

PART OF ORIGINAL
TOO POOR TO COPY

95025281

River Run Homeowners
RECORDER
J. DAVID NAVARRO
BOISE ID

AMENDED AND RESTATED
DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
RIVER RUN HOMEOWNERS ASSOCIATION, INCORPORATED

95 APR 17 AM 10 55

FEE 144.00
RECORDED AT THE REQUEST OF

(SUPERSEDING AND REPLACING IN ITS ENTIRETY
THE DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS FOR
RIVER RUN

1859000417

RECORDED ON THE 30TH DAY OF JULY 1979,
AS INSTRUMENT NO 7941486 IN THE
OFFICE OF THE COUNTY RECORDER OF ADA COUNTY, IDAHO
AND ALL AMENDMENTS PREVIOUSLY ADOPTED THERETO)

This Amended Declaration is made this 17th day of April, 1995, by THE RIVER RUN HOMEOWNERS ASSOCIATION, INC. hereinafter referred to as "Association" and this DECLARATION supersedes and replaces in its entirety the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR RIVER RUN recorded on the 30th day of July, 1979 as Instrument No. 7941486 in the Office of the County Recorder of Ada County, Idaho and all amendments previously adopted thereto.

ARTICLE I

RECITALS

Section 1.1 Real Property Covered. Developer was the owner of Real Property located in the County of Ada, State of Idaho described as:

Lots 1 through 12 and A, Block 1; Block 2; Lots 1 through 8, 14 through 20, A and B, Block 3; and Block 4, River Run (Phase I-A), a subdivision located in Sections 3, 4, 23 and 24, Township 3 North, Range 2 East, Boise Meridian, Ada County, Idaho, per subdivision plat recorded as Instrument No 7935231 in the Office of the County Recorder of Ada County, Idaho; AND, Lots 9, 10, 11 and 13, Block 3, River Run (Phase I-A-I), a subdivision located in Section 24, Township 3 North, Range 2 East, Boise Meridian, and the resubdivision of Lots 9 and 13, Block 3 of River Run (Phase I-A) Subdivision, Ada County, Idaho, per subdivision plat recorded as Instrument No., 7959062 in the Office of the County Recorder of Ada County, Idaho, which Phase I-A Subdivision and Phase I-A-I Subdivision are herein together referred to as "Phase I-A Subdivision".

Developer was the owner, optionee or contract purchaser with respect to the additional property described on Exhibit A hereto which together with the above-described River Run (Phase I-A and Phase I-A-I) subdivision Developer intended to and did develop in

phases as a development project that is known as "River Run". All of the property described above and all the additional property described in Exhibit A hereto, when annexed pursuant to the provisions of this Declaration and any other real property which is annexed thereto pursuant to the provisions of this Declaration, may be referred to herein as the "Property" or "Property Covered".

Section 1.2 Purpose. The Association has deemed it desirable for the preservation of the value, desirability and attractiveness of said Property to maintain the high quality of land use, design and construction with considerable common areas and common recreational facilities and to protect the high quality and to insure adequate maintenance of the common areas and improvements located thereon hereby establishes this Declaration of Covenants, Conditions and Restrictions as to the Property.

ARTICLE II

DECLARATION

The Association hereby declares that the Property, and each lot, parcel, or portion thereof, is and shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the following restrictions, covenants, limitations, easements, conditions and equitable servitudes, all of which are declared and agreed to be in furtherance of a general plan for the protection, maintenance, improvement and sale of the Property, or any lot, parcel or portion thereof, and to enhance the value, desirability and attractiveness of the Property. The covenants, conditions and restrictions set forth herein shall run with the land and each estate therein and shall be binding upon all persons having or acquiring any right, title or interest in the Property or any lot, parcel or portion thereof; shall inure to the benefit of every lot, parcel or portion of the Property and any interest therein; and shall inure to the benefit of and be binding upon the Association, its successors in interest, and may be enforced by any Owner or his successors in interest, or by the River Run Homeowners Association, Inc. or Local Associations as hereinafter described.

ARTICLE III

GENERAL AND SPECIFIC RESTRICTIONS

Section 3.1 Structures - Generally. Except for those areas shown in the River Run Plan for non-residential uses, and unless otherwise specified for a particular Phase in a Supplemental Declaration, all buildings shall be used exclusively for residential living purposes and such uses as are customarily incidental thereto, and:

A. Use and Size of Structure. No Building Lot shall be improved except with one single-family dwelling unit or structure (or portion of a structure located on more than one Building Lot) and each such dwelling unit or structure shall contain such minimum floor areas, if any, as are specified in a Supplemental Declaration applying to the Phase in which such Building Lot is located.

B. Architectural Committee Review. No house, garage outbuildings, fence or other structure shall be built, erected, placed or materially altered on the Property unless and until the building plan specifications and plot plan have been reviewed in advance by the Architectural Committee and the same has been approved in writing. Said review and approval may include, without limitation, topography, finished ground elevations, landscaping, drainage, color, material design, artistic conformity to the terrain, to the River Run Plan, and to other residences in the area, and architectural symmetry. In the case of improvements which are detached or separated from the principal structure, the Architectural Committee shall require that they be located within a reasonably compact area adjacent to the principal structure and be designed as a single visual element connected or related visually with the principal structure by fencing or other architectural features and in accordance with other requirements of these covenants. Said requirements as to the approval of the architectural design shall apply only to the exterior appearance of said improvements. It shall not be the intent of these restrictions to control the interior layout or design of said structures.

C. Mobile Homes. No house trailer, mobile home, tent, shack, barn or other similar outbuilding or structure shall be erected or placed on any Building Lot.

D. Setbacks. No dwelling unit or other structure (exclusive of fences and similar structures) shall be placed nearer to the Building Lot lines and waterways than permitted by the plat for the subdivision in which the Building is located.

Section 3.2 Antennas. No exterior radio antennas, television antennas, or other antennas of any type nor any device for audio or video reception or transmission shall be erected or maintained on the Property.

Section 3.3 Insurance Rates. Nothing shall be done or kept on the Property or on any Building Lot which will increase the rate of insurance on any property owned or managed by the River Run Homeowners Association, Inc. or a Local Association without the approval of the Board thereof, nor shall anything be done or kept in the Property or a Building Lot which would result in the cancellation of insurance on any property owned or managed by any of such Associations or which would be in violation of any law.

Section 3.4 No Further Subdivision. No Building Lot may be further subdivided, nor may any easement or other interest therein less than the whole be conveyed by the Owner thereof without the prior written approval of the Board; provided, however, that nothing in this Section shall be deemed to prevent an Owner from, or require the approval of the Board for transferring or selling any Building Lot to more than one person to be held by them as tenants in common, joint tenants, tenants by the entirety or as community property.

Section 3.5 Signs. No sign of any kind shall be displayed to the public view without the approval of the Architectural Committee except such signs of customary and reasonable dimensions as prescribed by the Architectural Committee as may be displayed on or from a Building Lot advertising the residence for sale or lease. Such customary and reasonable dimensioned real estate signs are limited to 450 square inches (approximately 18x24) and no part of the sign may be higher than three feet from the ground. For single-family houses the sign must be at the front of the house, can be no further than three feet from the house and must be ten feet from the curb; for others the sign must be five feet from the curb and adjacent to the driveway servicing the unit. One Open House directional sign may be posted. Streamers, flags, balloons, and other similar advertising or attention-attracting devices are prohibited.

Section 3.6 Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate anywhere upon the Properties, and no odor shall be permitted to arise therefrom so as to render the Property 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 Property 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 such property without the prior written approval of the Board.

Section 3.7 Exterior Maintenance. Structures or landscaping anywhere within the Property shall not be permitted to fall into disrepair, and shall at all times be kept in good condition and repair. In the event that any Owner shall permit any improvement which is the responsibility of such Owner to maintain to fall into disrepair so as to create a dangerous, unsafe, unsightly or unattractive condition, the Board of the Local Association of which such Owner is a Member (or the Board of the River Run Homeowners Association, Inc. if the Local Association fails to act), upon fifteen (15) days' prior written notice to the Owner of such property, shall have the right to correct such condition, and to enter upon such Owner's Building Lot for the purpose of doing so, and such Owner shall promptly reimburse the

Local Association (or the River Run Homeowners Association, Inc., as the case may be) for the cost thereof. Such cost shall be a Limited Assessment and shall create a lien enforceable in the same manner as other Assessments set forth in Article VIII of this Declaration. The Owner of the offending property shall be personally liable, and his property may be subject to a mechanic's lien, for all costs and expenses incurred by the Local Association (or River Run Homeowners Association, Inc.) in taking such corrective acts, plus all costs incurred in collecting the amounts due. Each Owner shall pay all amounts due for such work within ten (10) days after receipt of written demand therefore, or the amounts may, at the option of the Board, be added to the amounts payable by such Owner as Regular Assessments.

Section 3.8 Drainage. There shall be no interference with the established drainage pattern over any portion of the Property, unless an adequate alternative provision is made for proper drainage and is first approved in writing by the Architectural Committee. For the purposes hereof, "established" drainage is defined as the drainage which exists at the time the overall grading of any portion of the Property was completed by River Run Development, or that which is shown on any plans approved by the Architectural Committee, which may include drainage from Common Areas over any Building Lot or Lots in the Property.

Section 3.9 Water Supply Systems. No individual water supply system shall be permitted on any Building Lot unless such system is designed, located, and constructed and equipped in accordance with the requirements, standards, and recommendations of the Board, and all applicable governmental authorities.

Under no circumstances is water to be taken from interior waterways, the exception being from Loggers Creek with appropriate application to South Boise Water Company or its successor, and application for approval of method and use to the River Run Architectural Committee.

Section 3.10 No Hazardous Activities. No activities shall be conducted on any property and no improvements constructed on any property which are or might be unsafe or hazardous to any person or property.

Section 3.11 Unsightly Articles. No unsightly articles shall be permitted to remain on any Building Lot as to be visible from any other portion of the Property. 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 Architectural Committee. No clothing or household fabrics shall be hung, dried or aired in such a way as to be visible to other property, 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 property except within an enclosed structure or appropriately screened from view.

Section 3.12 No Temporary Structures. No tent (other than for short-term individual use), shack, or other temporary build-

ing, improvement or structure shall be placed upon any portion of the Property.

Section 3.13 No Unscreened Boats, Campers and Other Vehicles. No boats, trailers, campers, dilapidated or unrepaired and unsightly vehicles or similar equipment shall be placed upon any portion of the Property (including streets and driveways) unless the same are enclosed by a structure concealing them from view in a manner approved by the Architectural Committee.

Section 3.14 Sewage Disposal Systems. No individual sewage disposal system shall be used, and each Owner shall hook on to the Boise City Sewer System and pay all charges assessed there-fore.

Section 3.15 No Mining or Drilling. No portion of the Property shall be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing water, oil, gas or other hydrocarbons, minerals, rocks, stones, gravel or earth.

Section 3.16 Energy Devices, Outside. No energy production device, including but not limited to generators of any kind and solar energy devices, shall be constructed or maintained on any Property without the written approval of the Architectural Committee, except for heat pumps shown in the plans approved by the Architectural Committee.

Section 3.17 Vehicles. The use of all vehicles, including but not limited to trucks, automobiles, bicycles, motorcycles and snowmobiles, shall be subject to the River Run Homeowners Association, Inc. and Local Association Rules and Regulations, which may prohibit or limit the use thereof within River Run, provide parking regulations or adopt other rules regulating the same. No on-street parking shall be permitted except where expressly designated for parking use.

Section 3.18 Landscaping. Within ninety (90) days after conveyance of title to a Building Lot to an Owner (unless such time is extended by the Architectural Committee for good cause), such Owner shall install the landscaping provided for in the plans and specifications approved by the Architectural Committee and shall thereafter maintain the landscaping on this Building Lot in a neat and attractive condition, including all necessary gardening to properly maintain and periodically replace when necessary the trees, plants, grass and other vegetation originally placed on the Building Lot by Developer or included in such plans.

