

May 17, 2021

Mayor Bradshaw and City Councilors City of Ketchum Ketchum, Idaho

Mayor Bradshaw and City Councilors:

Recommendation to Hold a Public Hearing and Approve the SWC Condominiums Units 1-B1 & 1-C1 Lot Line Shift Application

Recommendation and Summary

Staff recommends the Ketchum City Council hold a public hearing and approve the SWC Condominiums Units 1-B1 & 1-C1 Lot Line Shift Application.

Recommended Motion: "I move to approve the SWC Condominiums Units 1-B1 & 1-C1 Lot Line Shift Application subject to conditions of approval 1-6."

The reasons for the recommendation are as follows:

- The request to adjust the interior boundary between two commercial condominium units with the SWC building complies with all applicable standards for Readjustment of Lot Lines as specified in the City's subdivision regulations.
- Consistent with Ketchum Municipal Code (KMC) §16.04.020, the proposal meets the definition of Readjustment of Lot Lines because: (1) no changes are proposed to the existing building footprint or the common area lot, (2) the SWC Condominiums development complies with the dimensional standards required in the LI-3 Zone (KMC §17.12.050) as well as the standards for condominium developments specified in KMC §16.04.070, (3) no changes are proposed to the existing office use on the first floor, and (4) the proposal does not create additional lots or dwelling units.

<u>Analysis</u>

This Lot Line Shift application, submitted by Benchmark Associates on behalf of property owners Scott USA & Robert McGowan, proposes to adjust the interior boundary between condominium units 1-B1 and 1-C1 on the first floor of the SWC building located at 110 Lindsay Circle within the Light Industrial Number 3 (LI-3) Zoning District. 701 square feet of unit 1-B1's floor area will be added to unit 1-C1. Unit 1-B1 will have a total floor area of 2,316 square feet and unit 1-C1 will have a total floor area of 3,775 square feet.

Financial Impact

None

Attachments:

A. Draft Findings of Fact, Conclusions of Law, and Decision

B. Lot Line Shift Application Submittal

Attachment A:

Draft

Findings of Fact, Conclusions of Law, and Decision

IN RE:)	
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SWC Condominiums: Units 1-B1 & 1-C1)	KETCHUM CITY COUNCIL
Lot Line Shift (Readjustment of Lot Lines))	FINDINGS OF FACT, CONCLUSIONS OF LAW, AND
Date: May 17, 2021)	DECISION
)	
File Number: P21-011)	

Findings Regarding Application Filed

PROJECT: SWC Condominiums: Units 1-B1 & 1-C1 Lot Line Shift

APPLICATION TYPE: Lot Line Shift (Readjustment of Lot Lines)

FILE NUMBER: P21-011

OWNER: Scott USA & Robert McGowan

REPRESENTATIVE: Benchmark Associates

LOCATION: 110 Lindsay Circle (SWC Condominiums: Units 1BB & 1CC)

NOTICE: A public hearing notice was mailed to all property owners within 300 feet of the

project site and political subdivisions on April 28, 2021. The public hearing notice was published in the Idaho Mountain Express on April 28, 2021. The public hearing notice was posted on site and on the city's website on April 28, 2021.

ZONING: Light Industrial Number 3 (LI-3)

OVERLAY: None

Findings Regarding Application Filed

This Lot Line Shift application, submitted by Benchmark Associates on behalf of property owners Scott USA & Robert McGowan, proposes to adjust the interior boundary between condominium units 1-B1 and 1-C1 on the first floor of the SWC building located at 110 Lindsay Circle within the Light Industrial Number 3 (LI-3) Zoning District. 701 square feet of unit 1-B1's floor area will be added to unit 1-C1. Unit 1-B1 will have a total floor area of 2,316 square feet and unit 1-C1 will have a total floor area of 3,775 square feet.

The SWC Condominiums, known as the Scott Building, was constructed in 2006 (Building Permit Application File No. 06-113) and subdivided into 31 condominium units in 2008 (Condominium Final Plat Application File No. 08-003). The mixed-use building received Design Review approval from the Planning

& Zoning Commission on March 10th, 2006 (Application File No. 05-010). The first floor contains 3 commercial condominium units that serve as offices. Business offices are a permitted use in the LI-3 Zone (KMC §17.12.020). The second and third floors contain 28 total residential units—15 community housing units and 13 market rate dwelling units. The Planning & Zoning Commission approved the Conditional Use Permit for the residential units within the light industrial area on April 10th, 2006 (Application File No. 06-001). This project does not create new condominium units or change the existing uses within the SWC building.

Findings Regarding Readjustment of Lot Lines (KMC §16.04.060)

Consistent with Ketchum Municipal Code (KMC) §16.04.020, the proposal meets the definition of Readjustment of Lot Lines because: (1) no changes are proposed to the existing building footprint or the common area lot, (2) the SWC Condominiums development complies with the dimensional standards required in the LI-3 Zone (KMC §17.12.050) as well as the standards for condominium developments specified in KMC §16.04.070, (3) no changes are proposed to the existing office use on the first floor, and (4) the proposal does not create additional lots or dwelling units.

Readjustment of Lot Lines: A change or modification of the boundary lines between existing lots or parcels of land or between dwelling units which does not reduce the area, frontage, width, depth or building setback lines of each lot below the minimum zoning requirements and which does not create additional lots or dwelling units. "Readjustment of Lot Lines" includes other minor changes to a subdivision, condominium, or townhouse plat such as, but not limited to, notation changes, boundary shifts and removal of lot line(s), each of which do not reduce the area, frontage, width, depth or building setback lines of each lot below the minimum zoning requirements nor create additional lots or dwelling units (KMC §16.04.020).

Consistent with KMC §16.04.060.B, the Readjustment of Lot Lines application was transmitted to City Departments including the City Engineer, Fire, Building, Utilities, and Streets departments for review. As specified in Condition of Approval #2, the final plat map shall meet all governing ordinances, requirements, and regulations of the Fire Department (2018 International Fire Code and local Fire Protection Ordinance No.1217), Building Department (2018 International Building Code and Title 15 of Ketchum Municipal Code), Utilities Department, Street Department (Title 12 of Ketchum Municipal Code), and the City Engineer.

All land, condominium, and townhouse subdivisions within the City of Ketchum are subject to the standards contained in Ketchum Municipal Code, Title 16, Subdivision Regulations. Pursuant to KMC §16.04.010.D, the change or modification of boundary lines, whether or not any additional lot is created, shall comply with these regulations. Many subdivision standards are related to the design and construction of multiple new lots that will form new blocks and infrastructure, such as streets that will be dedicated and maintained by the City. The standards for certain improvements (KMC §16.04.040), including grading, streets, lots, blocks, and utilities, are not applicable as the project proposes to adjust the total floor areas of two condominium units within an existing mixed-use building. As conditioned, the project meets the standards for Readjustment of Lot Lines under Title 16 of Ketchum Municipal Code.

Table 1: Findings Regarding Contents of Final Plat and Subdivision Design & Development Standards

	Table			contents of Final Plat and Subdivision Design & Development Standards
			ngs Regarding Con	tents of Final Plat and Subdivision Design & Development Standards
C	Compliant			Standards and Council Findings
			16.04.030.K	Contents Of Final Plat: The final plat shall be drawn at such a scale and contain such lettering as to enable same to be placed upon sheets of eighteen inch by twenty four inch (18" x 24") Mylar paper with no part of the drawing nearer to the edge than one-half inch (1/2"), and shall be in conformance with the provisions of title 50, chapter 13, Idaho Code. The reverse side of such sheet shall not be used for any portion of the drawing, but may contain written matter as to dedications, certificates, signatures, and other information. The contents of the final plat shall include all items required under title 50, chapter 13, Idaho Code, and also shall include the following:
			Council Findings	The final plat mylar paper shall be prepared following Ketchum City Council review and approval of the lot line shift application and shall meet these standards.
\boxtimes			16.04.030.K.1	Point of beginning of subdivision description tied to at least two (2) governmental survey corners, or in lieu of government survey corners, to monuments recognized by the city engineer.
			Council Findings	As conditioned, this standard shall be met. The final plat mylar shall show a minimum of two Blaine County survey control monuments with ties to the property. The survey control monuments shall be clearly identified on the face of the map.
\boxtimes			16.04.030.K.2	Location and description of monuments.
				As conditioned, this standard shall be met. The final plat mylar shall show the location and description of monuments.
			16.04.030.K.3	Tract boundary lines, property lines, lot lines, street right of way lines and centerlines, other rights of way and easement lines, building envelopes as required on the preliminary plat, lot area of each lot, boundaries of floodplain and floodway and avalanche district, all with bearings, accurate dimensions in feet and decimals, in degrees and minutes and radii, arcs, central angles, tangents and chord lengths of all curves to the above accuracy.
			Council Findings	The plat map shows the common area lot lines, the SWC building footprint, Saddle Road, Northwood Way, Lindsay Circle, the 10-foot-wide landscape and snow storage easement, the 19-foot-wide parking easement, the 24-foot-wide access easement, and the 10-foot-wide parking, landscape, and snow storage easement. The property is in the City's light industrial area and is not located within the floodplain or avalanche zone.
\boxtimes			16.04.030.K.4	Names and locations of all adjoining subdivisions.
			Council Findings	The plat map indicates neighboring Lots 5, 10, and 11 within the Resubdivision of Northwood PUD Subdivision Lot 4 as well as the Chateaux of

				Northwood, Lot 2 of Northwood Park No. 1 Subdivision, and the Redwood Light Industrial Condominiums.
\boxtimes			16.04.030.K.5	Name and right of way width of each street and other public rights of way.
			Council	This standard has been met. The plat map indicates the 100-foot-wide Saddle
			Findings	Road and 60-foot-wide Northwood Way public rights-of-way.
\boxtimes			16.04.030.K.6	Location, dimension and purpose of all easements, public or private.
			Council	The plat map shows the 10-foot-wide landscape and snow storage easement,
			Findings	the 19-foot-wide parking easement, the 24-foot-wide access easement, and the 10-foot-wide parking, landscape, and snow storage easement.
	П	\boxtimes	16.04.030.K.7	
				The blocks numbered consecutively throughout each block.
			Council Findings	N/A. This lot line application adjusts the boundaries of two existing condominium units and does not create a new block.
		\boxtimes	16.04.030.K.8	
			10.04.030.10.0	The outline of any property, other than a street, alley or easement, which is
				offered for dedication to public use, fully dimensioned by distances and
				bearings with the area marked "Dedicated to the City of Ketchum for Public Use", together with any other descriptive language with regard to the
				precise nature of the use of the land so dedicated.
			Council	N/A as no dedications of this type have been proposed.
			Findings	
\boxtimes			16.04.030.K.9	The title, which shall include the name of the subdivision, the name of the
				city, if appropriate, county and state, and the location and description of the
				subdivision referenced to section, township, range.
			Council	This standard has been met.
			Findings	
\boxtimes			16.04.030.K.10	Scale, north arrow and date.
				This standard has been met.
\boxtimes			16.04.030.K.11	Location, width, and names of all existing or dedicated streets and other public ways within or adjacent to the proposed subdivision
			Council	This standard has been met. The names of names, locations, and widths of
			Findings	adjacent streets are indicated on the proposed plat map.
\boxtimes			16.04.030.K.12	A provision in the owner's certificate referencing the county recorder's
				instrument number where the condominium declaration(s) and/or articles of
				incorporation of homeowners' association governing the subdivision are
				recorded.
			Council	This standard has been met. Plat note 2 references the condominium
			Findings	declaration recorded as Instrument No. 561093 within the records of Blaine County.
\boxtimes			16.04.030.K.13	Certificate by registered engineer or surveyor preparing the map certifying
			10.04.000.11.13	to the accuracy of surveying plat.
			Council	As conditioned, this standard will be met prior to recordation of the final plat.
			Findings	The signature block page shall include the surveyor's certification.
			16.04.030.K.14	A current title report of all property contained within the plat.

