

**ARTICLES OF INCORPORATION  
OF  
MAXWELTON CREEK COHOUSING  
A Washington Non-Profit Corporation**

THIS IS TO CERTIFY that the South Whidbey Cohousing Group (SWCG), a partnership, executed these Articles of Incorporation for the purpose of forming a corporation under the laws of the State of Washington, under the Washington Nonprofit Corporation Act, Chapter 24.03 of the Revised Code of Washington.

**ARTICLE I  
NAME**

The name of this corporation shall be MAXWELTON CREEK COHOUSING.

**ARTICLE II  
DURATION**

The period of duration of the corporation shall be perpetual.

**ARTICLE III  
PURPOSES**

MAXWELTON CREEK COHOUSING (MCC) organized solely to manage the affairs of the South Whidbey Cohousing Group Planned Residential Development (SWCG PRD) of Island County, Residential Development Ordinance, Chapter 16.17 of the Island County Code.

MCC shall manage the SWCG PRD consistent with the PRD Site Plan to be approved by the Island County Planning Department and recorded in the records of Island County, Washington, and the Declaration of Covenants, Conditions, Restrictions, Reservations and Dedication of Easements recorded therewith.

**ARTICLE IV  
POWERS**

MCC shall have the following powers:

4.1 To adopt and amend Articles of Incorporation, Bylaws, Rules and Regulations, Easements and Maintenance Agreements;

4.2 To adopt and amend budgets for revenues, expenditures and reserves, and to impose and collect assessments for common

expenses from lot owners, as provided in the Declaration of Covenants;

4.3 To hire and discharge of contract with managing agents or other employees, agents, and independent contractors;

4.4 To make contracts and to incur liabilities, to borrow money and to mortgage the property of the association in order to carry out the purpose of the Association;

4.5 To regulate the use, maintenance, repair, replacement and modification of Common Land and Facilities, and to manage the water system, Common House gas system, Common House septic system, Common House photo voltaic system, and any other utilities for the benefit of Lot Owners and MCC;

4.6 To cause additional improvements to be made as part of the Common Land and Facilities;

4.7 To acquire, hold, and convey in its own name any right, title, or interest to real or personal property;

4.8 To grant easements, leases, licenses, and concessions through or over the Common Land and Facilities and petition for or consent to the vacation of roads;

4.9 To impose and collect any payments, fees, or charges for the use, rental, or operation of the Common Land and Facilities, and to establish rate structures, rules and regulations for water system that will encourage conservation;

4.10 To impose and collect charges for late payment of assessments and after notice and an opportunity to be heard by the board of directors and in accordance with such procedures as provided in the Declaration of Covenants or Bylaws or Rules and Regulations adopted by the board of directors, levy reasonable fines in accordance with a schedule adopted by the board of directors;

4.11 Impose and collect reasonable charges for the preparation and recording of amendments to the Declaration or Articles of Incorporation;

4.12 To exercise any other powers conferred by the Declaration, these Articles or the Bylaws;

4.13 To exercise all other powers that may be exercised in this state by the same type of corporation; and,

4.14 To exercise any other power necessary and proper for the governance and operation of MCC;

4.15 In addition to powers specifically granted in Article IV herein, the corporation shall have each and every power enumerated in the Washington Non-Profit Corporations Act, Chapter 24.03 of the revised code of Washington.

## **ARTICLE V**

### **LIMITATIONS**

5.1 The corporation shall have no capital stock, and no part of its net earnings shall inure to the benefit of any director, officer, or member of the corporation, or any private individual.

5.2 Similarly, no member, director or officer of the corporation, or any private individual, shall be entitled to share in the distribution of any of the corporate assets upon dissolution of the corporation, or the winding up of its affairs, except as provided by the Washington Non-profit Corporation Act.

5.3 No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation and the corporation shall not participate in or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.

5.4 Nothing contained in these Articles of Incorporation shall be construed as authorizing or permitting the corporation to own, manage or operate any real or personal property for profit. It is the intention and purpose that the business of the corporation shall not be carried on for profit either to itself or for the benefit of its members, and wherever it is authorized to collect charges or assessments, it shall have not power of authority to use said moneys collected except as necessary to cover the actual cost or expense of the act, duty, power or transaction.

