

August 17, 2020

VIA U.S. MAIL

Jerome Jordan
P.O. Box 5478
Ketchum, ID 83340

VIA E-MAIL ONLY

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Re: Deer Run Homeowners' Association, Inc.
Our File No. 12284-001

Dear Deer Run Townhome Owners:

This shall serve as a follow-up to the July 23, 2020 conference call among the Members of the Deer Run Homeowners' Association, Inc. (the "Association") regarding the proposed amendments to the Association's Declaration of Covenants, Conditions and Restrictions (the "CC&Rs") as well as its Bylaws (the "Bylaws") as set forth in my June 12, 2020 letter. During the conference call, the Members provided feedback on the proposed amendments and suggested additional edits to the CC&Rs and Bylaws. Enclosed herewith as Exhibits A and B are revised redlined copies of the CC&Rs and Bylaws which incorporate the Members' feedback and their additional edits.

CC&RS

The highlights of the additional substantive edits to the existing CC&Rs are as follows:

ARTICLE I – INTERPRETATION

- Article I Section 2.4 – Definitions: Common Expenses
 - Deleted "pavers damaged by tree roots" from the proposed items covered as a

common expense

- Article I Section 2.9 – Definitions: Perimeter Fence
 - Modified the definition of “perimeter fence” to include the fence on the eastern property line and all partition fences between Lots C and D, E and F, F and G, G and H and the privacy fences between Lot D and the Common Area, Lot E and the Common Area and Lot H and the Common Area

ARTICLE II – PROPERTY RIGHTS

- Article II Section 3.6 – Access Rights
 - Increased the objection period to forty-eight (48) hours and stated that “notice shall be provided via email and text, if such Owner has provided his/her contact information to the Association otherwise notice shall be posted on the door of the Owner’s Townhome.”

ARTICLE III – ALTERATIONS, NUISANCES, USE REGULATIONS

- Article III Section 1 – Alterations
 - Added the following underlined language to clarify that the Association is responsible for maintaining/repairing improvements and upgrades that it chooses to make to the Perimeter Fence:
 - “The Association shall be responsible for maintaining and repairing the Perimeter Fence including any improvements or upgrades that it elects to make.”
- Article III Section 3 – Maintenance of Property
 - Deleted “Provided, however, that any pavers damaged by tree roots shall be repaired by the Association, the cost of such repair shall be added to and become part of the assessment collected by the Association pursuant to Article VII of this Declaration.”
 - Changed the authority to determine whether property is adequately maintained from the Board of Directors (the “Board”) to the Association’s property manager
 - Changed the notice requirement for an Owner to properly maintain his or her Property from 30 days to 60 days
 - Deleted the Board’s ability to have the work completed on behalf of the violating Owner
- Article III Section 6 – Parking Restrictions; Use of Garage
 - Deleted the word “unsightly”

ARTICLE VIII – INSURANCE

- Article VIII Section 1(a)(i) – Types of Insurance
 - Removed requirement of maintaining “earthquake” insurance coverage

BYLAWS

The highlights of the additional substantive edits to the existing Bylaws are as follows:

ARTICLE I – DEFINITIONS

- Article I Section 3 – Definitions: Common Expenses
 - Deleted “pavers damaged by tree roots” from the proposed items covered as a common expense
- Article I Section 7 – Definitions: Perimeter Fence
 - Modified the definition of “perimeter fence” to include the fence on the eastern property line and all partition fences between Lots C and D, E and F, F and G, G and H and the privacy fences between Lot D and the Common Area, Lot E and the Common Area and Lot H and the Common Area

ARTICLE II – BOARD OF DIRECTORS

- Article II Section 3 – Election and Term of Office
 - Reduced Board Member terms to one (1) year

ARTICLE III – ASSOCIATION MEMBERS

- Article III Section 2 – Annual Meetings
 - Changed the date of the Association’s annual meetings to “the month of either July or August of each year unless otherwise determined by the Board of Directors.”

ARTICLE IV – OFFICERS

- Article IV Section 1 – Designation
 - Clarified that all principal AND assistant officers must be members of the Board of Directors, *i.e.* Owners.

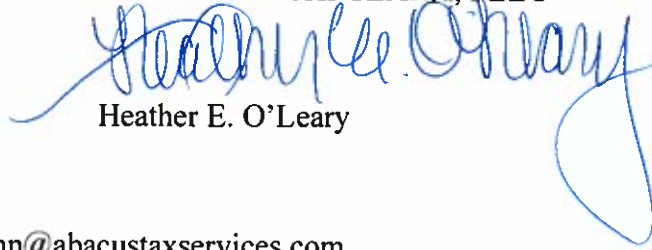
As set forth in my June 12, 2020 letter, Article IX Section 2 of the current CC&Rs provides for amendments by written consent of six-eighths (6/8) of the Owners and Article VI Section 1 of the current Bylaws provides for amendments of the Bylaws by written consent of at least fifty-one (51%) percent of the Owners. Enclosed herewith as Exhibit C is a written ballot. If you consent to the proposed amendments to the CC&Rs and Bylaws, please respond by signing and returning the written ballot no later than August 31, 2020 via email to: heo@lawsonlaski.com or via U.S. Mail to: P.O. Box 3310, Ketchum, Idaho 83340.

Deer Run Townhome Owners
August 17, 2020
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If you have any questions, please do not hesitate to contact me. Thank you in advance for your timely attention to this matter.

Sincerely,

LAWSON LASKI CLARK, PLLC

A handwritten signature in blue ink, appearing to read "Heather E. O'Leary", is written over the typed name. The signature is fluid and cursive, with a large loop at the end.

Heather E. O'Leary

/heo
Enclosures
cc: Lynn Holverson via email: lynn@abacustaxservices.com

EXHIBIT A

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

~~Edward A. Lawson~~ Heather E. O'Leary, Esq.
LAWSON & LASKI CLARK, PLLC
P.O. Box 3310
Ketchum, ID 83340-3310

(Space Above This Line For Recorder's Use)

AMENDMENT AND RESTATEMENT NO. TWO TO DEER RUN TOWNHOMES
HOMEOWNERS' ASSOCIATION DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS

This Amendment and Restatement No. Two to Deer Run Townhomes
Homeowners' Association Declaration of Covenants, Conditions and Restrictions (the "Amended
and Restated Declaration") is made ~~as of the~~ this day of _____, 2020 by Deer Run
Homeowners' Association, Inc. (the "Association"). ~~date hereinafter set forth by the signature of~~
~~the undersigned Declarant.~~

RECITALS

A. This Declaration supplements and amends all previously recorded
declarations and amendments, which include the Deer Run Townhomes Homeowners'
Association Declaration of Covenants, Conditions and Restrictions, recorded on October 25,
2002 as Instrument No. 472682, records of Blaine County, Idaho (the "Master Declaration"), as
amended by the First Amendment to the Declaration of Covenants, Conditions and Restrictions
of Deer Run Homeowners' Association, Inc., recorded on April 11, 2016 as Instrument No.
634192, records of Blaine County, Idaho (the "First Amendment").

B.A. Declarant The Association is the owner of certain property located in
Ketchum, County of Blaine, State of Idaho, which is more particularly described in the legal
description attached hereto as Exhibit "A" and incorporated herein by this reference.

CB. Declarant is constructing mEight (8) multi-story townhome residential
dwellings, each joined by common party walls, were constructed on the Property and identified
as Sublots A, B, C, D, E, F, G and H on the Deer Run Townhomes Plat, which was recorded as
Instrument No. 472487 on October 23, 2002, records of Blaine County, Idaho, so that each
townhome is located on a separate parcel of land and has appurtenant to it an undivided interest
in certain common area.

AMENDMENT AND RESTATEMENT NO. TWO TO DEER RUN TOWNHOMES HOMEOWNERS'
ASSOCIATION DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS - 1 12284001-666474.5

32326.0004.566474.8

DECLARATION

~~Declarant~~ The Association hereby declares that all of the property described above shall be ~~held, sold and conveyed~~ subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any rights, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I

Interpretation

~~1~~ ~~Declarant is Original Owner. Declarant is the original Owner of the Property and all improvements located thereon and will continue to be deemed the Owner thereof except as conveyances or documents changing such Ownership regarding specifically described lots within the Property are filed of record.~~

21 Captions and Schedules. Captions given to the various Articles and Sections herein are for convenience only and are not intended to modify or affect the meaning of any of the substantive provisions hereof. Any schedules or exhibits referred to herein and attached hereto shall be deemed incorporated herein by reference as though fully set forth where such reference is made.

32 Definitions.

~~3-12.1~~ "Association" shall mean Deer Run ~~Townhomes~~ Homeowners' Association, Inc.

~~3-22.2~~ "Board" shall mean the Board of Directors of the Association.

~~3-32.3~~ "Common Area" shall mean the land designated as Common Area in Exhibit "B."

~~3-42.4~~ "Common Expenses" shall mean all expenses incurred for the upkeep, maintenance, repair, replacement, management and operation of the Common Area, the Association's Fence, freestanding light fixtures located on Lots A, B and C, pavers located on portion of the Property if damaged by tree roots, the exterior walls of Townhomes, which include the exterior of chimneys, windows, garages and front doors, and as well as roofs and soffit screening on of the Townhomes, including any reserve for maintenance and repairs, reinstatement, rebuilding and replacement of the Common Area and the exterior walls and roofs of Townhomes; the costs associated with maintaining and repairing (unless required as a result of an owner's willful or negligent acts) and inspecting fire safety systems in each Townhome, the cost of the insurance permitted or required herein to be procured and maintained by the Association together with related expenses; the cost of irrigation, janitorial and similar services for the Common Area; the cost of trash removal and snow removal

~~on private common area driveways; the cost of radiant heat in the Common Area driveway parking- and on deck pavers radiant heat and maintenance; wages, accounting and legal fees; management fees; the cost to maintain and repair utility easements located on the Common Area and any other expenses and liabilities incurred by the Association for the benefit of the Owners under or by reason of this Declaration. The Association shall provide exterior maintenance upon each Townhome as follows: paint, repair, replacement and care of roofs, gutters, heat tape, windows, downspouts, exterior building surfaces, and other exterior improvements. In the event that the need for maintenance or repair of a Townhome or the improvements thereon is caused by the willful or negligent acts of its Owner, or through the willful or negligent acts of the family, guests or invitees of the Owner of the Townhome needing such maintenance or repair, the cost of such exterior maintenance shall be added to and become part of the assessment to which such Townhome is subject. Common Expenses do not include the cost to maintain and/or repair any decking system, other than its radiant heat, nor any improvement or upgrade that an Owner has made or will make -to any portion of the Fence, such costs and expenses shall be the Owner's sole responsibility.~~

~~3.5 "Declarant" shall mean Deer Run Townhomes, L.L.C., an Idaho limited liability company.~~

~~3.62.5 "Declaration" shall mean this Amendment and Restatement No. Two to Deer Run Townhomes-Homeowners' Association Declaration of Covenants, Conditions, and Restrictions and any amendments thereof.~~

~~3.72.6 "Lot" shall mean and refer to any one of the parcels which constitute a portion of the Property.~~

~~3.82.7 "Owner" or "Member" shall mean and refer to the record Owner, whether one or more persons or entities, of fee simple title to any Townhome including contract purchasers, but excluding those having such interests merely as security for the performance of an obligation.~~

~~3.92.8 "Party Wall" shall mean the wall which is built as part of the original construction of a Townhome and placed on the dividing line between the Lots.~~

~~2.9 "Perimeter Fence" shall mean the fences, which act as a barrier between adjacent residential properties on the northern, eastern and southern property lines, and which are located on the northern property line of Lots G and H, the eastern property line of Lots E, F and G and the southern property line of Lots C and D and the southern lot line common area. The Perimeter Fence shall also does not include any-all portions of the partition fencing on the dividing line between Lots C and D, E and F, F and G, G and H or-and the privacy fences between Lot D and the Common Area, Lot E and the Common Area or-and Lot H and the Common Area.~~

~~3.102.10 "Persons" shall include natural persons, partnerships, corporations, associations and personal representatives.~~

~~3.12.11~~ "Plat Map" shall mean the subdivision map, a copy of which is attached hereto as Exhibit "B" depicting the Property, the Townhomes, and the Common Area.

~~3.12.12~~ "Property" shall mean and refer to all of the Lots and real property described in Recital ~~B~~A above.

~~3.12.13~~ "Townhome" shall mean the ~~single family~~single-family residential unit located on a Lot and separated from the adjoining townhome unit or units by a Party Wall.

43 Owner Consent or Approval. Whenever any of the provisions of this Declaration require the consent or approval of, or a decision by, the Owners, then, unless otherwise expressly provided herein, the consent, approval or affirmative decision of all of the Owners shall be deemed to be required.

ARTICLE II

Property Rights

- 1 Lots. Ownership of a Lot shall include a Townhome, and an undivided interest in the Common Area, Membership in the Association, and any easements appurtenant to the Lot. Subject to the provisions of this Declaration, each Owner shall have the right to own, use and enjoy the Lot owned by said Owner.
- 2 Common Area. Every Owner shall have an undivided one-eighth interest in the Common Area and a non-exclusive easement of use and enjoyment in, to and throughout the Common Area and for ingress, egress and support over and through the Common Area; however, such non-exclusive easements shall be subordinate to, and shall not interfere with, exclusive easements appurtenant to Townhomes over the Common Area, if any. Each such non-exclusive easement shall be appurtenant to and pass with the title to every Townhome.
- 3 Easements.
 - 3.1 Right to Use. Subject to the provisions of this Declaration each Owner shall have the right to use, enjoy and receive the benefit of any easements created hereunder.
 - 3.2 Utility Easement. There is hereby created an easement upon, across, over, through and under the Property for ingress, egress, installation, replacement, repair and maintenance of all utilities and service lines and systems including, but not limited to, water, sewers, gas, telephones, ~~fire alarm~~, electricity, television, cable, or communication lines and systems for those existing utilities ~~initially installed by the Declarant~~.