\boxtimes	П		Council	This standard has been met. A title report and warranty deeds were
			Findings	submitted for the properties.
\boxtimes			16.04.030.K.15	Certification of owner(s) of record and all holders of security interest(s) of
			10.04.050.10.15	record with regard to such property.
			Council	As conditioned, this standard will be met prior to recordation of the final plat.
			Findings	The signature block page shall include a certificate of ownership and
			, mangs	associated acknowledgement from all owners and holders of security interest
				with regard to the subject property, which shall be signed following Ketchum
				City Council review and approval of the application and prior to recordation
				of the final plat.
\boxtimes	П	П	16.04.030.K.16	Certification and signature of engineer (surveyor) verifying that the
			20.01.00020	subdivision and design standards meet all city requirements.
			Council	As conditioned, this standard will be met prior to recordation of the final plat.
			Findings	The signature block page shall include the certification and signature of the
			, ,,,,a,,,,g,	surveyor verifying that the subdivision and design standards meet all City
				requirements.
\boxtimes	П		16.04.030.K.17	Certification and signature of the city engineer verifying that the subdivision
				and design standards meet all city requirements.
			Council	As conditioned, this standard will be met prior to recordation of the final plat.
			Findings	The signature block page shall include the City Engineer's approval and
				verification that the subdivision and design standards meet all City
				requirements.
\boxtimes			16.04.030.K.18	Certification and signature of the city clerk of the city of Ketchum verifying
				that the subdivision has been approved by the council.
			Council	As conditioned, this standard will be met prior to recordation of the final plat.
			Findings	The signature block page shall include the certification and signature of the
				City Clerk verifying the subdivision has been approved by City Council.
		\boxtimes	16.04.030.K.19	Notation of any additional restrictions imposed by the council on the
				development of such subdivision to provide for the public health, safety and
				welfare.
			Council	This standard is not applicable as this application adjusts the floor areas of
			Findings	two existing condominium units. No additional restrictions are necessary to
				provide for the public health, safety, and welfare.
\boxtimes			16.04.030.L	Final Plat Copies: Both a hard copy and a digital copy of the final plat shall be
				filed with the administrator prior to being placed upon the Council's agenda.
				A digital copy of the final plat as approved by the council and signed by the
				city clerk shall be filed with the administrator and retained by the city. The.
				Applicant shall also provide the city with a digital copy of the recorded
				document with its assigned legal instrument number.
			Council	This standard has been met.
			Findings	
		\boxtimes	16.04.040.A	Required Improvements: The improvements set forth in this section shall be
				shown on the preliminary plat and installed prior to approval of the final
				plat. Construction design plans shall be submitted and approved by the city
				engineer. All such improvements shall be in accordance with the

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			comprehensive plan and constructed in compliance with construction
			standard specifications adopted by the city.
		Council	This standard is not applicable as this project adjusts the boundaries between
		Findings	two existing commercial condominium units located on the first floor of the
			SWC building. No improvements are required or proposed for this
			adjustment.
	\boxtimes	16.04.040.B	Improvement Plans: Prior to approval of final plat by the Council, the
			subdivider shall file two (2) copies with the city engineer, and the city
			engineer shall approve construction plans for all improvements required in
			the proposed subdivision. Such plans shall be prepared by a civil engineer
			licensed in the state.
		Council	This standard is not applicable as this project adjusts the boundaries between
		Findings	two existing commercial condominium units located on the first floor of the
			SWC building. No improvements are required or proposed for this
			adjustment.
	\boxtimes	16.04.040.C	Performance Bond: Prior to final plat approval, the subdivider shall have
		10.01.010.0	previously constructed all required improvements and secured a certificate
			of completion from the city engineer. However, in cases where the required
			improvements cannot be constructed due to weather, factors beyond the
			control of the subdivider, or other conditions as determined acceptable at
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			the sole discretion of the city, the city council may accept, in lieu of any or all
			of the required improvements, a performance bond filed with the city clerk
			to ensure actual construction of the required improvements as submitted
			and approved. Such performance bond shall be issued in an amount not less
			than one hundred fifty percent (150%) of the estimated costs of
			improvements as determined by the city engineer. In the event the
			improvements are not constructed within the time allowed by the city
			council (which shall be two years or less, depending upon the individual
			circumstances), the council may order the improvements installed at the
			expense of the subdivider and the surety. In the event the cost of installing
			the required improvements exceeds the amount of the bond, the subdivider
			shall be liable to the city for additional costs. The amount that the cost of
			installing the required improvements exceeds the amount of the
			performance bond shall automatically become a lien upon any and all
			property within the subdivision owned by the owner and/or subdivider.
		Council	This standard is not applicable as this project adjusts the boundaries between
		Findings	two existing commercial condominium units located on the first floor of the
			SWC building. No improvements are required or proposed for this
			adjustment.
	\boxtimes	16.04.040.D	As Built Drawing: Prior to acceptance by the city council of any
			improvements installed by the subdivider, two (2) sets of as built plans and
			specifications, certified by the subdivider's engineer, shall be filed with the
			city engineer. Within ten (10) days after completion of improvements and
			submission of as built drawings, the city engineer shall certify the completion
			of the improvements and the acceptance of the improvements, and shall
	<u> </u>		submit a copy of such certification to the administrator and the subdivider. If

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				a performance bond has been filed, the administrator shall forward a copy of the certification to the city clerk. Thereafter, the city clerk shall release the
				performance bond upon application by the subdivider.
			Council	This standard is not applicable as this project adjusts the boundaries between
			Findings	two existing commercial condominium units located on the first floor of the
			Findings	
				SWC building. No improvements are required or proposed for this
			16.04.040.5	adjustment.
\boxtimes			16.04.040.E	Monumentation: Following completion of construction of the required
				improvements and prior to certification of completion by the city engineer,
				certain land survey monuments shall be reset or verified by the subdivider's
				engineer or surveyor to still be in place. These monuments shall have the
				size, shape, and type of material as shown on the subdivision plat. The
				monuments shall be located as follows:
				1. All angle points in the exterior boundary of the plat.
				2. All street intersections, points within and adjacent to the final plat.
				3. All street corner lines ending at boundary line of final plat.
				4. All angle points and points of curves on all streets.
				5. The point of beginning of the subdivision plat description.
			Council	The applicant shall meet the required monumentation standards prior to
			Findings	recordation of the final plat.
		\boxtimes	16.04.040.F	Lot Requirements:
				1. Lot size, width, depth, shape and orientation and minimum building
				setback lines shall be in compliance with the zoning district in which the
				property is located and compatible with the location of the subdivision and
				the type of development, and preserve solar access to adjacent properties
				and buildings.
				2. Whenever a proposed subdivision contains lot(s), in whole or in part,
				within the floodplain, or which contains land with a slope in excess of twenty
				five percent (25%), based upon natural contours, or creates corner lots at
				the intersection of two (2) or more streets, building envelopes shall be
				shown for the lot(s) so affected on the preliminary and final plats. The
				building envelopes shall be located in a manner designed to promote
				harmonious development of structures, minimize congestion of structures,
				and provide open space and solar access for each lot and structure. Also,
				building envelopes shall be located to promote access to the lots and
				maintenance of public utilities, to minimize cut and fill for roads and building
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				foundations, and minimize adverse impact upon environment, watercourses
				and topographical features. Structures may only be built on buildable lots.
				Lots shall only be created that meet the definition of "lot, buildable" in
				section 16.04.020 of this chapter. Building envelopes shall be established
				outside of hillsides of twenty five percent (25%) and greater and outside of
				the floodway. A waiver to this standard may only be considered for the
				following:
				a. For lot line shifts of parcels that are entirely within slopes of
				twenty five percent (25%) or greater to create a reasonable building

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				envelope, and mountain overlay design review standards and all other city requirements are met.
				b. For small, isolated pockets of twenty five percent (25%) or greater that are found to be in compliance with the purposes and standards
				of the mountain overlay district and this section.
				3. Corner lots outside of the original Ketchum Townsite shall have a property line curve or corner of a minimum radius of twenty five feet (25') unless a
				longer radius is required to serve an existing or future use.
				4. Side lot lines shall be within twenty degrees (20°) to a right angle or radial line to the street line.
				5. Double frontage lots shall not be created. A planting strip shall be
				provided along the boundary line of lots adjacent to arterial streets or
				incompatible zoning districts.
				6. Every lot in a subdivision shall have a minimum of twenty feet (20') of
				frontage on a dedicated public street or legal access via an easement of
				twenty feet (20') or greater in width. Easement shall be recorded in the
				office of the Blaine County recorder prior to or in conjunction with recordation of the final plat. Minimum lot sizes in all cases shall be reversed
				frontage lot(s).
			Council	These standards are not applicable as this project adjusts the boundaries
			Findings	between two existing commercial condominium units located on the first
			i mamige	floor of the SWC building. No new lots are created with this adjustment.
		\boxtimes	16.04.040.G	G. Block Requirements: The length, width and shape of blocks within a
				proposed subdivision shall conform to the following requirements:
				1. No block shall be longer than one thousand two hundred feet
				(1,200'), nor less than four hundred feet (400') between the street
				intersections, and shall have sufficient depth to provide for two (2) tiers of lots.
				2. Blocks shall be laid out in such a manner as to comply with the lot requirements.
				3. The layout of blocks shall take into consideration the natural
				topography of the land to promote access within the subdivision and
				minimize cuts and fills for roads and minimize adverse impact on
				environment, watercourses and topographical features.
				4. Except in the original Ketchum Townsite, corner lots shall contain a
				building envelope outside of a seventy five foot (75') radius from the
				intersection of the streets.
			Council	N/A. These standards are not applicable as this project adjusts the
			Findings	boundaries between two existing commercial condominium units located on
				the first floor of the SWC building. No new blocks are created with this
			46.04.046.::	adjustment.
		\boxtimes	16.04.040.H	Street Improvement Requirements:
				1. The arrangement, character, extent, width, grade and location of all
				streets put in the proposed subdivision shall conform to the comprehensive
1		1		plan and shall be considered in their relation to existing and planned streets,

topography, public convenience and safety, and the proposed uses of the land;

- 2. All streets shall be constructed to meet or exceed the criteria and standards set forth in chapter 12.04 of this code, and all other applicable ordinances, resolutions or regulations of the city or any other governmental entity having jurisdiction, now existing or adopted, amended or codified;
- 3. Where a subdivision abuts or contains an existing or proposed arterial street, railroad or limited access highway right of way, the council may require a frontage street, planting strip, or similar design features;
- 4. Streets may be required to provide access to adjoining lands and provide proper traffic circulation through existing or future neighborhoods;
- 5. Street grades shall not be less than three-tenths percent (0.3%) and not more than seven percent (7%) so as to provide safe movement of traffic and emergency vehicles in all weather and to provide for adequate drainage and snow plowing;
- 6. In general, partial dedications shall not be permitted, however, the council may accept a partial street dedication when such a street forms a boundary of the proposed subdivision and is deemed necessary for the orderly development of the neighborhood, and provided the council finds it practical to require the dedication of the remainder of the right of way when the adjoining property is subdivided. When a partial street exists adjoining the proposed subdivision, the remainder of the right of way shall be dedicated;
- 7. Dead end streets may be permitted only when such street terminates at the boundary of a subdivision and is necessary for the development of the subdivision or the future development of the adjacent property. When such a dead end street serves more than two (2) lots, a temporary turnaround easement shall be provided, which easement shall revert to the adjacent lots when the street is extended;
- 8. A cul-de-sac, court or similar type street shall be permitted only when necessary to the development of the subdivision, and provided, that no such street shall have a maximum length greater than four hundred feet (400') from entrance to center of turnaround, and all cul-de-sacs shall have a minimum turnaround radius of sixty feet (60') at the property line and not less than forty five feet (45') at the curb line;
- 9. Streets shall be planned to intersect as nearly as possible at right angles, but in no event at less than seventy degrees (70°);
- 10. Where any street deflects an angle of ten degrees (10°) or more, a connecting curve shall be required having a minimum centerline radius of three hundred feet (300') for arterial and collector streets, and one hundred twenty five feet (125') for minor streets;
- 11. Streets with centerline offsets of less than one hundred twenty five feet (125') shall be prohibited;
- 12. A tangent of at least one hundred feet (100') long shall be introduced between reverse curves on arterial and collector streets;
- 13. Proposed streets which are a continuation of an existing street shall be given the same names as the existing street. All new street names shall not

duplicate or be confused with the names of existing streets within Blaine County, Idaho. The subdivider shall obtain approval of all street names within the proposed subdivision from the County Assessor's office before submitting same to council for preliminary plat approval; 14. Street alignment design shall follow natural terrain contours to result in safe streets, usable lots, and minimum cuts and fills; 15. Street patterns of residential areas shall be designed to create areas free of through traffic, but readily accessible to adjacent collector and arterial streets: 16. Reserve planting strips controlling access to public streets shall be permitted under conditions specified and shown on the final plat, and all landscaping and irrigation systems shall be installed as required improvements by the subdivider; 17. In general, the centerline of a street shall coincide with the centerline of the street right of way, and all crosswalk markings shall be installed by the subdivider as a required improvement; 18. Street lighting shall be required consistent with adopted city standards and where designated shall be installed by the subdivider as a requirement improvement; 19. Private streets may be allowed upon recommendation by the commission and approval by the Council. Private streets shall be constructed to meet the design standards specified in subsection H2 of this section and chapter 12.04 of this code; 20. Street signs shall be installed by the subdivider as a required improvement of a type and design approved by the Administrator and shall be consistent with the type and design of existing street signs elsewhere in the City; 21. Whenever a proposed subdivision requires construction of a new bridge, or will create substantial additional traffic which will require construction of a new bridge or improvement of an existing bridge, such construction or improvement shall be a required improvement by the subdivider. Such construction or improvement shall be in accordance with adopted standard specifications: 22. Sidewalks, curbs and gutters shall be required consistent with adopted city standards and where designated shall be a required improvement installed by the subdivider; 23. Gates are prohibited on private roads and parking access/entranceways, private driveways accessing more than one single-family dwelling unit and one accessory dwelling unit, and public rights-of-way unless approved by the City Council; and 24. No new public or private streets or flag lots associated with a proposed subdivision (land, planned unit development, townhouse, condominium) are permitted to be developed on parcels within the Avalanche Zone.

