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ARTICLES OF INCORPORATION

LAKES AT TELAGA HOMEOWNERS' ASSOCIATION, INC.

The undersigned, Chapparral Development, Inc., an Idaho corporation ("Declarant"), acting as the incorporator of a non-profit corporation organized under and pursuant to the Idaho Nonprofit Corporation Act, Chapter 3, Title 30, Idaho Code ("Act"), adopts the following Articles of Incorporation ("Articles"); for the incorporation of the Lakes at Telaga Homeowners' Association, Inc. ("Corporation").

SECRETARY OF STATE
STATE OF IDAHO

ARTICLE I

The name of the Corporation is LAKES AT TELAGA HOMEOWNERS' ASSOCIATION, INC.

ARTICLE II

The Corporation is a non-profit corporation.

ARTICLE III

The period of duration of the Corporation is perpetual.

ARTICLE IV

The address of the initial registered office and the principal office of the Corporation is 1037 E. Winding Creek Dr., Eagle, Idaho 83616 and the name of the initial registered agent at this address is Orson J. Woodhouse.

ARTICLE V

- 1. The purposes for which the Corporation is organized and will be operated are as follows:
 - (a) To provide for the maintenance, preservation and architectural control of the residences, lots and common areas situated within the Lakes at Telaga Subdivision located in Canyon County, Idaho ("Development").
 - (b) To promote the health, safety and welfare of the residents within the Development.
 - (c) To fix, levy, collect and enforce payment by any lawful means, all charges or assessments; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Corporation, including all licenses, taxes or governmental charges levied or imposed against the property of the Corporation.
 - (d) To accept donations of money, property, whether real or personal, or any other things of value.
 - (e) To borrow money, and with the assent of two-thirds (2/3) of each class of members, to mortgage, pledge, deed in trust, or hypothecate, any or all of its real or personal property as security for money borrowed or debts incurred.
 - (f) To dedicate, sell or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members of the Corporation.

IDAHO SECRETARY OF STATE
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ARTICLES OF INCORPORATION LAKES AT TELAGA HOMEOWNERS' ASSOCIATION

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(g) To have and to exercise, any and all powers, rights and privileges which a corporation organized under the Act may now or hereafter have or exercise.

(h) Nothing herein contained shall be deemed to authorize or permit the corporation to carry on any business for profit, to exercise any power, or to do any act that a corporation formed under the Act, or any amendment thereto or therefore, may not at that time lawfully carry on or do.

ARTICLE VI

No part of the net earnings or assets of the Corporation shall inure to the benefit of, or be distributable to its members, directors, officers, or other private persons except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article VI hereof. No substantial part of the activities of the Corporation shall be for the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office. Notwithstanding any other provisions of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from Federal Income Tax under Section 528(x) of the internal Revenue Code of 1986, as amended from time to time.

ARTICLE VII

The Corporation shall have members. Every person or entity who is an owner of any lot within the Development is entitled to membership and voting rights in the Corporation. Every member, except for Declarant, shall have Class A status and be entitled to one (1) vote for each lot owned. The owner of a lot is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership is appurtenant to, and inseparable from, ownership of the lot.

ARTICLE VIII

Amendment of the Articles requires the approval of two-thirds (2/3) vote of the owners.

ARTICLE IX

Declarant shall have Class B status and thereby entitled to five (5) votes for each lot owned until the happening of either of the following events, whichever occurs earlier:

(a) when seventy-five percent (75%) of the lots have been conveyed by deed to owners other than Declarant; or

(b) on December 31, 2020.

The Declaration contains provisions in which the Development may be expanded so as to include additional adjacent parcels of land. In the event the Declaration is so amended or additional plats of land are brought within the Development, then these Articles of Incorporation shall be deemed amended so as to include such additional areas of land within the Development so that each person or entity holding title to a lot within such additional area shall be a member of this Corporation. No further consent or approval of this Corporation shall be required to so amend the Declaration.

