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*River Run Phase 3-B*

ADA CO. RECORDER

*HDA*

J. DAVID NAVARRO

BOISE ID

**AMENDED AND RESTATED BYLAWS**

**OF**

**RIVER RUN PHASE 3-B LOCAL ASSOCIATION, INC.**

*'96 OCT 18*

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FEE 4800 DEP [Signature]  
RECORDED AT THE REQUEST OF

**ARTICLE I**

**GENERAL PLAN OF OWNERSHIP**

Section 1 -- Name. The name of the corporation is RIVER RUN PHASE 3-B LOCAL ASSOCIATION, INC., hereinafter referred to as the "Phase 3-B Association." The principal office of the Phase 3-B Association shall be located in Ada County, Idaho.

Section 2 -- Bylaws Applicability. The provisions of these Bylaws are applicable to Phase 3-B of the planned unit development known as River Run (hereinafter called "Property"), a subdivision located in the City of Boise, Ada County, State of Idaho, described in the Declaration of Covenants, Conditions and Restrictions for River Run ("River Run Declaration") and any amendments and supplements thereto, and the Phase 3-B Supplement to the Declaration of Covenants, Conditions and Restrictions for River Run ("the Phase 3-B Supplement") and any amendments or supplements thereto, as recorded in the Office of the County Recorder, Ada County, Idaho.

Section 3 -- Personal Application. All present and future Owners and their tenants, future tenants, employees, and any other person that might use the facilities owned and/or managed by the Phase 3-B Association in any manner, are subject to the regulations set forth in these Bylaws, the River Run Declaration, and the Phase 3-B Supplement.

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

**ARTICLE II**

**VOTING, MAJORITY, QUORUM, PROXIES**

Section 1 -- Voting. Each Member of the Phase 3-B Association shall be entitled to one vote for each Building Lot owned by such Members.

Section 2 -- Majority of Members. As used in these Bylaws, the term "majority of Members" shall mean those Members holding fifty-one percent (51%) of the voting power of the Membership in the Phase 3-B Association.

Section 3 -- Quorum. Except as otherwise provided in these Bylaws, the Phase 3-B Articles of Incorporation or the River Run Declaration, the presence in person or by proxy of the Members holding at least twenty-five percent (25%) of the Membership of the Phase 3-B Association shall constitute a quorum of the Membership. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

**ARTICLE III**

**ADMINISTRATION**

Section 1 -- Phase 3-B Association Responsibilities. The Phase 3-B Association shall have the responsibility of administering the Local Common Area owned and/or managed by the Phase 3-B Association, as specified in the River Run Declaration, establishing a Phase 3-B Homeowners Association, electing a Delegate Director to the River Run Homeowners Association Board of Directors, providing exterior maintenance of the Building Structures located on the Property, providing for maintenance and repair of certain Landscaped Areas, providing property insurance for the Building Structures located on the Property, as specified in the River Run Declaration, approving the annual budget, establishing and collecting all assessments, and arranging for the management of the same pursuant to an agreement containing provisions relating to the duties, obligations, removal and compensation of the Manager. Except as otherwise provided, decisions and resolutions of the Phase 3-B Association shall require a vote or written consent of a majority of a quorum of the Members of the Phase 3-B Association.

Section 2 -- Place of Meetings. Meetings of the Phase 3-B Association shall be held on the Property, or such other suitable place close to the Property as practicable in Ada County as may be designated by the Board of Directors, and shall be conducted in accordance with Robert's Rules of Order.

Section 3 -- Annual Meetings. There shall be an annual meeting of the Phase 3-B Association which shall be held in the month of July of each year or at such other date as is specified by the Board of Directors. At each annual meeting the President and Chief Financial Officer shall report on the activities and financial condition of the Phase 3-B Association, and there shall be elected by ballot of the Members a Board of Directors and a Delegate Director to River Run Homeowners Association Board of Directors in accordance with the requirements of Section 5 of Article IV of these Bylaws. Directors and Delegate Directors shall be elected for a term of one (1) year. The Members may also transact such other business of the Phase 3-B Association as may properly come before them.

