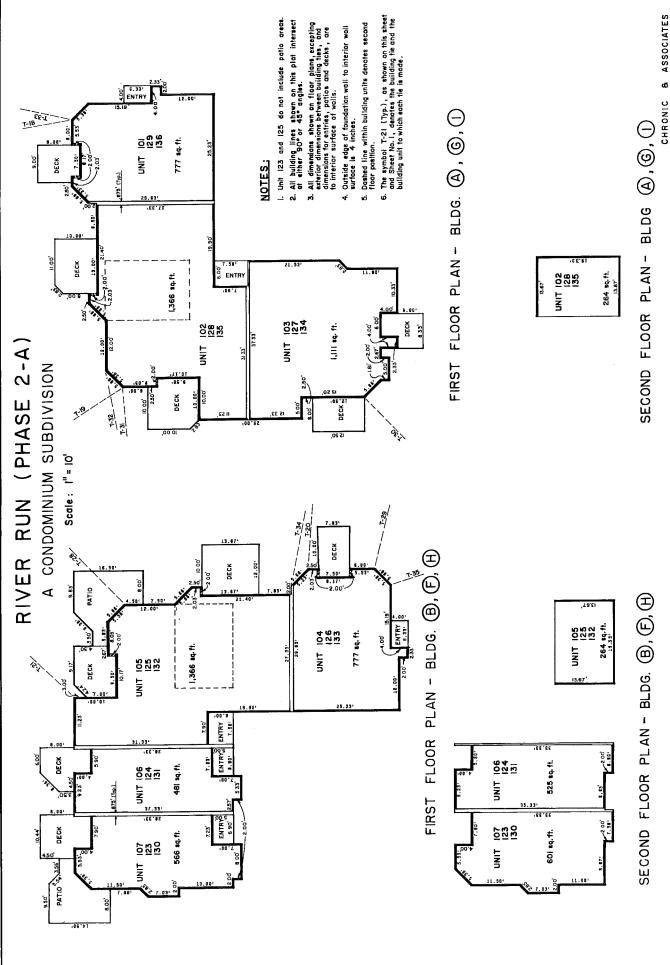
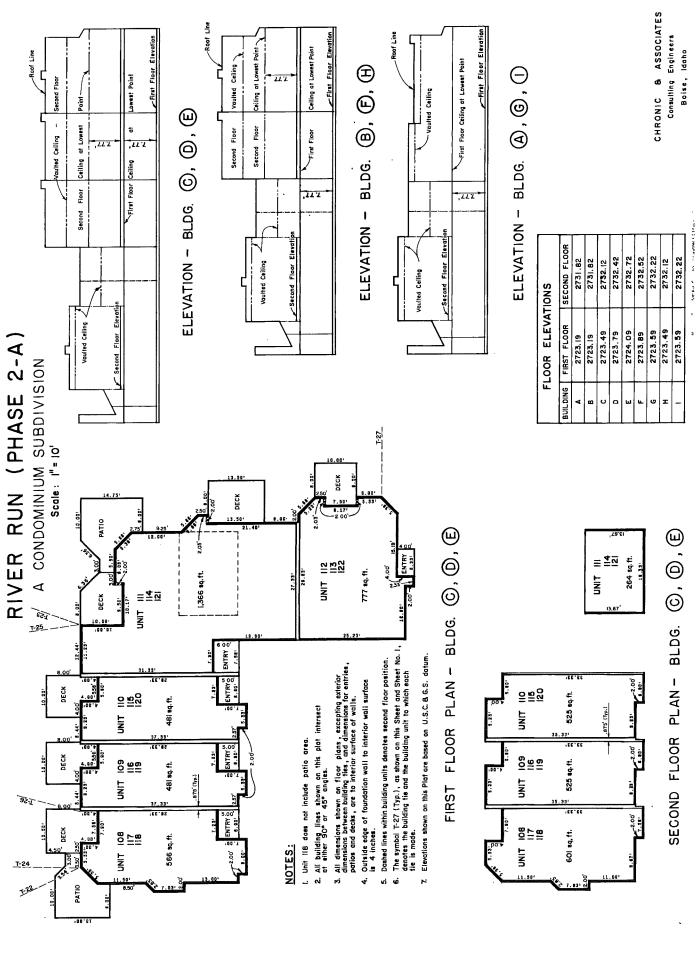


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PHASE RIVER RUN

RIVER RUN DEVELOPMENT COMPANY A GENERAL PARTNERBHIP

BY: K.C.D.M. REALTY. INC., A PARTNER BY: O.L. S. O'ULU CLILLA

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BY: CHRONIC INCORPORATED

BY: C. C. C. C. O. W. EILL, PRESIDENT

ACKNOWLEDGEMENT

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COUNTY OF ADA

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CHAIRMAN: ADA COUNTY HIGHWAY DISTRICT

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PHASE 2-A SUPPLEMENT

TO THE DECLARATION OF

COVENANTS, CONDITIONS AND

RESTRICTIONS FOR RIVER RUN

AND CONDOMINIUM DECLARATION FOR

RIVER RUN PHASE 2-A CONDOMINIUMS

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### PHASE 2-A SUPPLEMENT

TO THE DECLARATION OF

COVENANTS, CONDITIONS AND

RESTRICTIONS FOR RIVER RUN

AND CONDOMINIUM DECLARATION FOR

RIVER RUN PHASE 2-A CONDOMINIUMS

THIS PHASE 2-A SUPPLEMENT TO THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR RIVER RUN AND CONDOMINIUM DECLARATION FOR RIVER RUN PHASE 2-A CONDOMINIUMS (hereinafter referred to as "Phase 2-A Supplement") is made this 26th day of March, 1982, by River Run Development Company, an Idaho general partnership, hereinafter sometimes referred to as "Grantor" or "Declarant".

### WITNESSETH:

### ARTICLE I

### RECITALS AND CERTAIN DEFINITIONS

- 1.1 Supplement to River Run Declaration and Condominium Declaration. This Phase 2-A Supplement is a supplement to that certain Declaration of Covenants, Conditions and Restrictions for River Run (hereinafter called "River Run Declaration"), and is a Condominium Declaration for River Run Phase 2-A Condominiums.
- 1.2 Purpose. The purpose of this Phase 2-A Supplement is to annex the Phase 2-A Subdivision to the property covered by the River Run Declaration, to provide for condominium ownership of the Phase 2-A Subdivision pursuant to the terms of the Condominium Property Act of the State of Idaho, to provide for management of certain Common Areas, Special Common Areas and Limited Common Areas, to establish a Phase 2-A Local Homeowner's Association, to include owners of condominiums in the Phase 2-A Subdivision in the River Run Homeowner's Association and the River Run Recreation Association No. 1, and to set forth other terms, covenants, conditions, restrictions and easements which are unique to the Phase 2-A Subdivision.
- 1.3 The Property Covered. Grantor is the owner of that parcel of real property located in Ada County, Idaho, more par-

ticularly described on Exhibit A attached hereto and incorporated herein (hereinafter referred to as "the Phase 2-A Subdivision") and said property is the property covered by this Phase 2-A Supplement.

- 1.4 <u>Declaration</u>. Grantor hereby declares that the Phase 2-A Subdivision and all the property, lots, parcels and portions thereof are hereby annexed to the property covered by the River Run Declaration and are hereby subject to all the covenants, conditions, restrictions and all provisions, including definitions except as otherwise provided herein, of the River Run Declaration and in addition thereto are subject to the further covenants, conditions, restrictions, provisions and definitions hereinafter provided. Grantor further declares that the Project (as herein defined) and every part thereof is held and shall be held, conveyed, devised, leased, rented, encumbered, used, occupied, and improved and otherwise affected in any manner subject to the provisions of this Phase 2-A Supplement and the River Run Declaration, each and every provision of which is hereby declared to be in furtherance of the general plans and scheme of the condominium ownership referred to this Article and are further declared to be for the benefit of the Project (as herein defined) and every part thereof and for the benefit of each Owner. All provisions hereof shall be deemed to run with the land as covenants running with the land or as equitable servitudes, as the case may be, and shall constitute benefits and burdens to the Declarant and its assigns and to all persons hereafter acquiring or owning any interest in the Project, however such interest may be obtained.
- 1.5 Type of Ownership. This condominium project will provide a means for ownership in fee simple of separate interests in Units and for co-ownership with others, as tenants-in-common, of Local Common Area and Limited Common Area as those terms are defined herein.
- 1.6 The Project. The term "Project" shall collectively mean the Phase 2-A Subdivision and all buildings and other improvements located on the Phase 2-A Subdivision as described in Section 1.3 above, together with all personal property located thereon which is owned in common by Owners (excluding personal property located within Units and Limited Common Area which is owned by the Owner(s) of Units).

### ARTICLE II

### ADDITIONAL DEFINITIONS

The following terms shall have the following meanings when used herein unless the context otherwise requires and to the extent that the following definitions are inconsistent with the definitions contained in that River Run Declaration, the following definitions shall control for the purposes and only for the purposes of this Phase 2-A Supplement:

- 2.1 Articles. "Articles" mean the Articles of Incorporation of the Phase 2-A Association (as.defined herein) as the same may be amended from time to time, certified copies of which as originally filed with the Secretary of State are attached hereto as Exhibit C.
- 2.2  $\underline{\text{Board}}$ . "Board" means the duly elected Board of Directors of the Phase 2-A Association.
- 2.3 <u>Building</u>. "Building" means any one of the buildings constructed on the Phase 2-A Subdivision.
- 2.4 <u>By-Laws</u>. "By-Laws" means the By-Laws of the Association as they exist from time to time, copies of which as originally adopted are attached hereto and incorporated herein as Exhibit D.
- 2.5 Common Area. "Common Area" means Lots 7 and 8, Block 3 of River Run (Phase 2-A) which shall be conveyed by the Phase 2-A Association to the River Run Homeowners Association, Inc.
- 2.6 Condominium. "Condominium" means a separate interest in a Unit together with an undivided interest in common in the Local Common Area (expressed as percentages of the entire ownership interest in the Local Common Area respectively, as set forth in Exhibit B attached hereto and by this reference made a part hereof as the same may be amended from time to time).
- 2.7 <u>Condominium Act</u>. "Condominium Act" means the "Condominium Property Act" of the State of Idaho as the same may exist from time to time.
- 2.8 Condominium Documents. "Condominium Documents" means this Phase 2-A Supplement, the River Run Declaration, the Articles, the By-Laws, all Exhibits annexed hereto and any Management Agreement entered into by the Phase 2-A Association, as the same may be amended and supplemented from time to time.

- 2.9 Condominium Map. "Condominium Map" means the Condominium Map for the Phase 2-A Subdivision attached hereto as Exhibit E, as the same may be amended from time to time, which shall consist of a survey map of the surface of the grounds of the Project showing a survey and legal description thereof, the location of each Building with respect to the boundaries of the Phase, together with diagrammatic floor plans of the Buildings showing the boundaries of each Unit within each Building including horizontal and vertical locations and dimensions of all boundaries of each Unit (provided, however, and notwithstanding the horizontal and vertical dimensions of the Units as shown on the Condominium Map, certain Units also include areas which are above the "ceiling line" shown on the Condominium Map and which such areas are included within the interior boundaries of each such Unit as originally constructed, it being hereby expressly stated that the "ceiling line" shown on the Condominium Map elevations represents the lowest ceiling within each floor of a Unit, and provided further that the "roof line" as shown on the Condominium Map does not represent the actual roof line of the Building, but rather an artficial line drawn parallel to the ceiling line which intersects the highest point of the roof of a Building), Unit number and identifying the Units, together with such other information as may be included thereon at the discretion of the Declarant. The Condominium Map attached hereto as Exhibit E, as the same may be amended from time to time, may sometimes be referred to as "Phase 2-A Map".
- 2.10 <u>Declarant</u>. "Declarant" means River Run Development Co., an Idaho general partnership, its successors and assigns including, without limitation, any partnership, corporation or entity in which River Run Development Co. is a partner or shareholder which was created for the purpose of constructing condominiums within the Project.
- 2.11 Grantor. "Grantor" means River Run Development Co., an Idaho general partnership, its successors and assigns including, without limitation, any partnership, corporation or entity in which River Run Development Co. is a partner or shareholder which was created for the purpose of constructing condominiums within the Project.
- 2.12 <u>Limited Common Area</u>. "Limited Common Area" means that area designated herein or by the Phase 2-A Association for exclusive use by Owners of particular Condominiums or which may be shown on the Condominium Map, including storage areas or garage areas assigned by the Phase 2-A Association to a specified Unit (and as set forth on Exhibit F), exterior entryways, stairs, porches, balconies, decks, patios or portions thereof, which are for the exclusive use by the Owners of a specified Unit or Units.

- 2.13 Local Assessment. "Local Assessment" means a share of the funds required for the payment of common expenses, including those expenses attributable to less than all Owners in the case of Local Limited Assessments, which, from time to time, are assessed against the Owners, and shall include Local Regular, Local Special and Local Limited Assessments as more particularly described in Article VII hereof.
- 2.14 Local Common Area. "Local Common Area" means the entire Phase 2-A Subdivision excepting all Units and Common Area, but including Limited Common Area within the Phase 2-A Subdivision.
- 2.15 Local Limited Assessment. "Local Limited Assessment" means an assessment levied against an Owner by the Phase 2-A Association for costs and expenses incurred by the Phase 2-A Association, for corrective action performed pursuant to this Phase 2-A Supplement which was necessitated by such Owner, including, without limitation, costs and expenses incurred for the repair and replacement of Local Common Area, and equipment and facilities located thereon, damaged by the negligent acts of an Owner or Occupant of a Unit who is occupying a Unit with the consent, either express or implied, of such Owner, as more particularly described in Section 7.4 herein.
- 2.16 Local Regular Assessment. "Local Regular Assessment" means an assessment by the Phase 2-A Association to provide for the payment of all estimated expenses growing out of or connected with the Project as a whole, as more particularly described in Section 7.2 herein.
- 2.17 Local Special Assessment. "Local Special Assessment" means an assessment by the Phase 2-A Association for the purpose of defraying, in whole or in part, the costs of any new capital improvement construction or reconstruction or unexpected or extraordinary repair, maintenance or replacement of the Project or any part thereof, including, without limitation, snow and ice removal, or for any expense incurred or to be incurred as provided in this Phase 2-A Supplement, or in the event that the Local Regular Assessment assessed for any particular year is or will become inadequate to meet the expenses of the Phase 2-A Association, such assessment being authorized pursuant to the terms and conditions provided herein, as more particularly described in Section 7.3 herein.
  - 2.18 <u>Management Agreement</u>. "Management Agreement" means and refers to any agreement or amendments thereto entered into by the Association which provides for the management of the Project by a management individual or entity.