- 3.3 Easement for Owner Duties. There is hereby reserved to ~~Declarant and~~ each Owner, or their duly authorized agents and representatives, such easements as are necessary to perform the duties and obligations of the Owners as set forth herein.
- 3.4 Easement for Encroachments. Each Lot is hereby declared to have an easement over all adjoining Lots for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of any building located on any Lot, or any other similar cause, and any encroachment due to building overhang or projection. There shall be valid easements for the maintenance of said encroachment so long as they shall exist, and the rights and obligations of the Owner shall not be altered in any way by said encroachment, settling or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful act or acts with full knowledge of said Owner or Owners. In the event any building or improvement on a Lot is partially or totally destroyed, and then repaired or rebuilt, the Owners agree that minor encroachments over adjoining Lots shall be permitted, and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist. The foregoing encroachment shall not be construed to be encumbrances affecting the marketability of title to any Lot.
- 3.5 Easement Over Lots. There is hereby reserved to each Owner an easement over each Lot to the extent reasonably necessary to permit said Owner to repair, maintain and improve the improvements on said Owner's Lot; and to permit said Owner to move personal property in and out of the improvements on said Owner's Lot. Provided, each Owner shall utilize only such portion of another Lot, and only for such duration as is reasonably necessary to accomplish a permitted purpose and in a manner that will not unnecessarily disturb the peaceful enjoyment of such other Lot by the Owner thereof; and at said Owner's sole expense, repair any damage caused to such other Lot and improvements to as near the original condition as reasonably practicable Party Walls.
- 3.6 Access Rights. [Upon providing forty-eight \(48\) hours' notice to an Owner, the Association shall have the right to access the Owner's Townhome for installation, repair, replacement and maintenance to the Property as described in Section 3.2 of this Article so long as the Owner does not object within the forty-eight \(48\) hour notice period. Such notice shall be provided via email and text, if such Owner has provided his/her contact information to the Association otherwise notice shall be posted on the door of the Owner's Townhome. Such Owner's objection cannot be unreasonable or for the purpose of delaying necessary repairs and/or maintenance. The forty-eight \(48\) hour notice shall not apply in the case of emergencies where it becomes necessary to act to prevent damage, including but not limited to fire, flood, natural disasters, and plumbing water damage.](#)

4 Party Walls

- 4.1 General Rules of Law to Apply. To the extent not inconsistent with the provisions of this Article, the general rules of law regarding Party Walls and liability for property damage due to negligence or willful acts or omissions shall apply to the Party Walls.
- 4.2 Cost of Repair. The cost of reasonable repair and maintenance of a Party Wall shall be shared equally by the two Owners who make use of that wall.
- 4.3 Destruction by Fire or Other Casualty. If a Party Wall is destroyed or damaged by fire or other casualty, any Owner who has the use of the wall may restore it, and the other Owner who makes use of the wall shall contribute one-half of the cost of restoration thereof, without prejudice, however, to the right of any such Owner(s) to call for a larger contribution from the other Owner(s) under any rule of law regarding liability for negligent or willful acts or omissions. The two respective Owners shall agree on the price and contractor prior to the commencement of restoration, which agreement shall not be unreasonably withheld.
- 4.4 Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful acts causes the Party Wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.
- 4.5 Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under Section 4.2 of this Article II shall be appurtenant to the land and shall pass to such Owner's successors in title.
- 4.6 Lien. The Owner(s) incurring the costs and who have a right to contribution pursuant to Section 4.2 of this Article II, shall have a lien upon the Townhome of the non-contributing Owner(s) and may prepare a written notice of lien setting forth the amount of such costs, and identifying the Townhome upon which the costs in question were incurred and the name(s) of the Owner(s) thereof. The lien for such costs shall attach upon recordation of the notice of lien. Such lien shall be prior to any declaration of homestead recorded after the recording of this Declaration. The lien shall continue until fully paid or otherwise satisfied. When the lien has been fully paid or satisfied, a further notice releasing the lien shall be recorded. The lien may be foreclosed in the same manner as provided in the laws of the State of Idaho for the foreclosure of lien on real property, or as otherwise provided by law. In any such foreclosure, the Owner(s) of the Townhome being foreclosed upon shall be required to pay the costs, expenses and reasonable attorney's fees in connection with the preparation and recordation of the notice of lien and in connection with the foreclosure. The costs expended for which the lien is filed shall also be the personal and individual debt of the defaulting Owner(s) and suit to recover a money judgment (together with all costs, expenses and reasonable attorney's fees) therefor may be maintained without foreclosing or waiving the lien.

ARTICLE III

Alterations, Nuisances, Use Restrictions

- 1 Alterations. No improvements, alterations, repairs, change of paint colors, excavations, changes in grade or other work which in any way alters the exterior of any Lot or the improvements located thereon from its natural or improved state as of completion of the construction of the original improvements shall be made or done without the prior written approval of all the Owners. No building, fence, wall, residence, or other structure shall be constructed or erected, altered, made or done without the prior written approval of all of the Owners. ~~In the event any Owner fails to approve, approve with conditions or disapprove in writing an application submitted within thirty (30) days after plans and specifications in writing have been submitted to such Owner, approval will be deemed denied.~~ No fencing whatsoever ~~in~~ shall be installed on any Sublots A, B, or C, except on the southern property line of Lot C, ~~in~~ addition to the existing ~~fencing installed by Declarant.~~ Fencing may be installed by the Owners of Sublots D, E, F, G, or HC at the Owner's option and expense as long as the fencing matches in design, materials, and finish the existing ~~fencing installed by Declarant~~ along the south property line of the Deer Run Townhomes. The Association shall be responsible for maintaining and repairing the Fence including any improvements or upgrades that it elects to make. The cost to repair and maintain partition fencing on the dividing line between adjoining Lots shall be shared equally between the adjoining Lot Owners. The cost to repair and maintain the privacy fences between Lot D and the Common Area, Lot E and the Common Area as well as Lot H and the Common Area shall be shared equally between the respective Lot owner and the Association. However, any costs and expenses related to maintaining and/or repairing any improvements or upgrades to any portion of the Perimeter Fence, partition fencing or privacy fencing that an Owner has elected to make shall be that Owner's sole responsibility. In the event that the need for maintenance or repair of a partition or privacy fence any portion of the Fence is caused by the willful or negligent acts of an Owner, or through the willful or negligent acts of the family, guests or invitees of an Owner, the Owner responsible for such damage shall pay the entire cost of repair. In the event any Owner fails to approve, modify or disapprove in writing an application submitted within thirty (30) days after plans and specifications in writing have been submitted to such Owner, approval will be deemed denied.
- 2 Nuisances. No noxious or offensive activities, including but not limited to, repair of automobiles or other motorized vehicles, shall be conducted within the Property. Nothing shall be done on or within the Property that may be or may become an annoyance or nuisance to the residents of the Property, or that in any way interferes with the quiet enjoyment of occupants of Townhomes. Unless otherwise permitted by the Association rules, no Owner shall serve food or beverages, cook, barbecue, or engage in similar activities, except within such Owner's ~~Townhome~~ Lot, ~~and~~ except within those portions of the ~~Common~~ Area subject to exclusive easements appurtenant to such Owner's Townhome, if any.
- 3 ~~Maintenance of Property and Landscaping~~. ~~Each Owner shall keep all Lots owned by him, and all improvements therein or thereon in good order and repair and free of debris. Except as provided herein, all landscaping for all Townhomes will be maintained by the Association. Any owner who, pursuant to this Declaration, constructs a fence or wall shall maintain all landscaping within said fenced or walled area at that Owner's expense. Any~~

Commented [HEO1]: This provision was deleted pursuant to the First Amendment and replaced with the following Section 3 (in red font).

~~modification to the irrigation system in a fenced or walled area which is made for the sole benefit of the Owner of such area shall be made at that Owner's sole expense and shall only be performed by the same contractor providing Common Area landscape maintenance. All such approved fences and walls must be maintained as follows:~~

- ~~• if wood, and originally painted or stained, the fence must be re-stained or repainted not less than every two (2) years.~~
- ~~• if stucco or masonry, and originally painted, the wall must be re-painted not less than every ten (10) years~~

3. Maintenance of Property and Landscaping. ~~No landscaping or other improvement or condition on a Lot is permitted to fall into uncleanness, disorder or disrepair. Each Owner shall keep all Townhomes owned by him/her, and all improvements therein or thereon on his or her Lot in good order and repair and free of debris. All landscaping, which includes all flower pots and pavers, both inside and outside within the fenced areas of the individual townhomes~~ Lots and along Bird Drive, including the individual walkways located on Lots A, B and C, shall be maintained at the sole cost and expense of the Owner of such Lottownhome. All landscaping outside the fenced areas of the individual townhomes, and along Bird Drive, for all townhomes will be maintained by the Association. Provided, however, that any pavers damaged by tree roots shall be repaired by the Association, the cost of such repair shall be added to and become part of the assessment collected by the Association pursuant to Article VII of this Declaration. The Deer Run Townhomes have an integrated irrigation system throughout the front and back yards of the Ttownhomes and which shall be controlled, maintained and repaired by the Association. The irrigation system is a "utility easement" pursuant to Section 3.2 of the Declaration. By this utility easement, the Association shall have access to all Lots during such reasonable hours as may be necessary for the maintenance, repair and replacement of the irrigation system and shall be an expense of the Association; provided, however, if damage to the irrigation system is the result of negligence of an Owner of a lot/townhomeLot, then such Owner shall be financially responsible for the costs and expenses of such damage, and such damage to the irrigation system shall be repaired and restored substantially to the same condition as existed prior to damage. Amounts owed hereunder by Owners shall be collected by the Association by assessment pursuant to Article ~~IV~~VII of this Declaration

The Association's professional managing agent ("Manager")-Board shall have exclusive authority to determine whether an Owner is adequately maintaining his or her Lot and the improvements thereon. The Board's determination on this issue will be conclusive and binding on all parties. In the event the Manager determines that an Owner of a Lot has failed to keep it in good condition and repair, the Manager shall notify the Board. -The Association-Board shall then may provide not less than thirtysixty (360) days' written notice of the violation and the action required to remedy the violation. If the necessary work is not completed within thirty (30) days of the date of the notice of an alternative time period agreed upon by the Board, the Association or a contractor engaged by the Association may, at its option, without liability to the Owner, lessee or other occupant in trespass or otherwise, go onto the Lot and repair, maintain, clean and/or otherwise cause the Lot to be placed in good condition and repair.

Commented [HEO2]: This section incorporates the amendment per the First Amendment to the CC&Rs (in red font) as well as additional proposed edits (in purple font).

~~The Association may charge the Owner of the Lot for the cost of such work. The Owner of the Lot is obligated to pay such charge, plus ten percent (10%) of such costs for overhead and supervision, immediately upon receipt of the corresponding invoice. Interest thereon at the rate of twelve (12%) percent per annum will begin to accrue on such sum on the thirty-first (31st) day after a written invoice is delivered to the Owner. Any such fees shall be treated as an assessment and may be collected by the Association as set forth in Article VII of this Declaration.~~

- 4 Zoning Regulations. Zoning regulations, building regulations, environmental regulations and other similar governmental regulations applicable to the Property shall be observed. In the event of any conflict between any provision of such governmental regulations and the restrictions of this Declaration, the more restrictive provisions shall apply.
- 5 Use Restrictions. No part of the Property shall be used or caused, allowed, or authorized to be used in any way, directly or indirectly, for commercial, manufacturing, processing materials, mercantile, storing, vending, or other such non-residential purpose. Professional home-office oriented business activities are permitted as long as the Property is not used for customer or client meetings. Short-term or long-term rental of a Townhome is permitted and is not considered a business.
- 6 Parking Restrictions; Use of Garage. Unless otherwise permitted in writing by the ~~Owners Board~~, no automobile shall be parked or left within the Property other than within a garage. No boat, trailer, recreational vehicle, camper, truck or commercial vehicle shall be parked or left within the Property other than in an Owner's garage. However, parking by commercial vehicles for the purpose of making deliveries shall be permitted. Parking by commercial vehicles may also be allowed, if prior Board approval has been obtained, for the purpose of providing services or performing work on the Property. Garages shall be used for parking vehicles only and shall not be converted for living or recreational activities. All garage doors shall remain closed at all times except when being used to enter or exit. Neither of the two Guest Parking spaces shall be used for a period exceeding twenty-four (24) hours by or on behalf of any Owner. No Owner or Owner's guest may use a Guest Parking space more than ~~an~~ twenty-four (24) hours in any continuous seventy-two (72) hour period. The restrictions concerning the Guest Parking spaces may be modified by a vote of fifty per-cent (50%) of the Owners. The Association may require removal of any inoperative vehicle, any unsightly vehicle, or any improperly parked or stored vehicle, and any other item or equipment improperly parked or stored on the Common Area parking, which includes the Guest Parking spaces, located and situated within the Property. If the same are not removed within twelve (12) hours after written notice, the Owner will be subject to a One Hundred (\$100.00) Dollar fine and the Association may cause removal of the violating vehicle. Said fine and any such costs incurred for removing a violating vehicle shall be treated as an assessment under Article VII of this Declaration on the Owner who violated these restrictions, regardless of whether the Owner caused the violation or whether it was caused by his or her guest.
- 7 Signs. No sign of any kind shall be displayed to the public view on or from any ~~Townhome Lot~~ or within the Common Area without the approval of the ~~b~~Board, ~~except such signs as~~

~~may be used by the Declarant or its designees for a period of three (3) years from the date of recordation of this Declaration for the purpose of developing, selling and improving Townhomes within the Property.~~ However, one sign of customary and reasonable dimensions advertising a Townhome for sale or for rent may be placed within each Townhome Lot or within the Common Area immediately adjacent to it by the Owner.