Section 4 -- Special Meetings. It shall be the duty of the President to call a special meeting of the Members, as directed by resolution of the Board of Directors, or upon a petition signed by a majority of Members and having been presented to the Secretary. The notice of all regular and special meetings shall be given by regular mail or telegram to all Members not less than ten (10) days nor more than thirty (30) days prior to the time of each meeting and shall state the date, hour and place of such meeting and the nature of the business to be undertaken. No business shall be transacted at a special meeting except as stated in the notice, unless by consent of the Members holding at least four-fifths (4/5) of the Membership in the Phase 3-B Association, either in person or by proxy.

Section 5 -- Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the day, hour and place where it is to be held, to each Member of record, at least ten (10) but not more than thirty (30) days prior to such meeting. The notice may set forth time limits for speakers and nominating procedures for the meeting. The mailing of a notice, postage prepaid, in the manner provided in this Section, shall be considered notice served, after said notice has been deposited in a regular depository of the United States mail. If no address has been furnished the Secretary, notice shall be deemed to have been given to a Member if postage in a conspicuous place on the Property.

Section 6 -- Adjourned Meetings. If any meeting of Members cannot be organized because a quorum has not attended, the Members who are present, either in person or by proxy, may adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the time the original meeting was called, at which meeting the quorum requirement shall be the presence in person or by proxy of the Members holding at least twenty-five percent (25%) of the Membership in the Phase 3-B Association. Such adjourned meetings may be held without notice thereof as provided in this Article III, except that notices shall be given by announcement at the meeting at which such adjournment is taken. If a meeting is adjourned for more than thirty (30) days, notice of the adjournment meeting shall be given as in the case of an original meeting.

Section 7 -- Order of Business. The order of business at all meetings of the Members shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of Minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) election of Directors; (g) election of a Delegates Director to the River Run Homeowner's Association Board of Directors; (h) unfinished business; and (i) new business. Meetings of Members shall be conducted by the officers of the Phase 3-B Association, in order of their priority.

Section 8 -- Action Without Meeting. Any action, which under the provisions of the Idaho Nonprofit Corporation Act is required or permitted to be taken at a meeting of the Members, may be approved without a meeting of the Members if authorized in writing signed by at least eighty percent (80%) of the Members who would be entitled to vote at a meeting for such purpose. The action must be evidenced by one (1) or more written consents describing the action taken, signed by at least eighty percent (80%) of the Members, and delivered to the corporation for inclusion in the minutes or filing with the corporate records.

Section 9 -- Consent of Absentees. The transactions of any meeting of Members, either annual or special, however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if either before or after the meeting each of the Members not present in person or by proxy signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 10 -- Minutes, Presumption of Notice. Minutes or a similar record of the proceedings of meetings of Members, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

**ARTICLE IV**

**BOARD OF DIRECTORS**

Section 1 -- Number and Qualification. The property, business and affairs of the Phase 3-B Association shall be governed and managed by a Board of Directors composed of three (3) persons, who must be Members of the Phase 3-B Association and who may also constitute officers of the 3-B Association under Article V of these Bylaws. Directors shall not receive any stated salary for their services as Directors.

Section 2 -- Powers and Duties. The Board of Directors has the powers and duties necessary for the administration of the affairs of the Phase 3-B Association and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done exclusively by the Owners

Section 3 -- Special Powers and Duties. Without prejudice to such foregoing general powers and duties and such powers and duties as set forth in the River Run Declaration, the Board of Directors is vested with, and responsible for, the following powers and duties:

(a) To select, appoint and remove all agents and employees of the Phase 3-B Association, to prescribe such powers and duties for them as may be consistent with law, with the Articles of Incorporation, the River Run Declaration and these Bylaws; and to require from them security for faithful service when deemed advisable by the Board.

(b) To conduct, manage and control the affairs and business of the Phase 3-B Association, and to make and enforce such rules and regulations therefor consistent with law, with the Articles of Incorporation, the River Run Declaration and these Bylaws, as the Board may deem necessary or advisable.

(c) To change the principal office for the transaction of the business of the Phase 3-B Association from one location to another within the County of Ada, State of Idaho, as provided in Article I hereof, and to designate any place within said County for the holding of any annual or special meeting or meetings of Members consistent with the provisions of Article III, Section 2 hereof.

(d) To borrow money and to incur indebtedness for the purposes of Phase 3-B Association, and to cause to be executed and delivered therefor, in the Phase 3-B Association's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities therefor; subject, however, to the limitations set forth in the Articles of Incorporation and the River Run Declaration.