These streets standards are not applicable as this project adjusts the

| Findings | boundaries between two existing commercial condominium units located on

SWC Condominiums: Units 1-B1 & 1-C1 Readjustment of Lot Lines

Council

			the first floor of the SWC building. This proposal does not create a new street,		
			private road, or bridge.		
				16.04.040.1	Alley Improvement Requirements: Alleys shall be provided in, commercial and light industrial zoning districts. The width of an alley shall be not less than twenty feet (20'). Alley intersections and sharp changes in alignment shall be avoided, but where necessary, corners shall be provided to permit safe vehicular movement. Dead end alleys shall be permitted only within the original Ketchum Townsite and only after due consideration of the interests of the owners of property adjacent to the dead-end alley including, but not limited to, the provision of fire protection, snow removal and trash collection services to such properties. Improvement of alleys shall be done by the subdivider as required improvement and in conformance with design standards specified in subsection H2 of this section.
		Council	These standards are not applicable as this project adjusts the boundaries		
		Findings	between two existing commercial condominium units located on the first		
			floor of the SWC building. No new alleys are created with this adjustment.		
		16.04.040.J	Required Easements: Easements, as set forth in this subsection, shall be required for location of utilities and other public services, to provide adequate pedestrian circulation and access to public waterways and lands. 1. A public utility easement at least ten feet (10') in width shall be required within the street right-of-way boundaries of all private streets. A public utility easement at least five feet (5') in width shall be required within property boundaries adjacent to Warm Springs Road and within any other property boundary as determined by the City Engineer to be necessary for the provision of adequate public utilities. 2. Where a subdivision contains or borders on a watercourse, drainageway, channel or stream, an easement shall be required of sufficient width to contain such watercourse and provide access for private maintenance and/or reconstruction of such watercourse. 3. All subdivisions which border the Big Wood River, Trail Creek and Warm Springs Creek shall dedicate a ten foot (10') fish and nature study easement along the riverbank. Furthermore, the Council shall require, in appropriate areas, an easement providing access through the subdivision to the bank as a sportsman's access. These easement requirements are minimum standards, and in appropriate cases where a subdivision abuts a portion of the river adjacent to an existing pedestrian easement, the Council may require an extension of that easement along the portion of the riverbank which runs through the proposed subdivision. 4. All subdivisions which border on the Big Wood River, Trail Creek and Warm Springs Creek shall dedicate a twenty five foot (25') scenic easement upon which no permanent structure shall be built in order to protect the natural vegetation and wildlife along the riverbank and to protect structures from damage or loss due to riverbank erosion. 5. No ditch, pipe or structure for irrigation water or irrigation wastewater shall be constructed, rerouted or changed in the course of planning for or constructing required		

	Council Findings	same has first been approved in writing by the ditch company or property owner holding the water rights. A written copy of such approval shall be filed as part of required improvement construction plans. 6. Nonvehicular transportation system easements including pedestrian walkways, bike paths, equestrian paths, and similar easements shall be dedicated by the subdivider to provide an adequate nonvehicular transportation system throughout the City. N/A. No easements are required or proposed with this project.
	16.04.040.K	Sanitary Sewage Disposal Improvements: Central sanitary sewer systems shall be installed in all subdivisions and connected to the Ketchum sewage treatment system as a required improvement by the subdivider. Construction plans and specifications for central sanitary sewer extension shall be prepared by the subdivider and approved by the City Engineer, Council and Idaho Health Department prior to final plat approval. In the event that the sanitary sewage system of a subdivision cannot connect to the existing public sewage system, alternative provisions for sewage disposal in accordance with the requirements of the Idaho Department of Health and the Council may be constructed on a temporary basis until such time as connection to the public sewage system is possible. In considering such alternative provisions, the Council may require an increase in the minimum lot size and may impose any other reasonable requirements which it deems necessary to protect public health, safety and welfare.
	Council Findings	These standards are not applicable as this project adjusts the boundaries between two existing commercial condominium units located on the first floor of the SWC building. No sanitary sewage disposal improvements are required for this project.
	16.04.040.L	Water System Improvements: A central domestic water distribution system shall be installed in all subdivisions by the subdivider as a required improvement. The subdivider shall also be required to locate and install an adequate number of fire hydrants within the proposed subdivision according to specifications and requirements of the City under the supervision of the Ketchum Fire Department and other regulatory agencies having jurisdiction. Furthermore, the central water system shall have sufficient flow for domestic use and adequate fire flow. All such water systems installed shall be looped extensions, and no dead end systems shall be permitted. All water systems shall be connected to the Municipal water system and shall meet the standards of the following agencies: Idaho Department of Public Health, Idaho Survey and Rating Bureau, District Sanitarian, Idaho State Public Utilities Commission, Idaho Department of Reclamation, and all requirements of the City.
	Council Findings	These standards are not applicable as this project adjusts the boundaries between two existing commercial condominium units located on the first floor of the SWC building. Water system improvements are not required or proposed.

	16.04.040.M Council Findings	Planting Strip Improvements: Planting strips shall be required improvements. When a predominantly residential subdivision is proposed for land adjoining incompatible uses or features such as highways, railroads, commercial or light industrial districts or off street parking areas, the subdivider shall provide planting strips to screen the view of such incompatible features. The subdivider shall submit a landscaping plan for such planting strip with the preliminary plat application, and the landscaping shall be a required improvement. Planting strip improvements are not required as this project adjusts the boundaries between two existing commercial condominium units located on
	, mamgs	the first floor of the SWC building.
	16.04.040.N	Cuts, Fills, And Grading Improvements: Proposed subdivisions shall be carefully planned to be compatible with natural topography, soil conditions, geology and hydrology of the site, as well as to minimize cuts, fills, alterations of topography, streams, drainage channels, and disruption of soils and vegetation. The design criteria shall include the following: 1. A preliminary soil report prepared by a qualified engineer may be required by the commission and/or Council as part of the preliminary plat application. 2. Preliminary grading plan prepared by a civil engineer shall be submitted as part of all preliminary plat applications. Such plan shall contain the following information: a. Proposed contours at a maximum of five foot (5') contour intervals. b. Cut and fill banks in pad elevations. c. Drainage patterns. d. Areas where trees and/or natural vegetation will be preserved. e. Location of all street and utility improvements including driveways to building envelopes. f. Any other information which may reasonably be required by the Administrator, commission or Council to adequately review the affect of the proposed improvements. 3. Grading shall be designed to blend with natural landforms and to minimize the necessity of padding or terracing of building sites, excavation for foundations, and minimize the necessity of cuts and fills for streets and driveways. 4. Areas within a subdivision which are not well suited for development because of existing soil conditions, steepness of slope, geology or hydrology shall be allocated for open space for the benefit of future property owners within the subdivision. 5. Where existing soils and vegetation are disrupted by subdivision development, provision shall be made by the subdivider for revegetation of disturbed areas with perennial vegetation sufficient to stabilize the soil upon completion of the construction. Until such times as such revegetation has been installed and established, the subdivider shall maintain and protect all disturbed surfaces from ero

	Council Findings	6. Where cuts, fills, or other excavations are necessary, the following development standards shall apply: a. Fill areas shall be prepared by removing all organic material detrimental to proper compaction for soil stability. b. Fills shall be compacted to at least ninety five percent (95%) of maximum density as determined by AASHO T99 (American Association of State Highway Officials) and ASTM D698 (American Standard Testing Methods). c. Cut slopes shall be no steeper than two horizontal to one vertical (2:1). Subsurface drainage shall be provided as necessary for stability. d. Fill slopes shall be no steeper than three horizontal to one vertical (3:1). Neither cut nor fill slopes shall be located on natural slopes of three to one (3:1) or steeper, or where fill slope toes out within twelve feet (12') horizontally of the top and existing or planned cut slope. e. Toes of cut and fill slopes shall be set back from property boundaries a distance of three feet (3'), plus one-fifth (1/5) of the height of the cut or the fill, but may not exceed a horizontal distance of ten feet (10'); tops and toes of cut and fill slopes shall be set back from structures at a distance of at least six feet (6'), plus one-fifth (1/5) of the height of the cut or the fill. Additional setback distances shall be provided as necessary to accommodate drainage features and drainage structures. These standards are not applicable as this project adjusts the boundaries between two existing commercial condominium units located on the first floor of the SWC building. Cuts, fills, and grading improvements are not
	Council Findings	Drainage Improvements: The subdivider shall submit with the preliminary plat application such maps, profiles, and other data prepared by an engineer to indicate the proper drainage of the surface water to natural drainage courses or storm drains, existing or proposed. The location and width of the natural drainage courses shall be shown as an easement common to all owners within the subdivision and the City on the preliminary and final plat. All natural drainage courses shall be left undisturbed or be improved in a manner that will increase the operating efficiency of the channel without overloading its capacity. An adequate storm and surface drainage system shall be a required improvement in all subdivisions and shall be installed by the subdivider. Culverts shall be required where all water or drainage courses intersect with streets, driveways or improved public easements and shall extend across and under the entire improved width including shoulders. These standards are not applicable as this project adjusts the boundaries between two existing commercial condominium units located on the first floor of the SWC building. No drainage improvements are required or proposed.

		16.04.040.P	Utilities: In addition to the terms mentioned in this section, all utilities including, but not limited to, electricity, natural gas, telephone and cable services shall be installed underground as a required improvement by the subdivider. Adequate provision for expansion of such services within the subdivision or to adjacent lands including installation of conduit pipe across and underneath streets shall be installed by the subdivider prior to construction of street improvements. These standards are not applicable as this project adjusts the boundaries
		Findings	between two existing commercial condominium units located on the first
		, mangs	floor of the SWC building. No utility improvements are required or proposed.
	\boxtimes	16.04.040 <i>.</i> Q	Off Site Improvements: Where the off site impact of a proposed subdivision
		20.0 1.0 10.0	is found by the commission or Council to create substantial additional traffic,
			improvements to alleviate that impact may be required of the subdivider
			prior to final plat approval, including, but not limited to, bridges,
			intersections, roads, traffic control devices, water mains and facilities, and
			sewer mains and facilities.
		Council	These standards are not applicable as this project adjusts the boundaries
		Findings	between two existing commercial condominium units located on the first
			floor of the SWC building. Off-site improvements are not required or
			proposed with this project.
	\boxtimes	16.04.040.R	Avalanche And Mountain Overlay: All improvements and plats (land, planned
			unit development, townhouse, condominium) created pursuant to this
			chapter shall comply with City of Ketchum Avalanche Zone District and
			Mountain Overlay Zoning District requirements as set forth in Title 17 of this
			Code.
		Council	This standard is not applicable as the property is not located in the Avalanche
		Findings	Zone or Mountain Overlay.
	\boxtimes	16.04.040 <i>.</i> S	Existing natural features which enhance the attractiveness of the subdivision
			and community, such as mature trees, watercourses, rock outcroppings,
			established shrub masses and historic areas, shall be preserved through
			design of the subdivision.
		Council	These standards are not applicable as this project adjusts the boundaries
		Findings	between two existing commercial condominium units located on the first
			floor of the SWC building. No changes are proposed to the existing
			landscaping on the property.

CONCLUSIONS OF LAW

1. The City of Ketchum is a municipal corporation established in accordance with Article XII of the Constitution of the State of Idaho and Title 50 Idaho Code and is required and has exercised its authority pursuant to the Local Land Use Planning Act codified at Chapter 65 of Title 67 Idaho Code and pursuant to Chapters 3, 9 and 13 of Title 50 Idaho Code to enact the ordinances and regulations, which ordinances are codified in the Ketchum City Code ("KMC") and are identified in the Findings of Fact and which are herein restated as Conclusions of Law by this reference and

which city ordinances govern the applicant's application for the development and use of the project site.

- 2. The Council has authority to hear the applicant's Lot Line Shift Application pursuant to Chapter 16.04 of Ketchum Code Title 16.
- 3. The City of Ketchum Planning Department provided adequate notice for the review of this application.
- 4. The Lot Line Shift (Readjustment of Lot Lines) application is governed under Sections 16.04.010, 16.04.020, 16.04.030, 16.04.040, 16.04.060, and 16.04.070 of Ketchum Municipal Code Chapter 16.04.
- 5. As conditioned, the proposed Lot Line Shift meets the standards for approval under Title 16 of Ketchum Municipal Code.

DECISION

THEREFORE, the Ketchum City Council **approves** the SWC Condominiums Units 1-B1 & 1-C1 Lot Line Shift this Monday, May 17th, 2021 subject to the following conditions:

CONDITIONS OF APPROVAL

- 1. The final plat mylar shall meet all conditions specified in Table 1: Findings Regarding Contents of Final Plat and Subdivision Design & Development Standards.
- 2. The final plat map shall meet all governing ordinances, requirements, and regulations of the Fire Department (2018 International Fire Code and local Fire Protection Ordinance No.1217), Building Department (2018 International Building Code, the 2018 International Residential Code, and Title 15 of Ketchum Municipal Code), Utilities Department, Street Department (Title 12 of Ketchum Municipal Code), and the City Engineer.
- 3. The recorded plat shall show a minimum of two Blaine County Survey Control Monuments with ties to the property and an inverse between the two monuments. The Survey Control Monuments shall be clearly identified on the face of the map.
- 4. An electronic CAD file shall be submitted to the City of Ketchum prior to final plat signature by the City Clerk. The electronic CAD file shall be submitted to the Blaine County Recorder's office concurrent with the recording of the Plat containing the following minimum data:
 - a. Line work delineating all parcels and roadways on a CAD layer/level designated as "parcel";
 - b. Line work delineating all roadway centerlines on a CAD layer/level designated as "road"; and,
 - c. Line work that reflects the ties and inverses for the Survey Control Monuments shown on the face of the Plat shall be shown on a CAD layer/level designated as "control"; and,
 - d. All information within the electronic file shall be oriented and scaled to Grid per the Idaho State Plane Coordinate System, Central Zone, NAD1983 (1992), U.S. Survey Feet, using the Blaine County Survey Control Network. Electronic CAD files shall be submitted in a ".dwg", ".dgn" or ".shp" format and shall be submitted digitally to the City on a compact disc. When the endpoints of the lines submitted are indicated as coincidental with

another line, the CAD line endpoints shall be separated by no greater than 0.0001 drawing units.

