

ARTICLES OF AMENDMENT OF HERRON MAINTENANCE CO.

The undersigned officers of the Herron Maintenance Co. (hereinafter referred to as the "Association" or the "Corporation"), existing pursuant to the provisions of the Washington Nonprofit Corporation Act, Revised Code of Washington Chapter 24.03, as amended, desiring to give notice of corporate action effectuating amendment of certain individual articles of its Articles of Incorporation, hereby certify the following facts:

1. The name of the corporation is HERRON MAINTENANCE CO..
2. The Amendments to the Articles of Incorporation of said corporation are as follows:
 - A. The Section of the Articles of Incorporation labeled "ORIGIN AND PURPOSES (introduction only; not a part of the actual Articles)" is hereby deleted.
 - B. The first paragraph of the Articles of Incorporation is hereby deleted and the following new paragraph is substituted in its place:

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned officers of Herron Maintenance Co., (hereinafter referred to as the "Association") for the purposes of submitting the Association to the provisions of the Washington Non-Profit Miscellaneous and Mutual Corporations Act (Revised Code of Washington Chapter 24.06) certify that the Articles of Incorporation for the Association have been amended in the following respects:

- C. Articles II through VII of the Articles of Incorporation are hereby deleted and the following new Articles II through X are added to the Articles of Incorporation in substitution therefor:

ARTICLE II. DURATION

The period of the corporation's duration is perpetual.

ARTICLE III. PURPOSES

A. The purpose for which the corporation is organized is to engage in any lawful act or activity for which a corporation may be organized under the Washington Non-Profit Miscellaneous and Mutual Corporations Act (R.C.W. Chapter 24.06). The Association accepts the benefits of said Chapter and shall be bound by the provisions of said Chapter. The Association shall have and exercise any and all powers, rights and privileges which a corporation organized under said law may now or hereafter have or exercise, provided that the Association shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the following purposes of the Association:

1. To bring about civic betterments and social improvements by providing for the preservation, management, maintenance and care of the architecture, appearance and condition of that certain real property subject to the jurisdiction of the Association including Mainland Property at Herron, Pierce County, State of Washington, situated in Section 28, Township 21 North, Range 1 West, WM, and the real property which is commonly known as Herron Island (hereinafter referred to as the "Community") and which is legally described as follows:

The Plat of Herron Island Division 1, as per plat recorded in Volume 18 of Plats at Page 45, under Auditor's File No. 1824669, records of Pierce County, State of Washington, being Auditor's Plat No. 445000;

The Plat of Herron Island Division 2, as per plat recorded in Volume 18 of Plats at Page 46, under Auditor's File No. 1824670, records of Pierce County, State of Washington, being Auditor's Plat No. 445020;

The Plat of Herron Island Division 3, as per plat recorded in Volume 18 of Plats at Page 52, under Auditor's File No. 1829398, records of Pierce County, State of Washington, being Auditor's Plat No. 445030;

The Plat of Herron Island Division 4, as per plat recorded in Volume 18 of Plats at Page 78, under Auditor's File No. 1850062, records of Pierce County, State of Washington, being Auditor's Plat No. 445040;

The Plat of Herron Island Division 5, as per plat recorded in Volume 18 of Plats at Page 80, under Auditor's File No. 1850843, records of Pierce County, State of Washington, being Auditor's Plat No. 445050; and

The Plat of Herron Island Division 6, as per plat recorded in Volume 19 of Plats at Page 3, under Auditor's File No. 1863886, records of Pierce County, State of Washington, being Auditor's Plat No. 445060.

2. To enforce the terms and conditions contained within the Bylaws and to assess homeowners in accordance with said Bylaws.

3. To promote the common good, health, safety and general welfare of all of the residents within the Community.

4. To be the Association referred to in the Bylaws and to exercise all of the powers and privileges and to perform all of the duties and obligations of the Association arising from and under the Bylaws and under the laws of the State of Washington, as they now exist or may hereafter be amended from time to time.

B. The Association shall have the power to the same extent as natural persons, to acquire, construct, maintain, develop, improve, rent, use, mortgage, and dispose of real property and interests, estates and rights therein; to act as agent or representative in any capacity; and to perform services for others; to enter into, make, and perform contracts of every kind; to borrow monies and, from time to time without limit as to amount, to issue, accept, endorse, and execute promissory notes, drafts, bills of exchange, warrants, bonds, debentures, and other negotiable or non-negotiable instruments and evidence of indebtedness, and to secure the payment of any thereof and of interest thereon by mortgage upon or pledge, conveyance, or assignment in trust of the whole or any part of the property of the corporation, whether at the time owned or thereafter acquired; and to do all such things as are necessary and incidental to the attainment of the above-stated objects and purposes.

C. All funds and the titles of all properties acquired by the Association and the proceeds thereof shall be held for the benefit of the members of the Association.