The Board may adopt rules regulating landscaping permitted and required. In the event that any Owner shall fail to install and maintain landscaping in conformance with such rules or shall allow his landscaping to deteriorate to a dangerous, unsafe, unsightly or unattractive condition, the Board or the board of the Local Association of which such Owner is a Member, upon fifteen (15) days' prior written notice to such Owner, shall have

the right to correct such condition and to enter upon such Owner's property for the purpose of doing so, and such Owner shall promptly reimburse the River Run Homeowners Association, Inc. or Local Association for the cost thereof. Such cost shall be a Limited Assessment and shall create a lien enforceable in the same manner as other assessments as set forth in Article VIII.

Section 3.19 Outside Lighting. Each Owner shall maintain, replace and repair, and pay for all power and other costs of operating, any outside lights installed on the Building Lot by the Developer or which are required to be installed by the Architectural Committee as part of the original construction plans. In the event any Owner shall fail to maintain and operate such lights the Board and the Board of that Local Association of which such Owner is a Member shall have the same right to repair and operate as provided above with respect to exterior maintenance, including the right to levy a Limited Assessment for the cost thereof.

Section 3.20 Animals/Pets. No animals, birds, insects, pigeons, poultry, pigs or livestock shall be kept on the Property, except up to two (2) domesticated dogs, up to two (2) domesticated cats, and other household pets which are kept within the dwelling structure and which do not unreasonably bother or constitute a nuisance to others. Without limiting the generality of the foregoing, consistent and/or chronic barking by dogs shall be considered a nuisance. Each dog shall be kept on a leash, curbed, and otherwise controlled at all times when such animal is off the premises of its owner. Such owner shall clean up any animal defecation immediately from the common Area or public right-of-way. Failure to do so may result, at the Board's discretion, in a Limited Assessment levied against such animal owner. The construction and location of dog runs or other pet enclosures shall be subject to applicable Architectural Committee approval, shall be appropriately screened, and shall be maintained in a sanitary condition. Dog runs or other pet enclosures shall be placed not less than ten (10) feet from the side and twenty-five (25) feet from the rear Building Lot line, shall not be placed in any front yard of a Building Lot, and shall be screened from view so as not to be visible from the Common Area or an adjacent Building Lot.

ARTICLE IV

RIVER RUN HOMEOWNERS ASSOCIATION, INC.

Section 4.1 Organization of River Run Homeowners Association, Inc. The River Run Homeowners Association, Inc. has been organized by the River Run Development Company as an Idaho corporation under the provisions of the Idaho Code relating to general non-profit corporations and shall be charged with the duties and vested with the powers prescribed by law and set forth in the Articles, Bylaws and this Declaration. Neither the Articles nor the Bylaws shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

Section 4.2 Membership. Each Owner of a Building Lot, by virtue of being such an Owner and for so long as such ownership is maintained, shall be a Member of the River Run Homeowners Association, Inc. and no Owner shall have more than one membership in the River Run Homeowners Association, Inc. except as hereinafter set forth with respect to voting. Memberships in the River Run Homeowners Association, Inc. shall not be assignable, except to the successor-in-interest of the Owner, and all memberships in the River Run Homeowners Association, Inc. shall be appurtenant to the Building Lot owned by such Owner. The memberships in the River Run Homeowners Association, Inc. shall not be transferred, pledged or alienated in any way except upon the transfer of title to said Building Lot and then only to the transferee of title to said Building Lot. Any attempt to make a prohibited membership transfer shall be void and will not be reflected on the books of the River Run Homeowners Association, Inc.

Section 4.3 Voting. The River Run Homeowners Association, Inc. shall have two classes of voting memberships:

A. Class A. Class A members shall be the Delegate Directors and shall be entitled to one vote for each Building Lot owned by members of the Local Association represented by such Delegate Director except where a different ratio is defined in that particular Local Association's Declaration of Covenants, Conditions and Restrictions.

Each Delegate Director shall cast the votes which he represents in such manner as he may, in his sole discretion, deem appropriate acting on behalf of all of the Members in the Local Association represented by such Delegate Director, provided however, (1) that as to any Special Assessment or increase in Regular Assessment which requires the consent of the majority of the Members of the Association making such Assessment pursuant to Sections 7.4 and 7.3; (2) or in the event that at least fifty-one percent (51%) of the voting membership in any Local Association shall determine at any duly constituted meeting of the Members of such Local Association to instruct their Delegate Director as to the manner in which he is to vote on any issue to be voted on by the Board of Directors; then, in either event, the Delegate Director representing such Local Association shall cast all of the voting power in such Local Association in the same proportion, as nearly as possible without counting fractional votes, as the Members in such Local Association shall have voted "for" and "against" such issue in person or by proxy.

When a Delegate Director is voting in his own discretion without instruction from the Members whom he represents, then such Delegate Director shall cast all of the votes which he represents as a unit and may not apportion some of such votes in favor of a given proposition and some of such votes in opposition to such proposition. It will be

conclusively presumed for all purposes that any Delegate Director casting votes on behalf of the Members of a Local Association will have acted with the authority and consent of all such Members. All agreements and determinations lawfully made by the River Run Homeowners Association, Inc. in accordance with the voting procedures established herein, and the Bylaws, shall be deemed to be binding on all Members, Owners and their respective successors and assigns.

B. Class B. Class B members shall be all Owners, with the exception of the Delegate Directors and shall be entitled to no vote except that Building Lots owned by such Class B members shall be counted for purposes of determining the number of votes of the Class A members.

All voting power in the River Run Homeowners Association, Inc. shall be exercised by Delegate Directors selected as provided in Article IV, and no member shall be entitled to cast his or her own vote.

Section 4.4 Board of Directors and Officers. The affairs of the River Run Homeowners Association, Inc. shall be conducted by a Board of Directors and such officers as the Delegate Directors may elect or appoint, in accordance with the Articles and the Bylaws, as the same may be amended from time to time.

A. Selection of Delegate Directors. Delegate Directors shall be elected by Local Associations as set forth in Local Association's Bylaws. Each Local Association shall in writing designate one Delegate Director to the River Run Homeowners Association, Inc. Board of Directors to exercise the voting power of all of the Members in such Local Association in the manner provided herein. The Chairman of any meeting at which a Delegate Director is elected shall certify in writing to the Board the name of the Delegate Director elected, the time and place of the meeting at which the election occurred and the Local Association which the Delegate Director represents.

A Delegate Director may be removed without cause by the vote in person or by proxy at any duly constituted meeting of at least a majority of the Members in the Local Association.

Only Members of the Association for which the Delegate Director is selected shall be eligible for election as Delegate Director. Upon termination of any Delegate Director's membership in the Association for which such is selected, such Delegate Director's term of office shall immediately terminate, and a new Delegate Director shall be elected in his place.

B. Meetings of the Board of Directors. Regular and Special meetings of the Delegate Directors shall be noticed

and held as provided in the Bylaws. The River Run Homeowners Association, Inc. Board of Directors shall hold an annual meeting. Notice for the Annual Meeting must be ten days in advance of the meeting. Notice shall set forth the place, date, and hour of the meeting, and shall state the nature of the business to be undertaken.

All meetings shall be held within the Property or as close thereto as practicable at a reasonable place selected by the Board of Directors.

The presence at any Board of Directors meeting by Delegate Directors, in person or by proxy, holding more than fifty-one percent (51%) of the total voting power of the River Run Homeowners Association, Inc. shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Delegate Directors present 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, provided that the quorum requirement for such adjournment shall be Delegate Directors representing no less than twenty-five percent (25%) of the total voting power thereof.

Section 4.5 Powers and Duties of the River Run Homeowners Association, Inc.

A. Powers of the River Run Homeowners Association, Inc..

The River Run Homeowners Association, Inc. 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 and this Declaration. It shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the River Run Homeowners Association, Inc. under this Declaration, the Articles and the Bylaws, and to do and perform any and all acts which may be necessary or proper for or incidental to the proper management and operation of the Common Areas and the performance of the other responsibilities herein assigned, including without limitation:

(1) Assessments. The power to levy Assessments on the Owners of Building Lots and to force payment of such Assessments, all in accordance with the provision of this Declaration.

(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 Declaration or the Articles or the Bylaws, including the River Run Homeowners Association, Inc. rules and

regulations adopted pursuant to this Declaration, and to enforce by mandatory injunction or otherwise, all provisions hereof.

(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 manager, and to contract with a Local Association for the maintenance, repair, replacement and operation of the Local Common Area. Neither the River Run Homeowners Association, Inc. nor the members of its Board shall be liable for any omission or improper exercise by the manager of any such duty or power so delegated.

(4) Association Rules. The power to adopt, amend and repeal by majority vote of the Board such rules and regulations as the River Run Homeowners Association, Inc. deems reasonable and necessary (the Association rules). The River Run Homeowners Association, Inc. rules shall govern the use of private property and common areas, including but not limited to the private streets by the Owners, by the families of the Owners, or by an invitee, licensee, lessee, or contract purchaser of an Owner; provided, however, that the Association rules may not discriminate among Owners and shall not be inconsistent with this Declaration, the Articles or Bylaws. A copy of the River Run Homeowners Association, Inc. 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 shall be posted in a conspicuous place within the Common Area. Upon such mailing or delivery and posting, said River Run Homeowners Association, Inc. rules shall have the same force and effect as if they were set forth in and were a part of this Declaration. In the event of any conflict between any such River Run Homeowners Association, Inc. rules and any other provisions of this Declaration, or the Articles or By-Laws, the provisions of the River Run Homeowners Association, Inc. rules shall be deemed to be superseded by the provisions of this Declaration, the Articles or the Bylaws to the extent of any such inconsistency.

Failure to enforce any provision of this Declaration or any rule or regulation or any waiver of any breach shall not constitute a waiver of that or any other provision of any future breach, or of the future right to enforce that or any other provision.

(5) Emergency Powers. The River Run Homeowners Association, Inc. or any person authorized by the River Run Homeowners Association, Inc. may enter upon any Building Lot 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 River Run Homeowners Association, Inc..

(6) Licenses, Easements and Rights-of-Way. Power to grant and convey to any third party such licenses, easements and rights-of-way in, on or under the Common Area as may be necessary or appropriate for the orderly maintenance, preservation and enjoyment of the Common Areas and for the preservation of the health, safety, convenience and welfare of the Owners, for the purpose of constructing, erecting, operating or maintaining:

(a) Underground lines, cables, wires, conduits or other devices for the transmission of electricity for lighting, heating, power, telephone and other purposes;

(b) Public sewers, storm drains, water drains, and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes; and

(c) Any similar public or quasi-public improvements or facilities.

The right to grant such licenses, easements and rights-of-way is hereby expressly reserved to the River Run Homeowners Association, Inc.

B. Duties of the River Run Homeowners Association, Inc..

In addition to the power delegated to it by the Articles, without limiting the generality thereof, the River Run Homeowners Association, Inc. or its agent, if any, shall have the obligation to conduct all business affairs of common interest to all Owners, and to perform each of the following duties:

(1) Operation and Maintenance of Common Area. Operate, maintain and otherwise manage or provide for the operation, maintenance and management of the Common Area (other than Local Common Areas) including the repair and replacement of property damaged or destroyed by casualty loss and all other property acquired by the River Run Homeowners Association, Inc. The Board of Directors on behalf of the River Run Homeowners Association, Inc. may contract with a Local Association for the operation, management and maintenance of Local Common Areas and Recreation Areas.

(2) Taxes and Assessments. Pay all real and personal property taxes and assessments separately levied against the Common Area owned and managed by the River Run Homeowners Association, Inc. or against the River Run Homeowners Association, Inc. and/or any property owned by the Association. Such taxes and assessments may be contested or compromised by the River Run Homeowners Association, Inc.; 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 River Run Homeowners Association, Inc. shall pay all other taxes levied against the River Run Homeowners Association, Inc. in the event that the River Run Homeowners Association, Inc. is denied the status of a tax-exempt corporation.