- 5. The final plat mylar shall contain all items required under Title 50, Chapter 13, Idaho Code as well as all items required pursuant to KMC §16.04.030J including certificates and signatures.
- 6. The applicant shall provide a copy of the recorded final plat to the Planning and Building Department for the project record.

Findings of Fact adopted this 17 th day of May 2021.		
<u>-</u>	Neil Bradshaw, Mayor	
Lisa Enourato, Interim City Clerk		

Attachment B: Lot Line Shift Application Submittal



OFFICIAL U	JSE ONLY
File Ruzer:-	-011
Date Recei2d	2-21
By:	P
Fee Paid: 9	500-
Approved Date	9:
Denied Date:	
Ву:	

Lot Line Shift Application

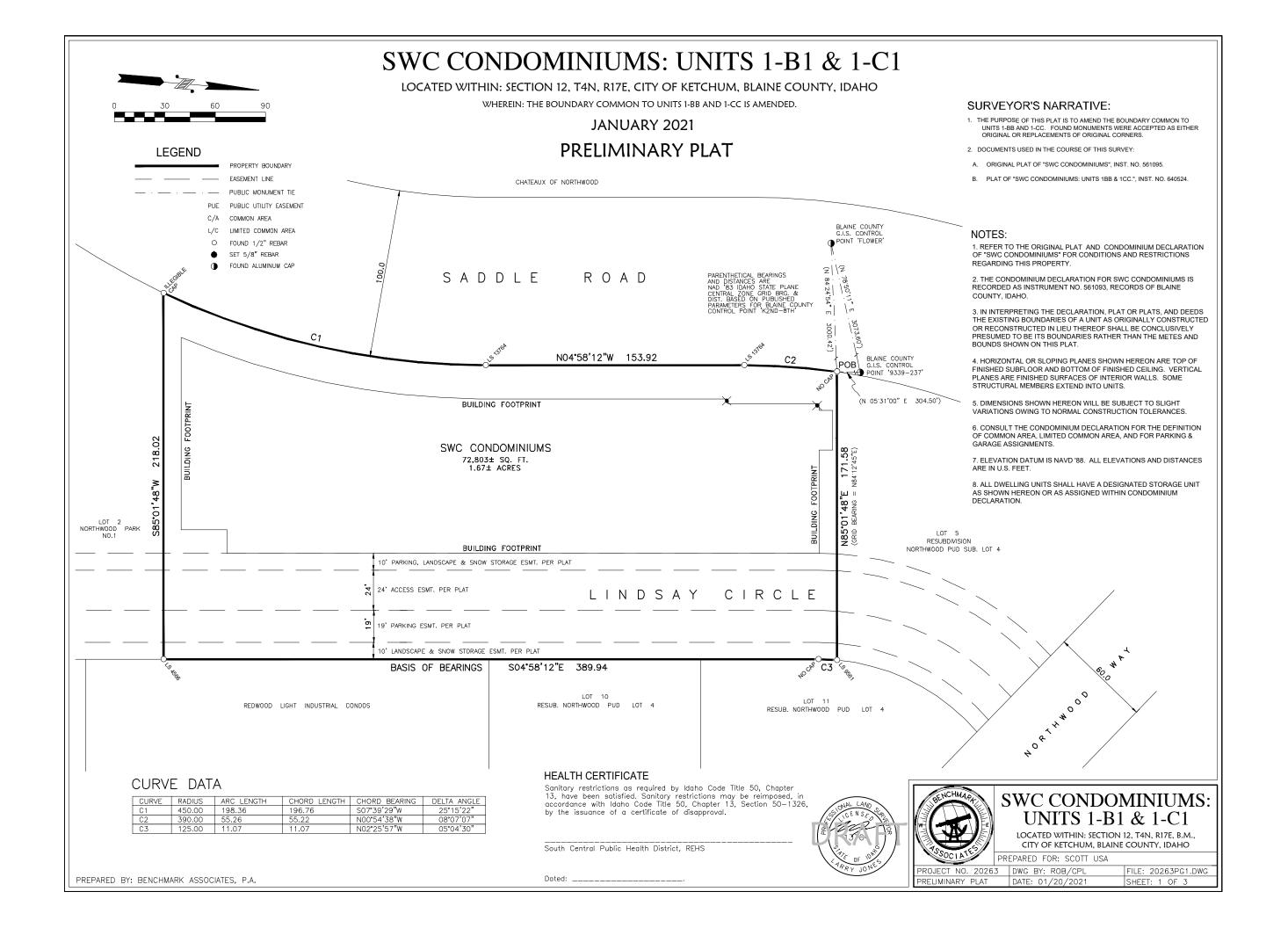
OWNER INFORMATION				
Owner Name: UNIT 1-BB: SCOTT USA UNIT 1-CC: ROBERT MCGOW	/AN			
Mailing Address: PO BOX 2030 & 3400, SUN VALLEY, ID 83353				
Phone: SCOTT USA: 208-622-1000 MCGOWAN: 208-928-6379				
Email: dstevens@scottusa.com rob@arsunvalley.com				
PROJECT INFORMATION				
Name of Proposed Plat: SWC CONDOMINIUMS: UNITS 1-B1 & 1-C1				
Representative of Owner: BENCHMARK ASSOCIATES	W. a			
Phone: 208-726-9512	RPK 094600001BB			
Mailing Address: PO BOX 733, KETCHUM ID 83340				
Email: cinda@bma5b.com				
Legal Land Description: SWC CONDOMINIUMS: UNITS 1-B1 & 1-C1				
Street Address: 110 LINDSAY CIRCLE				
Number of Lots: N/A	Number of Units: 2			
Total Land Area in Square Feet: 1-B1: ~2316 SF 1-C1: ~3775 SF	Current Zoning District: LI-3			
Overlay District:	☐ Avalanche			
Easements to be Dedicated on the Final Plat (Describe Briefly):				
NO NEW FASEMENTS TO BE ADDED. SEE (ORIGINAL PLAT FOR EXISTING EASEMENTS.			
140 14LW EAGLINEITO TO BE ADDED. GEE GITIGHTAET EATT ON EXIGNITO EAGLINEITO.				
ATTACHMENTS				
Attachments Necessary to Complete Application:				
1. A copy of a current lot book guarantee and recorded deed to the subject property;				
2. One (1) copy of preliminary plat; and,				
3. A CD or email of an electronic (.pdf) of the plat.				

Applicant agrees in the event of a dispute concerning the interpretation or enforcement of the Lot Line Shift Application, in which the City of Ketchum is the prevailing party, to pay reasonable attorney fees, including attorney fees on appeal, and expenses of the City of Ketchum. I, the undersigned, certify that all information submitted with and upon this application form is true and accurate to the best of my knowledge and belief.

Signature of Owner/Representative

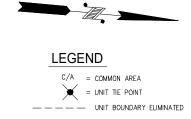
Date

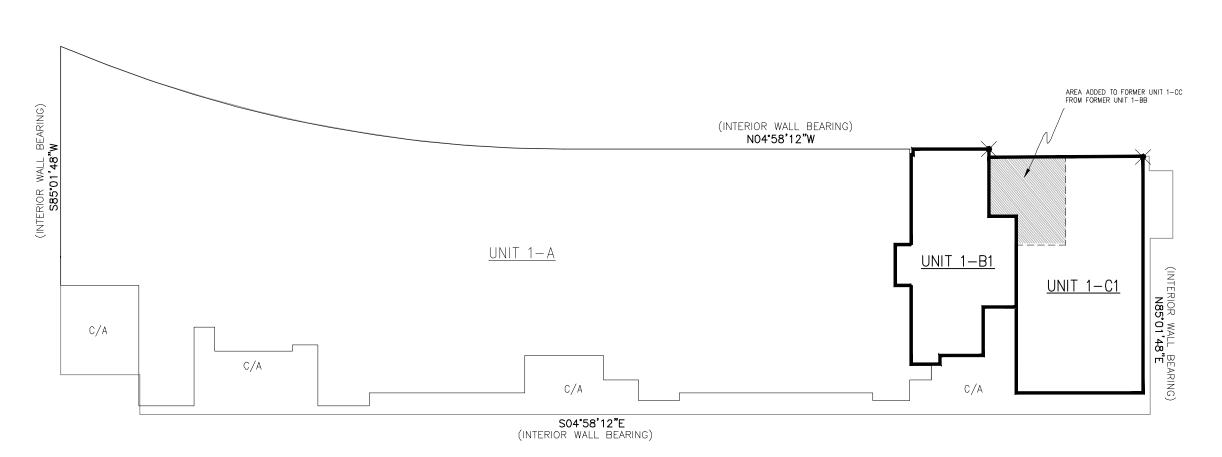
Date



LOCATED WITHIN: SECTION 12, T4N, R17E, CITY OF KETCHUM, BLAINE COUNTY, IDAHO WHEREIN: THE BOUNDARY COMMON TO UNITS 1-BB AND 1-CC IS AMENDED.

> JANUARY 2021 PRELIMINARY PLAT





FIRST FLOOR PLAN: UNITS 1-A, 1-B1 & 1-C1





SWC CONDOMINIUMS: UNITS 1-B1 & 1-C1

LOCATED WITHIN: SECTION 12, T4N, R17E, B.M., CITY OF KETCHUM, BLAINE COUNTY, IDAHO

PROJECT NO. 20263 DWG BY: CPL FILE: 20263PG1.DWG DATE: 01/20/2021

PREPARED BY: BENCHMARK ASSOCIATES, P.A.

LOCATED WITHIN: SECTION 12, T4N, R17E, CITY OF KETCHUM, BLAINE COUNTY, IDAHO WHEREIN: THE BOUNDARY COMMON TO UNITS 1-BB AND 1-CC IS AMENDED.

