

AMENDED AND RESTATED
BY-LAWS
OF
RIVER RUN HOMEOWNERS ASSOCIATION, INC.
Dated November 1, 1993

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AMENDED AND RESTATED
BYLAWS
OF
RIVER RUN HOMEOWNERS ASSOCIATION, INC.
AS AMENDED AND DULY ADOPTED ON
November 1, 1993

ARTICLE I

GENERAL PLAN OF OWNERSHIP

Section 1.1 Name. The name of the corporation is River Run Homeowners Association, Inc. hereinafter referred to as the "River Run Association". The principal office of the River Run Association shall be located in Ada County, Idaho.

Section 1.2 Bylaws Applicability. The provisions of these Bylaws are applicable to the planned unit development known as River Run (hereinafter called "Property"), subdivision located in the City of Boise, Ada County, State of Idaho, described in the Declaration of Covenants, Conditions and Restrictions for River Run and the amendments and supplements thereto, recorded or to be recorded in the Office of the County Recorder, Ada County, Idaho ("River Run Declaration").

Section 1.3 Personal Application. All present and future Owners and their tenants, future tenants, employees, and any other person that might use the facilities owned and/or managed by the Association in any manner, are subject to the regulations set forth in these Bylaws and in the River Run Declaration.

The mere acquisition or rental of any of the Building Lots of the Property or the mere act of occupancy of any of the Building Lots will signify that these Bylaws are accepted, ratified, and will be complied with.

ARTICLE II

VOTING, MAJORITY OF DELEGATE DIRECTORS, QUORUM, PROXIES

Section 2.1 Voting. Except as provided for in the Articles of Incorporation and the River Run Declaration, and except as may be otherwise provided in the River Run Declaration or in Phase Supplemental Declarations, each Delegate Director shall be entitled to one vote for each Building Lot owned by Members of the Local Association represented by such Delegate Director.

Section 2.2 Majority of Delegate Directors. As used in these Bylaws, the term "majority of Delegate Directors" shall mean those Delegate Directors holding fifty-one percent (51%) of the voting power in the River Run Association.

Section 2.3 Quorum. Except as otherwise provided in these Bylaws, the Articles of Incorporation or the River Run Declaration, the presence in person or by proxy of the Delegate Directors holding at least fifty-one percent (51%) of the voting power of the River run Association shall constitute a quorum of the Board. The Delegate Directors present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Delegate Directors to leave less than a quorum.

Section 2.4 Proxies. Votes may be cast in person or by proxy. Proxies must be in writing and filed with the Secretary at least twenty-four (24) hours before the appointed time of each meeting. Every proxy shall be revocable at the pleasure of the Delegate Director who executed it and shall automatically cease after completion of the meeting of which the proxy was filed, if filed for a particular meeting. In no event shall a proxy be valid after eleven (11) months from the date of its execution.

ARTICLE III

ADMINISTRATION

Section 3.1 River Run Association Responsibilities, Powers and Duties. The River Run Association, shall have the responsibilities as specified in the River Run Declaration. Except as otherwise provided, decisions and resolutions of the River Run Association shall require a vote or written consent of a majority of a quorum of the Voting Power of Delegate Directors of the River Run Association.

Section 3.2 Administrative Powers. The Board of Directors has the powers and duties necessary for the administration of the affairs of the River Run Association and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done exclusively by the Owners. However, the Board of Directors shall not enter into any management service contract for a term in excess of one (1) year unless such contract contains reasonable provisions for cancellation (such as upon sixty (60) days written notice by the River Run Association following one (1) year from the date of commencement of such contract).

Section 3.3 Special Powers and Duties. Without prejudice to such foregoing general powers and duties and such powers and duties as set forth in the River Run Declaration, the Board of Directors is vested with, and responsible for, the following powers and duties:

(A) To select, appoint and remove all officers, agents, and employees of the River Run Association, to prescribe such powers and duties for them as may be consistent with law, with the Articles of Incorporation, the River Run Declaration and these Bylaws; to fix their compensation and to require from them security for faithful service when deemed advisable by the Board.

