

State of Idaho

Department of State

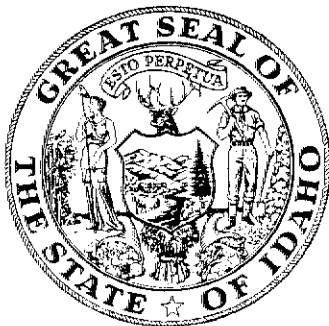
CERTIFICATE OF AMENDMENT OF

RIVER RUN PHASE 3-B LOCAL ASSOCIATION, INC.
File Number C 76882

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Amendment to the Articles of Incorporation of RIVER RUN PHASE 3-B LOCAL ASSOCIATION, INC., duly signed pursuant to the provisions of the Idaho Nonprofit Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate of Amendment to the Articles of Incorporation and attach hereto a duplicate original of the Articles of Amendment.

Dated: August 26, 1996



Pete T. Cenarrusa
SECRETARY OF STATE

By *Jonya Herold*

AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
RIVER RUN PHASE 3-B LOCAL ASSOCIATION, INC.

KNOW ALL MEN BY THESE PRESENTS:

The undersigned, for the purpose of amending and restating a nonprofit corporation under the laws of the State of Idaho in compliance with the provisions of Title 30, Chapter 3, Idaho Code, does hereby certify, declare and adopt the following amended and restated Articles of Incorporation, amending Articles I, IV, V, and VII, deleting Article VIII, renumbering and amending Articles IX, X, XI, XII, and XIII, deleting Article XIV, amending and renumbering Article XV, and deleting Article XVI.

ARTICLE I -- NAME

The name of the corporation shall be the RIVER RUN PHASE 3-B LOCAL ASSOCIATION, INC., hereafter referred to as "Phase 3-B Association".

ARTICLE II -- TERM

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

ARTICLE III -- NONPROFIT

This corporation shall be a nonprofit, membership corporation.

ARTICLE IV -- REGISTERED AGENT

The location and street address of the registered office of this corporation shall be 475 South Capitol Boulevard, Suite 300, Boise, Idaho 83702, and Diane Knipe is hereby appointed the registered agent of the Phase 3-B Association.

ARTICLE V -- PURPOSE AND POWERS OF THE ASSOCIATION

This corporation does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are to provide for certain regulations of the use of, and architectural control of, the Building Lots located within River Run Phase 3-B, which is a portion of the Property Covered by the Amended and Restated Declaration of Covenants, Conditions and Restrictions for River Run Homeowners Association, Inc., recorded in the Office of the County Recorder, Ada County, Idaho ("River Run Declaration"), as supplemented by the Amended and Restated Phase 3-B Supplement to the Declaration of Covenants, Conditions and Restrictions for River Run, recorded in the Office of the County Recorder, Ada County, Idaho ("Phase 3-B Supplement"); to provide for the maintenance and preservation of

the Local Common Area owned by the Phase 3-B Association; to elect a Delegate Director to the River Run Homeowners Association, Inc., an Idaho nonprofit corporation; to establish a Local Architectural Committee and a Phase 3-B Local Homeowners Association; to maintain the exterior portion of the Building Structures located within River Run Phase 3-B; to provide for maintenance and repair of certain Landscaped Areas; to provide property insurance for the Building Structures located within River Run Phase 3-B; and to promote the health, safety and welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of the Phase 3-B Association. The Phase 3-B Association shall also have the power to:

(A) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Phase 3-B Association as set forth in the River Run Declaration and the Phase 3-B Supplement, as either may be amended from time to time as therein provided, said River Run Declaration and Phase 3-B Supplement being incorporated herein as if set forth at length;

(B) Fix, levy, collect and enforce payment by any lawful means, all charges of Assessments pursuant to the terms of the River Run Declaration and the Phase 3-B Supplement; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Phase 3-B Association, including all licenses, taxes or governmental charges levied or imposed against the Local Common Area owned by the Phase 3-B Association;

(C) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Phase 3-B Association;

(D) Borrow money, and with the assent of two-thirds (2/3) of each class of Members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(E) Dedicate, sell or transfer all or any part of the Local Common Area to any public agency, authority, or utility for such purposes and under such conditions as may be agreed to by the Members or set forth in the River Run Declaration and/or the Phase 3-B Supplement. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of the Members, agreeing to such dedication, sale or transfer and otherwise conforms to the limitations imposed by the River Run Declaration and the Phase 3-B Supplement;

(F) Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Local Common Area, provided that any such merger, consolidation or annexation shall comply with the requirements of the River Run Declaration and the Phase 3-B Supplement;

(G) Have and exercise any and all powers, rights and privileges which a corporation organized under the Idaho Nonprofit Corporation Act may now or hereafter have or exercise, subject only to limitations contained in the River Run Declaration, the Phase 3-B Supplement, the Bylaws of this corporation, and the amendments and supplements thereto.

ARTICLE VI -- MEMBERSHIP

Every person or entity who is a record Owner of a fee or undivided fee interest in any Building Lot subject to the Phase 3-B Supplement, including contract sellers, shall be a Member of the Phase 3-B Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Building Lot which is subject to the Phase 3-B Supplement.

ARTICLE VII -- VOTING RIGHTS

Members of the Phase 3-B Association shall be entitled to one (1) vote for each Building Lot owned. When more than one person or entity holds an interest in any Building Lot, all such persons shall be Members, but in no event shall more than one vote be cast with respect to any Building Lot.

ARTICLE VIII -- BOARD OF DIRECTORS

The affairs of this corporation shall be managed by a Board of three (3) directors, who must be Members of the Phase 3-B Association. The number of directors may be changed by amendment of the Bylaws of the corporation.

ARTICLE IX -- ASSESSMENTS

Each Member shall be liable for the payment of Assessments as provided for in the River Run Declaration, the Phase 3-B Supplement, and the Phase 3-B Bylaws.

ARTICLE X -- 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.

For the purpose of specifying in detail the rights, responsibilities, duties and obligations of the Board of Directors, the officers, employees and agents of the corporation and the Members for the payment of Assessments, the Bylaws may incorporate by reference the provisions of the River Run Declaration and the Phase 3-B Supplement.

ARTICLE XI -- DISSOLUTION

Subject to the provisions as to mortgage protection contained in the River Run Declaration and the Phase 3-B Supplement, the Phase 3-B Association may be dissolved with the assent given in writing and signed by all Members or upon the affirmative vote of the Membership at a duly constituted meeting of the Members. Upon dissolution of the Phase 3-B Association, other than incident to a merger or consolidation, the assets of the Phase 3-B Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Phase 3-B Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE XII -- AMENDMENTS

Amendment of these Articles shall require the assent of not less than fifty-one percent (51%) of the Membership and no amendment which is inconsistent with the provisions of the River Run Declaration or the Phase 3-B Supplement shall be valid.

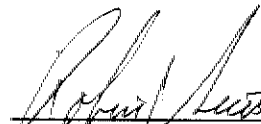
ARTICLE XIII -- MEANING OF TERMS

All terms appearing herein initially capitalized shall have the same meanings as are applied to such terms in the River Run Declaration, these Articles, the Phase 3-B Supplement, and the Phase 3-B Bylaws, which terms include, without limitation: "Articles", "Board", "Building Lot", "Bylaws", "Common Area", "Delegate Director", "Local Association", "Local Common Area", "Member", "Property", "Property Covered", and "Owner".

STATEMENT OF ADOPTION

The foregoing Amended and Restated Articles of Incorporation 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 seventy-five percent (75%) 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 13th day of July, 1996.



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



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