- 2.19 Management Firm. "Management Firm" means and refers to the entity identified as the Management Firm in a Management Agreement, its successors and assigns. The Management Firm shall be responsible for the management of the Project as provided in a Management Agreement.
- 2.20 Member. "Member" means each person or entity holding a membership in the Phase 2-A Association which shall be all Owners of a Condominium within the Project.
- 2.21 Mortgage. "Mortgage" means any mortgage, deed of trust, or other security instrument by which a Condominium or any part thereof is encumbered.
- 2.22 Mortgagee. "Mortgagee" means any person or any successor to the interest of such person named as the Mortgagee, trust beneficiary, or creditor under any Mortgage as Mortgage is defined in Section 2.21 above under which the interest of any Owner or successor to the interest of such Owner is encumbered.
- 2.23 Occupant. "Occupant" means the person or persons, other than the Owner, in possession of a Unit at any particular time.
- 2.24 Owner. "Owner" means any person or entity including Declarant, at any time owning a Condominium and a contract purchaser of a Condominium and does not include any person or entity not owning a Condominium. The term "Owner" shall not refer to any Mortagagee, as herein defined, unless such Mortagagee has acquired title pursuant to forelosure or any proceeding in lieu of foreclosure.
- 2.25 <u>Phase 2-A Association</u>. "Phase 2-A Association" means River Run Phase 2-A Local Association, Inc., an Idaho non-profit corporation, its successors and assigns, organized as provided herein.
- 2.26 Phase 2-A Supplement. "Phase 2-A Supplement" means this instrument, as it may be from time to time amended or supplemented.
- 2.27 River Run Declaration. "River Run Declaration" means that certain Declaration of Covenants, Conditions and Restrictions for River Run, recorded as Instrument No. 7941486 in the Office of the County Recorder of Ada County, Idaho, as the same may be amended and supplemented from time to time.
- 2.28 Unit. "Unit" means the separate interest in a Condominium, and means that which is bounded by the interior sur-

faces of the perimeter walls, floors, ceilings, windows, and doors thereof, together with all fixtures and improvements therein contained, including pipes, wires, conduits and other utility lines and services and air conditioning and heating equipment which serves only the particular Unit. Notwithstanding such markings, the following are not part of such Units: bearing walls, columns, floors, and roofs (except for the interior surface thereof, if a perimeter wall, floor or ceiling), foundations, pipes, vents, ducts, flues, chutes, conduits, wires and other utility installations (other than those specified above) wherever located, except the outlets thereof when located within the Unit. The interior surfaces of a perimeter window or door means the points at which such surfaces are located when such windows or doors are closed; the physical windows and doors themselves are part of the Local Common Area, as herein defined. As used herein, a "Unit" is a "Building Lot" as that term is defined in the River Run Declaration.

### ARTICLE III

### NATURE AND INCIDENTS OF CONDOMINIUM OWNERSHIP

- 3.1 Estates of an Owner of a Unit. The Project is hereby divided into Condominiums, each consisting of any interest in a Unit and an undivided interest in common in the Local Common Area. The percentage of ownership interest in the Local Common Area which is to be allocated to each Unit as a whole for purposes of tax assessment under Section 55-1514 of the Idaho Code and for purposes of liability as provided by Section 55-1515 of such Code, shall be the same as set forth in Exhibit B. Exhibit B attached hereto allocates the ownership interest in the Local Common Area among the Units located in the Phase 2-A Subdivision. Exhibit B also contains a legal description of each Unit in the Project, consisting of the identifying number of such Unit as shown on the Condominium Map.
- 3.2 Limited Common Area. "Limited Common Area" shall consist of: storage areas, garage areas, parking areas, porches, entryways, stairs, balconies, decks, patios or portions thereof and other areas designated for the exclusive use by one or more Owners of designated Units and/or designated as such on the Condominium Map as the same may be amended from time to time by the Phase 2-A Association. All Limited Common Areas shall be used in connection with the designated Unit or Units to the exclusion of the use thereof by the Owners of other non-

designated Units except by invitation. All decks, patios and entryways, shown on the Condominium Map which are appurtenant to a Unit are hereby designated as Limited Common Area for the Unit to which they are appurtenant. The garage areas shown on the Condominium Map are hereby designated as Limited Common Area for the Units in accordance with Exhibit F attached hereto.

- 3.3 Right to Combine Units. Declarant reserves the right to combine physically the area or space of one Unit with the area or space of one or more adjoining Units. Such combination shall not prevent separate ownership of such Condominiums in the future. Declarant reserves the right to designate and convey to any purchaser of such combined Units as additional Limited Common Area any walls, floors or other structural separations between Units so combined, or any space which would be occupied by such structural separations but for the combination of the Units. Such structural separations and such space shall automatically become Local Common Area if the combined Units become subject to separate ownership in the future.
- 3.4 <u>Title</u>. Title to a Condominium may be held or owned by any entity and in any manner in which title to any other real property may be held or owned in the State of Idaho.
- 3.5 <u>Inseparability</u>. No part of a Condominium or of the legal rights comprising ownership of a Condominium may be separated from any other part thereof during the period of Condominium ownership prescribed herein, so that each Unit and the undivided interest in the Local Common Area appurtenant to such Unit shall always be conveyed, devised, encumbered, and otherwise affected only as a complete Condominium. Every gift, devise, bequest, transfer, encumbrance, conveyance, or other disposition of a Condominium or any part thereof shall be presumed to be a gift, devise, bequest, transfer, encumbrance or conveyance, respectively, of the entire Condominium together with all appurtenant rights, created by law or by this Phase 2-A supplement.
- 3.6 <u>Partition Not Permitted</u>. The Local Common Area shall be owned in common by all Owners of Condominiums, and no Owner may bring any action for partition thereof.
- 3.7 Taxes and Assessments. Each Owner shall execute such instrument and take such actions as may reasonably be specified by the Phase 2-A Association to obtain separate real property tax assessments of the interest of each Owner in each Condominium. If any taxes or special district or other assessments may, in the opinion of the Phase 2-A Association, nevertheless, be a lien on

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the Project or any part thereof, the Phase 2-A Association shall pay the same and assess the same to the Owner or Owners responsible therefor. Each Owner shall pay the taxes or assessments assessed against his Condominium, or interest therein, or his interest in the Local Common Area, or any part of any or all of the foregoing. Each Owner shall pay all taxes, rates, impositions, and assessments levied against the Project or any part of the Local Common Area in proportion to his interest in the Local Common Area, such payment to be made to the Phase 2-A Association at least thirty (30) days prior to the delinquency of such tax or assessment, or may be paid on a monthly basis if prescribed by the Phase 2-A Association. Each such unpaid tax or assessment shall bear interest at the rate of eighteen percent (18%) per annum from and after the time the same becomes payable by each Owner and shall be secured by the lien created by Section 8.2 hereof.

### ARTICLE IV

### DESCRIPTION OF A CONDOMINIUM

Every contract for the sale of a Condominium and every other instrument affecting title to such Condominium may describe that Condominium by the Unit number shown on the Condominium Map with appropriate reference to the Condominium Map and to this Declaration as each appears on the records of the County Recorder of Ada County, Idaho, in the following manner:

"Condominium Unit ______, as shown on the Condominium Map for River Run (Phase 2-A) Condominium Subdivision, appearing in the records of Ada County, Idaho, as Instrument No. _____, and as defined and described in that Phase 2-A Supplement to the Declaration of Covenants, Conditions and Restrictions for River Run and Condominium Declaration for River Run Phase 2-A Condominiums recorded in the Records of Ada County, Idaho, as Instrument No. _____ as the same may be amended or supplemented from time to time.

Such description shall be construed to describe the Unit together with appurtenant undivided interest in the Local Common Area and to incorporate all the rights incident to ownership of a Condominium and all the limitations on such ownership as described in this Phase 2-A Supplement or any amendments or supplements thereto, whether or not so specified in the instrument.

### ARTICLE V

### MECHANIC'S LIEN RIGHTS

No labor performed or services or materials furnished with the consent of or at the request of an Owner or his agent or his contractor or subcontractor shall be the basis for the filing of a lien against the Condominium of any other Owner or against any part thereof, or against any other property of any other Owner, unless such other Owner has expressly consented to or requested in writing the performance of such labor or furnishing of such materials or services. Such express consent shall be deemed to have been given by the Owner of any Condominium in the case of emergency repairs thereof made by the Phase 2-A Association or Declarant. Labor performed or services or materials furnished for the Project, if duly authorized by the Phase 2-A Association shall be deemed to be performed or furnished with the express consent of each Owner. Any Owner may remove his Condominium from a lien against two or more Condominiums or any part thereof by payment to the holder of the lien of the fraction of the total sums secured by such lien which is attributable to his Condominium.

### ARTICLE VI

### RIVER RUN PHASE 2-A LOCAL HOMEOWNERS' ASSOCIATION, INC.

- 6.1 Creation. Grantor has created River Run Phase 2-A Local Association, Inc. ("Phase 2-A Association") as a non-profit corporation under the provisions of the Idaho Code relating to non-profit corporations. A certified copy of the Articles as originally filed with the Secretary of State and the By-laws adopted by the Phase 2-A Association are attached hereto as Exhibits C and D respectively and made a part of this Phase 2-A Supplement. The Phase 2-A Association is a "Local Association" as that term is defined in the River Run Declaration.
- 6.2 Membership. Every Owner of a Condominium shall be entitled and required to be a Member of the Phase 2-A Association. If title to a Condominium is held by more than one person, all such persons shall be Members. No person or entity other than an Owner may be a Member of the Phase 2-A Association and the Articles or By-Laws shall so state and shall, in addition, state the memberships in the Phase 2-A Association may not be transferred except in connection with the transfer of a Condominium; provided, however, that the rights of membership may

be transferred to a Mortgagee as further security for a loan secured by a lien on a Condominium. In the event a Condominium is owned by a corporation or partnership or is owned by several individuals or entities as tenants-in-common, said corporation, partnership, individuals or entities shall designate to the Phase 2-A Association an agent upon whom notice may be served pursuant to this Phase 2-A Supplement.

- 6.3 <u>Voting</u>. The Phase 2-A Association shall have two (2) classes of voting memberships:
  - 6.3.1 Class A Members. Class A Members shall be all Owners of Units other than Grantor so long as the Class B Membership is in existence, and shall be entitled to one (1) vote for each such Unit owned. When more than one person or entity holds an interest in such Units, the vote for such Unit shall be exercised as they so determine, but in no event shall a fractional vote for any such Unit be cast and in no event shall all such Members be entitled to more than one (1) vote for each Unit owned.
  - 6.3.2 Class B Member. The Class B Member shall be Grantor. Upon the sale of the first Unit to an Owner, Grantor shall be entitled to three (3) votes for each Unit owned by Grantor. The Class B membership shall cease and be converted to Class A membership upon the happening of the earlier of the following events:
    - 6.3.2.1 One hundred twenty (120) days after the date on which seventy-five percent (75%) of the Units have been conveyed to Owners; or
    - 6.3.2.2 Five (5) years from the date of the first sale of a Unit to an Owner.
- 6.4 Board of Directors and Officers. The affairs of the Phase 2-A Association shall be conducted by a Board of Directors and such officers as the Directors may elect or appoint, in accordance with the Articles and By-Laws, as the same may be amended from time to time. The initial Board of Directors of the Phase 2-A Association shall be appointed by the incorporator or its successors and shall hold office until the first annual meeting, at which time a new Board of Directors shall be elected in accordance with the provisions set forth in the By-Laws.
  - 6.5 Powers and Duties of the Phase 2-A Association.
  - 6.5.1 Powers. The Phase 2-A Association shall have all the powers of a non-profit corporation organized under

the general non-profit corporation laws of the State of Idaho subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, the Bylaws, this Phase 2-A Supplement and the River Run Declaration, as the same may be amended from time to time, and is hereby designated the "Management Body" as provided in the Condominium Act. The Phase 2-A Association shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Phase 2-A Association under this Phase 2-A Supplement, the River Run Declaration, as the same may be amended from time to time, the Articles, the By-Laws, the River Run Declaration, as herein supplemented and modified, and the Condominium Property Act; provided, however, that neither the Articles nor the By-Laws shall for any reason be amended or changed or interpreted so as to be inconsistent with the River Run Declaration as the same may be amended or supplemented from time to time. The Phase 2-A Association shall have the power to do and perform any and all acts which may be necessary or proper for, or incidental to the proper management, operation and administration of the Project, including without limitation:

- 6.5.1.1 Assessments. The power to levy Local Assessments on the Owners of Condominiums and to force payment of such Local Assessments, all in accordance with the provisions of this Phase 2-A Supplement.
- 6.5.1.2 Right of Enforcement. The power and authority from time to time in its own name, on its own behalf or in behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Phase 2-A Supplement or the Articles or the By-Laws, including the Phase 2-A Association rules adopted pursuant to this Phase 2-A Supplement, and to enforce by mandatory injunction or otherwise, all provisions hereof.
- 6.5.1.3 Delegation of Powers. The authority to delegate its power and duties to committees, officers, employees, or to any person, firm or corporation to act as the Management Body (as defined in the Condominium Act) and specifically the authority to delegate its powers and duties to a Management Firm pursuant to a Management Agreement; provided, however, that any delegation of the Association's

powers and duties may be revoked upon fifteen (15) days written notice to the delegates and any Management Agreement shall be terminable upon fifteen (15) days written notice to the Management Firm. Neither the Phase 2-A Association, nor the Members or the Board shall be liable for any omission or improper exercise by any person or entity to whom any such duty or power has been delegated.

6.5.1.4 Phase 2-A Association Rules. The power to adopt, amend and repeal by majority vote of the Board such rules and regulations as the Phase 2-A Association deems reasonable (the Phase 2-A Association Rules). The Phase 2-A Association Rules shall govern the use and designation of the Local Common Area and Units, including, but not limited to, use of Local Common Area and Units by the families of the Owners, or by an invitee, licensee, lessee, Occupant or contract purchaser of an Owner, including, without limitation, rules and regulations which limit the number of individuals an Owner or Occupant may allow to use the Local Common Area at any one time, it being understood that the Association Rules may prohibit burdensome use of the Local Common Area by any particular Owner or Occupant, their guests, invitees, family members, licensees or tenants; provided, however, that the Phase 2-A Association Rules may not discriminate among Owners and shall not act in a manner inconsistent with this Phase 2-A Supplement, the Articles or By-Laws. A copy of the Phase 2-A Association Rules as they may from time to time be adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner and a copy, at the option of the Phase 2-A Association, may be posted in a conspicuous place within the Local Common Area. Upon such mailing or delivery, said Phase 2-A Association Rules shall have the same force and effect as if they were set forth in and were part of this Phase 2-A Supplement. In the event of any conflict between any such Phase 2-A Association Rules and any other provisions of this Phase 2-A Supplement, or the Articles or By-Laws, the provisions of the Phase 2-A Association Rules shall be deemed to be superseded by the provisions of this Phase 2-A Supplement, the Articles or By-Laws to the extent of any such inconsistency.

- 6.5.1.5 Emergency Powers. The Phase 2-A Association or any person authorized by the Association may enter upon any Unit in the event of any emergency involving illness or potential danger to life or property or when necessary in connection with any maintenance or construction for which it is responsible. Such entry shall be made with as little inconvenience to the Owners as practicable and any damage caused thereby shall be repaired by the Phase 2-A Association, except as otherwise provided herein.
- 6.5.1.6 Licenses, Easements and Rights-of-Way. The power to grant and convey to any third party such licenses, easements and rights-of-way in, on or under the Local Common Area as may be necessary or appropriate for the orderly maintenance, preservation and enjoyment of the Project and for the preservation of health, safety, convenience and welfare of all the Owners, for the purpose of constructing, erecting, operating or maintaining:
  - 6.5.1.6.1 Underground lines, cables, wires, conduits or other devices for the transmission of electricity for lighting, heating, power, telephone, television, other utility services and other purposes, as the Board in its sole discretion deems necessary and proper;
  - 6.5.1.6.2 Sewers, storm drains, water drains, and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes; and
  - 6.5.1.6.3 Motorized and nonmotorized streets, access ways and pathways for the use and enjoyment of the general public, including, without limitation, easements and rights of way in favor of the general public over Local Common Area and private streets within the Local Common Area.
  - 6.5.1.6.4 Any similar public or quasipublic improvements or facilities.

The right to grant such licenses, easements and rights-of-way are hereby expressly reserved to the Phase 2-A Association and may be granted at any time

prior to twenty-one (21) years after the death of the individuals executing this Phase 2-A Supplement, on behalf of the Declarant, and their issue who are in being as of the date hereof.