(B) To conduct, manage and control the affairs and business of the River Run Association, and to make and enforce such rules and regulations therefore consistent with law, with the Articles of Incorporation, the River Run Declaration and these Bylaws, as the Board may deem necessary or advisable.

(C) To change the principal office for the transaction of the business of the River Run Association from one location to another within the County of Ada, State of Idaho, as provided in Article I hereof.

(D) To borrow money and to incur indebtedness for the purposes of the River Run Association, and to cause to be executed and delivered therefore, in the River Run Association's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidence of debt and securities therefore: subject, however, to the limitations set forth in the Articles of Incorporation and the River Run Declaration.

(E) To fix and levy from time to time Regular Assessments, Special Assessments, and Limited Assessments upon the Owners, as provided in the River Run Declaration; to determine and fix the due date for the payment of such Assessments, and the date upon which the same shall become delinquent; provided, however, that such Assessments shall be fixed and levied only to provide for the payment of the expenses of the River Run Association, and of the taxes and assessments upon real or personal property owned, leased, controlled or occupied by the River Run Association, or for the payment of expenses for labor rendered or materials or supplies used and consumed, or equipment and appliances furnished for the maintenance, improvement or development of such property or for the payment of any and all obligations in relation thereto or for Assessments certified by Local Associations as provided in the River Run Declaration, or in performing or causing to be performed any of the purposes of the River Run Association for the general benefit and welfare of the Owners, in accordance with the provision of the River Run Declaration. The Board of Directors is hereby authorized to incur any and all such expenditures for any of the foregoing purposes and to provide, or cause to be provided, adequate reserves for replacements as it shall deem to be necessary or advisable in the interest of the River Run Association or welfare of the Owners. The funds collected by the Board of Directors from the Owners, attributable for replacement reserves, for maintenance, recurring less frequently than annually, and for capital improvements, shall at all times be held in trust for the Owners and shall not be commingled with other Assessments collected from the Owners. Such Regular Assessments, Special Assessments and Limited Assessments shall be fixed in accordance with the provisions of the River Run Declaration. Should any Owner fail to pay such Assessments before delinquency, the Board of Directors in its discretion, is authorized to enforce the payment of such delinquent Assessments as provided in the River Run Declaration.

(F) To enforce the provisions of the River Run Declaration covering the Property, these Bylaws or other agreements of the River Run Association.

(G) To contract for and pay for, casualty, blanket, liability, malicious mischief, vandalism and other insurance, insuring the Owners, the River Run Association, the Board of Directors and other interested parties, in accordance with the provisions of the River Run Declaration, covering and protecting against such damages or injuries as the Board deems advisable, which may include without limitation, medical expenses of persons injured on the Property, and to bond the agents and employees of any management body, if deemed advisable by the Board.

(H) To operate maintain and otherwise manage or provide for the operation maintenance and management of the Common Area and to contract for and pay maintenance, gardening, utilities, materials and supplies, and services relating to the Common Area and to employ personnel necessary for the operation of the Common Area, including legal and accounting services, and to contract for and pay for improvements and any recreational facilities on the Common Area. In case of damage by fire or other casualty to the property owned and/or managed by the River Run Association, if insurance proceeds exceed Twenty-Five Thousand Dollars (\$25,000), or the cost of repairing or rebuilding exceeds available insurance proceeds by more than Five Thousand Dollars (\$5,000), then the Board of Directors shall obtain firm bids from two or more responsible contractors to rebuild any portion of the said property in accordance with the original plans and specifications with respect thereto, and shall, as soon as possible thereafter, at a regular or a special meeting of the Board to consider such bids. At such special meeting, the Board may by three-fourths (3/4) of the voting power cast, elect to reject such bids and thus not to rebuild.