JANUARY 2021

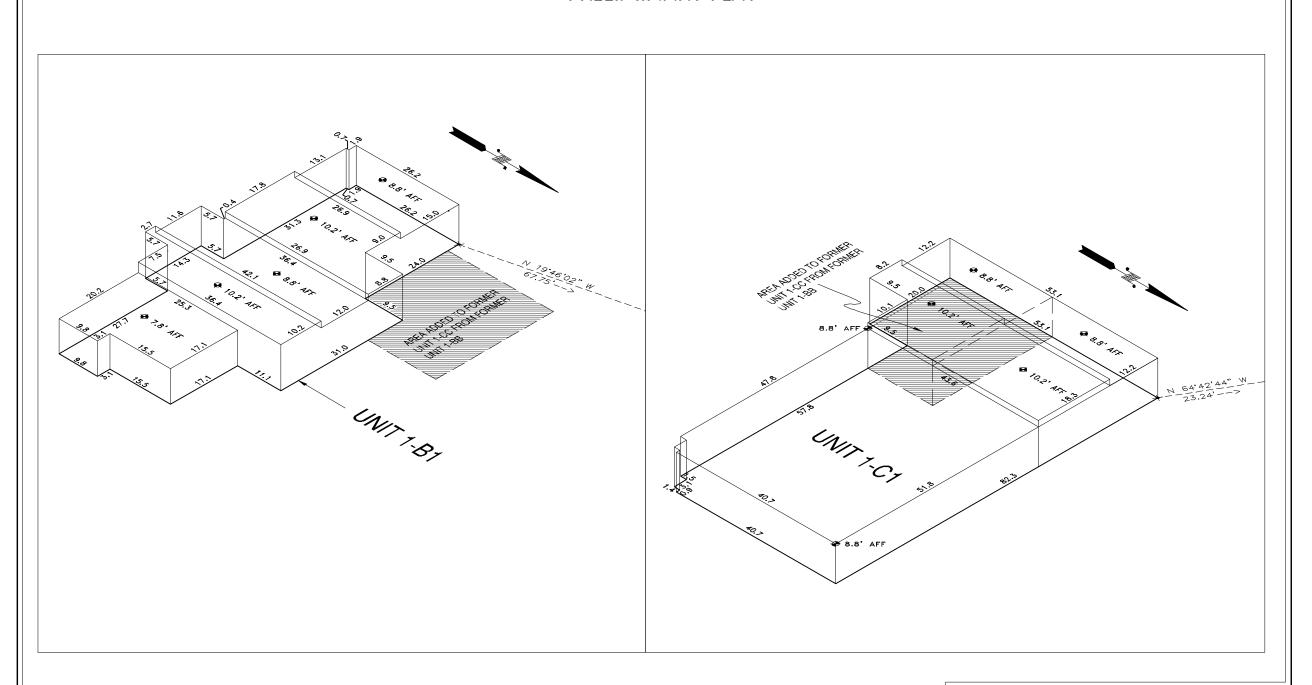
PRELIMINARY PLAT

LEGEND

L/C LIMITED COMMON AREA COMMON AREA

ELEVATION UNIT TIE POINT TIE TO TPOB

UNIT BOUNDARY ELIMINATED



FIRST FLOOR UNITS 1-B1 & 1-C1 F.F. ELEV. = 5831.1

NOT TO SCALE

F.F. - FINISHED FLOOR AFF - ABOVE FINISHED FLOOR





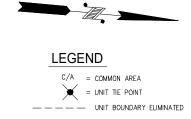
CITY OF KETCHUM, BLAINE COUNTY, IDAHO

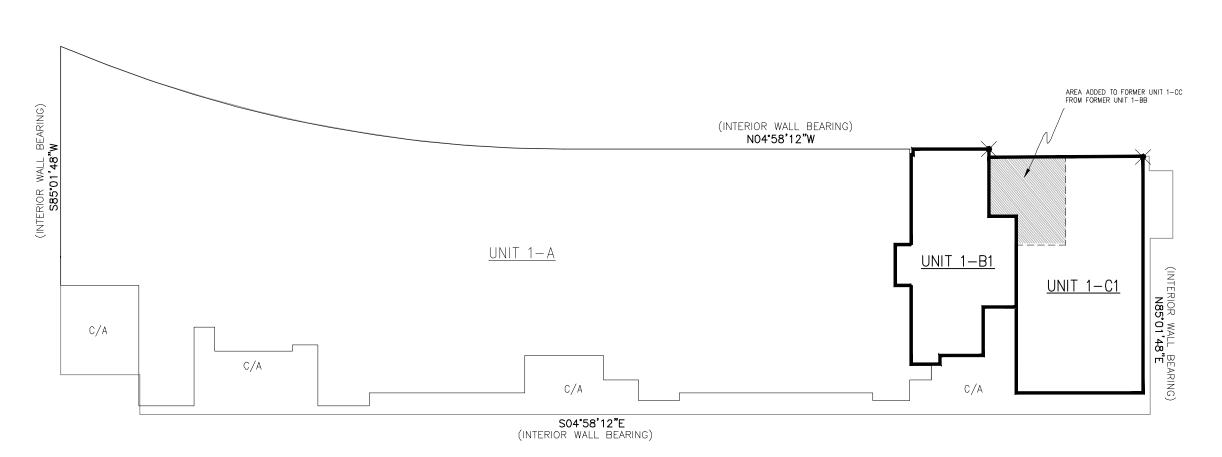
PREPARED FOR: SCOTT USA

PROJECT NO. 20263 DWG BY: ROB/CPL FILE: 20263UNITS.DWG DATE: 01/20/2021

LOCATED WITHIN: SECTION 12, T4N, R17E, CITY OF KETCHUM, BLAINE COUNTY, IDAHO WHEREIN: THE BOUNDARY COMMON TO UNITS 1-BB AND 1-CC IS AMENDED.

> JANUARY 2021 PRELIMINARY PLAT





FIRST FLOOR PLAN: UNITS 1-A, 1-B1 & 1-C1





SWC CONDOMINIUMS: UNITS 1-B1 & 1-C1

LOCATED WITHIN: SECTION 12, T4N, R17E, B.M., CITY OF KETCHUM, BLAINE COUNTY, IDAHO

PROJECT NO. 20263 DWG BY: CPL FILE: 20263PG1.DWG DATE: 01/20/2021

PREPARED BY: BENCHMARK ASSOCIATES, P.A.

LOCATED WITHIN: SECTION 12, T4N, R17E, CITY OF KETCHUM, BLAINE COUNTY, IDAHO WHEREIN: THE BOUNDARY COMMON TO UNITS 1-BB AND 1-CC IS AMENDED.

JANUARY 2021

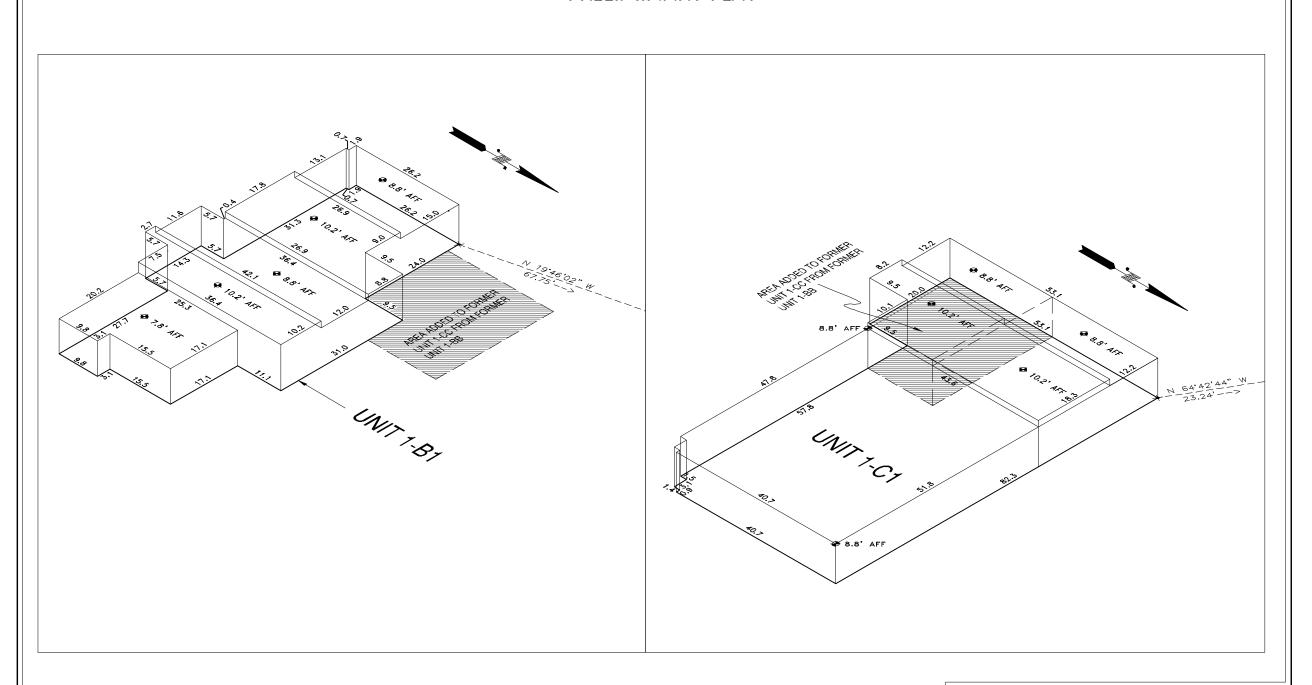
PRELIMINARY PLAT

LEGEND

L/C LIMITED COMMON AREA COMMON AREA

ELEVATION UNIT TIE POINT TIE TO TPOB

UNIT BOUNDARY ELIMINATED



FIRST FLOOR UNITS 1-B1 & 1-C1 F.F. ELEV. = 5831.1

NOT TO SCALE

F.F. - FINISHED FLOOR AFF - ABOVE FINISHED FLOOR





CITY OF KETCHUM, BLAINE COUNTY, IDAHO

PREPARED FOR: SCOTT USA

PROJECT NO. 20263 DWG BY: ROB/CPL FILE: 20263UNITS.DWG DATE: 01/20/2021

CLTA Lot Book Guarantee Guaranty Form Number: 12 (Rev. 06-06-92)

File No.: 1619932

GUARANTEE

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE LIMITS OF LIABILITY AND THE OTHER PROVISIONS OF THE CONDITIONS AND STIPULATIONS HEREIN ANNEXED AND MADE A PART OF THIS GUARANTEE, AND SUBJECT TO THE FURTHER EXCLUSION AND LIMITATION THAT NO GUARANTEE IS GIVEN NOR LIABILITY ASSUMED WITH RESPECT TO THE IDENTITY OF ANY PARTY NAMED OR REFERRED TO IN SCHEDULE A OR WITH RESPECT TO THE VALIDITY, LEGAL EFFECT OR PRIORITY OF ANY MATTER SHOWN THEREIN.

STEWART TITLE GUARANTY COMPANY,

a corporation, herein called the Company

GUARANTEES

The Assured named in Schedule A against actual monetary loss or damage not exceeding the liability amount stated in Schedule A, which the Assured shall sustain by reason of any incorrectness in the assurances set forth in Schedule A.

Dated: October 18, 2016

In witness whereof, Stewart Title Guaranty Company has caused this policy to be signed and sealed by its duly authorized officers as of Date of Policy shown in Schedule A.

Countersigned by:

Authorized Country Title, Inc.

P.O. Box 3176 Ketchum, ID 83340 Agent ID: 120037

360 Sun Valley Road

stewart

title guaranty company

e guaranty compan

TOOR B

President and CEO

Denise Carraux Secretary

Matt Morris

Page 1 of Guarantee No.

G-2222-000071594

GUARANTEE CONDITIONS AND STIPULATIONS

- 1. **Definition of Terms -** The following terms when used in the Guarantee mean:
 - (a) "the Assured": the party or parties named as the Assured in this Guarantee, or on a supplemental writing executed by the Company.
 - (b) "land": the land described or referred to in Schedule (A)(C) or in Part 2, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule (A)(C) or in Part 2, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways.
 - (c) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.
 - (d) "public records": records established under state statutes at Date of Guarantee for the purpose of impairing constructive notice of matters relating to real property to purchasers for value and without knowledge.
 - (e) "date": the effective date.
- 2. Exclusions from Coverage of this Guarantee The Company assumes no:
 - (a) Taxes or assessments which are not shown as existing liens by the records of any authority that levies taxes or assessments on real property or by the public records
 - (b) (1) Unpatented mining claims; (2) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (3) water rights, claims or title to water whether or not the matters excluded by (1), (2) or (3) are shown by the public records
 - (c) Assurances to title to any property beyond the lines of the land expressly described in the description set forth in Schedule (A)(C) or in Part 2 of this guarantee, or title to streets, roads, avenues, lanes, ways, or waterways on which such land abuts, or the right to maintain therein vaults, tunnels, ramps or any other structure or improvement; or any rights or easements therein unless such property, rights or easement are expressly and specifically set forth in said description.
 - (d) (1) Defects, liens, encumbrances or adverse claims against the title, if assurances are provided as to such title, and as limited by such assurances. (2) Defects, liens, encumbrances, adverse claims or other matters (a) whether or not shown by the public records, and which are created, suffered, assumed or agreed to by one or more of the Assureds; (b) which result in no loss to the Assured; or (c) which do not result in the invalidity or potential invalidity of any judicial or non-judicial proceeding which is within the scope and purpose of assurances provided.
- 3. Notice of Claim to be Given by Assured Claimant An Assured shall notify the Company promptly in writing in case knowledge shall come to an Assured hereunder of any claim of title or interest which is adverse to the title to the estate or interest, as stated herein, and which might cause loss or damage for which the Company may be liable by virtue of this Guarantee. If prompt notice shall not be given to t
 For which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any Assured under this Guarantee unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.
- 4. No Duty to Defend or Prosecute The Company shall have no duty to defend or prosecute any proceeding to which the Assured is a party, notwithstanding the nature of any allegation in such action or proceeding.
- 5. Company's Option to Defend or Prosecute Actions; Duty of Assured Claimant to Cooperate Even though the Company has no duty to defend or prosecute as set forth in Paragraph 4 above:
 - (a) The Company shall have the right, at its sole option and cost, to institute and prosecute any action or proceeding, interpose a defense, as limited in (b), or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate as stated herein, or to establish the lien rights of the Assured, or to prevent or reduce loss or damage to the Assured. The Company may take any appropriate action under the terms of this Guarantee, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this Guarantee. If the Company shall exercise its rights under this paragraph, it shall do so diligently.
 - (b) If the Company elects to exercise its option as stated in Paragraph 5(a) the Company shall have the right to select counsel of its choice (subject to the right of such Assured to object for reasonable cause) to represent the Assured and shall not be liable for and will not pay fees of any other counsel, nor will the Company pay any fees, costs or expenses incurred by an Assured in the defense of those causes of action which allege matters not covered by this

CLTA Lot Book Guarantee Guaranty Form Number: 12 (Rev. 06-06-92)

Guarantee.

- (c) Whenever the Company shall have brought an action or interposed a defense as permitted by the provisions of this Guarantee, the Company may pursuer any litigation to final determination by a court of competent jurisdiction and expressly
- (d) In all cases where this Guarantee permits the Company to prosecute or provide for the defense of any action or proceeding, an Assured shall secure to the Company the right to so prosecute or provide for the defense of any action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of such Assured for this purpose. Whenever requested by the Company, an Assured, at the Company's expense, shall give the Company all reasonable aid in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest as stated herein, or to establish the lien rights of the Assured. If the Company is prejudiced by the failure of the Assured to furnish the required cooperation, the Company's obligations to the Assured under the Guarantee shall terminate.
- 6. Proof of Loss or Damage In addition to and after the notices required under Section 3 of the Conditions and Stipulations have been provided to the Company, a proof of loss or damage signed and sworn to by the Assured shall be furnished to the Company within ninety (90) days after the Assured ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the matters covered by this Guarantee which constitute the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. Company is prejudiced by the failure of the Assured to provide the required proof of loss or damage, the Company's obligation to such Assured under the Guarantee shall terminate. In addition, the Assured may be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Guarantee, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Assured shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the Assured provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Assured to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonable necessary information from third parties as required in the above paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this Guarantee to the Assured for that claim.
- 7. Options to Pay or Otherwise Settle Claims; Termination of Liability In case of a claim under this guarantee, the Company shall have the following additional options:
 - (a) To Pay or Tender Payment of the Amount of Liability or to Purchase.