## **ARTICLE VI**

### **MEMBERSHIP AND VOTING RIGHTS**

The membership of the Association shall at all times consist exclusively of all of the lot owners, persons legally residing within the PRD and tenants of the SWCG PRD, as defined in Declaration of Covenants and Article I of the Bylaws. The voting rights of the members shall be as stated in Articles III and V of the Declaration. Legal residents and tenants shall be non-voting members of the Association.

**ARTICLE VII**  
**DIRECTOR LIABILITY**

7.1 A director of the corporation shall not be personally liable to the corporation or its members for monetary damages for conduct as a director done in the course and scope of their official capacities, except for liability of the director for:

7.1.1 Acts or omissions that involve intentional misconduct or a knowing violation of the law by the director;

7.1.2 Conduct which violates RCW 24.03.140 of the Washington Nonprofit Corporation and Association Act, pertaining to unpermitted loans to directors, or;

7.1.3 Any transaction from which the director will personally receive a benefit in money, property or services to which the director is not legally entitled.

7.2 It is intended that the liability limited herein be eliminated and limited to maximum extent from time to time permitted by the laws of the State of Washington. If the Washington Non-profit corporation and Associations Act is amended to authorize corporate action further eliminating or limiting the personal the personal liability of directors, then the liability of a director of the corporation shall be eliminated of limited to fullest extent permitted by Chapter 305, Laws of Washington 1987, Section 703, and RCW 24.03.025, and any statute or statues superseding the same or adding to the exculpatory effect of the same.

7.3 Any repeal or modification of the foregoing paragraph by the members of the corporation shall not adversely affect any right or protection of a director of the corporation existing at the time or such repeal or modification.

7.4 If the laws of another jurisdiction are being applied, liability of directors and officers of this corporation is eliminated to the maximum extent from time to time permitted by the laws of that jurisdiction, or if the laws of the State of Washington may then be applied, to the maximum extent permitted by the laws of the state or jurisdiction permitting a greater elimination of liability.

7.5 The benefits of this Article shall extend to the marital communities, estates, heirs, executors and administrators and officers of this corporation.

**ARTICLE VII**  
**IDEMNIFICATION**

8.1 The corporation shall indemnify its directors and officers against all liability, damage, or expense resulting from the fact that such person is or was a director, to the maximum extent and under all circumstances permitted by law. However, the corporation shall not indemnify a director against liability, damage, or expense resulting from the director's gross negligence or intentional misconduct.

8.2 The indemnification provided herein shall be for the benefit of its directors and officers who hereafter become parties to, or are threatened with being made parties to, any threatened or pending action, suit or proceedings, whether civil, criminal, or administrative, including any action suit or proceeding by, or in the right of this corporation, against personal liability for any of the following:

8.2.1 Monetary damages for their conduct acting as directors or officers of the corporation;

8.2.2 Monetary damages arising from their service at the request of this corporation as a director or officer;

8.2.3 Judgments, fines, penalties, and amounts paid in a settlement of settlements arising from a pending action against them; and

8.2.4 Reasonable attorney's fees, expenses and costs of litigation arising from any such pending action.

8.3 The above described right of indemnification shall be available to current and former directors of this corporation to the maximum extent from time to time permitted by the laws of the State of Washington, including to the maximum extent permitted by RCW 24.03.035 which incorporates by reference RCW 23B.03.025 and Chapter 212, Laws of Washington 1987, Part VII, Section 702, as well as the maximum extent permitted by any superseding statute or statutes.

8.4 Under the rights granted above to current and former elected directors and officers of this corporation to receive indemnification, the corporation may, in advance of final determination of a pending action, make payments to or for the benefit of such present or former director of monetary damages as described above, as well as other judgments, fines, penalties, amounts paid in a settlement or settlements and reasonable attorney's fees, expenses and costs of litigation, to the maximum extent from time to time permitted by the laws of the State of Washington.

8.5 The benefits of this Article shall extend to the marital communities, estates, heirs, executors and administrators of present and former directors of the corporation.

