

ARTICLES OF AMENDMENT
TO THE ARTICLES OF INCORPORATION
OF THE CAPES HOMEOWNERS' ASSOCIATION, INC.

In compliance with the requirements of Chapter 65, Oregon Revised Statutes (the "Act"), the undersigned President of The Capes Homeowners Association, Inc. hereby certifies that the following Articles of Amendment were duly adopted by not less than seventy-five percent (75%) of the voting power of the Association, amending and restating the Articles of Incorporation of this not-for-profit corporation to read as follows:

ARTICLE I

NAME

The name of the corporation is The Capes Homeowners' Association, Inc. (the "Association").

ARTICLE II

NATURE OF CORPORATION

The Association is a mutual benefit corporation.

ARTICLE III

REGISTERED OFFICE

The registered office of the Association shall be located at 605 Capes Drive W, Oceanside, OR 97134, or such other address as is designated by the Board of Directors from time to time.

ARTICLE IV

REGISTERED AGENT

The registered agent of the Association shall be Jan Roth, whose address is c/o The Capes, 605 Capes Drive W, Oceanside, OR 97134, or such other person at such other address as may be designated by the Board of Directors from time to time. The alternate corporate mailing address required by Section 65.047(1)(e) of the Act is P.O. Box 404, Oceanside, Oregon 97134.

ARTICLE V

PURPOSE AND POWERS OF THE ASSOCIATION

The Association does not contemplate pecuniary gain or profit to the members thereof and shall exist exclusively for non-profit purposes. No part of the net earnings of the Association shall inure to the benefit of any private member or members or any individual.

The Association shall have, exercise and perform all of the following powers, duties, and obligations:

A. **Declaration.** The powers, duties and obligations granted to the Association by that certain Amended and Restated Declaration of Covenants, Conditions and Restrictions for The Capes, which has been recorded at Book 351, Pages 271, *et seq.*, of the records of Tillamook County, Oregon, as the same may be amended from time to time as therein provided (the "Declaration"), and by the Bylaws of the Association (the "Bylaws").

B. **Statutory Powers.** The powers, duties, and obligations of a nonprofit corporation pursuant to the general nonprofit corporation laws of the State of Oregon and of a homeowners association of a planned community pursuant to the Oregon Planned Community Act, as either or both may be amended from time to time.

C. **General.** Any additional or different powers, duties and obligations necessary or desirable for the purpose of carrying out the functions of the Association pursuant to the Declaration or otherwise promoting the general benefit of the Owners within the Property (as those terms are defined in the Declaration).

The powers and obligations of the Association may from time to time be amended, repealed, enlarged or restricted by changes in the Declaration made in accordance with the provisions therein, accompanied by changes in these Articles of Incorporation or the Bylaws made in accordance with, and to the extent required under, such instruments and with the nonprofit corporation laws of the State of Oregon.

ARTICLE VI

MEMBERSHIP

The Association shall have members. Every Owner of one or more Lots (as those terms are defined in the Declaration) shall, during the entire period of such Owner's ownership of one or more Lots, be a member of the Association. Such membership shall commence, exist, and continue simply by virtue of such ownership, and need not be confirmed or evidenced by any certificate or acceptance of membership.

ARTICLE VII

VOTING RIGHTS

Voting rights within the Association shall be allocated as follows:

- A. Lots shall be allocated one (1) vote per Lot.
- B. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more voting rights be cast with respect to any Lot.

ARTICLE VIII

BOARD OF DIRECTORS

The affairs of the Association shall be governed by the Board, which shall consist of the number of Directors established pursuant to the Bylaws. All Directors shall hold office for the term indicated in the Bylaws and until their successors have been qualified and elected. There shall be no limit on the number of successive terms a Director may serve on the Board of Directors, if elected as herein provided. The names and addresses of the persons who are to act in the capacity of Directors until the selection of their successors, each of whom has consented to serve in such capacity, are:

ARTICLE IX

AMENDMENTS OF BYLAWS

Except as expressly provided in the Declaration, the Bylaws may be amended or repealed and new bylaws may be adopted by a majority of the Directors present at any regular meeting or at any special meeting, if at least ten (10) days written notice is given to the Directors and Owners of intention to amend or repeal and adopt new bylaws at such meeting accompanied by a copy or summary of the amendment; provided, however, that the Board of Directors shall have no authority to amend or repeal any provision of the Bylaws relating to the election, qualifications, powers, duties or terms of Directors without the approval of the Owners given at a special meeting called for such purpose.

ARTICLE X

DISSOLUTION

Subject to any contrary provisions of the Act and of Chapter 94, Oregon Revised Statutes, as amended, the Association may be dissolved with the assent given in writing and signed by Owners holding not less than seventy-five percent (75%) percent of the voting power within the Association. Upon dissolution of the Association, it shall automatically be succeeded by an unincorporated association of the same name. All of the assets, property, powers, and obligations of the Association existing prior to dissolution shall thereupon automatically vest in the successor unincorporated association.

ARTICLE XI

DURATION

The corporation shall exist perpetually.

ARTICLE XII

LIABILITY OF DIRECTORS

To the fullest extent authorized by law and Section 8.5 of the Declaration, the personal liability of each Director to the Association or its Owners for monetary damages for conduct as a Director shall be eliminated.

ARTICLE XIII

INDEMNIFICATION

To the fullest extent authorized by law, the Board, acting on behalf of the Association, may indemnify or advance costs of defense, or commit the Association to indemnify or advance costs of defense in the future, to any person who is made or threatened to be made a party to an action, suit, or proceeding, whether civil, criminal, administrative, investigative, or otherwise (including an action, suit, or proceeding by or in the right of the Association), by reason of the fact that the person is or was a Director, officer, employee, or agent, of the Association, or serves or served at the request of the Association as a director, officer, partner, trustee, agent or employee of another corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise. In exercising the authority granted by this Article XIII, the Board may choose, on the Association's behalf, to utilize the procedures provided in the Act, prescribe other approval processes, or eliminate any procedures for specific findings or further approval in the individual matter. This Article XIII shall not be deemed exclusive of any other provision for indemnification of Directors, officers, fiduciaries, employees, or agents that may be included in any statute, Bylaw, resolution of Owners or Directors, agreement, or otherwise, either as to action in any official capacity or action in another capacity while holding office.

ARTICLE XIV

AMENDMENTS

These Articles, or any provision thereof, may be amended or repealed by the vote or written consent of Owners holding not less than seventy-five percent (75%) of the voting power within the Association.

IN WITNESS WHEREOF, the undersigned President of the Association hereby certifies that the foregoing Articles of Amendment were duly adopted by not less than seventy-five percent (75%) of the voting power of the Association.

Date: March 22, 2003

Jordan J. Reed
President

Address: The Capes
605 Capes Drive W
Oceanside, OR 97134

Mailing: PO Box 404
Oceanside, OR 97134