- 8 Antennae, External Fixtures, Etc. No television or radio poles, antennae, flag poles, clotheslines, basketball backboards and/or hoops, or other external fixtures other than those originally installed ~~by Declarant at the Property~~ or approved by the ~~b~~Board, including ~~and~~ any replacements thereof, shall be constructed, erected or maintained at any Lot or within the Common Area or any structures on it. No wiring, insulation, or other machinery or equipment other than that originally installed ~~by Declarant at the Property~~ and their replacements shall be constructed, erected or maintained on the exterior of any Townhome or within the Common Area, including any structures on it. Notwithstanding any restriction in this paragraph, each Owner may install one (1) air conditioning unit in the location associated with each Townhome set forth on Exhibit "D" to this Declaration, subject to Board approval of the precise location, noise levels, and visual screening of the air conditioning unit. Notwithstanding any restriction in this paragraph, each Owner may install one (1) satellite dish not exceeding twenty-four (24) inches in diameter only at the pre-wired exterior satellite dish receptacle provided ~~during the construction of each~~ Townhome.
- 9 Animals. No bees, livestock, poultry or animals of any kind shall be raised, bred, kept, or boarded on any Lot, except that a maximum of three household pets, no more than two of which may be dogs, may be kept on any Lot, provided that they are not kept, bred, boarded, or maintained for any commercial purpose, ~~and if taken outside, must be kept in a fenced or walled area or leashed and under an Owner's control at all times.~~ Each Owner of a pet shall be responsible for cleanup and removal from any Lot of such pet's excrement. Excessive barking shall be considered a nuisance pursuant to this Declaration.
- 10 Restricted Use of Recreation Vehicles, Etc. No boat, truck, trailer, camper, recreational vehicle or tent shall be used as a living area while located on the Property. ~~However, trailers or temporary structures for use incidental to the initial construction of the Townhome or the initial sales of Townhomes may be maintained within the Property but shall be promptly removed on completion of all initial construction and all initial sales.~~
- 11 Trash Disposal. Trash, garbage or other waste shall be kept only in sanitary containers. No Owner shall permit or cause any trash or refuse to be kept on any portion of the Property other than in the receptacles customarily used for it, which shall be located only in each Owner's garage, except within eighteen (18) hours of the scheduled time for trash pickup. Each Owner must replace the trash receptacle in that Owner's garage no more than twelve (12) hours from trash pickup.
- 12 Outside Drying and Laundering. No exterior clothesline shall be erected or maintained and there shall be no exterior drying or laundering of clothes on balconies, patios, porches or other areas.

13 Indemnification. Each Owner shall be liable to the remaining Owners for any damage to the Common Area that may be sustained by reason of the negligence of that Owner, members of his or her family, his or her contract purchasers, tenants, guests or invitees, but only to the extent that any such damage is not covered by insurance. Each Owner, by acceptance of his or her deed, agrees for himself or herself and for the members of his or her family, his or her contract purchasers, tenants, guests or invitees, to indemnify each and every other Owner, and to hold him or her harmless from, and to defend him or her against, any claim of any person for personal injury or property damage occurring within the Townhome of that particular Owner and within any exclusive easements over the Common Area appurtenant to the Owner's Townhome, unless the injury or damage occurred by reason of the negligence of any other Owner or person temporarily visiting in said Townhome or portion of the Common Area subject to an exclusive easement appurtenant to the Townhome or is fully covered by insurance.

14 Owner's Obligation For Taxes. To the extent allowed by law, all Townhomes, including their pro rata undivided interest in the Common Area, shall be separately assessed and taxed so that all taxes, assessments and charges which may become liens prior to first mortgages under local law shall relate only to the individual Townhomes and not to the development as a whole. Each Owner shall be obligated to pay any taxes or assessments assessed by the county assessor of the county in which the Property is located against his or her Townhomes and against his or her personal property.

~~15 Future Construction. Nothing in this Declaration shall limit the right of Declarant, its successors and assigns, to complete construction of improvements to the Common Area and to Townhomes owned by Declarant or to alter them or to construct additional improvements as Declarant deems advisable before completion and sale of the entire Property. The rights of Declarant in this Declaration may be assigned by Declarant to any successor to all or any part of any Declarant's interest in the Property, as developer, by an express assignment incorporated in a recorded deed that transfers any such interest to a successor.~~

16 Enforcement. The failure of any Owner to comply with any provision of this Declaration or the ~~a~~Articles or ~~b~~Bylaws shall give rise to a cause of action in the Association and any aggrieved Owner for the recovery of damages or for injunctive relief, or both.

ARTICLE IV

The Association

1 Formation. The Association is a nonprofit corporation formed under the laws of Idaho. ~~On the close and recording of the first Townhome sale to an Owner, t~~The Association shall be charged with the duties and ~~in~~vested with the powers set forth in the Articles, the Bylaws and this Declaration, including, but not limited to, control and maintenance of the Common Area, exterior walls and roofs of Townhomes and ~~O~~ownership of any facilities on the Common Area, attached as Exhibits E & F are the Articles and Bylaws.

2 Association Action; Board of Directors and Officers; Members' Approval. Except as to matters requiring the approval of ~~M~~members as set forth in this Declaration, the ~~A~~articles, or the ~~b~~Bylaws, the affairs of the Association shall be conducted by the ~~B~~board and such ~~e~~Officers as the Board may elect or appoint. Such election or appointment shall be in accordance with this Declaration or the ~~b~~Bylaws, and their amendments.

3 Powers and Duties of Association.

3.1 Powers. The Association shall have all the powers of a nonprofit corporation organized under the General Nonprofit Corporation Law of Idaho subject only to such limitations on the exercise of such powers as are set forth in the ~~A~~articles, the ~~b~~Bylaws and this Declaration. It shall have the power to do any lawful thing that may be authorized, required or permitted to be done by the Association under this Declaration, the ~~a~~Articles and the ~~b~~Bylaws, and to do and perform any act that may be necessary or proper for or incidental to, the exercise of any of the express powers of the Association, including, without limitation, the following:

3.1.1 Assessments. The Association shall have the power to establish, fix and levy assessments against the Owners and to enforce payment of such assessments, in accordance with the provisions of this Declaration. However, the approval of three-fourths (3/4) of the ~~m~~Members shall be required as to the amounts of all regular and special assessments except as otherwise provided in this Declaration.

3.1.2 Right of Enforcement. The Association in its own name and on its own behalf, or on behalf of any Owner who consents, can commence and maintain actions for damages or to restrain and enjoin any actual or threatened breach of any provision of this Declaration or of the ~~A~~articles or ~~b~~Bylaws, or of the Association rules or any resolutions of the Board, and to enforce by mandatory injunction, or otherwise, all of these provisions. In addition, the Association can suspend the voting rights, can suspend use privileges of the Common Area or can assess monetary penalties against any Owner or other person entitled to exercise such rights or privileges for any violation of this Declaration or the ~~a~~Articles, ~~b~~Bylaws, Association rules, or Board resolutions. However, any such suspension of use privileges cannot exceed a period of thirty (30) days for any one violation and any monetary penalty cannot exceed One hundred Dollars (\$100.00) for any one violation. Each suspended or fined Owner or other person can appeal such action by filing written notice of his intention to appeal with the Board. The action imposing the fine or suspension shall then become ineffective until the fine or suspension is unanimously approved by all Board members at a regular or special meeting of the Board at which all Board members are present. The Owner or other person to be fined or suspended can appear, be represented by counsel and be heard at the meeting. Except as provided in this section, the Association does not have the power or authority to cause a forfeiture or abridgement of an Owner's right to the full use and enjoyment of such Owner's Townhome if the Owner does not comply with provisions of this Declaration or of the ~~a~~Articles or ~~b~~Bylaws or the Association rules, except when the loss or forfeiture is the result of a court judgment or arbitration decision or a foreclosure or sale under a power of sale based on failure of the Owner to pay assessments levied by the Association.

3.1.3 Delegation of Powers: Professional Management. The Association acting by and through the Board can delegate its powers, duties, and responsibilities to committees or employees, including a professional managing agent ("Manager"). Any agreement for professional management of the Property shall be terminable by either party with or without cause and without payment of a termination fee on thirty (30) days' written notice. The term of any such agreement shall not exceed one (1) year, although such agreement may be renewed from year to year by the Board.

3.1.4 Association Rules. The Board shall have the power to adopt, amend and repeal the Association rules as it deems reasonable. The Association rules shall govern the use of the Common Area by all Owners or their families, guests, invitees or by any contract purchaser, or tenant, or their respective family members, guests or invitees. However, the Association rules shall not be inconsistent with or materially alter any provisions of this Declaration, the Articles or the bBylaws. A copy of the Association rules as adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner. In case of any conflict between any of the Association rules and any other provisions of this Declaration, the articles, or bBylaws, the conflicting Association rules shall be deemed to be superseded by the provisions of this Declaration, the Articles or bBylaws.

3.1.5 Duties of the Association. In addition to the powers delegated to it by its Articles or the bBylaws, and without limiting their generality, the Association, acting by and through the Board, or persons or entities described in Section 3.1.3 of this Article IV, has the obligation to conduct all business affairs of common interest to all Owners and to perform each of the following duties:

3.1.5.1 Exterior and Roof. The repair and maintenance of the exterior walls of Townhomes, which include the exterior of chimneys, windows, garages and front doors, as well as roofs and soffit screening on the Townhomes shall be the responsibility and sole obligation of the Association and subject to assessment.

~~3.1.5.1~~ 3.1.5.2 Operation and Maintenance of Common Area. To operate, maintain, and otherwise manage or provide for the operation, maintenance and management of the Common Area, and all its facilities, and improvements, and landscaping, including the private driveways as well as the freestanding light fixtures located on Lots A, B and C, the private driveways, the Bird Drive sidewalk running parallel to Bird Drive, which does not include the individual walkways located on Lots A, B and C, all exterior walls of Townhomes, which include the exterior of chimneys, garages and front doors, as well as roofs and soffit screening on the Townhomes and any other property acquired by the Association, including personal property, in a first-class condition and in a good state of repair. In this connection, the Association may enter into contracts for services or materials for the benefit of the Association ~~or the Common Area, including contracts with Declarant.~~

~~3.1.5.2~~ 3.1.5.3 Taxes and Assessments. To pay all real and personal property taxes and assessments and all other taxes levied against the Common Area, personal property owned by the Association or against the Association. Such taxes and

assessments may be contested or compromised by the Association, provided that they are paid or that a bond insuring payment is posted before the sale or the disposition of any property to satisfy the payment of such taxes.

~~3.1.5.3~~3.1.5.4 Water and Other Utilities. To acquire, provide and pay for water, sewer, garbage disposal, refuse and rubbish collection, electrical, telephone, gas and other necessary utility services for the Common Area and for Townhomes when the Townhomes are not separately billed. The term of any contract to supply any of the listed services shall not exceed one (1) year or, if the supplier is a regulated public utility, the shortest term not to exceed one (1) year for which the supplier will contract at the applicable regulated rate.

~~3.1.5.4~~3.1.5.5 Insurance. To obtain, from reputable insurance companies, and maintain insurance with coverages deemed advisable by the Board.

~~3.1.5.5~~3.1.5.6 Enforcement of Restrictions and Rules. To perform such other acts, whether or not expressly authorized by this Declaration, that may be reasonably necessary to enforce any of the provisions of this Declaration, the Articles and bBylaws, and the Association's rules and Board resolutions.

~~3.1.5.6~~3.1.5.7 Limitations on Authority of Board. Except with the vote or written assent of Members of the Association holding fifty-one percent (51%) of the voting rights of Members, the Board shall not take any of the following actions:

~~3.1.5.6~~3.1.5.7.1 Incur aggregate expenditures for capital improvements to the Common Area ~~or exterior walls of Townhomes, which include the exterior of chimneys, windows, garages and front doors, as well as roofs and soffit screening on the Townhomes~~ in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year; or

~~3.1.5.6~~3.1.5.7.2 Sell during any fiscal year property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year; or

~~3.1.5.6~~3.1.5.7.3 Pay compensation to members of the Board or to ~~o~~Officers of the Association for services performed in the conduct of the Association's business. However, the Board may cause a member of the Board or an ~~o~~Officer to be reimbursed for expenses incurred in carrying on the business of the Association.

4 Personal Liability. No member of the Board, or of any committee of the Association, or any ~~o~~Officer of the Association, or any manager, ~~or Declarant, or any agent of Declarant,~~ shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of any such person or entity if such person or entity has, on the basis of such information as may be possessed by him, her or it, acted in good faith without willful or intentional misconduct.

~~5 Organizational Meeting of Members. An organizational meeting shall be held as soon as practicable after incorporation of the Association, and the directors elected then shall hold office until the first annual meeting. All offices of the Board of directors shall be filled at the organizational meeting.~~

~~65 Regular Meetings of Members and Notice. The first annual meeting of members of the Association shall be held within forty five (45) days after the closing of the sale of the first of the Townhomes. Thereafter, rRegular meetings of mMembers of the Association shall be held at least once in each year at a time and place within the Property as prescribed in the bBylaws or as selected by the Board. Special meetings may be called as provided for in the bBylaws. Notice of all mMembers' meetings, regular or special, shall be given by as provided for in the Bylaws by email, regular mail, personal delivery or facsimile to all Owners and to any mortgagee who has requested in writing that such notice be sent to it and shall be given not less than ten (10) days nor more than thirty (30) days before the time of the meeting and shall set forth the place, date and hour of the meeting, and the nature of the business to be undertaken.~~

The presence at any meeting in person or by proxy of Mmembers entitled to cast at least fifty-one percent (501%) of the total votes of all Mmembers of the Association (*i.e.* 5 Members) shall constitute a quorum. If any meeting cannot be held because a quorum is not present, mMembers representing a majority of the votes 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 date the original meeting was called, at which adjourned meeting the quorum requirement shall be at least twenty-five percent (25%) of the total votes. Any meeting of mMembers at which a quorum is present may be adjourned for any reason to a time not less than forty-eight (48) hours nor more than thirty (30) days from the time of such meeting by mMembers representing a majority of the votes present in person or by proxy.

