



PLAN OF MERGER: EXECUTIVE SUMMARY

Merger of Fountain of the Sun Community Association (FOSCA) and Fountain of the Sun Homeowners Association (FOSHA)

Purpose: combine two existing separate and distinct Arizona Corporations into one entity thereby reducing duplication of management duties and costs thereof.

Process:

- Upon review of all existing corporate legal documents, develop a merger agreement following the 2004 legal opinion from Carpenter Hazelwood Option # 2 Merge FOSCA into FOSHA – the new corporate entity would provide all existing services, functions, operations and obligations currently provided by the two separate organizations AND will function with one Board of Directors.

***NOTE: Existing Arizona State Statute DOES NOT require a membership vote of approval for either the merger action or the development of a plan of merger. It is the unanimous recommendation of both Board of Director's (FOSCA & FOSHA) that a vote of all FOS resident owners (2,358) be held in conjunction with the FOSCA Annual Meeting in February 2017. The ballot question being should FOSCA merge with FOSHA: Yes or No

- With a vote approving the merger, work begins to update the required merger documents – most important being combining/integrating a set of Bylaws representative of the new Fountain of the Sun Association organization.
- The existing respective Board of Directors finalizes and approves a Plan of Merger and Agreement of Merger that is submitted to the Arizona Corporations Commission for approval. The intended merger effective date is on or before 1/1/2018 and is subject to the above votes of approval by the community resident owner's.

Result:

- With the above identified actions being favorably completed, the FOSCA organization is transferred to the FOSHA legal corporation with the new name Fountain of the Sun Association. FOSA will be subject to perform all the duties and obligations formerly conducted by both FOSCA and FOSHA according to the merger documents.

Home/Condo Owners will have the opportunity to vote Yes or No to Merge FOSCA and FOSHA, after the three scheduled community forums. Ballots will be mailed in January for the FOSCA Annual Meeting of the Members on February 8th 2017.