

State of Idaho

Department of State.

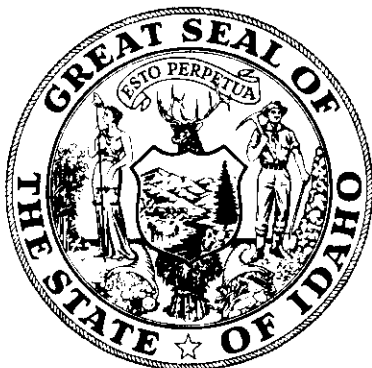
CERTIFICATE OF MERGER OR CONSOLIDATION

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho hereby certify that
duplicate originals of Articles of Merger of _____
SKYLINE SKI AREAS, INC.

into PEBBLE CREEK LAND COMPANY,
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 July 18, 19 80.



Pete T. Cenarrusa

SECRETARY OF STATE

Corporation Clerk

ARTICLES OF MERGER

Between

PEBBLE CREEK LAND COMPANY

An Idaho Corporation

(The Surviving Corporation)

and

Skyline Ski Areas, Inc.

An Idaho Corporation

(The Merging Corporation)

Pursuant to the provisions of Section 30-1-75 of the Idaho Business Corporation Act, the undersigned surviving corporation adopts the following Articles of Merger for the purpose of merging Skyline Ski Areas, Inc. into Pebble Creek Land Company:

FIRST: The following Plan of Merger was approved by the Governing Board and Board of Directors, in the manner prescribed by the Idaho Business Corporation Act:

(See Exhibit "A" Attached Hereto)

SECOND: As to the subsidiary corporation, Skyline Ski Areas, Inc., the number of shares outstanding, the class, designation, and number of such shares owned by the Surviving Corporation, Pebble Creek Land Company, are as follows:

| <u>Name of Subsidiary Corporation</u> | <u>Number of Shares Outstanding</u> | <u>Class of Shares</u> | <u>Number of Shares Owned by Surviving Corporation</u> |
|---|---|----------------------------|--|
| Skyline Ski Areas, Inc. | 87,049 | Common | 79,154 |

THIRD: On the 18th day of June, 1980, a copy of the Plan of Merger was mailed to the shareholders of Skyline Ski Areas, Inc.

DATED this 8th Day of July, 1980.

PEBBLE CREEK LAND COMPANY

BY: Billy B. Isley, Jr.
PRESIDENT

And

BY: Robert Thompson
SECRETARY

STATE OF IDAHO)
)ss
County of Bannock)

BILLY B. ISLEY, JR., being first duly sworn, deposes and says:

That he is the President of the above and foregoing corporation, Pebble Creek Land Company, that he has read the within and foregoing Articles of Merger, knows the contents thereof, and that the facts contained herein are true and correct as he verily believes.

Billy B. Isley, Jr.
Billy B. Isley, Jr.

Subscribed and Sworn to before me this 8th day of July, 1980.

Ann Driver
Notary Public for Idaho
Residing at Pocatello, Idaho

PLAN AND AGREEMENT OF MERGER

Between

PEBBLE CREEK LAND COMPANY

An Idaho Corporation
(The Surviving Corporation)

And

SKYLINE SKI AREAS, INC.

An Idaho Corporation
(The Merging Corporation)

PLAN AND AGREEMENT OF MERGER AND LIQUIDATION
(hereinafter referred to as "this Agreement"), dated this 16th day
of June, 1980, by and between PEBBLE CREEK LAND COMPANY, an Idaho
Corporation (hereinafter referred to as "PCLC" and sometimes
referred to as the "Surviving Corporation"), and SKYLINE SKI
AREAS, INC., an Idaho Corporation (hereinafter referred to as the
"Skyline"), said corporations being hereinafter sometimes
collectively referred to as the "Constituent Corporations."