(I) To delegate its powers according to the law and subject to the approval of the Owners, to adopt these Bylaws.

(J) To grant easements where necessary for utilities and sewer facilities over the Common Areas to serve the Property.

(K) To fix, determine and name from time to time, if necessary or advisable, the public agency, fund, foundation or corporation which is then or there organized or operated for charitable purposes, to which the assets of this River Run Association shall be distributed upon liquidation or dissolution, according to the Articles of Incorporation of the River Run Association. The assets so distributed shall be those remaining after satisfaction of all just debts and obligations of the River Run Association, and after distribution of all property held or acquired by the River Run Association under the terms of a specific trust or trusts.

(L) To adopt, amend, and repeal by majority of the voting power of the Board, rules and regulations as to the River Run Association deemed reasonable and necessary.

(M) To pay all real and personal property taxes and assessments levied against the Common Area owned and/or managed by the River Run Association.

(N) To approve the annual budget.

Section 3.4 Management Agent. The Board of Directors may employ for the River Run Association a management agent (Manager) at a compensation established by the Board to perform such duties and services as the Board shall authorize.

Section 3.5 Books, Audit. The Board of Directors shall cause to be maintained a full set of books and records showing the financial condition of the affairs of the River Run Association in a manner consistent with generally accepted accounting principles. An internal audit shall be made of such books within 90 days after the close of each fiscal year. As determined by the Board of Directors from time to time, an independent financial review in place of the internal audit shall be obtained of such books and records. The Board of Directors may order an independent certified audit at any time. A copy of each such audit shall be delivered to each Delegate Director and Officer within thirty (30) days after the completion of such audit, and to any Owner upon written request from such Owner. An annual operating statement reflecting income and expenditures of the River Run Association shall be distributed to each Delegate Director and Officer within ninety (90) days after the end of each fiscal year, and to any Owner upon written request from such Owner.

ARTICLE IV

BOARD OF DIRECTORS

Section 4.1 Number and Qualification. The property, business and affairs of the River Run Association shall be governed and managed by a Board of Directors composed of Delegate Directors representing each of the Phases of River Run and four officers who may coincidentally represent a Phase. The members of the Board of Directors must be members of the River Run Association. Delegate Directors shall not receive any stated salary for their services as Delegate Directors; provided, however, that nothing herein contained shall be construed to preclude any Delegate Director from serving the River Run Association in some other capacity and receiving compensation therefore.

Section 4.2 Election and Term of Office. Delegate Directors shall be elected by the Owners of a Phase at the annual meeting for the specific Phase as specified for the election of Delegate Director in the various Supplemental Declarations of the various Phases. Each Delegate Director shall hold office until his successor has been elected or until his death, resignation, removal or judicial adjudication of mental incompetence. Any person serving as a Delegate Director may be re-elected, and there shall be no limitation on the number of terms during which he may serve.

Section 4.3 Vacancies. A Delegate Director vacancy on the Board of Directors caused by any reason shall be filled by the Owners of the Phase represented as specified in that Phase's Bylaws, Articles of Incorporation and Covenants, Conditions and Restrictions. An Officer vacancy caused for any reason shall be filled by the majority of the voting power of the Delegate Directors. A vacancy or vacancies shall be deemed to exist in the case of death, resignation, removal or judicial adjudication of mental incompetence of any Delegate Director.

Section 4.4 Removal of Delegate Directors. A Delegate Director may be removed by the Owners of the Phase represented in accordance with that Phase's Bylaws, Articles of Incorporation and Supplement to the Declaration of Covenants, Conditions and Restrictions for River Run. A new Delegate Director may be elected at the same meeting.

Section 4.5 Place of Meetings. Meetings of the River Run Association shall be held on the Property or such other suitable place close to the Property as practicable in Ada County as may be designated by the Board of Directors and shall be conducted in accordance with Robert's Rules of Order.