- The Phase 2-A 6.5.1.7 Miscellaneous Services. Association may obtain and pay for the services of any person or entity to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Phase 2-A Association shall determine to be necessary or desirable for the proper operation of the Project, whether such personnel are furnished or employed directly by the Phase 2-A Association or by any person or entity with whom or which it contracts, including, without limitation, the Management Firm. The Phase 2-A Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Project or the enforcement of this Phase 2-A Supplement. The Phase 2-A Association may arrange with others to furnish electrical, water, sewer, trash collection services, and other common services to each Unit.
- 6.5.1.8 Personal Property for Common Use. Phase 2-A Association may acquire and hold for the use and benefit of all of the Owners or for the benefit of only those Owners within a particular Building tangible and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be deemed to be owned by the Owners in the same proportion as their respective interest in the Local Common Area. Such interest shall not be transferable except with the transfer of a Condominium. A transfer of a Condominium shall transfer to the Transferee ownership of the Transferor's beneficial interest in such property without any reference thereto. Owner may use such property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of other Owners. The transfer of title to a Condominium, including that pursuant to foreclosure or power of sale, shall entitle the purchaser or Transferee to the interest in such personal property associated with the Condominium transferred.
- 6.5.1.9 <u>Implied Rights</u>. Notwithstanding the foregoing, the Phase 2-A Association may exercise any

other right or privilege given to it expressly by this Phase 2-A Supplement or by law, and every other right or privilege reasonable to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege or to manage, operate, maintain, repair and replace the Project in a manner consistent to other similar condominiums in the State of Idaho.

- 6.5.2 Duties of the Phase 2-A Association. In addition to power delegated to it by the Articles, without limiting the generality thereof, the Phase 2-A Association or its agent, if any, shall have the obligation to conduct all business affairs in connection with the management and operation of the Project and to perform each of the following duties, the cost of which shall be borne as provided in Article VII:
  - Common Area, Special Common Area and Limited Common Area. Operate, maintain and otherwise manage or provide for the operation, maintenance and management of the Local Common Area and all improvements thereon (including landscaping and lawns, furnishings and equipment) including maintenance and repair of exteriors of buildings as described in Section 6.5.2.5 below and including the repair and replacement of property damaged or destroyed by casualtv loss and all other property acquired by the Phase 2-A Association, and the Phase 2-A Association shall keep and maintain the same in a good, clean, attractive and sanitary condition, order and repair. The foregoing shall not be deemed to limit the duties of the Phase 2-A Association with respect to the Local Common Area.
  - 6.5.2.2 Taxes and Assessments. Pay all real and personal property taxes and assessments separately levied against the Local Common Area, if any, owned and managed by the Phase 2-A Association or against the Phase 2-A Association and/or any property owned by the Phase 2-A Association. Such taxes and assessments may be contested or compromised by Phase 2-A Association; provided, however, that they are paid or a bond insuring payment is posted prior to the sale or the disposition of any property to satisfy the payment of such taxes. In addition, the

Phase 2-A Association shall pay all other taxes, federal, state or local, including income or corporate taxes levied against the Phase 2-A Association in the event that the Phase 2-A Association is denied the status of a tax exempt corporation.

- 6.5.2.3 Water and Other Utilities. Acquire, provide and/or pay for water, sewer, garbage disposal, refuse and rubbish collection, electrical, telephone and gas, and other necessary services for the Local Common Area and Limited Common Area owned or managed by it.
- 6.5.2.4 <u>Insurance</u>. Obtain, from reputable insurance companies authorized to do business in the State of Idaho and maintain in effect the policies of insurance described in Article XIII hereof.
- 6.5.2.5 Maintenance of Exteriors of Buildings. The Phase 2-A Association shall be responsible for maintaining the exterior surfaces of all Buildings and other improvements located in the Project, including, without limitation, all automobile parking structures, excluding the interior of all Units. The exterior maintenance shall include the following: painting, staining, repairing, restaining, replacing and caring for all exterior surfaces including roofs and exterior portions of doors as necessary.
- 6.5.2.6 Sewer Lines. The Phase 2-A Association shall be responsible for operating, maintaining and repairing all sewer lines and other services located with the Project which are not owned by governmental entities including, without limitation, all service lines connecting to the eight inch (8") main sewer line located in Lot 8, Block 3, which main sewer line shall be owned, operated, repaired and maintained by the City of Boise City, Idaho.
- 6.6 Personal Liability. No member of the Board, or any committee of the Phase 2-A Association, or any officer of the Phase 2-A Association, or the Declarant, or the manager, if any, shall be personally liable to any Owner, or to any other party, including the Phase 2-A Association, for any damage, loss or prejudice suffered or claimed on the account of any act, omission, error or negligence of the Phase 2-A Association, the Board, the manager, if any, or any other representative or employee of the Phase 2-A Association, the Declarant, or any other committee, or

any officer of the Phase 2-A Association, or the Declarant, provided that such person has, upon the basis of such information as may be possessed by him, acted in good faith without willful or intentional misconduct.

- 6.7 <u>Budgets and Financial Statements</u>. Financial Statements for the Phase 2-A Association shall be regularly prepared and copies shall be distributed to each Member or designated agent of Members of the Phase 2-A Association (and Mortgagees upon request) as follows:
  - 6.7.1 A pro forma operating statement (budget) for each fiscal year shall be distributed not less than thirty (30) days before the beginning of each fiscal year or not later than thirty (30) days after the beginning of each fiscal year.
  - 6.7.2 Within thirty (30) days before or after the close of each fiscal year, the Phase 2-A Association, or its Agent, shall cause to be prepared and delivered to each Owner, an annual operating statement reflecting the income and expenditures of the Phase 2-A Association for its fiscal year. Copies of said documents shall be distributed to each Member within said period.
- 6.8 <u>Inspection of Books</u>. Upon reasonable notice, any Owner or Mortgagee, at his sole cost and expense, may examine or cause to be examined the books of account and records of the Phase 2-A Association during normal working hours.

### ARTICLE VII

### **ASSESSMENTS**

- 7.1 Covenant to Pay Assessments. Each Owner hereby, and by acceptance of a deed to a Condominium, covenants and agrees to pay when due all Local Regular and Local Special Assessments or charges made by the Phase 2-A Association and all Local Limited Assessments or charges made against such Owner by the Phase 2-A Association pursuant to the provisions of this Phase 2-A Supplement, and all Assessments or charges made against such Owner by the River Run Homeowners Association Inc. or the River Run Recreation Association No. 1, Inc. pursuant to the provisions of the River Run Declaration.
  - 7.2 Local Regular Assessments.

- 7.2.1 Commencement. Local Regular Assessments against each Unit shall commence on the date on which such Unit is constructed and substantially ready for occupancy or three (3) years from the date of the first sale of a Unit in Phase 2-A Subdivision, whichever is earlier ("Initiation Date").
- 7.2.2 Amount of Annual Local Regular Assessment. The total annual Local Regular Assessment against all Units shall be based upon advance estimates of annual cash requirements by the Phase 2-A Association to provide for the payment of all estimated expenses growing out of or connected with the Project, as a whole, including, without limitation, the following:
  - 7.2.2.1 maintenance, repair and operation of the Local Common Area and improvements located thereon (as more particularly set forth below) including landscaping and recreational equipment and including expenses incurred for snow removal from Local Common Area;
  - 7.2.2.2 furnishing electrical, water, sewer, trash collection and services and other services which are for the benefit of the Local Common Area or the Project as a whole;
  - 7.2.2.3 maintenance, repair, replacement and upkeep of the Buildings and other improvements located on the Project including, without limitation, the maintenance, repair, replacement and upkeep of all personal property located thereon and including, without limitation, the maintenance of the Buildings (excluding the Units) and those areas which are designated as Limited Common Area and the utility lines and other utility facilities which are within a Building;
  - 7.2.3.4 premiums for casualty and property damage insurance for the Local Common Area;
  - 7.2.2.5 taxes and special assessments until the Units are separately assessed as provided herein;
  - 7.2.2.6 premiums for all insurance which the Phase 2-A Association is required or permitted to maintain pursuant hereto;

7.2.2.7 management fees and expenses, including management fees payable pursuant to a Management Agreement;

7.2.2.8 employee salaries and legal and accounting costs and expenses;

7.2.2.9 any deficits remaining from the previous fiscal year;

7.2.2.10 reasonable contingency reserves, surpluses and/or sinking funds and any and all other expenses and liabilities which may be incurred by the Phase 2-A Association for the benefit of all Units under or by reason of this Phase 2-A Supplement;

7.2.2.11 such other and further costs, expenses, obligations and liabilities as the Board, in its discretion may incur for the proper management, operation and maintenance of the Project as a whole in accordance with this Phase 2-A Supplement and the Condominium Act.

7.2.3 Allocation of Annual Local Regular Assessment. Expenses attributable to the Project as a whole, as described above and which shall be paid by Local Regular Assessments, shall be apportioned among all Units in accordance with the following formula:

the total square feet of interior floor area of a particular Unit against which Local Regular Assessments have commenced pursuant to Section 7.2.1 (as shown on the Condominium Map and set forth on Exhibit B attached hereto) = the total square feet of interior floor area of all Units against which Local Regular Assessments have commenced pursuant to Section 7.2.1.

the percentage of expenses attributable to the Project as a whole which are allocable to a Unit and payable by Local Regular Assessments

The annual Local Regular Assessment for each Unit shall equal the percentage of expenses attributable to the Project as a whole which are allocable to a Unit, such per-

centage being derived in accordance with the above described formula; provided, however, that no Assessment shall be assessed against any Unit prior to the time when such Unit is substantially ready for occupancy or until three years from the date of the first sale of a Unit to an Owner, whichever is earlier.

- 7.2.4 Notice of Local Regular Assessments and Time for Payment Thereof. The Local Regular Assessments shall be made on a calendar year basis. The Phase 2-A Association shall give written notice to each Owner as to the amount of the annual Local Regular Assessment with respect to each Unit on or before December 15 for each year for the calendar year commmencing on January 1 of the next The annual Local Regular Assessment shall be due and payable as the Phase 2-A Association shall determine; provided, however, that the first assessments shall be for the balance of the calendar year remaining after the date of the sale of the first Unit. Each annual Local Regular Assessment shall bear interest at the rate of two (2) points over the prime rate of the Idaho First National Bank, Boise, Idaho per annum from the date it becomes due and payable if not paid within ten (10) days after the date the same is payable; provided, however, that if such rate of interest is in excess of that permitted by applicable law, then no Owner shall be required to pay interest to the extent it is in excess of the amount permitted by law. Failure of the Phase 2-A Association to give timely notice of any Local Assessment as provided herein shall not affect the liability of the Owner or any Condominium for such Local Assessment, but the date when payment shall become due in such a case shall be deferred to a date thirty (30) days after such notice shall have been given. In the event any Owner is delinquent in the payment of any assessment for a period in excess of thirty (30) days, the Board may, at its discretion, deprive the Owner of use of the Local Common Area and suspend the Owner's voting rights in the Phase 2-A Association.
- 7.3 Local Special Assessments. In addition to the annual Local Regular Assessments authorized by this Article, the Phase 2-A Association may levy in any assessment year, a Local Special Assessment, payable over such a period as the Phase 2-A Association may determine, for the purpose of defraying, in whole or in part, the costs of any new capital improvement construction or reconstruction or unexpected or extraordinary repair, maintenance or replacement of the Project or any part thereof, including, without limitation, snow and ice removal, or for any

expense incurred or to be incurred as provided in this Phase 2-A Supplement, or in the event that the Local Regular Assessment assessed for any particular year is or will become inadequate to meet the expenses of the Phase 2-A Association. This section shall not be construed as an additional source of authority for the Phase 2-A Association to incur expenses, but shall be construed to prescribe a manner for assessing costs and expenses authorized by other sections. Any amounts assessed pursuant hereto shall be assessed among the Units in accordance with the formula set forth in Section 7.2.3. Notice in writing of the amount of such Local Special Assessments and the time for payment thereof shall be given promptly to the Owners, and no payments shall be due less than thirty (30) days after such notice shall have been given. A Local Special Assessment shall bear interest at the rate of two (2) points over the prime rate of the Idaho First National Bank, Boise, Idaho, per annum from the date it becomes due and payable if not paid within thirty (30) days after such date; provided, however, that if such rate of interest is in excess of that permitted by applicable law, then no Owner shall be required to pay interest to the extent it is in excess of the amount permitted by law; provided, no Special Assessment shall be levied for new capital improvements to the Local Common Area without an affirmative vote of sixty percent (60%) of the Members in attendance by person or proxy at any regular or special meeting of the Phase 2-A Association.

- 7.4 Local Limited Assessments. The Phase 2-A Association may levy against any Owner a Local Limited Assessment equal to the costs and expenses incurred by the Phase 2-A Association, including legal and management fees, for corrective action performed pursuant to this Phase 2-A Supplement which was necessitated by such Owner, including, without limitation, costs and expenses incurred for the repair and replacement of Local Common Area and equipment and facilities located thereon, damaged by the negligent acts of an Owner or Occupant of a Unit who is occupying a Unit with the consent, either expressed or implied, of such Owner.
- 7.5 Personal Obligation of Owner. The amount of any Local Regular, Local Special or Local Limited Assessment against any Condominium shall be the personal obligation of the Owner thereof to the Phase 2-A Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Phase 2-A Association without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish such personal obligation by waiver of the use and enjoyment of any of the Local Common Area or by abandonment of his Condominium.

7.6 Statement of Account. Upon payment of a reasonable fee, which shall be established by the Board but shall not exceed Fifty and No/100ths Dollars (\$50.00) and upon written request of any Owner or any Mortgagee, prospective Mortgagee, or prospective purchaser of a Condominium, the Phase 2-A Association, or the Management Firm, if applicable, shall issue a written statement setting forth the amount of the unpaid Local Assessments, if any, with respect to such Condominium, the amount of the current yearly Local Assessments and the dates that such Local Assessments become or became due, credit for advanced payments or prepaid items, including, but not limited to, an Owner's share of prepaid Local Assessments, insurance premiums and taxes, which statement shall be conclusive upon the Phase 2-A Association in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied with within twenty (20) days, all unpaid Local Assessments which become due prior to the date of making such request shall be subordinate to the lien of a Mortgagee, which acquired its interest subsequent to requesting such statement. Where a prospective purchaser makes such request, the lien for such unpaid Local Assessments shall be released automatically if the statement is not furnished within the twenty (20) day period provided herein and thereafter an additional written request is made by such purchaser and is not complied with within ten (10) days, and the purchaser subsequently acquires the Condominium.

### ARTICLE VIII

### ENFORCEMENT OF ASSESSMENTS: LIENS

8.1 Right to Enforce. The right to collect and enforce the Local Assessments made by the Phase 2-A Association created hereby is vested in the Phase 2-A Association. Each Owner of a Unit upon becoming an Owner of such Unit is and shall be deemed to covenant and agree to pay each and every Local Assessment provided for in this Phase 2-A Supplement and the Assessments provided for in the River Run Declaration and agrees to the enforcement of all Local Assessments and Assessments in the manner specified herein and in the River Run Declaration. In the event an attorney or attorneys are employed for the collection of any Local Assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of this Phase 2-A Supplement, each Owner agrees to pay reasonable attorney's fees or any other relief or remedy obtained against said Owner. The Board or its authorized representative may enforce the obligations of the Owners to pay the Local Assessments provided for in this Phase 2-A Supplement by commen-

cement and maintenance of a suit at law or in equity or such Board may exercise the power of sale pursuant to Section 9.3 to enforce the liens created hereby. A suit to recover a money judgment for an unpaid Local Assessment shall be maintainable without foreclosing or waiving the lien hereinafter provided for.