The Company shall have the option to pay or settle or compromise for or in the name of the Assured any claim which could result in loss to the Assured within the coverage of this Guarantee, or to pay the full amount of this Guarantee or, if this Guarantee is issued for the benefit of a holder of a lienholder, the Company shall have the option to purchase the indebtedness secured by said mortgage or said lien amount owing thereon, together with any costs, reasonable attorneys' fees and expenses incurred by the Assured claimant which were authorized by the Company up to the time of purchase.

Such purchase, payment or tender of payment of the full amount of the Guarantee shall terminate all liability of the Company hereunder. In the event after notice of claim has been given to the Company by the Assured the Company offers to purchase said indebtedness, the owner of such indebtedness shall transfer and assign said indebtedness, together with any collateral security, to the Company upon payment of the purchase price.

Upon the exercise by the Company of the option provided for in Paragraph (a) the Company's obligation to the Assured under this Guarantee for the claimed loss or damage, other than to make the payment required in that paragraph, shall terminate, including any obligation to continue the defense or prosecution of any litigation for which the Company has exercised its options under paragraph 5, and the Guarantee shall be surrendered to the Company for Cancellation.

(b) To Pay or Otherwise Settle With Parties Other Than the Assured or With the Assured Claimant.

To pay or otherwise settle with other parties for or in the name of an Assured Claimant any claim assured against this Guarantee, together with any costs, attorneys' fees and expenses incurred by the Assured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of the option provided for in Paragraph (b) the Company's obligation to the Assured under this Guarantee for the claimed loss or damage, other than to make the payment required in that paragraph, shall

terminate, including any obligation to continue the defense or prosecution of any litigation for which the Company has exercised its options under Paragraph 5.

8. Determination and Extent of Liability - This Guarantee is a contract if Indemnity against actual monetary loss or damage sustained or incurred by the Assured claimant who has suffered loss or damage by reason of reliance upon the assurances set forth in this Guarantee and only to the extent herein described, and subject to the exclusions stated in Paragraph 2.

The liability of the Company under this Guarantee to the Assured shall not exceed the least of:

- (a) the amount of liability stated in Schedule A;
- (b) the amount of the unpaid principal indebtedness secured by the mortgage of an Assured mortgagee, as limited or provided under Section 7 of these Conditions and Stipulations or as reduced under Section 10 of these Conditions and Stipulations, at the time the loss or damage assured against by this Guarantee occurs, together with interest thereon; or
- (c) the difference between the value of the estate or interest covered hereby as stated herein and the value of the estate or interest to the defect, lien or encumbrance assured against by this Guarantee.

9. Limitation of Liability

- (a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures any other matter assured against by this Guarantee in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.
- (b) In the event of any litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title, as stated herein.
- (c) The Company shall not be liable for loss or damage to any Assured written consent of the Company.
- 10. Reduction of Liability or Termination of Liability All payments under this Guarantee, except payments made for costs, attorneys' fees and expenses pursuant to paragraph 5 shall reduce the amount of liability pro tanto.

11. Payment of Loss

- (a) No payment shall be made without producing this Guarantee for endorsement of payment unless the Guarantee has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.
- (b) When liability and the extent of loss or damage has been definitely fixed in accordance with the Conditions and Stipulations, the loss or damage shall be payable within thirty (30) days thereafter.
- 12. Subrogation Upon Payment or Settlement Whenever the Company shall have settled and paid a claim under this Guarantee, all right of subrogation shall vest in the Company unaffected by any act of the Assured claimant

The Company shall be subrogated to and be entitled to all rights and remedies which the Assured would have had against any person or property in respect to the claim had this Guarantee not been issued. If requested by the Company, the Assured shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The Assured shall permit the Company to sue, compromise or settle in the name of the Assured and to use the name of the Assured in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the Assured the Company shall be subrogated to all rights and remedies of the Assured after the Assured shall have recovered its principal, interest, and costs of collection.

13. Arbitration - Unless prohibited by applicable law, either the Company or the Assured may demand arbitration pursuant to the Title Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Assured arising out of or relating to this Guarantee, any service of the Company in connection with its issuance or the breach of a Guarantee provision or other obligation. All arbitrable matters when the Amount of Liability is \$1,000,000 or less shall be arbitrated at the option of either the Company or the Assured. All arbitrable matters when the amount of liability is in excess of \$1,000,000 shall be arbitrated only when agreed to by both the Company and the Assured. The Rules in effect at Date of Guarantee shall be binding upon the

parties. The award may include attorneys' fees only if the laws of the state in which the land is located permits a court to award attorneys' fees to prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof. The law of the sitis of the land shall apply to arbitration under the Title Insurance Arbitration Rules. A copy of the Rules may be obtained from the Company upon request.

14. Liability Limited to This Guarantee; Guarantee Entire Contract

- (a) This Guarantee together with all endorsements, if any, attached hereto by the Company is the entire Guarantee and contract between the Assured and the Company. In interpreting any provision of this Guarantee, this Guarantee shall be construed as a whole.
- (b) Any claim of loss or damage, whether or not based on negligence, or any action asserting such claim, shall be restricted to this Guarantee.
- (c) No amendment of or endorsement to this Guarantee can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, and Assistant Secretary, or validating officer or authorized signatory of the Company.
- 15. Notices, Where Sent All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this Guarantee and shall be addressed to the Company at P.O. Box 2029 Houston, Texas 77252-2029.

LOT BOOK GUARANTEE SCHEDULE A

File No.: 1619932 Guarantee No.: G-2222-000071594

Date of Guarantee: January 12, 2021 at 8:00 am

Liability: \$1,000.00 Premium: \$150.00

A. Assured:

Benchmark Associates PA

- B. Assurances, given without examination of the documents listed or referred to and only to the specifically named documents and no others:
 - 1. Description of the land in Blaine County, Idaho:

Condominium Unit 1B, as shown on the Condominium Map of SWC CONDOMINIUMS, recorded as Instrument No. 561095 and as defined and described in the Condominium Declaration for SWC CONDOMINIUMS, recorded as instrument No. 561093, records of Blaine County, Idaho.

Condominium Unit 1C, as shown on the Condominium Map of SWC CONDOMINIUMS, recorded as Instrument No. 561095 and as defined and described in the Condominium Declaration for SWC CONDOMINIUMS, recorded as Instrument No. 561093, records of Blaine County, Idaho.

2. The last recorded instrument in the public records purporting to transfer title to said land was:

Warranty Deed, recorded as Document No. 562185, 640039 and 640701, conveying said real property to:

Scott USA, Inc. a Delaware Corporation, as to Unit 1BB

Robert McGowan, a married man as his sole and separate property, as to Unit 1CC

- That there are no mortgages or deeds of trust describing the land that have not been released or reconveyed by an instrument recorded in the public records, other than those shown below under Exceptions.
- 4. That there are no contracts for sales, contracts for deed, including memorandums giving notice of such contracts, attachments, tax deed recorded within the last 9 years, which purport to affect the land other than shown below under Exceptions.

C. Exceptions:

- Taxes or assessments which are not shown as existing liens by the records of any taxing authority
 that levies taxes or assessments on real property or by the Public Records. Proceedings by a
 public agency which may result in taxes or assessments, or notices of such proceedings, whether
 or not shown by the records of such agency or by Public Records.
- Any facts, rights, interests, or claims which are not shown by the Public Records, but which could be ascertained by an inspection of the Land or by making inquiry of persons in possession thereof.

File No.: 1619932 Lot Book Guarantee ID

Page 1 of 3

STEWART TITLE
GUARANTY COMPANY

- 3. Easements, liens, or encumbrances, or claims thereof, which are not shown by the Public Records.
- Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title
 that would be disclosed by an accurate and complete land survey of the Land and not shown by
 the Public Records.
- 5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims, or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
- 6. Any lien or right to a lien for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records.
- 7. Minerals of whatsoever kind, subsurface and surface substances, including but not limited to coal, lignite, oil, gas, uranium, clay, rock, sand and gravel in, on, under and that may be produced from the Land, together with all rights, privileges, and immunities relating thereto, whether or not appearing in the Public Records or listed in Schedule B. Stewart makes no representation as to the present ownership of any such interests. There may be leases, grants, exceptions or reservations of interest that are not listed.
- 8. General taxes for the year 2016 and subsequent years, which are a lien not yet payable.

Note: General taxes for the year 2020, a lien in the amount of \$3,758.44, which the first half are paid and the second half are due June 20, 2021. (Parcel No. RPK094600001BB) (Unit 1BB)

Note: General taxes for the year 2020, a lien in the amount of \$3,781.00, which are paid in full. (Parcel No. RPK094600001CC) (Unit 1CC)

- 9. Levies and Assessments of Northwood Owners Association.
- 10. Levies and Assessments of SWC Condominium Association, Inc.
- 11. Power Line Easement, including the terms and provisions thereof in favor of Idaho Power Company, recorded March 2, 1950 in Book 159 of Deeds at page 360, as <u>Instrument No. 96884</u>, records of Blaine County, Idaho.
- 12. Easement for Water and Sewer as reserved in that certain Warranty Deed recorded July 22, 1975, as Instrument No. 160843, and Corrected Warranty Deed recorded November 21, 1975, as Instrument No. 163037, records of Blaine County, Idaho.
- 13. Development Agreement, including the terms and provisions thereof by and between the City Of Ketchum, Idaho, a municipal corporation and Northwood Associates, an Idaho limited partnership and Northwood, Inc., an Idaho corporation, recorded December 28, 1983, as Instrument No.246771 and Amendments, as Instrument No.257981 and 274763, records of Blaine County, Idaho.
- Underground Power Line Easement including the terms and provisions thereof in favor of Idaho Power Company, recorded October 16, 1985, as <u>Instrument No. 267445</u>, records of Blaine County, Idaho.
- 15. Right-of-Way Easement, including the terms and provisions thereof, in favor of Mountain State Telephone and Telegraph Company, a Colorado corporation, as Grantee, recorded September 16, 1986, as Instrument No. 276779, records of Blaine County, Idaho.

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- 16. Underground Power Line Easement, including the terms and provisions thereof recorded December 29, 1992, as <u>Instrument No. 348372</u>, records of Blaine County, Idaho.
- 17. Terms, provisions, covenants, conditions, restrictions, easements, charges, assessments, and liens (provisions, if any, based on race, color, religion, or national origin are omitted) provided by applicable condominium law or the Condominium Declaration and bylaws recorded in the following documents:
 - A. Declaration of Condominium Covenants, Conditions and Restrictions of SWC Condominiums recorded September 4, 2008 as <u>Instrument No. 561093</u>, and Amended as <u>Instrument No. 641035</u>, records of Blaine County, Idaho.
 - B. Condominium Plat and Diagrammatic Floor Plan of SWC Condominiums recorded September 4, 2008 as <u>Instrument No. 561095</u>, records of Blaine County, Idaho.
 - C. Condominium Plat and Diagrammatic Floor Plan of SWC Condominiums: Units 1BB & 1CC recorded December 22, 2016 as <u>Instrument No. 640524</u>, records of Blaine County, Idaho.
- Right of First Refusal, including the terms and provisions thereof, as disclosed by a Memorandum of Right of First Refusal, by and between Robert McGowan and Katherine O'Malley and Scott USA, Inc., recorded September 10, 2008 as <u>Instrument No. 561217</u>, records of Blaine County, Idaho.

File No.: 1619932 Lot Book Guarantee ID

STG Privacy Notice Stewart Title Companies

WHAT DO THE STEWART TITLE COMPANIES DO WITH YOUR PERSONAL INFORMATION?

Federal and applicable state law and regulations give consumers the right to limit some but not all sharing. Federal and applicable state law regulations also require us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand how we use your personal information. This privacy notice is distributed on behalf of the Stewart Title Guaranty Company and its title affiliates (the Stewart Title Companies), pursuant to Title V of the Gramm-Leach-Billey Act (GLBA).

The types of personal information we collect and share depend on the product or service that you have sought through us. This information can include social security numbers and driver's license number.

All financial companies, such as the Stewart Title Companies, need to share customers' personal information to run their everyday business—to process transactions and maintain customer accounts. In the section below, we list the reasons that we can share customers' personal information; the reasons that we choose to share; and whether you can limit this sharing.

Reasons we can share your personal information.	Do we share	Can you limit this sharing?
For our everyday business purposes— to process your transactions and maintain your account. This may include running the business and managing customer accounts, such as processing transactions, mailing, and auditing services, and responding to court orders and legal investigations.	Yes	No
For our marketing purposes— to offer our products and services to you.	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes— information about your transactions and experiences. Affiliates are companies related by common ownership or control. They can be financial and non-financial companies. Our affiliates may include companies with a Stewart name; financial companies, such as Stewart Title Company	Yes	No
For our affiliates' everyday business purposes— information about your creditworthiness.	No	We don't share
For our affiliates to market to you — For your convenience, Stewart has developed a means for you to opt out from its affiliates marketing even though such mechanism is not legally required.	Yes	Yes, send your first and last name, the email address used in your transaction, your Stewart file number and the Stewart office location that is handling your transaction by email to optout@stewart.com or fax to 1-800-335-9591.
For non-affiliates to market to you. Non-affiliates are companies not related by common ownership or control. They can be financial and non-financial companies.	No	We don't share

We may disclose your personal information to our affiliates or to non-affiliates as permitted by law. If you request a transaction with a non-affiliate, such as a third party insurance company, we will disclose your personal information to that non-affiliate. [We do not control their subsequent use of information, and suggest you refer to their privacy notices.]