(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 Common Area and Recreation Area owned and managed by it.

(4) Insurance. Obtain, from reputable insurance companies authorized to do business in the State of Idaho, and maintain in effect the following policies of insurance:

(a) Fire insurance including those risks embraced by coverage of the type now known as the broad form "All Risk" or special extended coverage endorsement on a blanket agreed amount basis for the full insurable replacement value of all improvements equipment and fixtures located within the Common Area and Recreation Facilities owned and managed by it.

(b) Comprehensive public liability insurance insuring the Board, the River Run Homeowners Association, Inc. and individual Owners and agents and employees of each of the foregoing against any liability incident to the ownership and/or use of the Common Area and Recreation Facilities owned and managed by it. Limits of liability of such coverage shall be at levels as determined by the Board of Directors from time to time per person and per occurrence with respect to personal injury or death and property damage.

(c) Full coverage directors and officers liability insurance with a minimum limit as set by the Board of Directors from time to time.

(d) Such other insurance including Workmen's Compensation insurance to the extent necessary to comply with all applicable laws and indemnity, faithful performance, fidelity and other bonds as the Board shall deem necessary or required to carry out the River Run Homeowners Association, Inc. functions or to insure the River Run Homeowners Association, Inc. against any loss from malfeasance or dishonesty or any employee or other person charged with the management or possession of any River Run Homeowners Association, Inc. funds or other property.

The Association shall be deemed trustee of the interests of all Owners in any insurance proceeds paid to it under such policies, and shall have full power to receive their interests in such proceeds and to deal therewith.

Insurance premiums for the above insurance coverage shall be deemed a common expense to be included in the Regular Assessments levied by the River Run Homeowners Association, Inc. for the Association and for the Recreation Area.

Notwithstanding any other provisions herein, the Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for PUD projects established by Federal National Mortgage Association (FNMA), the Government National Mortgage Association (GNMA), and the Federal Home Loan Mortgage Corporation (FHLMC), so long as any of which is a mortgagee or owner of a building lot within the project, except to the extent such coverage is not available or has been waived in writing by the FNMA, GNMA and FHLMC, as applicable.

(5) Rule Making. Make, establish, promulgate, amend and repeal the River Run Homeowners Association, Inc. rules.

(6) Architectural Committee. Appoint and remove members of the Architectural Committee if appropriate, in accordance with Article XI, Section 11.2.

(7) Enforcement of Restrictions and Rules. Perform such other acts, whether or not expressly authorized by this Declaration, as may be reasonably necessary to enforce any of the provisions of this Declaration and the River Run Homeowners Association, Inc. rules.

Section 4.6 Personal Liability. No member of the Board, or any committee of the River Run Homeowners Association, Inc. or any officer of the River Run Homeowners Association, Inc. or the manager, if any, shall be personally liable to any Owner, or to any other party, including the River Run Homeowners Association, Inc. for any damage, loss or prejudice suffered or claimed on the account of any act, omission, error or negligence of the River Run Homeowners Association, Inc., the Board, the manager, if any, or any other representative or employee of the River Run Homeowners Association, Inc., or the Architectural Committee, or any other committee, or any officer of the River Run Homeowners Association, Inc. 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.

Section 4.7 Budgets and Financial Statements. Financial Statements for the River Run Homeowners Association, Inc. shall be regularly prepared and copies shall be distributed to each Member of the River Run Homeowners Association, Inc. as follows:

A. 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.

B. A Balance Sheet as of the last day of the River Run Homeowners Association, Inc.'s fiscal year shall be distributed not more than ninety (90) days after the end of each fiscal year.

C. An Annual Operating Statement reflecting the income and expenditures of the River Run Homeowners Association, Inc. for its fiscal year shall be distributed to each owner not more than ninety (90) days after the end of each fiscal year.

ARTICLE V

RIGHTS TO COMMON AREAS

Section 5.1 Use of Common Areas. Every Owner shall have a right and easement to use the Common Area owned and managed by the River Run Homeowners Association, Inc. which shall be appurtenant to and shall pass with the title to every Building Lot, subject to the following provisions:

A. The right of the River Run Homeowners Association, Inc. to levy Assessments for the maintenance, repair, replacement or construction of improvements on Common Areas, including the right to levy Special Assessments.

B. The right of the River Run Homeowners Association, Inc. to suspend the voting rights and rights to use of, or

interest in, Common Areas by an Owner for any period during which an Assessment or charge against the Owner's Building Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations; and

C. The right of the River Run Homeowners Association, Inc. to dedicate or transfer all or any parts of 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 agreeing to such dedication or transfer signed by Delegate Directors representing two-thirds (2/3) of Class B Members has been recorded.

Section 5.2 Use of Local Common Areas and Recreation Facilities. Each Owner of a Building Lot shall also have a right and easement to use the Local Common Area designated as such for the Phase in which such Building Lot is located, and the Recreation Facilities owned and managed by the River Run Homeowners Association, Inc. of which such Owner is a Member, which shall be appurtenant to and pass with the title to such Building Lot, subject to the following provisions:

A. The right of the Local Associations to levy Assessments for the maintenance, repair, replacement, management and construction of improvements on the Local Common Areas as the case may be;

B. The right of the Local Associations to suspend the right to use of the Local Common Areas and Recreation Areas, respectively, by an Owner for any period during which any Assessment or charge against the Owner's Building Lot remains unpaid, or for a period not to exceed sixty (60) days for any infraction of their respective published rules and regulations; and

C. The right of the Local Associations to dedicate or transfer all or any part of the Local Common Areas to any public agency, authority or entity for such purposes and subject to such conditions as may be agreed to by the Members thereof, respectively. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of the Members of the Local Association making such dedication or transfer has been recorded.

Section 5.3 Delegation of Right to Use. Any Owner may delegate, in accordance with the respective Bylaws and rules and regulations of the River Run Homeowners Association, Inc. the Local Associations, as the case may be, the Owner's right of enjoyment to the Local Common Area, the Recreation Areas and any other Common Area, to the members of the Owner's family, the Owner's tenants, or contract purchasers who reside on the Property.

Section 5.4 Damages. Each Owner shall be liable for any damage to such Common Areas which may be sustained by reason of the negligence or willful misconduct of said Owner or of the Owner's family and guests, both minor and adult. In the case of joint ownership of a Building Lot, the liability of such Owners shall be joint and several. The cost of correcting such damage shall be as a Limited Assessment against the Building Lot and may be collected as provided herein for the collection of other Assessments.

ARTICLE VI

LOCAL ASSOCIATION MEETINGS

Section 6.1 General Meetings. The Members present at each meeting of a Local Association shall select a chairman to preside over the meeting and a secretary to transcribe minutes of the meeting if a president and a secretary have not previously been elected. Any action may be taken at any meeting of such Owners of Building Lots in a Phase for which a Local Association has not been created, upon the affirmative vote of the Members having a majority of the total voting power present at such meeting in person or by proxy.

Section 6.2 Annual Meetings. There shall be an annual meeting of the Members of each Local Association. Such annual meetings shall occur in the month as set by each Local Association from time to time. At each annual meeting, such Members shall elect a Delegate Director to represent them on the River Run Homeowners Association, Inc. Board of Directors. Such Delegate Director shall continue to be a Delegate Director for one (1) year or until a successor is elected, whichever is later, unless such Delegate Director is removed by vote or written consent of a majority of the Membership in such Local Association. Such meeting shall be held at such convenient location in or near the Phase as may be designated in the notice of such meeting. Written notice of the time, place and purpose of each annual meeting shall be sent to each Member within the Local Association no later than ten (10) days prior to the meeting by the President, Secretary, the acting chairman or the acting secretary of the previous annual meeting or, in both person's absence, by the Members representing one-quarter (1/4) of the membership within such Local Association.

Section 6.3 Special Meetings A special meeting of the Members in any Local Association may be called at any reasonable time and place by written notice by the Delegate Director to the River Run Homeowners Association, Inc. representing the Members in such Local Association, or the Phase President or Phase Secretary or by the Members in the Local Association having one-quarter (1/4) of the total votes within such Local Association, and

delivered to all other Members not less than ten (10) days prior to the date fixed for such special meeting, specifying the date, time and place thereof and the nature of the business to be undertaken.

Section 6.4 Quorum The presence at any meeting; in person or by proxy, of the Members entitled to vote at least twenty-five percent (25%) of the total votes within such Local Association shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Members present, either in person or by proxy, may, as otherwise provided by law, 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.

ARTICLE VII

ASSESSMENTS

Section 7.1 Covenant to Pay Assessments. Each Owner hereby, and by acceptance of a deed to a Building Lot, covenants and agrees to pay when due:

A. All Local Assessments or charges certified to the River Run Homeowners Association, Inc. by a Local Association pursuant to Section 4.3.

B. All Regular and Special Assessments or charges made by the River Run Homeowners Association, Inc. and any Recreation Facility of which such Owner is a Member.

C. All Limited Assessments or charges made against such Owner by the River Run Homeowners Association, Inc. or a Local Association pursuant to the provisions of this Declaration or any Supplemental Declaration.

Such Assessments, together with interest, costs and reasonable attorney's fees which may be incurred in collecting the same, shall be a charge on the land and shall be a continuing lien upon the property against which each such Assessment is made. Each such Assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the Owner of such property at the time when the Assessment fell due. The personal obligation for delinquent Assessments shall not pass to his successors in title unless expressly assumed by them.

Section 7.2 Regular Assessments Regular Assessments shall be assessed against each Building Lot. Not less than thirty (30) nor more than ninety (90) days prior to the beginning of each calendar year, the Board shall estimate the total amount of funds necessary to defray the expenses of the River Run Homeowners Association, Inc. and shall assess the Owner of each Building Lot subject therein in December of each year for the following year.

Said Assessments shall be prorated in accordance with the total number of Building Lots which are subject to Assessment by such Association.

Concurrently the Board shall estimate the total amount of funds necessary to defray the expenses of the Recreation Facility and shall assess each Member of said Recreation Facility in December of each year for the following year.

Concurrently Local Associations shall estimate the total amount of funds necessary to defray the expenses of such Local Association and shall certify the pro-ration to the River Run Homeowners Association, Inc. in accordance with the total number of Members in the Local Association and in accordance with such Phase's Declaration of Covenants, Conditions and Restrictions. Any Phase that has its own recreation facilities and thus does not participate in the Master Recreation Facility shall also estimate the total amount of funds necessary to defray the expenses of their respective recreation facilities.

Expenses which are collectible as Limited Assessments are not to be included in the budgeting process.

Regular Assessments shall include an amount allocated to an adequate reserve fund which is to be established for maintenance, repairs, and replacement of the Common Areas that must be replaced on a periodic basis.

Recreation Facilities Assessments shall include an amount allocated to an adequate reserve fund which is to be established for maintenance, repairs, and replacement of the Recreation Facilities.

Section 7.3 Increase in Regular Assessments. The Board of an Association may increase the Regular Assessments effective January 1 of each year by an amount not in excess of ten percent (10%) of the Regular Assessment per Building Lot assessed by such Association for the previous year, or five dollars (\$5) per month per Building Lot in the case of the River Run Homeowners Association, five dollars (\$5) per month per Building Lot in the case for a Recreation Facility or two dollars (\$2) per month per Building Lot in the case of a Local Association without the vote or consent of a majority of the Members voting through Delegate Directors as provided in Section 6.1 in the case of the River Run Homeowners Association, Inc. or a majority of the owners in the case of a Local Association or a Recreation Facility.

Section 7.4 Special Assessments.

