

FILED
SECRETARY OF STATE
MAR 31 2011
STATE OF WASHINGTON

ARTICLES OF AMENDMENT OF ARTICLES OF INCORPORATION

OF

COUGAR RIDGE HOMEOWNERS' ASSOCIATION
(A non-profit corporation)

Pursuant to RCW 24.03.175, the undersigned hereby submits the following amendments to the Cougar Ridge Homeowners' Association Articles of Incorporation:

1. The name of the Corporation is: **Cougar Ridge Homeowners' Association.**

2. The members hereby amend the Articles of Incorporation filed herein on June 5, 1986 in their entirety to read as follows:

ARTICLE I

Name

The name of the corporation is: COUGAR RIDGE HOMEOWNERS' ASSOCIATION.

ARTICLE II

Registered Agent

The address of the current registered office is 5948 Capitol Forest Dr SW., Olympia, Washington 98512, and the name of the current registered agent at such address is Jane Archer.

ARTICLE III

Duration

The period of duration of this corporation shall be perpetual.

ARTICLE IV

Purposes

The purposes for which this corporation is organized are to promote the recreation, health, safety, welfare, and harmonious living of the owners of the lots in the plat of Cougar Ridge, Thurston County, Washington, and to provide a domestic water supply to residential users who are members of the Corporation. This Corporation does not contemplate pecuniary gain or profit to

its members. This Corporation shall have and exercise any and all powers, rights, and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Washington by law may now, or hereafter, have.

The specific purposes for which this Corporation may engage in with respect to the water system are as follows:

(1) To acquire, operate and maintain a water system, including wells, springs or other sources of water, storage tanks, pumps, meters, water distribution pipe lines, easements for water distribution pipe lines, well protection area restrictive easements and all other property and equipment necessary for the production and distribution of water.

(2) To sell and distribute water to the members of the Corporation, and to do all other things necessary for the operation of said water system.

(3) The Corporation shall also promote the health, safety, and welfare of the members with regard to said water system. Without limiting the foregoing, the Corporation shall have the authority to:

(a) Fix, levy, collect and enforce payment by any lawful means, of all charges or assessments pursuant to the operation of the water system, and pay all expenses in connection therewith, and all office and other expenses incident to the conduct of the business of the Corporation, including all licenses, taxes or governmental charges levied or imposed against the property of the Corporation.

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

(c) Borrow money, and with the assent of sixty seven percent (67%) of its members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

(d) Dedicate, sell, or transfer all or any part of the water system to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless such transfer has been approved by sixty seven percent (67%) of its members, agreeing to such dedication, sale or transfer.

(e) Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, provided that any such

merger or consolidation shall have the assent of sixty seven percent (67%) of its members.

ARTICLE V

Qualifications and Conditions of Membership

Every owner of a lot in the plat of Cougar Ridge which is subject to assessment shall be a member of this non-profit corporation. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment. There shall be no membership certificates.

ARTICLE VI

Obligations for Assessments

Each owner of a lot in the plat of Cougar Ridge shall be subject to annual assessments and special assessments as provided for in the First Restatement of the Declaration of Covenants, Conditions and Restrictions for Cougar Ridge and recorded in the Office of the Thurston County Auditor under Auditor's File No. 4204681 and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if fully set forth.

ARTICLE VII

Dissolution

The assets of the corporation on the dissolution of the corporation shall be liquidated and the funds distributed to the members of lots of record, one pro rata distribution for each lot owned.

ARTICLE VIII

Limitation on Personal Liability and Indemnification of Directors and Officers

A. **Limitation on Personal Liability.** No Director or officer of the Association shall be personally liable for monetary damages for conduct as a Director or officer, provided that this provision shall not eliminate or limit the liability of a Director or officer for acts or omissions that involve intentional misconduct by a Director or officer or a knowing violation of law by a Director or officer, or for any transfer from which the Director or officer will personally receive a benefit in money, property, or services to which the Director or officer is not legally entitled. If RCW 24.03 is hereafter amended to authorize corporate action further eliminating or limiting the personal liability of Directors, then the liability of a Director shall be eliminated or limited to the full extent permitted by RCW 24.03 as so amended. Any repeal or modification of this Article shall not adversely affect any right or protection of a Director of the Corporation existing at the time of such repeal or

modification for or with respect to an act or omission of such Director occurring prior to such repeal or modification.