W I T N E S S E T H :

WHEREAS, Skyline is a corporation duly organized under
the laws of the State of Idaho, having been incorporated on the
3rd day of January, 1963, under the name of Skyline Ski Areas,
Inc., and Pebble Creek Land Company is a corporation, duly
organized under the laws of the State of Idaho, having been
incorporated on the 20th day of September, 1979, under the name of
Pebble Creek Land Company; and,

WHEREAS, the authorized capital stock of Skyline consists of 250,000 shares of Common Stock with a par value of \$1.00 each, of which on the date of execution of this agreement, 87,049 shares have been issued and are outstanding, and 162,951 shares have been held in its treasury, and no shares were subject to stock options held by officers and employees; and,

WHEREAS, the authorized capital stock of PCLC consists of 5,000 shares of common stock, par value of \$1.00 per share, of which 5,000 shares have been issued and are outstanding; and,

WHEREAS, the Board of Directors of Skyline and the Governing Board of PCLC deem it advisable for the general welfare and advantage of the Constituent Corporations and their respective shareholders that the Constituent Corporations merge into a single corporation with the liquidation of Skyline, pursuant to this Agreement, and the Constituent Corporations respectively desire to so merge and liquidate pursuant to this Agreement and pursuant to the applicable provisions of the laws of the State of Idaho;

NOW, THEREFORE, IN CONSIDERATION of the premises and of the mutual agreements herein contained, the parties hereby agree, in accordance with the applicable provisions of the laws of the State of Idaho, that the Constituent Corporations shall be merged into a single corporation, to-wit: Pebble Creek Land Company, an Idaho corporation, one of the Constituent Corporations, which is not a new corporation, and which shall continue its corporate existence and be the corporation surviving the merger (said corporation hereinafter being sometimes called "Surviving Corporation"), and the terms and conditions of the merger hereby

agreed upon (hereinafter called the "Merger"), which the parties covenant to observe, keep and perform and the mode of carrying the same into effect are and shall be as hereafter set forth:

ARTICLE I

PURPOSE AND INTENT

The purpose and intent of this merger and liquidation is to merge Skyline into PCLC, pursuant to Idaho Code, Section 30-1-75, and to liquidate Skyline in accordance with the Internal Revenue Code, Section 332. For the purpose of this Merger and Liquidation Agreement, the Merger shall be accomplished in accordance with the applicable laws of the State of Idaho , and the liquidation refers to, and only to, the Internal Revenue Code treatment of this Merger. PCLC is the parent corporation and, as of the date of the adoption of this Plan of Liquidation, the owner of over ninety (90%) percent of the total stock of Skyline, the subsidiary. The distribution of the assets of Skyline Corporation to the shareholders of such corporation will be made in exchange for the complete cancellation and redemption of all the stock of Skyline. This transfer of all the assets of Skyline will occur within the taxable year of both PCLC and Skyline.

ARTICLE II

EFFECTIVE TIME OF THE MERGER AND LIQUIDATION

At the effective time of the merger, the separate existence of Skyline shall cease and Skyline shall be merged into the Surviving Corporation (PCLC). Consumation of this Agreement shall be adopted as of the execution of this Agreement of Merger and Liquidation and effective on the date upon which this Agreement of Merger and Liquidation has been filed in the Office

of the Secretary of State of the State of Idaho, all after satisfaction of respective requirements of the applicable laws of the State of Idaho, prerequisite to such filing.

ARTICLE III

GOVERNING LAW: CERTIFICATE OF INCORPORATION

The laws which are to govern the Surviving Corporation are the laws of the State of Idaho. The Certificate of Incorporation of PCLC shall remain in full force and effect.

ARTICLE IV

ARTICLES OF INCORPORATION

The Articles of Incorporation of PCLC at the effective time of the merger and liquidation shall be the Articles of Incorporation of the Surviving Corporation, until amended in accordance with the provisions thereof, and the applicable laws of the State of Idaho.

