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FILED
STATE OF WASHINGTON
JUN 10 1992
RALPH MUNRO
SECRETARY OF STATE

ARTICLES OF INCORPORATION
OF

TEAL LAKE VILLAGE ASSOCIATION

A Washington Non-Profit Corporation

In compliance with the requirements of RCW 24.03, the undersigned, Craig L. Jones of Craig L. Jones & Associates, who is a resident of Washington State and who is of full age, has this day voluntarily formed a corporation not for profit and does hereby certify:

ARTICLE I
NAME

The name of the corporation shall be "TEAL LAKE VILLAGE ASSOCIATION", hereinafter referred to as the "Association."

ARTICLE II
PRINCIPAL OFFICE

The initial principal office of the Association is located at 19245 Tenth Avenue N.E., Poulsbo, Washington 98370, but may be changed at the discretion of the Board of Directors.

ARTICLE III
REGISTERED AGENT

Thomas A. Griffin, whose address is 19245 Tenth Avenue N.E., Poulsbo, Washington, 98370, is hereby appointed as the initial Registered Agent of this Association.

ARTICLE IV
DURATION

The Association shall exist perpetually.

ARTICLE V
PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and it is formed for management, maintenance, social, physical and aesthetic purposes to benefit property owners, residents and occupants within the Plat of Teal Lake Village, situate in Jefferson County, Washington. Teal Lake

Village is subject to a Master Declaration and Supplemental Declaration of Covenants, Conditions, Restrictions, Assessments, Charges, Servitudes, Liens, Reservations and Easement as amended (hereinafter referred to as the "Declarations"). The Declarations are recorded against the property of each Member of this Association. The Declarations are incorporated herein by this reference and, in the event of any inconsistency between the Declarations and these Articles of Incorporation, the Declarations shall control. The definitions contained within the Declarations shall apply to these Articles of Incorporation by this reference.

The Association shall have the right and responsibility to exercise all of the powers and privileges and to perform all of the duties and obligations of the Association set forth in the Declarations, as may be amended, and the Washington Non-Profit Corporation Act, RCW 24.03, as specifically set forth in RCW 24.03.035, as may be amended from time to time, including, but not limited to, the following:

(A) The right and responsibility for the proper management and operation of Association Land, Common Areas and improvements thereon;

(B) The right and authority to levy, bill for, sue for, collect, lien, administer, disburse, enforce payment, suspend membership and exercise all other remedies relating to Annual Assessments and Special Assessments;

(C) The right and authority to enforce the provisions of the Declarations to the extent provided therein;

(D) The right and authority to maintain insurance;

(E) The right and authority to enter into contracts and transactions with others;

(F) The right and authority to employ a Managing Agent and to contract with independent contractors or other entities to perform all or any part of the duties or responsibilities of the Association;

(G) The right and authority to adopt Teal Lake Village Rules;

(H) The right and authority to exercise jurisdiction over all activities permitted on Common Areas;

(I) The right and authority to pay all expenses incident to the conduct of the business of the Association including, but not limited to, wages and other employment compensation, utilities, maintenance expenses, license fees, property taxes, personal property taxes or other taxes imposed by any governmental entity;

(J) The right and authority to acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of, any real or personal property in connection with the affairs of the Association; provided, however, that no dedication or transfer of real property shall be effective unless an instrument agreeing to such dedication or transfer of real property, signed by two-thirds (2/3) of each Class of Membership Association, has been recorded; and

(K) The right and authority to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law RCW 24.03, of the State of Washington may now or hereafter have or exercise.

ARTICLE VI MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot within Teal Lake Village, as defined in the Supplemental Declaration, shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot to which the Membership is attributable. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. The rights and obligations of Membership in the Association shall not be assigned, transferred, pledged, conveyed or alienated in any way, except upon conveyance of a Lot by deed, intestate succession, testamentary disposition, foreclosure or other legal process pursuant to the laws of the State of Washington or the United States.

**ARTICLE VII
MEMBERSHIP AND VOTING**

The Association shall have two (2) classes of voting memberships:

Class A. Class A Memberships shall be all Memberships, except the Class B Membership held by the Declarant, or successor, of the property within Teal Lake Village, and each Owner shall be entitled to one (1) vote for each Lot owned, subject to the authority of the Board of Directors to suspend the voting rights of the Owner for violations of the Supplemental Declaration.

Class B. Class B Membership shall be held by the Declarant, and the Class B Membership shall be entitled to three (3) votes for each Lot owned. The Class B Membership shall cease and be converted to Class A Memberships on the first of the following events:

(A) When the total votes outstanding in Class A Membership equal the total votes outstanding in the Class B Membership;

(B) When the Declarant voluntarily terminates the Class B Membership by written notice to the Association, at which time Declarant shall receive Class A Membership for each Lot owned within Teal Lake Village; or

(C) At the end of the Development Period.