(e) To fix and levy from time to time Regular Assessments, Special Assessments, and Limited Assessments upon the Owners, as provided in the River Run Declaration and the Phase 3-B Supplement; to determine and fix the due date for the payment of such Assessments, and the date upon which the same shall become delinquent; provided, however, that such Assessments shall be fixed and levied only to provide for the payment of the expenses of the Phase 3-B Association, and of the taxes and assessments upon real or personal property owned, leased, controlled or occupied by the Phase 3-B Association, or for the payment of expenses for labor rendered or materials or supplies used and consumed, or equipment and appliances furnished for the maintenance, improvement or development of such property, or for the payment of any and all obligations in relation thereto, or in performing or causing to be performed any of the purposes of the Phase 3-B Association for the general benefit and welfare of the Owners, in accordance with the provisions of the River Run Declaration and the Phase 3-B Supplement, including providing exterior maintenance of the Building Structures, maintenance and repair of certain Landscaped Areas, and property insurance as specified in the River Run Declaration and the Phase 3-B Supplement. The Board of Directors is hereby authorized to incur any and all such expenditures for any of the foregoing purposes and to provide, or cause to be provided, adequate reserves for replacements as it shall deem to be necessary or advisable in the



interest of the Phase 3-B Association or welfare of the Owners. The funds collected by the Board of Directors from the Owners, attributable for replacement reserves, for maintenance recurring less frequently than annually, and for capital improvements, shall at all times be held in trust for the Owners and shall not be commingled with other Assessments collected from the Owners. Such Regular Assessments, Special Assessments, and Limited Assessments shall be fixed in accordance with the provisions of the River Run Declaration and the Phase 3-B Supplement. Should any Owner fail to pay such Assessment before delinquency, the Board of Directors in its discretion, is authorized to enforce the payment of such delinquent Assessments as provided in the River Run Declaration and the Phase 3-B Supplement.

(f) To enforce the provisions of the River Run Declaration, the Phase 3-B Supplement, these Bylaws, the rules and regulations of the River Run Homeowner's Association and the Phase 3-B Association, and any agreements of the Phase 3-B Association.

(g) To contract for and pay for, casualty, blanket, liability, malicious mischief, vandalism and other insurance, insuring the Owners, the Phase 3-B Association, the Delegate Directors, the Board of Directors and other interested parties, in accordance with the provisions of the River Run Declaration and the Phase 3-B Supplement, covering and protecting against such damages or injuries as the Board deems advisable, which may include, without limitation, medical expenses of persons injured on the Property, and to bond the agents and employees of any management body, if deemed available by the Board.

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

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(i) To delegate its powers according to the law and consistent with these Bylaws.

(j) To grant easements where necessary for utilities and sewer facilities over the Local Common Area, to serve the Property.

(k) To fix, determine and name from time to time, if necessary or advisable, the public agency, fund, foundation or corporation which is then or there organized or operated for charitable purposes, to which the assets of this Phase 3-B Association shall be distributed upon liquidation or dissolution, according to the Articles of Incorporation of the Phase 3-B Association. The assets so distributed shall be those remaining after satisfaction of all just debts and obligations of the Phase 3-B Association, and after distribution of all property held or acquired by the Phase 3-B Association under the terms of a specific trust or trusts.

(l) To adopt, amend, and repeal by majority vote of the Board, such rules and regulations as to the Phase 3-B Association deems reasonable and necessary.

(m) To pay all real and personal property taxes and assessments levied against the Local Common Area, owned and/or managed by the Phase 3-B Association.

Section 4 -- Management Agent. The Board of Directors may employ for the Phase 3-B Association a management agency (Manager) at a compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Section 3 of this Article IV.

Section 5 -- Election and Term of Office. At each annual meeting of the Members, new Directors and a Delegate Director shall be elected by written ballot by a majority of the Members as provided in these Bylaws. In the event that an annual meeting is not held, or the Directors and the Delegate Director are not elected thereat, the Directors and the Delegate Director may be elected at any special meeting of the Members held for that purpose. Each Director and Delegate Director shall hold office until his successor has been elected or until his death, resignation, removal or judicial adjudication of mental incompetence. Any person serving as a Director or a Delegate Director may be re-elected, and there shall be no limitation on the number of terms during which he or she may serve.