ARTICLE V

BY-LAWS

The By-Laws of PCLC at the effective time of the merger shall be the By-Laws of the Surviving Corporation until the same shall be altered, amended, or repealed in accordance with the provisions thereof and in compliance with the applicable laws of the State of Idaho.

ARTICLE VI

DIRECTORS AND OFFICERS

The Directors of PCLC at the effective time of the merger and liquidation shall be the directors of the Surviving Corporation, until their respective successors are duly elected

and qualify. Subject to the authority of the Board of Directors as provided by law and the By-Laws of the Surviving Corporation, the officers of PCLC, at the effective time of the merger and liquidation, shall be the officers of the Surviving Corporation.

ARTICLE VII

CONVERSION OF SHARES IN THE MERGER

The mode of carrying into effect the merger and liquidation provided by this Agreement, and the manner and basis of converting and redeeming the shares of the Merging Corporation into cash of the Surviving Corporation, shall be as follows:

1. PCLC Common Stock: Each share of common stock of Pebble Creek Land Company which is issued and outstanding or in its treasury immediately prior to the effective date of the merger shall not be affected, converted, or exchanged as a result of the merger, and shall continue to be fully paid and nonassessable shares of the Surviving Corporation's Common Stock with a par value of \$1.00 each.

2. Skyline Common Stock: At the effective time of the merger, each share of common stock of Skyline shall be converted and redeemed for the assets previously held by Skyline Corporation, in the following manner, to-wit:

(a) All the shareholders, other than PCLC, of Skyline, shall receive the sum of one dollar and twenty-eight cents (\$1.28) per share for each share of Skyline stock.

(b) The number of shares currently outstanding and not owned by PCLC, which are entitled to receive this amount in conversion and redemption of their shares is the total sum of 7,895 shares.

(c) In exchange for PCLC's 79,154 shares, the total outstanding remaining shares of Skyline, not provided for in (a) above, PCLC shall receive all the rest, residue and remainder of the assets of Skyline.

(d) Each holder of outstanding common stock of Skyline, upon surrender to the Surviving Corporation of one or more stock certificates for common stock of Skyline for cancellation and complete redemption, shall be entitled to receive their distributed amount, as provided in (a) above. Each issued share of Skyline common stock held in its treasury at the effective time of the merger and liquidation shall be cancelled and shall not be converted in any manner.

3. Surrender of Skyline's Certificates: As soon as practicable after the merger becomes effective, the stock certificates representing the common stock of Skyline, issued and outstanding at the time of merger becomes effective, shall be surrendered for exchange to the Surviving Corporation as provided above. Until so surrendered for exchange, each such stock certificate nominally representing common stock of Skyline, shall be deemed, for all corporate purposes, to evidence a debt of the Surviving Corporation in an amount equal to the number of unsurrendered shares multiplied by \$1.28 per share, which the holder of such shares would be entitled to receive upon surrender of the Surviving Corporation.

4. Dissenting Shareholders' Rights: The Surviving Corporation agrees that it will promptly pay to the dissenting shareholders, if any, of the Merging Corporation, the amount,

if any, to which they shall be entitled under the provisions of the Corporation Laws of the State of Idaho, with respect to the rights of dissenting shareholders.

ARTICLE VIII

EFFECT OF MERGER

On the effective date of the merger, the Surviving Corporation shall possess all the rights, privileges, powers and franchises of a public as well as a private nature of each of the Constituent Corporations, and shall become subject to all restrictions, disabilities and duties of each of the Constituent Corporations and all of the singular rights, privileges, powers and franchises of each of the Constituent Corporations. All property, real, personal, and mixed, and debts due to each of the Constituent Corporations on whatever account, including stock subscriptions, as well as all other things in action or belonging to each of the Constituent Corporations shall be vested in the Surviving Corporation; and all property, assets, rights, privileges, powers, franchises, and immunities, and all and every other interest shall be thereafter as effectually the property of the Surviving Corporation as they were of the respective Constituent Corporations, and the title to any real estate vested by deed or otherwise, in either of the Constituent Corporations, shall not revert or be in any way impaired by reason of the merger; provided, however, that all of the creditors and liens upon any property of either of the Constituent Corporations shall be preserved unimpaired, and all debts, liabilities, obligations and duties of the respective Constituent Corporations shall henceforth attach to the Surviving Corporation, and may be

enforced against it to the same extent as if said debts, liabilities, obligations and duties had been incurred or contracted by it.