### 8.2 Assessment Liens.

- 8.2.1 <u>Creation</u>. There is hereby created a claim of lien with power of sale on each and every Condominium to secure payment of any and all Local Assessments levied against any and all Condominiums in the Project pursuant to this Phase 2-A Supplement, together with interest thereon at the rate of two (2) points over the prime rate of the Idaho First National Bank, Boise, Idaho: provided, however, that if such rate of interest is in excess of that permitted by applicable law, then no Owner shall be required to pay interest to the extent it is in excess of the amount permitted by law, and all costs of collection which may be paid or incurred by the Phase 2-A Association in connection therewith, including reasonable attorney's fees. All sums assessed in accordance with the provisions of this Phase 2-A Supplement shall constitute a lien on such respective Condominium upon recordation of a claim of lien with the County Recorder. Said lien shall be prior and superior to all other liens or claims created subsequent to the recordation of the notice of delinquency and claim of lien except for tax liens for real property taxes on any Condominium and assessments on any Condominium in favor of any municipal or other governmental assessing body which, by law, would be superior thereto.
- 8.2.2 Claim of Lien. Upon default of any Owner in the payment of any Local Assessments required hereunder, the Phase 2-A Association may cause to be recorded in the Office of the County Recorder in the county in which the project is situated a claim of lien. Said claim of lien shall state the amount of such delinquent sums and other authorized charges (including the cost of recording such notice), a sufficient description of the Condominium against which the same has been assessed, and the name of the record owner thereof. Each delinquency shall constitute a separate basis for a notice and claim of lien, but any number of defaults may be included within a single notice and claim of lien. Upon payment to the Phase 2-A Association of such delinquent sums and charges in connection therewith or other satisfaction thereof, the Phase 2-A Association shall cause to be recorded a further notice

stating the satisfaction and relief of such delinquent sums and charges. The Phase 2-A Association may demand and receive the cost of recordation of such release before recording the same. Any purchaser or encumbrancer, acting in good faith and for value, may rely upon such notice of satisfaction and relief as conclusive evidence of the full satisfaction of the sums paid in the notice of delinquent sums.

- 8.3 Method of Foreclosure. Such lien may be foreclosed by appropriate action in court or by nonjudicial power of sale by the Phase 2-A Association, its attorney or other person authorized to make the sale, such sale to be conducted in accordance with the provisions of the Idaho Code applicable to the exercise of powers of sale permitted by law. The Board is hereby authorized to appoint its attorney, any officer or Director of the Phase 2-A Association, or any title company authorized to do business in Idaho as trustee for the purpose of conducting such power of sale foreclosure.
- 8.4 Required Notice. Notwithstanding anything contained in this Phase 2-A Supplement to the contrary, no action may be brought to foreclose the lien created by recordation of the notice of delinquency and claim of lien, whether judicially or by power of sale or otherwise, until the expiration of thirty (30) days after a copy of such claim of lien has been deposited in the United States mail, certified or registered, postage prepaid, addressed to the Owner of the Condominium described in such notice of delinquency and claim of lien, at the last known address of such Owner and a copy thereof is recorded by the Phase 2-A Association in the Office of the County Recorder in the county in which the Project is located.
- 8.5 <u>Subordination to Certain Trust Deeds</u>. The lien for the Local Assessments provided for herein in connection with a given Condominium shall not be subordinate to the lien of any deed of trust or mortgage except the lien of a first Mortgage given and made in good faith and for value that is of record as an encumbrance against such given Condominium prior to the recordation of a claim of lien for the Local Assessments. Except as expressly provided in Section 8.6 of this Article with respect to a first Mortgagee who acquires title to a Condominium, the sale or transfer of any Condominium shall not affect the Local Assessment lien provided for herein, nor the creation thereof by the recordation of a claim of lien, on account of the Local Assessments becoming due whether prior to, on, or after the date of such sale or transfer, nor shall such sale or transfer diminish or defeat the personal obligation of any Owner for

delinquent Local Assessments as provided for in this Phase 2-A Supplement.

8.6 Rights of Mortgagees. Notwithstanding any other provision of this Phase 2-A Supplement, no amendment of this Phase 2-A Supplement shall operate to defeat and render invalid the rights of the Mortgagee under any Mortgage upon a Condominium made in good faith and for value, and recorded prior to the recordation of such amendment, unless such Mortgagee consents to such amendment in writing, provided that after the foreclosure of any such Mortgage such Condominium shall remain subject to this Phase 2-A Supplement as amended.

### ARTICLE IX

### RIGHTS TO LOCAL COMMON AREA

- Section 9.1 Use of Common Areas. Every Owner shall have a nonexclusive right and easement to use the Local Common Area and an exclusive right to use Limited Common Area designated for exclusive use by the Owner, which shall be appurtenant to and shall pass with the title to every Condominium, subject to the following provisions:
  - 9.1.1 The rights of the Phase 2-A Association, the River Run Homeowners Association Inc. and the River Run Recreation Association No. 1, Inc. to levy Local Assessments and Assessments as provided herein and in the River Run Declaration and the payment by an Owner of all such Local Assessments and Assessments.
  - 9.1.2 The right of the Phase 2-A Association to suspend the voting rights and rights to use of, or interest in Local Common Area by an Owner for any period during which any Local Assessment or charge against his Condominium remains unpaid; and
  - 9.1.3 The right of the Phase 2-A Association to dedicate or transfer all or any part of Local Common Areas to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members. No dedication or transfer shall be effective unless an instrument verifying such dedication or transfer is executed and recorded by the Phase 2-A Association verifying that Members representing two-thirds (2/3) of each class of Members and two thirds (2/3) of all Mortgagees have approved such dedication or transfer.

- 9.1.4 The right of the Phase 2-A Association to establish and enforce such Phase 2-A Association Rules as the Phase 2-A Association deems proper regarding the use of Local Common Area including, without limitation, Phase 2-A Association Rules which limit the number of individuals an Owner or Occupant may allow to use Local Common Area at any one or particular time.
- 9.2 <u>Delegation of Right to Use</u>. Any Owner may delegate, in accordance with the respective By-Laws and the Phase 2-A Association Rules, his reasonable right of enjoyment to the Local Common Area or Recreation Area, to the members of his family, his tenants, invitees and guests, or contract purchasers who reside in his Unit.
- 9.3 <u>Damages</u>. Each Owner shall be liable for any damage to such Local Common Area and Recreation Area which may be sustained by reason of the negligence or willful misconduct of said Owner or of his family, guests, invitees or licensees, both minor and adult. In the case of joint ownership of a Condominium, the liability of such Owners shall be joint and several. The cost of correcting such damage shall be assessed as a Local Limited Assessment against the Condominium and may be collected as provided herein for the collection of other Local Assessments.

# ARTICLE X

#### USE OF CONDOMINIUMS

- 10.1 Residential. Each Condominium shall be used for residential purposes only and no trade or business of any kind may be carried on therein. Lease or rental of a Condominium for residential purposes shall not be considered to be a violation of this covenant; provided, however, that any use of the Project including the leasing or rental of a Condominium by an Owner or any Occupant shall be in accordance with the Phase 2-A Association Rules, applicable city, county, state and federal laws, ordinances, codes, rules and regulations, the River Run Declaration, this Phase 2-A Supplement, the Articles, and the By-Laws.
- 10.2 Obstructions of Common Area. There shall be no obstruction of the Common Area or Local Common Area (except that which is designated for the exclusive use of a particular Owner) nor shall anything be stored on any part of the Common Area or Local Common Area (except that which is designated for the exclu-

sive use of a particular Owner and which is designated for storage purposes) without the prior written consent of the Phase 2-A Association. Nothing shall be altered on, constructed on, or removed from the Project, except upon the prior written consent of the Phase 2-A Association.

- 10.3 Prohibition of Damage and Certain Activities. Nothing shall be done or kept in or on the Project or any part thereof which would result in the cancellation of the insurance on the Project or any part thereof or increase the rate of insurance on the Project or any part thereof over what the Phase 2-A Association, but for such activity, would pay, without the prior written consent of the Phase 2-A Association. Nothing shall be done or kept in or on the Project or any part thereof which would be in violation of any statute, rule, ordinance, code, regulation, permit, or other validly imposed requirement of any governmental body. No damage to, or waste of, the Project or any part thereof shall be committed by any Owner or any invitee, guest, family member, tenant or licensee of any Owner, and each Owner shall indemnify and hold the Phase 2-A Association and the other Owners harmless against all loss resulting from any such damage or waste caused by him or his invitees, guests, family members, tenants or licensees; provided, however, that any invitee of the Declarant shall not under any circumstances be deemed to be an invitee of any other Owner. No noxious, destructive or offensive activity shall be carried on in any Unit or in the Common Area or Local Common Area or any part thereof, nor shall anything be done therein which may be or may become an unreasonable annoyance or nuisance to any other Owner or to any person at any time lawfully residing in the Project.
- 10.4 Animals. The Phase 2-A Association may, by rules or regulations, prohibit or limit the raising, breeding, or keeping of animals, livestock, or poultry in or on the Project or any part thereof, and provided further, that such domestic house pets causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the Project upon twenty-four (24) hour notice from the Phase 2-A Association or the Grantor.
- 10.5 <u>Rules and Regulations</u>. No Owner shall violate the Phase 2-A Association Rules for the use of the Units and of the Local Common Area as adopted from time to time by the Phase 2-A Association or rules and regulations adopted pursuant to the River Run Declaration.
- 10.6 Maintenance of Interiors. Each Owner shall keep (and subject to Section 10.13 below, shall have exclusive control over) the interior of such Owner's Unit, including, without limi-

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tation, interior walls, windows, glass (interior), ceilings, floors and permanent fixtures and appurtenances thereto, in a clean, sanitary, and attractive condition, and good state of repair, and shall keep the Limited Common Area designated for the exclusive use of such Owner in connection with the Unit in a clean, sanitary and attractive condition, and shall keep the heating and air conditioning equipment and water heater serving the Unit exclusively in a good state of maintenance and repair.

- 10.7 Structural Alterations. No alterations to any Unit shall be made that would cause structural weakness or damage, and no architectural changes, plumbing, electrical or similar work within the Local Common Area shall be done by any Owner without the prior written consent of the Phase 2-A Association and no improvements, modifications, changes, alterations or additions shall be constructed on the Project without the prior written consent of the Board.
- 10.8 <u>Porches and Decks</u>. Owners shall not and shall not permit anyone else to make any alterations or additions to, or permit any repainting, restaining, repair, replacement or other alteration of, any porches, decks, and other extensions of any of the Units without the written consent of the Phase 2-A Association. Additionally, nothing shall be stored on any deck, porch, stairway or entry way except upon the written consent of the Phase 2-A Association.
- 10.9 <u>Nuisances</u>. No rubbish or debris of any kind shall be placed or permitted to accumulate anywhere upon the Project, and no odor shall be permitted to arise therefrom so as to render the Project, or any portion thereof, unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to its occupants. No noise or other nuisance shall be permitted to exist or operate upon any portion of the Project so as to be offensive or detrimental to any other property in the vicinity or to its occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes) shall be located, used or placed on any portion of the Project without the prior written approval of the Board.
- 10.10 No Hazardous Activities. No activities shall be conducted upon the Project and no improvements constructed upon the Project which are or might be unsafe! or hazardous to any person or property.
- 10.11 Unsightly Articles. No unsightly articles shall be permitted to remain on any portion of the Project as to be

visible from any other portion of the Project. Without limiting the generality of the foregoing, refuse, garbage and trash shall be kept at all times in such containers and in areas approved by the Board. No clothing or household fabrics shall be hung, dried or aired in such a way as to be visible to other Units, and no lumber, grass, shrub or tree clippings or plant waste, metals, bulk material or scrap or refuse or trash shall be kept, stored or allowed to accumulate on any portion of the Project except within an enclosed structure or appropriately screened from view.

- 10.12 No Temporary Structures. No tent (other than for short term individual use), shack, or other temporary building, improvement or structure shall be placed upon any portion of the Project, except with the written consent of the Baord or its representatives.
- 10.13 <u>Window Treatment</u>. All interior window treatments within a Unit which are visible from the exterior of the Units shall be neutral, earthtone colors.
- 10.14 <u>Cumulative Effective</u>. The restrictions on use set forth in this <u>Article X</u> are not intended to supercede or limit the restrictions on use set forth in the River Run Declaration, but are intended to be additional restrictions and cumulative therewith.

#### ARTICLE XI

# INSURANCE

- 11.1 Types of Insurance. The Phase 2-A Association shall obtain and keep in full force and effect at all times the following insurance coverage provided by companies duly authorized to do business in the State of Idaho. The provisions of this Article shall not be construed to limit the power or authority of the Phase 2-A Association to obtain and maintain insurance coverage in addition to any insurance coverage required hereunder in such amounts and in such forms as the Phase 2-A Association may deem appropriate from time to time.
  - 11.1.1 <u>Casualty Insurance</u>. The Phase 2-A Association shall obtain insurance on the Project in an amount equal to 100% of current replacement cost thereof in the event of damage or destruction from the casualty against which such insurance is obtained, all in the manner in which a corporation owning similar multiple family residential buildings in the vicinity of the Project would, in

the exercise of prudent business judgment, obtain such insurance. Such insurance shall include fire and extended coverage, vandalism and malicious mischief, war risk insurance, if available and if deemed approprate by the Phase 2-A Association, and such other risks and hazards against which the Phase 2-A Association shall deem it appropriate to provide insurance protection. The Phase 2-A Association may comply with the above requirements by the purchase of blanket coverage and may elect such "deductible" provisions as in the Phase 2-A Association's opinion are consistent with good business practice.

- 11.1.2 <u>Casualty Insurance Personalty</u>. Each Owner shall be responsible for obtaining casualty insurance on personalty located within such Owner's Unit.
- Insurance. The Phase 2-A Association shall purchase broad form, all risk, comprehensive liability coverage in such amounts and in such forms as it deems advisable to provide adequate protection; provided, however, that in no event shall such coverage be for an amount less than ONE MILLION AND NO/100THS DOLLARS (\$1,000,000) for bodily injury, including deaths of persons and property damage, per person per occurrence. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Phase 2-A Association, and activities in connection with the ownership, operation, maintenance, and other use of the Project.
- Liability Insurance. The Phase 2-A Association shall purchase workmen's compensation and employer's liability insurance and all similar insurance in respect of employees of the Phase 2-A Association in the amounts and in the forms now or hereafter required by law.
- Association shall purchase blanket fidelity bonds for all employees, officers, directors, and all other persons handling or responsible for funds of or administered by the Phase 2-A Association. The total amount of said fidelity bond coverage shall not be less than the estimated maximum of funds in the custody of the Phase 2-A Association at any given time; provided, however, that in no event may the aggregate amount of such bonds be less than a sum equal to three (3) months' aggregate Local Regular Assessments on all Units. Said fidelity bonds shall:

- 11.1.5.1 name the Phase 2-A Association as an obligee;
- 11.1.5.2 contain waivers by the issuers of the said bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expresions; and
- 11.1.5.3 provide that said bonds may not be cancelled or substantially modified without at least twenty (20) days prior written notice to the Phase 2-A Association.
- 11.1.6 Other. The Phase 2-A Association may obtain insurance against such other risks, of a similar or dissimilar nature as it shall deem appropriate with respect to the Project, including any personal property of the Phase 2-A Association located thereon.
- 11.2 Form. Casualty insurance shall be carried in a form or forms naming the Phase 2-A Association the insured as trustee for the Owners, which policy or policies shall specify the interest of each Condominium Owner (Owner's name, Unit number, the appurtenant undivided interest in the Local Common Area, or Unit, if appropriate), and which policy or policies shall provide a standard loss payable clause providing for payments of insurance proceeds to the Phase 2-A Association as Trustee for the Owners and for the respective first Mortgagee which from time to time shall have given notice to the Phase 2-A Association of such first Mortgages, such proceeds to be used in accordance with this Phase 2-A Supplement. Each policy shall also provide that it cannot be cancelled by either the insured or the insurance company until after twenty (20) days prior written notice is first given to the Phase 2-A Association, each Owner and to each first Mortgagee. The Phase 2-A Association shall furnish to each Owner and to Declarant a true copy of such policy together with a certificate identifying the interest of the Owner. All policies of insurance shall provide that the insurance thereunder shall not be invalidated or suspended as a result of breach of warranty, act, omission, negligence, or noncompliance with any provision of such policy by an Owner, including payment of the insurance premium applicable to that Owner's interest, or who permits or fails to prevent the happening of any event, whether occurring before or after a loss, which under the provisions of such policy would otherwise invalidate or suspend the entire policy. All policies of insurance shall provide further that the insurance under any such policy as to the interest of all other

insured Owners not guilty of any such act or omission, shall not be invalidated or suspended and shall remain in full force and effect.