Section 6 -- Books, Audit. The Board of Directors shall cause to be maintained a full set of books and records showing the financial condition of the affairs of the Phase 3-B Association in a manner consistent with generally accepted accounting principles. An annual operating statement reflecting income and expenditures of the Phase 3-B Association shall be

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distributed to each Member within ninety (90) days after the end of each fiscal year.

Section 7 -- Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Members of the Phase 3-B Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Members of the Phase 3-B Association, or at a special meeting of the Members called for that purpose. A vacancy or vacancies shall be deemed to exist in case of death, resignation, removal or judicial adjudication of mental incompetence of any Director, or in the case the Members fail to elect the full number of authorized Directors at any meeting at which such election is to take place.

Section 8 -- Removal of Directors. At any regular or special meeting of the Members duly called, any one or more of the Directors may be removed with or without cause by a majority of Members and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting. If any or all of the Directors are so removed, new Directors may be elected at the same meeting.

Section 9 -- Organizational Meeting. The first regular meeting of a newly elected Board of Directors shall be held within ten (10) days of the election of the Board, at such place as shall be fixed and announced by the Directors at the meeting at which such Directors were elected, for the purpose of organization and the transaction of other business. No notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, provided a majority of the whole Board shall be present.

Section 10 -- Other Regular Meetings. Other regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a resolution adopted by a majority of the Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting, unless the time and place of such meetings is announced at the Organizational Meeting, in which case such notice of other regular meetings shall not be required.

Section 11 -- Special Meetings. Special meetings of the Board of Directors may be called by the President, or, if he is absent or refuses to act, by the Vice President, or by any two (2) Directors. At least two (2) days' notice shall be given to each Director, personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove



provided) and the purpose of the meeting. If served by mail, each such notice shall be sent, postage prepaid, to the address reflected on the records of the Phase 3-B Association, and shall be deemed given, if not actually received earlier, at 5:00 o'clock p.m. on the second day after it is deposited in a regular depository of the United States mail as provided herein. Whenever any Director has been absent from any special meeting of the Board, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such meeting was given to such Director, as required by law and as provided herein.

Section 12 -- Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may in writing waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting. The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present, and if, either before or after the meeting each of the Directors not present signs such a written waiver of notice, a consent to holding such meeting, or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the records of the Phase 3-B Association or made a part of the minutes of the meeting.

Section 13 -- Quorum and Adjournment. Except as otherwise expressly provided herein, at all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 14 -- Action Without Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the vote or written consent of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors. Any such action must be evidenced by one (1) or more written consents describing the action taken, signed by each Director and included in the minutes filed with the corporate records reflecting the action taken.

Section 15 -- Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Phase 3-B Association handling or responsible for Phase 3-B Association

funds shall furnish adequate fidelity bonds. The premium on such bonds shall be paid by the Phase 3-B Association.

Section 16 -- Committees. The Board of Directors, by resolution, may from time to time designate such committee as it shall desire, and may establish the purposes and powers of each such committee created. The resolution designating and establishing the committee shall provide for the appointment of its members, as well as a chairman, shall state the purpose of the committee, and shall provide for reports, termination, and other administrative matters as deemed appropriate by the Board.

## ARTICLE V

### OFFICERS

Section 1 -- Designation. The principal officers of the Phase 3-B Association shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by the Members. One person may hold two or more offices, except those of President and Secretary. The officers may constitute the Board of Directors of the Phase 3-B Association.

Section 2 -- Election of Officers. The officers of the Phase 3-B Association shall be elected annually by the Members at the annual meeting of the Members. Each officer shall hold his or her office at the pleasure of the Members until he or she shall resign or be removed or otherwise disqualified to serve, or his or her successor shall be elected and qualified to serve.

Section 3 -- Removal of Officers. Upon an affirmative vote of a majority of the Members, any officer may be removed, either with or without cause, and his or her successor elected at any regular meeting or at any special meeting of Members called for such purpose. Any officer may resign at any time by giving written notice to the registered agent of the Phase 3-B Association. Any such resignation shall take effect at the date of receipt of such notice or at any later time specified therein; and unless otherwise specified in said notice, acceptance of such resignation by the Members shall not be necessary to make it effective.