~~76 Financial Statements of the Association. The Board shall prepare, or cause to be prepared, a statement of capital reserves, a balance sheet and an operating statement for the Association's fiscal year, which shall be the calendar year, as of the accounting dates set forth in this Section, and copies of each shall be distributed to each Owner within sixty (60) days after the end of the fiscal year. Except with respect to the balance sheet and operating statements for the Association prepared with respect to the first accounting date and tThe proposed budget, in any fiscal year in which the gross receipts of the Association exceed SEVENTY FIVE THOUSAND DOLLARS (\$75,000.00), the balance sheet and operating statement shall be compiled by an independent public accountant.~~

~~7.1 The first accounting date shall be the last day of the calendar year in which the first Townhome is sold. The balance sheet shall be rendered as of that date, and the operating statement shall be rendered for the period commencing with the date of closing of the first sale of a condominium within the Property and ending as of the first accounting date. The operating statement for the first accounting period shall include a schedule of assessments received or receivable, itemized by unit number and by the name of the person or entity assessed.~~

~~7.2 The second and subsequent accounting date shall be the last day of the Association's fiscal year (which fiscal year shall be a calendar year unless a different fiscal year is adopted). The balance sheet shall be rendered as of that date, and the operating statement shall be rendered for the fiscal year it covers, and both shall be distributed to the Owners within sixty (60) days after the close of the fiscal year.~~

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~~7.36.1~~ Copies of each such balance sheet, operating statement and ~~pro forma~~ operating ~~budget statement~~ for the Association shall be mailed to any mortgagee who has requested in writing that such copies be sent to it.

7.46.2 Inspection of Association Books and Records.

~~7.4.16.2.1~~ Any membership register, books of account and minutes of meetings of the ~~m~~Members, the Board and committees of the Board of the Association, shall be made available for inspection and copying by any ~~m~~Member of the Association, or his duly-appointed representative, or any mortgagee, at any reasonable time and for a purpose reasonably related to his interest as a ~~m~~Member, at the office of the Association or at such other reasonable place ~~within the development~~ as the Board prescribes.

~~7.4.26.2.2~~ The Board shall establish by resolution reasonable rules with respect to:

~~7.4.2.16.2.2.1~~ Notice to be given to the custodian of the records of the Association by the ~~m~~Member, representative or mortgagee desiring to make an inspection.

~~67.2.2.2~~ Hours and days of the week when an inspection may be made.

~~67.2.2.3~~ Payment of the cost of reproducing copies of documents requested by a ~~M~~member or by a representative or mortgagee.

~~7.56.3~~ Every ~~D~~irector of the Association shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a ~~d~~Director includes the right to make extracts and copies of documents.

ARTICLE V

Membership and Voting Rights

1 Membership.

1.1 Qualifications. Each Owner of a Townhome ~~, including Declarants,~~ shall be a ~~m~~Member of the Association. There may be only one ~~m~~Member per ~~T~~ownhome. Ownership of a Townhome or interest in it shall be the sole qualification for membership in the Association. Each Owner shall remain a member of the Association until his or her Ownership or Ownership interest in all Townhomes ceases at which time his or her membership in the Association shall automatically cease. Persons or entities who hold an interest in a Townhome merely as security for performance of an obligation are not to be regarded as members.

1.2 Members' Rights and Duties. Each ~~m~~Member shall have the rights, duties and obligations set forth in this Declaration, the ~~A~~articles, the ~~b~~Bylaws and the Association's rules, as the same may from time to time be amended.

1.3 Transfer of Membership. The Association membership of each person or entity who owns, or owns an interest in, one or more Townhomes shall be appurtenant to each such Townhome, and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except on a transfer of title to each such Townhome or interest in it and then only to the transferee. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Townhome or interest in it shall operate automatically to transfer the appurtenant membership rights in the Association to the new Owner.

2 Voting.

~~2.1 Voting. The Association will have two (2) classes of voting memberships.~~

~~2.2 Class A. Class A members shall be the Owners, with the exception of Declarant, and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members, with the vote for such Lot being exercised as they collectively determine, but in no event shall more than one (1) vote be cast with respect to any Lot.~~

~~Class B. The Class B member shall be the Declarant. Upon the recording hereof, Declarant shall be entitled to three (3) votes for each Lot of which Declarant is the Owner. The Class B membership shall cease and be converted to Class A membership upon the earlier of (a) such time as seventy five percent (75%) of the Lots within the Property are deeded to homeowners; or (b) December 21, 2004.~~

2.1 Voting. The Association Members shall be all Owners, and shall be entitled to one vote for each Lot owned.

2.2 Joint Owner Votes. The voting rights for each Townhome may not be cast on a fractional basis. If the joint Owners of a Townhome are unable to agree among themselves as to how their voting rights shall be cast, they shall forfeit the vote on the matter in question. If any Owner exercises the voting rights of a particular Townhome, it will be conclusively presumed for all purposes that he or she was acting with the authority and consent of all other Owners of the same Townhome. If more than one (1) person or entity exercises the voting rights for a particular Townhome, their votes shall not be counted and shall be deemed void.

ARTICLE VI

Assessments

1 Agreement to Pay. Each Owner, for each Townhome owned by him or her that is expressly made subject to assessment as set forth in this Declaration, covenants and agrees to pay to the Association regular assessments and special assessments, such assessments to be established, made and collected as provided in this Declaration.

~~1.1 Declarant's Assessment Obligation. Notwithstanding the foregoing paragraph, the Declarant's obligation to pay assessments shall be as follows:~~

~~1.1.1 Prior to Completion of All Townhomes. Completion of All Townhomes means thirty (30) days after the last occupancy permit for a Townhome on the Property is issued. Prior to Completion of All Townhomes, the Declarant is not obligated to pay assessments at the Uniform Rate of Assessment set forth in paragraph five (5) of this Article VI. Instead, the Declarant shall pay a pro-rated amount of actual expenses incurred by the Association. The Declarant's pro-rata portion shall be determined by the ratio of the Townhomes owned by Declarant to the total number of Townhomes. By way of example only, if the Declarant owns five (5) townhomes, the Declarant would be responsible for five-eighths (5/8) of the actual expenses of the Association.~~

~~1.1.2 After Completion of All Townhomes. After Completion of All Townhomes as defined above, Declarant is obligated to pay assessments based on the Uniform Rate of Assessment set forth in Paragraph five (5) of this Article.~~

2 Personal Obligations. Each assessment or installment, together with any late charge, interest, collection costs and reasonable attorneys' fees, shall be the personal obligation of the person or entity who was an Owner at the time such assessment, or installment became due and payable. If more than one person or entity was the Owner the personal obligation to pay such assessment, or installment respecting such Townhome shall be both joint and several. The personal obligation for delinquent assessments, or delinquent installments and other such sums, shall not pass to an Owner's successors in interest unless expressly assumed by them. No Owner may exempt himself or herself from payment of assessments, or installments, by waiver of the use or enjoyment of all or any portion of the Common Area or by waiver of the use or enjoyment of, or by abandonment of, his or her Townhome.

3 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Mmembers of the Association, the improvement, replacement, repair, operation and maintenance of the Common Area and exterior walls and roofs of Townhomes and the performance of the duties of the Association as set forth in this Declaration.

4 Assessments.

4.1 Regular Assessments.

4.1.1 Not more than sixty (60) days nor less than thirty (30) days before the beginning of each fiscal year of the Association, the Board shall meet for the purpose of establishing the regular annual assessment for the forthcoming fiscal year. At such meeting the Board shall review written comments received and any other information available to it and, after making any adjustments that the Board deems appropriate, without a vote of the mMembers of the Association, shall establish the regular assessment for the forthcoming fiscal year based upon advanced estimates of cash requirements by the Association to provide for the payment of all estimated expenses growing out of or connected with the Common Expenses; provided, however, that the Board may not establish a regular

assessment for any fiscal year of the Association which is more than one hundred twenty percent (120%) of the regular assessment of the prior fiscal year of the Association ~~(except the first such fiscal year of the Association if it should be less than twelve (12) months)~~ without the approval by vote or written consent of ~~members holding~~ fifty-one percent (51%) of the ~~Members, voting rights of each class of members.~~

- 4.1.2 Unless the Association or its assessment income shall be exempt from federal or state income taxes, to the extent possible, all reserves shall be accounted for and handled as contributions to the capital of the Association and as trust funds segregated from the regular income of the Association or in such other manner authorized by law or regulations of the Internal Revenue Service as will prevent such funds from being taxed as income of the Association.
- 4.1.3 Special Assessments. If the Board determines that the estimated total amount of funds necessary to defray the ~~e~~Common ~~e~~Expenses of the Association for a given fiscal year is or will become inadequate to meet expenses for any reason, including, but not limited to, unanticipated delinquencies, costs of construction, unexpected repairs or replacements ~~of capital improvements~~ on the Common Area or exterior walls or roofs of Townhomes, or for any other expense incurred or to be incurred as provided in this Declaration, the Board shall determine the approximate amount necessary to defray such expenses, and if the amount is approved by a majority vote of the Board, it shall become a special assessment. The Board may, in its discretion, pro rate such special assessment over time or levy the assessment immediately against each Townhome. Unless exempt from federal or state income taxation, all proceeds from any special assessment shall be segregated and deposited into a special account and shall be used solely for the purpose or purposes for which it was levied or it shall be otherwise handled and used in a manner authorized by law or regulations of the Internal Revenue Service to avoid, if possible, its taxation as income of the Association.
- 4.1.4 Limitation Respecting Special Assessments. Any special assessment in excess of five percent (5%) of the budgeted gross expense of the Association for the fiscal year in which a special assessment is levied shall require approval by vote or written consent of fifty-one percent (51%) of the ~~Members~~holders of voting rights of each class of members, except in case of a special assessment against an Owner as a remedy utilized by the Board to reimburse the Association for costs incurred in bringing the ~~M~~member or his or her Townhome into compliance with the provisions of this Declaration.
- 5 Uniform Rate of Assessment. Except as otherwise specifically provided in this Declaration, regular and special assessments must be fixed at a ~~r~~ate for all Townhomes based on the proportional square footage of the Townhome to the whole Property.~~-~~ The proportional square footage of each Townhome to the whole Property shall be conclusively determined by employing the figures set forth on Exhibit "C" hereto, which is incorporated by reference.
- 6 Assessment Period. The regular assessment period shall commence on January 1st of each year and shall terminate on December 31st of such year, and regular assessments shall be payable in equal quarterly installments, unless the Board adopts some other basis for

collection. ~~However, the initial regular assessment period shall commence on the date on which the sale of the first Townhome to a purchaser is closed and recorded (the "initiation date") and shall be prorated to the end of the biannual period of the year in which the initial sale is closed and recorded. All special assessments shall be adjusted according to the number of months remaining in the biannual period and shall be payable in prorated biannual installments, unless the Board adopts some other basis for collection.~~ The Association shall not change the pro rata interest or obligation of any Townhome for purposes of levying assessments unless all Owners agree in writing.

- 7 Notice and Assessment Installment Due Dates. A single ten (10) day prior written notice of each annual regular assessment and each special assessment shall be given to any Owner subject to assessment in which the due dates for the payments of installments shall be specified. The due dates for the payment of installments normally shall be established by the Board. Each installment of regular assessments and special assessments shall become delinquent if not paid within fifteen (15) days after its due date. ~~There shall accrue with each delinquent installment a late charge of twenty five dollars (\$25.00) together with interest at the rate of twelve percent (12%) per annum calculated from the due date to and including the date full payment is received by the Association.~~
- 8 Estoppel Certificate. The Board or Manager, on 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 the Association, a particular Owner is in default as to his or her Townhome under the provisions of this Declaration and further stating the dates to which installments of assessments, regular or special, have been paid as to such Townhome. Any such certificate may be relied on by any prospective purchaser or mortgagee of the Townhome, but reliance on such certificate may not extend to any default not involving the payment of assessments of which the signer had no actual knowledge.

ARTICLE VII

Collection of Assessments: Liens

- 1 Right to Enforce. The right to collect and enforce assessments is vested in the Board acting for and on behalf of the Association. The Board or its authorized representative, including any manager, can enforce the obligations of the Owners to pay assessments provided for in this Declaration by commencement and maintenance of a suit at law or in equity, or the Board may foreclose by judicial proceedings or through the exercise of the power of sale pursuant to Section ~~7.2~~ of this Article to enforce the lien rights created. Suit to recover a money judgment for unpaid assessments together with all other amounts described in Article VI Section 4 ~~Section 6.4~~ shall be maintainable without foreclosing or waiving the lien rights.
- 2 Creation of Lien. If there is a delinquency in the payment of any assessment, or installment on a Townhome, any amounts that are delinquent, ~~together with the late charge, interest at the rate of twelve percent (12%) per annum,~~ and all costs that are incurred by the Board or its authorized representative in the collection of the amounts, including reasonable attorney's fees, shall be a lien against such Townhome upon the recordation in the office of the Blaine County Recorder of a notice of assessment. The notice of assessment shall not be recorded

unless and until the Board or its authorized representative has delivered to the delinquent Owner or Owners, not less than fifteen (15) days before the recordation of the notice of assessment, a written notice of default and a demand for payment, and unless such delinquency has not been cured within said fifteen (15) day period. The lien shall expire and be void unless, within one (1) year after recordation of the notice of assessment, the Board or its authorized representative records a notice of default as provided hereinafter or institutes judicial foreclosure proceedings with respect to such lien.