Section 4.6 Order of Business. The order of business at the annual meeting of the Board shall be as follows; (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of Minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) election of inspector of election; (g) election of Officers; (h) unfinished business; and (i) new business. Meetings of the River Run Association Board of Directors shall be conducted by the officers in order of their priority.

Section 4.7 Notice of Meetings. It shall be the duty of the Secretary to mail or cause to be mailed a notice of each annual, special or regular meeting, stating the purpose thereof as well as the day, hour and place where it is to be held, to each Delegate Director and Officer of record, as further set forth in these By-Laws. The mailing of a notice, postage prepaid, shall be considered notice served, after said notice has been deposited in a regular depository of the United States mail. Notice mailed to the address reflected on the records of the River Run Association shall be deemed given, if not actually received earlier, at 5:00 o'clock p.m. on the second day after it is deposited in a regular depository of the United States mail as provided herein. If no address has been furnished the Secretary, notice shall be deemed to have been given to a Delegate Director or Officer if posted in a conspicuous place on the Property.

Section 4.8 Waiver of Notice. Before or at any meeting of the Board of Directors, any Delegate Director may in writing waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Delegate Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Delegate

Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting. The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though at a meeting duly held after regular call and notice, if a quorum be present, and if, either before or after the meeting each of the Delegate Directors not present signs such a written waiver of notice, a consent to holding such meeting, or an approval of other minutes thereof. All such waivers, consents and approvals shall be filed with the records of the River Run Association or made a part of the minutes of the meeting.

Section 4.9 Minutes, Presumption of Notice. Minutes or a similar record of the proceedings of Board of Directors meetings, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

Section 4.10 Annual Meeting. The annual meeting of the Board of Directors of the River Run Association shall be held in the month and on a day as determined by the Board of Directors from time to time. The Board may also transact such other business of the River Run Association as may properly come before them.

Section 4.11 Organization Meeting. The Organizational Meeting of the Board of Directors shall follow the Annual Meeting of the Board of Directors or may be a specially called and noticed meeting for such purpose at the discretion of the Officers of the Board of Directors. The Organizational meeting is for the purpose of organization, election of officers and the transaction of other business. No notice shall be necessary to in order legally to constitute such meeting, provided a majority of the voting power of the entire Board of Directors shall be present.

Section 4.12 Other Regular Meetings. Other regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a resolution adopted by a majority of the Delegate Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Delegate Director and Officer, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting, unless the time and place of such meetings is announced at the Organization Meeting, in which case such notice of other regular meetings shall not be required.

Section 4.13 Quorum and Adjournment. Except as otherwise expressly provided herein, at all meetings of the Board of Directors, a majority of the voting power of the Delegate Directors shall constitute a quorum for the transaction of business, and the acts of the majority of voting power of the Delegate Direc-

tors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 4.14 Adjourned Meetings. If any meeting of the Board cannot be organized because a quorum has not attended, the Delegate Directors who are present, either in person or by proxy, may adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the time the original meeting was called, at which meeting the quorum requirement shall be the presence in person or by proxy of the Delegate Directors holding at least twenty-five percent (25%) of the voting power in the River Run Association. Such adjourned meetings may be held without notice thereof as provided in this Article IV, except that notices shall be given by announcement at the meeting at which such adjournment is taken. If a meeting is adjourned for more than thirty (30) days, notice of the adjourned meeting shall be given as in the case of any meeting.

Section 4.15 Special Meetings. Special meetings of the Board of Directors may be called by the President, or, if he is absent or refuses to act, by the Vice President, or by any two (2) Delegate Directors. At least two (2) days' notice shall be given to each Delegate Director, personally or by mail, telephone or telegraph which notice shall state the time, place and the purpose of the meeting. If served by mail, each such notice shall be sent, postage prepaid, to the address reflected on the records of the River Run Association and shall be deemed given, if not actually received earlier, at 5:00 o'clock p.m. on the second day after it is deposited in a regular depository of the United States mail as provided herein. Whenever any Delegate Director has been absent from any special meeting of the Board, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such meeting was given to such Delegate Director, as required by law and as provided herein.

