incorporation and consolidation, shall be assessed to the members of the corporation based upon the square footage of each condominium unit so that all assessments for like units shall be equal in amount.

ARTICLE IX

The Bylaws of this corporation may be altered, amended, or new Bylaws adopted by any regular or any special meeting of the corporation called for that purpose by the affirmative vote of two-thirds (2/3rds) of the members present at such meeting. The Bylaws may also be amended or repealed, or new Bylaws adopted, at any meeting of the Board of Directors by the vote of at least a majority of the entire Board; provided that any Bylaw adopted by the Board may be amended or repealed by the stockholders in the manner set forth above.

Any proposal to amend or repeal these Bylaws or to adopt new Bylaws shall be stated in the notice of the meeting of the Board of Directors or the members, or in the waiver of notice thereof, as the case may be, unless all of the Directors or the members are present at such meeting.

ARTICLE X

For the purpose of specifying in detail the rights, responsibilities, duties, and obligations of the Board of Directors, the officers, employees, and agents of the corporation and the members thereof including the liability of the members for the payment of assessments, the Bylaws may incorporate by reference the provisions of the Declarations recorded in Blaine County, state of Idaho, provided that a true and correct copy of such Declarations is attached to and made a part of the Bylaws of the corporation.

ARTICLE XI

The business and affairs of the Association shall be managed and controlled by a Board of Directors. The original Board of Directors shall be five (5) directors; however, the Bylaws of the Association may provide for an increase or decrease in their number, provided that the number of directors shall not be greater than nine (9) or less than three (3). The names and addresses of the initial Board of Directors are as follows:

	<u>NAME</u>	<u>ADDRESS</u>
1.	<u>Ron Winans</u>	<u>3731 Hillcrest</u> <u>Boise, ID 83705</u>

- | | | |
|----|----------------------|---|
| 2. | <u>Win Lauder</u> | <u>P.O. Box 126</u>
<u>Sun Valley, ID 83353</u> |
| 3. | <u>Al Conti</u> | <u>77056 Desi Drive</u>
<u>Indian Wells, CA 92210</u> |
| 4. | <u>Max Gaspar</u> | <u>4327 Heather Road</u>
<u>Long Beach, CA 90808</u> |
| 5. | <u>Dick Cordasco</u> | <u>334 Ocean Blvd.</u>
<u>Atlantic Highlands, NJ 07716</u> |

ARTICLE XII

The names and post office addresses of the incorporators of the corporation are as follows:

	<u>NAME</u>	<u>ADDRESS</u>
1.	_____	_____ _____
2.	_____	_____ _____
3.	_____	_____ _____
4.	_____	_____ _____
5.	_____	_____ _____

ARTICLE XIII

No part of the net earnings of the Association shall inure (other than by acquiring, constructing or providing management, maintenance and care of property held by the

Association, commonly held by the members of the Association or located in the development and owned by members of the Association, and other than by a rebate of excess membership dues, fees, or assessments) to the benefit of any private member or individual.

ARTICLE XIV

The corporation shall, in accordance with Idaho State law, indemnify each director or officer or any person who may have served at its request as a director or officer of another corporation in which it owns shares of capital stock or of which it is a creditor against expenses actually and necessarily incurred by him in connection with the defense of any action, suit, or proceeding in which he is made a party, by reason of being or having been a director or officer of the corporation, or of such other corporation (whether or not he continues to be a director or officer at the time of incurring such expense) except in relation to matters as to which he shall be adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of his duty as such director or officer. Such indemnification shall not be deemed exclusive of any other rights to which those indemnified may be entitled, under any bylaw, agreement, vote of stockholders, or otherwise.

The corporation shall have the right to defend and to incur reasonable expenses in the defense of, any such actions, suits, or proceedings brought against any such director, officer, or person. Wherever in this section a director or officer is referred to, such reference shall include his executors and administrators.


IN WITNESS WHEREOF, we have hereunto set our hands and seals this 20th day of Sept., 1991.



Director



Director



Director

STATE OF IDAHO)
) ss.
County of ~~Ada~~ Blaine)

On this 20th day of Sept., 1991, before me, the undersigned, a Notary Public in and for said state, personally appeared Richard A. Cordaso
Albert Giulio Conti, known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same as Directors of the corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Bonnie S. May
Notary Public for Idaho
Residing at Blaine Co. Id
2-26-93

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STATE OF B

County of Blaine

On this 25 day of November, 1991, before me, the undersigned, a Notary Public in and for said state, personally appeared Win [unclear]
[unclear], known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same as Directors of the corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Sharon Williamson
Notary Public for Idaho
Residing at Blaine

ARTICLES OF INCORPORATION - 9.