Section 4 -- Compensation. Officers shall not receive compensation for their services.

Section 5 -- President. The President shall be the chief executive officer of the Phase 3-B Association. The President shall preside at all meetings of the Phase 3-B Association and of the Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of the President of a nonprofit corporation, including, but not limited to, the power, subject to the provisions of Article IV, Section 16, to appoint committees from among the Members from time to time as he may in his discretion decide is appropriate to

assist in the conduct of the affairs of the Phase 3-B Association. The President shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business of the Phase 3-B Association. The President shall be ex-officio a member of all standing committees, and he shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.

Section 6 -- Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent, disabled or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or these Bylaws.

Section 7 -- Secretary. The Secretary shall keep the minutes of all meetings of the Members and Board of Directors at the principal office of the Phase 3-B Association or such other place as the Board of Directors may order. The Secretary shall have charge of such books and papers as the Board of Directors may direct and shall, in general, perform all the duties incident to the office of Secretary. The Secretary shall give, or cause to be given, notices of meetings of the Members and Board of Directors required by these Bylaws or by law to be given. The Secretary shall maintain the Membership Book as required under Article XI, Section 5 of these Bylaws. The Secretary shall perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

Section 8 -- Treasurer. The Treasurer shall have responsibility for Phase 3-B Association funds and securities and shall be responsible for keeping, or causing to be kept, full and accurate accounts of the property owned by the Phase 3-B Association, tax records and business transactions of the Phase 3-B Association, including accounts of all assets, liabilities, receipts and disbursement in books belonging to the Phase 3-B Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Phase 3-B Association in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall disburse the funds of the Phase 3-B Association as may be ordered by the Board of Directors in accordance with the River Run Declaration, shall render to the President and Directors upon request, an account of all of his or her transactions as Treasurer and of the financial condition of the Phase 3-B Association, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws. Some or all of the duties of the Treasurer may be assigned to the Manager by the Board of Directors.

## ARTICLE VI

### OBLIGATIONS OF OWNERS

#### Section 1 -- Assessments.

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

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

#### Section 2 -- Maintenance and Repair.

(a) Every Owner must perform promptly, at his or her sole cost and expense, all maintenance and repair work on the Owner's Building Lot as required under the provisions of the River Run Declaration. As further provided in the River Run Declaration, all plans for alterations and repair of improvements on the Property must receive the prior written consent of the River Run Architectural Committee.

(b) As further provided in the River Run Declaration or the Phase 3-B Supplement, each Owner shall reimburse the Phase 3-B Association for any expenditures incurred in repairing or replacing any portion of the Property owned or controlled by the Phase 3-B Association which is damaged through the fault of the Owner, and each Owner shall promptly reimburse the Phase 3-B Association for the cost of repairing, replacing and/or maintaining the Owner's Building Lot which has fallen into disrepair and which the Phase 3-B Association has repaired, replaced or maintained pursuant to the River Run Declaration or the Phase 3-B Supplement. Such expenditures shall include all court costs and reasonable attorneys' fees incurred in enforcing any provisions of the River Run Declaration, the Phase 3-B Supplement, or these Bylaws.

ARTICLE VII

AMENDMENTS TO BYLAWS

The Bylaws of this corporation may be altered, amended or new Bylaws adopted at any regular or special meeting of the Members called for that purpose, or by written ballot when accompanied by a copy or summary of the amendment, by the affirmative vote of fifty-one percent (51%) or more of the Membership.

ARTICLE VIII

MEANING OF TERMS

Except as provided below, all terms appearing herein initially capitalized shall have the same meaning as are applied to such terms in the River Run Declaration, the Phase 3-B Articles, the Phase 3-B Supplement, and these Bylaws, which terms include without limitation: "Owner", "Board", "Delegate Director", "Building Lot", "Articles", "Member", "Assessments", "Local Association", "Common Area" and "Local Common Area". "Property" shall mean the Phase 3-B River Run Subdivision, according to the official plats and amendments thereto.