No business shall be transacted at a special meeting except as stated in the notice, unless by consent of the Board Members holding at least two-thirds (2/3) of the voting power in the River Run Association, either in person or by proxy.

Section 4.16 Action Without Meeting. Any action, which under the provisions of the Idaho Nonprofit Corporation Act may be taken at a meeting of the Board may be taken without a meeting if authorized in writing signed by all of the Members of the Board who would be entitled to vote at a meeting for such purpose and filed with the Secretary. Any action so approved shall have the same effect as though taken at a meeting of the Delegate Directors.

Section 4.17 Consent of Absentees. The transactions of any meeting of the Board of Directors, either annual, regular or special, however called and noticed, shall be a valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if either before or after the meeting each of the Board Members not present in person or by proxy signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 4.18 Fidelity Bonds. The Board of Directors shall require that all officers and employees of the River Run Association handling or responsible for River Run Association funds shall furnish adequate fidelity bonds. The premium on such bonds shall be paid by the River Run Association.

Section 4.19 Committees. The Board of Directors, by resolution, may from time to time designate such committees as it shall desire, and may establish the purposes and powers of each such committee created. The resolution designating and establishing the committee shall provide for the appointment of its members, as well as a chairman, shall state the purpose of the committee, and shall provide for reports, termination, and other administration matters as deemed appropriate by the Board.

ARTICLE V

OFFICERS

Section 5.1 Designation. The principal officers of the River Run Association shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an Assistant Treasurer and an Assistant Secretary, and such other officers as in their judgment may be necessary. One person may hold two or more offices, except those of President and Secretary.

Section 5.2 Election of Officers. The officers of the River Run Association shall be elected annually by the Board of Directors at the Organizational Meeting and each officer shall hold his office at the pleasure of the Board of Directors until he shall resign or be removed or otherwise disqualified to serve or his successor shall be elected and qualified to serve.

Section 5.3 Removal of Officers. Upon an affirmative vote of a majority of the voting power of the entire Board of Directors any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose. Any officer may resign at any time by giving written notice to the Board or to the President or Secre-

tary of the River Run Association. Any such resignation shall take effect at the date of receipt of such notice or at any later time specified therein; and unless otherwise specified in said notice, acceptance of such resignation by the Board shall not be necessary to make it effective.

Section 5.4 Compensation. Officers, agents, and employees shall receive such reasonable compensation for their services as may be authorized or ratified by the Board. Appointment of any officer, agent or employee shall not of itself create contractual rights of compensation for services performed by such officer, agent or employee.

Section 5.5 President. The President shall be the chief executive officer of the River Run Association. He shall preside at all meetings of the River Run Association Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the President of a non-profit corporation, including but not limited to the power, subject to the provisions of Article IV, Section 19, to appoint committees from among the Delegate Directors and Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the River Run Association. The President shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business of the River Run Association. The President shall be ex officio a member of all standing committees, and he shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws of the River Run Association.

Section 5.6 Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent, disabled or unable to act. If neither the President nor the Vice President is able to act, the board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or these Bylaws of the River Run Association.

Section 5.7 Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors at the principal office of the River Run Association or such other place as the Board of Directors may order. The Secretary shall keep the seal of the River Run Association in safe custody and shall have charge of such books and papers as the Board of Directors may direct; and the Secretary shall, in general, perform all the duties incident to the office of Secretary. The Secretary shall give, or cause to be given, notices of meetings of the Board of Directors required by these Bylaws or by law to be given. The Secretary shall maintain, or cause to be maintained, a book of record Owners, listing the names and addresses of the Owners as furnished the River Run Association, and such books shall be changed only at such time as satisfactory evidence of a change in ownership of a Building Lot is presented. The Secretary shall

perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

Section 5.8 Treasurer. The Treasurer shall have responsibility for River Run Association funds and securities and shall be responsible for keeping, or causing to be kept, full and accurate accounts of the property owned by the River Run Association, including accounts of all assets, liabilities, receipts and disbursements in books belonging to the River Run Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the River Run Association in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall disburse the funds of the River Run Association as may be ordered by the Board of Directors in accordance with the River Run Declaration, shall render to the President and Delegate Directors upon request, an account of all transactions as Treasurer and of the financial condition of the River Run Association, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

ARTICLE VI

OBLIGATIONS OF OWNERS

Section 6.1 Assessments.

