

**FILED
SECRETARY OF STATE
SAM REED
FEBRUARY 13, 2012
STATE OF WASHINGTON**

AMENDED AND RESTATED

ARTICLES OF INCORPORATION

OF

SANDY POINT IMPROVEMENT CO.

The purpose of this amendment to the Articles of Incorporation is to add amendment(s) adopted by the shareholders at the 2011 annual meeting and to restate the Articles to incorporate numerous amendments made by the shareholders over the years into this amendment.

ARTICLE I

The name of the corporation shall be Sandy Point Improvement Co.

ARTICLE II

Its purposes, objects and powers are:

FIRST: To acquire, hold, develop, improve, operate and maintain real property and interests and rights therein in order to provide services and facilities for the use and enjoyment of its shareholders as the owners and residents of real property in and about the area known as Sandy Point in Whatcom County, Washington: to acquire, construct, hold, maintain, operate, reconstruct and improve water and sewer systems for such area and its shareholders, including water rights, easements, wells, tanks, pumps, pipelines, treatment plants, filter plants and any other property or property interest that may be incident thereto: to acquire lease, hold, improve, develop and dispose of real property interests including tidelands, for recreational facilities for its shareholders as such owners and residents: to undertake the construction, maintenance, repair, operation, improvement, reconstruction and disposal of a system of surface water drains, conduits, systems and apparatus for such area: and generally to acquire, hold, develop, improve, maintain, construct, and operate real property for such other purposes as may in the best interests of its shareholders and the area.

SECOND: To do and perform such things as may be necessary or convenient to accomplish the foregoing purposes, regardless of whether such activities may result in profit or gain to the corporation.

THIRD: To acquire, hold, mortgage, pledge, dispose of, buy, or otherwise acquire stocks, bonds, or other securities, goodwill or rights of any firm or corporation; having for its objectives, or some of them, any of the objectives of this corporation; to apply for, acquire, hold, use, sell or assign letters of patent, franchises, and permits; to enter into a partnership or joint venture with any person, partnership or corporation for the accomplishment of the corporate purposes of this corporation; to borrow money and to buy, hold and sell shares of stock, bonds and other evidence of indebtedness of this corporation, and to conduct any business, pursuit or activity and to exercise every power and authority granted or conferred by the Uniform Business Corporation Act of the State of Washington, and to do or perform any and all things necessary, proper or convenient for the carrying out or accomplishment of the objects and purposes herein specified.

ARTICLE III

The corporation is to have perpetual existence.

ARTICLE IV

The principal office and place of business of the corporation shall be located at 4460 Decatur Drive, Ferndale, Washington 98248 or at such other place as may be authorized by the Board of Directors or proper authorities.

ARTICLE V

The total capital stock of the corporation shall be Four Thousand One Hundred Dollars (\$4,100.00) divided into the following classes of stock:

1. **Class A Stock:** There shall be one thousand (1000) shares of Class A stock of a par value of One Dollar (\$1.00) a share. By accepting a share of Class A stock the shareholder thereof agrees to make an annual capital contribution in an amount to be determined the vote of two-thirds of the corporate directors for the purpose of providing funds to maintain the properties and facilities of the corporation; provided, however, that the amount of such capital contribution shall not exceed the sum of One Hundred Thirty Five Dollars (\$135.00) for each share of Class A stock during any fiscal year of the corporation unless previously approved by a vote of fifty one per cent (51%) of the holders of Class A stock present at any meeting of shareholders called for the purpose of authorizing such increased amount. Class A stock shall have one vote for each share of stock on any matter presented to the

shareholders but shall not be transferable except as incident to the sale or other transfer of real property in the area of Sandy Point to which real property such share shall be appurtenant as may be determined by the corporation in accordance with its bylaws at the time of the original issuance thereof. The holder of a Class A stock shall be entitled to use and enjoy the facilities and services of the corporation subject to such regulations for the use thereof as the directors may establish from time to time, any reasonable charge which the directors may impose for goods and services furnished by the corporation, including charges for water, to its shareholders. Non-payment of this annual contribution may result in a lien being filed against the shareholder's property.

2. Class B Stock: There shall be Three Thousand (3000) shares of Class B stock of a par value of One Dollar (\$1.00) a share. No shareholder of such Class B stock shall be required to make any capital contributions to the corporation by virtue of holding such stock, which shall be fully transferable at the discretion of the holder thereof and shall have one vote for each share on any matter presented to the shareholders.