If, at any time after the merger becomes effective, it shall appear to the Surviving Corporation, that any further assignments or assurances are necessary or desirable to evidence the vesting in the Surviving Corporation of the title to any of the property or rights of the Merging Corporation, those persons who were proper officers and directors of the Merging Corporation as of the effective date of the merger, shall execute, acknowledge and deliver such assignments or other instruments and do such acts as may be necessary or appropriate to evidence the vesting of title to such property or rights in the Surviving Corporation. For such purposes, the capacity and authority of the Merging Corporation and its officers shall be deemed to be continuing.

The Surviving Corporation agrees that it may be served with process in the State of Idaho and irrevocably appoints the Secretary of State of the State of Idaho as its agent to accept service of process, in any proceeding for the enforcement of any obligation of the Merging Corporation arising in the State of Idaho prior to the effective date of the merger, and in any proceeding for the enforcement of the rights of a dissenting shareholder of the Merging Corporation against the Surviving Corporation.

ARTICLE IX

ACCOUNTING

When the merger becomes effective, subject to such changes, adjustments or eliminations as may be made in accordance

with generally accepted accounting principles, the assets and liabilities of the Constituent Corporations shall be recorded in the accounting records of the Surviving Corporation and the amounts at which they shall be carried at that time in the accounting records of the Constituent Corporations. Such amount shall reflect the conversions and redemptions as provided in Article VII set forth above.

ARTICLE X

REPRESENTATIONS AND WARRANTIES

1. Organization: Both PCLC and Skyline represent and warrant that each is a corporation duly organized, validly existing and in good standing under the laws of the State of Idaho, and has corporate power to carry on its business as it is now being conducted.

2. Information Provided: PCLC and Skyline represent and warrant that each has delivered to the other respective company, an appropriate list of information concerning all the rights, privileges, immunities, powers, franchises, property, stock, stock subscriptions, debts, liens, liabilities, and duties which each respective company now maintains. Further, that the information disclosed is complete and accurate.

3. Financial Statements: PCLC and Skyline represent and warrant that each has delivered to the other complete and accurate financial statements fully representing the financial status of the respective company. Further, that all of such financial statements are true and complete and were prepared in accordance with generally accepted accounting principles consistently followed throughout the periods indicated, except as otherwise indicated in the notes thereto.

4. Current Status: PCLC and Skyline each represents and warrants to the other that between the date hereof and the time when the merger becomes effective, they will not enter into any employment contracts, grant any stock options or issue any stock or securities, except upon the exercise of presently outstanding restricted stock options, or declare or pay any dividends in stock or cash or make any other distribution on or with respect to their outstanding stock except that PCLC may continue to obtain additional shares of Skyline.

ARTICLE XI

REASON FOR MERGER

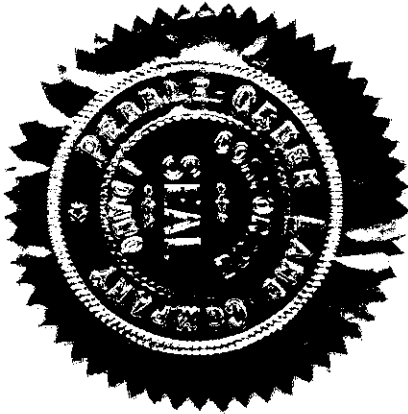
The Governing Board and Board of Directors of PCLC and Skyline believe that the combination of Skyline's business with PCLC's business will result in a better integrated, as well as more diversified business operation. It is necessary to use PCLC's financial strength in order to obtain the financing needed to develop the Skyline Ski Area.