ARTICLE X

The Corporation is intended to be classified as a "homeowners' association" pursuant to Section 528(a) of the Internal Revenue Code of 1986, as amended. As such, it is intended to be exempt from income taxes. The Corporation is an organization intended to be a residential real estate management

association or condominium management association organized and operated to provide for the acquisition, construction, management, maintenance, and care of Corporate property, where sixty percent (60%) or more of the gross income of the Corporation for any taxable year shall consist solely of amounts received as membership dues, fees, or assessments from owners or residences or residential lots. Ninety percent (90%) or more of the expenditures of the Corporation for any taxable year shall be expenditures for the acquisition, construction, management, maintenance, and care of the Corporation's property. No part of the net earnings of the Corporation shall ever inure to the benefit of any member or any other individual or entity. All provisions of these Articles of Incorporation shall be interpreted in accordance with the provisions of Section 528(c) of the Internal Revenue Code of 1986, as amended. In case of conflict between such section and other provisions herein, any provisions within these Articles shall be interpreted to be consistent with such section, or shall be of no force and effect.

ARTICLE XI

The affairs of the Corporation shall be managed by its Board of Directors who need not be members of the Corporation. The number of Directors serving on the Board of Directors shall be fixed in accordance with the Corporation's Bylaws. Other than the Directors constituting the initial Board of Directors, who are designated in these Articles, the Directors shall be elected or appointed in the manner and for the term provided in the Bylaws of the Corporation. The names and street addresses of the persons constituting the initial Board of Directors are:

Name	Address
Patrick C. White	1550 Hereford Dr., Eagle, Idaho 83616
Orson J. Woodhouse	1037 E. Winding Creek Dr., Eagle, Idaho 83616
Andrea R. Coddens	1037 E. Winding Creek Dr., Eagle, Idaho 83616

ARTICLE XII

The Corporation shall indemnify the members of the Board of Directors for all costs, losses, liabilities, expenses and damages, including reasonable attorneys fees, suffered or incurred by a Board member arising out of or related to the business of the Corporation, to the fullest extent provided or allowed by the laws of Idaho. In addition, the Corporation may advance costs of defense of any proceeding to the members of the Board of Directors.

ARTICLE XIII

Membership dues may be charged to all members or classes of membership in equal amounts or in different amounts or proportions upon different members or classes of membership and some members or classes of membership may be made exempt from such membership dues. The Board of Directors is authorized to fix the amount of membership dues from time to time, and to make them payable at such times or intervals, and upon such notice, and by such methods as the Board of Directors may prescribe.

ARTICLE XIV

Upon dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all liabilities of the Corporation, distribute all the assets of the Corporation consistent with the purposes of the Corporation to such organization or organizations as shall at that time qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended from time to time, in such manner as the Board of Directors shall determine. Any such assets not so distributed shall be distributed by the district court of the county in which the principal office of the

Corporation is then located, exclusively for the purposes or to such organizations, as such court shall determine to be consistent with the purposes of the Corporation.

ARTICLE XV

The name and street address of the incorporator is Wm. Lyman Belnap of Belnap, Curtis, Williams & Purnell, PLLC, 1401 Shoreline Dr., Ste. 2, Boise, ID 83702.

The power of the incorporator shall terminate upon filing these Articles with the Secretary of State in Idaho.

ARTICLE XVI

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

DATED this 13th day of September, 2007.

BELNAP, CURTIS WILLIAMS & PURNELL, PLLC

By: Wm. Lyman Belnap
WM. LYMAN BELNAP, Legal Counsel

**BYLAWS OF
LAKES AT TELAGA
HOMEOWNERS' ASSOCIATION, INC.**

ARTICLE I NAME AND LOCATION

The name of the corporation is LAKES AT TELAGA HOMEOWNERS' ASSOCIATION, INC., hereinafter referred to as the "Association." The principal office of the Association shall be located at 1037 E. Winding Creek Dr., Eagle, Idaho 83616, or such other place as the Board of Directors may designate, but meetings of members and Directors may be held at such places within the State of Idaho, as may be designated by the Board of Directors.