Public liability and property damage insurance shall name the Phase 2-A Association as the insured, as trustee for the Owners, and shall protect each Owner against liability for acts of the Phase 2-A Association in connection with the ownership, operation, maintenance or other use of the Project.

- 11.3 Owner's Responsibility. Insurance coverage on the furnishings initially placed in the Unit by Declarant, and casualty and public liability insurance coverage within each individual Unit and for activities of the Owner, not acting by the Phase 2-A Association, with respect to the common area, insurance coverage against loss from theft on all personal property and insurance coverage on items of personal property placed in the Unit by Owner, shall be the responsibility of the respective Owners.
- 11.4 Insurance Proceeds. The Phase 2-A Association shall receive the proceeds of any casualty insurance payments received under policies obtained and maintained by the Phase 2-A Association, pursuant to this Article. The Phase 2-A Association shall apportion the proceeds to the portions of the Project which have been damaged and shall determine the amount of the proceeds attributable to damage to the Local Common Area. Unless all Owners agree not to rebuild, the proceeds shall be used for such purpose. To the extent that reconstruction is not required herein and there is a determination that the Project shall not be rebuilt, the proceeds shall be distributed to the Owners in an amount proportionate to their interest in the Project, which such interest shall be based on the original purchase price established by Grantor (in constant 1982 U.S. dollars) for Units and not based upon the percentages set forth in Exhibit B as the same may be amended from time to time. Each Owner and each Mortgagee shall be bound by the apportionments of damage and of the insurance proceeds made by the Phase 2-A Association pursuant hereto.
- 11.5 Owner's Own Insurance. Notwithstanding the provisions of this Article XII, each Owner may obtain insurance at his own expense providing coverage upon his Condominium, his personal property, for his personal liability, and covering such other risks as he may deem appropriate, but each such policy shall provide that it does not diminish the insurance carrier's coverage for liability arising under insurance policies which the Phase 2-A Association obtains pursuant to this Article. All such

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insurance on the Owner's Condominium shall waive the insurance company's right of subrogation against the Phase 2-A Association, the other Owners, and the servants, agents and guests of any of them.

# ARTICLE XII

#### CASUALTY DAMAGE OR DESTRUCTION

- 12.1 Affects Title. Title to each Condominium is hereby made subject to the terms and conditions hereof, which bind the Declarant, the Owners and Mortgagees and all subsequent Owners and Mortgagees, whether or not it be so expressed in the deed or other instrument by which any Owner or Mortgagee acquires his Condominium.
- 12.2 Association as Agent. All of the Owners and Mortgagees irrevocably constitute and appoint the Phase 2-A Association their true and lawful attorney in fact (in their name, place and stead) and trustee for the purpose of dealing with the Project upon its damage or destruction as hereinafter provided. Acceptance by any Owner or Mortgagee of a deed or Mortgage from the Declarant or from any Owner or Mortgagee shall constitute such appointment.
- 12.3 General Authority of Association. As attorney in fact, the Phase 2-A Association shall have full and complete authorization, right and power to make, execute and deliver any contract, deed or other instrument with respect to the interest of a Condominium Owner which may be necessary or appropriate to exercise the powers herein granted.

In the event any Mortgagee should not agree not to rebuild, the Phase 2-A Association shall have the option to purchase such Mortgage by payment in full of the amount secured thereby if the Owners are in unanimous agreement not to rebuild. The Phase 2-A Association shall obtain the funds for such purpose by Local Special Assessments under Article VIII of this Phase 2-A Supplement.

- 12.4 Estimate of Costs. As soon as practicable after an event causing damage to, or destruction of, all or any part of the Project, the Phase 2-A Association shall obtain estimates that it deems reliable and complete of the costs of repair or reconstruction of that part of the Project damaged or destroyed.
- 12.5 Repair or Reconstruction. As soon as practicable after receiving these estimates, the Phase 2-A Association shall

diligently pursue to completion the repair or reconstruction of that part of the Project damaged or destroyed. The Phase 2-A Association may take all necessary or apppropriate action to effect repair or reconstruction, as attorney in fact for the Owners, and no consent or other action by any Owner shall be necessary in connection therewith. Such repair or reconstruction shall be in accordance with the original plans and specifications of the Project or may be in accordance with any other plans and specifications the Phase 2-A Association may approve, provided that in such latter event, the number of cubic feet and the number of square feet of any Unit may not vary by more than five percent (5%) from the number of cubic feet and the number of square feet for such Unit as originally constructed pursuant to such original plans and specifications, and the location of the buildings shall be substantially the same as prior to damage or destruction unless otherwise agreed to by seventy-five percent (75%) of the Members.

- 12.6 Funds for Reconstruction. The proceeds of any insurance collected shall be available to the Phase 2-A Association for the purpose of repair or reconstruction. If the proceeds of the insurance are insufficient to pay the estimated or actual cost of such repair or reconstruction, the Phase 2-A Association, pursuant to Article VIII hereof, may levy in advance a Local Special Assessment sufficient to provide funds to pay such estimated or actual costs of repair or reconstruction. Such assessment shall be allocated and collected as provided in that Article. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair or reconstruction.
- 12.7 Disbursement of Funds for Repair or Reconstruction. The insurance proceeds held by the Phase 2-A Association and the amounts received from the assessments provided for in Section 13.6 constitute a fund for the payment of cost of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for cost of repair or reconstruction shall be made from insurance proceeds; if there is a balance after payment of all costs of such repair or reconstruction, such balance shall be distributed to the Owners in proportion to the contributions by each Owner pursuant to the assessments by the Phase 2-A Association under Section 12.6 of this Phase 2-A Supplement.
- 12.8 <u>Decision Not to Rebuild</u>. If, all Owners and all holders of first Mortgages on Condominiums agree not to rebuild, as provided herein, the Project shall be sold and the proceeds distributed in the same manner as set forth in Section 11.4.

# ARTICLE XIII

#### CONDEMNATION

- 13.1 Consequences of Condemnation. If at any time during the continuance of the Condominium ownership pursuant to this Phase 2-A Supplement, all or any part of the Project shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in avoidance thereof, the following provisions shall apply.
- 13.2 <u>Proceeds</u>. All compensation, damages or other proceeds therefrom the sum of which is hereinafter called the "Condemnation Award", shall be payable to the Phase 2-A Association.
- Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the Condominium ownership pursuant hereto shall terminate. The Condemnation Award shall be apportioned among the Owners in proportion to the original purchase price for the Units established by Declarant (in constant 1981 U.S. dollars) exclusive of the amounts paid for personal property, provided that if a standard different from the value of the Project as a whole is employed to measure the Condemnation Award in the negotiation, judicial decree or otherwise, then in determining such shares, the same standard shall be employed to the extent it is relevant and applicable.

On the basis of the principal set forth in the last preceding paragraph, the Phase 2-A Association shall as soon as practicable determine the share of the Condemnation Award to which each Owner is entitled. Such shares shall be paid into separate accounts and disbursed as soon as practicable in the same manner provided in Section 11.4 of this Phase 2-A Supplement.

- 13.4 Partial Taking. In the event that less than the entire Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, an Owner shall be entitled to a share of the Condemnation Award to be determined in the following manner: As soon as practicable, the Phase 2-A Association shall, reasonably and in good faith, allocate the Condemnation Award between compensation, damages, or other proceeds, and shall apportion the amounts so allocated among the Owners as follows:
  - 13.4.1 The total amount allocated to taking of or injury to the Common Area and Local Common Area shall be

apportioned among the particular Units involved in accordance with the formula set forth in Section 13.3.

- 13.4.2 The total amount allocated to severance damages shall be apportioned to those Condominiums which were not taken or condemned;
- 13.4.3 The respective amounts allocated to the taking of or injury to a particular Unit and/or improvements an Owner has made within his own Unit shall be apportioned to the particular Unit involved; and
- 13.4.4 The total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Phase 2-A Association determines to be equitable in the circumstances. If an allocation of the Condemnation Award is already established in negotiation, judicial decree, or otherwise, then in allocating the Comdenation Award, the Phase 2-A Association shall employ such allocation to the extent it is relevant and applicable. Distribution of apportioned proceeds shall be made in the same manner provided in Section 11.4 of this Phase 2-A Supplement.
- 13.5 Reorganization. In the event a partial taking results in the taking of a complete Unit, the Owner thereof automatically shall cease to be a Member of the Phase 2-A Association. Thereafter the Phase 2-A Association shall reallocate the Ownership, voting rights, and assessment ratio determined in accordance with this Phase 2-A Supplement according to the formula set forth herein.
- 13.6 Reconstruction and Repair. Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Article XII above.

#### ARTICLE XIV

## · RIVER RUN RECREATION ASSOCIATION NO. 1

The Owners of Condominiums covered by this Phase 2-A Supplement shall be entitled to use all Recreation Areas owned and managed by the River Run Recreation Association No. 1 and shall be members of the said association. The rights and responsibilities of the Owners of Condominiums as members of the said association shall be as specified in the River Run Declaration including, without limitation, paying all Regular, Special and Limited Assessments levied by such association.

#### ARTICLE XV

# REVOCATION OR AMENDMENT TO PHASE 2-A SUPPLEMENT

This Phase 2-A Supplement shall not be revoked nor shall any of the provisions herein be amended except upon the recordation in the Ada County Recorder's Office of an instrument executed and acknowledged by the President and Secretary of the Association verifying that such amendment or revocation has been approved by an affirmative vote of seventy-five percent (75%) of the Members and all holders of any recorded Mortgage covering or affecting any or all of the Condominiums, whose interest as Mortgagees appear in such record; provided, however, that until the conveyance by deed of the first Unit by Grantor to an Owner (other than the Grantor), Grantor shall have the right to revoke or amend this Phase 2-A Supplement by instrument duly recorded. Any such revocation or amendment shall be binding upon every Owner and every Condominium and all Mortgagees whether the burdens thereon are increased or decreased by any such amendment and whether or not the Owner of each and every Condominium consents thereto; provided, however, that any amendment to this Phase 2-A Supplement by the Owners other than Grantor, which is inconsistent with the terms of the River Run Declaration or which attempts to deannex the Project from the provisions of the River Run Declaration shall be null and void, unless approved in writing by the River Run Homeowners Association, Inc.

#### ARTICLE XVI

# PERIOD OF CONDOMINIUM OWNERSHIP

The Condominium Ownership created by this Phase 2-A Supplement and the Condominium Map shall continue until this Phase 2-A Supplement is revoked in the manner provided in Article XV of this Phase 2-A Supplement or until terminated in the manner provided in Article XIV (Condemnation).

#### ARTICLE XVII

#### EASEMENTS

17.1 Easements for Encroachments. If any part of the Local Common Area encroaches or shall hereafter encroach upon a Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Local Common

Area, or upon an adjoining Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. Such encroachments shall not be considered to be encumbrances either on the Local Common Area or the Units. Encroachments referred to therein include, but are not limited to, encroachments caused by settling, rising or shifting of the earth, or by changes in position caused by repair or reconstruction of the Project or any part thereof.

- 17.2 Easements of Access for Repair, Maintenance and Some of the Local Common Area is or may be located Emergencies. within the Units or may be conveniently accessible only through the Units. The Owners of other Units shall have the irrevocable right, to be exercised by the Phase 2-A Association as their agent, to have access to each Unit and to all Local Common Area from time to time during such reasonable hours as may be necessary for the maintenance, repair or replacement of any or to all Local Common Area from time to time during such reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Local Common Area located therein or accessible therefrom or for making emegency repairs therein necessary to prevent damage to the Local Common Area or to The Phase 2-A Association shall also have another Unit or Units. such right independent of any agency relationship. Damage to the interior of any part of a Unit or Units resulting from the maintenance, repair, emergency repair or replacement of any of the Local Common Area or as a result of emergency repair within another Unit at the instance of the Phase 2-A Association or of Owners shall be an expense of all of the Owners; provided, however, that if such damage is the result of negligence of the Owner of a Unit, then such Owner shall be financially responsible for all of such damage. Such damage shall be repaired and the property shall be restored substantially in the same condition as existed prior to damage. Amounts owing by Owners pursuant hereto shall be collected by the Phase 2-A Association by Local Limited Assessment pursuant to Article VIII herein.
- 17.3 Owner's Right to Ingress and Egress and Support.
  Each Owner shall have the right to ingress and egress over, upon and across the Common Area and Local Common Area necessary for access to his Condominium and to the Limited Common Area designated for use in connection with his Condominium and shall have the right to the horizontal and lateral support of his Unit, and such rights shall be appurtenant to and pass with the title to each Condominium.
- 17.4 <u>Declarant's Right Incident to Construction</u>.

  Declarant, and persons it shall select, shall have the right to

ingress and egress over, upon and across the Common Area and Local Common Area and each Unit within the Project, the right to store materials thereon and to make such other use thereof as may be reasonably necessary incident to complete development of the Project, including Common Area and Local Common Area improvements.

- 17.5 Easements Deemed Created. All conveyances of Condominiums hereafter made, whether by the Declarant or otherwise, shall be construed to grant and reserve such reciprocal easements as shall give effect to Sections 17.1 through 17.4, above, even though no specific reference to such easements or to those sections appears in any such conveyance.
- 17.6 Declarant's Right. The Phase 2-A Association, at the request and direction of the Declarant, shall grant, convey and transfer to the general public such easements and rights-of-way over the Local Common Area including, without limitation, private streets and pathways located in the Local Common Area and Common Area, as Declarant, in its sole discretion, deems necessary or advisable to provide the general public with rights of access over, across and upon the Project or any portion thereof. In connection therewith, Grantor reserves unto itself and its successors and assigns, the right and authority to grant, transfer and convey such easements and rights-of-way (including those described in Section 6.5.1.6 hereof) over the Phase 2-A Subdivision after the recordation of this Declaration and/or any Supplemental Declaration and any instrument granting or transferring such easements or rights-of-way shall be valid and binding upon the Phase 2-A Association and all Owners and Mortgagees if executed and acknowledged by Grantor.

#### ARTICLE XVIII

# MISCELLANEOUS

18.1 Compliance with Provisions of Phase 2-A Declaration and By-laws of the Local Association. Each Owner shall comply with the provisions of this Phase 2-A Supplement, the River Run Declaration, any Supplemental Declaration, the Articles, the By-Laws, the Local Association Rules, and the decisions and resolutions of the Phase 2-A Association adopted pursuant thereto as the same may be lawfully amended from time to time. Failure to comply with any of the same shall, in addition to the other remedies provided herein, be grounds for an action to recover sums due and for damages or injunctive relief or both, maintainable by the Phase 2-A Association on behalf of the Owners, or, in a

proper case, by an aggrieved Owner, for self-help by the Phase 2-A Association or its authorized representative so long as such self-help does not result in a disturbance of the peace and for suspending rights to use the Local Common Area or an Owner's Unit.