A. In the event that the Board of an Association shall determine that the Regular Assessment for a given calendar year is or will become inadequate to meet the expenses of such Association for any reason, including but not limited to costs of construction, reconstruction, unexpected repairs

or replacement of capital improvements upon the Common Area owned or managed by such Association, the Board thereof shall determine the approximate amount necessary to defray such expenses and levy a Special Assessment; provided that no Special Assessment shall be levied which exceeds the greater of twenty percent (20%) of the budgeted gross expenses of such Association for that calendar year, or one hundred dollars (\$100) per Building Lot in the case of the River Run Homeowners Association, or eighty dollars (\$80) per Building Lot in the case of the Recreation Facilities, or twenty-five (\$25) per Building Lot in the case of a Local Association without the vote or written assent of a majority of the Owners voting through Delegate Directors as provided in Section 4.3 in the case of the River Run Homeowners Association and Recreation Facilities. The Board may, at its discretion, prorate such Special Assessment over the remaining months of the calendar year or levy such Assessment immediately against each Building Lot.

B. The Board of the River Run Homeowners Association shall also assess the Members of a Local Association a Special Assessment certified by a Local Association as having been required for unexpected expenses of such Local Association and as having been approved by a majority of the Members of such Local Association at a meeting duly called for such purpose at which a quorum is present.

C. Every Special Assessment shall be levied upon the same basis as that prescribed for the levying of Regular Assessments.

D. The above provisions with respect to Special Assessments do not apply in the case of Limited Assessments against a Member as a remedy utilized by the Board to reimburse the Association for costs incurred in bringing the Member and his Building Lot into compliance with the provisions of the governing instruments for River Run.

Section 7.5 Uniform Rate of Assessment. Unless otherwise specifically provided herein, Regular and Special Assessments must be fixed at a uniform rate for all Members of the Association making such Assessments.

Section 7.6 Assessment Period The Local Assessment period shall be the calendar year to conform to the River Run Homeowners Association, Inc. assessment period.

Section 7.7 Notice and Assessment Due Date. Ten (10) days prior written notice of Regular and Special Assessments shall be sent to the Owner of every Building Lot subject thereto. The due dates for Regular Assessments and Special Assessments shall be the first day of each month unless some other due date is established by the Board of the Association making the Assessment. Each monthly installment of the Regular Assessment or Special

Assessment shall become delinquent if not paid within ten (10) days after the levy thereof. There shall accrue with each delinquent monthly installment and Special Assessment, an amount as determined from time to time by the Board of Directors, together with interest at the maximum rate permitted by law calculated from the date of delinquency to and including the date full payment is received by the Association. The Association making the assessment may bring an action at law against the Owner personally obligated to pay the assessment to foreclose the lien against his Building Lot as more fully provided herein. Each Owner is personally liable for said Assessments and no Owner of a Building Lot may exempt himself from liability for his contribution by a waiver of the use or enjoyment of any of the Common Areas or Recreation Facilities or by abandonment of his Building Lot.

Section 7.8 Estoppel Certificate. Any Association, upon not less than twenty (20) days prior written request, shall execute, acknowledge and deliver to the party making such request a statement in writing stating whether or not to the knowledge of such Association, a particular Building Lot Owner is in default under the provision of this Declaration, and further stating the dates to which Assessment, Local or Special, have been paid by said Owner, it being intended that any such certificate delivered pursuant to this Section may be relief upon which any prospective purchaser or mortgagee of said Owner's Building Lot may rely, but reliance on such certificate may not extend to any default as to which the signer shall have had no actual knowledge.

Section 7.9 Special Notice and Quorum Requirements. Notwithstanding anything to the contrary contained in either the Bylaws or the Articles, written notice of any meeting called for the purpose of either levying a Special Assessment pursuant to Section 7.4 of this Article, or for the purpose of obtaining a membership vote in connection with an increase in the Regular Assessments pursuant to Section 7.3 of this Article, or for the purpose of instructing Delegate Directors as to the vote of the Members of a Local Association thereon, shall be sent to all Members of such Association not less than thirty (30) days nor more than sixty (60) days in advance of the meeting.

At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of the total voting power of such Association shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

ARTICLE VIII

ENFORCEMENT OF ASSESSMENTS; LIENS

Section 8.1 Right to Enforce. The right to collect and enforce the Assessments made by River Run Homeowners Association, Inc. and the Assessments made by the Local Associations which are certified to the River Run Homeowners Association, Inc. created hereby is vested in the River Run Homeowners Association, Inc. Local Associations shall also have the right to collect and enforce local assessments pursuant to the provisions herein. Each Owner of a Building Lot upon becoming an Owner of such Building Lot is and shall be deemed to covenant and agree to pay each and every Assessment provided for in this Declaration and agrees to the enforcement of all Assessments in the manner herein specified. In the event an attorney or attorneys are employed for the collection of any Assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, each Owner agrees to pay reasonable attorney's fees or any other relief or remedy obtained against said Owner. The Board of an Association or its authorized representative may enforce the obligations of the Owners to pay the Assessments provided for in this Declaration by commencement and maintenance of a suit at law or in equity or such Board may exercise the power of sale pursuant to Section 8.3 to enforce the liens created hereby. A suit to recover a money judgment for an unpaid Assessment shall be maintainable without foreclosing or waiving the lien hereinafter provided for.

Section 8.2 Assessment Liens.

A. Creation. There is hereby created a claim of lien with power of sale on each and every Building Lot to secure payment of any and all Assessments levied against any and all Building Lots in the Property pursuant to this Declaration, together with interest thereon at the maximum rate permitted by law and all costs of collection which may be paid or incurred by the Association making the Assessment in connection therewith, including reasonable attorney's fees. All sums assessed in accordance with the provisions of this Declaration shall constitute a lien on such respective Building Lots 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 Building Lot and Assessments on any Building Lot in favor of any municipal or other governmental assessing body which, by law, would be superior thereto.

B. Claim of Lien. Upon default of any Owner in the payment of any Regular or Special Assessment required hereunder, the 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 Building Lot against which 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 Association of such delinquent sums and charges in connection therewith or other satisfaction thereof, the Association shall cause to be recorded a further notice stating the satisfaction and relief of such delinquent sums and charges. The Association may demand and receive the cost of recordation of such release before recording the same. Any purchaser or encumbrance, 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.

Section 8.3 Method of Foreclosure. Such lien may be foreclosed by appropriate action in court or by sale by the Association establishing the Assessment, 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 Association, or any title company authorized to do business in Idaho as trustee for the purpose of conducting such power of sale foreclosure.

Section 8.4 Required Notice. Notwithstanding anything contained in this Declaration 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 by power of sale or otherwise, until the expiration of thirty (30) days after a copy of such claim has been deposited in the United States mail, certified or registered, postage prepaid, to the Owner of the Building Lot described in such notice of delinquency and claim of lien, and a copy thereof is recorded by the Association in the Office of the County Recorder in the county in which the Property is located.

Section 8.5 Subordination to Certain Trust Deeds. The lien for the Assessments provided for herein in connection with a given Building Lot shall not be subordinate to the lien of any deed of trust or mortgage except the lien of a first deed of trust or first mortgage given and made in good faith and for value that is of record as an encumbrance against such given Building Lot prior to the recordation of a claim of lien for the Assessments. Except as expressly provided in Section 8.6 of this Article with respect to a first mortgagee who acquired title to a Building Lot, the sale or transfer of any Building Lot shall not affect the Assessment lien provided for herein, nor the creation

thereof by the recordation of a claim of lien, on account of the 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 Assessments as provided for in this Declaration.

Section 8.6 Rights of Mortgagees. Notwithstanding any other provision of this Declaration, no amendment of this Declaration shall operate to defeat and render invalid the rights of the beneficiary under any deed of trust upon Building Lot made in good faith and for value, and recorded prior to the recordation of such amendment, provided that after the foreclosure of any such deed of trust such Building Lot shall remain subject to this Declaration as amended.

ARTICLE IX

LOCAL ASSOCIATIONS AND RECREATION MATTERS

Section 9.1 Creation. Local Associations were created and are recorded as non-profit corporations under the provisions of the Idaho Code relating to general non-profit corporations. The first such Association is the Phase 1-A Local Association whose members are the Owners of Building Lots in Phase 1-A Subdivision. Each such Association shall have all the powers, rights, obligations and responsibilities and be subject to all of the same limitations and restrictions as are specified in this Declaration with respect to the River Run Homeowners Association, Inc. except for such differences as are specified in this Declaration and such changes as appropriate as a result of the different property being maintained and managed by such Associations, which changes are set forth in a Supplemental Declaration.

River Run Recreation Association #1 is merged into the River Run Homeowners Association, Inc. and River Run Recreation Association #2 is merged into Phase 4 Local Association. All members in Local Associations other than Phase 4 Local Association (The Island), and Phase 6 Local Association (Heron Cove), are owners of the Recreation Facilities at 975 River Run Drive and are entitled to the use thereof. Phase 4 Local Association (The Island) and Phase 6 Local Association (Heron Cove) are owners of Recreational Facilities pertinent to each of their particular Phases.

Section 9.2 Properties Covered. The Local Association Common Areas are deeded to and managed, maintained, constructed and repaired by such of those Associations as specified in pertinent Supplemental Declarations. A Local Association may, by Supplemental Declaration, be authorized and directed to perform additional duties and functions, including without limitation the maintenance of the exterior portions of townhouse or condominium units located in a particular Phase, provided that the Assessments therefore shall be chargeable only to Building Lots located in such Phase.

Section 9.3 Members. The Members of each Local Association shall be the Owners of Building Lots in the Phase covered by such Local Association as specified in Supplemental Declarations. The Members of the Recreation Facility shall be the Owners of Building Lots whose Owners are entitled to use the Recreation Facilities managed by such Local Association as specified in the Supplemental Declarations creating each such Association. Memberships may only be transferred in the same manner as specified in Section 4.2 for River Run Homeowners Association, Inc.

Section 9.4 Voting in Local Associations. Each Local Association shall have one class of voting membership. All Owners of Building Lots in the Phase covered by such Local Association are Members and shall be entitled to one vote for each Building Lot owned. When more than one person holds an interest in any Building Lot, all such persons shall be Members. The vote for such Building Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Building Lot.

The vote for each such Building Lot shall, if at all, be cast as a unit, and fractional votes shall not be allowed. In the event that joint owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question.

All contracts for management of any Local Common Area shall be for a term not in excess of one year and be subject to review by the Board of the Local Association.

If any Owner casts a vote representing a certain Building Lot, it will thereafter be conclusively presumed for all purposes that he or they were acting with the authority and consent of all other Owners of the same Building Lot. The right to vote may not be severed or separated from the ownership of the building Lot to which it is appurtenant, except that any Owner may give a revocable proxy, or may assign his right to vote to a lessee or beneficiary or contract purchaser of the Building Lot concerned, for the term of the lease, Deed of Trust, or contract, and any sale, transfer or conveyance of such Building Lot to a new Owner or Owners shall operate automatically to transfer the appurtenant vote to the new Owner, subject to any assignment of the right to vote to a lessee or beneficiary as provided herein.

Section 9.5 Voting in Recreation Matters. All voting power on recreation matters shall be by Delegate Directors selected as provided in Section 4.4 and no Member shall be entitled to cast his or her own vote.

Delegate Directors for Phase 4 (The Island), and for Phase 6 (Heron Cove) have no voting power in River Run Homeowners Association, Inc. recreation matters and shall abstain from voting thereon.

Section 9.6 Powers and Duties. Each such Local Association shall be managed by a Board of Directors and officers in the same manner as specified in Section 4.4 for the River Run Homeowners Association, Inc. shall have the same powers and duties with respect to its Members or the property owned, managed or maintained by it, including levying assessments, adopting rules and regulations, granting easements, licenses and rights-of-way, payment of expenses, taxes, assessments, utility charges, insurance premiums and the preparation and distribution of budgets and financial statements as are provided in Article IV for the River Run Homeowners Association, Inc. Each such Local Association may certify to the River Run Homeowners Association, Inc. the amount of such local assessments and charges for collection. The Board members, committee members, officers, and managers shall also be free of personal liability as to the Local Association in the same manner as described in Section 4.6 for the River Run Homeowners Association, Inc.

