

**FILED/EFFECTIVE**

2002 OCT 31 PM 4:56

**AMENDMENT OF ARTICLES OF INCORPORATION  
OF  
COUGAR BAY ESTATES HOME OWNERS, INC**

Pursuant to the provisions of the Idaho Business Corporation Act, Title 30, Chapter 3, Idaho Code, the Corporation hereby amends its Articles of Incorporation as follows:

**ONE:**

The name of this corporation is Cougar Bay Estates Home Owners, Inc.

**TWO:**

The following amendment to the Articles of Incorporation was duly approved by Board of Directors on October 22, 2002, and was approved by the Members on October 22, 2002

Article VII of the Articles of Incorporation, Members and Membership, is hereby amended and shall henceforth read as follows:

**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. Each Owner of a Lot in Cougar Bay Estates Subdivision shall automatically, upon becoming an Owner, be a member of the Corporation, and shall remain a member thereof until such time as his/her ownership ceases for any reason, at which time his/her membership in the Corporation shall automatically cease or in the event membership is suspended or terminated. Membership shall be in accordance with these Articles and the Bylaws of the Corporation.

7.3. Transferred Membership. Membership in the Corporation shall not be transferred, pledged or alienated in any way, except upon the transfer of ownership of the lot in the subdivision encumbered by Cougar Bay Estates Declaration of Covenants, Conditions and Restrictions to which it is appurtenant, and then only to the new owner. Any attempt to make a prohibited transfer is void. In the event the owner of any lot should fail or refuse to transfer the membership registered in his/her name to the purchaser of his/her lot, the Corporation shall have the right and authority to transfer, purchaser and record the transfer upon the books. Upon such transfer the old membership in the name of the seller shall be null and void and the new owner shall become the member.

ARTICLES OF AMENDMENT OF COUGAR BAY ESTATES HOME OWNERS

IDAHO SECRETARY OF STATE  
11/01/2002 05:00  
CK: none CT: 3934 BH: 643782  
10.00 30.00 AMEND PRDF # 3

C 144847

7.4. Classes of Membership. The Corporation shall initially have one class of voting membership, with 1 vote per member, established in accordance with the bylaws. This Corporation may add additional classes of membership, through the lawful amending of the corporate Bylaws. Nothing in these Articles shall prohibit the institution of additional classes.

7.5. Voting Requirements. Except where otherwise expressly provided in the Declaration, these Articles or the Bylaws, any action by the Corporation which must have the approval of the Corporation membership before being undertaken, shall require the vote or written assent of the prescribed percentage of the total power of the Corporation.

7.6. Limitation of Payment to Dissenting Member. Membership in the Corporation is appurtenant to and cannot be segregated from ownership of a lot within the jurisdiction of the Corporation. Except upon dissolution of the Corporation, a dissenting member shall not be entitled to any return of any contribution or other interest in the Corporation.

### THREE:

The following amendment to the Articles of Incorporation was duly approved by Board of Directors on October 22, 2002, and was approved by the Members on October 22, 2002

Article VIII Board of Directors, is hereby amended and shall henceforth read as follows:

### ARTICLE VIII. BOARD OF DIRECTORS

The affairs of this Corporation shall initially be managed by a Board of three (3) Directors, but may be converted to a larger number in accordance with the Bylaws. The election of Directors shall be divided into three (3) classes, of nearly equal number, with each class elected for a staggered three (3) year term. The number of Directors may be increased by amendment of the Bylaws of the Corporation. The names and addresses of the incorporators of the Corporation, who shall also act as the initial Directors of the Corporation until the selection of their successors, are:

<u>NAME</u>	<u>ADDRESS</u>
MICHAEL T. McCORMACK	200 East Carrillo Street Suite 200 Santa Barbara CA 93101
ROGER D. WING	3222 Baywoods Road Coeur d'Alene, ID 83814
STEVE SCHMAUTZ	11320 N Kathy Drive Spokane, WA 99218

**FOUR:**

The following amendment to the Articles of Incorporation was duly approved by Board of Directors on October 22, 2002, and was approved by the Members on October 22, 2002

Article XII, Amendment of Articles, is hereby amended and shall henceforth read as follows:

**ARTICLE XII.  
AMENDMENT OF ARTICLES**

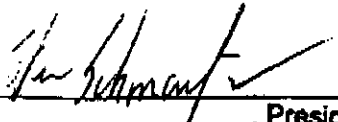
These Articles shall be amended only by the vote or written assent of members representing at least two-thirds (2/3) of a quorum of the total voting power of the Corporation. However, so long as Michael McCormack or McCormack Properties of Idaho, Inc. is a member of this Corporation, these Articles shall be amended only by the or written assent of Michael McCormack and McCormack Properties of Idaho, Inc.

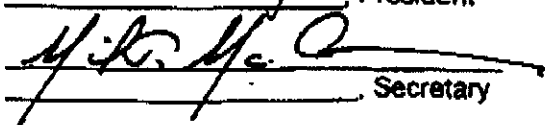
**FIVE:**

The foregoing amendments were unanimously passed, with all members entitled to vote casting their membership votes in favor of the amendments.

Dated this 27 day of October 2002.

By:

 President

 Secretary