- 18.2 Registration of Mailing Address. Each Owner shall register his mailing address with the Phase 2-A Association and all notices or demands intended to be served upon any Owner shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the Owner at such registered mailing address. In case of a corporate, partnership or tenancy-incommon ownership, the entity or owners shall designate the corporate agent or managing partner or tenant-in-common upon whom notice shall be made, leaving with the Phase 2-A Association a correct address. All notices or demands intended to be served upon the Phase 2-A Association shall be given by registered or certified mail, postgae prepaid, to the adddress of the Association as designated in the By-Laws of the Phase 2-A Association. All notices or demands to be served on Mortgagees pursuant hereto shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the Mortgagee at such address as the Mortgagee may have furnished to the Phase 2-A Association in writing. Unless the Mortgagee furnishes the Phase 2-A Association such address, the Mortgagee shall be entitled to receive none of the notices provided for in this Phase 2-A Supplement. Any notice referred to in this section shall be deemed given when deposited in the United States mail in the form provided for in this section.
- 18.3 Transfer of Declarant's Rights. Any right or any interest reserved hereby to the Declarant may be transferred or assigned by the Declarant either separately or with one or more of such rights or interest, to any person or entity.
- 18.4 Owner's Obligations Continuing. All obligations of the Owner under and by virtue of the provisions contained in this Phase 2-A Supplement shall continue, notwithstanding that he may have leased or rented said interest as provided herein, but the Owner of a Condominium shall have no obligation for expenses or other obligations accruing after he conveys such Condominium.
- 18.5 Number and Gender. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.
- 18.6 Severability. If any of the provisions of this Phase 2-A Supplement or any clause, paragraph, sentence, phrase

or word or the application thereof in any circumstances be invalidated, such invalidity shall not affect the validity of the remainder of the Phase 2-A Supplement, the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

- 18.7 Statute. The provisions of this Phase 2-A Supplement shall be in addition and supplemental to the Condominium Property Act of the State of Idaho and to all other provisions of law.
- 18.8 Consent of Lenders. The execution of this Phase 2-A Supplement by the undersigned Lenders represents such Lenders' consent and approval of this Phase 2-A Supplement and the Condominium Map and also such Lenders' agreement that any mortgages, deeds of trust or other security interests held by such Lenders against Phase 2-A shall be subordinate and subject to this Phase 2-A Supplement and the Condominium Map.

This Declaration is executed on the 26 day of March 1982.

RIVER RUN DEVELOPMENT COMPANY, an Idaho general partnership

By: KCDM REALTY, INC., an Idaho corporation, a Partner

By: D. J. O'NEILL,

President

By: P-C PARTNERSHIP, an Idaho general partnership, a Partner

> PETER S. O'NEILL, designated representative

By: CHRONIC, INC., an Idaho corporation, a Partner

President

By: BROOKS RESOURCES CORP., an Oregon corporation, a Partner

President

MICHAEL P. HOLLERN Chairman

LIEN HOLDER:

FIRST INTERSTATE BANK OF IDAHO, N.A.

Ву:___

M. R. SLOCUM, Its Assistant Vice-President

FIRST SECURITY BANK OF IDAHO, N.A.

Wayne Christensen Its Vice-President

STATE OF IDAHO ) ; ss County of Ada )

On this 26 day of March, 1982, before me, the undersigned, a Notary Public in and for said State, personally appeared PETER S. O'NEILL, known to me to be the President of KCDM REALTY, INC., an Idaho corporation, which corporation is known to me to be a Partner in the Idaho general partnership of RIVER RUN DEVELOPMENT COMPANY, and acknowledged to me that he executed the within and foregoing instrument for and on behalf of said corporation and in said corporation's name.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above whitten.

Gregory K. Lansberry

Notary Public for Idaho Residing at Boise, Idaho My commission expires:

STATE OF IDAHO )

SS.

County of Ada

On this 26 day of March , 1982, before me, the undersigned, a Notary Public in and for said State, personally appeared PETER S. O'NEILL, known to me to be the designated representative of P-C PARTNERSHIP, an Idaho general partnership, which is known to me to be a Partner in the Idaho general partnership of RIVER RUN DEVELOPMENT COMPANY, and the person who subscribed said Partnership name to the within and foregoing instrument, and acknowledged to me that he executed the same in said Partnership name.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

regory R Lansberr

Notary Public for Idaho Residing at Boise, Idaho

My commission expires:

2/5-/6

STATE OF IDAHO ) ss County of Ada )

On this 26 day of March, 1982, before me, the undersigned, a Notary Public in and for said State, personally appeared PETER S. O'NEILL, known to me to be the President of CHRONIC INC., an Idaho corporation, which is known to me to be a Partner in the Idaho general partnership of P-C PARTNERSHIP, which is known to me to be a Partner in the Idaho general partnership of RIVER RUN DEVELOPMENT COMPANY, and the person who subscribed said corporation name to the within and foregoing instrument, and acknowledged to me that he executed the same in said corporation name.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above

Gregory K. Lansberry

Notary Public for Idaho Residing at Boise, Idaho My commission expires:

10 2/5/86

STATE OF IDAHO

SS.

County of Ada

On this 26 day of March , 1982, before me, the undersigned, a Notary Public in and for said State, personally appeared WILLIAM L. SMITH, known to me to be the President of BROOKS RESOURCES CORP., an Oregon corporation, which corporation is known to me to be a Partner in the Idaho general partnership of RIVER RUN DEVELOPMENT COMPANY, and acknowledged to me that he executed the within and foregoing instrument for and on behalf of said corporation and in said corporation's name.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Gregory R. Lansberry

Notary Public for Idaho Residing at Boise, Idaho

My commission expires:

SUPPLEMENT TO DECLARATION - 45

STATE OF IDAHO )
) SS.
County of Ada )

On this 26 day of March , 1982, before me, the undersigned, a Notary Public in and for said State, personally appeared MICHAEL P. HOLLERN, known to me to be the Chairman of BROOKS RESOURCES CORP., an Oregon corporation, which corporation is known to me to be a Partner in the Idaho general partnership of RIVER RUN DEVELOPMENT COMPANY, and acknowledged to me that he executed the within and foregoing instrument for and on behalf of said corporation and in said corporation's name.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above

Gregory R. Lansberry
Notary Public for Idaho

Residing at Boise, Idaho My commission expires: _2

STATE OF IDAHO )
) ss.
County of Ada )

On this 9 day of April, 1982, before me, the undersigned, a Notary Public in and for said State, personally appeared M. R. SLOCUM, known to me to be the Assistant Vice-President of FIRST INTERSTATE BANK OF IDAHO, N.A., the corporation that executed the within and foregoing instrument, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first written above.

Notary Public for Agaho VI Residing at Boise, Idaho My commission expires VO.

SUPPLEMENT TO DECLARATION - 46

STATE OF IDAHO )
) ss.
County of Ada )

605 290

On This 2/ day of 1000, 1982, before me, the undersigned, a Notary Public in and for said State, personally appeared WAYNE CHRISTENSEN, known to me to be the Vice-President of FIRST SECURITY BANK OF IDAHO, N.A., the corporation that executed the within and foregoing instrument, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first written above.

Notary Public for Idaho
Residing at Boise, Idaho

My commission expires:

AND

CONDOMINIUM DECLARATION FOR

RIVER RUN PHASE 2-A CONDOMINIUMS

EXHIBIT A

LEGAL DESCRIPTION OF PHASE 2-A

AND

CONDOMINIUM DECLARATION FOR

RIVER RUN PHASE 2-A CONDOMINIUMS

EXHIBIT A

LEGAL DESCRIPTION OF PHASE 2-A

Lots 7, 8, 9 and 10, Block 3, River Run (Phase 2-A), A Condominium Subdivision located in Sections 13 and 24, Township 3 North, Range 2 East, Boise Meridian, Ada County, Idaho, per condominium subdivision plat recorded as Instrument No. in the Office of the County Recorder of Ada County, Idaho.

AND

CONDOMINIUM DECLARATION FOR

RIVER RUN PHASE 2-A CONDOMINIUMS

EXHIBIT B

PERCENTAGE INTEREST OF UNITS IN COMMON AREA

AND INTERIOR FLOOR AREA

# AND CONDOMINIUM DECLARATION FOR

# RIVER RUN PHASE 2-A CONDOMINIUMS

# EXHIBIT B

# PERCENTAGE INTEREST OF UNITS IN COMMON AREA

# AND INTERIOR FLOOR AREA

•	Percentage	Interior Floor Area
Condominium Unit	Interest	(in Square Feet)
Unit 101	1.89%	777
Unit 102	3.97%	1630
Unit 103	2.71%	1111
Unit 104	1.89%	777
Unit 105	3.97%	1630
Unit 106	2.45%	1006
Unit 107	2.84%	1167
Unit 108	2.84%	1167
Unit 109	2.45%	1006
Unit 110	2.45%	1006
Unit 111	3.97%	1630
Unit 112	1.89%	777
Unit 113	1.89%	77 <b>7</b>
Unit 114	3.97%	1630
Unit 115	2.45%	1006
Unit 116	2.45%	1006
Unit 117	2.84%	1167
Unit 118	2.84%	1167
Unit 119	2.45%	1006
Unit 120	2.45%	1006
Unit 121	3.97%	1630
Unit 122	1.89%	777
Unit 123	2.84%	1167
Unit 124	2.45%	1006
Unit 125	3.978	1630
Unit 126	1.89%	7 <b>77</b>
Unit 127	. 2.71%	1111
Unit 128	3.97%	1630
Unit 129	1.89%	777
Unit 130	2 0 40	1167
Unit 131	2.45%	1006
Unit 132	3.97%	1630
Unit 133	1.89%	777
Unit 134	2.71%	1111
Unit 135	3.97%	1630
Unit 136	1.89%	777

The following is a legal description of all Units within Phase 2-A:

Condominium Units 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, as shown on the Condominium Map for River Run Phase 2-A Condominiums appearing in the records of Ada County, Idaho, as Instrument No.

, and as defined and described in that Phase 2-A Supplemental Delaration to River Run and Condominium Declaration for River Run Phase 2-A Condominiums recorded in the Records of Ada County, Idaho as Instrument No.

, as the same may be amended and supplemented from time to time.

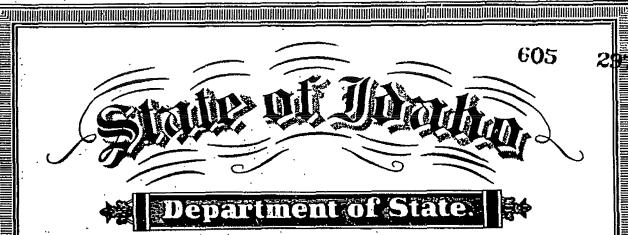
AND

CONDOMINIUM DECLARATION FOR

RIVER RUN PHASE 2-A CONDOMINIUMS

EXHIBIT C

ARTICLES



# CERTIFICATE OF INCORPORATION OF

RIVER RUN PHASE 2-A LOCAL ASSOCIATION, INC.

		<del>-</del>
I, PETE T. C	ENARRUSA, Secretary of S	State of the State of Idaho, hereby certify that
duplicate originals	- ·	the incorporation of
duly signed pursua	nt to the provisions of the Idah	o Nonprofit Corporation Act, have been received
in this office and a	re found to conform to law.	
ACCORDING	GLY and by virtue of the autho	ority vested in me by law, I issue this Certificate of
Incorporation and	attach hereto a duplicate ori	ginal of the Articles of Incorporation.
Dated	March 18	
	,	



SECRETARY OF STATE

Corporation Clerk

SECHETAR STATE

# ARTICLES OF INCORPORATION

<u>OF</u>

# RIVER RUN PHASE 2-A LOCAL ASSOCIATION, INC.

KNOW ALL MEN BY THESE PRESENTS:

The undersigned, for the purpose of forming a nonprofit corporation under the laws of the State of Idaho in compliance with the provisions of Title 30, Chapter 3, and Title 55, Chapter 15, Idaho Code, does hereby certify, declare and adopt the following Articles of Incorporation:

# ARTICLE I

#### NAME

The name of the corporation shall be RIVER RUN PHASE 2-A LOCAL ASSOCIATION, INC., hereinafter referred to as "Phase 2-A Association".

## ARTICLE II

## TERM

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

#### ARTICLE III

## NONPROFIT

This corporation shall be a nonprofit, membership corporation.

EXHIBIT C Page 2 of 10

ARTICLES OF INCORPORATION - 1

605 299

# ARTICLE IV

#### REGISTERED AGENT

The location and street address of the initial registered office of this corporation shall be 1100 West Jefferson, Boise, Idaho 83702, and PETER S. O'NEILL is hereby appointed the initial registered agent of the Phase 2-A Association.

#### ARTICLE V

## PURPOSE AND POWERS OF THE ASSOCIATION

This corporation does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are to provide for certain regulations of the use of, and control of, the Condominiums located in the Project, to provide for the maintenance, preservation and replacement of the Local Common Area, including all Buildings and other improvements located in the Project and including all personal property located upon the Local Common Area, which is owned by the Phase 2-A Association, to provide property insurance and other insurance as more particularly described in the Phase 2-A Supplement, and to promote the health, safety and welfare of the Owners and Occupants within the Project for this purpose to:

(A) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Phase 2-A Association as set forth in the Phase 2-A Supplement as the same may be amended and supplemented from time to time as

EXHIBIT C
Page 3 of 10

therein provided, said Phase 2-A Supplement being incorporated herein as if set forth at length;

- (B) Fix, levy, collect and enforce payment by any lawful means, all charges or Local Assessments pursuant to the terms of the Phase 2-A Supplement; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Phase 2-A Association, including all licenses, taxes or governmental charges separately levied or imposed against the Condominiums;
- (C) 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 Phase 2-A Association;
- (D) Borrow money with the assent of two-thirds (2/3) of each class of Members;
- (E) Have and to exercise any and all powers, rights and privileges which a corporation organized under the Nonprofit Corporation Law of the State of Idaho by law may now or hereafter have or exercise, and have and to exercise any and all powers, rights and privileges given to the Management Body under the Condominium Property Act of the State of Idaho, subject only to limitations contained in

recipient of the second of the

the By-Laws and the Phase 2-A Supplement, and the amendments and supplements thereto.

# ARTICLE VI

# MEMBERSHIP

Every person or entity who is a record Owner of a Condominium within the Project and including contract sellers shall be a Member of the Phase 2-A Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation.

Membership shall be appurtenant to and may not be separated from ownership of any Condominium which is subject to the Phase 2-A Supplement. Members of the Phase 2-A Association must be and remain Owners of Condominiums subject to the Phase 2-A Supplement and all Owners of Condominiums shall automatically be Members of the Phase 2-A Association.

#### ARTICLE VII

# VOTING RIGHTS

The Phase 2-A Association shall have two (2) classes of voting membership:

Class A Members. Class A Members shall be all Owners of Units, other than Grantor, and shall be entitled to one

(1) vote for each such Unit owned. When more than one person or entity holds an interest in such Units, the vote for

EXHIBIT C Page 5 of 10 such Unit shall be exercised as they so determine, but in no event shall a fractional vote for any such Unit be cast.

Class B Member. The Class B Member shall be the Grantor. Upon the sale of the first Unit to an Owner, Grantor shall be entitled to three (3) votes for each Unit owned by Grantor in the Project. The Class B membership shall cease and be converted to Class A membership upon the happening of the earlier of the following events:

- (A) One hundred twenty (120) days after the date on which seventy-five percent (75%) of the Units have been conveyed to Owners; or
- (B) Five (5) years from the date of the first sale of a Unit to an Owner.

## ARTICLE VIII

# BOARD OF DIRECTORS

The affairs of this corporation shall be managed by a Board of three (3) directors, who need not be Members of the Phase 2-A Association. The number of directors may be changed by amendment of the By-Laws of the corporation. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

Peter S. O'Neill

1100 West Jefferson Boise, ID 83702

Gregory Lansberry

1100 West Jefferson Boise, ID 83702

Chuck Clark

1100 West Jefferson Boise, ID 83702

# ARTICLE IX

#### **ASSESSMENTS**

Each Member shall be liable for the payment of Assessments and Local Assessments as provided for in the Phase 2-A Supplement and the River Run Declaration and for the payment and discharge of the liabilities of the Phase 2-A Association, the River Run Homeowners Association, Inc. and the River Run Recreation Association No. 1, Inc., as provided for in the River Run Declaration and the Phase 2-A Supplement and as set forth in the By-Laws of the Phase 2-A Association and the other corporations mentioned in this Article IX.