ARTICLE XII

ABANDONMENT

Anything herein or elsewhere to the contrary notwithstanding, this Plan and Agreement of Merger and Liquidation may be abandoned by action of the Governing Board of PCLC or the Board of Directors of Skyline at any time prior to the effective date of the merger, if, in the judgment of the Governing Board of PCLC or the Board of Directors of Skyline, the merger would be impracticable because of the number of stockholders of either corporation thereof who assert their right to have their stock appraised and to receive payment therefore, as provided in the Corporation Laws of the State of Idaho.

IN WITNESS WHEREOF, this agreement is signed by all the Governing Board of PCLC and Board of Directors of Skyline, and each of the Constituent Corporations has caused their seal to be hereunto affixed and attested by the signature of its sssecretary, all as of the day and year first written above.



PEBBLE CREEK LAND COMPANY
GOVERNING BOARD

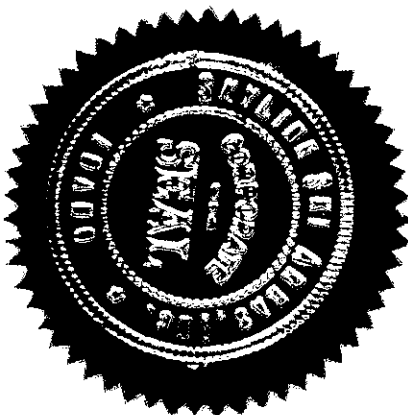
Billy B. Isley, Jr.
Billy B. Isley, Jr.

John C. Lym by Billy B. Isley, Jr. by Proxy
John C. Lym

Robert L. Thompson
Robert L. Thompson

ATTEST:

Robert L. Thompson
SECRETARY



SKYLINE SKI AREAS, INC.
BOARD OF DIRECTORS

Billy B. Isley, Jr.
Billy B. Isley, Jr.

John C. Lym by Billy B. Isley, Jr. by Proxy
John C. Lym

Robert L. Thompson
Robert L. Thompson

ATTEST:

Robert L. Thompson
SECRETARY

THE FOREGOING Plan and Agreement of Merger and Liquidation, having been duly executed by unanimous signature of the Governing Board of PCLC and the Board of Directors of Skyline, respectively, under the corporate seals of the respective corporations in the manner provided by the laws of the State of Idaho, the president and secretary of said corporations do now execute this Plan and Agreement of Merger under the respective seals of said corporations by the authority of the directors and stockholders of each, as the act, deed and agreement of each of said corporations, on this 17th day of June, 1980

PEBBLE CREEK LAND COMPANY

BY Billy B. Day, Jr.
President

BY Robert Thompson
Secretary

SKYLINE


BY Billy B. Day, Jr.
President

BY Robert Thompson
Secretary

STATE OF IDAHO)
)ss
County of Bannock)

On this 18th day of June, 1980, before me the undersigned, a Notary Public in and for said State, personally appeared Billy B. Isley and Robert L. Thompson, known to me to be the President and Secretary, respectively, of Pebble Creek Land Company, an Idaho corporation, known to me to be the persons who executed the within and foregoing instrument, and acknowledged to me that they executed the same.

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

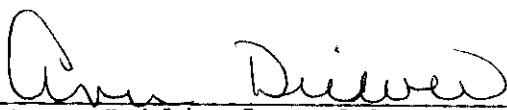


Notary Public for Idaho
Residing at Pocatello, Idaho

STATE OF IDAHO)
)ss
County of Bannock)

On this 18th day of June, 1980, before me, the undersigned, a Notary Public in and for said State, personally appeared Billy B. Isley and Robert L. Thompson, known to me to be the President and Secretary, respectively, of Skyline Ski Areas, Inc., an Idaho corporation, known to me to be the persons who executed the within and foregoing instrument, and acknowledged to me that they executed the same.

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



Notary Public for Idaho
Residing at Pocatello, Idaho