SHARING PRACTICES

How often do the Stewart Title Companies notify me about their practices?	We must notify you about our sharing practices when you request a transaction.
How do the Stewart Title Companies protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer, file, and building safeguards.
How do the Stewart Title Companies collect my personal information?	We collect your personal information, for example, when you request insurance-related services provide such information to us We also collect your personal information from others, such as the real estate agent or lender involved in your transaction, credit reporting agencies, affiliates or other companies.
What sharing can I limit?	Although federal and state law give you the right to limit sharing (e.g., opt out) in certain instances, we do not share your personal information in those instances.

Contact us: If you have any questions about this privacy notice, please contact us at: Stewart Title Guaranty Company, 1980 Post Oak Blvd., Privacy Officer, Houston, Texas 77056

File No.: 1619932

CONDOMINIUM DECLARATION

FOR

SWC CONDOMINIUMS

This Condominium Declaration for SWC Condominiums ("Declaration") is made this day of AUST, 2008, by SWC, LLC, an Idaho limited liability company, and its successors or assigns ("Declarant").

ARTICLE I. RECITALS AND CERTAIN DEFINITIONS.

RECITALS

WHEREAS, Declarant owns certain real property located at 110 Lindsay Circle within the city of Ketchum, Idaho, and described on Exhibit A attached hereto;

WHEREAS, this condominium declaration and the condominium plat referred to herein are intended to create condominiums and provide for condominium ownership under the Condominium Property Act of the State of Idaho

NOW, THEREFORE, the Declarant declares as follows:

CERTAIN DEFINITIONS

- Section 1.1 Declarant: "Declarant" means SWC, LLC, and its successors and assigns.
- Section 1.2 <u>Real Property</u>. The "Real Property" means that certain parcel of real property more particularly described on <u>Exhibit A</u> attached hereto and made a part of this Declaration.
- Section 1.3 <u>The Project</u>. The term "Project" shall mean the entirety of the property divided or to be divided into condominiums.

ARTICLE II. ADDITIONAL DEFINITIONS.

In addition to terms defined elsewhere in this Declaration, the following terms shall have the following meanings when used herein, unless the context otherwise requires:

- Section 2.1 <u>Assessment</u>. "Assessment" means a share of the funds required for the payment of common expenses, including those expenses attributable to less than all Owners in the case of Limited Assessments, which, from time to time, are assessed against some of the Owners, and shall include Regular, Special, and Limited Assessments, as more particularly described in <u>Section 10</u> herein.
- Section 2.2 <u>Association</u>. "Association" means SWC Condominium Association, Inc., the association of Owners of Units formed under this Declaration.

Instrument # 561093

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- Section 2.3 <u>Association Articles and Bylaws</u>. "Association Articles and Bylaws" means the articles of incorporation and bylaws for the governance of the Association as set forth in Exhibit B attached hereto and by this reference made a part hereof.
- Section 2.4 <u>Board or Board of Directors</u>. "Board" or "Board of Directors" means the duly elected board of directors of the Association.
- Section 2.5 <u>Building</u>. "Building" or "Buildings" means structures containing the Units and Common Area, including the Limited Common Area, now or hereafter constructed on the Real Property.
- Section 2.6 <u>Common Area</u>. "Common Area" means the entire Project excepting all of the Units. Common Area shall include all Limited Common Area, as the same is defined in Section 2.14.
- Section 2.7 <u>Condominium</u>. "Condominium" means a separate interest in a Unit, together with an undivided interest in common in the Common Area as set forth in the Condominium Plat and the Declaration.
- Section 2.8 <u>Condominium Documents</u>. "Condominium Documents" means the Association Articles and Bylaws and this Declaration.
- Section 2.9 <u>Condominium Plat</u>. "Condominium Plat" means the plat map for SWC Condominiums, to be 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 and the air rights of the Real Property, showing a survey and legal description thereof, the location of the Building showing the boundaries of each Unit within the Building, including horizontal and vertical locations and dimensions of all boundaries of each Unit, Unit number identifying the Units and the Common Area, together with such other information as may be included therein in the discretion of the Declarant, as the same may be hereafter amended from time to time as provided herein.
- Section 2.10 <u>Legal Rate of Interest</u>. "Legal Rate of Interest" shall be the rate of interest allowed on money due on the judgment of any competent court or tribunal as determined under the provisions of Idaho Code Section 28-22-104(2) or any successor provision of law.
- Section 2.11 <u>Limited Assessments</u>. "Limited Assessment" means an assessment levied against an Owner or some but not all Owners by the Association for costs and expenses incurred by the Association for the construction, installation, maintenance, repair and replacement of Limited Common Area, and equipment and facilities located thereon, including any corrective action necessitated due to damage by the acts of any Owner or occupant of a Unit who is occupying a Unit with the consent, either express or implied, of such Owner, as more particularly described in <u>Section 10.5(a)</u> herein.
- Section 2.12 <u>Limited Common Area</u>. "Limited Common Area" shall be as defined in Article III hereof.

- Section 2.13 <u>Mortgage</u>. "Mortgage" means any mortgage, deed of trust, bond indenture, or other security instrument by which one or more Condominiums or any part thereof is encumbered.
- Section 2.14 <u>Mortgagee</u>. "Mortgagee" means any person or any successor to the interest of such person named as the mortgagee, trust beneficiary, bond trustee, or creditor under any Mortgage under which the interest of any Owner, or successor to the interest of such Owner, is encumbered.
- Section 2.15 Owner. "Owner" means any person or entity, including Declarant, at any time owning a Condominium or, with respect to the Residential Rental Units, such term shall also include the qualified lessee of each such Residential Unit. 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 2.16 <u>Regular Assessment</u>. "Regular Assessment" means an assessment by the Board to provide for the payment of all estimated expenses growing out of or connected with the Project as a whole, as more particularly described in <u>Sections 10.2</u>, <u>10.3</u> and <u>10.4</u> herein.
- Section 2.17 <u>Special Assessment</u>. "Special Assessment" means an assessment by the Board for the purpose of defraying, in whole or in part, the costs of any new acquisitions and/or new capital improvement, construction or reconstruction, or unexpected or extraordinary repairs, maintenance or replacement of the Project or any part thereof, including, without limitation, snow and ice removal, or for any expenses incurred or to be incurred as provided in this Declaration, or in the event that the Regular Assessment assessed for any particular year is or will become inadequate to meet the expenses of the Association, such Special Assessment shall be authorized pursuant to the terms and conditions provided herein, as more particularly described in Section 10.5(b) herein, to cover those additional costs.
- Section 2.18 <u>Super Majority Consent</u>. "Super Majority Consent" shall be as defined in Section 8.2 hereof.
- Section 2.19 <u>Unit</u>. "Unit" means the separate interest in a condominium as bounded by the interior surfaces of the perimeter walls, floors, ceilings, windows and window frames, doors and door frames and trim, as such boundaries are shown on the Condominium Plat. All other portions of the walls, floors or ceilings (including walls common to separate Units) shall be a part of the Common Area. In addition, each Unit shall include the following: (a) all spaces, non-bearing interior partitions, windows, window frames, exterior doors, door frames, and all other fixtures and improvements within the boundaries of the Unit; (b) all outlets, lines, and ducts of utility service lines, including but not limited to power, light, gas, hot and cold water, heating, and waste disposal, within the boundaries of the Unit; and (c) all heating, hot water, and air conditioning apparatus exclusively serving the Unit.
- (a) The Project contains thirty-one (31) Units. A brief description of each Unit and the use of such Unit follows:

- (i) Units 1A, 1B and 1C shall consist of commercial structures, the initial use of which shall be for office purposes and permitted uses in LI III zone in Ketchum, Idaho,, located on the first floor of the Building (the "Commercial Units").
- (ii) Units 2A, 2B, 2C, 2K, 2M, 2N, 2P, 2Q, 2R, 2S, 2T, 2U and 2V inclusive, are located on the second floor of the Building and are residential units which shall be deed restricted and owned and occupied by persons meeting income requirements promulgated by the City of Ketchum/Blaine County Housing Authority and which units shall be used only for residential purposes ("Community Residential Units").
- (iii) Units 2J and 2O, located on the second floor of the Building, are residential units which may only be used for residential purposes and which are deed restricted and owned by employers and leased to their employees meeting qualification and income requirements promulgated by the City of Ketchum/Blaine County Housing Authority ("Limited Community Residential Units").
- (iv) Units 2D, 2E, 2F, 2G, 2H, 2I and 2L, located on the second floor of the Building, and Units 3A, 3B, 3C, 3D, 3E and 3F inclusive, located on the third floor of the Building, are residential units which shall be used only for residential purposes ("Residential Condominium Units").
- (b) Notwithstanding the foregoing or anything else set forth herein, because a Unit may be designated for a particular purpose in this Declaration, any such designation shall not limit the purposes to which said Unit may be used; provided, the Board, by prior written approval, approves an alternate use. The purposes for which all Units may be used shall be only such use as is set forth above or which is approved by the Board and is approved under and pursuant to applicable governmental rules, regulations and ordinances relating to zoning and building uses, as the same may be amended from time to time and set forth in the Rules and Regulations as adopted by the Board as provided by Section 9.6 hereof. In addition, the basement floor of the Building must at all times be used as a parking garage and storage areas unless all Owners and their mortgagees otherwise consent in writing.

ARTICLE III. LIMITED COMMON AREA.

- Section 3.1 <u>Limited Common Area</u>. Limited Common Area, consists of such portions of the Common Area that are reserved for the exclusive use of one or more, but not all, of the Owners and subject to the maintenance obligations solely by the Owner or Owners of the Condominium or Condominiums to which it is appurtenant, which use is to the exclusion of all others except by invitation of such Owner or Owners of such Condominium Unit(s). Limited Common Area also includes the following:
- (a) Automobile parking spaces located in the basement level of the Building. Each such striped parking space and enclosed garage shall be identified in the basement level with a plaque bearing the number of the Unit to which such parking area is appurtenant as set forth on Exhibit D hereto, and each such identified parking area shall be Limited Common Area appurtenant to the identified Unit and reserved for the exclusive use of the Owner of such

identified Unit for the parking only of a motor vehicle owned or leased by such Owner. Some Units have more than one parking space appurtenant to such Unit.

- (b) Storage areas located in the basement level of the Building. Each such storage area shall be identified in the basement level with a plaque bearing the number of the Unit to which such storage area is appurtenant as set forth on Exhibit D hereto, and each such identified storage space shall be Limited Common Area appurtenant to the identified Unit and reserved for the exclusive use of the Owner of such identified Unit for storage of personal property of the Owner.
- (c) Some Units have decks and patios as indicated on the Condominium Plat as Limited Common Area which shall be reserved for the exclusive use by the Owner of the Unit which adjoins such deck or patio and such Owner's invitees and guests.
- Obligation to Perform Maintenance. Whenever an Owner is required to Section 3.2 maintain or perform maintenance to a Unit or a Limited Common Area which is appurtenant to said Unit, such maintenance shall be performed in a good and workmanshiplike manner in accordance with sound industry practices and shall in all regards equal or exceed the maintenance a reasonable, normally prudent property owner would undertake. If an Owner does not maintain its Unit or a Limited Common Area appurtenant to such Unit (collectively referred to herein as the "Owner's Property"), then the Association, or any other Owner, may, but shall not be required to, give written notice to said Owner (the "Non-Compliant Owner"), that the Non-Compliant Owner has failed to maintain the Owner's Property to the standard required under the terms of this Declaration, specifying in the notice the deficiencies in maintenance which are the subject matter of the notice. The Non-Compliant Owner shall perform the maintenance specified in the notice on or before thirty (30) days after receipt thereof provided, however, that if the maintenance to be performed shall reasonably take in excess of thirty (30) days to complete, then the Non-Compliant Owner shall be deemed in compliance with the notice if the Non-Compliant Owner, within said thirty (30) day time period, commences action to perform the maintenance and prosecutes such action to completion within a time period that, under all of the facts and circumstances then existing, is reasonable. In the event of an emergency condition requiring maintenance, the notice period shall be forty-eight (48) hours from the time of actual receipt of the notice by the Non-Compliant Owner. Should the Non-Compliant Owner fail to take the action necessary to maintain the Owner's Property as specified in the notice, then the Association or the Owner giving the notice, may take such action and charge all reasonable costs and expenses relating thereto to the Non-Compliant Owner. Said Non-Compliant Owner grants the Association and each other Owner, an easement over the Non-Compliant Owner's Property for the purpose of performing such maintenance to the extent necessary or required. The Non-Compliant Owner shall pay all costs incurred by the Association or any other Owner in performing said maintenance, plus actual, reasonable attorney fees incurred by the Association or the Owner in connection therewith. Expenses incurred by the Association may be assessed against a Non-Compliant Owner as a Limited Assessment in accordance with the provisions of Section 10.5 (a), below. Each Owner does hereby authorize the Association to perform or contract for the performance of all maintenance and operational work and professional services attributable to those Limited Common Areas constituting the vehicle parking spaces and storage areas located in the Building such as surface cleaning, resurfacing, restriping, lighting and other similar expenses. All of the expenses attributable to

such Limited Common Areas shall be assessed to the Owners of Units as to which such areas are appurtenant on a prorata basis based on the size of each space as a percentage of the total area occupied by space, taking into account the fact that some Units have more than one parking space and/or storage space appurtenant to such Unit and some storage spaces are larger than others.

