

# State of Idaho

## Department of State

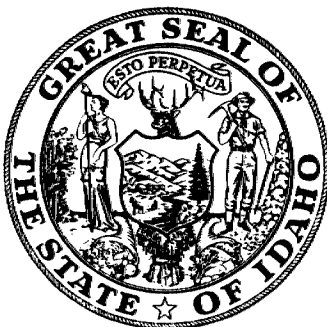
### CERTIFICATE OF INCORPORATION OF

COUGAR BAY ESTATES ROAD AND WELL MAINTENANCE ASSOCIATION, INC.  
File number C 115860

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Incorporation for the incorporation of COUGAR BAY ESTATES ROAD AND WELL MAINTENANCE ASSOCIATION, INC. duly signed pursuant to the provisions of the Idaho Nonprofit 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 Incorporation and attach hereto a duplicate original of the Articles of Incorporation.

Dated: July 25, 1996



*Pete T. Cenarrusa*  
SECRETARY OF STATE

By *Anna Seibel*

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SECRETARY OF STATE  
STATE OF IDAHO

ARTICLES OF INCORPORATION

Jul 25 10 05 AM '96  
SECRETARY OF STATE  
STATE OF IDAHO

OF

COUGAR BAY ESTATES ROAD AND WELL MAINTENANCE  
ASSOCIATION, INC.

KNOW ALL MEN BY THESE PRESENTS that Peter Forsch, being over the age of eighteen years, and for the purposes of forming a corporation under the Idaho Nonprofit Corporation Act, hereby certifies and adopts, in duplicate, the following Articles of Incorporation.

ARTICLE I.  
NAME

1.1. The name of the corporation (hereinafter called "Corporation") is COUGAR BAY ESTATES ROAD AND WELL MAINTENANCE ASSOCIATION, INC.

ARTICLE II.  
DURATION

2.1. The duration of this Corporation shall be perpetual.

ARTICLE III.  
PURPOSES AND POWERS

3.1. This Corporation is not organized for profit and no part of gains or earnings shall inure to its members. The specific primary purposes for which it is formed are to provide for the acquisition, construction, management, operations, administration, maintenance, repair, improvement, preservation, and control of a non-public, community road and well located in COUGAR BAY ESTATES in Section 15, Township 50 North, Range 4 West, Boise Meridian, Kootenai County, Idaho, and recorded in the records of Kootenai County in Book 16 of Plats, page 166, as Instrument No. 1386281 (the "Property"). Additional property annexed in accordance with the Covenants, Conditions and Restrictions in force on the Property shall be governed by the Corporation effective on the date of annexation.

3.2. In furtherance of said purposes, and subject to the approval of members as required by law or the Bylaws, this Corporation shall have power to:

IDAHO SECRETARY OF STATE  
DATE 07/24/1996 0900 13253

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CK #: 9675 CUST# 3934  
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ARTICLES OF INCORPORATION OF COUGAR BAY  
ESTATES ROAD AND WELL MAINTENANCE ASSOCIATION, INC. - 30.00= 30.00

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3.2.1. Perform all of the duties and obligations of the Corporation as set forth in the Bylaws;

3.2.2. Fix, levy, collect and enforce assessments and fines as set forth in the Bylaws, in a fair and equitable fashion and secure the payment of assessments through liens upon real property in which membership rights are appurtenant and in accordance with Idaho law;

3.2.2.1. Assessments may be made enforceable by action or by the forfeiture of membership, or both, upon notice given in writing twenty (20) days before commencement of such action or such forfeiture.

3.2.3. Pay all expenses and obligations incurred by the Corporation in the conduct of its business, including, without limitation, all licenses, taxes or governmental charges levied or imposed against the Corporation's property;

3.2.4. Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, exchange, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Corporation;

3.2.5. Make contracts and incur liabilities, borrow money and mortgage, pledge, deed in trust or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

3.2.6. Dedicate, sell, transfer or grant easements over all or part of any of the Corporation's property to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members;

3.2.7. Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, or annex additional property to the property managed by the Corporation;

3.2.8. Litigate, mediate, arbitrate any and/or all corporate rights and obligations specified in law and/or by the Articles and Bylaws of the Corporation. This Corporation in addition to other provisions, may provide for the qualification of members, the terms and conditions of admission, the time, mode, conditions and effect of expulsion or withdrawal from the restoration of membership, admission fees, charges and assessments; and for reimbursement for services rendered to and expenses incurred on behalf of the Corporation by any member or officer of the Corporation, and such other rules and regulations as are not repugnant to the laws of the State of Idaho; and

3.2.9. Have and exercise any and all powers, rights and privileges which a corporation organized under the Idaho Nonprofit Corporation Act, which now or hereafter exists.

#### **ARTICLE IV. MEMBERS AND MEMBERSHIP**

4.1. 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.

4.2. Membership. Membership shall be limited to those who own a lot ("Lot") within COUGAR BAY ESTATES or any of its additions. Such persons shall automatically, upon becoming an owner of a Lot shall be a member of the Corporation, and shall remain a member thereof until such time as a member's ownership ceases for any reason. Membership shall be in accordance with these Articles of Incorporation and the Bylaws of the Corporation.

4.3. Transferred Membership. Membership in the Corporation shall not be transferred, pledged or alienated in any way, except upon the transfer of ownership of a Lot. 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 the membership to the purchaser and record the transfer upon the books; thereupon the old membership outstanding, in the name of the seller shall be null and void.