8.6 The board of directors of this corporation may also, from time to time in its uncontrolled discretion, cause this corporation to indemnify, reimburse or make advance payments to or for the benefit of present and former employees and agents of this corporation who are joined in a pending action by reason of their service to the corporation.

8.7 The corporation may purchase and maintain insurance for the benefit of its present and former directors, officers, employees and agents against personal liabilities arising from their service to this corporation, including liability for monetary damages and attorney's fees and costs and expenses of litigation. Such insurance coverage may provide broader coverage than the indemnity and right to reimbursement or advance payment provided under this Article.

#### **ARTICLE IX** **TRANSACTIONS WITH DIRECTORS**

9.1 No contract or other transaction between the corporation and other persons or entity shall in any way be invalidated by the fact that any of the directors of the corporation have a pecuniary or other interest in said person or entity.

9.2 Any director individually, or any entity in which a director may have an interest, may be a party to or may have a pecuniary or other interest in a contract or transaction between the director and the person or entity, provided that said contract or transaction shall be fair to the corporation.

#### **ARTICLE X** **AMENDMENT**

This corporation reserves the right to amend or repeal any provisions contained in these Articles of Incorporation in any manner now or hereafter permitted by statute, subject to any limitations expressed in the Declaration, these Articles of Incorporation, and the Bylaws of the Community Association. Consensus of the members entitled to vote is required to amend the Articles of Incorporation.

#### **ARTICLE XI** **BOARD OF DIRECTORS**

11.1 The initial Board of Directors of this corporation shall consist of TWELVE (12) directors. The names and addresses of these directors are as follows:

ANNETTE BADER JAMES JARVIS	6792 S. MAXWELTON RD. CLINTON, WA 98236
BONNIE FREUNDLICH JAY FREUNDLICH	4050 S. ALDER AVE FREELAND, WA 98249
LEA KOUBA	417 MOUNTAIN VIEW LANGLEY, WA 98260
JEANIE McELWAIN PAUL McELWAIN	4432 E. DEER LAKE RD. CLINTON, WA 98236
MARGARET MOORE MATTHEW FAUST	22603 90TH AVE W EDMONDS, WA 98026
HEIDI MORFORD STEFAN SCHLESINGER	4105 E. MADISON #330 SEATTLE, WA 98112
SUSAN MORRIS	6655 S. MAXWELTON RD. CLINTON, WA 98236

11.2 The number of directors constituting the Board of Directors of this corporation shall be at least THREE (3) but not more than SIXTEEN (16) in number.

11.3 The qualifications, terms of office, manner of election, time and place of meeting, and the powers and duties of the directors shall be as are prescribed by the Bylaws of the Association.

11.4 The board of directors shall have the power to make, alter, and repeal the Bylaws of the corporation, as provided in Article VIII of the Bylaws.

## **ARTICLE XII**

### **DISSOLUTION**

This corporation may be dissolved only as provided in the Washington Non-profit Corporation Act, RCW 24.03. In the even of dissolution of the corporation, each person who is then a member shall receive a pro rata share of the property and assets after all of its debts have been paid, one share for each parcel of residential real property whose owners are members herein.

## **ARTICLE XIII**

**REGISTERED OFFICE AND AGENT**

13.1 Registered Office. The street address and mailing address of the initial registered office is 417 Mountain View, Langley, WA 98260 which location conforms with the requirement of Chapter 24.03 of the Revised Code of Washington.

13.2 Registered Agent. Lea Kouba, who is a resident of the State of Washington and whose business office is identical with the registered office, is designated as the registered agent.

**ARTICLE XIV**  
**INCORPORATORS**

The name of the incorporators are the following general partners of the South Whidbey Cohousing Group Partnership, a Washington general partnership, who are authorized by the Partnership to execute these Articles of Incorporation:

LEA KOUBA	417 Mountain View Langley, WA 98260
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JEANIE McELWAIN	4432 E. Deer Lake Rd. Clinton, WA 98236
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IN WITNESS WHEREOF, the undersigned incorporators have executed these Articles of Incorporation in duplicate this 12 day of August, 1997.

<signature>  
LEA KOUBA  
INCORPORATOR

<signature>  
JEANIE McELWAIN  
INCORPORATOR