ARTICLE II DEFINITIONS

2.1 "Association" shall mean and refer to Lakes at Telaga Homeowners' Association, Inc., its successors and assigns.

2.2 "Declaration" shall mean and refer to Declaration of Covenants, Conditions and Restrictions for Lakes at Telaga Subdivision.

2.3 "Member" shall mean and refer to those persons or entities entitled to membership as provided in Article 4 of the Declaration.

2.4 "Member in Good Standing" shall mean and refer to those members having paid all fees, dues and assessments.

2.5 The terms "Common Area," "Declarant," "Development," "Lot," "Owner" and "Plat," shall have the same meanings in these Bylaws as in the Declaration.

ARTICLE III MEETING OF MEMBERS

3.1 Annual Meetings. The first annual meeting of the Members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter, at the hour of seven-thirty o'clock p.m. or at such other time and date as determined by the Board of Directors.

3.2 Special Meetings. Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of no less than ten percent (10%) of the Members in Good Standing.

3.3 Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by personal delivery or by mailing a copy of such notice, postage prepaid, at least ten (10) days, but not more than sixty (60) days, before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

3.4 Quorum. The presence at the meeting of twenty-five percent (25%) of the total number of votes available to vote at the meeting shall constitute a quorum for any action except as otherwise provided in the Declaration, Articles of Incorporation, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting and schedule a new meeting by again giving notice to the Members as set forth in Section 3.3, until a quorum as aforesaid shall be present or be represented.

3.5 Proxies. At all meetings of Members, each Member in Good Standing may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of the Member's Lot or failure to pay required fees or dues.

ARTICLE IV BOARD OF DIRECTORS SELECTION AND TERM OF OFFICE

4.1 Number. The affairs of this Association shall be managed by a Board of no fewer than three (3) and no more than seven (7) Directors ("Board"), who must either be Members in Good Standing of the Association, or appointed by Declarant.

4.2 Term of Office. Declarant shall appoint the Board of Directors for so long as Declarant is the owner of a Lot or until Declarant revokes its right to appoint the Board of Directors by written notice to the Association and thereafter holds an election for the Board of Directors. Each elected director shall serve for a term of one (1) year; and at each annual meeting of the Association after the first election of the Board, the Members in Good Standing shall elect three (3) Directors for a term of one (1) year. Each appointed Director shall serve until he or she is removed, resigns or is replaced by an elected Director.

4.3 Removal. Any appointed director may be removed for gross negligence, embezzlement or self-dealing by a majority vote of the Members in Good Standing. Any elected Director may be removed from the Board, with or without cause, by a majority vote of the Members in Good Standing. In the event of death, resignation or removal of a Director, a successor shall be selected by the remaining members of the Board and shall serve for the predecessor's term.

4.4 Compensation. No Director shall receive compensation for any service rendered to the Association. However, any Director may be reimbursed for actual expenses incurred in the performance of the Director's duties.

4.5 Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

4.6 Voting. At all meetings of the Board of Directors, each Director shall have one (1) vote. At all meetings of the Members, each Member in Good Standing, except Declarant, shall have Class A status and be entitled to one (1) vote. At all meetings of the Members, Declarant shall have Class B status and be entitled to five (5) votes for each Lot owned by Declarant so long as Declarant owns more than twenty-five percent (25%) of the Lots or until December 31, 2020, whichever occurs first. At such time as Declarant is no longer entitled to Class B status, Declarant shall have Class A status. Cumulative voting shall not be permitted.

ARTICLE V MEETINGS OF DIRECTORS

5.1 Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday. Meetings may be held by telephone if all Directors in attendance can hear all other Directors simultaneously.

5.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors, after not less than three (3) days notice to each Director. Notice may be oral or written if it is reasonable under the circumstances.

5.3 Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by an affirmative majority of the

Directors present at a duly held meeting at which a quorum is present shall be regarded as an act of the Board.