# ARTICLE_X

## BY-LAWS

The By-Laws of this corporation may be altered, amended or new By-Laws adopted by any regular or any special meeting of the corporation called for that purpose by the affirmative vote of two-thirds (2/3) of the membership; provided, however, such amendment shall not be effective until the same is recorded in the Ada County Idaho Recorder's Office.

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 corporation

EXHIBIT C

and the Members for the payment of Assessments and Local Assessments, the By-Laws may incorporate by reference the provisions of the Phase 2-A Supplement.

# ARTICLE XI

# DISSOLUTION

Subject to the provisions as to mortgage protection contained in the Phase 2-A Supplement, the Phase 2-A Association may be dissolved with the assent given in writing and signed by not less than seventy-five percent (75%) of the membership. Upon dissolution of the Phase 2-A Association, other than incident to a merger or consolidation, the assets of the Phase 2-A Association shall be allocated among the Members of the Phase 2-A Association (Owners) in the same manner as is specified in the Phase 2-A Supplement.

# ARTICLE XII

# <u>AMENDMENTS</u>

Amendment of these Articles shall require the assent of not less than seventy-five percent (75%) of each class of Members of the Phase 2-A Association and no amendment which is inconsistent with the provisions of the Phase 2-A Supplement shall be valid.

# ARTICLE XIII

# MEANING OF TERMS

EXHIBIT C Page 8 of 10 All terms appearing herein initially capitalized shall have the same meanings as are applied to such terms in the Phase 2-A Supplement to the Declaration of Covenants, Conditions and Restrictions for River Run and Condominium Declaration for River Run Phase 2-A Condominiums (Phase 2-A Supplement) which terms include, without limitation: "Articles", "Local Assessments", "Phase 2-A Association", "Board", "By-Laws", "Local Common Area", "Condominium", "Declarant", "Declaration", "Grantor", "Limited Common Area", "Member", "Project", "Occupant", "Owner" and "Unit".

# ARTICLE XIV

Mary J. Lynch whose street address is 802 West Bannock, Boise, Idaho 83702, shall be the incorporator of the corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 1871 day of March, 1982.

MADY T TUNCH

ARTICLES OF INCORPORATION

·蒙古德州特特克斯特 RIVER RUN PHASE 2-A LOCAL ASSOCIATION. INC.

> STATE OF IDAHO
> Department of State Boise, Idaho Approved, filed and admitted to the corporation records of the State

of Idaho Date 3:11 p.m. Time

FEES PAID Filing.

Registered Agent:

Peter S. O'Neill 1100 West Jefferson Boise, Idams 83701

Pete T. Cenarrusa

Filed by: Givens, McDevitt, Pursley & Webb Post Office Box 2720 Boise, Idaho 83701

PHASE 2-A SUPPLEMENT TO RIVER RUN

AND

CONDOMINIUM DECLARATION FOR

RIVER RUN PHASE 2-A CONDOMINIUMS

EXHIBIT D

BY-LAWS

### BY-LAWS .

OF

### RIVER RUN PHASE 2-A LOCAL ASSOCIATION, INC.

### ARTICLE I

### GENERAL PLAN OF OWNERSHIP

- 1.1 Name. The name of the corporation is RIVER RUN PHASE
  2-A LOCAL ASSOCIATION INC., hereinafter referred to as the "Phase
  2-A Association." The principal office of the Phase 2-A
  Association shall be located in Ada County, Idaho.
- By-Laws Applicability. The provisions of these
  By-Laws are applicable to the Condominium Project known as RIVER
  RUN (PHASE 2-A) (hereinafter called "Project"), a condominium
  project located in the City of Boise, Ada County, State of Idaho,
  described in the Phase 2-A Supplement to the Declaration of
  Covenants, Conditions and Restrictions for River Run and
  Condominium Declaration for River Run Phase 2-A Condominiums and
  the amendments thereto, recorded or to be recorded in the Office
  of the County Recorder, Ada County, Idaho ("Phase 2-A
  Supplement").
- 1.3 <u>Personal Application</u>. All present and future Owners and their tenants, future tenants, employees, and any other person that might use the Units or Local Common Area within the Project in any manner, are subject to the regulations set forth in these By-Laws and the Phase 2-A Supplement.

EXHIBIT D
Page 1 of 28

The mere acquisition or rental of a Condominium within the Project or the mere act of occupancy of any of such Condominiums will signify that these By-Laws are accepted, ratified, and shall be complied with.

### ARTICLE II

### VOTING, MAJORITY OF MEMBERS, QUORUM, PROXIES

- 2.1 <u>Voting</u>. Except for the Class B membership as provided for in the Articles and the Phase 2-A Supplement, each Member who is the Owner of a Unit shall be entitled to one (1) vote for each Unit owned by such Member.
- 2.2 Majority of Members. As used in these By-Laws, the term "majority of Members" shall mean those Members of the Phase 2-A Association holding fifty-one percent (51%) of the combined voting power of the classes of membership in the Phase 2-A Association.
- 2.3 Quorum. Except as otherwise provided in these By-Laws, the Articles or the Phase 2-A Supplement, the presence in person or by proxy of the Class B Member and Class A Members holding at least one-third (33-1/3%) of the total votes of the Class A membership shall constitute a quorum. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, not-withstanding the withdrawal of enough Members to leave less than

a quorum.

2.4 <u>Proxies</u>. 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 Member 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**

3.1 Phase 2-A Association Responsibilities. The Phase 2-A Association shall have the responsibility of administering the Local Common Area as specified in the Phase 2-A Supplement, including providing maintenance for the Buildings located on the Project and providing property insurance for the Condominiums located on the Project, as specified in the Phase 2-A Supplement, and other insurance as specified in the Phase 2-A Supplement, approving the annual budget, establishing and collecting all Assessments, and at the discretion of the Phase 2-A Association, arranging for the management of the same pursuant to an agreement, containing provisions relating to the duties, obligations, removal and compensation of the a Management Firm. Except as otherwise provided herein and in the Phase 2-A Supplement,

decisions and resolutions of the Phase 2-A Association shall require a vote or written consent of a majority of the votes of each class entitled to vote at a meeting of the Members of the Phase 2-A Association at which a quorum is present.

- 3.2 Place of Meetings. Meetings of the Phase 2-A
  Association shall be held on the Project or such other suitable
  place close to the Project as practicable in Ada County, Idaho,
  as may be designated by the Board of Directors and shall be conducted in accordance with Robert's Rules of Order as the same
  exist from time to time.
- 3.3 Annual Meetings. The first annual meeting shall be held within the first six (6) months of the first calendar year following the first conveyance of a Unit to an Owner other than Grantor. Thereafter, the annual meetings of the Phase 2-A Association shall be held on the anniversary date of the first annual meeting; provided, however, that should the anniversary date fall on a legal holiday or weekend day, then such annual meeting of the Members shall be held on the next day thereafter which is not a legal holiday or a weekend day; provided, however, that the annual meeting may be held at such other date as is specified by the Board of Directors. At each annual meeting there shall be elected a Board of Directors in accordance with the requirements of Section 4.5 of these By-Laws. At the first meeting, the Directors shall be elected to serve until the second

annual meeting, and at the second annual meeting, Directors shall be elected for a term of one (1) year beginning with the second annual meeting. The Members may also transact such other business of the Phase 2-A Association as may properly come before them.

- 3.4 Special Meetings. It shall be the duty of the President to call a special meeting of the Members, as directed by resolution of the Board of Directors, or upon a petition signed by a majority of Members and having been presented to the Secretary. The notice of all regular and special meetings shall be given by regular mail or telegram to all Members not less than ten (10) days nor more than thirty (30) days prior to the time of each meeting and shall state the date, hour and place of such meeting and the nature of the business to be undertaken. No business shall be transacted at a special meeting except as stated in the notice.
- 3.5 Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the day, hour and place where it is to be held, to each Member of record, at least ten (10) but not more than thirty (30) days prior to such meeting. The notice may set forth time limits for speakers and nominating procedures for the meeting. The mailing of a notice, postage prepaid, in the manner provided in this Section, shall be con-

sidered notice served, after said notice has been deposited in a regular depository of the United States mail. If no address has been furnished the Secretary, notice shall be deemed to have been given to a Member if posted in a conspicuous place on the Local Common Area.

- 3.6 Adjourned Meetings. If any meeting of Members cannot be organized because a quorum has not attended, the Members 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 same as provided in Section 3.3 of this Article. Such adjourned meetings may be held without notice thereof as provided in this Article III, 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 an original meeting.
- 3.7 Order of Business. The order of business at all meetings of the Members 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 Directors; (h) unfinished business; and (i) new business.

Meetings of Members shall be conducted by the officers of the Phase 2-A Association, in order of their priority.

- 3.8 Action Without Meeting. Any action, which under the provisions of the Idaho Nonprofit Corporation Act may be taken at a meeting of the Members, may be taken without a meeting if authorized in writing signed by all of the Members who would be entitled to vote at a meeting for such purpose, and filed with the Secretary.
- 3.9 Consent of Absentees. The transactions of any meeting of Members, either annual or special, however called and noticed, shall be as 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 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.
- 3.10 Minutes, Presumption of Notice. Minutes or a similar record of the proceedings of meetings of Members, 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.

### ARTICLE IV

### BOARD OF DIRECTORS

- 4.1 Number and Qualification. The property, business and affairs of the Phase 2-A Association shall be governed and managed by a Board of Directors composed of three (3) persons, who need not be Members of the Phase 2-A Association. Directors shall not receive any stated salary for their services as Directors; provided, however, that nothing herein contained shall be construed to preclude any Director from serving the Phase 2-A Association in some other capacity and receiving compensation therefor.
- Powers and Duties. The Board of Directors has the powers and duties necessary for the administration of the affairs of the Phase 2-A Association and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and done exclusively by the Owners. Provided, however, that prior to the first annual meeting of the Members of the Phase 2-A Association, the Board of Directors shall not enter into any Management Agreement for a term in excess of one (1) year without the approval of a majority of Members, unless such agreement contains reasonable provisions for cancellation (such as upon sixty (60) days written notice by the Phase 2-A Association following one (1) year from the date of commencement of such contract).
  - 4.3 Special Powers and Duties. Without prejudice to such

foregoing general powers and duties and such powers and duties as set forth in the Phase 2-A Supplement, the Board of Directors is vested with, and responsible for, the following powers and duties:

- 4.3.1 To select, appoint and remove all officers, agents, and employees of the Phase 2-A Association, to prescribe such powers and duties for them as may be consistent with law, with the Articles, the Phase 2-A Supplement and these By-Laws; to fix their compensation and to require them from security for faithful service when deemed advisable by the Board.
- 4.3.2 To conduct, manage and control the affairs and business of the Phase 2-A Association, and to make and enforce such rules and regulations therefor consistent with law, with the Articles, the Phase 2-A Supplement and these By-Laws, as the Board may deem necessary or advisable.
- 4.3.3 To change the principal office for the transaction of the business of the Phase 2-A Association from one location to another within the County of Ada, State of Idaho, as provided in Article I hereof; to designate any place within said County for the holding of any annual or special meeting or meetings of Members consistent with the provisions of Article III, Section 2 hereof; and to adopt and use a corporation seal and to alter the form of such

seal from time to time as the Board in its sole judgment may deem best, provided that such seal shall at all times comply with the provisions of law.

- 4.3.4 To borrow money and to incur indebtedness for the purposes of the Phase 2-A Association, and to cause to be executed and delivered therefor, in the Phase 2-A Association's name, promissory notes, bonds, debentures or other evidences of debt; subject, however, to the limitations set forth in the Articles and the Phase 2-A Supplement.
- A.3.5 To fix and levy from time to time Local
  Regular Assessments, Local Special Assessments and Local
  Limited Assessments upon the Owners, as provided in the
  Phase 2-A Supplement; 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 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 the
  Project or for the payment of any and all obligations in
  relation thereto, or in performing or causing to be performed any of the purposes of the Phase 2-A Association for

the general benefit and welfare of the Owners, in accordance with the provisions of the Phase 2-A Supplement, including providing maintenance and property insurance as specified in the Phase 2-A Supplement. 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 Phase 2-A 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 Local Assessments collected from the Owners. Such Local Regular Assessments, Local Special Assessments and Local Limited Assessments shall be fixed in accordance with the provisions of the Phase 2-A Supplement. Should any Owner fail to pay such Local Assessments before delinquency, the Board of Directors in its discretion, is authorized to enforce the payment of such delinquent Local Assessments as provided in the Phase 2-A Supplement. An owner may request a Statement of Account as provided, in the Phase 2-A Supplement.

- 4.3.6 To enforce the provisions of the Phase 2-A Supplement covering the Project, these By-Laws or other agreements of the Phase 2-A Association.
- 4.3.7 To contract for and pay for, casualty, blanket liability, malicious mischief, vandalism and other insurance, insuring the Owners, the Phase 2-A Association, the Board of Directors and other interested parties, in accordance with the provisions of the Phase 2-A Supplement, 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 Project, and to bond the agents and employees of any management body, if deemed advisable by the Board.
- 4.3.8 To operate maintain and otherwise manage or provide for the operation maintenance and management of the Local Common Area and to contract for and pay maintenance, gardening, utilities, materials and supplies, and services relating to the same and to employ personnel necessary for the operation of the same, including legal and accounting services, and to contract for and pay for improvements and any recreational facilities on the same.
- 4.3.9 To delegate its powers according to the Phase 2-A Supplement.
  - 4.3.10 To grant easements where necessary for utili-

ties and sewer facilities and for other purposes as provided in the Phase 2-A Supplement.

- 4.3.11 To adopt, amend, and repeal by majority vote of the Board, rules and regulations as to the Phase 2-A Association deemed reasonable and necessary.
- 4.4 Management Agent. The Board of Directors may employ for the Phase 2-A Association a Management Firm at a compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Section 4.3.
- 4.5 Election and Term of Office. At the first annual meeting of the Phase 2-A Association, and thereafter at each annual meeting of the Members and new Directors shall be elected by a majority of Members as provided in these By-Laws. In the event that an annual meeting is not held, or the Directors are not elected thereat, the Directors may be elected at any special meeting of the Members held for that purpose. Each 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 Director may be reelected, and there shall be no limitation on the number of terms during which he may serve.
- 4.6 <u>Books</u>. The Board of Directors shall cause to be maintained a full set of books and records showing the financial con-

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dition of the affairs of the Phase 2-A Association in a manner consistent with generally accepted accounting principles. An annual operating statement reflecting income and expenditures of the Association shall be distributed to each Member within ninety (90) days after the end of each fiscal year.

- 4.7 <u>Vacancies</u>. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Members of the Phase 2-A Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Members of the Phase 2-A Association, or at a special meeting of the Members called for that purpose. A vacancy or vacancies shall be deemed to exist in case of death, resignation, removal or judicial adjudication of mental incompetence of any Director, or in the case the Members fail to elect the full number of authorized Directors at any meeting at which such election is to take place.
- 4.8 Removal of Directors. At any regular or special meeting of the Members duly called, any one or more of the Directors may be removed with or without cause by a majority of Members of each class and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Members shall be given an oppor-

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tunity to be heard at the meeting. If any or all of the Directors are so removed, new Directors may be elected at the same meeting.

- 4.9 Organization Meeting. The first regular meeting of the Board of Directors shall be held within ten (10) days of the receipt of a Certificate of Incorporation, at such place as shall be fixed by the Directors, for the purpose of organization, election of officers and the transaction of other business. No notice to the Directors shall be necessary in order legally to constitute such meeting, provided a majority of the whole Board shall be present.
- 4.10 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 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 Director, 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.
- 4.11 Special Meetings. Special meetings of the Board of Directors may be called by the President, or, if he is absent or

Directors. At least two (2) days' notice shall be given to each Director, personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) 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 Phase 2-A 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 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 Director, as required by law and as provided herein.