ARTICLE IX

CONFLICTING PROVISIONS

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

ARTICLE X

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Board of Directors, with the written approval of a majority of Members, may authorize the Phase 3-B Association to pay expenses incurred by, or to satisfy a judgment or fine rendered or levied against, a present or former director, officer, or employee of the Phase 3-B Association in an action brought by a third party against such person, whether or not the Phase 3-B Association is joined as a party defendant, to impose a liability or penalty on such person for an act alleged to have been committed by such person while a director, officer, or employee; provided, the Board of Directors determines in good faith that such director, officer or employee was acting in good



faith within what he reasonably believed to be the scope of his employment or authority and for a purpose which he reasonably believed to be in the best interests of the Phase 3-B Association or its Members. Payments authorized hereunder include amounts paid and expenses incurred in settling any such action or threatened action. The provisions of this Section shall apply to the estate, executor, administrator, heirs, legatees, or devisees of a director, officer or employee, and the term "person" where used in this Section shall include the estate, executor, administrator, heirs, legatees, or devisees of such person.

## ARTICLE XI

### MISCELLANEOUS

Section 1 -- Checks, Drafts and Documents. All checks, drafts of other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Phase 3-B Association, shall be signed or endorsed by such person or persons, and in such manner as, from time to time, shall be determined by resolution of the Board of Directors.

Section 2 -- Execution of Documents. The Board of Directors, except as in these Bylaws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name and on behalf of the Phase 3-B Association, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Phase 3-B Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

Section 3 -- Inspection of Bylaws. The Phase 3-B Association shall keep in its office for the transaction of business the original or a copy of these Bylaws as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the Members at all reasonable times during office hours.


Section 4 -- Fiscal Year. The fiscal year of the Phase 3-B Association shall be determined by the Board of Directors, and having been so determined, is subject to change from time to time as the Board of Directors shall determine.

Section 5 -- Membership Book. The Phase 3-B Association shall keep and maintain in its office for the transaction of business a book containing the name and address of each Member. Termination or transfer of ownership of any Building Lot by an Owner shall be recorded in the book, together with the date on which such ownership was transferred, and the new Owner shall be incorporated into the book in accordance with the provisions of the River Run Declaration and the Phase 3-B Articles of Incorporation.

**STATEMENT OF ADOPTION**

The foregoing Amended and Restated Bylaws were duly adopted in compliance with the Idaho Nonprofit Corporation Act by the Board of Directors of the Phase 3-B Association and by written ballot of at least two-thirds (2/3) of the Members of the Association. Twenty-three (23) Members were qualified to vote, 16 votes were cast in favor of the restatement and amendments, 0 votes were cast against the restatement and amendments, and 7 votes were not cast.

DATED this 13<sup>th</sup> day of July, 1996.

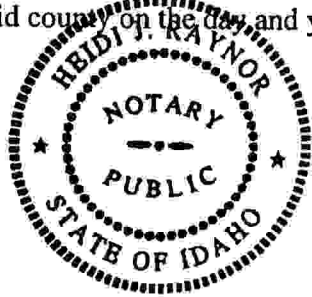
  
\_\_\_\_\_  
PRESIDENT, RIVER RUN PHASE 3-B  
LOCAL ASSOCIATION, INC.

  
\_\_\_\_\_  
SECRETARY, RIVER RUN PHASE 3-B  
LOCAL ASSOCIATION, INC.

State of Idaho )  
County of Ada ) ss.

On this 17<sup>th</sup> day of October, in the year 1996, before me, a notary public in and for the State of Idaho, personally appeared Robert Peets, known or identified to me to be the president, ~~or vice president, or secretary or assistant secretary~~, of the corporation that executed the instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in said county ~~on the day~~ and year first above written.

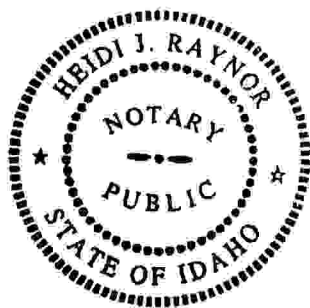


Heidi J. Raynor  
Notary Public for Idaho  
Residing at Boise  
My commission expires: 4-25-2002

State of Idaho )  
County of Ada ) ss.

On this 17<sup>th</sup> day of October, in the year 1996, before me, a notary public in and for the State of Idaho, personally appeared J. E. Burke, known or identified to me to be the president, ~~or vice president, or secretary or assistant secretary~~, of the corporation that executed the instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

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



Heidi J. Raynor  
Notary Public for Idaho  
Residing at Boise  
My commission expires: 4-25-2002