When more than one person holds an interest in a Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

**ARTICLE VIII
BOARD OF DIRECTORS**

The affairs of the Association shall be conducted and managed by the Board of Directors and such Officers as the Board of Directors may elect or appoint in accordance with the Bylaws of the Association as the same may be amended from time to time. The Board of Directors shall be composed of at least three (3) and no more than nine (9) members. The initial Board of Directors shall be composed of four (4) members. The names and addresses of the

persons who are to act in the capacity of Directors until the selection of their successors are:

Name	Address
Mr. Greg McCarry	19245 Tenth Avenue N.E. Poulsbo, WA 98370
Mr. Thomas A. Griffin	19245 Tenth Avenue N.E. Poulsbo, WA 98370
Mr. Larry Smith	19245 Tenth Avenue N.E. Poulsbo, WA 98370
Mr. Thomas A. Ringo	19245 Tenth Avenue N.E. Poulsbo, WA 98370

**ARTICLE IX
DISSOLUTION**

In the event of dissolution, the net assets of the Association shall be distributed as determined by the Board of Directors to either (1) another nonprofit corporation; or (2) to the members as provided in RCW 24.03.

**ARTICLE X
BYLAWS**

Provisions for the regulation of the internal affairs of the Association shall be set forth in the Bylaws of the Association.


**ARTICLE XI
AMENDMENT**

The Article of Incorporation may be amended in accordance with the procedures set forth in the Washington Nonprofit Corporation Act, specifically, RCW 24.03.165, as may be amended.

**ARTICLE XII
INCORPORATOR**

The incorporator is Craig L. Jones of Craig L. Jones & Associates, Attorney at Law, whose address is 10049 Kitsap Mall Blvd. Suite 201, Silverdale, Washington, 98383.

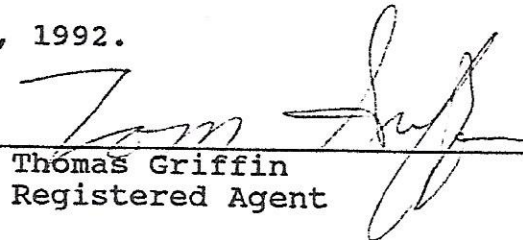
Dated this 8 day of June, 1992.


Craig L. Jones

CONSENT TO SERVE AS REGISTERED AGENT

I, THOMAS GRIFFIN, hereby consent to serve as Registered Agent for TEAL LAKE VILLAGE ASSOCIATION in the State of Washington. I understand that as agent for the corporation, it will be my responsibility to receive service of process in the name of the corporation; to forward all mail to the corporation; and to immediately notify the Office of the Secretary of State in the event of my resignation, or of any changes in the registered office address.

DATED this 8 day of June, 1992.



Thomas Griffin
Registered Agent

Registered Office:

19245 Tenth Avenue N.E.
Poulsbo, Washington 98370

RCW 24.03.025

Articles of incorporation.

The articles of incorporation shall set forth:

(1) The name of the corporation.

(2) The period of duration, which may be perpetual or for a stated number of years.

(3) The purpose or purposes for which the corporation is organized.

(4) Any provisions, not inconsistent with law, which the incorporators elect to set forth in the articles of incorporation for the regulation of the internal affairs of the corporation, including provisions regarding:

(a) Distribution of assets on dissolution or final liquidation;

(b) The definition, limitation, and regulation of the powers of the corporation, the directors, and the members, if any;

(c) Eliminating or limiting the personal liability of a director to the corporation or its members, if any, for monetary damages for conduct as a director: PROVIDED, That such provision shall not eliminate or limit the liability of a director for acts or omissions that involve intentional misconduct by a director or a knowing violation of law by a director, or for any transaction from which the director will personally receive a benefit in money, property, or services to which the director is not legally entitled. No such provision may eliminate or limit the liability of a director for any act or omission occurring before the date when such provision becomes effective; and

(d) Any provision which under this title is required or permitted to be set forth in the bylaws.

(5) The address of its initial registered office, including street and number, and the name of its initial registered agent at such address.

(6) The number of directors constituting the initial board of directors, and the names and addresses of the persons who are to serve as the initial directors.

(7) The name and address of each incorporator.

(8) The name of any person or corporations to whom net assets are to be distributed in the event the corporation is dissolved.

It shall not be necessary to set forth in the articles of incorporation any of the corporate powers enumerated in this chapter.

Unless the articles of incorporation provide that a change in the number of directors shall be made only by amendment to the articles of incorporation, a change in the number of directors made by amendment to the bylaws shall be controlling. In all other cases, whenever a provision of the articles of incorporation is inconsistent with a bylaw, the provision of the articles of incorporation shall be controlling.

[1987 c 212 § 703; 1982 c 35 § 75; 1967 c 235 § 6.]

NOTES:

**Intent -- Severability -- Effective dates --
Application -- 1982 c 35: See notes following RCW
43.07.160.**

Amending articles of incorporation: RCW 24.03.160 through
24.03.180. Bylaws: RCW 24.03.070.



STATE of WASHINGTON SECRETARY of STATE

I, **Ralph Munro**, Secretary of State of the State of Washington and custodian of its seal, hereby issue this

CERTIFICATE OF INCORPORATION

to

TEAL LAKE VILLAGE ASSOCIATION

a Washington Non Profit corporation. Articles of Incorporation were
filed for record in this office on the date indicated below:

U.B.I. Number: 601 394 704

Date: June 10, 1992



Given under my hand and the seal of the State of
Washington, at Olympia, the State Capitol

Ralph Munro, Secretary of State