ARTICLE X

INSPECTION OF ASSOCIATION'S BOOKS AND RECORDS

Section 10.1 Member's Right of Inspection. The membership register, books of account and minutes of meetings of the Board and committees of an Association shall be made available for inspection and copying by any Member of that Association or by his duly appointed representatives, at any reasonable time and for a purpose reasonably related to his interest as a Member at the office of an Association or at such other place within the Property as the Board of such Association may prescribe.

Section 10.2 Rules Regarding Inspection of Books and Records. The Board shall establish reasonable rules with respect to:

- A. Notice to be given to the custodians of the records by the persons desiring to make the inspection.
- B. Hours and days of the week when such an inspection may be made.
- C. Payment of the cost of reproducing copies of documents requested pursuant to this Article.

Section 10.3 Delegate Director's Right of Inspection. Every Delegate Director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association of which he is a Delegate Director, and the physical properties owned or controlled by such Association. The right of inspection by a Delegate Director includes the right to make extracts and copies of documents.

ARTICLE XI

ARCHITECTURAL COMMITTEE.

Section 11.1 Members of the Committee. The River Run Architectural Committee, sometimes referred to in this Article as the Committee, shall consist of a maximum number of members which is the same number as the number of Phases in River Run. The Association Board of Directors shall designate a Chairperson who may coincidentally represent the phase in which the Chairperson owns a building lot.

Section 11.2 Right of Appointment A Phase representative to the River Run Architectural Committee is elected by members of such Phase or, in the absence of an election, is appointed by the River Run Homeowners Association, Inc. Board. In either case, a duly elected or appointed representative to the Committee shall hold that position until such time as that person resigns or has been removed or a successor appointed as provided herein. A representative on the Committee may be removed by the River Run Homeowners Association, Inc. Board at any time without cause.

The Board of a Local Association that has been authorized to administer an Architectural Committee for its Phase shall have the right to appoint and, at any time without cause remove Members of the Local Association Architectural Committee.

Section 11.3 Review of Proposed Construction and Landscaping. The Committee shall consider and act upon any and all proposals or plans and specifications submitted for its approval pursuant to this Declaration, and perform such other duties as from time to time shall be assigned to it by the Board of the River Run Homeowners Association, Inc., including the inspection of construction or landscaping in progress to assure its conformance with plans approved by the Committee.

The Committee shall approve proposals or plans and specifications submitted for its approval only if it deems that the construction, alterations, additions or landscaping contemplated thereby in the locations indicated will not be detrimental to the appearance of the surrounding area of the Property as a whole, that the appearance of any structure or landscaping affected thereby will be in harmony with the surrounding structures and landscaping, and that the upkeep and maintenance thereof will not become a burden on the Association.

The Committee may condition its approval of proposals or plans and specifications (1) on such changes therein as it deems appropriate, (2) upon the agreement of the Owner (applicant) submitting the same to grant appropriate easements to an Association for the maintenance thereof, or (3) upon the agreement of the Owner (applicant) submitting the same to reimburse an Association for the cost of maintenance, or all three, and may require submission of additional plans and specifications or other

information prior to approving or disapproving material submitted.

The Committee may also issue rules or guidelines setting forth procedures for the submission of plans for approval, requiring a fee to accompany each application for approval, or additional factors which it will take into consideration in reviewing submissions. The Committee may provide that the amount of such fee shall be uniform, or that it be determined in any other reasonable manner, such as by the reasonable cost of the construction, alterations or additions contemplated, said rules, guidelines and fees being incorporated herein as if set forth in length.

The Committee may require such detail in plans and specifications submitted for its review as it deems proper, including without limitation, site plans, drainage plans, elevation drawings and descriptions or samples of exterior material and colors. Until receipt by the Committee of any required plans and specifications, the Committee may postpone review of any plan submitted for approval. Decisions of the Committee and the reasons therefor shall be transmitted by the Committee to the applicant at the address set forth in the application for approval, within twenty (20) days after filing all material required by the Committee. Any materials submitted pursuant to this Section shall be deemed approved unless written disapproval by the Committee shall have been transmitted to the applicant within twenty (20) days after the date of filing said materials with the Committee.

The Committee shall review and approve or disapprove all plans submitted to it for any proposed improvement, alteration or addition, solely on the basis of aesthetic considerations and the overall benefit or detriment which would result to the immediate vicinity and the Property generally. The Committee shall take into consideration the aesthetic aspects of the architectural designs, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features, but shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of any plan or design from the standpoint of structural safety or conformance with building or other codes.

Section 11.4 Meetings of the Committee. The Committee shall meet from time to time as necessary to perform its duties hereunder. The Committee may from time to time, by resolution unanimously adopted, designate in writing a Committee Representative (who may, but need not be one of its Members) to take any action or perform any duties for and on behalf of the Committee, except the granting of variances pursuant to Section 11.9. In the absence of such designation, the vote of any three (3) Members of the Committee, or the written consent of any three (3) Members of the Committee taken without a meeting shall constitute an act of the Committee.

Section 11.5 No Waiver of Future Approvals. The approval of the Committee to any proposals or plans and specifications or drawings for any work done or proposed or in connection with any other matter requiring the approval and consent of the Committee shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matter whatever subsequently or additionally submitted for approval or consent.

Section 11.6 Compensation of Members. The Members of the Committee shall receive no compensation for services rendered, other than reimbursement for expenses incurred by them in the performance of their duties hereunder. As provided for otherwise in this declaration, professional services of a consultant may be purchased as approved by the Board of Directors.

Section 11.7 Inspection of Work. Inspection of work and correction of defects therein shall proceed as follows:

A. Upon the completion of any work for which approved plans are required under this article, the Owner shall give written notice of completion to the Committee.

B. Within thirty (30) days thereafter, the Committee or its duly authorized representative may inspect such improvement. If the Committee finds that such work was not done in substantial compliance with the approved plans, it shall notify the Owner in writing of such noncompliance within such thirty (30) day period, specifying the particulars of noncompliance, and shall require the Owner to remedy the same.

C. If upon the expiration of thirty (30) days from the date of such notification the Owner shall have failed to remedy such noncompliance, the Committee shall notify the Board in writing of such failure.

Upon notice and hearing, as provided in the Bylaws, the Board shall determine whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If a noncompliance exists, the Owner shall remedy or remove the same within a period of not more than forty-five (45) days from the date of the announcement of the Board ruling. If the Owner does not comply with the Board ruling within such period, the Board, at its option, may either remove the noncomplying improvement or remedy the noncompliance, and the owner shall reimburse the River Run Homeowners Association, Inc. upon demand, for all expenses incurred in connection therewith. If such expenses are not promptly paid by the Owner to the River Run Homeowners Association, Inc., the Board shall levy a Limited Assessment against such Owner for reimbursement pursuant to this Declaration.

D. If for any reason the Committee fails to notify the Owner of any noncompliance within thirty (30) days after receipt of said written notice of completion from the Owner, the improvement shall be deemed to be in accordance with said approved plans.

Section 11.8 Non-Liability of Committee Members. Neither the Committee nor any Member thereof nor its duly authorized Committee representative, shall be liable to any Association, or to any Owner for any loss, damage or injury arising out of or in any way connected with the performance of the Committee's duties hereunder, unless due to the willful misconduct or bad faith of the Committee.

Section 11.9 Variances. The Committee may authorize variances from compliance with any of the architectural provisions of this Declaration or any Supplemental Declaration, including restrictions upon height, size, floor area or placement of structures, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental consideration may require. Such variances must be evidenced in writing, must be signed by at least three (3) Members of the Committee, and shall become effective upon recordation in the Office of the County Recorder of Ada County. If such variances are granted, no violation of the covenants, conditions and restrictions contained in this Declaration or any Supplemental Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration or of any Supplemental Declaration for any purpose except as to the particular property and particular provision thereof covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting his use of the premises, including but not limited to zoning ordinances and lot setback lines or requirements imposed by any governmental or municipal authority.

Section 11.10 Architectural Committee of a Local Association. The Phase 4 (The Island) Architectural Committee may act independently of the River Run Architectural Committee on architectural matters related to Phase 4 (The Island) and has all the powers, duties and responsibilities relative to Phase 4 as the River Run Architectural Committee has to the remainder of River Run, and shall at all times keep the Master Association Architectural Committee informed of its deliberations and actions. The Island Architectural Committee shall act within the same period provided in Section 11.3 above and shall limit its review to determine compatibility of all proposals, plans and specifications with the structures, design and plan for Phase 4.

ARTICLE XIII

ANNEXATION OF ADDITIONAL PROPERTIES

Section 12.1 By Members Additional real property may be annexed to the Property and brought within the general plan and scheme of this Declaration upon the approval by vote or written consent of Delegate Directors entitled to exercise no less than two-thirds (2/3) of the voting power of the Association

Section 12.2 Rights and Obligations of Owners of Annexed Properties. Subject to the provisions of Section 12.3, upon the recording of Supplemental Declaration as to Annexed Property containing the provisions as set forth in this Section, all provisions contained in this Declaration shall apply to the added properties in the same manner as if it were originally covered by this Declaration, subject to such modification, changes and deletions as specifically provided in such Supplemental Declaration. The Owners of lots located in the Annexed Properties shall share equally in the payment of Assessments to the River Run Homeowners Association, Inc. for the maintenance, repair, improvement, management and operation of all Common Areas, except Local Common Areas. Title to the Common Areas which are to be owned and managed by the River Run Homeowners Association, Inc., within said Annexed Properties, shall be conveyed to the River Run Homeowners Association, Inc. free and clear of any and all encumbrances and liens, subject to reservations, easements, covenants, conditions and restrictions then of record, including those set forth in this Declaration or any Supplemental Declaration applicable to such Annexed Properties.

Section 12.3 Supplemental Declaration of Annexation. The additions authorized under Section 12.1 above shall be made by filing of record a Supplementary Declaration of Annexation, or other similar instrument with respect to the Annexed Properties, which shall be executed by the Owner thereof and shall extend the general plan and scheme of this Declaration to such Annexed Properties, subject to the changes, modification, deletions and additions as are applicable to such Annexed Properties under such Supplemental Declaration. The filing of record of said Supplemental Declaration of Annexation shall constitute and effectuate the annexation of the Annexed Properties described therein, and thereupon said Annexed Properties shall become and constitute a part of the Property, become subject to this Declaration and encompassed within the general plan and scheme of covenants, conditions, restrictions, reservation of easements and equitable servitudes contained herein as modified by such Supplemental Declaration for such Annexed Properties, and become subject to the functions, powers and jurisdiction of the River Run Homeowners Association, Inc. and the Owners of Building Lots in said Annexed Properties shall automatically become Members of the River Run Homeowners Association, Inc. Such Supplemental Declaration of Annexation may contain such additions, modifications or deletions of the covenants, conditions, restrictions, reservation

of easements and equitable servitudes contained in this Declaration as may be deemed desirable to reflect the different character, if any, of the Annexed Properties, or as Grantor may deem appropriate in the development of the Annexed Properties. In no event, however, shall such Supplemental Declaration of Annexation revoke, modify or add to the covenants, conditions, restrictions, reservation of easements or equitable servitudes established by this Declaration as the same shall pertain to the Properties originally covered by this Declaration. No annexation of properties shall substantially increase Assessments payable by Members.

ARTICLE XIII

EASEMENTS

Section 13.1 Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment as between each Building Lot and such portion or portions of the Common Area adjacent thereto or as between adjacent Building Lots due to the unwillful placement or settling or shifting of the improvements constructed, reconstructed or altered thereon in accordance with the terms of this Declaration. Said easements of encroachment shall be valid so long as they exist, and the rights and obligations of Owners shall not be altered in any way by said encroachments, settling or shifting; provided, however, that in no event shall a valid easement for encroachment occur due to the willful act or acts of said Owner or Owners. In the event a structure on any Building Lot is partially or totally destroyed, and then repaired or rebuilt, the Owners of each Building Lot agree that minor encroachments over adjoining Building Lots shall be permitted and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist.

