

ARTICLES OF AMENDMENT TO ARTICLES OF INCORPORATION
OF
BURTON WATER COOPERATIVE

Articles of Amendment to those certain Articles of Incorporation of BURTON WATER COOPERATIVE ("Cooperative"), a Washington non-profit corporation formed and existing under Ch. 24.06 RCW, are hereby executed by the duly authorized officers of the Cooperative as follows:

Name. The name of the Cooperative is presently Burton Water Cooperative.

2. Amendment(s). The Amendments to the Cooperative's Articles of Incorporation are as follows:

A new Article 15 is hereby added as follows:

15. Limitation of Liability and Indemnification

Section 1. Limitation of Liability of the Cooperative

The Cooperative shall not be liable to any Member or any other person or entity for any interruption, shortage or insufficiency of water supply, lack of or excessive water pressure, or for termination of water service.

Section 2. Limitation of Liability of Directors

No past, present or future Director shall be personally liable to the Cooperative or its Members, for monetary damages for any conduct as a Director; provided that no Director shall be released from liability for the following: (i) acts or omissions that involve intentional misconduct by a Director; (ii) acts or omissions that involve a knowing violation of law by a Director; (iii) acts or omissions that involve a knowing violation of the Governing Documents; (iii) voting for or assenting to distributions made in violation of the Articles of Incorporation and Bylaws; (iv) any transaction from which the Director will personally receive a benefit in money, property, or services to which the Director is not legally entitled.

Section 3. Indemnification of Directors, Officers, Employees, and Agents

Should any person be sued or threatened with suit, either alone or with others, because he or she was or is a Director, officer, employee, or agent of the Cooperative,

in any proceedings other than an action by the Cooperative, indemnity for his or her reasonable expenses incurred, including attorney fees, in the defense of the proceeding may be paid by the Cooperative by decision of the Board if the Board determines that the person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed, to the best interests of the Cooperative. However, the Corporation shall indemnify a director, officer, employee, or agent of the Corporation if: i) they are wholly successful on the merits or otherwise in the defense of any proceeding to which the person was a party because of being a director, officer, or employee of the Corporation and (ii) the court finds the person's conduct warrants indemnity.

Section 4. Notice

Any indemnification of a Director in accordance with this Article shall be reported to the Members in a written report describing the proceeding and the nature and extent of such indemnification.

Section 5. Advances

Reasonable expenses incurred by a Director, Officer, employee or agent who is involved in any capacity in a proceeding by reason of the position held by such person or entity in the Cooperative, may be, but are not required to be, advanced by the Cooperative prior to the final disposition of such proceeding to the full extent allowed by applicable law, as presently in effect and as hereafter amended; provided, however, that the Cooperative shall not advance any such funds unless the Director, Officer, employee or agent promises in a writing delivered to the Cooperative to repay all amounts advanced by the Cooperative in the event that it is later determined that such employee or agent is not entitled to be so indemnified, and that such party deliver security for such obligation that is acceptable to the Cooperative.

Section 6. Insurance

The Cooperative shall use reasonable efforts to purchase and maintain insurance on behalf of any person who is a Director, Officer, employee, or agent of the Cooperative against any liability incurred by such person because of such person's status, whether or not the Cooperative would have the power to indemnify such person against such liability under the provisions of this Article.

A new Article 16 is hereby added as follows:

16. Removal of Directors & Officers

Directors and Officers may be removed from office for missing three (3) meetings without written notice to the

Secretary in a calendar year, or for cause that impedes the purposes of the Cooperative, including but not limited to: violation of the Cooperative's code of ethics as adopted by the Board of Directors, a criminal act, or failure to meet duty of care for cooperative directors set forth in RCW 24.06.153.

Officers and Directors may be removed from office in either of the following means:

A. Member Vote

If proposed by a Member, the reasons for removal must be accompanied by a petition signed by ten (10) percent of Members in Good Standing. Consideration of such removal shall occur at the next regular or special meeting of the Members and shall be effective if approved by twenty-five (25) percent of the total Membership.

B. Director Vote

If proposed by a Director, such removal shall be voted on at the next regular or special meeting of the Board of Directors and shall be effective if approved by a majority of the total number of Directors.

A Director or Officer subject to a vote of removal shall be notified in writing no less than fifteen (15) days prior to a vote and if by Member vote, he or she may present a statement in writing in the meeting notice only if the statement is received within seven (7) days prior to the issuance of the meeting notice. The subject Director or Officer may present his or her defense at the meeting. If the removal of a Director is approved, such action shall also vacate any other office held by the removed Director.

4. Adoption Date. The date of the adoption of this Amendment is the date of execution below.

5. Certification. These articles of amendment were approved at meeting of the members of the Cooperative held on _____, 20__, that a quorum was present at such meeting, and that such amendment received at least two-thirds of the votes which all members present at such meeting in person, by mail, by electronic transmission, or represented by proxy were entitled to cast. The undersigned hereby certify that he/she has been authorized by such vote to execute and file these articles of amendment.

DATED this ____ day of _____, 20__.

Burton Water Cooperative

By: _____
President

date