- 3 Notice of Default; Foreclosure. Not more than one (1) year nor less than fifteen (15) days after the recording of the notice of assessment, the Board or its authorized representative can record a notice of default and can cause the Townhome with respect to which a notice of default has been recorded to be sold in the same manner as a sale is conducted under a power of sale in a deed of trust, or in any other manner permitted by law, or through judicial foreclosure. However, as a condition precedent to the holding of any such sale appropriate publication shall be made. In connection with any sale, the Board is authorized to appoint its attorney, any officer or director, or any title insurance company authorized to do business in Idaho as trustee for purposes of conducting the sale. If a delinquency is cured before sale, or before completing a judicial foreclosure, the Board or its authorized representative shall cause to be recorded in the office of the Blaine County Recorder a certificate setting forth the satisfaction of such claim and release of such lien upon payment of actual expenses incurred, including reasonable attorney's fees by any delinquent Owner. During the pendency of any foreclosure proceeding, whether judicial or by power of sale, the Owner shall be required to pay to the Association reasonable rent for the Townhome and the Association shall be entitled to the appointment of a receiver to collect the rent. On becoming delinquent in the payment of any assessments, or installments each delinquent Owner shall be deemed to have absolutely assigned all rent, issues and profits of his Townhome to the Association and shall further be deemed to have consented to the appointment of a receiver (which appointment may, at the election of the Association, be enforced by the Association through specific performance). The Association, acting on behalf of the Owners, shall have the power to bid upon the Townhome at foreclosure sale and to acquire, hold, lease, mortgage and convey the Townhome.
- 4 Waiver of Exemptions. Each Owner, to the extent permitted by law, waives, to the extent of any liens created pursuant to this ~~Section~~Article 7VII, the benefit of any homestead or exemption laws of Idaho in effect at the time any assessment, or installment, becomes delinquent or any lien is imposed.

ARTICLE VIII

Insurance

- ~~1 Insurance by Owner. The Owners of Lots shall obtain fire insurance, with extended coverage (including vandalism, malicious mischief, debris removal, cost of demolition, windstorm and water damage) endorsement in an amount as near as practicable to the full insurable replacement value (without deduction for depreciation), together with comprehensive liability insurance, with respect to the Property. All such policies shall name~~

Commented [HEO3]: This section incorporates the amendment per the First Amendment to the CC&Rs (in red font) as well as additional proposed edits (in purple font).

~~the Owner(s) of the adjoining Townhome as co-insured and shall not be cancelled without thirty (30) days' written notice to all other Owner(s).~~

~~2 Reconstruction. In the event of damage or destruction by fire or other casualty to any Lot or improvement thereof, the Owner thereof shall, upon receipt of the insurance proceeds, repair or rebuild such damage or destroyed portions of the Lot and Townhome in a good workmanlike manner substantially the same as the original plans and specifications of said property.~~

1 Types of Insurance Coverage. The Association shall purchase, obtain and maintain, with premiums therefor being paid by the Association, the following types of insurance, if and to the extent such insurance, with the coverages described, is available at a reasonable premium cost:

(a) A Master Policy of Fire and Casualty Insurance. A master policy of fire and casualty insurance shall cover the exteriors and interiors of each ~~†~~Townhome to each ~~†~~Townhome's original construction. The Board shall determine the valuation of such replacement costs on an annual basis for insurance purposes. Each Owner shall be responsible for insuring any building upgrades to the original construction costs above and beyond the replacement costs established by the Board. This master policy of fire and casualty insurance shall name as parties insured the Association and any mortgagee of the Common Area and common facilities and containing the standard extended coverage and replacement cost endorsements and such other or special endorsements as will afford protection and insure for the full insurable, above described current replacement cost (excluding foundations and excavations, but without deduction for depreciation), as determined annually by the Board and the insurance carrier, all common facilities and the personal property of the Association for or against the following:

(i) Loss or damage by fire, ~~earthquakes~~ or other risks covered by the standard extended coverage endorsement.

(ii) Loss or damage from theft, vandalism or malicious mischief.

(iii) Such other risks, perils or coverage as the Board of Directors may determine.

Such policy or the endorsement made a part thereof shall, to the extent available, provide that the insurer issuing the policy agrees to abide by the decision of the Association as to whether or not to repair, reconstruct or restore all or any damaged or destroyed portion of the ~~p~~Property or ~~T~~townhomes ~~within the project.~~

The parties hereto acknowledge the Association shall provide insurance coverage for all ~~†~~Townhomes within the ~~project~~Property as described herein and, therefore, for a specific ~~†~~Townhome, a mortgagee may be also named as an additional insured by the Association's policy.

(b) Public Liability and Property Damage Insurance. To the extent such insurance is reasonably obtainable, a copy of comprehensive public liability and property damage

insurance naming as parties insured the Association, each Owner of the Board, any manager, the Owners and occupants of property, and such other persons as the Board may determine. The policy will insure each named party against any liability incident to the ownership and use of the Common Area and include, if obtainable, a cross-liability or severability of interest enforcement insuring each insured against liability to each other insured. The limits of such insurance shall not be less than \$1,000,000.00, covering all claims for death, personal injury and property damage arising out of a single occurrence. Such insurance shall include coverage against water damage liability, liability for non-owned and hired automobiles, liability for property of others and any other liability of risk customarily covered with respect to projects similar in construction, location and use.

(c) Directors' and Officers' Error and Omissions Insurance. To the extent such insurance is reasonably obtainable, individual liability insurance for Association Directors and Officers, providing coverage for negligent acts or omissions in their official capacities. The minimum coverage of such shall be not less than \$1,000,000.00.

(d) Notice of Cancellation. All insurance carried by the Association shall require the insurer to notify any first mortgagee requesting such notice at least fifteen (15) days in advance of the effective date of any reduction or cancellation of the policy.

(e) Annual Review of Policies. All insurance policies maintained by the Association shall be reviewed at least annually by the Board in order to ascertain whether the coverage contained in the policies is adequate.

(f) Insurance on Townhomes. An Owner may carry whatever personal liability, property damage liability or fire and casualty insurance with respect to his or her Townhome and personal property as the Owner desires. The Association shall have no responsibility for the adequacy or extent of such insurance coverage; specifically, as stated above, each Owner is responsible for insuring any upgrades on an individual Townhome beyond the value of the original construction standards.

(g) Annual Review of Association Insurance and Disclosure to Owners. The Board shall review the adequacy of all insurance, including the amount of liability coverage and the amount of property damage coverage, at least once every year. At least once every three (3) years, the review shall include a replacement cost appraisal of all insurable Common Area improvements, together with the replacement cost of the Townhomes, without respect to depreciation. The Board shall adjust the policies to provide the amounts and types of coverage and protection that are customarily carried by prudent owners' association operating in similar townhome projects within the Wood River Valley, Idaho. The Association shall distribute to the Owners annually a summary of the Association's property, general liability and flood insurance, if any, such distribution to be made at the time of the Association's annual meeting. To the extent that any of the information required to be disclosed under this paragraph is specified in the insurance policy declaration page, the Association may meet its obligation to disclose that information by making copies of that page and distributing it to all Owners.

The Association shall, as soon as reasonably practical, notify the Owners by first-class mail if any of the policies described in this paragraph have lapsed or been cancelled and are not

immediately renewed, restored or replaced, or if there is a significant change in any of those policies, such as a reduction in coverage or limits or an increase in the deductible. If the Association receives any notice of nonrenewal of a policy described in this paragraph, the Association shall immediately notify the Owners if replacement coverage will not be in effect by the date the existing coverage will lapse.

ARTICLE IX

General Provisions

- 1 Duration. The covenants and restrictions of this Declaration shall run with the land and bind the land for a term commencing on the date hereof and continuing until terminated by a document signed and recorded by all Owners.
- 2 Amendment. This Declaration may not be amended without the written consent of ~~sevensix-eighths (67/8)~~ of the Owners. Any amendment must be recorded.
- 3 Enforcement. Each Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens or charges now or hereafter imposed by the provisions of this Declaration. Failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The prevailing party in any such proceeding shall be entitled to recover costs of suit, including reasonable attorney fees.
- 4 Severability. The invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.
- 5 Notices for All Purposes. Any notice permitted or required to be delivered under the provisions of this Declaration may be delivered either personally or by mail. If delivery is made by mail, any such notice shall be deemed to have been delivered twenty-four (24) hours after a copy has been deposited in the United States mail, postage prepaid, for first-class mail, addressed to the person entitled to such notice at the most recent address given by such person in writing, for the purpose of service of such notice. All notices to ~~Declarant the Association~~, shall be delivered to ~~Declarant the Association~~ at the following address:

Deer Run ~~Townhomes, L.L.C.~~ Homeowners' Association, Inc.
Post Office Box ~~31886804~~
Ketchum, Idaho 83340

Mailing addresses may be changed from time to time by a notice in writing.

- 6 Mediation. The Owners, ~~and~~ the Association, ~~and the Declarant~~ shall make a reasonable and good faith attempt to mediate any dispute hereunder prior to resorting to other legal or equitable remedies.

Commented [HEO4]: This section incorporates the amendment per the First Amendment to the CC&Rs.

Commented [HEO5]: This section incorporates the amendment per the First Amendment to the CC&Rs.

7 Attorney's Fees. In any action brought by any Owner, ~~or~~ the Association, ~~or Declarant~~ to interpret, construe, or enforce this Declaration, the prevailing party shall be entitled to recover, in addition to other relief granted, its reasonable costs attorney's fees, including costs and attorney's fees on appeal.

8 Choice of Law. This Declaration shall be construed under the laws of the State of Idaho.

DATED this ____ day of _____, 20~~02~~20.

Deer Run ~~Townhomes, L.L.C.~~ Homeowners'
Association, Inc.

~~by: The Jacqueline M. Howard and J.
Robert Howard Trust, Managing Member~~

~~By: J. Robert Howard, Co Trustee of The
Jacqueline M. Howard and J. Robert
Howard Trust
Its:~~

~~by: Jacqueline M. Howard, Co Trustee of The Jacqueline M. Howard and J. Robert
Howard Trust~~

STATE OF IDAHO)
)ss.
County of Blaine)

On this 17th day of September, 2002 before me, Janet R. Thornton, a Notary Public in and for said State, personally appeared J. Robert Howard and Jacqueline M. Howard, known or identified to me to be the Co-Trustees, of the Jacqueline M. Howard and J. Robert Howard Trust, and acknowledged to me that they executed the same on behalf of said Trust.

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

Notary Public for Idaho
Residing at _____
My Commission Expires _____

STATE OF _____)
)ss
County of _____)

On this _____ day of _____, 2020, before me, _____, a notary public in and for said State, personally appeared _____, known or identified to me an authorized representative of Deer Run Homeowners' Association, Inc., who executed on behalf of Deer Run Homeowners' Association, Inc. the instrument, and acknowledged to me that he or she executed the same.

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

Notary Public
Residing at: _____
My Commission Expires: _____

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STATE OF IDAHO

COUNTY OF BLAINE

On this 24th day of October, 2020, before me, the undersigned, a Notary Public in and for said State, personally appeared ~~J. Robert Howard and Jacqueline M. Howard, Trustees of the Jacqueline M. Howard and J. Robert Howard Trust, established March 20, 1993, known or identified to me to be the members or designated agents in the limited liability company of Deer Run Townhomes, L.L.C., and the members or designated agents who subscribed said limited liability company names to the foregoing instrument, and acknowledged to me that they executed the same in said limited liability company 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.

*Notary Public for Idaho
Residing at:
Commission Expires:*

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Exhibit "A" to Declaration
LEGAL DESCRIPTION TO BE ATTACHED HERE

Order No. k23466
Legal Description

Exhibit "A"

Township 4 North, Range 17 East, Boise Meridian, Blaine County, Idaho.

Section 13: A portion of Lot 4, more particularly described as follows:

Beginning at the Southeast Corner of said Section 13; thence
N. 89° 28' W., 450.00 feet; thence
N. 21° 10' W., 247.60 feet; thence
N. 06° 54' W., 50.00 feet; thence
N. 38° 44' W., 168.70 feet; thence
N. 29° 28' W., 330.00 feet; thence
N. 12° 43' W., 110.00 feet to the Point of Beginning; thence
N. 77° 17' E., 176.70 feet to the West boundary of the Union Pacific Railroad
right-of-way point on curve; thence
Northwesterly around a curve right 111.10 feet, said curve having a central angle of 01°
05' 31" and a radius of 5829.65 feet; thence
S. 77° 17' W., 161.60 feet; thence
S. 12° 41' E., 110.00 feet to the Point of Beginning.

Exhibit "B" to Declaration
PLAT MAP TO BE ATTACHED HERE

DEER RUN TOWNHOMES

LOCATED WITHIN T4N, R17E, SEC. 13,
CITY OF KETCHUM, BLAINE COUNTY, IDAHO.
A TOWNHOUSE SUBDIVISION OF TAX LOT 5618.

SEPTEMBER 2002

THIS MAP IS A PHOTOGRAPHIC REPRODUCTION OF THAT ON FILE IN EITHER THE RECORDERS OR SURVEYORS OFFICE. THE COMPANY ASSUMES NO LIABILITY FOR ABLATION, IF ANY, WITH ANOTHER OR IN SERVICE.



CURVE TABLE

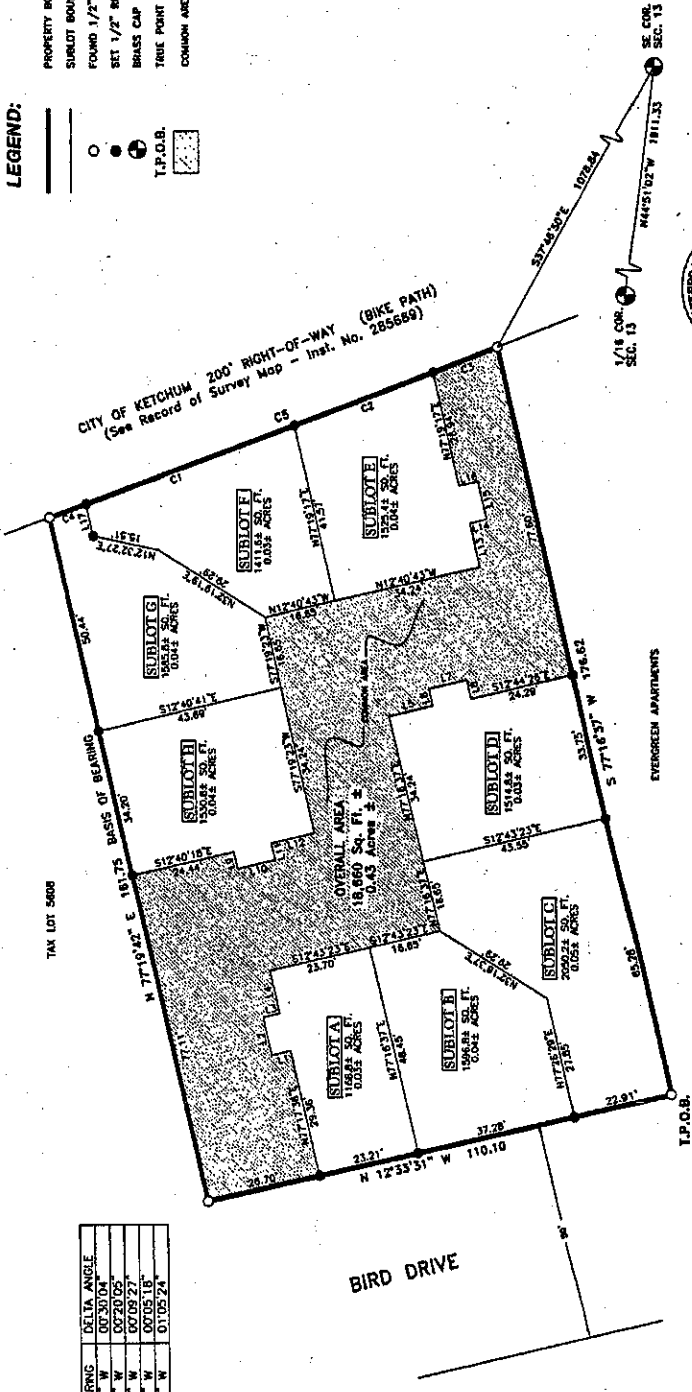
CURVE	RADIUS	ARC LENGTH	CHORD LENGTH	CHORD BEARING	DELTA ANGLE
C1	5829.65	51.63	N 2033.47 W	00°30'04"	
C2	5829.65	34.06	N 2679.06 W	02°20'05"	
C3	5829.65	16.03	N 2943.52 W	02°09'27"	
C4	5829.65	9.00	N 1945.31 W	02°05'18"	
C5	5829.65	110.92	N 2019.34 W	01°02'24"	

LINE TABLE

LINE	BEARINGS	DISTANCE
1	N174323W	4.50
2	N771637E	6.94
3	S124323E	4.00
4	N771637E	10.00
5	S124323E	10.31
6	N771637E	4.00
7	S124323E	6.94
8	S771637W	4.50
9	N772540E	4.01
10	S124041E	6.94
11	N771637E	4.00
12	N771637E	10.31
13	N771637E	4.00
14	S124041E	4.00
15	N771017E	6.94
16	N124043W	4.50
17	N771642E	7.98

LEGEND:

- PROPERTY BOUNDARY
- SUBLOT BOUNDARY
- FOUND 1/2" REBAR
- SET 1/2" REBAR
- BRASS CAP
- TRAIL POINT OF BEGINNING
- COMMON AREA



DEER RUN TOWNHOMES

LOCATED WITHIN:
SECTION 13, TOWNSHIP 4 NORTH, RANGE 17 EAST
BLAINE COUNTY, IDAHO

FINAL PLAN | PLOT BY: DCS/CPL | PLOT FILE: 01039.DWG
PROJECT NO. 01039 | DATE: 9/25/02 | CD-ORD FILE: 01039.CRD

- NOTES:**
- 1) All townhouse unit owners shall have mutual reciprocal easements for existing water, cable TV, sewerage, telephone and electrical lines over, under and across their townhouse and sublots for the repair, maintenance and replacement thereof.
 - 2) There exists a 5-foot public utility easement along all exterior lot lines.
 - 3) The Party Wall Agreement and Townhouse Declarations for the within townhouse have been recorded under Instrument No. _____ records of Blaine County, Idaho.
 - 4) The land east of the property shown on this plat is public right-of-way and shall not be landscaped unless approved by the City of Ketchum.
 - 5) Garages shall not be sold separate from the individual units.

HEALTH CERTIFICATE

Sanitary restrictions as required by Idaho Code Title 50, Chapter 13, have been satisfied. Sanitary restrictions may be reimposed, in accordance with Idaho Code Title 50, Chapter 13, Section 50-1326, by the issuance of a certificate of disapproval.

Date: 9/26/02 *Mark Seely*
Sign Central District Health Pl. EHS

© COPYRIGHT BY BENCHMARK ASSOCIATES P.A. 2002
P.O. BOX 733
KETCHUM, IDAHO, 83340
(208) 726-9512 • 726-9514 (fax)
EMAIL: info@bma5b.com

DEER RUN TOWNHOMES

OWNER'S CERTIFICATE

KNOW ALL MEN BY THESE PRESENTS that DEER RUN TOWNHOMES, L.L.C., an Idaho limited liability company, does hereby certify that it is the owner of a certain parcel of land described as follows:

A parcel of land within Section 13, Township 4 North, Range 17 East, Boise Meridian, City of Ketchum, Idaho, more particularly described as follows:

Beginning of the Southeast Corner of said Section 13; thence N 89°28'00" W, 450.00 feet; thence S 72°15'00" W, 50.00 feet; thence N 27°10'00" W, 50.00 feet; thence N 58°44'00" W, 168.70 feet; thence N 29°28'00" W, 330.00 feet; thence N 12°43'00" W, 110.00 feet to the True Point of Beginning; thence N 77°18'37" E, 176.62 feet to the west boundary of the Union Pacific Railroad; thence S 11°03'32" E, 110.32 feet along a curve to the right having a central angle of 01°05'24", a radius of 5625.65 feet, and a chord length of 110.92 feet that bears N 20°15'54" W, thence S 72°15'00" W, 161.77 feet; thence S 72°25'31" E, 110.10 to the True Point of Beginning.

Pursuant to Idaho Code 50-1334, the undersigned, as owner, does hereby state that the lots on this plat are eligible to receive water service from the Ketchum Water Department.

It is the intention of the undersigned to and they do hereby include said land in this plat.

IN WITNESS WHEREOF, we have hereunto set our hands.

Deer Run Townhomes, LLC.
DEER RUN TOWNHOMES, L.L.C.

The Jacqueline M. Howard - J. Robert Howard Trust.

By: Jacqueline M. Howard - J. Robert Howard Trust, ESTABLISHED MARCH 20, 1993.
THE JACQUELINE M. HOWARD AND J. ROBERT HOWARD TRUST, ESTABLISHED MARCH 20, 1993,
Member of Deer Run Townhomes, L.L.C.

By: Jacqueline M. Howard
JACQUELINE M. HOWARD, Trustee of The Jacqueline M. Howard and J. Robert Howard Trust, established March 20, 1993

By: Jacqueline M. Howard
JACQUELINE M. HOWARD, Trustee of the Jacqueline M. Howard and J. Robert Howard Trust, established March 20, 1993
Signed this 19th day of September, 2002.

ACKNOWLEDGEMENT

STATE OF IDAHO)
COUNTY OF BLAINE) ss

On this 19 day of SEPTEMBER, 2002, before me, the undersigned, a Notary Public for said State, personally appeared J. ROBERT HOWARD and JACQUELINE M. HOWARD, Co-Trustees of The Jacqueline M. Howard and J. Robert Howard Trust, established March 20, 1993, known or identified to me to be members or designated agents in the limited liability company of The Jacqueline M. Howard and J. Robert Howard Trust, established March 20, 1993, and they acknowledged to me that they executed the same in said limited liability company name.

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

My commission expires: 9/17/08

Chad P. Davis
Notary Public



SURVEYOR'S CERTIFICATE

I, James E. Robinson, a duly Registered Professional Land Surveyor in the State of Idaho, do hereby certify that this is a true and accurate map of the land surveyed under my direct supervision, that the location of lots and blocks here definitely been established, and perpetuated in said certificate with the State of Idaho Code relating to plots and surveys.



CITY ENGINEER'S APPROVAL

I, Richard D. Fosbury, City Engineer for Ketchum, Idaho do hereby approve the foregoing plat.

Richard D. Fosbury
RICHARD D. FOSBURY
9/19/08
DATE

COUNTY SURVEYOR'S APPROVAL

This is to certify that I, Jim W. Koonce, County Surveyor for Blaine County, Idaho, have checked the foregoing plat and computations for making the same and have determined that they comply with the laws of the State of Idaho relating thereto.

Jim W. Koonce
JIM W. KOONCE
9/19/08
DATE

CITY OF KETCHUM APPROVAL

I, Sandra Cady, City Clerk in and for the City of Ketchum, do hereby certify that the foregoing plat was duly accepted and approved according to the Ketchum Subdivision Ordinance.

Sandra Cady
SANDRA CADY
DATE

BLAINE COUNTY TREASURER'S CERTIFICATE

On this _____ day of _____, 20____, the foregoing plat was approved and accepted by the Blaine County Treasurer, Blaine County, Idaho.

By: _____

COUNTY RECORDER'S CERTIFICATE

I hereby certify that this instrument was filed at the request of _____ minutes past _____ o'clock, _____ m., on this _____ day of _____, 20____ A.D., in my office and duly recorded in book _____ of plats of page _____ instrument No. _____

By: _____

Instrument # 472487
HALEY, BLAINE, BOISE
COUNTY, IDAHO
Recorded for: J. ROBERT HOWARD
JACQUELINE M. HOWARD
MARIONA REBMAN
Blaine County Recorder Deputy
Fees: \$11.00



DEER RUN TOWNHOMES

LOCATED WITHIN:
SECTION 13, TOWNSHIP 4 NORTH, RANGE 17 EAST
BOISE MERIDIAN, KETCHUM, BLAINE COUNTY, IDAHO

FINAL PLAT
PLOT BY: CBI
PROJECT NO. 01039
DATE: 9/09/02
PLOT FILE: 01039CPL.DWG
CO-ORD FILE: 01039CORS.DWG

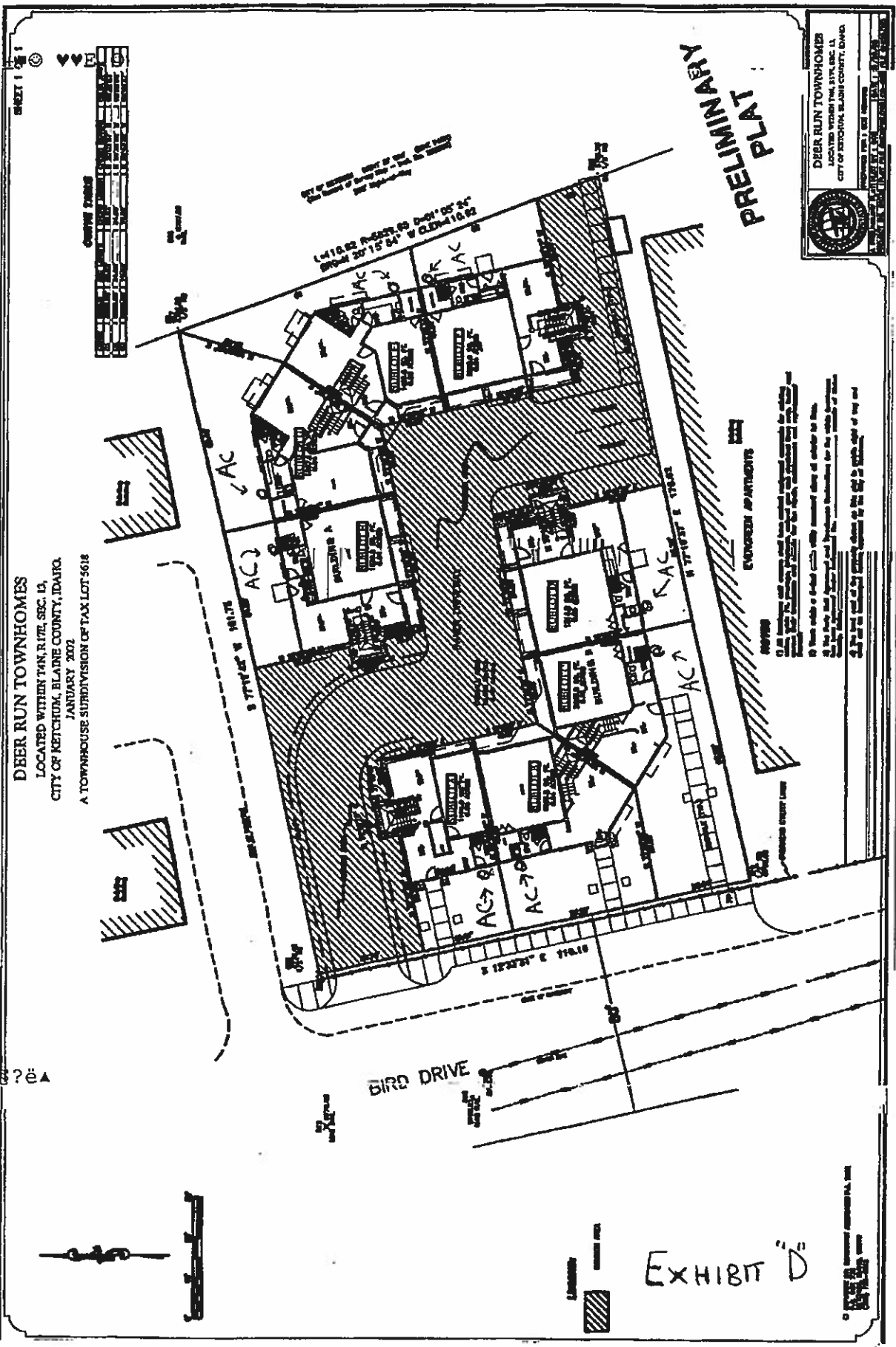
Exhibit "C" to Declaration

Unit	Assessed Square Footage	Proportion of Square Footage to entire Property
A	1,916+/-	10%
B	2,360+/-	12%
C	2,360+/-	12%
D	2,699+/-	14%
E	2,699+/-	14%
F	2,270+/-	12%
G	2,270+/-	12%
H	2,699+/-	14%

Note: Assessed square footage includes each Townhome's garage, living space, and decks.

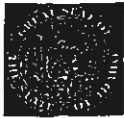
Exhibit "D" to Declaration

(AIR CONDITIONER LOCATIONS)



LAINCO\blaine county townhomes\01264\01039pre.Dwg, 02/25/2002 09:01:49 AM

EXHIBIT E



ARTICLES OF INCORPORATION (Non-Profit) FILED/EFFECTIVE

(Instructions on back of application)

2002 OCT 19 AM 8:24

The undersigned, in order to form a Non-Profit Corporation under the provisions of Title 30, Chapter 3, Idaho Code, submits the following articles of incorporation to the Secretary of State.

SECRETARY OF STATE
STATE OF IDAHO

Article 1: The name of the corporation shall be:

Deer Run Homeowners' Association, Inc.

Article 2: The purpose for which the corporation is organized is:

Homeowners' Association

Article 3: The street address of the registered office is: 118 River Run Road, Ketchum, Idaho 83340

and the registered agent at such address is: Robert Howard

Article 4: The board of directors shall consist of no fewer than three (3) people. The names and addresses of the initial directors are:

Robert Howard, President, P.O. Box 3188, Ketchum, Idaho 83340

Jacqueline Howard, Vice President, P.O. Box 3188, Ketchum, Idaho 83340

Richard Fenton, Secretary, Valley View #23, Stanley, Idaho 83278

Article 5: The name(s) and address(es) of the incorporator(s):

Edward A. Lawson, Esq., P.O. Box 3310, Ketchum, Idaho 83340

Article 6: The mailing address of the corporation shall be:

P.O. Box 3188, Ketchum, Idaho 83340

Article 7: The corporation (does) have voting members.

Article 8: Upon dissolution the assets shall be distributed:

To Members

Signatures of all incorporators:

Edward A. Lawson, Esq.
 _____ Typed Name: _____
 _____ Typed Name: _____
 _____ Typed Name: _____
 _____ Typed Name: _____

Customer Acct #:

(if using pre-paid account)

Secretary of State use only

g:\corp\format\corp_format\state\incpr08.pdf Revised 07/2002

Web Form

IDAHO SECRETARY OF STATE
10/18/2002 05:00
CK: 1414 CT: 159456 BH: 576779
1 @ 30.00 = 30.00 INC NONP # 2

C145900

EXHIBIT F

EXHIBIT B

AMENDED BYLAWS
OF
DEER RUN HOMEOWNERS' ASSOCIATION, INC.

An Idaho Non-Profit Corporation

Effective as of _____

ARTICLE I

OFFICERS

~~The principal office and place of business of the Association in the State of Idaho, is and shall be located at 118 River Ranch Road, Ketchum, Blaine County, State of Idaho. The post office address of the office shall be 3188, Ketchum, Idaho. The Board of Directors is hereby granted full authority and power to change the office location to any other convenient place in Blaine County.~~

DEFINITIONS

1. "Association" shall mean Deer Run Homeowners' Association, Inc., a nonprofit corporation organized under the laws of the State of Idaho and composed of the Owners of the Lots identified in the Amendment and Restatement No. Two to Deer Run Homeowners' Association Declaration of Covenants, Conditions and Restrictions recorded on _____, 2020, as Instrument No. _____, records of Blaine County, Idaho (the "Amended and Restated Declaration"). The principal office and place of business of the Association is in the State of Idaho, is and shall be located at a place determined by the Board of Directors.

1.2. "Common Area" shall mean the land designated as Common Area in Exhibit "B" in the Amended and Restated Declaration.

3. "Common Expenses" shall mean all expenses incurred for the upkeep, maintenance, repair, replacement, management and operation of the Common Area, the Association's ~~Perimeter Fences~~, freestanding light fixtures located on Lots A, B and C, ~~pavers located on any portion of the Property if damaged by tree roots~~, the exterior walls of Townhomes, which include the exterior of chimneys, windows, garages and front doors, as well as roofs and soffit screening on the Townhomes, including any reserve for maintenance and repairs, reinstatement, rebuilding and replacement of the Common Area and the exterior walls and roofs of Townhomes; the costs associated with maintaining and inspecting fire safety systems in each Townhome, the cost of the insurance permitted or required herein to be procured and maintained by the Association together with related expenses; the cost of irrigation, janitorial and similar services for the Common Area; the cost of trash removal and snow removal on common area driveways; the cost of radiant heat in the Common Area driveway and on deck pavers; wages, accounting and legal fees; management fees; the cost to maintain and repair utility easements located on the Common Area and any other expenses and liabilities incurred by the Association for the benefit of the Owners under or by reason of this Declaration. The Association shall provide exterior maintenance upon

each Townhome as follows: paint, repair, replacement and care of roofs, gutters, heat tape, windows, downspouts, exterior building surfaces, and other exterior improvements. In the event that the need for maintenance or repair of a Townhome or the improvements thereon is caused by the willful or negligent acts of its Owner, or through the willful or negligent acts of the family, guests or invitees of the Owner of the Townhome needing such maintenance or repair, the cost of such exterior maintenance shall be added to and become part of the assessment to which such Townhome is subject. Common Expenses do not include the cost to maintain and/or repair any decking system, other than its radiant heat, nor any improvement or upgrade that an Owner has made or will make to any portion of the ~~Perimeter~~-Fence, such costs and expenses shall be the Owner's sole responsibility.

4. "Lot" shall mean and refer to any one of the parcels which constitute a portion of the Property.

5. "Owner" or "Member" shall mean and refer to the record owner, whether one or more persons, of the fee simple title to any Townhome including contract purchasers, but excluding those having such interests merely as security for the performance of an obligation.

6. "Party Wall" shall mean the wall which is built as part of the original construction of a Townhome and placed on the dividing line between the Lots.

~~2.7.~~ "Perimeter-Fence" shall mean the fences, which act as a barrier between adjacent residential properties on the northern, eastern and southern property lines, and which are located on the northern property line of Lots G and H, the eastern property line of Lots E, F, G and the southern property line of Lots C, D ~~and E~~ and the southern lot line common area. The ~~Perimeter~~ Fence ~~does not~~shall also include ~~any~~all portions of the partition fencing on the dividing line between Lots C and D, E and F, F and G, G and H ~~or~~and the privacy fences between Lot D and the Common Area, Lot E and the Common Area and Lot H and the Common Area.

8. "Property" shall mean all of the land described in the Amended and Restated Declaration.

9. "Townhome" shall mean the single-family residential unit located on a Lot and separated from the adjoining townhome unit or units by a Party Wall.

ARTICLE II

BOARD OF DIRECTORS

The affairs of the Association shall be governed by the Board of Directors consisting only of Owners and; which shall be composed of at least three, and no more than five ~~members of the Association~~individuals as set by the Board and as provided in the Articles of Incorporation.

1. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things except those which by law or by declaration or by these Bylaws or by the Articles of Incorporation may not be delegated to the Board of Directors by the ~~m~~Members. Such powers and duties of the Board of Directors shall include those enumerated in Article IV Section 2 of the

Deer Run Homeowners' Association Declaration of Covenants, Conditions and Restrictions recorded as Instrument Number 471958 in the records of Blaine County, Idaho ("Declaration") Amended and Restated Declaration, as well as the following:

- (a) Operation, care, upkeep and maintenance of the elements and areas common to all Townhomes.
- (b) Determination of Common Expenses required for the affairs of the Association, ~~including, without limitation, the operation and maintenance of the common areas and exterior walls and roofs of Townhomes.~~
- (c) Levy assessments and enforce payments from the ~~Townhome~~ Owners.
- (d) Employment and dismissal of the personnel necessary for the maintenance and operation of the Association.
- (e) Adoption and amendment of rules and regulations covering the details of the operation and the use of the common property of the Association.
- (f) Opening a bank account on behalf of the Association and designating the signatory required therefore.
- (g) Purchase and maintain insurance for the Association, Directors and Officers.
- (h) Making repairs, additions, restorations, maintenance or alterations to the eCommon Areas, water system, and recreational areas if any in accordance with the other provisions of these bBylaws, after damage or destruction by fire or other cause.

2. Managing Agent and Manager. The Board of Directors may employ for the Association a ~~managing body,~~ at a level of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the manager, all necessary powers.

3. Election and Term of Office. The affairs of the Association shall be managed by a Board of at least three (3) ~~directors~~ and no more than five (5) Directors. The number of Directors ~~must be~~ may only be changed by amendment of these Bylaws. ~~There is no limit on the number of consecutive terms that a Director may serve so long as he or she is duly elected. At the first annual meeting, the members shall elect two (2) directors for a term of two (2) years, and one (1) director for a term of one (1) year; and a~~ At each annual meeting, ~~thereafter~~ the members Owners shall elect sufficient directors Directors for a term of ~~two~~ one (2~~1~~) years to fill all vacancies. There is no limit on the number of consecutive terms that a Director may serve so long as he or she is duly elected. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the ~~certificate holders~~ Owners.

4. ~~Nomination and~~ Election of Directors.

~~(a) Nomination. Nomination for election to the Board shall be made by a nominating committee consisting of three (3) members. Nominations may also be made from the floor at each annual meeting. The nominating committee shall consist of a chairman who shall be a member of the Board, and two (2) other persons who shall be members of the Association. Each member of the nominating committee shall be appointed by the Board to serve for a period of one year, and vacancies thereon shall be filled by the Board. The nominating committee shall make as many nominations for election to the Board as it shall, in its discretion, determine, but not less than the number of vacancies to be filled. Nominations shall be made from among members of the Association.~~

~~(b) Election. Election to the Board shall be by secret ballot. At such election, the membersOwners, or their proxies, may cast, in respect to each vacancy, as many votes as they are entitled to cast under the provisions of the Amended and Restated Declaration. The candidates receiving the highest number of votes shall be deemed elected.~~

5. Removal of a Board MemberDirector. At any regular or special meeting of the Association mMembersOwners, any one (1) or more of the Board of Directors may be removed with or without cause by fifty-one percent (51%) of the members-MembersOwners and the successor may then and there or thereafter be elected to fill the vacancy thus created. Any ~~member of the Board of~~ Directors, after his or her removal has been proposed by the mMembersOwners, shall be given an opportunity to be heard at the meeting.

6. Vacancies. Vacancies on the Board of Directors caused by any reason other than the removal of a member-Director thereof by a vote of the Association mMembersOwners` shall be filled by a vote of the majority of the remaining Board-membersDirectors at a special meeting of the Board of Directors held for that purpose promptly after the occurrence of such vacancy, even though the Board-membersDirectors present at such meeting shall constitute less than a quorum, and each person so elected shall be a member of the Board of Directors for the remainder of the term unless removed or until a successor shall be elected at the next annual meeting of the membersOwners.

7. Regular Meetings. The 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 majority of the members of the Board of 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 member of the Board of Directors by mail and/or telegraphemail at least ten (10) business days prior to the day named for such meeting.

8. Special Meetings. Special meetings of the Board of Directors may be called by the pPresident giving notice of ten (10) business days; notice to each ~~member of the Board of~~ Directors, may be given by mail and/or telegraphemail. The notice shall state the time, place and purpose of the meeting. The special meetings of the Board of Directors shall be called by the pPresident or sSecretary in like manner and on like notice on the written request of at least two (2) members of the Board of Directors.

9. Waiver of Notice. Any member of the Board of Directors may, at any time, waive notice of any meeting of the Board of Directors in writing, and such waiver shall be

deemed equivalent to the giving of such notice. Attendance by a member of the Board of Directors at any meeting of the Board of Directors shall constitute a waiver of notice by him or her of the time and place thereof. If all the members of the Board of Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

10. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If, at any meeting of the Board of Directors, there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

11. Compensation. ~~No compensation shall be paid to the Board of Directors for acting as such. However, any Director may be reimbursed for expenses incurred in carrying on the business of the Association.~~
~~No compensation shall be paid to directors.~~

ARTICLE III

ASSOCIATION MEMBERS

1. Membership. Any person, corporation or other business entity may own one or more ~~†Townhome(s)~~ ~~(²²Owner²²)~~. Membership rights, duties and obligations, as set forth in the Amended and Restated Declaration under Article V, shall not be assigned, sold, transferred or in any other manner conveyed except upon transfer of title to a Townhome. Ownership interest in a Townhome shall be the sole qualification for membership.

2. Annual Meetings. The annual meetings of ~~members~~ Members shall be held ~~on the 28th day of December in the month of either July or August~~ of each year ~~or such other dates as the Board shall designate~~ unless otherwise determined by the Board of Directors. At such meetings, the Board of Directors shall be elected by ballot of the Mmembers in accordance with the requirements of the Articles of Incorporation and these Bylaws. The Mmembers may transact such other business at such meetings as may properly come before them.

3. Place of Meetings. The meetings of the ~~Townhome~~ owners shall be held at ~~the principal office of the Association or at such other~~ a suitable place convenient to the ~~Townhome~~ owners as may be designated by the Board of Directors.

4. Special Meetings. It shall be the duty of the president to call a special meeting of the mMembers when so directed by the Board of Directors or upon a petition signed and presented to the Secretary by not less than the number of owners having one-third (1/3rd) of the total Association votes. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at the special meeting except as stated in the notice.

5. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the ~~Townhome~~-Owners not less than fifteen (15) days, nor more than sixty (60) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each ~~m~~Member of record, at the building or at such other address as such ~~m~~Member shall have designated by notice in writing to the ~~s~~Secretary. The mailing of a notice of meeting in the manner provided in this section shall be considered service and notice.

6. Adjournment of Meetings. If any meeting of ~~Townhome~~-Owners cannot be held because a quorum is not present, a majority of the ~~Townhome~~-Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty eight (48) hours nor more than thirty (30) days from the time the original meeting was called. At such adjourned meeting, the quorum requirement shall be at least twenty five percent (25%) of the total votes.

7. Order of Business. The order of business at all meetings of the Association shall be as follows:

- (a) Roll call;
- ~~(b)~~ Confirmation of quorum;
- ~~(c)~~ Proof of notice of meeting;
- ~~(d)~~ Reading of minutes of preceding meeting;
- ~~(e)~~ Report of Officers;
- ~~(f)~~ Report of Board of Directors;
- ~~(g)~~ Report of committees;
- ~~(h)~~ Election of inspectors of election (when so required);
- ~~(i)~~ Unfinished business;
- ~~(j)~~ New business.

~~8. Membership Designation. Membership may be listed in the name of an individual or in the names of two (2) or more persons, as tenants in common, or as joint tenants, or as tenants by the entirety, or in the name of the corporation or partnership, or in the name of a fiduciary. However, only one membership shall be assigned for each Townhome and no individual, tenancy, corporation, partnership or fiduciary as above designated may hold more than one (1) designation of membership.~~

~~98.~~ Voting. The ~~e~~Owner or ~~e~~Owners of each Townhome, or some person designated by such ~~e~~Owner or Owners to act as proxy on his, her or their behalf and who need not be an Owner, shall be entitled to cast votes designated in their membership designation at all meetings of Owners~~members~~. Designation of a proxy shall be made in writing to the Secretary and shall be revocable at any time by written notice to the Secretary by the Owner or Owners so designated. No proxy shall extend beyond a period of six (6) months, and every proxy shall automatically cease upon sale of the Owner's Townhome, or upon the death or incapacity of the ~~e~~Owner executing the proxy statement.

~~910.~~ Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of ~~members~~Owners having fifty-one percent (51%) of the total authorized votes of all

~~members~~Owners (i.e. 5 Owners) shall constitute a quorum at all meetings of the ~~members~~Owners.

104. Majority Vote. The vote of fifty one percent (51%) of the ~~members~~Owners at a meeting at which a quorum shall be present shall be binding upon all ~~members~~Owners for all purposes except where the Amended and Restated Declaration, or these Bylaws, require a higher percentage vote.

11. Voting. The Association Members shall be all Owners, and shall be entitled to one vote for each Lot owned.

12. Joint Owner Votes. The voting rights for each Townhome may not be cast on a fractional basis. If the joint Owners of a Townhome are unable to agree among themselves as to how their voting rights shall be cast, they shall forfeit the vote on the matter in question. If any Owner exercises the voting rights of a particular Townhome, it will be conclusively presumed for all purposes that he or she was acting with the authority and consent of all other Owners of the same Townhome. If more than one (1) person or entity exercises the voting rights for a particular Townhome, their votes shall not be counted and shall be deemed void.

ARTICLE IV

OFFICERS

1. Designation. The principal officers of the Association shall be the ~~P~~resident, ~~V~~ice ~~p~~resident, ~~s~~ecretary and ~~T~~reasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an ~~A~~ssistant ~~T~~reasurer, and an ~~A~~ssistant ~~s~~ecretary, and such other officers as in its judgment may be necessary. All principal and assistant officers shall be members of the Board of Directors.

2. Election of Officers. The ~~O~~fficers of the Association shall be elected annually by the Board of Directors and shall hold office at the pleasure of the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Directors, any ~~O~~fficer may be removed, either with or without cause, and a successor may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

4. President. The ~~p~~resident shall be the chief executive officer of the Association. He or she shall preside at all meetings of the ~~Townhome~~~~O~~wners and of the Board of Directors. He or she shall have all of the general powers and duties which are incident to the officer or president of a general business corporation organization under the general business corporation law of the State of Idaho, including, but not limited to, the power to appoint committees among the ~~Townhome~~~~O~~wners from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct and affairs of the Association.

5. Vice President. The ~~v~~Vice ~~p~~President shall take the place of the ~~P~~President and perform his or her duties whenever the ~~P~~President shall be absent or unable to act. If neither the ~~p~~President or the ~~v~~Vice ~~p~~President is ~~un~~able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the ~~p~~President on an interim basis. The ~~V~~ice ~~p~~President shall also perform such other duties as from time to time may be imposed upon him or her by the Board of Directors or by the ~~P~~President.

6. Secretary. The ~~s~~Secretary shall keep the minutes of all meetings of the ~~Townhome~~eOwners and of the Board of Directors; he or she shall have charge of such books and papers as the Board of Directors may direct; and he or she shall, in general, perform all the duties incident to the office of secretary of a general business corporation organized under the corporation laws of the State of Idaho.

7. Treasurer. The ~~t~~Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data. He or she shall be responsible for the deposit of all money and other valuable effects in the name of the Board of Directors, or the managing agent, in such depository as may from time to time be designated by the Board of Directors, and he or she shall, in general, perform all the duties incident to the office of the treasurer of a general business corporation organized under the corporate laws of the State of Idaho.

8. Agreements, Contracts, Deeds, Checks, Etc. All agreements, contracts, deeds, checks and other instruments of the Association shall be executed by any two (2) ~~e~~Officers of the Association or by such other person or persons as may be designated by the Board of Directors.

9. Compensation of Officers. No Officer shall receive any compensation from the Association for acting as such. However, any Officer may be reimbursed for expenses incurred in carrying on the business of the Association. ~~No officer shall receive any compensation from the Association for acting as such.~~

ARTICLE V

OPERATION OF THE PROPERTIES

1. Determination of Common Expenses and Fixing of Common Charges. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Association, determining the amount of the common charges payable by the ~~members~~Owners to meet the ~~e~~Common ~~e~~Expenses of the Association and allocate and assess such common charges among the ~~members~~Owners ~~on a~~as set forth in the Amended and Restated Declaration. The ~~e~~Common ~~E~~xpenses shall include the expenses as defined above, and also include among other things, the cost of premiums on all policies of insurance obtained by the Board of Directors. Common ~~E~~xpenses may also include such amounts as the Board of Directors may deem proper for the operation and maintenance of the ~~e~~Common ~~A~~rea, including without limitation, an amount for working capital of the Association, for general operating reserve, for reserve fund for replacements, and to make up any deficit in the ~~C~~ommon ~~e~~Expenses for any prior year. The ~~e~~Common ~~e~~Expenses shall also be used for the purposes set out in the Articles of Incorporation

of this Association. The Board of Directors shall advise all ~~m~~Members as provided in the Amended and Restated Declaration, in writing, of the amount of ~~e~~Common ~~e~~Expenses assessed and shall furnish copies of such budget on which sum common charges are based to all ~~m~~Members.

2. Insurance. The Board of Directors shall obtain and maintain to the extent required in the Amended and Restated Declaration insurance upon any ~~e~~Common ~~A~~Area, exterior walls and roofs of Townhomes, recreational facilities, streets or other property owned by the Association, and for Directors and Officers. ~~and in~~In addition, the Board of Directors shall obtain and maintain workmen's compensation insurance for its employees.

3. Payment of Common Expenses. All ~~members~~Owners shall be obligated to pay the ~~e~~Common ~~E~~expenses assessed by the Board of Directors as more fully detailed in the Amended and Restated Declaration. The Board of Directors is hereby empowered to take all of the steps and exercise all of the powers provided by the Amended and Restated Declaration regarding assessments.

4. Abatement and Injunction of Violations of Members. The violation of any rule or regulation adopted by the Board of Directors, or the breach of any bylaw contained herein, or the breach of any of the rules, regulations and restrictions enacted in connection herewith or hereby ratified, shall give the Board of Directors the right in addition to any other rights set forth in these Bylaws or the Amended and Restated Declaration as set forth below.

(a) To enter, without being deemed guilty of trespass, the Townhome, or the ~~Townhome~~Lot in which the violation has occurred, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting ~~member~~Owner any structure, thing or condition that may exist therein contrary to the intent and meaning of these provisions, or Rules and Regulations adopted by the Board of Directors, in the Amended and Restated Declaration, or

(b) to enjoin, abate or remedy by appropriate legal proceedings, the continuance of any such breach.

5. Right of Access. Each and every ~~member~~Owner shall have a right of access to the ~~C~~common ~~a~~Area owned by the Association. This right of access shall include the rights of ingress and egress to the ~~e~~Common ~~a~~Area provided, however, that said right of access and ingress and egress shall not be exercised to the detriment of any other ~~member~~Owner or to the Association.

ARTICLE VI

AMENDMENT TO BYLAWS

1. These Bylaws, and every part hereof, may from time to time and at any time, be amended by vote or written consent of ~~members~~Owners entitled to cast at least ~~fifty-one~~fifty-five percent (~~51~~55%) of the total number of votes of the Association.

DATED this ____ day of October, 2002.

~~Richard Fenton, Secretary~~

~~Robert Howard, Director~~

~~Jacqueline Howard, Director~~

~~Richard Fenton, Director~~

CERTIFICATE OF SECRETARY

KNOW ALL MEN BY THESE PRESENTS:

The undersigned, Secretary of Deer Run Homeowner's Association, Inc, an Idaho nonprofit corporation, does hereby certify that the above and foregoing bylaws were duly adopted by the Board of Directors of said Association on the ____ day of _____, 2020, and that they now constitute said bylaws.

Secretary

State of Idaho _____)
) ss.
County of Blaine _____)

~~On this _____ day of October, in the year of 2002, before me, a Notary Public in and for said State, personally appeared Robert Howard, known or identified to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.~~

Notary Public for Idaho
Residing at _____
My Commission expires _____

State of Idaho _____)
) ss.
County of Blaine _____)

~~On this _____ day of October, in the year of 2002, before me, a Notary Public in and for said State, personally appeared Jacqueline Howard, known or identified to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same.~~

Notary Public for Idaho
Residing at _____
My Commission expires _____

State of Idaho _____)
) ss.
County of Blaine _____)

On this _____ day of October, in the year of 2002, before me, a Notary Public in and for said State, personally appeared Richard Fenton, known or identified to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

Notary Public for Idaho
Residing at _____
My Commission expires _____

EXHIBIT C

THE DEER RUN HOMEOWNERS' ASSOCIATION, INC. BALLOT

The undersigned Owner of Deer Run Homeowners' Association, Inc., an Idaho non-profit corporation (the "Association"), hereby votes on the approval/disapproval of the Amendment and Restatement No. Two to Deer Run Homeowners' Association Declaration of Covenants, Conditions and Restrictions (the "Amended and Restated Declaration") and the Amended Bylaws of Deer Run Homeowners' Association, Inc. (the "Amended Bylaws").

The undersigned Owner hereby votes as follows with respect to the Amended and Restated Declaration:

_____ I hereby **approve and consent to** the adoption of the Amended and Restated Declaration.

_____ I hereby **do not approve** the adoption of the Amended and Restated Declaration.

The undersigned Owner hereby votes as follows with respect to the Amended Bylaws:

_____ I hereby **approve and consent to** the adoption of the Amended Bylaws.

_____ I hereby **do not approve** the adoption of the Amended Bylaws.

The Bylaws provide a response of fifty-one (51%) percent of the Owners is needed to establish a quorum. This vote is taken pursuant Article IX Section 2 of the First Amendment to the Declaration of Covenants, Conditions and Restrictions of Deer Run Homeowners' Association, Inc. (the "First Amendment"), which allows amendment of the Declaration by written consent of six-eighths (6/8ths) of the Owners. This vote is also taken pursuant to Article VI Section 1 of the Bylaws of Deer Run Homeowners' Association, Inc. (the "Bylaws"), which allows amendment of the Bylaws by fifty-one (51%) percent of the total number of votes of the Association.

Except as otherwise provided in the Association's Articles or Bylaws, a written Ballot may not be revoked. This Ballot must be received by the Association's legal counsel, Lawson Laski Clark, PLLC, no later than August 31, 2020 via email to: heo@lawsonlaski.com or via U.S. Mail to: P.O. Box 3310, Ketchum, Idaho 83340.

The undersigned Owner of the Association has voted on the matters stated herein as indicated above.

DATED this ___ day of _____, 2020.

Signature: _____

Print Name: _____

Lot Number: _____