Section 13.2 Drainage and Utility Easements. Notwithstanding anything expressly or impliedly contained herein to the contrary, this Declaration shall be subject to all easements hereto before or hereafter granted for the installation and maintenance of utilities and drainage facilities that are required. In addition, the River Run Homeowners Association, Inc. Board hereby reserves for the benefit of any Association herein referred to, the right to grant additional easements and rights-of-way over the Property to utility companies and public agencies as necessary.

Section 13.3 Utility Easements. The rights and duties of the Owners of the Building Lots within the Property with respect to utilities shall be governed by the following:

A. Wherever utility house connections are installed within the Property, which connections or any portions thereof lie in or upon Building Lots owned by other than the Owners of the Building Lot served by said connections, the Owners of the Building Lot served by said connections shall

have the right, and are hereby granted an easement to the full extent necessary therefore, to enter upon the Building Lots or to have their agent enter upon the Building Lots within the Property in or upon which said connections or any portion thereof lie, to repair, replace and generally maintain said connections as and when the same may be necessary.

B. Whenever utility house connections are installed within the Property which connections serve more than one Building Lot, the Owner of each Building Lot served by said connections shall be entitled to full use and enjoyment of such portions of said connections as service his Building Lot.

Section 13.4 Driveway Easements. Whenever a driveway is installed within the Property which in whole or in part lies upon Building Lots owned by Owners other than the Owners of the Building Lot served, or are installed to serve more than one Building Lot, the Owners of the Building Lots served or to be served by such driveways shall be entitled to full use and enjoyment thereof as required to service his Building Lot or to repair, replace or maintain the same.

Section 13.5 Disputes as to Sharing of Costs In the event of a dispute between Owners with respect to the repair or rebuilding of said utility connections or driveways, or with respect to the sharing of the cost thereof, then upon written request of one of such Owners addressed to the River Run Homeowners Association, Inc., the matter shall be submitted to the Board of Directors, who shall decide the dispute and make an Assessment against any or all of the Owners involved, which Assessment shall be collected and enforced in the manner provided by this Declaration for Limited Assessments.

Section 13.6 Landscape Easements. An easement is hereby reserved to any Association herein referred to, its contractors and agents, to enter those portions of Building Lots contiguous to the Common Area owned or managed by such Association and not enclosed by fences for the purpose of maintaining, replacing and restoring exterior landscaping. Such landscaping activity shall include by way of illustration and not of limitation, the mowing of lawns, irrigation, sprinkling, tree and shrub trimming and pruning, seasonal planting and such other landscaping activities within the Property as such Association shall determine necessary from time to time.

Section 13.7 Overhang Easements. There shall be an exclusive easement appurtenant to each Building Lot over the Common Areas for overhanging eaves, and for any projections from the buildings, which projections shall not extend beyond the "eaves line".

Section 13.8 Maintenance and Use of Easement Between Walls and Property Lines. Whenever the wall of a structure, or a fence

constructed on a Building Lot under plans and specifications approved by the Architectural Committee is located within three (3) feet of the property line of such Building Lot, the Owner of such Building Lot is hereby granted an easement over and on the adjoining Building Lot (not to exceed 3 feet from the property line) for purposes of maintaining and repairing such wall or fence and eaves or other overhangs, and the Owner of such adjoining Building Lot is hereby granted an easement for landscaping purposes over and on the area lying between the property line and such structure or fence so long as such use does not cause damage to structure or fence.

Section 13.9 Waterway Easements. For the benefit of the River Run Homeowners Association, Inc. an easement is reserved for all waterways and related pipes, pumps and other related equipment over, across and under all Building Lots and Common Areas owned by River Run Homeowners Association, Inc. to the extent reasonably required to maintain the waterway system as installed on the Property or pursuant to plans and specifications approved by the Architectural Committee. Any relocation of the water lines installed as a part of such system shall not be undertaken in any way which interrupts the flow of water through the system.

Section 13.10 Third Party Easement. Developer reserved the right to grant to the owner of the property described on Exhibit C hereto, an access easement over the private streets to the headgate located in Creekside Lane.

ARTICLE XIV

DEFINITIONS

Section 14.1 "Annexed Properties" shall mean parcels of real property added by the annexation procedure to the Property covered.

Section 14.2 "Architectural Committee" shall mean the committee created pursuant to Article XI hereof.

Section 14.3 "Articles" shall mean the Articles of Incorporation of an Association as said Articles are amended from time to time.

Section 14.4 "Assessments" shall mean those payments required of River Run Homeowners Association, Inc. Members and Local Association Members, including Regular, Special and Limited Assessments as further defined in this Declaration.

Section 14.5 "Association" or "River Run Homeowners Association" shall mean the River Run Homeowners Association, Inc., an Idaho Non-Profit Corporation, its successors and assigns.

Section 14.6 "Beneficiary" shall mean a mortgagee under a mortgage or beneficiary under a deed of trust, as the case may be, and/or the assignees of such mortgagee, beneficiary or holder, which mortgage or deed of trust encumbers parcels of real property on the Property.

Section 14.7 "Board" shall mean the Board of Directors of an Association.

Section 14.8 "Building Lot or Lots" shall mean one or more of lots 1 through 13, Block 1, and lots 1 through 20, Block 3, of the subject subdivision and other lots designated as Building Lots in Supplemental Declarations for Annexed Properties. The term "Building Lot or Lots" shall also include condominium units created pursuant to the Idaho Condominium Act and apartment units and annexed hereto by Supplemental Declaration. Each such condominium apartment unit to be equivalent to a Building Lot hereunder except that for purposes of voting the Developer may have assigned by such Supplemental Declaration fewer votes per condominium or apartment unit than one per unit for purposes of voting in River Run Homeowners Association, Inc.

Section 14.9 "Bylaws" shall mean the Bylaws of an Association as such Bylaws may be amended from time to time.

Section 14.10 "Certified Assessments" shall mean those assessments applicable to a Local Association which have been approved by that Local Association and which the President and Secretary of the Local Association have certified to the River Run Homeowners Association, Inc. for levy and collection.

Section 14.11 "Common Area" shall mean all such properties as are designated in this Declaration or any Supplemental Declaration for ownership or management by the River Run Homeowners Association, Inc.

Section 14.12 "Declaration" shall mean this instrument as it may be amended from time to time.

Section 14.13 "Delegate Director" shall mean a person selected by the Local Association to represent the interests of Members of the Local Association, and to vote on their behalf in the River Run Homeowners Association, Inc. Board of Directors pursuant to Article IV hereof.

Section 14.14 "Developer" shall mean River Run Development Company, a partnership, or any person, persons, entity or entities to whom the rights of the Developer under this Declaration are specifically transferred by the Developer.

Section 14.15 "Institutional Holder" shall mean a mortgagee which is a bank or savings and loan association or established mortgage company, or other entity chartered under federal or state laws, any corporation or insurance company, or any federal or state agency.

Section 14.16 "Limited Assessment" shall mean a charge against a particular Owner and his Building Lot, directly attributable to the Owner, equal to the cost incurred by the River Run Homeowners Association, Inc. for corrective action performed pursuant to the provisions of this Declaration, including interest thereon as provided in this Declaration.

Section 14.17 "Local Association(s)" shall mean any not-for-profit Idaho corporation or unincorporated association or the successors of any of them, organized and established by Developer or by any Owner or group of Owners pursuant to or in connection with a Supplemental Declaration recorded by Developer for any individual Phase.

Section 14.18 "Local Association Assessments" shall mean those Regular and Special Assessments certified by the presidents and secretaries of the Local Associations to the River Run Homeowners Association, Inc. which then levy the assessments on members of the respective Local Associations and collects the same.

Section 14.19 "Local Association Board" shall mean the elected and qualified Board of Directors and managers of a respective Local Association.

Section 14.20 "Local Association Rolls" shall mean the official record of Owners of real property within each Local Association of the Property kept and maintained under the direction of the Board.

Section 14.21 "Local Association Rules and Regulations" shall mean those rules and regulations promulgated by the Local Association Board and approved by the Board relating to governing conduct upon and use of property of Local Association owners/members and Local Association properties, the imposition of fines and forfeitures for violation of Local Association Rules and Regulations, and procedural matters for use in the conduct of business of the Local Associations.

Section 14.22 "Local Common Areas" shall mean such Common Areas as are designated in any Supplemental Declaration for ownership and management by a Local Association.

Section 14.23 "Member" shall mean each person or entity holding a membership in the River Run Homeowners Association, Inc. and where reference is made to a Local Association, Member of a Local Association. Any person, corporation, association or partnership who shall hereafter assert or claim any right, title, claim or interest in and to the Property covered or any lot, part or parcel thereof, whether as successor in title or otherwise, and whether voluntary or by operation of law. The term "Member" is synonymous with the term "Owner".

Section 14.24 "Mortgagee" shall mean mortgagees and trust deed beneficiaries.

Section 14.25 "Owner" shall mean the person or persons or other legal entity or entities holding fee simple interest of record to a Building Lot which is a part of the Property, including sellers under executory contracts of sale, but excluding those having such interest merely as security for the performance of an obligation. And, where reference is made to a Local Association, Owner in a Local Association.

"Owner" shall mean any person, corporation, association or partnership who shall hereafter assert or claim any right, title, claim or interest in and to the Property covered or any lot, part or parcel thereof, whether as successor in title or otherwise, and whether voluntary or by operation of law. Each person or entity holding a membership in the River Run Homeowners Association, Inc. and where reference is made to a Local Association, Member of a Local Association. The term "Owner" is synonymous with the term "Member".

Section 14.26 "Phase I-A Subdivision" shall mean River Run Subdivision (Phase 1-A) as the same is shown on the official plat thereof heretofore recorded at the Office of the County Recorder, Ada County, Idaho, and as the same may hereafter be amended by duly recorded amendments thereof.

Section 14.27 "Plat" shall mean any subdivision plat covering any portion of the Property as recorded at the Office of the County Recorder, Ada County, Idaho, as the same may be amended by duly recorded amendments thereof.

Section 14.28 "Phase" shall mean an area of River Run. A Phase may consist of all or parts of one or more subdivisions with some degree of commonality, or one or more lots, whether or not shown as such on any subdivision plat as the Developer did designate from time to time throughout the period of development.

Section 14.29 "Recreation Facilities" shall mean Block 4 of Phase I-A Subdivision which was conveyed to the River Run Recreation Association by Developer after the improvements were completed, and those portions of the Common Area located on the remainder of the Property which are designated in Supplemental Declarations as Recreation Areas to be owned and managed by an Association.

Section 14.30 "Recreation Assessment" shall mean the portion of the cost of maintaining, improving, repairing, managing and operating the Recreation Facilities and all improvements and facilities located thereon, which is to be paid by the Members of the Recreation Facility pursuant to the provisions of Section 7.1 hereof.

Section 14.31 "Regular Assessment" shall mean the portion of the cost of maintaining, improving, repairing, managing and operating the Common Areas and all improvements and facilities located thereon which is to be paid by each Owner to the River Run Homeowners Association, Inc. or Local Association pursuant to Section 7.2 hereof.

Section 14.32 "River Run Plan" shall mean the concept plan of River Run attached hereto as Exhibit E as the same may be amended from time to time by Supplemental Declaration.

Section 14.33 "Special Assessment" shall mean the portion of the cost of the capital improvements or replacements and equipment purchases and replacements which are authorized and to be paid by each Owner pursuant to the provisions of this Declaration.

Section 14.34 "Structure" shall mean any facility or system, or other improvement or object, whether permanent or temporary, which is erected, constructed or placed upon, under or in any portion of the Property including but not limited to buildings, fences, streets, drives, driveways, sidewalks, bicycle paths, curbs, landscaping, signs, lights, mailboxes, electrical lines, pipes, pumps, ditches, recreational facilities, and fixtures of any kind whatsoever.

