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SECRETARY OF STATE  
STATE OF IDAHO

ARTICLES OF INCORPORATION

OF

BRITANIA HEIGHTS HOMEOWNERS ASSOCIATION, INC.

KNOW ALL PERSONS BY THESE PRESENTS:

The undersigned, for the purpose of forming a non-profit corporation under the laws of the State of Idaho in compliance with the provisions of Title 30, Chapter 3, Idaho Code, does hereby certify, declare and adopt the following Articles of Incorporation:

ARTICLE I  
NAME

The name of the corporation shall be BRITANIA HEIGHTS HOMEOWNERS ASSOCIATION, INC. (the "Association").

ARTICLE II  
TERM

The period of existence and duration of the life of the Association shall be perpetual.

ARTICLE III  
NON-PROFIT

The Association shall be a non-profit, membership corporation.

ARTICLE IV  
REGISTERED AGENT

The location and street address of the initial registered office of the Association shall be 8645 W. Franklin Road, Boise, Idaho 83709, and Jeffery L. Hess is hereby appointed the initial registered agent of the Association.

ARTICLE V  
PURPOSE AND POWERS OF THE ASSOCIATION

The Association does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which the Association is formed are to provide for certain regulations of the use of the Property in the Britania Heights Subdivision ("Britania Heights") and to exercise all of the powers and privileges and perform all of the Association's duties and obligations as set forth in the Master Declaration of Covenants, Conditions, and Restrictions for Britania Heights, recorded or to be recorded in the official records of Canyon County, Idaho, as

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amended and supplemented from time to time (the "Master Declaration"), and the Project Documents identified therein, including without limitation, the following powers:

(A) Fix, levy, collect and enforce payment by any lawful means of all charges or Assessments pursuant to the terms of the Master Declaration, and all expenses in connection therewith, and all office and other expenses incident to the conduct of the business of the Association;

(B) 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 real or personal property in connection with the affairs of the Association under the limitations imposed by the Master Declaration;

(C) Borrow money, and mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(D) Participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property, provided that any such merger, consolidation or annexation shall comply with the requirements of the Master Declaration; and

(E) Have and exercise any and all powers, rights and privileges which a corporation organized under the Idaho Nonprofit Corporation Act may by law now or hereafter have or exercise, subject only to limitations contained in these Articles of Incorporation, the Bylaws, the Master Declaration, the Project Documents, and any amendments and supplements thereto.

#### **ARTICLE VI MEMBERSHIP**

During the existence of this corporation, every Owner of a Lot in Britannia Heights, including Grantor, shall be a Member of Britannia Heights.

#### **ARTICLE VII VOTING RIGHTS**

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

(a) **Class A Members.** Class A Members shall be the Owners of Lots within Britannia Heights, excluding Grantor for as long as Grantor is the Class B Member of the Association. At all meetings of the Association each Class A Member will be entitled to one (1) vote for each Lot within Britannia Heights owned by such Member. Upon the Class B Member Termination Date (defined below), Grantor shall become a Class A Member to the extent Grantor owns any Lot and shall be entitled to one (1) vote for each Lot within Britannia Heights owned by Grantor.

(b) **Class B Member.** Grantor shall be the Class B Member, and shall be entitled to five (5) votes for each of the one hundred thirty-nine (139) approved Lots for Britannia Heights (six hundred ninety-five (695) votes), less five (5) votes for each Lot owned by a Person other than Grantor. The Class B Member shall cease to be a voting Member upon the earlier to

occur of the following: (i) the date Grantor has less than ten (10) Class B Member votes in the Association; (ii) on June 1, 2015; or (iii) on such date as Grantor informs the Association that Grantor no longer desires to be the Class B Member. This date shall be referred to hereinafter as the "Class B Member Termination Date."

#### ARTICLE VIII BOARD OF DIRECTORS

The affairs of the Association shall be controlled by the Board of Directors (individually "Directors") to carry out all of the powers and duties of the Association as set forth herein, and shall be selected as follows:

(a) Selection of Directors Prior to Class B Member Termination Date. Until the Class B Member Termination Date, the Board of Directors shall consist of not less than three (3) Directors appointed by the Class B Member in the Class B Member's discretion. The Class B Member shall have the right to remove and replace any Director, with or without cause, in the Class B Member's discretion.

(b) Selection of Directors After the Class B Member Termination Date. Subsequent to the Class B Member Termination Date, the Board of Directors shall be elected by a majority of the Members of the Association at the annual meeting of the Members. The number of Directors set forth in subsection (a) above may be changed by amendment of the Bylaws of the Association, but in no event shall the number be less than three (3). The names and addresses of the Persons who are to act in the capacity of Directors until the selection of their successors are as follows:

Jeff Hess	8645 W. Franklin Road Boise, Idaho 83709
Christopher Sorensen	8645 W. Franklin Road Boise, Idaho 83709
Matt Hawkins	8645 W. Franklin Road Boise, Idaho 83709

#### ARTICLE IX ASSESSMENTS

Each Member shall be liable for the payment of Assessments pursuant to the Master Declaration and the Bylaws of the Association.

#### ARTICLE X BYLAWS

The Bylaws of this Association may be altered, amended, or new Bylaws adopted at any annual meeting, or at any special meeting of the Association called for that purpose, by the affirmative vote of more than fifty percent (50%) of the total voting power of the Association's Members. For the purpose of specifying in detail the rights, responsibilities, duties and

obligations of the Board of Directors, the officers, employees and agents of the Association, and the Members for the payment of Assessments, the Bylaws may incorporate by reference the provisions of the Master Declaration.

#### **ARTICLE XI DISSOLUTION**

The Association shall only be dissolved at a regular meeting, or a special meeting of the Association called for that purpose, by the affirmative vote of no less than two-thirds (2/3) of the total voting power of the Association as cast by the Members. Upon dissolution of the Association, other than incident to a merger or consolidation, the real property and other assets of the Association shall be distributed as follows: (i) dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created; or (ii) granted, conveyed and assigned to a non-profit corporation, association, trust or other organization to be devoted to such similar purposes. Notwithstanding any other provisions of these Articles, the Association shall not carry on any other activities not permitted by any organization exempt from federal income tax under Section 528 of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States internal revenue law).

#### **ARTICLE XII AMENDMENTS**

Amendment of these Articles of Incorporation may be made at any regular meeting, or any special meeting of the Association called for that purpose, by the affirmative vote of two-thirds (2/3) of the total voting power of the Association as cast by the Members, and, if required by the Master Declaration, the consent of holders of first mortgages on Lot(s) who have requested in writing that the Association provide them notice of proposed actions which affect their interests. No amendment which is inconsistent with the provisions of the Master Declaration or the Project Documents shall be valid.

#### **ARTICLE XIII MEANING OF TERMS**

Except as otherwise defined herein, all terms appearing herein initially capitalized shall have the same meanings as are ascribed to such terms in the Master Declaration.

#### **ARTICLE XIV INCORPORATION**

Cynthia A. Melillo shall be the incorporator of the Association.

IN WITNESS WHEREOF, I have hereunto set my hand and seal effective this 7<sup>th</sup> day of September, 2007.

Cynthia A. Melillo  
Cynthia A. Melillo, Incorporator