4.12 <u>Waiver of Notice</u>. Before or at any meeting of the Board of Directors, any 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 Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the 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 had 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 Directors not present signs such a written waiver of notice, a consent to holding such meeting, or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the records of the Phase 2-A Association or made a part of the minutes of the meeting.

- 4.13 Quorum and Adjournment. Except as otherwise expressly provided herein, at all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors 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.
- 4.14 Action Without 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 consent of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.
  - 4.15 Fidelity Bonds. The Board of Directors shall require

that all officers and employees of the Phase 2-A Association, including a Management Firm, handling or responsible for Phase 2-A Association funds shall furnish fidelity bonds as provided for in the Phase 2-A Supplement and River Run Declaration. The premium on such bonds shall be paid by the Phase 2-A Association.

4.16 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

5.1 <u>Designation</u>. The principal officers of the Phase 2-A 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. Officers other than the President need not be Directors. One person may hold two or more offices, except that no person may simultaneously hold the offices of President and Secretary.

- 5.2 Election of Officers. The officers of the Phase 2-A Association shall be elected annually by the Board of Directors at the Organizational Meeting of each new Board of Directors, 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.
- 5.3 Removal of Officers. Upon an affirmative vote of a majority 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 Secretary of the Phase 2-A 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.
- 5.4 <u>Compensation</u>. 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, provided that no officer, employee or Director or Grantor or any affiliate of Grantor may receive any compensation.

- 5.5 President. The President shall be the chief executive officer of the Phase 2-A Association. He shall preside at all meetings of the Phase 2-A Association and of the 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 nonprofit corporation, including but not limited to the power, subject to the provisions of Article IV, Section 16, to appoint committees from among the Members 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 Phase 2-A Association. President shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business of the Phase 2-A 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 of these By-Laws of the Phase 2-A Association.
- 5.6 <u>Vice President</u>. 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 By-Laws of the Phase 2-A Association.

- 5.7 Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Phase 2-A Association at the principal office of the Phase 2-A Association or such other place as the Board of Directors may order. The Secretary shall keep the seal of the Phase 2-A 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 Members of the Phase 2-A Association and of the Board of Directors required by these By-Laws or by law to be given. The Secretary shall maintain a book of record Owners, listing the names and addresses of the Owners as furnished the Phase 2-A Association, and such books shall be changed only at such time as satisfactory evidence of a change in ownership of a Condominium is presented to the Secretary. The Secretary shall perform such other duties as may be prescribed by the Board of Directors or these By-Laws.
  - 5.8 <u>Treasurer</u>. The Treasurer shall have responsibility for Phase 2-A 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 Phase 2-A Association, tax records and business transactions of the Phase 2-A Association, including accounts of all assets, liabilities, receipts and disbursements in books belonging to the Phase 2-A 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 Phase 2-A 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 Phase 2-A Association as may be ordered by the Board of Directors in accordance with the Phase 2-A Supplement, shall render to the President and Directors upon request, an account of all of his transactions as Treasurer and of the financial condition of the Phase 2-A Association, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these By-Laws.

### ARTICLE VI

### OBLIGATIONS OF OWNERS

### 6.1 Assessments.

6.1.1 All Members are obligated to pay, in accordance with the provisions of the River Run Declaration and the Phase 2-A Supplement all Assessments and Local Assessments imposed by the Phase 2-A Association against such Members, to meet all expenses of the Phase 2-A

Association, and all Assessments imposed by the River Run Homeowners Association, Inc. and the River Run Recreation Association No. 1, Inc.

6.1.2 All delinquent Assessments shall be enforced, collected or foreclosed in the manner provided in the River Run Declaration and the Phase 2-A Supplement.

### 6.2 Maintenance and Repair.

- 6.2.1 Every Owner of a Unit must perform promptly all maintenance and repair work on the interior of Units as required under the provisions of the Phase 2-A Supplement.
- 6.2.2 As further provided in the Phase 2-A
  Supplement, each Owner shall reimburse the Phase 2-A
  Association for any expenditures incurred in repairing or
  replacing any portion of the Project which are damaged
  through the fault of the Owner, and each Owner shall
  promptly reimburse the Phase 2-A Association for the cost
  of repairing, replacing and/or maintaining the Owner's Unit
  which has fallen into disrepair and which the Phase 2-A
  Association has repaired, replaced or maintained pursuant
  to the Phase 2-A Supplement. Such expenditures shall
  include all court costs and reasonable attorneys' fees
  incurred in enforcing any provision of these By-Laws or the
  Phase 2-A Supplement.

This Article VI shall not limit an Owner's obligation as

otherwise provided in the Phase 2-A Supplement.

### ARTICLE VII

### AMENDMENTS TO BY-LAWS

The power to alter, amend, repeal or change these By-Laws is vested in the Board of Directors, subject to repeal or change by a majority vote of each class of members entitled to vote.

### ARTICLE VIII

### MEANING OF TERMS

Except as provided herein, all terms appearing herein initially capitalized shall have the same meanings as are applied to such terms as the Phase 2-A Supplement, which terms include without limitation: "Grantor", "Owner", "Board", "Articles", "Member", "Assessments", "Phase 2-A Subdivision", "Local Common Area", "Condominium", "Unit", "Building" and "Project".

### ARTICLE IX

### CONFLICTING PROVISIONS

In case any of these By-Laws conflict with any provisions of the laws of the State of Idaho, such conflicting By-Laws shall be null and void upon final court determination to such effect, but all other By-Laws shall remain in full force and effect. In case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any

conflict between the River Run Declaration and/or the Phase 2-A Supplement and these By-Laws, the River Run Declaration and/or Phase 2-A Supplement shall control.

### ARTICLE X

### INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Board of Directors, with the written approval of a majority of Members, may authorize the Phase 2-A Association to pay expenses incurred by, or to satisfy a judgment or fine rendered or levied against, a present or former director, officer, or employee of the Phase 2-A Association in an action brought by a third party against such person, whether or not the Phase 2-A 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 director, officer, or employee; provided, the Board of Directors determines in good faith that such 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 Phase 2-A Association or its Members. Payments 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

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of a 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 XI

### MISCELLANEOUS

- other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Phase 2-A 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.
- except as in these By-Laws 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 Phase 2-A 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 Phase 2-A Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.
- 11.3 <u>Inspection of By-Laws</u>. The Phase 2-A 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 Members at all reasonable times during office hours.

- 11.4 <u>Fiscal Year</u>. The fiscal year of the Phase 2-A 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.
- ll.5 Membership Book. The Phase 2-A Association shall keep and maintain in its office for the transaction of business a book containing the name and address of each Member and all Mortgagees. Termination or transfer of ownership of any Condominium 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 Phase 2-A Supplement and the Articles of Incorporation.

### CERTIFICATE OF SECRETARY

- I, the undersigned, do hereby certify that:
- 1. I am the duly elected and acting Secretary of RIVER RUN
  PHASE 2-A LOCAL ASSOCIATION INC., an Idaho non-profit
  corporation; and
- 2. The foregoing By-Laws comprising 28 pages, including this page, constitute the By-Laws of the River Run Phase 2-A Local Association, Inc. and the same were duly adopted by the Board of Directors pursuant to that "Consent of Directors of the River Run Phase 2-A Local Association, Inc., in Lieu of Meeting" day of March, 1982.

IN WITNESS WHEREOF, I have hereunto subscribed my hand and affixed the seal of the Corporation this 22 day of March, 1982.

Secretary, River Run Phase 2-A Local Association, Inc.

(SEAL)

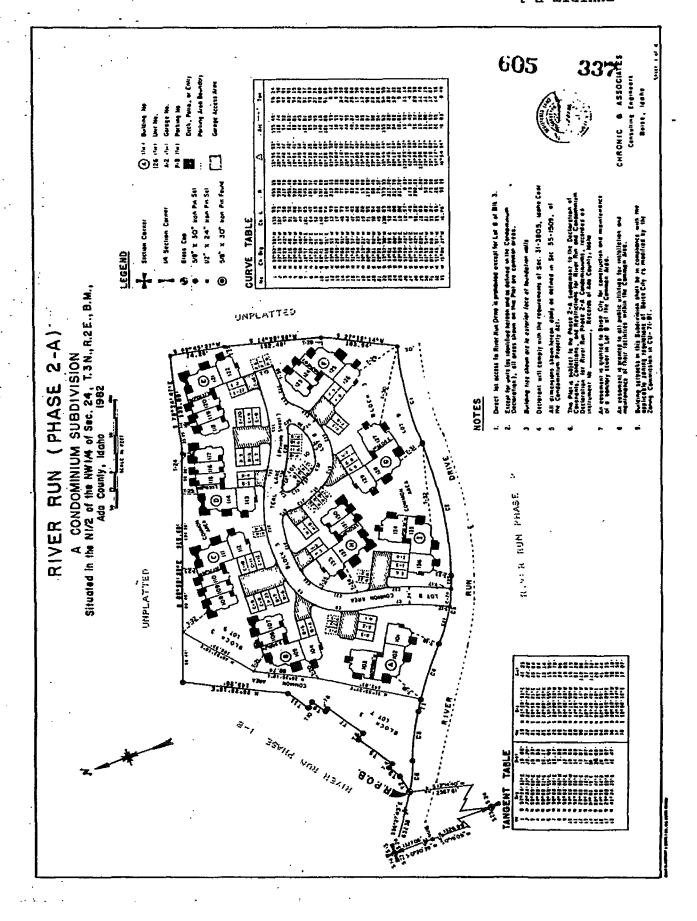
PHASE 2-A SUPPLEMENT TO RIVER RUN

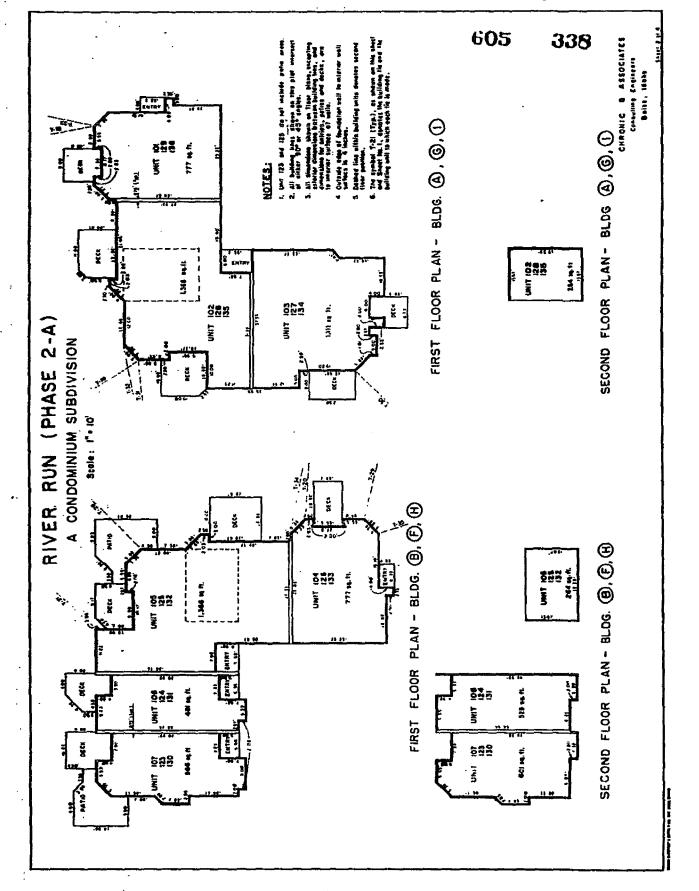
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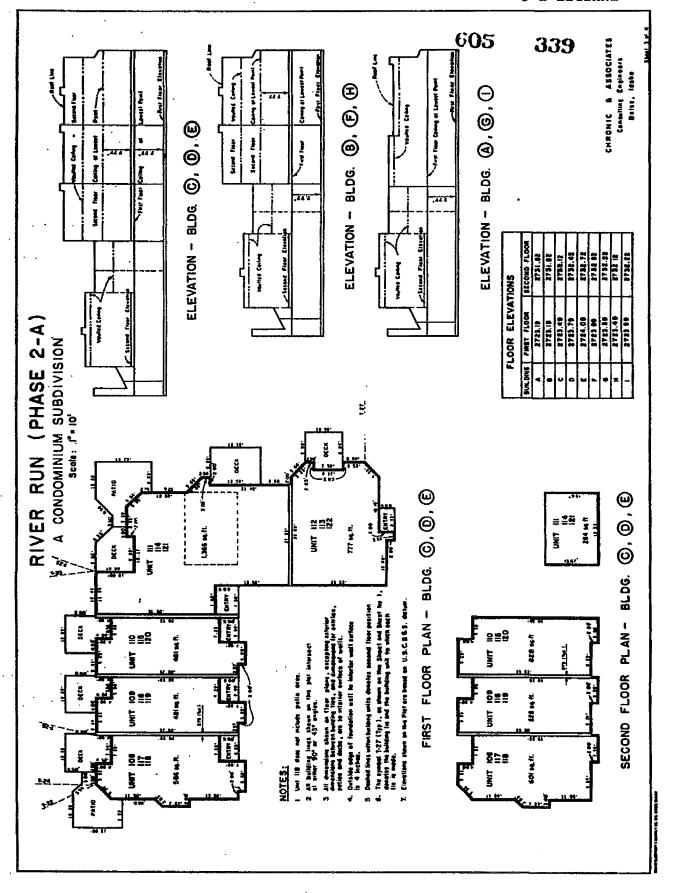
CONDOMINIUM DECLARATION FOR

RIVER RUN PHASE 2-A CONDOMINIUMS

EXHIBIT E
CONDOMINIUM MAP







# PHASE NOW N RIVER

CERTIFICATE OF SURVEYOR

ISSIONERS

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CHAIRMAN; ADA COUNTY MIRHWAY DISTRICT

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# PHASE 2-A SUPPLEMENT TO RIVER RUN

AND

CONDOMINIUM DECLARATION FOR

RIVER RUN PHASE 2-A CONDOMINIUMS

EXHIBIT F

DESIGNATION OF GARAGE AREAS

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### PHASE 2-A SUPPLEMENT TO RIVER RUN

### AND CONDOMINIUM DECLARATION FOR

### RIVER RUN PHASE 2-A CONDOMINIUMS

### EXHIBIT F - DESIGNATION OF GARAGE AREAS

The Garage Areas shown on the Condominium Map are hereby designated as Limited Common Area for the Units as follows:

Unit 101 A-1	
Unit 102 Unit 103 Unit 104 Unit 105 Unit 106 Unit 107 Unit 108 Unit 109 Unit 110 Unit 111 Unit 112 Unit 115 Unit 115 Unit 116 Unit 117 Unit 118 Unit 119 Unit 120 Unit 121 Unit 121 Unit 122 Unit 123 Unit 124 Unit 125 Unit 126 Unit 127 Unit 128 Unit 129 Unit 130 Unit 131 Unit 131 Unit 132 Unit 132 Unit 133 Unit 134 Unit 132 Unit 133 Unit 134 Unit 134 Unit 134 Unit 135 Unit 130 Unit 131 Unit 132 Unit 133 Unit 134 Unit 134 Unit 134 Unit 134 Unit 135 Unit 134 Unit 134 Unit 135 Unit 136 Unit 137 Unit 138 Unit 139 Unit 130 Unit 131 Unit 131 Unit 133 Unit 134 Unit 135 Unit 134 Unit 134 Unit 136 Unit 137 Unit 136 Unit 137 Unit 137 Unit 138 Unit 134 Unit 134 Unit 134 Unit 135 Unit 134 Unit 136 Unit 137 Unit 136 Unit 137 Unit 137 Unit 138 Unit 134 Unit 134 Unit 134 Unit 136 Unit 137 Unit 137 Unit 138 Unit 134 Unit 136 Unit 136 Unit 137 Unit 137 Unit 138 Unit 134 Unit 136 Unit 137 Unit 138 Unit 138 Unit 139 Unit 130 Uni	Uyllie 1/2 M. P2 DA