D. The powers of the Association shall be subject to and shall be exercised in accordance with the provisions of the RCW Chapter 64.38, the Bylaws and the Bylaws of the Association, and the corporation shall not have any powers to perform or carry out any acts which are contrary to or in violation of the provisions of the Bylaws or the laws of the State of Washington, as they now exist or may hereafter be amended.

ARTICLE IV. MEMBERS

A. The members of the Association shall consist of all of the owners of Lots in the Community. Each owner of a Lot, excluding persons or entities who hold interests merely as security for the performance of an obligation, shall be a member of the Association. If a Lot is owned by more than one owner, all such owners shall be members of the Association;

provided, however, that for the purposes of the representation of such Lot with regard to the affairs of the Association and the voting of members of the Association, each Assessable Unit shall be represented by and entitled to not more than one vote which shall be exercised and cast in accordance with the provisions of the Bylaws. Ownership of a Lot within the Community shall be the sole qualification for membership in the Association. Notwithstanding the foregoing, no member shall have more than one membership in the Association, but shall have the number of votes for each Assessable Unit owned, whether improved or not, as specified in the Bylaws.

B. Transfer of membership in the Association shall be established by recording in the public records of Pierce County, Washington, of a deed or other instrument establishing record title to a Lot in the Community and the delivery to the Association of a copy of such instrument. The owner designated by such instrument shall thereby become a member of the Association and the membership of the prior owner shall be thereby terminated.

C. The share of a member in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner except as an appurtenance to the Lot owned by said member.

ARTICLE V. DIRECTORS

A. The affairs of the Association will be managed by a Board of Directors, the number and terms for which shall be set in the Bylaws of the Association.

B. Directors of the Association shall be elected at the annual meeting of the members in the manner determined by the Bylaws or the Bylaws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the Bylaws or the Bylaws.

C. The number of directors constituting the current Board of Directors is seven (7). The names and mailing addresses of the directors are as follows:

<u>Name</u>	<u>Address</u>	<u>City, State and Zip Code</u>
Kenneth D. Freeman	P. O. Box 1077	Lakebay, WA 98349
A. Frederick Fath	12638 Shorewood Drive SW	Seattle, WA 98146
Ferdinand K. Reichlin	13033-15th Avenue SW	Seattle, WA 98146
John Allen Moren	P. O. Box 960	Lakebay, WA 98349

<u>Name</u>	<u>Address</u>	<u>City, State and Zip Code</u>
William Zazzo	13528-104th Place NE	Kirkland, WA 98034

ARTICLE VI. INCORPORATORS

The names of the initial incorporators of the Association were Benjamin M. Clifford, Richard A. Clifford, Edward A. Clifford, Paul O'Reilly and J. E. Swanson, Jr.

ARTICLE VII. REGISTERED OFFICE AND AGENT

The location and post office address of the registered office of this corporation in the State of Washington shall be 200 West Mercer Street, Suite 511, Seattle, Washington 98119. The registered agent of this corporation at that address shall be James L. Strichartz. The Board of Directors by majority vote of those present and voting may from time to time change the registered office or registered agent.

ARTICLE VIII. DISSOLUTION OR LIQUIDATION

Upon dissolution or final liquidation of the Association, any assets remaining after settlement of all debts, obligations and liabilities of the corporation shall be distributed to the members pursuant to the Bylaws.

ARTICLE IX. AMENDMENT OF ARTICLES OF INCORPORATION

The Association reserves the right to amend, alter, change, or repeal any provisions contained in its Articles of Incorporation in any manner now or hereafter prescribed or permitted by statute. All rights of members of the corporation are granted subject to this reservation.

ARTICLE X. LIMITATION OF LIABILITY AND INDEMNIFICATION

A. No person who serves as a director of the Association shall be held personally liable to the Association or to any member thereof for monetary damages for any conduct as a director; provided, however, that this provision shall not limit the liability of a director for acts or omissions that involve intentional misconduct by a director, or a knowing violation of law or the Bylaws by a director, or from any transaction from which the director will personally receive a benefit in money, property, or services to which the director is not legally entitled; and further provided, that this limitation shall not apply where and to the extent that the consequences of such act,

omission, error, or negligence are covered by insurance obtained by the Board.

B. To the full extent permitted by law, each member of the board of directors, each officer, each member of an Association committee, the managing agent and any other agents or attorneys of the Association shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed in connection with any proceeding to which he or she may be a party, or in which he or she may become involved, by reason of holding or having held such a position, or any settlement thereof, whether or not he or she holds such position at the time such expenses or liabilities are incurred, except to the extent such expenses and liabilities are covered by insurance and except in such cases wherein such person is adjudged guilty of willful misfeasance in the performance of his or her duties; provided, that in the event of a settlement, the indemnification shall apply only when the board of directors approves such settlement as being in the best interests of the Association.

3. The above amendments were adopted at a meeting of the members of the Association duly called and held on the ____ day of July, 2003 at which a quorum was present, by a two-thirds vote of the members entitled to vote, present or represented by proxy at such meeting.

DATED this ____ day of _____, 2003.

HERRON MAINTENANCE CO.

By _____
President

ATTEST:

By _____
Secretary