ARTICLE XV

MISCELLANEOUS

Section 15.1 Term. The covenants, conditions and restrictions of this Declaration shall run until December 31, 2020, unless amended as herein provided. After December 31, 2020, such covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years each, unless amended or extinguished by a written instrument executed by Members holding at least three-fourths (3/4) of the voting power of the River Run Homeowners Association, Inc., and such written instrument is recorded with the Ada County Recorder.

Section 15.2 Amendment. Except where a greater percentage is required by express provision in this Declaration, the provisions of this Declaration, other than this Article, may be amended by an instrument in writing signed and acknowledged by the president and secretary of the River Run Homeowners Association, Inc., certifying that such amendment has been approved by the vote or written consent of Owners owning at least fifty-one percent (51%) of the Building Lots of the River Run Homeowners Association, Inc., and such amendment shall be effective upon its recordation with the Ada County Recorder. Any amendment to this Article shall require the vote or written consent of all of the Members holding all of the voting power of the River Run Homeowners Association, Inc.

Section 15.3 Mortgage Protection. Notwithstanding any other provision of this Declaration, no amendment of this Declaration shall operate to defeat and render invalid the rights to the beneficiary under any first deed of trust upon a Building Lot made in good faith and for value, and recorded prior to the recordation of such amendment, provided that after foreclosure of any such first deed of trust such Building Lot shall remain subject to this Declaration, as amended. Notwithstanding any and all provisions of this Declaration to the contrary, in order to induce the Federal Home Loan Mortgage Corporation (FHLMC), the Government National Mortgage Association (GNMA) and the Federal National Mortgage Association (FNMA) to participate in the financing of the sale of Building Lots within the Properties, the following provisions are added hereto and to the extent these added provisions, pertaining to the rights of Mortgagees, FHLMC, FNMA, GNMA, VA and FHA, conflict with any other provisions of this Declaration or any other of these Covenants and Restrictions, these added restrictions shall control:

A. Each first Mortgagee of a Mortgage encumbering any Building Lot, upon filing a written request for notification with the Board, is entitled to written notification from an Association of any default by the Mortgagor of such Building Lot in the performance of such Mortgagor's obligations under this Declaration, the Articles or by Bylaws (collectively referred to as the "Project Documents"), which default is not cured within thirty (30) days after the Association learns of such default.

B. Every Owner, including every first Mortgagee of a Mortgage encumbering any Building Lot, which obtains title to such Building Lot, pursuant to the remedies provided in such Mortgage, or pursuant to foreclosure of the Mortgage, or by deed (or assignment) in lieu of foreclosure, shall be exempt from any "right of first refusal".

C. Each holder of a first mortgage lien on a Building Lot who comes into possession of the Building Lot by virtue of foreclosure of the mortgage, or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, will take title to such Building Lot free of any claims for unpaid assessments and charges against the Building Lot, which accrued prior to the time such holder comes into possession of the Building Lot, except for claims for a share of such assessments or charges resulting from a reallocation of such assessments or charges to all Building Lots including the mortgaged Building Lot.

D. Unless all of the first Mortgagees have given their prior written approval, neither the Association nor the Owners shall:

- (1) by act or omission seek to abandon, parti-

tion, subdivide, encumber, sell or transfer the Common Area or the Improvements thereon which are owned, directly or indirectly by the Association (the granting of easements for public utilities or for other public purposes consistent with the intended use of such property by the Association, or the transfer of the Common Area or Improvements to an unincorporated association of the Owners in accordance with the Articles of Incorporation of the Association, shall not be deemed a transfer within the meaning of this clause);

(2) change the ratio of assessments or method of determining the obligations, assessments, dues or other charges which may be levied against any Owner, or the method of allocating distributions or hazard insurance proceeds or condemnation awards;

E. Unless at least seventy-five percent (75%) of the first Mortgagees (based upon one vote for each Mortgage owned) have given their prior written approval, neither the Association nor the Owners shall:

(1) by act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design of the exterior appearance of the dwelling units on the Building Lots, the exterior maintenance of the dwelling units on the Building Lots or the upkeep of the lawns and plantings on the Properties;

(2) fail to maintain Fire and Extended Coverage on insurable Common Area on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost); or

(3) use hazard insurance proceeds for losses to any Common Area for other than the repair, replacement or reconstruction of such Improvements;

(4) abandon or terminate the covenants, conditions, and restrictions of this Declaration or any Supplement to this Declaration;

(5) make any material amendment to this Declaration or any Supplement to this Declaration or to any Articles of Incorporation or Bylaws of any association created pursuant to this Declaration;

(6) terminate professional management of the properties and assume self-management of the properties.

F. First Mortgagees, upon written request, shall have the right to (1) examine the books and records of the Association during normal business hours, (2) require from the Association the submission of annual financial reports and other financial data, (3) receive written notice of all meetings of the Owners, and (4) designate in writing a representative to attend all such meetings.

G. All first Mortgagees shall be given immediate written notice as soon as the Board receives notice or otherwise learns of any damage to the Common Area or any Building Lot whenever the cost of reconstruction exceeds Ten Thousand Dollars (\$10,000), and as soon as the Board receives notice or otherwise learns of any condemnation or eminent domain proceedings or other proposed acquisition, with respect to any portion of the Properties.

H. First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Area and may pay any overdue premiums on hazard insurance policies, for such property, and first Mortgagees making such payments shall be owed immediate reimbursement therefore from the Association.

I. The Association may contract for professional management of the Properties with a bonded professional Manager. The agreement between the Association and its agent for such professional management shall provide that the management contract may be terminated for cause on not more than thirty (30) days' written notice, and the term of any such contract shall not exceed one (1) year, renewable by agreement of the parties for successive one-year periods.

J. The Board shall secure and cause to be maintained in force at all times a fidelity bond for any person or entity handling funds of the Association, including but not limited to, employees of the professional manager.

K. Any agreement for the leasing or rental of a Building Lot, including a month-to-month rental agreement, shall provide that the terms of such agreement shall be subject in all respects to the provisions of this Declaration, the Articles and the Bylaws. All such agreements shall be in writing and shall provide that any failure by the Lessee to comply with the terms of this Declaration, the Articles and the Bylaws shall be a default under the agreement.

L. All taxes on the Common Areas must be assessable against those Common Areas only. The River Run Homeowners Association, Inc. or Local Association owning such Common Areas are solely responsible for payment of such taxes.

M. Any provision in this Declaration which requires Owners to indemnify the Association, other Owners, or the

Board of Directors, against acts of the indemnitor is subject to the exception that if the liability damage or injury is covered by any type of insurance, the indemnitor is relieved of liability to the extent of insurance coverage.

N. Notwithstanding any other provisions herein, the Association shall continuously maintain in effect such casualty, and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for planned unit development projects established by Federal National Mortgage Association and Government National Mortgage Association, so long as either is a mortgagee, or owner of a Building Lot within the project, except to the extent such coverage is not available or has been waived in writing by Federal National Mortgage Association or Government National Mortgage Association.

In addition to the foregoing, the Board may enter into such contracts or agreements on behalf of the Association as are required in order to satisfy the guidelines of the VA, the FHA, the FHLMC, the FNMA or the GNMA or any similar entity, so as to allow for the purchase, guaranty or insurance, as the case may be, by such entities of first Mortgages encumbering Building Lots with dwelling units thereon. Each Owner hereby agrees that it will benefit the Association and the membership of the Association, as a class of potential Mortgage borrowers and potential sellers of their residential Building Lots, if such agencies approve the Properties as a qualifying subdivision under their respective policies, rules and regulations, as adopted from time to time. Mortgagees are hereby authorized to furnish information to the Board concerning the status of any Mortgage encumbering a Building Lot.

Section 15.4 Notices. Any notice permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to any person at the address given by such person to the River Run Homeowners Association, Inc. for purpose of service of such notice, or to the residence of such person if no address has been given to the River Run Homeowners Association, Inc. Such address may be changed from time to time by notice in writing to the River Run Homeowners Association.

Section 15.5 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate their purpose of creating a uniform plan for the development and operation of the Property. This Declaration shall be construed and governed under the laws of the State of Idaho.

A. Restrictions Construed Together. All of the provisions hereof shall be liberally construed together to pro-

mote and effectuate the fundamental concepts of the Property as set forth in the preamble of this Declaration.

B. Restrictions Severable. Notwithstanding the provisions of the foregoing Paragraph A, each of the provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision.

C. Single Includes Plural. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine, or neuter shall each include the masculine, feminine and neuter.

D. Captions. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not affect that which is set forth in any of the provisions hereof.

Section 15.6 Enforcement and Non-Waiver.

A. Right of Enforcement. Except as otherwise provided herein, any Owner of any Building Lot within the Property shall have the right to enforce any or all of the provisions hereof against any property within the Property and the Owners thereof.

B. Violations and Nuisances. The failure of any Owner of a Building Lot to comply with any provision hereof or any provision of the Articles of Incorporation or Bylaws of the Associations referred to herein is hereby declared a nuisance and will give rise to a cause of action by any Association referred to herein, or any Owner or Owners of Building Lots within the Property, for recovery of damages, for negative or affirmative injunctive relief or both, and for any other appropriate relief. However, any other provision to the contrary notwithstanding, only the River Run Homeowners Associations, the Boards, or a duly authorized agent of any of them may enforce by self-help any of the provisions hereof only if such self-help is preceded by reasonable notice to the Owner.

In the event any Owner is found to have violated any provision of this Declaration or any provision of the Articles of Incorporation or Bylaws of the Association; said Owner shall be liable for all costs and attorney fees incurred by any Association referred to herein.

C. Violation of Law. Any violation of any state, municipal or local law, ordinance or regulation pertaining to the ownership, occupation or use of any property within the Property is hereby declared to be a violation of this

Declaration and subject to any or all of the enforcement procedures set forth in this Declaration.

D. Remedies Cumulative. Each remedy provided herein is cumulative and not exclusive.

E. Non-Waiver. The failure to enforce any of the provisions herein at any time shall not constitute a waiver of the right to enforce any such provision or any other provision of said restrictions.

Section 15.7 Reservation of Easements. Developer expressly reserved for the benefit of all the Property reciprocal easements of access, ingress and egress for all Owners to and from their respective Building Lots for installation and repair of utility services, for drainage of water over, across and upon adjacent Building Lots and Common Areas resulting from the normal use of adjoining Building Lots or Common Areas, and for necessary maintenance and repair of any improvement. Such easements may be used by Developer, its successors, purchasers, any Association referred to herein, and all Owners, their guests, tenants and invitees, residing on or temporarily visiting the Property, for pedestrian walkways vehicular access and such other purposes reasonably necessary for the use and enjoyment of a Building Lot or Common Area.

IN WITNESS WHEREOF, We have hereunto set our hands this 17th day of April, 1995.

RIVER RUN HOMEOWNERS ASSOCIATION, INCORPORATED
An Idaho Non-Profit Corporation

John Freeman
John Freeman, Vice-President

Fran Symms
Fran Symms, Secretary

STATE OF IDAHO,)
) ss.
County of Ada)

On this 17th day of April, 1995, before me, a Notary Public in and for said State, personally appeared JOHN FREEMAN, known to me to be the Vice-President of River Run Association, Inc., a corporation, and FRAN SYMMS, known to me to be the Secretary of River Run Association, Inc., a corporation, who acknowledged to me that they 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.