4.4. Classes of Membership. The Corporation shall have multiple classes of voting membership established according to the following provisions.

4.4.1. Class "A" Membership. Class "A" membership shall be that held by each owner of a lot in COUGAR BAY ESTATES other than McCormack Properties of Idaho, Inc., an Idaho corporation (the "Declarant"), or its successors in interest with respect to the Property. Each Class "A" member shall be entitled to one (1) vote for each lot owned. If a lot is owned by more than one person, each such person shall be a member of the Corporation, but there shall be no more than one (1) vote for each lot, multiple owners have joint rights and obligations.

4.4.2. Class "B" Membership. Class "B" membership shall be that held by the Declarant, or its successor in interest. Each Class "B" member shall be entitled to ten (10) votes for each lot owned (lot shall mean each approved lot or unit, according to the final plat or plats of the property as defined in the

Declaration most recently approved by Kootenai County which would be or is located on real property owned by the Declarant); provided that Class "B" membership shall be converted to Class "A" membership and shall forever cease to exist on the transfer of a lot to a purchaser. Transfer of lots to a successor in interest of the Declarant shall not convert Class "B" membership to Class "A" membership.

4.4.3. Additional Classes of Membership. If the Corporation desires to add additional classes of membership, it may do so through the corporate Bylaws. Nothing in these Articles shall prohibit the institution of additional classes.

4.5. Voting Requirements. Except where otherwise expressly provided in the Declaration, these Articles of Incorporation 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 simple majority (greater than 50%) of the total power (all classes combined) of the Corporation.

4.6. 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. Upon dissolution of the Corporation, a dissenting member shall not be entitled to any return of any contribution or other interest in the Corporation.

#### **ARTICLE V. INITIAL REGISTERED OFFICE AND AGENT**

5.1. The initial registered office of the Corporation shall be 401 Front Street, Suite 3, Coeur d'Alene, Idaho, 83814, and the name of its registered agent is: Peter Forsch.

#### **ARTICLE VI. BOARD OF DIRECTORS; INCORPORATORS**

6.1. The affairs of this Corporation shall initially be managed by a Board of three (3) Directors, but may be increased by amendment of Bylaws to an odd number not exceeding nine (9) Directors. The Board must all be members of the Corporation. The number of Directors may be increased by amendment of the Bylaws of the Corporation. The names and addresses of the persons who are to serve as the initial Directors of the Corporation until the selection of their successors, are:

<u>NAME</u>	<u>ADDRESS</u>
Peter Forsch	401 Front Street, Suite 3 Coeur d'Alene, ID 83814
Michael T. McCormack	401 Front Street, Suite 3 Coeur d'Alene, ID 83814
Jim Schofield	401 Front Street, Suite 3 Coeur d'Alene, ID 83814

The name and address of the incorporator is:

<u>NAME</u>	<u>ADDRESS</u>
Peter Forsch	401 Front Street, Suite 3 Coeur d'Alene, ID 83814

#### **ARTICLE VII. INDEMNIFICATION**

7.1. The Corporation shall have all powers set forth in Idaho Code Section 30-3-88 or successor statute.

#### **ARTICLE VIII. DISSOLUTION**

8.1. In the event of dissolution, liquidation or winding up of the Corporation, after paying off or adequately providing for the debts and obligations of the Corporation, the Directors or persons in charge of the liquidation shall distribute any remaining assets, properties and/or money to such public entity or nonprofit organization with similar purpose to this entity.

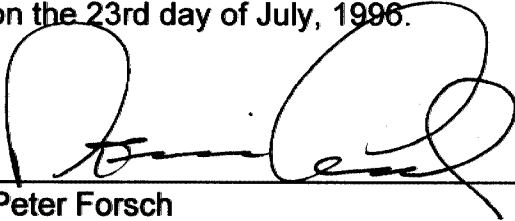
#### **ARTICLE IX. AMENDMENT OF ARTICLES**

9.1. These Articles shall be amended only by the vote or written assent of a majority of the membership.

**ARTICLE X.  
BYLAWS**

10.1. Provisions for the regulation of the internal affairs of the Corporation shall be set forth in the Bylaws. The Board of Directors of the Corporation shall be authorized to amend the Corporation's Bylaws at a properly noticed special or regular meeting of the Board of Directors.

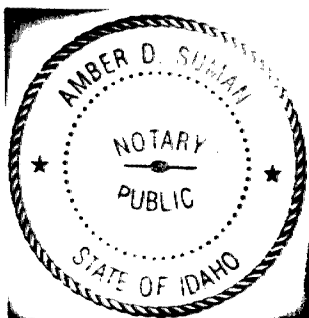
For the purposes of forming this Corporation under the laws of the State of Idaho, I, the undersigned, constituting the incorporator of this Corporation, has executed these Articles of Incorporation on the 23rd day of July, 1996.


  
\_\_\_\_\_  
Peter Forsch

STATE OF IDAHO )  
                          ) ss.  
County of Kootenai )

I, Amber D. Suman, Notary Public, do hereby certify that on this 23rd day of July, 1996, personally appeared before me PETER FORSCH, who, being by me first duly sworn, declared that she is the Incorporator of COUGAR BAY ESTATES ROAD AND WELL MAINTENANCE ASSOCIATION, INC., that he signed the foregoing document as Incorporator of the Corporation, and that the statements therein contained are true.

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



  
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Notary Public in and for the State of Idaho  
Residing at Coeur d'Alene  
Commission Expires: 5/21/98

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