B. **Indemnification of Directors and Officers.**

1. **Right to Indemnification.** Each person who was, or is threatened to be made a party to or is otherwise involved (including, without limitation, as a witness) in any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a Director or officer of the Corporation or, while a Director or officer, he or she is or was serving at the request of the Corporation as a Director, trustee, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a Director, trustee, officer, employee or agent or in any other capacity while serving as a Director, trustee, officer employee or agent, shall be **protected**, indemnified and held harmless by the Corporation, to the full extent permitted by applicable law as then in effect, against all expense liability and loss (including attorney's fees, judgments, fines, ERISA excise taxes or penalties and amounts to be paid in settlement) actually and reasonably incurred or suffered by such person in connection therewith, and such **protection and indemnification** shall continue as to a person who has ceased to be a Director, trustee, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that except as provided in Section B of this Article with respect to proceedings seeking to enforce rights to indemnification, the Corporation shall indemnify any such person seeking indemnification, as is authorized by the Board of Directors of the Corporation in connection with a proceeding (or part thereof). The right to **protection and indemnification** conferred in this Section shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that the payment of such expenses in advance of the final disposition of a proceeding shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such Director or officer, to repay all amounts so advanced if it shall ultimately be determined that such Director or officer is not entitled to be indemnified under this Section or otherwise.

2. **Right of Claimant to Bring Suit.** If a claim under Section (B)(1) of this Article is not paid in full by the Corporation within sixty (60) days after a written claim has been received by the Corporation, except in the case of a claim for expenses incurred in defending a proceeding in

advance of its final disposition, in which case the applicable period shall be twenty (20) days, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, to the extent successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. The claimant shall be presumed to be entitled to indemnification under this Article upon submission of a written claim (and, in an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition, where the required undertaking has been tendered to the Corporation), and thereafter the Corporation shall have the burden of proof to overcome the presumption that the claimant is not so entitled. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel or its members) to have made a determination prior to the commencement of such action that indemnification of or reimbursement or advancement of expenses to the claimant is proper in the circumstances nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel or its members) that the claimant is not entitled to indemnification or to the reimbursement or advancement of expenses shall be a defense to the action or create a presumption that the claimant is not so entitled.

3. **Non-exclusivity of Rights.** The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Articles of Incorporation, Bylaws, agreement, vote of members or disinterested Directors or otherwise.

4. **Insurance, Contracts and Funding.** The Corporation may maintain insurance, at its expense, to protect itself and any Director, trustee, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprises against any expense, liability or loss. The Corporation may, without further member action, enter into contracts with any Director or officer of the Corporation in furtherance of the provisions of this Article and may create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article.

5. **Indemnification of Employees and Agents of the Corporation.** The Corporation may, by action of its Board of Directors from time to time, provide indemnification and pay expenses in advance of the final disposition of a proceeding to employees and agents of the Corporation with the same scope and effect as the provisions of this Article with respect

to the indemnification and advancement of expenses of Directors and officers of the Corporation or pursuant to rights granted pursuant to, or provided by, RCW 24.03 or otherwise.

ARTICLE IX
Board of Directors

The affairs of the Corporation shall be managed by a Board of Directors consisting of no fewer than three nor more than seven members. The number of directors on the Board of Directors may be changed from time to time by amendment to the Bylaws of the Corporation.

ARTICLE X
Amendment of Articles

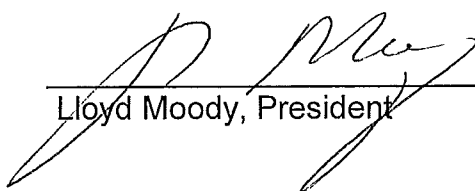
These Articles may be amended by the assent of members holding sixty seven (67%) of the total votes in the Corporation; provided, however, that the Board of Directors shall have the authority to appoint a new Registered Agent without the need to amend these Articles.

3. The amendment does not provide for an exchange, reclassification, or cancellation of issued shares.

4. The date of the meeting of the members to vote on the adoption of the amendment was December 2, 2010; a quorum was present at that meeting; and the amendment received a vote of at least sixty-seven percent (67%) in favor cast by the members or their proxies entitled to vote.

5. The amendment was adopted by the membership pursuant to RCW 24.03.165.

Dated this 31st day of March, 2011.



Lloyd Moody, President