

**ARTICLE IX
INDEMNIFICATION OF
DIRECTORS AND OFFICERS**

Section 1. The mutual corporation shall indemnify any director, officer, or manager, or former director against all judgments, penalties, fines, settlements, and reasonable expenses, including attorney's fees, in connection with any proceeding to the extent authorized and subject to the provisions of Chapter 23B.08.560 RCW, as now enacted or hereafter amended. The risks covered by this indemnification may be protected against by the purchase, maintenance, and payment of premiums for such insurance as in the discretion of the Board is deemed to be appropriate.

Section 2. Each such person who was, is, or is threatened to be made a named party to or is otherwise involved (including, without limitation, as a witness) in any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal (hereinafter a "proceeding"), by reason of the fact that he or she is or was a Director or officer of the corporation or, that being or having been such a Director or officer or an employee of the corporation, he or she is or was serving at the request of the corporation as a Director, officer, partner, trustee, employee, or agent of another corporation or of a partnership, joint venture, trust, employee benefit plan, or other enterprise (hereinafter an "indemnatee"), whether the basis of a proceeding is alleged action in an official capacity as such a Director, officer, partner, trustee, employee, or agent, or in any other capacity while serving as such a Director, officer, partner, trustee, employee, or agent, shall be indemnified and held harmless by the corporation against all expense, liability, and loss (including counsel fees, judgments, fines, ERISA, excise taxes, or penalties and amounts to be paid in settlement) actually and reasonably incurred or suffered by such indemnatee in connection therewith, and such indemnification shall continue as to an indemnatee who has ceased to be a Director, officer, partner, trustee, employee, or agent and shall inure to the benefit of the indemnatee's heirs, executors, and administrators. Except as provided in Section 3 of this Article with respect to proceedings seeking to enforce rights to indemnification, the corporation shall indemnify any such indemnatee in connection with a proceeding (or part thereof) initiated by such indemnatee only if a proceeding (or part thereof) was authorized or ratified by the Board. The right to indemnification conferred in this Section shall be a contract right.

Section 3. No indemnification shall be provided to any such indemnatee for acts or omissions of the indemnatee finally adjudged to be intentional misconduct or a knowing violation of law, or for conduct of the indemnatee involving conduct finally adjudged to be a violation of RCW 23B.08.310, or any transaction with respect to which it was finally adjudged that such indemnatee personally received a benefit in money, property, or services to which the indemnatee was not legally entitled, or if the corporation is otherwise prohibited by applicable law from paying such indemnification, except that if Section 23B.08.560, or any successor provision of the Washington Business Corporation Act is hereafter amended, the restrictions on indemnification set forth in this section shall be as set forth in such amended statutory provision.

Section 4. The right to indemnification conferred in this Article shall include the right to be paid by the corporation the expenses incurred in defending any proceeding in advance of its final disposition (hereinafter an "advancement of expenses"). An advancement of expenses shall be made upon delivery to the corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such indemnitee is not entitled to be indemnified for such expenses under this Section 4.

Section 5. If a claim under Section 2 or 4 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 an advancement of expenses, in which case the applicable period shall be twenty (20) days, the indemnitee may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim. If successful in whole or in part, in any such suit or in a suit brought by the corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit.

The indemnitee shall be presumed to be entitled to indemnification under this Section upon submission of a written claim (and, in an action brought to enforce a claim for an advancement of expenses, 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 indemnitee is so entitled.

Section 6. Pursuant to Section 23B.08.560(2) or any successor provision of the Washington Business Corporation Act, the procedures for indemnification and advancement of expenses set forth in this Section are in lieu of the procedures required by Section 23B.08.550 or any successor provision of the Washington Business Corporation Act.

Section 7. The right to indemnification and the advancement of expenses 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, or Bylaws of the corporation, general or specific action of the Board, contract or otherwise.

Section 8. The corporation may maintain insurance, at its expense, to protect itself and any Director, officer, partner, trustee, employee, or agent of the corporation or another corporation, partnership, joint venture, trust, or other enterprise against any expense, liability, or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability, or loss under the Mutual Corporation Act, Chapter 24.06 RCW, or the Washington Business Corporation Act, Chapter 23B.08.500 through .600 RCW. The corporation may enter into contracts with any Director, officer, partner, trustee, employee, or agent of the corporation in furtherance of the provisions of this Section 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 Section.

Section 9. The corporation may, by action of the Board, grant rights to indemnification and advancement of expenses to employees and agents, or any class or group of employees and agents of the corporation:

(a) with the same scope and effect as the provisions of this Section with respect to the indemnification and advancement of expenses of Directors and officers of the corporation;

(b) pursuant to rights granted pursuant to, or provided by, the Washington Business Corporation Act; or

(c) otherwise consistent with law.

Section 10. Any person who, while a Director, officer, or employee of the corporation, is, or was serving as a Director or officer of another foreign or domestic corporation of which a majority of the shares entitled to vote in the election of its Directors is held by the corporation; or (a) as a partner, trustee, or otherwise in an executive, or management capacity in a partnership, joint venture, trust, or other enterprise of which the corporation, or a wholly owned subsidiary of the corporation is a general partner, or has a majority ownership, shall be deemed to be so serving at the request of an executive officer of the corporation and entitled to indemnification and advancement of expenses under Sections 2 and 4 of this Article.