(a) All Owners are obligated to pay, in accordance with the provisions of the River Run Association, all Assessments imposed by the River Run Association, to meet all expenses of the River Run Association, which may include, without limitation, a liability insurance policy premium and an insurance premium for a policy to cover repair and reconstruction work in case of hurricane, fire, earthquake or other hazard, as more fully provided in Article III, Section 3 of these Bylaws. Except as otherwise provided in the River Run Declaration with respect to the collection of Special Limited Assessments or certified Local Assessments, the Assessments shall be made equally among the Building Lots Owned.

(b) All delinquent Assessments shall be enforced, collected or foreclosed in the manner provided in the River Run Declaration.

Section 6.2 Maintenance and Repair.

(a) Every Owner must perform promptly, at his sole cost and expense, all maintenance and repair work on its Building Lot as required under the provisions of the River Run Declaration. As further provided in the River Run Declaration, all plans for alterations and repair of improvements on the Property must receive the prior written consent of the Architectural Committee. The Architectural Committee shall establish reasonable procedures for the granting and denial of such approval, in accordance with the River Run Declaration.

(b) As further provided in the River Run Declaration, each Owner shall reimburse the River Run Association for any expendi-

tures incurred in repairing or replacing any portion of the property owned or controlled by the River Run Association which are damaged through the fault of the Owner, and each Owner shall promptly reimburse the River Run Association for the cost of repairing, replacing and/or maintaining the Owner's Building Lot which has fallen into disrepair and which the River Run Association has repaired, replaced or maintained pursuant to the River Run Declaration. Such expenditures shall include all court costs and reasonable attorneys' fees incurred in enforcing any provision of these Bylaws or the River Run Declaration.

ARTICLE VII

AMENDMENT TO BYLAWS

These Bylaws may be amended as provided in the Articles of Incorporation: The Bylaws of this corporation may be altered, amended or new Bylaws adopted at any regular meeting of Members, or at any special meeting called for that purpose, or annual meeting at which a quorum is present in person or by proxy, or by written ballot when accompanied by a copy or summary of the amendment, by the affirmative vote of 51% or more of the total voting power of the total membership.

ARTICLE VIII

MORTGAGEES

Section 8.1 Notice to River Run Association. An Owner who mortgages his Building Lot shall notify the River Run Association through the Management Agent (if any), or the Secretary of the Board of Directors in the event there is no Management Agent, the name and address of his mortgagee, and the River Run Association shall maintain such information in a book entitled "Mortgagees of Building Lots". Any such Owner shall likewise notify the River Run Association as to the release or discharge of any such mortgage.

Section 8.2 Notice to Mortgagees. The Board of Directors of the River Run Association shall at the request of the Mortgagee of a Building Lot, provide said Mortgagee with all notices and other information as is more fully described in the River Run Declaration including without limitation a notice of unpaid Assessments due from the Owner of such Building Lot and a notice of all meetings of the Members of the Phase in which such Building Lot is located.

ARTICLE IX

MEANING OF TERMS

All terms appearing herein initially capitalized shall have the same meanings as are applied to such terms as the River Run Declaration, which terms include without limitation: "Grantor", "Property", "Property Covered", "Owner", "Board", "Delegate",

"Delegate Director", "Building Lot", "Articles", "Member",
"Assessments", "Local Association", and "Common Area".

