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2005 MAR 11 PM 12:33

**ARTICLES OF AMENDMENT
OF
COUGAR BAY WATER ASSOCIATION, INC.
(Non-Profit)**

SECRETARY OF STATE
STATE OF IDAHO

Cougar Bay Water Association, Inc., the undersigned non-profit corporation hereby amends its Articles of Incorporation as follows:

ARTICLE VII is hereby deleted in its entirety and replaced by the following new
ARTICLE VII:

**ARTICLE VII
MEMBERS AND MEMBERSHIP**

7.1 Non-Stock Corporation. Participation in management and ownership of the Corporation shall be by membership only. The Corporation shall issue no stock and shall have no shareholders.

7.2 Membership. The Originating Member, as specified in the Bylaws, any person or entity ("Person") owning real property in the planned unit development known as The Ridge at Cougar Bay, and any other Person who has submitted an application for membership along with the requisite fee shall become a Member of the Corporation. Such membership is appurtenant to, and cannot be segregated from, ownership of the real property served by the Corporation.

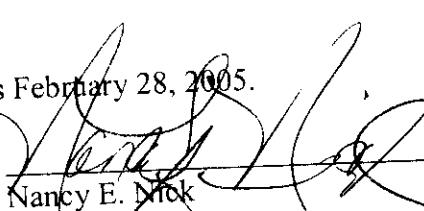
7.3 Classes of Membership. The Corporation shall have one (1) or more classes of membership as set forth in the Bylaws.

7.4 Transferability. Membership in the Corporation may not be transferred, pledged or alienated in any way except as specifically set forth in the Bylaws. Any attempt to make a prohibited transfer shall be void.

This Amendment consists of matters other than those described in section 30-3-90, Idaho Code, and was therefore adopted by the members. The number of members entitled to vote was one (1), and that member voted in favor of this Amendment. There were no votes against this Amendment.

The date of adoption of this Amendment was February 28, 2005.

Dated: March 2, 2005


Nancy E. Nick
Secretary Treasurer

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IDaho SECRETARY OF STATE
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