Lisa Bishop
Notary Public for Idaho
Residing at Boise, Idaho
exp 12-9-2000

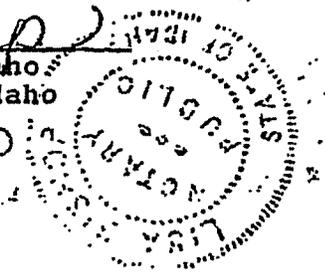


EXHIBIT A

tract of land situated in Sections 13, 14, 23 and 24, T.3N., R.2E., B.M.; and more particularly described as follows:

Commencing at a brass cap marking the S. W. corner of Sec. 13, T.3N., R.2E., B.M.; thence N. $00^{\circ}43'19''$ W., 333.70 feet to the REAL POINT OF BEGINNING;

thence N. $00^{\circ}43'19''$ W. 1172.30 feet to a point;
 thence S. $46^{\circ}12'47''$ E. 140.00 feet to a point;
 thence S. $80^{\circ}02'10''$ E. 75.00 feet to a point;
 thence S. $54^{\circ}01'09''$ E. 137.00 feet to a point;
 thence S. $37^{\circ}08'48''$ E. 60.00 feet to a point;
 thence S. $22^{\circ}18'22''$ E. 40.00 feet to a point;
 thence S. $13^{\circ}27'21''$ E. 320.00 feet to a point;
 thence S. $26^{\circ}12'25''$ E. 340.00 feet to a point;
 thence S. $14^{\circ}20'57''$ E. 130.00 feet to a point;
 thence S. $62^{\circ}08'44''$ E. 190.00 feet to a point;
 thence S. $49^{\circ}12'37''$ E. 200.00 feet to a point;
 thence S. $56^{\circ}48'51''$ E. 285.00 feet to a point;
 thence S. $66^{\circ}56'42''$ E. 310.30 feet to a point;
 thence S. $71^{\circ}00'45''$ E. 209.17 feet to a point;
 thence S. $62^{\circ}22'44''$ E. 340.00 feet to a point;
 thence N. $36^{\circ}42'32''$ E. 101.90 feet to a point on the left bank of the

Boise River; thence southeasterly along the left bank of the Boise River approximated by the following courses and distances:

S. $62^{\circ}22'44''$ E. 13.96 feet;
 S. $70^{\circ}03'09''$ E. 275.50 feet;
 S. $68^{\circ}42'09''$ E. 253.35 feet;
 S. $53^{\circ}25'01''$ E. 181.92 feet;
 S. $44^{\circ}40'29''$ E. 263.27 feet;
 S. $19^{\circ}57'15''$ E. 89.36 feet;
 S. $39^{\circ}54'40''$ E. 326.02 feet;
 S. $35^{\circ}36'55''$ E. 268.91 feet;
 S. $37^{\circ}21'37''$ E. 364.93 feet;
 S. $16^{\circ}56'25''$ W. 108.14 feet;
 S. $25^{\circ}21'58''$ W. 223.07 feet;

thence leaving river N. $06^{\circ}12'05''$ W. 213.74 feet to a point;

thence S. $24^{\circ}04'52''$ W. 240.80 feet to a point;

thence S. $52^{\circ}14'24''$ W. 303.81 feet to a point in the center of Loggers

Creek;

thence N. $58^{\circ}12'07''$ W. 157.93 feet to a $2\frac{1}{2}$ " x 30" rebar and Surv-Cap marked P.E. 1549;

thence N. $51^{\circ}17'28''$ W. 1243.43 feet to the Southeast corner of property, now, or formerly, owned by Stewart;

thence S. $05^{\circ}22'31''$ W. 221.76 feet to a point;

thence N. $65^{\circ}37'29''$ W. 826.911 feet to a point;

thence N. $37^{\circ}37'29''$ W. 262.68 feet to a point;

thence S. $00^{\circ}20'40''$ W. 263.54 feet to a point on the north bank of

Loggers Creek;

thence along said north bank, N. $74^{\circ}50'19''$ W. 81.82 feet;

thence N. $61^{\circ}41'07''$ W. 278.30 feet;

thence N. $64^{\circ}06'31''$ W. 224.36 feet to a point on the west boundary of said Section 24;

thence along said section line, N. $00^{\circ}20'40''$ E. 247.16 feet to the south-east corner of Lot 2 of H.G. Myers Country Acres Subdivision;

thence N. $65^{\circ}08'51''$ W., along the southerly boundary of said Lot 2, 57.14 feet to a point;

thence northwesterly 631.87 feet along the arc of a curve left having a radius of 1432.40 feet, a central angle of $25^{\circ}16'29''$, and a long chord which bears N. $27^{\circ}46'30''$ W. 626.76 feet to a point;

thence N. $07^{\circ}19'22''$ W. 486.80 feet to a point on the south boundary of Myers Road;

thence N. $05^{\circ}35'00''$ E. 50.07 feet to a point;

thence S. $87^{\circ}19'22''$ E. 780.03 feet to a point;

thence N. $00^{\circ}31'43''$ E. 281.95 feet to a point;

thence S. $09^{\circ}06'47''$ E. 42.71 feet to the Point of Beginning, containing a calculated area of 115.20 acres.

Basis of bearings for this description is the Idaho State Plane Coordinate System (West Zone). To convert to true North, add $00^{\circ}17'05''$ to Northwest and Southeast bearings and subtract $00^{\circ}17'05''$ from Northeast and Southwest bearings.

Prepared by

CHRONIC & ASSOCIATES

EXHIBIT C

Being a parcel of land situated in the N. W. Quarter of Section 23, T.3N., R.2E., B.M., Ada County, Idaho, more particularly described as follows:

Commencing at the Section Corner common to Sections 13, 14, 23 and 24 of Township 3 North, Range 2 East, Boise Meridian; thence along the line between Sections 23 and 24, S. $00^{\circ}20'39''$ W. a distance of 834.75 feet to a point; thence $62^{\circ}00'09''$ W. a distance of 60.89 feet to a point on the westerly right-of-way line and the REAL POINT OF BEGINNING;

thence along the centerline of Logger Creek and the southerly line of Lot 1, H. G. Myers Subdivision No. 2, S. $62^{\circ}00'09''$ W. a distance of 59.71 feet to a point;

thence S. $58^{\circ}38'09''$ W. a distance of 38.79 feet to a point;

thence N. $75^{\circ}37'51''$ W. a distance of 208.63 feet to a point;

thence N. $59^{\circ}21'51''$ W. a distance of 297.55 feet to a point;

thence N. $48^{\circ}09'51''$ W. a distance of 147.55 feet to a point;

thence N. $41^{\circ}15'21''$ W. a distance of 206.48 feet to a point;

thence N. $57^{\circ}00'21''$ W. a distance of 48.41 feet to a point;

thence N. $44^{\circ}30'51''$ W. a distance of 135.19 feet to a point;

thence N. $41^{\circ}03'21''$ W. a distance of 71.47 feet to a point;

thence N. $48^{\circ}39'03''$ W. a distance of 121.77 feet to a point;

thence N. $19^{\circ}01'09''$ E. a distance of 139.97 feet to the northwesterly corner of Lot 1, H. G. Myers Subdivision No. 2;

thence S. $65^{\circ}08'51''$ E. a distance of 1050.76 feet to a point on the westerly right-of-way line;

thence along the westerly right-of-way line S. $21^{\circ}04'12''$ E. a distance of 72.15 feet to a point;

thence along a curve right, having a radius of 1382.40 feet, a central angle of $11^{\circ}04'29''$, and a long chord which bears S. $08^{\circ}37'49''$ E., 266.79 feet to a point;

thence S. $02^{\circ}46'26''$ W. a distance of 25.58 feet to the Point of Beginning, containing an area of 0.540 acres, more or less.

Basis of bearing: Idaho West Zone Grid Bearing. Distances are from project datum.

Prepared by .

CHRONIC & ASSOCIATES

STATE OF IDAHO

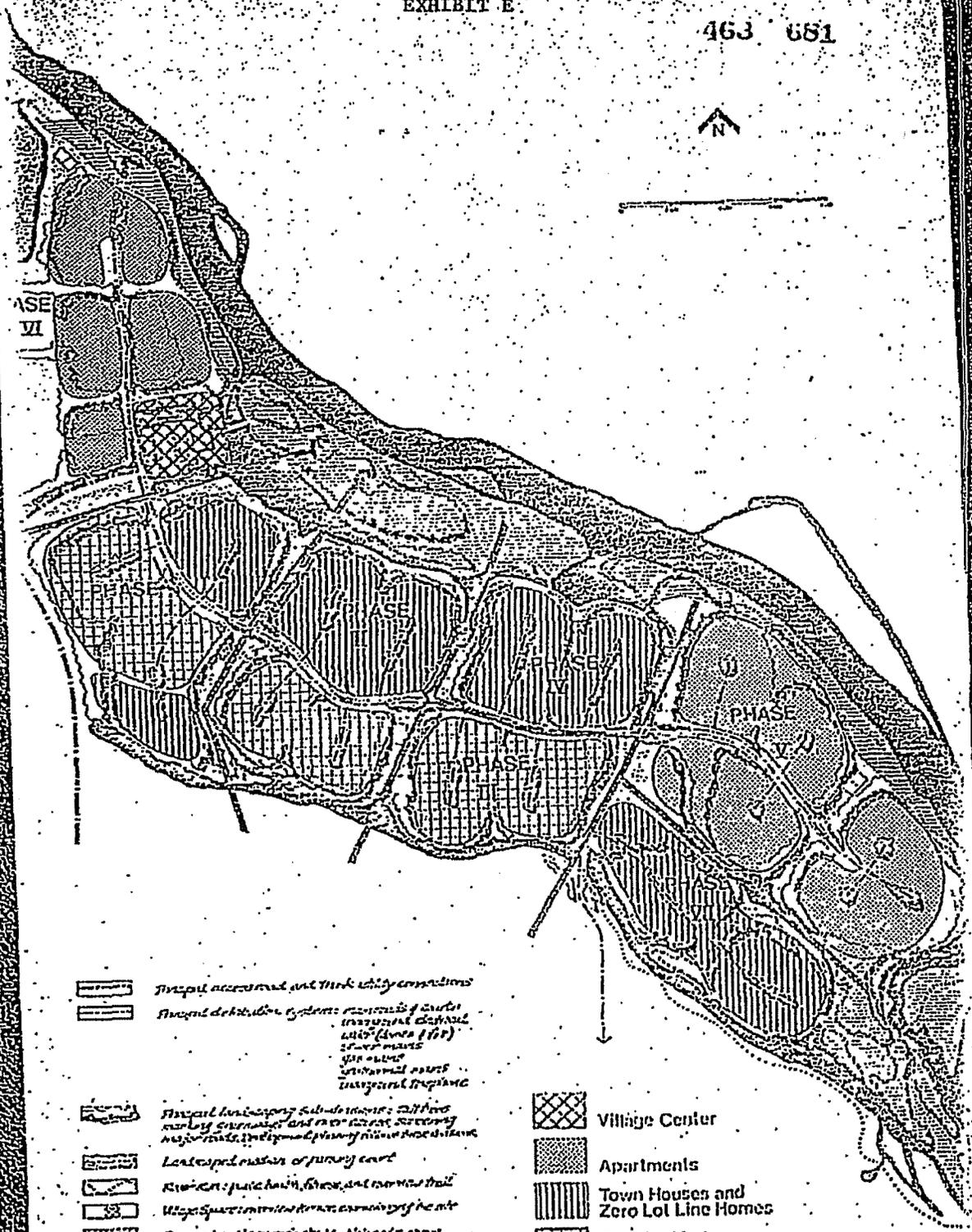
REGISTERED

157013 P

CHICAGO TITLE CO

30 July 1979

Carlene Rose-John
11/2/79



- Principal arterial and trunk utility corridors
- Principal distribution systems: residential streets, commercial streets, utility lines (water, sewer, gas, electric), and other utility lines
- Principal landscaping subdivisions: all three major systems and other features: secondary major roads, pedestrian paths, bicycle paths, etc.
- Landscape features of primary court
- River: parkway, bridge, and narrow trail
- Major space: main street, main road, etc.
- Planned public open space. Includes areas for recreation, sports, and other public uses.
- Common open space and recreation facilities (parks)

- Village Center
- Apartments
- Town Houses and Zero Lot Line Homes
- Standard Lots Detached Single Family
- Large Lots Detached Single Family

All plans that have been submitted are preliminary and subject to change without notice.