ARTICLE X

CONFLICTING PROVISIONS

In case any of these Bylaws conflict with any provisions of the laws of the State of Idaho, such conflicting Bylaws shall be null and void upon final court determination to such effect, but all other Bylaws shall remain in full force and effect. In 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 River Run Declaration and these Bylaws, the River Run Declaration shall control.

ARTICLE XI

INDEMNIFICATION OF DELEGATE DIRECTORS AND OFFICERS

The Board of Directors, with the written approval of a majority of Delegate Directors, may authorize the River Run Association to pay expenses incurred by, or to satisfy a judgment or fine rendered or levied against, a present or former Delegate Director, officer, or employee of the River Run Association in an action brought by a third party against such person, whether or not the River Run Association is joined as a party defendant, to impose a liability or penalty on such person for an act alleged to have been committed by such person while a Delegate Director, officer, or employee; provided, the Board of Directors determines in good faith that such Delegate Director, officer or employee was acting in good faith within what he reasonably believed to be the scope of his employment or authority and for a purpose which he reasonably believed to be in the best interests of the River Run Association or its Members. Payment authorized hereunder include amounts paid and expenses incurred in settling any such action or threatened action. The provisions of this Section shall apply to the estate, executor, administrator, heirs, legatees, or devisees of a Delegate Director, officer or employee, and the term "person" where used in the forgoing Section shall include the estate, executor, administrator, heirs, legatees, or devisees of such person.

ARTICLE XII

MISCELLANEOUS

Section 12.1 Checks, Drafts and Documents. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the River Run Association, shall be signed or endorsed by such person or persons, and in such manner as, from time to time,

shall be determined by resolution of the Board of Directors.

Section 12.2 Execution of Documents. The Board of Directors, except as in these Bylaws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name and on behalf of the River Run Association and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the River Run Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or amount.

Section 12.3 Inspection of Bylaws. The River Run Association shall keep in its office for the transaction of business the original or a copy of these By-laws as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the Board Members or Owners at all reasonable times during office hours.

Section 12.4 Fiscal Year. The fiscal year of the River Run Association shall be determined by the Board of Directors, and having been so determined, is subject to change from time to time as the Board of Directors shall determine.

Section 12.5 Membership Book. The River Run Association shall keep and maintain in its office for the transaction of business a book containing the name and address of each Delegate Director and each Owner Member. Termination or transfer of ownership of any Building Lot by an Owner shall be recorded in the book, together with the date on which such ownership was transferred, and the new Owner shall be incorporated into the book in accordance with the provisions of the River Run Declaration and the Articles of Incorporation.

CERTIFICATE OF PRESIDENT

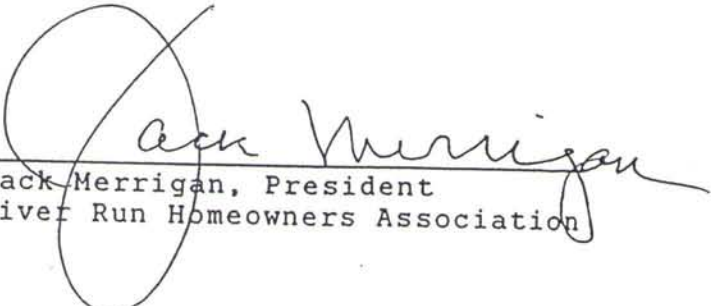
I, the undersigned, do hereby certify that:

1. I am the duly elected and acting President of the RIVER RUN HOMEOWNERS ASSOCIATION, INC., an Idaho non-profit corporation;

and

2. The foregoing Bylaws comprising 15 pages including this page constitute the Bylaws of the River Run Homeowners Association, Inc. were duly adopted by the affirmative vote of over 51% of the Members by written ballot this first day of November, 1993

IN WITNESS WHEREOF, I have hereunto subscribed my hand this
First day of November, 1993.



Jack Merrigan, President
River Run Homeowners Association