3. Class C Stock: There shall be One Thousand Shares of Class C Stock of a par value of Ten Cents (\$0.10) a share. The holders of Class C Stock shall have one vote for each share of stock, provided however, the Class C shareholders may only vote for the election of the Board of Directors and on water service matters that are presented by the Board of Directors for a vote of the shareholders at any annual or special meeting called for that purpose. The holders of Class C stock shall have no vote on other matters presented at any meeting of the shareholders and shall not participate in any dividend of the corporation or in any distribution on liquidation of the corporation. Such share shall solely represent the right of the holder thereof to have water service provided by the corporation to real property owned by the shareholder in the area of Sandy Point to which real property such share shall be appurtenant as may be determined by the corporation in accordance with its bylaws at the time of original issue thereof, provided that such shareholder shall comply with the regulations pertaining to the use of such water and shall pay the water users charge for water as may be established by the directors. No shareholder of Class C Stock shall be required to make any capital contribution by virtue of holding such stock. Such stock shall not be transferable except as to the sale or other transfer of the real property to which it is appurtenant in the Sandy Point Area.

ARTICLE VI

The corporation shall begin business with a paid-in capital of Five Hundred Dollars (\$500.00).

ARTICLE VII

The affairs of this corporation shall be managed by a board of from three to seven directors. The first directors, their names and post office addresses are:

Name	Address
R.E. Rogers	Rm. 26, 518 First Avenue North Seattle, Washington 98109
Stuart E. Rogers	Rm. 26, 518 First Avenue North Seattle, Washington 98109
Robert E. Walker	The Highlands Seattle, Washington 98177

These directors shall serve until the first meeting of shareholders and incorporators and until their successors are elected and qualified.

No director of this corporation shall be liable on account of mismanagement of the corporate affairs made on the ground that this corporation shall fail to realize a profit on account of its activities, it being expected that the activities of this corporation shall require annual assessments against its shareholders as herein elsewhere provided for.

ARTICLE VIII

The names and post office addresses of the incorporators and the number of shares subscribed by each are:

Name	Address	No. of Shares
Peter V. Gulick	1725 Exchange Building Seattle, Washington 98104	1
David W. Sandell	1725 Exchange Building Seattle, Washington 98104	1
Janice Hamilton	1725 Exchange Building Seattle, Washington 98104	1

ARTICLE IX

A director or officer of this corporation shall not be disqualified by his office from

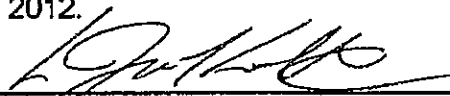
dealing or contracting with this corporation as a vendor, purchaser, creditor or debtor or otherwise. The fact that any director or officer, or any firm of which any director or officer is a shareholder, director or officer, is in any way interested in any transaction or contract of this corporation shall not make such transaction or contract void or voidable, or require such director or officer to account to this corporation for any profits there from, provided that such transaction or contract is or shall be authorized, ratified or approved either (i) by a vote of a majority or a quorum of the board of directors or (ii) by the written consent or general resolution approving the acts of the directors and officers at a shareholder meeting, of the holders of record of a majority in number of all the outstanding shares of capital stock of this corporation entitled to vote. Nothing herein contained shall create any liability in the events above described or prevent the authorization, ratification or approval of such transactions or contracts in any other manner.

ARTICLE X

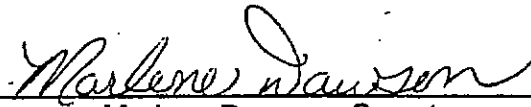
Any person against whom a claim or liability is asserted, or who is made a party to any action, suit or proceeding by reason of the fact that he, his testator or intestate, is or was a director, officer or employee of this corporation, or of any corporation which he served as such at the request of this corporation, shall be indemnified and reimbursed by this corporation for payment of any such claim or liability, costs or expenses, including attorney's fees, actually and necessarily incurred by him in connection with such claim or liability, or the defense of such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in any action, suit or proceeding that such officer, director or employee is liable for gross negligence or misconduct in the performance of his duties. Such rights of indemnification and reimbursement shall not be deemed exclusive of any other rights to which such director, officer or employee may be entitled.

This document is hereby executed under penalties of perjury, and is, to the best of my knowledge, true and correct.

DATED this 10th day of February, 2012.



A. James Kolbo, President



Marlene Dawson., Secretary