ARTICLE VI POWERS AND DUTIES OF THE BOARD OF DIRECTORS

6.1 **Powers.** The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the right to vote of a Member and suspend the right of a Member to use any facilities owned, operated or maintained by the Association during any period in which such Member shall not be a Member in Good Standing. Such rights and voting rights may also be suspended after notice and hearing, for a period of not to exceed sixty (60) days for infraction of published rules and regulations.

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws or the Articles of Incorporation or the Declaration;

(d) serve as the architectural review committee, appoint an architectural review committee or designate an architect, at the Association's expense, to review proposed home plans and Lot Development;

(e) employ an attorney or such other employees as they deem necessary, at the Association's expense, and to prescribe their duties; and

(f) appoint the registered agent for the Association.

6.2 **Duties.** It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all the acts taken by the members or Directors without a meeting, and a record of all actions taken by committees of the Board of Directors;

(b) supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

(c) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period, send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period,

foreclose the lien against any property for which assessments are not paid within thirty. (30) days after the due date or to bring an action at law against the Owner personally obligated to pay the same;

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance; and take such actions as deemed appropriate to enforce reasonable compliance with the Declaration.

ARTICLE VII OFFICERS AND THEIR DUTIES

7.1 Enumeration of Offices. The officers of this Association shall be a president and vice president, who shall at all times be members of the Board of Directors, a secretary and a treasurer, and such other officers as the Board may from time to time by resolution create.

7.2 Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

7.3 Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless the officer shall sooner resign, or shall be removed, or otherwise disqualified to serve.

7.4 Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any officer no longer meeting the qualifications for membership in the Association shall be removed.

7.5 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer replaced.

7.6 Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices.

7.7 Duties. The duties of the officers are as follows:

PRESIDENT

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

VICE PRESIDENT

(b) The vice president shall act in the place and stead of the president in the event of the president's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

SECRETARY

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meeting of the Board and of the Members; keep current the books and records required under Article IX and shall perform such other duties as required by the Board.

TREASURER

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; and shall assist the secretary in keeping current the books and records required under Article IX.

ARTICLE VIII COMMITTEES

The Board of Directors shall appoint any committees it deems appropriate in carrying out its purpose.

ARTICLE IX BOOKS AND RECORDS

9.1 The Association shall maintain the following records at its principal office:

(a) Appropriate accounting records;

- (b) A list of the names and addresses of all Members in alphabetical order by class, showing the number of votes each Member is entitled to cast;
- (c) The, Articles of Incorporation and all amendments thereto;
- (d) These Bylaws and all amendments thereto;
- (e) All resolutions adopted by the Board of Directors;
- (f) Minutes of all meetings of the Members and Board of Directors;
- (g) Copies of all written communications to the Members for the previous seven (7) years;
- (h) Financial statements of the Association for the previous seven (7) years;
- (i) The names and business or residence addresses of the current Directors and officers; and
- (j) The most recent annual report filed with the Secretary of State.

9.2 The books and records of the Association shall be available to the Members for inspection subject to the limitations set forth in the Act.

ARTICLE X INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Association shall indemnify the members of the Board of Directors and officers for all costs, losses, liabilities, expenses and damages, including reasonable attorney's fees, suffered or incurred by an officer or Director arising out of or related to the business of the Association, to the fullest extent provided or allowed by the laws of Idaho. In addition, the Association may advance costs of defense of any proceeding to the Director or officer.

ARTICLE XI AMENDMENTS

11.1 These Bylaws may be amended, at regular or special meetings of the Members, by a vote of two-thirds (2/3) of all the votes entitled to vote at the meeting whether present or not.

11.2 In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLES XII MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the Directors of the LAKES AT TELAGA HOMEOWNERS' ASSOCIATION, INC., have hereunto set our hands this ____ day of _____ 2007.

Patrick C. White

Orson J. Woodhouse

Andrea R. Coddens

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of the LAKES AT TELAGA HOMEOWNERS' ASSOCIATION, INC., an Idaho corporation, and,

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the ____ day of _____, 2007.

IN WITNESS WHEREOF, I have hereunto subscribed my name this ____ day of _____, 2007.

Andrea R. Coddens,
Secretary/Treasurer