

**ARTICLES OF AMENDMENT FOR
THE WAYFARER CO-OPERATIVE ASSOCIATION, INC.**

The Articles of Incorporation of the Wayfarer Co-Operative Association, Inc. filed for record with the office of the Secretary of State on August 10, 1951 are hereby amended to read as follows:

1. Article II is amended to read as follows:

II.

The purpose of the association shall be to engage in the business of providing housing for its members and stockholders on the co-operative plan and not for profit, by acquiring, operating, maintaining, leasing, conveying or otherwise making available to members and stockholders such apartment housing accommodations as are included in the property known as Wayfarer Apartments, 4725-15th Avenue NE, Seattle, King County, Washington 98105 or other properties to be purchased; and for such purpose or purposes to enter into contracts and transactions for the acquisition of the required real estate and appurtenances; to borrow money upon notes, bonds or otherwise, as may be proper; to buy, sell, install and service personal property, fixtures, equipment and chattels for said premises; to issue stock and execute leases; to repurchase and reissue its stock; to exercise all the rights, powers and privileges conferred upon co-operative associations under the present or any future laws of the State of Washington, including the right to sell such real estate as may be acquired, when the sale shall be determined upon in accord with applicable law and the By-Laws; to enter into and perform contracts of every sort in connection with the purposes herein mentioned and to do and perform and carry out all acts and things to have and exercise any and all powers which may be necessary or convenient to accomplish any or all of the foregoing.

2. Article III. is amended to read as follows:

Insofar as practicable, apartments and housing units shall be leased to members and stockholders of the association only, in accord with the By-Laws and in accord with such lease as may be approved by the association. However, the association itself may hold, acquire and let out to non-members apartments and housing units when deemed advisable.

The members shall, subject to the By-Laws and Proprietary Lease, have the rights that an owner would have with respect to the apartment appurtenant to each members' membership, including the right to evict or take legal action against any person or persons occupying or detaining said apartment or disturbing the peaceful enjoyment thereof.

Members and stockholders may acquire stock on the installment plan and have the right to vote the same consistent with applicable law.

3. Article IV is amended to read as follows:

The principal place of business of the association shall be and the registered office of the association shall be 4725 15th Avenue N.E., Seattle, King County, Washington 98105.

4. Article V is amended to read as follows:

The association shall have a perpetual existence.

5. Article VI is amended to read as follows:

VI.

The amount of the capital stock of the association shall be \$178,100.00 consisting of one class of 1781 common shares of \$100.00 par value each.

The number of shares associated with each apartment shall be in proportion to the established value for that apartment. This association is not organized for profit; stock is provided only for purposes of convenience in management and not for profit; no dividends or earnings shall be paid on any stock or to any stockholder or member, and no distributions shall be made to any stockholder or member except on the complete or partial liquidation of the association. Funds paid in to the association are only for the purpose of acquiring, operating and maintaining the association and the property of the association, including the establishment of appropriate reserves. Each member shall have one vote on each matter coming to the membership for a vote. Members may vote by personally attending the meeting or by mail or proxy as established in the By-Laws.

As used throughout these Articles of Incorporation and the By-Laws, the terms "member", "stockholder" and "shareholder" shall have the identical meaning.

6. Article VII is amended to read as follows:

VII.

The association shall be managed by a Board of Directors of not less than three members or such larger number established in or determined under the By-Laws, chosen by and from the stockholders in accord with law.

The Directors shall have the power to adopt By-Laws; provided that the By-Laws may be amended, repealed or otherwise changed by a majority vote of the members present or voting by proxy at any regular meeting or any special meeting called for that purpose. The By-Laws may provide for the expulsion of any member of the association and any occupant of an apartment. The rights of all occupants and stockholders, present or future, shall be deemed subject to these Articles and the By-Laws, Proprietary Lease and regulations which from time to time may be adopted. The Directors shall have power to appoint a manager. No individual stockholder or occupant of an apartment as such shall have the right to incur any charge or lien against the property of the association. No member or stockholder shall be liable for any debts or obligations of the association; assessments may be levied as established in the By-Laws. The enumerations of the duties and responsibilities of the Board of Directors and the content of the By-Laws in these Articles shall not limit the duties and responsibilities of the Board of Directors nor the content of the By-Laws as provided for in or permitted under applicable law.

Any natural person or persons may become a member of the association by (a) acquiring a membership interest according to the method specified in the By-Laws and (b) agreeing to comply with and be bound by the terms and conditions relating to membership contained in these Articles and the By-Laws and amendments to the same, provided however that no applicant shall, except as otherwise provided in these Articles or the By-Laws, become a member unless and until the applicant has been accepted for membership in accord with the By-Laws. The By-Laws, as indicated, may define and fix the duties and responsibilities of the members and prescribe such other terms and conditions upon which members may be admitted to and retain membership and be expelled therefrom, not inconsistent with these Articles and the State Law.

7. Article IX is eliminated in its entirety and replaced with the following:

IX.

Members of the association shall have no preemptive rights to acquire additional shares of the association.

8. A new Article X is added to read as follows:

X.

A dissenting member, as that term is used in RCW §23.86.145 as now existing or as hereafter amended or replaced, shall, consistent with applicable law, be limited to a return of the lesser of the fair value of the member's equity interest in the association or the consideration paid to or

retained by the association for that equity interest.

9. A new Article XI. is added to read as follows:

XI.

Upon the dissolution and final liquidation of the association, and after taking all actions as required by applicable law, the assets of the association shall be distributed to the members in proportion to the number of shares owned by each member.

10. A new Article XII is added to read as follows:

XII.

To the maximum extent permitted by applicable law, no present or future Director of the association shall be personally liable to the association or the members for monetary damages for any act as director occurring after the effective date of this Article. No amendment to or repeal of this Article shall adversely affect the rights of a Director as established herein with respect to any act or omission of that Director occurring after the adoption of this Article and before the amendment or repeal of this Article.

11. A new Article XIII is added to read as follows:

XIII.

The Board of Directors may enter into Recognition Agreements or other contracts with one or more lending institutions or other entities ("Lender") under which the Lender will make loans to Members for the purchase or refinance by the Member of Stock and Membership in the association. The provisions of any such Recognition Agreement or other contract executed by the Board of Directors shall be binding upon and enforceable against the association and shall be deemed to amend and supersede any conflicting provisions of these Articles, By-Laws, Proprietary Lease or any other similar documents of the association. The association agrees to abide by the terms of such Recognition Agreement or other contract executed by the Board of Directors.

The foregoing amendment to the Articles of Incorporation of the Wayfarer Co-Operative Association, Inc. was duly adopted by the Members of said corporation at a meeting of the Members held on _____, 1996. A quorum was present at that meeting and the amendment received an affirmative vote from a majority of the Members present at such meeting in person, by mail or represented by proxy and by an affirmative vote of more than twenty-five percent (25%) of all Members. The shares of

the corporation are not divided into separate classes.

DATED this ____ day of _____, 1996

WAYFARER CO-OPERATIVE
ASSOCIATION, INC.

By:
Its:

By:
Its: