

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

NORTHWOOD CENTER ASSOCIATES
Post Office Box 710
Bellevue, ID 83313
KKCL File No. 5198-A08

(Space above line for Recorder's Use)

**SECOND AMENDMENT TO CONDOMINIUM DECLARATION
FOR NORTHWOOD CENTER ASSOCIATES**

THIS SECOND AMENDMENT to the Condominium Declaration for Northwood Center Associates is made by the Declarant, Northwood Center Associates as condominium owners of Northwood Center Associates Condominiums and members of Northwood Center Owners Association, Inc.

WHEREAS, the Condominium Map for Northwood Center Condominium Phase 1 was recorded October 13, 1987, as Instrument No. 289047, records of Blaine County, Idaho.

WHEREAS, the Condominium Declaration for Northwood Center Associates was recorded October 13, 1987, as Instrument No. 289048, records of Blaine County, Idaho.

WHEREAS, the Condominium Map for Northwood Center Condominium Phase 2 was recorded February 21, 1990, as Instrument No. 316875, records of Blaine County, Idaho.

WHEREAS, the First Amendment for the Condominium Declaration for Northwood Condominium Associates was recorded July 19, 1992, as Instrument No. 342065, records of Blaine County, Idaho.

NOW, THEREFORE, the Condominium Declaration for Northwood Center Associates is hereby further amended as follows:

1. The second sentence in the second paragraph Class B, Section 7.2, Voting of the Declaration is amended in its entirety to read as follows:

“The Class B membership shall cease and be converted to Class A membership on the happening of one of the following events, whichever occurs earlier: (1) Conveyance by Declarant of sixty percent (60%) of all condominiums in the project, or (2) on January 1, 2010.”

2. Section 10.1 of Articles X, Use of Condominiums, is hereby amended in its entirety to read as follows:

“Section 10.1, Use of Condominiums. Unless otherwise specifically prohibited herein, any use shall be permitted within the condominium units if it is performed entirely within the unit and as permitted by applicable laws, regulations and ordinances of the City of Ketchum, the County of Blaine, or other governmental agencies having jurisdictions, and by this Declaration; provided, however, that Declarant reserves the right until conveyance by Declarant of sixty percent (60%) of all condominiums in the project to carry on normal sales activities and leasing activity on the project, including the operation of models and a sales/leasing office, if any, and Declarant shall have, during the above period, the non-exclusive right to use the common area and/or the condominium building for such purposes.”

3. Subparagraph (1), Residential; of Section 10.3 of the Declaration is stricken in its entirety.

4. Except as specifically amended herein, each and every term of the Condominium Declaration for Northwood Center Associates, as amended, is hereby ratified and confirmed and shall remain in full force and effect.

The Declarant, Northwood Center Associates, as the owner of all of the condominium units of Northwood Center Condominiums hereby consents and agrees to this Second Amendment as set forth above, pursuant to the terms and conditions of the Condominium Declaration.

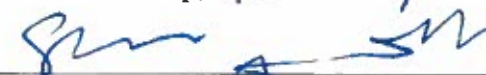
DECLARANT:

NORTHWOOD CENTER ASSOCIATES,
An Idaho general partnership

By


Ronald J. Sharp, Partner

By

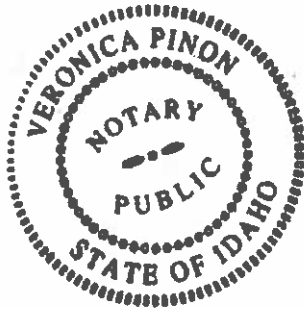

Steven Giacobbi, Partner

ACKNOWLEDGMENTS

STATE OF IDAHO)
)ss:
County of Blaine)

On this 25th day of June, 2007, before me, the undersigned, a Notary Public, personally appeared Ronald J. Sharp, known or identified to me to be one of the partners in the partnership of Northwood Center Associates that executed the instrument and the partner or one of the partners who subscribed said partnership name to the foregoing instrument, and acknowledged to me that he executed the same in said partnership name.

WITNESS MY HAND AND SEAL

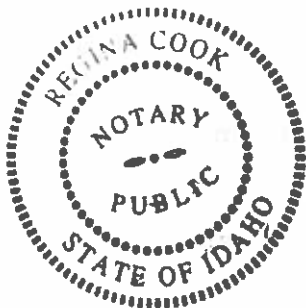


Veronica Pinon
NOTARY PUBLIC for Idaho
Residing at: Shoshone, ID
Commission Expires 8.21.2012

STATE OF IDAHO)
)ss:
County of Blaine)

On this 29 day of June, 2007, before me, the undersigned, a Notary Public, personally appeared Steven Giacobbi, known or identified to me to be one of the partners in the partnership of Northwood Center Associates that executed the instrument and the partner or one of the partners who subscribed said partnership name to the foregoing instrument, and acknowledged to me that he executed the same in said partnership name.

WITNESS MY HAND AND SEAL



Regina Cook
NOTARY PUBLIC for Idaho
Residing at: Hailey, Idaho
Commission Expires 3/2010

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Recording Requested by
and
When Recorded Mail To:

Northwood Center Associates
P. O. Box 1440
Sun Valley, Idaho 83340

BLAINE CO. REQUEST
OF FIRST AMERICAN TITLE CO.

1992 JUN 19 P 4:06

342065

MARY GREEN CLERK
FEES \$ 12.00

Amend
CC+R.

FIRST AMENDMENT TO CONDOMINIUM DECLARATION

FOR

NORTHWOOD CENTER ASSOCIATES

This First Amendment to the Condominium Declaration for Northwood Center Associates is made by the Condominium Owners of Northwood Center Associates Condominiums and Members of Northwood Center, Inc.

Whereas, the Condominium Declaration for Northwood Center Associates was recorded October 13, 1987, as Instrument No. 289048, records of Blaine County, Idaho.

Whereas, the Condominium Declaration for Northwood Center Associates is hereby amended as follows:

1. Exhibit "A" to the Condominium Declaration is amended in its entirety to read as follows:

EXHIBIT "A"
(Legal Description)

"Northwood Center Condominium Phase 2, according to the official plat thereof, recorded as Instrument No. 316875 records of Blaine County, Idaho."

For informational purposes, it is noted that Northwood Center Condominium Phase 2 was formerly Northwood Center Condominium Phase 1. Condominium Units B100 through B900 are subdivided on Northwood Center Condominium Phase 2. Condominium Units 100 through 900 were subdivided on the Northwood Center Condominium Phase 1 plat. The Northwood Center Condominium Phase 1 plat was formerly, New Lot 7, a replat of Lots 6 and 7 Resubdivision of Northwood P.U.B. Subdivision Lot 4, Ketchum, Blaine County, Idaho.

2. Exhibit "B" to the Condominium Declaration is amended in its entirety to read as follows:

Exhibit "B"
Undivided Interest in Common Area

<u>Unit Number</u>	<u>Sq. Footage</u>	<u>Percentage of Total Square Footage</u>
100	945.6	5.532%
200	946.2	5.536%
300	943.8	5.521%
400	961.1	5.623%
500	919.0	5.376%
600	947.5	5.543%
700	947.5	5.543%
800	947.5	5.543%
900	945.6	5.532%
B100	954.5	5.584%
B200	954.5	5.584%
B300	939.0	5.493%
B400	994.3	5.817%
B500	958.4	5.607%
B600	946.7	5.539%
B700	948.7	5.550%
B800	947.1	5.541%
<u>B900</u>	<u>946.3</u>	<u>5.536%</u>
TOTALS	17,093.30	100.000%

3. Except as specifically amended herein, each and every term of the Condominium Declaration for Northwood Center Associates is hereby ratified and confirmed, and shall remain in full force and effect.

DATED this 19 day of June, 1992.

NORTHWOOD CENTER, INC.

By: Ronald J. Shays
President

By: Ronald J. Shays
Secretary

The President and Secretary of Northwood Center, Inc., hereby certify that owners representing an aggregate interest of 66 2/3% or more of the condominiums, as reflected on the real estate records of Blaine County, Idaho, consent and agree to this Amendment as set forth above, pursuant to the terms and conditions of the Condominium Declaration.

By: Ronald J. Sharp
President

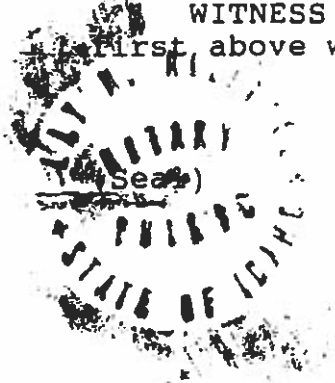
By: Ronald J. Sharp
Secretary

STATE OF IDAHO)
) ss.
County of Blaine)

On this 19th day of JUNE, 1992, before me, the undersigned, a Notary Public in and for said State, personally appeared Ronald J. Sharp, known to me to be the President of NORTHWOOD CENTER ASSOCIATES, an Idaho General Partnership, signer of the foregoing instrument, who duly acknowledged to me that (s)he executed the same on behalf of said corporation.

WITNESS my hand and seal the day and year in this certificate first above written.

K. O. W. Rockwood
Notary Public for IDAHO
Residing at 11851 Highway 75
Commission Expires June 20, 1993





STATE OF IDAHO)
) ss.
County of Blaine)

On this 19th day of JUNE, 1992, before me, the undersigned, a Notary Public in and for said State, personally appeared Conrad J. Shree, known to me to be the Secretary of NORTHWOOD CENTER ASSOCIATES, an Idaho General Partnership, signer of the foregoing instrument, who duly acknowledged to me that (s)he executed the same on behalf of said corporation.

WITNESS my hand and seal the day and year in this certificate first above written.

K. G. W. Rockwood
Notary Public for IDAHO
Residing at 11851 Highway 75
Commission Expires June 20 1993



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289048

Northwood Center Assoc.

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REQUEST OF

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Recording Requested by
and
When Recorded Mail to:

Northwood Center Associates
P. O. Box 1440
Sun Valley, ID 83340

(Space above line for Recorder's use.)

CONDOMINIUM DECLARATION

FOR

NORTHWOOD CENTER ASSOCIATES

ARTICLE I.

Recitals and Certain Definitions

Section 1.1 The Declarant: The Real Property. Northwood Center Associates, an Idaho General Partnership, licensed to do business in the State of Idaho (together with its successors and assigns, collectively, the "Declarant") is the owner of that certain real property located in Ketchum, Blaine County, Idaho, described in Exhibit A attached hereto and made a part of this Declaration (The "Real Property").

Section 1.2 Intention of Declarant. Declarant intends to provide for condominium ownership and the Real Property under the Condominium Property Act of the State of Idaho.

Section 1.3 The Project. The term "Project" shall collectively mean the Real Property and all buildings and other improvements located on the Real Property.

Section 1.4 Type of Ownership. This condominium project will provide a means for ownership in fee simple of separate interests in Units and co-ownership with others, as tenants in common, of Common Area, as those terms are herein defined.

ARTICLE II.

Additional Definitions

The following terms shall have the following meanings when used herein unless the context otherwise requires.

Section 2.1 Building. "Building" means one of the buildings constructed on the Real Property pursuant to this Declaration, excepting structures containing no living quarters and used primarily for automobile parking.

Section 2.2 Unit. "Unit" means the separate interest in a condominium as bounded by the interior surfaces of the perimeter walls, floors, ceilings, and exterior of windows and doors thereof and numbered on the Condominium Map to be filed for record, together with all fixtures and improvements therein contained. Notwithstanding such markings, the following are not a part of a Unit: bearing walls, columns, floors and roofs (except for the interior surface thereof, if a perimeter wall, floor or ceiling), foundations, shafts, central heating, reservoirs, tanks, pumps and other services used by more than one Unit, pipes, vents, ducts, flues, chutes, conduits, wires, garages, and other utility installations, wherever located, except the outlets thereof when located within the Unit. The exterior surfaces of a perimeter window or door means the points at which such surfaces are located when such windows or doors are closed; the physical windows and doors themselves are part of the unit, as herein defined. Each Unit also includes the interior of any storage areas which are shown on the Condominium Map as belonging to such Unit, bounded as described herein for the other portions of the Unit. In case of combination of two or more adjoining Units, those portions of partition walls between Units which are from time to time used as door openings between such Units shall be deemed to be divided in half longitudinally, parallel to the partition wall, and each half shall constitute part of the Unit which it adjoins, as Limited Common Area appurtenant to such Unit.

Section 2.3 Common Area. "Common Area" means the entire Project excepting all Units.

Section 2.4 Limited Common Area. "Limited Common Area" means that Common Area designated herein for exclusive use by Owners of particular Condominiums, as those terms are herein defined.

Section 2.5 General Common Area. "General Common Area" means all Common Area excepting all Limited Common Area.

Section 2.6 Condominium. "Condominium" means a separate interest in a Unit together with an undivided interest in common in the Common Area (expressed as a percentage of the entire ownership interest in the Common Area) as set forth in Exhibit B attached hereto and by this reference made a part hereof.

Section 2.7 Owner. "Owner" means any person or entity, including Declarant, at any time owning a Condominium; the term "Owner" shall not refer to any Mortgagee, as herein defined, unless such Mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

Section 2.8 Mortgage. "Mortgage" means any mortgage, deed of trust, or other security instrument by which a Condominium or any part thereof is encumbered.

Section 2.9 Mortgagee. "Mortgagee" means any person, or any successor to the interest of such person named as the mortgagee, trust beneficiary or creditor under any mortgage, as mortgage is defined in Article II, Section 2.8, under which the interest of any Owner, or successor to the interest of such Owner, is encumbered.

Section 2.10 Association. "Association" means Northwood Center, Inc., an Idaho nonprofit corporation, its successors and assigns, organized as provided herein.

Section 2.11 Condominium Map. "Condominium Map" means the Condominium Map for Northwood Center filed for record in the office of the County Recorder of Blaine County, Idaho, consisting of a plat or survey map of the surface of the ground of the Real Property showing a survey and legal description thereof, the location of each Building with respect to the boundaries of the Real Property, together with diagrammatic floor plans of the Buildings showing the boundaries of each Unit within each Building, including horizontal and vertical locations and dimensions of all boundaries of each Unit. Unit number identifying the Units, together with such other information as may be included thereon in the discretion of the Declarant.

ARTICLE III.

Statement of Intention and Purpose

Declarant hereby declares that the Project and every part thereof, is held and shall be held, conveyed, devised, leased, rented, encumbered, used, occupied and improved and otherwise affected in any manner subject to the provisions of this Declaration, each and all of which provisions are hereby declared to be in furtherance of the general plans and scheme of condominium ownership referred to in Article I and are further declared to be for the benefit of the Project and every part thereof and for the benefit of each Owner. All provisions hereof shall be deemed to run with the land as covenants running with the land or as equitable servitudes as the case may be, and shall constitute benefits and burdens to the Declarant and its assigns and to all persons hereafter acquiring or owning any interest in the project, however such interest may be obtained.

ARTICLE IV.

Nature and Incidents of Condominium Ownership

Section 4.1 Estates of an Owner. The Project is hereby divided into Condominiums each consisting of a separate interest in a Unit and an undivided interest in common in the Common Area in accordance with the attached Exhibit B setting forth the Common Area appurtenant to each Unit. The percentage of ownership interest in the Common Area which is to be allocated to each Unit for purposes of tax assessments under Section 55-1514 of the Idaho Code and for purposes of liability as provided by Section 55-1515 of such Code shall be the same as set forth in Exhibit B. Exhibit B also contains a legal description of each Unit in the Project, consisting of the identifying number of such Unit as shown on the Condominium Map. Such undivided interests in the Common Area are hereby declared to be appurtenant to the respective Units.

Section 4.2 Limited Common Area. "Limited Common Area" shall consist of balconies, porches, and automobile parking areas. The balcony or balconies and the porch or porches adjoining a Unit and the automobile parking area identified on the Condominium Map with the same number or other designation by which the Unit is identified on the Condominium Map shall be used in connection with such Unit to the exclusion of the use thereof by the other Owners of Common Area except by invitation.

Section 4.3 Right to Combine or Divide Units. Declarant reserves the right to combine physically the area or space of one Unit with the area or space of one or more adjoining Units. Such combination shall not prevent separate ownership of such Condominiums in the future. Declarant reserves the right to designate and convey to any purchaser of such combined Units as additional Limited Common area any walls, floors or other structural separations between Units so combined, or any space which would be occupied by such structural separations but for the combination of the Units. Such structural separations and such space shall automatically become General Common Area if the combined Units become subject to separate ownership in the future.

Section 4.4 Title. Title to a Condominium may be held or owned by any entity and in any manner in which title to any other real property may be held or owned in the State of Idaho.

Section 4.5 Inseparability. No part of a Condominium or of the legal rights comprising ownership of a Condominium may be separated from any other part thereof during the period of Condominium ownership prescribed herein, so that each Unit and the undivided interest in the Common Area appurtenant to such Unit shall always be conveyed, devised, encumbered, and otherwise affected only as a complete Condominium. Every gift,

devise, bequest, transfer, encumbrance, conveyance or other disposition of a Condominium or any part thereof shall be presumed to be a gift, devise, bequest, transfer, encumbrance, or conveyance, respectively, of the entire Condominium; together with all appurtenant rights created by law or by this Declaration.

Section 4.6 Partition Not Permitted. The Common Area shall be owned in common by all Owners of Condominiums, and no Owner may bring any action for partition thereof.

Section 4.7 Owner's Right to Common Area. Subject to the limitations contained in this Declaration, each Owner shall have the non-exclusive right to use and enjoy the General Common Area, and shall have the exclusive right to use and enjoy the Limited Common Area designated herein for exclusive use by such Owner.

Section 4.8 Taxes and Assessments. Each Owner shall execute such instruments and take such actions as may reasonably be specified by the Association to obtain separate real property tax assessments of the interest of each Owner in each condominium. If any taxes or special district or other assessments may, in the opinion of the Association, nevertheless be a lien on the Project or any part thereof, the Association shall pay the same and assess the same to the Owner or Owners responsible therefor. Each Owner shall pay the taxes or assessments assessed against his Condominium, or interest therein, or his interest in the Common Area, or any part of any or all of the foregoing. Each Owner shall pay taxes, rates, impositions and assessments levied against the Project or any part of the Common Area in proportion to his interest in the Common Area, such payment to be made to the Association at least thirty (30) days prior to the delinquency of such tax or assessment. Each such unpaid tax or assessment shall bear interest at the judgment rate in Idaho from and after the time the same becomes payable by each Owner and shall be secured by the lien created by Section 9.6 hereof.

Section 4.9 Owner's Rights with Respect to Interiors. Each Owner shall have the exclusive right to paint, repaint, tile, wax, paper or otherwise maintain refinish and decorate the interior surfaces of the walls, ceilings, floors, windows, and door forming the boundaries of his Unit and all walls, ceilings, floors and doors within such boundaries subject to the Standards and Conditions established by the Northwood Center Property Owner's Association.

Section 4.10 Easements for Encroachments. If any part of the Common Area encroaches or shall hereinafter encroach upon a Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common Area, or upon an adjoining Unit or Units, an easement for such

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

Section 4.11 Easements of Access for Repair, Maintenance and Emergencies. Some of the Common Area is or may be located within the Units or may be conveniently accessible only through the Units. The Owners of other Units shall have the irrevocable right, to be exercised by the Association as their agent, to have access to each Unit and to all Common Area from time to time during such reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Area located therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common Area or to another Unit or Units. The Association shall also have such right independent of any agency relationship. Damage to the interior of any part of a Unit or Units resulting from the maintenance, repair, emergency repair or replacement of any of the Common Area as a result of emergency repairs within another Unit at the instance of the Association or of Owners shall be an expense of all of the Owners; provided, however, that if such damage is the result of negligence of the Owner of a Unit, then such Owner shall be financially responsible for all of such damage. Such damage shall be repaired and the property shall be restored substantially to the same condition as existed prior to damage. Amounts owing by Owners pursuant thereto shall be collected by the Association by assessment pursuant to Article IX below.

Section 4.12 Owner's Right to Ingress and Egress and Support. Each Owner shall have the right to ingress and egress over, upon and across the Common Area necessary for access to his Unit and to the Limited Common Area designated for use in connection with his Unit, and shall have the right to the horizontal and lateral support of his Unit, and such rights shall be appurtenant to and pass with the title to each Condominium.

Section 4.13 Association's Right to Use Common Area. The Association shall have a non-exclusive easement to make such use of the Common Area as may be necessary or appropriate to perform the duties and functions which it is obligated or permitted to perform pursuant to this Declaration, including the right to construct and maintain in the General Common Area maintenance and storage facilities for use by the Association.

Section 4.14 Declarant's Right Incident to Construction. Declarant and persons it shall select, shall have the right to ingress and egress over, upon and across the Common Area, the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incident to complete development of the Project.

Section 4.15 Easements Deemed Created. All conveyances of Condominiums hereafter made, whether by the Declarant or otherwise, shall be construed to grant and reserve such reciprocal easements as shall give effect to Sections 4.10, 4.11, 4.12, 4.13 and 4.14 above, even though no specific reference to such easements or to those Sections appears in any such conveyance.

ARTICLE V.

Description of a Condominium

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

"Condominium Unit _____ as shown on the Condominium Map for Northwood Center Associates appearing in the records of Blaine County, Idaho, as Instrument No. _____, and as defined and described in that Condominium Declaration for Northwood Center Associates recorded in the records of Blaine County, Idaho, as Instrument No. _____."

Such description will be construed to describe the Unit, together with the appurtenant undivided interest in the Common Area, and to incorporate all the rights incident to ownership of a Condominium and all the limitations on such ownership as described in this Declaration.

ARTICLE VI.

Mechanic's Lien Rights

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

ARTICLE VII.

The Association

Section 7.1 Membership. A certified copy of the Articles of Incorporation and a copy of the By-Laws of the Association are attached hereto as Exhibits C and D, respectively, and hereby made a part of this Declaration. Every Owner shall be entitled and required to be a member of the Association. If title to a Condominium is held by more than one person, the membership related to that Condominium shall be shared by all such persons in the same proportionate interests and by the same type of tenancy in which the title to the Condominium is held. An Owner shall be entitled to one membership for each Condominium owned by him. No person or entity other than an Owner may be a member of the Association, and the Articles of Incorporation or By-Laws of the Association state that the memberships in the Association may not be transferred except in connection with the transfer of a Condominium, provided, however, that the rights of membership may be assigned to a Mortgagee as further security for a loan secured by a lien on a Condominium.

Section 7.2 Voting. The Association shall have two (2) classes of voting membership:

Class A: Class A members are all owners, with the exception of Declarant; provided, however, that Declarant shall become a Class A member when its Class B membership ceases as provided hereinbelow. Each Class A member shall be entitled to one (1) vote for each full percentage point of undivided interest in the common area owned by such Class A members as set forth in Exhibit B attached. When more than one Class A member owns an interest in a condominium, the vote for such condominium shall be exercised as they themselves determine, but in no case shall more than one (1) vote be cast with respect to each full percentage point of undivided interest in the common area owned by such person.

Class B: The Class B members shall be the Declarant who shall be entitled to three (3) votes for each full percentage point of undivided interest in the common area owned. The Class B membership shall cease and be converted to Class A membership on the happening of one of the following events, whichever occurs earlier: (1) Conveyance by Declarant of sixty percent (60%) of all condominiums in the project, or (2) On January 1, 1990.

As long as the two (2) classes of members in the Association exist, no action by the Association that must have the prior approval of the Association members shall be deemed approved by the members unless approved by the appropriate percentage of both classes of members.

Section 7.3 Transfer. Except as otherwise expressly stated herein, any of the rights, interests and obligations of the Association set forth herein or reserved herein may be transferred or assigned to any other person or entity; provided, however, that no such transfer or assignment shall relieve the Association of any of the obligations set forth herein. Any such transfer or assignment shall not revoke or change any of the rights or obligations of any Owners as set forth herein.

Section 7.4 Amplification. The provisions of this Article are amplified by the Articles of Incorporation of the Association and by the By-Laws of the Association; provided, however, that no present or future provision of such Articles of Incorporation or By-Laws shall substantially alter or amend any of the rights or obligations of the Owners set forth herein.

ARTICLE VIII.

Certain Rights and Obligations of the Association

Section 8.1 The Management Body. The Association may designate a "Management Body" as provided by I.C. 55-1503(f); and in the event a Management Body is designated it shall administer the Project in accordance with the Condominium Property Act, this Declaration, the Articles of Incorporation and By-Laws of the Association.

Section 8.2 The Common Area. The Association, subject to the rights of the Owners set forth in Article IV hereof, shall be responsible for the exclusive management and control of the Common Area and all improvements thereon (including furnishings and equipment related thereto), and shall keep the same in good, clean, attractive and sanitary condition, order and repair; however, each Owner of a Condominium Unit shall keep the Limited Common Area designated for use in connection with his Unit in a clean, sanitary and attractive condition, and shall maintain and repair the interior and exterior windows and doors, heating equipment and the water heater servicing his Unit exclusively. The Association shall be responsible for the maintenance and repair of exterior surfaces of Buildings and improvements located on the Project, including without limitation, the paintings of the same as often as necessary, and replacement of trim and caulking, the maintenance and repair of roofs, the maintenance and repair of other Common area, including utility lines, areas for access to any automobile parking structures constituting part of the Condominiums and all other improvements or materials located within or used in connection with the Common Area. The Association shall maintain in a proper, first class manner, all landscaping and natural vegetation constituting part of the Common Area, including assuring the preservation of good visual continuity between landscaped areas and natural vegetation. The specification of duties of the Association with respect to particular Common Area shall not be construed to limit its duties with respect to other Common Area,

as set forth in the first sentence of this Section. The cost of such management, maintenance and repair by the Association shall be borne as provided in Article IX.

The Association shall have the right to grant easements for utility purposes over, upon, across, under or through any portion of the Common Area, and each Owner hereby irrevocably appoints this Association as attorney-in-fact for such purpose.

Section 8.3 Miscellaneous Services. The Association may obtain and pay for the services of any person or entity to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall determine to be necessary or desirable for the proper operation of the Project, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or which it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Project or the enforcement of this Declaration. The Association may arrange with others to furnish electrical, water, sewer, trash collection services, and other common services to each Unit.

Section 8.4 Personal Property for Common Use. The Association may acquire and hold for the use and benefit of all of the Owners tangible and intangible personal property and hold for the use and benefit of all of the Owners tangible and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be deemed to be owned by the Owners in the same proportion as their respective interests in the Common Area. Such interest shall not be transferable except with the transfer of a Condominium. A transfer of a Condominium shall transfer to the transferee ownership of the transferor's beneficial interest in such property without any reference thereto. Each Owner may use such property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of other Owners. The transfer of title to a Condominium under foreclosure shall entitle the purchaser to the interest in such personal property associated with the foreclosed Condominium.

Section 8.5 Rules and Regulations. The Association may make reasonable rules and regulations governing the use of the Units and of the Common Area, which rules and regulations shall be consistent with the rights and duties established in this Declaration. The Association rules shall, inter alia, govern the use of the Common Area by all Owners and tenants, and their guests or invitees. Such rules and regulations may include, without limitation, assignment of particular portions of storage areas within the Common Area for exclusive use by Owners of particular condominiums. A copy of the rules as adopted, amended or repealed, shall be mailed or otherwise delivered to each owner and a copy shall be posted in a conspicuous place within the project.

In addition to any other enforcement rights described in this Declaration, and the Bylaws, or authorized by law and subject to any restrictions on the Association's enforcement rights, including any due process requirements imposed by this Declaration, the Bylaws, or the law, the Association may take any of the following actions against any person or entity whose act or failure to act violates or threatens to violate any provision of this Declaration, the Bylaws, Association rules and regulations or the law:

- a. Charge the violating party for any and all costs incurred by the Association in bringing the property into compliance with the Association's Declarations, the Bylaws, rules and regulations or the law, including late charges and interest,
- b. Impose monetary penalties, including late charges and interest,
- c. Suspend use privileges for the Common Area, and
- d. Commence a legal action for damages, injunctive relief, or both.

The determination of whether to impose any of the foregoing sanctions shall be within the sole discretion of the Association. Any legal action may be brought in the name of the Association on its own behalf and on behalf of the Owner who consents, and the prevailing party in any such action shall be entitled to recover costs and reasonable attorneys fees. The Association may take more than one of the foregoing enforcement actions against any one violation or threatened violation, provided that a suspension of use privileges shall not exceed thirty (30) days (unless suspension is for delinquent assessments) and a monetary penalty shall not exceed Five Hundred Dollars (\$500.00) (excluding late charges imposed for delinquent assessments) for any one violation, unless the actual costs incurred by the Association in bringing the violation into compliance exceeds \$500.00. The Association, in its sole discretion, may resolve or settle any dispute, including any legal action, under such terms and conditions as it considers appropriate.

Amounts owing by Owners pursuant to this Section may be collected by the Association by assessment as provided by the Declaration and any amendments thereto.

An Owner shall be notified and given a reasonable period of time to correct any violation before the imposition of any disciplinary action. The notice shall be hand delivered, or mailed certified, return receipt requested to the Owner's last known address when time will allow. The Owner shall have the opportunity to be heard, orally or in writing, by a majority of the Board of Directors not less than five (5) days before the

imposition of the penalty, providing the violation is not causing immediate damage to other property owners, their tenants or the property itself.

The Association may not cause a forfeiture or abridgment of an Owner's right to the full use and enjoyment of his or her Unit except by judgment of a Court or a decision arising out of arbitration or on account of foreclosure or sale under power of sale for failure of the Owner to pay assessments duly leveled by the Association.

Section 8.6 Architectural Control Committee. The Association shall have the obligation to appoint and remove members of the Architectural Control Committee and to insure that at all reasonable times there is available a duly constituted and appointed Architectural Control Committee. The Architectural Control Committee shall consist of three (3) members. Each member shall hold office until such time as he has resigned, has been removed, or his successor has been appointed. Members of the Architectural Control Committee may be removed at any time without cause.

Section 8.7 Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or by law, an every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

ARTICLE IX.

Assessments

Section 9.1 Agreement to Pay Assessments. Declarant, for each Condominium owned by it within the Project, and for and as the Owner of the Project and every part thereof, hereby covenants, and each Owner of any Condominium by the acceptance of a deed therefor, whether or not it be so expressed in the deed, shall be deemed to covenant and agree with each other and with the Association to pay to the Association periodic assessments made by the Association for the purposes provided in this Declaration, and special assessments for capital improvements and other matters as provided in this Declaration. Such assessments shall be fixed, established and collected from time to time in the manner provided in this Article.

Section 9.2 Amount of Total Periodic Assessments. The total periodic assessments against all Condominiums shall be based upon advance estimates of cash requirements by the Association to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the Common Area or furnishing electrical, water, sewer and trash collection and services, and other common services, to each Unit, which estimates may include, among other things,

expenses of management; taxes and special assessments, until the Condominiums are separately assessed as provided herein; premiums for all insurance which the Association is required or permitted to maintain pursuant hereto; landscaping and care of grounds; snow and ice removal; common lighting and heating; water charges; trash collection; sewer service charges, repairs and maintenance; wages for Association employees; legal and accounting fees; and deficit remaining from a previous period; the creation of a reasonable contingency reserve, surplus and/or sinking funds; and any other expenses and liabilities which may be incurred by the Association for the benefit of the Owners under or by reason of this Declaration.

Section 9.3 Apportionment of Periodic Assessments

Expenses attributable to the Common Area and to the Project as a whole shall be apportioned among all Owners in proportion to the interest in the Common Area owned by each.

Section 9.4 Notice of Periodic Assessments and Time for Payment Thereof.

The Association shall make periodic assessments, which assessments shall be annually, quarterly or monthly as the Association shall from time to time determine. The Association may, in its discretion, allow assessments to be paid in installments. Written notice of assessment shall be given to each Owner, which notice shall specify the amount of the assessment and the date or dates of payment of the same. Payment shall be due on the first (1st) and delinquent on the fifteenth (15th) of the month following the assessment period. If not so paid, each periodic assessment shall bear a penalty of \$25.00 or 18% per annum on the unpaid balance from the due date, whichever is greater. Failure of the Association to give timely notice of any assessment as provided herein shall not affect the liability of the Owner of any Condominium for such assessment, but the date when payment shall become due in such a case shall be deferred to a date fifteen (15) days after such notice shall have been given.

Section 9.5 Special Assessments for Capital Improvements.

In addition to the annual assessments authorized by this Article, the Association may levy at any time a special assessment, payable over such a period as the Association may determine for the purpose of defraying in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Project or any part thereof, or for any other expense incurred or to be incurred as provided in this Declaration. This Section shall not be construed as an independent source of authority for the Association to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other Sections hereof which shall make specific reference to this Article. Any amounts assessed pursuant hereto shall be assessed to Owners in proportion to the interest in the Common Area owned by each. Notice in writing of the amount of such special assessments and the time for payment thereof shall be given promptly to the

Owners, and no payment shall be due less than thirty (30) days after such notice shall have been given. A special assessment shall bear interest at the rate of ten percent (10%) per annum from the date it becomes due and payable if not paid within thirty (30) days after such date.

Section 9.6 Lien for Assessments. All sums assessed to any Condominium pursuant to this Article, together with interest thereon as provided herein, shall be secured by a lien on such Condominium in favor of the Association upon recordation of a notice of assessment as herein provided. Such lien shall be superior to all other liens and encumbrances on such Condominium except only for: (a) valid tax and special assessment liens on the Condominium in favor of any governmental assessing authority; (b) a lien for all sums unpaid on a first Mortgage, or on any Mortgage to Declarant, duly recorded in Blaine County, Idaho real estate records, including all unpaid obligatory advances to be made pursuant to such Mortgage and all amounts advanced pursuant to such Mortgage and secured by the lien thereof in accordance with the terms of such instrument; and (c) labor or materialmen's liens to the extent required by law. All other lienors acquiring liens on any Condominium after this Declaration shall have been recorded in said records shall be deemed to consent that such liens shall be inferior to future liens for assessments as provided herein, whether or not such consent be specifically set forth in the instruments creating such liens.

To create a lien for sums assessed pursuant to this Article, the Association may prepare a written notice of assessment setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the record owner of the Condominium and a description of the Condominium. Such a notice shall be signed by the Association and may be recorded in the office of the County Recorder of Blaine County, Idaho. No notice of assessment shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by sale by the Association after failure of the Owner to pay such an assessment in accordance with its terms, such sale to be conducted in the manner permitted by law in Idaho for the exercise of power of sale in deeds of trust or in any other manner permitted by law. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding, the costs and expenses of filing the notice of assessment and all reasonable attorney's fees. All such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any assessments against the Condominium which shall become due during the period of foreclosure. The Association shall have the right and power to bid at the foreclosure sale or other legal sale and to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the same as the Owner thereof.

A further notice stating the satisfaction and release of any such lien shall be executed by the Association and recorded in the Blaine County, Idaho real estate records, upon payment of all sums secured by a lien which has been made the subject of a recorded notice of assessment.

Any encumbrancer holding a lien on a Condominium may pay, but shall not be required to pay, any amounts secured by the lien created by this Section, and upon such payment such encumbrancer shall be subrogated to all rights of the Association with respect to such lien, including priority.

The Association shall report to any encumbrancer of a Condominium any unpaid assessment remaining unpaid for longer than ninety (90) days after the same shall have become due; provided, however, that such encumbrancer first shall have furnished to the Association written notice of such encumbrance.

Unless sooner satisfied and released or the enforcement thereof initiated as provided earlier in this Section, any lien created pursuant to this Section shall expire and be of no further force or effect one year from the date of recordation of said notice of assessment, provided, however, that said one year period may be extended by the Association for a period not to exceed one additional year by a written extension signed by the Association and recorded in the office of the County Recorder of Blaine County, Idaho, prior to expiration of said first one year period.

Section 9.7 Personal Obligation to Owner. The amount of any periodic or special assessment against any Condominium shall be the personal obligation of the Owner thereof to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish such personal obligation by waiver of the use and enjoyment of any of the Common Area or by abandonment of his Condominium.

Section 9.8 Statement of Account. Upon payment of a reasonable fee not to exceed \$50.00 and upon written request of any Owner or any Mortgagee, prospective Mortgagee or prospective purchaser of a Condominium, the Association shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such Condominium, the amount of the current periodic assessment and the date that such assessment becomes or became due, credit for advanced payments or prepaid items, including, but not limited to, an Owner's share of prepaid insurance premiums, which statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied with within twenty (20) days, all unpaid assessments which became due prior to the date of making such request, shall be subordinate to the lien of a Mortgagee

which acquired its interest subsequent to requesting such statement. Where a prospective purchaser makes such request, both the lien for such unpaid assessments and the personal obligation of the purchaser shall be released automatically if the statement is not furnished within the twenty (20) day period provided herein and thereafter an additional written request is made by such purchaser and is not complied with within ten (10) days, and the purchaser subsequently acquires the Condominium.

Section 9.9 Personal Liability of Purchaser for Assessments. Subject to the provisions of Section 9.8, a purchaser of a Condominium shall be jointly and severally liable with the seller for all unpaid assessments against the Condominium up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments.

ARTICLE X.

Use of Condominiums

The Condominium Units and the Common Area shall be occupied and used only as follows:

Section 10.1. Unless otherwise specifically prohibited herein, any commercial operation or use shall be permitted within the Condominium Units if it is performed entirely within the Unit and is permitted by applicable laws, regulations and ordinances of the City of Ketchum, the County of Blaine, or other governmental agencies having jurisdiction, and by this Declaration; provided however, that Declarant reserves the right for a period of five (5) years from recordation hereof to carry on normal sales activity and leasing activity on the Project, including the operation of models and a sales/leasing office, if any, and Declarant shall have, during the above period, the non-exclusive right to use the Common Area and/or the Condominium building for such purposes.

Section 10.2. No noxious or offensive trade or activity shall be carried on within the Units or upon any part of the Project, nor shall anything be done thereon which may be, or may become, an annoyance or nuisance to any property or Owner within the Project, or which may be inconsistent with or detrimental to the operation of the Project. The prohibition of uses shall include, but is not limited to, each of the following:

(a) No industrial operation or use shall produce noise at a level greater than the standards set by the appropriate local, state or federal agency;

(b) All equipment causing earth or floor vibrations shall be so mounted as to eliminate vibration hazard and to prevent vibrations from extending to any other Unit in the Project;

(c) No industrial operations or use shall discharge into the atmosphere any odorous matter or air pollutants producing a hazard or nuisance to any other Unit in the Project. No process which by its nature is likely to cause air pollution shall be permitted unless there is available a method approved by Declarant and all applicable governmental agencies for controlling the emission of pollutants, and such controls are effectively implemented when required by Declarant or any governmental agency;

(d) No industrial operation or use shall discharge onto any portion of the Property, nor discharge into any sewer system or storm drain system for the Project, any toxic or noxious material or other substance which would create a hazard to or otherwise endanger the health, safety or welfare of any Owner of a Unit in the Project or his employees, tenants or customers.

Section 10.3. Unless otherwise specifically prohibited by this Declaration, any industrial use or operation shall be permitted within the Project if it is permitted under applicable City of Ketchum Zoning Ordinances provided, however, that none of the following operations and uses shall be permitted within the Project:

- (1) Residential;
- (2) Parking of mobile homes, motor homes and/or trailers for temporary or permanent residential or storage purposes unless parked inside the Unit;
- (3) Storing of inoperable vehicles, junk or surplus materials;
- (4) Mechanical or auto body shop or paint shop;
- (5) Dumping, disposing, incinerating or other reduction of garbage, sewage, dead animals or refuse;
- (6) Tire retreading;
- (7) Breeding and/or keeping of any animals, including but not limited to horses, cows, goats, sheep, hogs, cats or dogs.
- (8) Slaughtering of animals;
- (9) Smelting of iron, tin or other minerals of any kind whatsoever; and
- (10) Concrete batch plant.

Section 10.4. Nothing shall be done or kept in any Condominium Unit and/or the Common Area which will increase the rate of insurance on the Common Area without the approval of the Association. No Owner shall permit anything to be done or kept

in his Condominium Unit, or the Common Area, which will result in the cancellation of insurance on any Common Area or which would be in violation of any law.

Section 10.5. All signs to be displayed to the public view on or from any Condominium Unit or the Common Area shall conform to the size, type, location, number and design as set forth in Exhibit E attached hereto and incorporated herein by this reference, and any sign not in conformity with the requirements set forth in Exhibit E shall not be displayed without the prior written approval of the Association's Architectural Control Committee. Notwithstanding the foregoing, the Declarant reserves for a period of time not to exceed five (5) years to display signs of any kind in connection with the development of the Project and sale of Condominiums; provided, however, any such sign displayed shall be erected so as to ensure uniformity of signs within the Project. Provided further that all signs permitted under this Section shall conform with the City sign ordinance, if any.

Section 10.6. No animals of any kind shall be raised, bred or kept in any Condominium Unit or on the Common Area, for any purpose, including commercial purposes. Household pets of any owner, lessee, tenant, employee or customer shall be allowed on the premises ONLY while under the direct supervision and control of said owner, lessee, tenant, employee or customer.

Section 10.7. The Owner shall not permit or suffer anything to be done or kept upon said premises which will increase the rate of insurance on the building, or on the contents thereof, or which will obstruct or interfere with the rights of the other occupants, or annoy them by unreasonable noises or otherwise, nor will he commit or permit any nuisance on the premises or commit or suffer any immoral or illegal act to be committed thereon. The Owner shall comply with all of the requirements on the Board of Health and of all other governmental authorities with respect to the said premises. If by reason of the occupancy or use of said premises by the Owner the rate of insurance on the building shall be increased, the Owner shall become personally liable for the additional insurance premiums.

Section 10.8. Nothing shall be done in any Condominium Unit or in, on, or to any building in any Common Area which would structurally change any such building, except as is otherwise provided herein.

Section 10.9. There shall be no structural alteration, construction or removal of any building, fence, wall or other structure in the Project (other than repairs or rebuilding provided for elsewhere in this Declaration) without the approval of the Architectural Control Committee, as set forth hereinbelow. No building, fence, wall or other structure shall be constructed upon any portion of any Common Area other than

such buildings and structures as shall be constructed (a) by the Declarant (or a person to whom Declarant assigns its rights as developer), or (b) by the Association as provided elsewhere in this Declaration.

Section 10.10. Except as permitted by the Association, and except as permitted in Section 12 below, no vehicles other than passenger automobiles or station wagons or other vehicles up to 1-1/2 tons, shall be parked in any portion of the Common Area. Provided, further, that all motorcycles, bicycles, mopeds or other vehicles of a similar nature shall be parked inside the Condominium Units or designated parking areas, not in or on the sidewalks or grass. The Common Area is hereby made subject to all State laws and City ordinances pertaining to the control of vehicular traffic, and the City through its authorized agents is hereby given the authority to enter upon the Common Area and enforce such laws and ordinances.

Section 10.11. No materials, supplies or equipment shall be stored outside the Unit. In no event shall any Owner, tenant or employee impede any means of ingress to or egress from another Owner's Unit. All loading and unloading of vans, trucks or other vehicles shall take place as quickly as possible and with as little inconvenience as possible to the Owners. Notwithstanding any provisions in the Declaration to the contrary, trucks or other vehicles in excess of 1-½ tons are permitted to be used for loading and unloading of materials, supplies and equipment.

Section 10.12. All Owners shall be Members of the Association and shall comply with the terms and conditions as set forth in the Articles of Incorporation and the By-Laws and any rule or regulation of the Association. No Owner shall transfer any membership or interest in the Association, except upon the transfer of the Condominium to which it is appurtenant.

Section 10.13. Nothing in this Article or elsewhere in these Restrictions shall limit the right of Declarant to complete construction of improvements to the Common Area and to Condominium Units owned by Declarant or to alter the foregoing or to construct such additional improvements as Declarant deems advisable prior to completion and sale of the entire Project. The rights of Declarant under these Restrictions may be assigned by Declarant to any successor to all or any part of Declarant's interest in the Project, as developer, by an express assignment incorporated in a recorded deed transferring such interest to such successor.

Section 10.14. No Owner shall install or cause to be installed any T.V. or radio antenna or other similar electronic receiving or broadcasting device on any portion of the exterior of any building in the Project without the prior written approval of the Association's Architectural Control Committee as to height, size, purpose, use and shape.

Section 10.15. No Owner shall install or cause to be installed any chimney, duct, flue or other similar apparatus without the prior written approval of the Architectural Control Committee. All plans and specifications for the installation of such equipment shall be submitted to the Architectural Control Committee for written approval as to shape, design, height, dimension, color, and proposed location.

Section 10.16. An Owner may lease all or some portion of his Condominium Unit, subject to the following restrictions: all lease agreements shall be in writing and shall provide that the term of the lease shall be subject in all respects to the provisions of the Declaration of Restrictions and By-Laws, and that any failure by the Lessee to comply with the terms of such documents shall constitute a default under the lease. Other than foregoing, there are no restrictions on the right of an Owner to lease his Unit.

Section 10.17. There shall be no structural alterations, drilling, removal or other use of structural projections (including, but not limited to, supporting beams, purlins and rafters) within a Unit without the prior written approval of the Board of Directors and the Architectural Control Committee. All approved alterations made pursuant to this Section shall also comply with all applicable City ordinances and State laws.

Section 10.18. No inside or outside window coverings visible from the outside shall be applied to units or common area without the prior written approval of the Architectural Control Committee.

ARTICLE XI.

Insurance

Section 11.1 Types of Insurance. The Association shall obtain and keep in full force and effect at all times the following insurance coverage provided by companies duly authorized to do business in Idaho. The provisions of the this Article shall not be construed to limit the power or authority of the Association to obtain and maintain insurance coverage, in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Associations may deem appropriate from time to time.

(a) Casualty Insurance. The Association shall obtain insurance on the Project in such amounts as shall provide for full replacement thereof in the event of damage or destruction from the casualty against which such insurance is obtained, all in the manner in which a corporation owning similar multiple Unit Light Industrial buildings in the vicinity of the Project would, in the exercise of prudent business judgment, obtain such insurance. Sun insurance shall include fire and extended

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

(b) Public Liability and Property Damage Insurance. The Association shall purchase broad form comprehensive liability coverage in such amounts and in such forms as it deems advisable to provide adequate protection. Coverage shall include without limitation, liability for personal injuries, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operation, maintenance and other use of the Project. The liability insurance shall name as separately protected insured the Master Association, the Board, the Architectural Control Committee, and their representative, members, and employees, with respect to any liability arising out of the maintenance or use of any Association property.

(c) Workmen's Compensation and Employer's Liability Insurance. The Association shall purchase workmen's compensation liability insurance and all other similar insurance in respect of employees of the Association in the amounts and in the forms now or hereafter required by law.

(d) Fidelity Insurance. The Association shall purchase, in such amounts and in such forms as it shall deem appropriate, coverage against dishonesty of employees, destruction or disappearance of money or securities, and forgery.

(e) Other. The Association may obtain insurance against such other risks, of a similar or dissimilar nature, as it shall deem appropriate with respect to the Project, including any personal property of the Association located thereon.

Section 11.2 Optional Insurance. The Association may obtain the following types of insurance coverage, but it is not required to do so.

(a) Personal Property Casualty Insurance. The Association may in its discretion obtain insurance on the personal property and furnishings initially placed in the Units of Owners by Declarant upon completion of construction of the Project in such amounts as shall provide for the full replacement thereof in the event of damage or destruction from casualties against which such insurance is obtained.

(b) Casualty and Public Liability Insurance. The Association may in its discretion obtain casualty and public liability insurance coverage, in amounts it may select, with respect to an Owner's activities within each individual Unit and for activities of the Owner, not acting by the Association, with respect to the Common Area.

Section 11.3 Form. Casualty insurance shall be carried in a form or forms naming the Association the insured as trustee for the Owners, which policy or policies shall specify the interest of each Condominium Owner (Owner's name, Unit number, the appurtenant undivided interest in the Common Area) and which policy or policies shall provide a standard loss payable clause providing for payment of insurance proceeds to the Association as trustee for the Owners and for the respective first Mortgagees which from time to time shall give notice to the Association of such first Mortgages, such proceeds to be used in accordance with the Declaration. Each policy shall also provided that it cannot be cancelled by either the insured or the insurance company until after thirty (30) days' prior written notice is first given to each Owner and to each first Mortgagee. The Association shall furnish to each Owner who requests it and to the Declarant a true copy of each policy together with a certificate identifying the interest of the Owner. All policies of insurance shall provide that the insurance thereunder shall be invalidated or suspended only in respect to the interest of any particular Owner guilty of breach of warranty, act, omission, negligence or non-compliance with any provision of each policy, including payment of the insurance premium applicable to that Owner's interest, or who permits or fails to prevent the happening of any event, whether occurring before or after a loss, which under the provisions of such policy would otherwise invalidate or suspend the entire policy. All policies of insurance shall provide further that the insurance under any such policy as to the interest of all other insured Owners not guilty of any such act or omission, shall not be invalidated or suspended and shall remain in full force and effect.

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

Section 11.4 Owner's Responsibility. Insurance coverage on the furnishings initially placed in the Unit by Declarant, unless the Association pursuant to Section 11.2 hereof elects to arrange for such casualty insurance, and casualty and public liability insurance coverage within each individual Unit and for activities of the Owner, not acting by the Association, with respect to the Common Area, unless the Association pursuant to Section 11.2 hereof elects to arrange for such casualty insurance, and regardless of the Association's election, insurance coverage against loss from theft on all personal property and insurance coverage on items of personal property placed in the Unit by Owner shall be the responsibility of the respective Owners.

Section 11.5 Insurance Proceeds. The Association shall receive the proceeds of any casualty insurance payments received under policies obtained and maintained pursuant to this Article. The Association shall apportion the proceeds to the portions of the Project which have been damaged and shall determine the amount of the proceeds attributable to damage to the Common Area. To the extent that reconstruction is required herein, the proceeds shall be used for such purpose. To the extent that reconstruction is not required herein and there is a determination that the Project shall not be rebuilt, the proceeds shall be distributed in the same manner herein provided in the event of sale of obsolete Units, as set forth in Section 13.4. Each Owner and each Mortgagee shall be bound by the apportionments of damage and of the insurance proceeds made by the Association pursuant hereto.

Section 11.6 Owner's Own Insurance. Notwithstanding the provisions of Section 11.1 and 11.2 hereof, each Owner may obtain insurance at this own expense providing coverage upon his Condominium, his personal property, for his personal liability, and covering such other risks as he may deem appropriate, but each such policy shall provide that it does not diminish the insurance carrier's coverage for liability arising under insurance policies which the Association obtains pursuant to this Article. All such insurance of the Owner's Condominium shall waive the insurance company's right of subrogation against the Association, and other Owners, and the servants, agents and guests of any of them, if such insurance can be obtained of subrogation.

Section 11.7 Personal Liability. No member of the Board, or of any committee of the Association, or any 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 or it, acted in good faith without willful or intentional misconduct.

ARTICLE XII.

Casualty Damage or Destruction

Section 12.1 Affects Title. Title to each Condominium is hereby made subject to the terms and conditions hereof, which bind the Declarant and all subsequent Owners, whether or not it be so expressed in the deed by which any Owner acquires his Condominium.

Section 12.2 Association as Agent. All of the Owners irrevocably constitute and appoint the Association their true and lawful attorney-in-fact in their name, place and stead for the purpose of dealing with the Project upon its damage or destruction as hereinafter provided. Acceptance by any grantee of a deed from the Declarant or from any Owner shall constitute such appointment.

Section 12.3 General Authority of Association. As attorney-in-fact, the Association shall have full and complete authorization, right and power to make, execute and deliver any contract, deed, or other instrument with respect to the interest of a Condominium Owner which may be necessary or appropriate to exercise the powers herein granted. Repair and reconstruction of the improvements as used in the succeeding subparagraphs mean restoring the Project to substantially the same condition in which it existed prior to damage, with each Unit and the Common Area having substantially the same vertical and horizontal boundaries as before. The proceeds of any insurance collected shall be available to the Association for the purpose of repair or reconstruction unless the Owners and the first Mortgagees unanimously agree not to rebuild in accordance with the provisions set forth hereinafter.

In the event any Mortgagee should not agree not to rebuild, the Association shall have the option to purchase such Mortgage by payment in full of the amount secured thereby if the Owners are in unanimous agreement not to rebuild. The Association shall obtain the funds for such purpose by special assessments under Article IX of this Declaration.

Section 12.4 Estimate of Costs. As soon as practicable after an event causing damage to, or destruction of, any part of the Project, the Association shall obtain estimates that it deems reliable and complete of the costs of repair or reconstruction of that part of the Project damaged or destroyed.

Section 12.5 Repair and Reconstruction. As soon as practicable after receiving these estimates the Association shall diligently pursue to completion the repair or reconstruction of that part of the Project damaged or destroyed. The Association may take all necessary or appropriate action to effect repair or reconstruction, as attorney-in-fact for the Owners, and no consent or other action by any Owner shall be necessary in connection therewith. Such repair or reconstruction shall be in accordance with any other plans and specifications the Association may approve, provided that in such latter event the number of cubic feet and the number of square feet of any Unit may not vary by more than five percent (5%) from the number of cubic feet and the number of square feet for such Unit as originally constructed pursuant to such original plans and specifications, and the location of the Buildings shall be substantially the same as prior to damage or destruction.

Section 12.6 Funds for Reconstruction. The proceeds of any insurance collection shall be available to the Association for the purpose of repair or reconstruction. If the proceeds of the insurance are insufficient to pay the estimated or actual cost of such repair or reconstruction the Association, pursuant to Article IX hereof, may levy in advance a special assessment sufficient to provide funds to pay such estimated or actual costs of repair or reconstruction. Such assessment shall be allocated and collected as provided in that Article. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair or reconstruction.

Section 12.7 Disbursement of Funds for Repair or Reconstruction. The insurance proceeds held by the Association and the amounts received from the assessments provided for in Section 12.6 constitute a fund for the payment of cost of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for cost of repair or reconstruction shall be made from insurance proceeds; if there is a balance after payment of all costs of such repair or reconstruction, such balance shall be distributed to the Owners in proportion to the contributions by each Owner pursuant to the assessment by the Association under Section 12.6 of this Declaration.

Section 12.8 Decision Not to Rebuild. If all Owners and all holders of first Mortgages on Condominiums agree not to rebuild, as provided herein, the Project shall be should and the proceeds distributed in the same manner herein provided in the event of sale obsolete Units, as set forth in Section 13.4

ARTICLE XIII

Obsolescence

Section 13.1 Adoption of a Plan. The record Owners, as reflected on the real estate record of Blaine County, Idaho, representing an aggregate record ownership interests of sixty-six and two thirds percent (66 2/3%) or more of the Units may agree that the Project is obsolete and adopt a written plan for the renewal and reconstruction which plan has the unanimous approval of all first Mortgagees of record at the time of the adoption of such plan. Written notice of adoption of such plan shall be given to all Owners. Such plans shall be recorded in Blaine County, Idaho real estate records.

Section 13.3 Dissents from the Plans. An Owner not a party to such a plan for renewal or reconstruction may give written notice of dissent to the Association within fifteen (15) days after the recordation of such plan. The Association shall then give written advice of such dissents to all the Owners within five (5) days after the expiration of such fifteen (15) day period. Within fifteen (15) days of receipt of such notice form

the Association, the record Owners, representing an aggregate record ownership of more than sixty-six and two thirds percent (66 2/3%) of the Units may cancel the plan by written instrument recorded in Blaine County, Idaho real estate records. If the plan is not cancelled, then the Condominium of each dissenter shall be purchased according to the following procedures. If the Owner and the Association can agree on completed within sixty (60) days thereafter. If the parties are unable to agree, the date when either party notifies the other that he or it is unable to agree with the other shall be the "commencing date" from which all period of time mentioned herein shall be measured. Within ten (10) days following the commencing date each party shall nominate a qualified appraiser by written nomination and shall give notice of such nomination to the other. If either party fails to make such nomination, the appraiser nominated shall, within five (5) days after default by the other party appoint and associate with him another qualified appraiser. If the two appraisers designated by the parties, or selected pursuant hereto in the event of default of one party, are unable to agree, they shall appoint another qualified appraiser to be umpire between them, if they can agree on such person. If they are unable to agree upon such umpire, then each appraiser previously appointed shall nominate two qualified appraisers, and from the names of the four persons so nominated one shall be drawn by lot by judge of any Court of record of Idaho, and the person whose name is so drawn shall be the umpire. The nominations from among which the name of the umpire is to be drawn by lot shall be submitted within ten (10) days after the failure of the two appraisers to agree, which, in any event, shall not be later than twenty (20) days following the appointment of the second appraiser. The decision of the appraisers as to the fair market value, or in the case of their disagreement the decision of such umpire shall be final and binding. The expenses and fees of such appraisers shall be borne equally by the Association and the Owner. The sale shall be consummated within sixty (60) days after the decision of the appraisers, and the Association as attorney-in-fact shall disburse the proceeds in the same manner provided in Section 13.4 of this Declaration. The obligation of the Association to make such purchase shall be conditioned on the fair market value of the Condominium exceeding the obligations secured by liens on such Condominium, and upon the marketability of the title of the Owner. Owner shall furnish the Association an appropriate abstract of title or commitment for title insurance evidencing marketability of this title not less than fifteen (15) days prior to the date set for completion of the sale.

The Association, pursuant to Article IX hereof, may levy a special assessment sufficient to provide funds to pay for the Condominiums of the Dissenters, provided that such assessments shall not apply to any of the Owners who are among the Dissenters and shall not be liens against the Condominiums of such Owners.

Section 13.4 Sale of Obsolete Units. The Owners representing an aggregate ownership interest of sixty-six and two thirds percent (66 2/3%) or more of the Units may agree that the condominiums are obsolete and that the project should be sold. Such an agreement must have the unanimous approval of every first Mortgagee of records at the time such agreement is made. In such instance the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association the Project shall be sold by the Association as attorney-in-fact for all of the Owners free and clear of the provisions contained in this Declaration, the Condominium Map, and the By-Laws. The sale proceeds shall be apportioned among the Owners in proportion to the respective amounts originally paid to Declarant for the purchase of the Condominium exclusive of the amounts paid for personal property, and such apportioned proceeds shall be paid into separate accounts, each account representing one Condominium. Each such account shall remain in the name of the Association and shall be further identified by the Condominium designation and the name of the Owner. From each separate account the Association, as attorney-in-fact, shall use and disburse the total amount of such accounts without contribution from one account to the other, first to Mortgagee and other liens and the balance remaining to each respective Owner.

Section 13.5 Distribution of Excess. In the event amounts collected pursuant to Section 13.2 are in excess of the amounts required for renewal and reconstruction, the excess shall be returned to the Owners by the Association by a distribution to each Owner in an amount proportionate to the respective amount collected from each Owner.

ARTICLES XIV.

Condemnation

Section 14.1 Consequences of Condemnation. If at any time or times during the continuance of the Condominium ownership pursuant to this Declaration, all or any part of the Project shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in avoidance thereof, the following provisions shall apply.

Section 14.2 Proceeds. All compensation, damages, or other proceeds therefrom, the sum of which is hereinafter called the "Condemnation Award," shall be payable to the Association.

Section 14.3 Complete Taking. In the event that the entire project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the Condominium ownership pursuant hereto shall terminate. The Condemnation Award shall be apportioned among the Owners in proportion to the respective amounts paid to Declarant for the purchase of the

Condominium exclusive of the amounts paid for personal Project as a whole is employed to measure the Condemnation Award in the negotiation, judicial decree or otherwise, then in determining such shares the same standard shall be employed to the extent it is relevant and applicable.

On the basis of the principal set forth in the last preceding paragraph, the Association shall as soon as practicable determine the share of the Condemnation Award to which each Owner is entitled. Such shares shall be paid into separate accounts and disbursed as soon as practicable in the same manner provided in Section 13.4 of this Declaration.

Section 14.4 Partial Taking. In the event that less than the entire Project is taken or condemned, or sold, or otherwise disposed of in lieu of or in avoidance thereof, the Condominium Ownership hereunder shall not terminate. Each Owner shall be entitled to a share of the Condemnation Award to be determined in the following manner: As soon as practicable, the Association shall, reasonably and in good faith, allocate the Condemnation Award between compensation, damages, or other proceeds, and shall apportion the amounts so allocated among the Owners as follows:

(a) the total amount allocated to taking of or injury to the Common Area shall be apportioned equally among the Owners; (b) the total amount allocated to severance damages shall be apportioned to those Condominiums which were not taken or condemned; (c) the respective amounts allocated to the taking of or injury to a particular Unit and/or improvements an Owner has made withing his own Unit shall be apportioned to the particular Unit involved; and (d) the total amount shall be apportioned as the Association determines to be equitable in the circumstances. If an allocation of the Condemnation Award is already established in negotiation, judicial decree, or otherwise, then in allocating the Condemnation Award the Association shall employ such allocation to the extent it is relevant and applicable. Distribution of apportioned proceeds shall be made in the same manner provided in Section 13.4 of this Declaration.

Section 14.5 Reorganization. In the event a partial taking results in the taking of a complete Unit, the Owner thereof automatically shall cease to be a member of the Association. Thereafter the Association shall reallocate the Ownership, voting rights, and assessment ratio determined in accordance with this Declaration at its inception and shall submit such reallocation to the Owners of remaining Units for amendment of this Declaration as provided in Article XV thereof.

Section 14.6 Reconstruction and Repair. Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Article XII above.

ARTICLE XV.

Revocation or Amendment to Declaration

This Declaration shall not be revoked nor shall any of the provisions herein be amended unless the Owners representing an aggregate ownership interest of sixty-six and two-thirds percent (66-2/3%) or more of the Condominiums, as reflected on the real estate records of Blaine County, Idaho, and all holders of any recorded Mortgage covering or affecting any or all of the Condominiums, whose interests as Mortgagees appear in such records, consent and agree to such revocation or amendment by instruments duly recorded. Any such revocation or amendment shall be binding upon every Owner and every Condominium whether the burdens thereon are increased or decreased by any such amendment and whether or not the Owner of each and every Condominium consents thereto.

Article XVI.

Period of Condominium Ownership

The Condominium ownership created by this Declaration and the Condominium Map shall continue until this Declaration is revoked in the manner provided in Article XV of this Declaration or until terminated in the manner provided in Articles XIII (Obsolescence) or XIV (Condemnation) of this Declaration.

ARTICLE XVII.

PROTECTION OF MORTGAGEES

14.1 Mortgage Permitted. Any owner may encumber his condominium with a mortgage.

14.2 Subordination. Any lien created or claimed under the provisions of this Declaration is expressly made subject and subordinate to the rights of any first mortgage that encumbers all or a portion of the project, or any condominium, made in good faith and for value, and no such lien shall in any way defeat, invalidate, or impair the obligation or priority of such mortgage unless the mortgagee expressly subordinates his interest, in writing, to such lien. If any condominium is encumbered by a first mortgage made in good faith and for value, the foreclosure of any lien created by any provision set forth in this Declaration for assessments, or installments of assessments, shall not operate to affect or impair the lien of the mortgage. On foreclosure of the mortgage, the lien for assessments, or installments, that has accrued up to the time of foreclosure shall be subordinate to the lien of the mortgage, with the foreclosure purchaser taking title to the condominium free of the lien for assessments, or installments, that has accrued up to the time of the foreclosure sale. On taking title to the condominium the foreclosure purchaser shall only be obligated to

pay assessments or other charges levied or assessed by the Association after the foreclosure purchaser acquired title to the condominium. The subsequently levied assessments provided all owners, including the foreclosure purchaser, and his successors and assigns are required to pay their proportionate share as provided in this section.

14.3 Amendment. The prior written consent of seventy-five percent (75%) of the holders of all first mortgages (based upon one vote for each mortgage held) shall be required for any material amendment to this Declaration, to the Articles or to the By-Laws. As used in this Section 14.3, the term "any material amendment" is defined to mean amendments to provisions of this Declaration, to the Articles or to the By-Laws governing the following subjects:

14.3.1 The purpose for which the project may be used;

14.3.2 Voting;

14.3.3 Assessments, collection of assessments, creating and subordination of assessment liens;

14.3.4 Reserves for repair and replacement of common area improvements;

14.3.5 Maintenance of common area and improvements thereon;

14.3.6 Casualty and liability insurance;

14.3.7 Rights of use to and in the common area; and

14.3.8 Any provision, which by its terms is specifically for the benefit of first mortgagees, or specifically confers rights on the first mortgagees.

14.4 Restrictions on Certain Changes. Unless seventy-five percent (75%) of first mortgagees of condominiums have given their prior written approval, neither the Association nor the owners shall be entitled:

14.4.1 By act or omission to seek to abandon or terminate the condominium project, except for abandonment provided by statute in case of substantial loss to the units and common area;

14.4.2 To change the method of determining the obligations, assessments, dues or other charges which may be levied against an owner, or to change the pro rata interest or obligations of any condominium for purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards or for determining the pro rata share of ownership of each owner in the common area;

14.4.3 To partition or subdivide any unit; any partition or subdivision shall be subject to the applicable laws of all government entities with jurisdiction thereover;

14.4.4 By act or omission to seek to abandon, partition, subdivide, encumber, sell or transfer the common area. The granting of easements for public utilities or for other public purposes consistent with the intended use of the common area by the Association or the owners shall not be deemed to be a transfer within the meaning of this clause.

14.4.5 To use hazard insurance proceeds for losses to units or common area improvements in the project or to any other Association property, for other than the repair, replacement or reconstruction of such improvements or property except as provided by statute in case of substantial loss to the units or common area of the project.

14.4.6 By act or omission to change, waive, or abandon the provisions of this Declaration, or the enforcement thereof, pertaining to architectural design or control of the exterior appearance of structures in the project, the maintenance of the common area, walks or fences and drive-ways, or the upkeep of lawns and plantings in the project.

14.5 Right to Examine Books and Records. First mortgagees can examine the books and records of the Association or the condominium project and can require the submission of financial data concerning the Association or the condominium project, including annual audit reports and operating statements as furnished to the owners.

14.6 Distribution of Insurance and Condemnation Proceeds. No owner, or any other party, shall have priority over any right of first mortgagees of condominiums pursuant to their mortgages in case of a distribution to owners of insurance proceeds or condemnation awards for losses to or a taking of units or common area. Any provision to the contrary in this Declaration or in the By-Laws or other documents relating to the project is to such extent void. All applicable fire and all physical loss or extended coverage insurance policies shall contain loss payable clauses acceptable to the affected first mortgagees naming the mortgagees, as their interests may appear.

14.7 Notices to Mortgagees of Record. Upon any loss to any unit covered by a mortgage, if such loss exceeds One Thousand Dollars (\$1,000.00) or on any loss to the common area, if such loss exceeds Ten Thousand Dollars (\$10,000.00), or on any taking of the common area, notice in writing of such loss or taking shall be given to each mortgagee or record. If any owner of a unit is in default under any provision of these covenants, conditions and restrictions, or under any provision of the By-Laws or the Association rules, which default is not cured within thirty (30) days after written notice to such owner, the

Association shall give to the mortgagee of record of such owner written notice of such default and of the fact that said thirty (30) day period has expired.

14.8 Voting Rights on Default. In case of default by any owner in any payment due under the terms of any first mortgage encumbering such owner's condominium, or the promissory note secured by the mortgage, the mortgagee or his representative, on giving written notice to such defaulting owner or owners, and placing of record a notice of default, is hereby granted owner attributable to such condominium at any regular or special meeting of the members held during such time as such default may continue.

14.9 Payments by Mortgagees. Mortgagees of condominiums may, jointly or singularly, pay taxes or other charges which are in default and which may or have become a charge against the common area and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for common area improvements or other insured property of the Association and, upon making any such payments, such mortgagees shall be owed immediate reimbursement therefor from the Association. This provision shall constitute an agreement by the Association for the express benefit of all mortgagees and upon request of any mortgagee the Association shall execute and deliver to such mortgagee a separate written agreement embodying the provisions of this Section 14.9.

14.10 Effect of Breach. No breach of any provision of these covenants, conditions and restrictions shall invalidate the lien of any mortgage in good faith and for value, but all of the covenants, conditions and restrictions shall be binding on any owner whose title is derived through foreclosure sale, trustee's sale, or otherwise.

14.11 Foreclosure. If any condominium is encumbered by a mortgage made in good faith and for value, the foreclosure of any lien created by any provision set forth in this Declaration for assessments, or installments of assessments, shall not operate to affect or impair the lien of the mortgage. On foreclosure of the mortgage, the lien for assessments, or installments, that has accrued up to the time of foreclosure shall be subordinate to the lien of the mortgage, with the foreclosure purchaser taking title to the condominium free of the lien for assessments, or installments, that has accrued up to the time of the foreclosure sale. On taking title to the condominium, the foreclosure purchaser shall only be obligated to pay assessments or other charges levied or assessed by the Association after the foreclosure purchaser acquired title to the condominium. The subsequently levied assessments or other charges may include previously unpaid assessments provided all owners, including the foreclosure purchaser, and his successors and assigns are required to pay their proportionate share as provided in this section.

14.2 Noncurable Breach. Any mortgagee who requires title to a condominium by foreclosure or by deed in lieu of foreclosure or assignment in lieu of foreclosure shall not be obligated to cure any breach of this Declaration that is noncurable or of a type that is not practical or feasible to cure.

14.13 Loan to Facilities. Any mortgage given to secure a loan to facilitate the resale of a condominium after acquisition by foreclosure or by a deed in lieu of foreclosure or by an assignment in lieu of foreclosure shall be deemed to be a loan made in good faith and for value and entitled to all of the rights and protections of this Article XIV.

14.14 Appearance at Meetings. Because of its financial interest in the project, any mortgagee may appear (but cannot vote except under the circumstances set forth in Section 14.8) at meetings of the members and the Board to draw attention to violations of this Declaration that have not been corrected or made the subject of remedial proceedings or assessments.

14.15 Right to Furnish Information. Any mortgagee can furnish information to the Board concerning the status of any mortgage.

14.16 Contracts With Declarant. Any agreement between the Association and Declarant pursuant to which the Declarant agrees to provide services shall provide for termination by either party without cause or payment of a termination fee on thirty (30) days' written notice and shall have a maximum contract term of one (1) year; provided that the Board can renew any such contract on a year to year basis.

14.17 Mortgagees to Notify Board of Owner's Default. Upon the happening of a default under the terms of a mortgage of a condominium which would permit the holder to declare the entire principal sum due, notice of the intention of the holder to do so shall be given to the Board but failure to give such notice shall not prevent the holder from instituting a foreclosure action and joining the Association as a party defendant therein.

14.18 Rights of Association With Respect to Mortgages in Default. The Association shall have the following rights, powers and privileges with respect to mortgages in default:

14.18.1 By and with the consent of the holder thereof, to remedy the defaults existing under the terms of the mortgage and to put the same in good standing. In the event the Board shall make the advances necessary to remedy the defaults, the Association shall be deemed to hold a junior participating interest in the obligation and mortgage for the sum of principal together with interest, costs, disbursements, counsel fees, insurance, taxes or other charges so advanced with the right to foreclosure if such junior participating interest against the

defaulting unit owner for the benefit of the remaining unit owners. The holder of the mortgage shall in no event be required or have the obligation to collect the junior interest so created on behalf of the Association.

14.18.2 To acquire such mortgage by assignment from the holder thereof either before or after the institution of a foreclosure action. The mortgage shall be acquired in the name of the Association with all the powers and rights of the holder against the defaulting unit owner including the right to foreclose the same for the benefit of the remaining owners.

14.18.3 To accept from the defaulting unit owner a deed transferring the unit and its common interest and, by and with the consent of the holder of the mortgage, to remedy the defaults existing under the terms thereof for the benefit of the other unit owners.

14.18.4 To continue any pending action or to institute an action to foreclose any mortgage taken by assignment under subsection 14.18.2 above, or to take a deed in lieu of such foreclosure.

In no event shall a unit owner be relieved from liability already incurred for past due common expenses and charges or be relieved from personal liability on the bond, note or other obligation by reason of any conveyance made under the provisions set forth above.

14.19 Association Shall be Necessary Party in All Mortgage or Other Lien Foreclosures. The Association shall be a necessary party in every action brought to foreclose any mortgage or other lien affecting a condominium. The Association shall be entitled to bid at any sale, whether the Association is the plaintiff or a defendant, and to purchase any condominium at such sale for such amount as shall be approved by the Board taking into consideration the amount due, the costs and disbursements, and all other charges affecting the condominium. The Association shall not, however, be limited in its bidding to such amount or total but may bid any higher sum it finds necessary in order to protect the interests of the other unit owners.

Article XVIII.

Miscellaneous

Section 18.1 Compliance with Provisions of Declaration and By-Laws of the Association. Each Owner shall comply with the provisions of this Declaration, the Articles of Incorporation and the By-Laws of the Association, and the decisions and resolutions of the Association adopted pursuant thereto as the same may be lawfully amended from time to time. Failure to comply with any of the same shall be grounds for an action to

recover sums due and for damages or injunctive relief or both, maintainable by the Association on behalf of the Owners, or, in a proper case, by an aggrieved Owner.

Section 18.2 Registration of Mailing Address. Each owner shall register his mailing address with the Association and all notices or demands intended to be served upon any Owner shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the Owner at such registered mailing address. All notices or demands intended to be served upon the Association shall be given by registered or certified mail, postage prepaid, to the address of the Association as designated in the By-Laws of the Association. All notices or demands to be served on Mortgagees pursuant hereto shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the Mortgagee at such address as the Mortgagee may have furnished to the Association in writing. Unless the Mortgagee furnishes the Association such address, the Mortgagee shall be entitled to receive none of the notices provided for in this Declaration. Any notice referred to in this Section shall be deemed given when deposited in the United States mail in the form provided for in this Section.

Section 18.3 Transfer of Declarant's Rights. Any rights or any interest reserved hereby to the Declarant may be transferred or assigned by the Declarant either separately or with one or more of such rights or interests, to any person or entity.

Section 18.4 Owner's Obligations Continue. All obligations of the Owner under and by virtue of the provisions contained in this Declaration shall continue, notwithstanding that he may have leased or rented said interest as provided herein, but the Owner of a Condominium shall have no obligation or expenses or other obligations accruing after he conveys such Condominium.

Section 18.5 Number and Gender. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

Section 18.6 Severability. If any of the provisions of this Declaration or any clause, paragraph, sentence, phrase or word or the application thereof in any circumstances be invalidated, such invalidity shall not affect the validity of the remainder of the Declaration, and the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

Section 18.7 Statute. The provisions of this Declaration shall be in addition and supplemental to the Condominium Property Act of the State of Idaho and to all other provisions of law.

Section 18.8 Consent. The undersigned Declarant, pursuant to a Resolution duly adopted by its Board of Directors, HEREBY CERTIFIED that the said Northwood Center Associates had consented, and does hereby consent, to the recordation of the within Condominium Declaration, together with a plat or plats of the real property affected hereby, pursuant to the Condominium Property Act of the State of Idaho.

Section 18.9 Declarant's Liability. Declarant's liability arising from construction of the project shall terminate one (1) year from the date of completion of the buildings making up the project.

Section 18.10 Counterparts. This Declaration and any amendments thereto may be executed in any number of counterparts which taken together shall constitute one instrument.

Ronald J. Sharp is a General Partner of Northwood Center Associates, an Idaho general partnership, and is authorized to sign on its behalf.

Northwood Center Associates
An Idaho General Partnership

By Ronald J. Sharp
Ronald J. Sharp
General Partner

STATE OF IDAHO)
) ss.
COUNTY OF BLAINE)

On this 28th day of September, 1987, before me, a Notary Public in and for said State, personally appeared RONALD J. SHARP, known or identified to me to be a General Partner in the partnership of Northwood Center Associates, whose name is subscribed to the within instrument as a General Partner and acknowledged to me that he executed the same as such General Partner.

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

Karen M. Boyd
Notary Public for Idaho
Residing at: San Hill, Id
My Commission Expires: 10/16/93

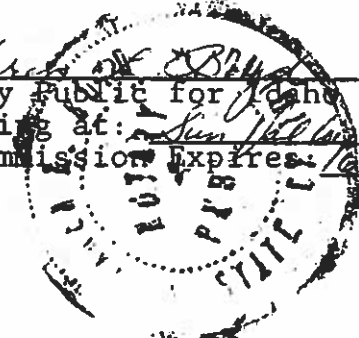




EXHIBIT A

Lot 7 of the RESUBDIVISION NORTHWOOD P.U.D. SUBDIVISION LOT 4 -
REPLAT OF LOTS 6 & 7, according to the official plat thereof,
recorded as Instrument No. 273966, records of Blaine County,
Idaho.

NC02SP7