ARTICLE IV. STATEMENT OF INTENTION AND PURPOSE.

Section 4.1 <u>Declaration</u>. 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 and all manners 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 now owning or hereafter acquiring or owning any interest in the Project, however such interest may be obtained.

ARTICLE V. NATURE AND INCIDENTS OF CONDOMINIUM OWNERSHIP.

Section 5.1 <u>Estates of an Owner.</u> 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 Condominium Plat and this Declaration which sets 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 assessment 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 on <u>Exhibit C</u>. <u>Exhibit C</u> also contains a legal description of each Unit in the Project, consisting of the identifying number or letter of such Unit as shown on the Condominium Plat. Such undivided interests in the Common Area are hereby declared to be appurtenant to the respective Units. The allocation of Common Area, as set forth on <u>Exhibit C</u> hereto, is based upon the initial listed or offered sales price for each such Unit as a percentage of the total sales price of Units in the Project. Where a Unit has not been listed or offered for sale, the estimated market value of the Unit has been used.

Section 5.2 <u>Combination of Units</u>. Except as hereinafter provided, an Owner may physically combine the area or space of one (1) Unit with the area or space of one (1) or more adjoining Units owned by such Owner. Such combination shall not prevent separate ownership of such combined Units in the future. Notwithstanding the foregoing, no Community Residential Unit may be combined with another unit.

Section 5.3 <u>Restrictions on Alienation and Subdivision</u>. No Unit may be subdivided or divided further into separate Condominium Units. No Unit may be conveyed pursuant to a time-sharing plan. Any lease of a Unit shall include a provision that the occupant will recognize the Association as a landlord, solely for the purpose of having the power to enforce remedies for a violation of the Condominium Documents against the Tenant, provided the Association gives the Unit Owner landlord notice of its intent to so enforce and a reasonable opportunity to cure

the violation directly, prior to the commencement of an enforcement action. No Community Residential Unit and no Limited Community Residential Unit may be occupied by persons other than the Unit Owner and his or her relatives, or sold, leased, or rented in violation of rules or regulations promulgated by the City of Ketchum/Blaine-Ketchum Housing Authority.

- Section 5.4 <u>Title</u>. Title to a Condominium may be held or owned by a person or an entity in any manner in which title to any other real property may be held or owned in the State of Idaho.
- Section 5.5 <u>Inseparability</u>. Except as specifically provided in the Declaration, 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 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 5.6 <u>Partition Not Permitted</u>. The Common Area, including the Limited Common Area, shall be owned in common by all owners of the Condominiums, and no Owner may bring any action for partition thereof.
- Section 5.7 <u>Use of Common Area, and Limited Common Area and Units.</u> Subject to the limitations contained in this Declaration, each Owner and its customers and invitees shall have the nonexclusive right to use and enjoy the Common Area, and each Owner and its customers and invitees shall have the exclusive right to use and enjoy the Limited Common Area designated herein for exclusive use by such Owner.
- (a) <u>Unit Interiors</u>. 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, and doors and to clean the interior surfaces of the windows, all of which form the boundaries of his/her Unit and all walls, ceilings, floors and doors within such boundaries. Notwithstanding the foregoing, no tile or other hard surface floor covering, including uncovered wooden floors, shall be installed in any of the Community Residential Units, Limited Community Residential Units or Residential Condominium Units without the prior written approval of the Association.
- (b) <u>Advertising Signs</u>. Except for any business signs originally installed by the Declarant for the business operation conducted on the first floor of the Project, no Owner may place upon any of the Common Area any advertising signs without written permission of the Association.
- (c) <u>Unit Use</u>. The Units shall be utilized only for the purposes set forth in Section 2.19(a) and for no other purpose without the written permission of the Association.
- (d) <u>Use of Common Area</u>. There shall be no obstruction of the Common Area, nor shall anything be stored on any part of the Common Area without the prior written

consent of the Association. Nothing shall be altered on, constructed in, or removed from, the Common Area except upon the prior written consent of the Association.

- kept in any Unit or in the Common Area or any part thereof which would result in the cancellation of the insurance on the Project or any part thereof or increase the rate of insurance on the Project or any part thereof over what the Association, but for such activity, would pay, without the prior written consent of the Association. Nothing shall be done or kept in any Unit or in the Common Area or any part thereof which would be in violation of any statute, rule, ordinance, regulation, permit, or other validly imposed requirement of any governmental body. No damage to, or waste of, the Common Area or any part thereof shall be committed by any Owner or any invitee of any Owner, and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from any such damage or waste caused by him or his invitees; provided, however, that any invitee of the Declarant shall not under any circumstances be deemed to be an invitee of any other Owner. No noxious, destructive, or offensive activity shall be carried on in any Unit or in the Common Area or any part thereof, nor shall anything be done therein which may be or may become an annoyance or nuisance to any other Owner or to any person at any time lawfully occupying any Unit in the Project.
- (f) Maintenance of Interiors. Each Owner shall keep the interior of his Unit, including, without limitation, interior walls, windows, glass, ceilings, floors, and permanent fixtures and appurtenances thereto, in a clean, sanitary, and attractive condition, and good state of repair, and shall keep the Limited Common Area designated for use in connection with his Unit in clean, sanitary, and attractive condition, and shall keep any electrical, plumbing, cooling, sewer and water lines and heating equipment serving his Unit exclusively in a good state of maintenance and repair.
- (g) Structural Alterations. No structural alterations to any Unit shall be made, and no plumbing, electrical, or similar work within the Common Area shall be done by any Owner without the prior written consent of the Association, except that an Owner may do such work as may be appropriate to maintain and repair Limited Common Area appurtenant to such Owner's Unit.
- (h) Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate and no odors shall be permitted to arise from the Project so as to render any portion of the Project unsanitary, unsightly, offensive, or detrimental to any other property in the vicinity thereof or to its occupants. No noise or other nuisance shall be permitted to exist or operate upon any such property so as to be offensive or detrimental to any other property in the vicinity thereof or its occupants. Without limiting the generality of any of the following provisions, no exterior speakers (except those connected to wiring initially installed by Declarant), and no horns, whistles, bells, or other sound devices (other than devices used exclusively for security purposes) shall be located, used, or placed on any such property without the prior written approval of the Association.
- (i) Outside Installations. No apparatus shall be installed on the exterior of the Building or be allowed to protrude through the walls, the windows, or the roof of the Building, unless the prior written approval of the Association is secured. No satellite dish or antennae of

any type may be installed on any of the Common Area, including the Limited Common Area decks, nor any portion of any Unit inasmuch as Declarant has provided digital cable capacity to each Unit.

- (j) <u>Window Coverings</u>. The Community Residential Units and the Limited Community Residential Units have been provided with window coverings by the Declarant and no other window coverings may be installed or replaced in such Community Residential Units without the prior written consent of the Association. All other window coverings which are visible to outside view shall be esthetically harmonious with the exterior design, color and coverings for other Units as determined by the Association.
- (k) <u>Refuse Disposal</u>. No garbage, refuse or other disposed or discarded personal property shall be deposited by any Owner in or about the Common Area, including the Limited Common Area, and all of same shall be deposited in trash receptacles located in each Unit or in such other disposal facilities provided in the Project by the Association and if not so located or if full, then all of same shall be transported to municipal trash reception facilities.
- (l) <u>No Clothes Drying</u>. No clothes lines or other exterior clothes drying apparatus shall be placed, contained, or maintained on the Common Area, including any Limited Common Area.
- (m) <u>Prohibited Use on Decks</u>. No portion of the Limited Common Area decks shall be used for the storage of bicycles or other sporting equipment or for the storage of any item of personal property. Outdoor furniture, landscaping, potted plants, or other decorative items are permitted provided they do not exceed 4' in height. All outdoor barbeques must have the approval of the Association. Fuel for the use of the barbeques will be limited to natural gas or liquid propane. No charcoal briquettes, wood of any type or synthetic burning material will be allowed. All barbeque units shall have a cover.
- Pets. No animal, bird or reptile of any kind shall be raised, bred, or kept in a Unit or any portion the Common Area, provided however, that an Owner may keep in any Unit no more than one (1) dog, being of gentle disposition and not prone to excessive barking, and one (1) cat, or some other combination of either dogs or cats totaling not more than two (2) animals, except that two pets of the same type will be allowed in Units that are 1400 square feet or larger.. Such pets shall not be permitted upon the Common Area, including the Limited Common Area, unless accompanied by an adult and unless carried or leashed and no pet shall be allowed to remain in the basement level of the Building. Any Owner who keeps and maintains any pet upon any portion of the Project shall be deemed to have indemnified and agreed to hold the Association, Directors, and each Owner and the Declarant harmless from any loss, claim or liability of any kind or character whatsoever arising by reason of keeping or maintaining such pet within the Project. Any pet causing or creating a nuisance, danger to humans, or unreasonable disturbance or noise shall be permanently removed from the Project upon three (3) days' written notice from the Association. The Owner of a Unit housing a pet shall be responsible for cleaning up any waste deposited by the pet on the Project and for reimbursing the Association for any damage caused by the pet to the Project. Companion or helper animals, including seeing eye dogs and hearing ear dogs, are permitted within the Project.

- (o) Occupancy Restrictions. No Community Residential Unit, no Limited Community Residential Unit and no Residential Condominium Units shall be occupied overnight by more than two (2) persons for each bedroom located within each such Unit as originally designed and constructed by Declarant.
- (p) Parking. No portion of the Common Area including any Limited Common Area shall be utilized for the parking for any motorized vehicle. Except as hereafter provided, the parking of motor vehicles within the Project shall only take place within the subterranean garage portion of the Project and only within the Garage Units located therein or the striped parking spaces located in such garage. The Common Area on Lindsay Circle will include a limited number of "on street" parking spaces, which will be available to Condominium Owners on a "first come, first served" basis. This parking area will be designated and limited to one parking space per Condominium Unit.
- Taxes and Assessments. Each Owner shall execute such instruments and Section 5.8 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 may pay the same and assess the same to the Owner or Owners responsible therefor. Each Owner shall pay the taxes or assessments assessed against its Condominium, or interest therein, or its interest in the Common Area or any part of any or all of the foregoing. Each Owner shall pay all taxes, rates, impositions, and assessments levied against the Project or any part of the Common Area in proportion to its 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 Legal Rate of Interest from and after the time the same is paid by the Association and shall be secured by the lien created by Section 10.6 hereof. Notwithstanding the foregoing, taxes, assessments, or other charges attributable to the Common Area shall be apportioned among the Owners of Units as provided in Article X hereof.
- Section 5.9 <u>Easements for Encroachments</u>. 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 either on the Common Area or the Units. Encroachments referred to herein are limited to encroachments caused by engineering errors, settling, rising, or shifting of the earth, or by changes in position caused by construction or repair of the Project or any part thereof in accordance with the original plans for the Project and any encroachment due to building overhang or projection.
- Section 5.10 <u>Easements of Access for Repair, Maintenance, and Emergencies</u>. Portions of the Common Area and/or any easement areas granted pursuant to this Declaration are or may be located within the Units or may be conveniently accessible only through the Units. The Owners of Units shall have the irrevocable right to have access to each Unit and to all Common Areas from time to time during such reasonable hours as may be necessary for the construction, installation, inspection, operation, maintenance, repair, or replacement of any of the Common

Area located therein or accessible therefrom, or the construction, installation, inspection, operation, maintenance, repair or replacement of any improvements or facilities located within the Common Area, or for making emergency repairs therein necessary to prevent damage to the Common Area or to another Unit or Units, or to correct a violation of any covenant, condition or restriction of the Declaration when, after reasonable efforts by the Association, the Owner fails to do so. The Association shall also have such right of access independent from any agency relationship. Damage to the interior of any part of a Unit or Units necessarily resulting from authorized acts of the Association and not due to the negligence of the Association shall be a The rights herein granted shall be exercised by Owners or the Common Area expense. Association in a reasonable fashion, taking into account ongoing business operations in the Unit in which access is sought. Such access shall be at such times of day and in such a manner so as to minimize, to the greatest extent feasible, disruption to ongoing business operations. If access to any Unit shall cause such Unit or portion thereof to be vacated and business operations therein terminated or disrupted, the Owner of such Unit shall retain the right to recover damages resulting from same.

Section 5.11 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 her/his Unit and to the Limited Common Area designated for use in connection with his/her Unit and shall have the right to the horizontal and lateral support of her/his Unit, and such rights shall be appurtenant to and pass with the title to each Condominium.

Section 5.12 <u>Association's Right to Use of Common Area</u>. The Association shall have a nonexclusive 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 grant utility easements, alter the Common Areas, and construct and maintain maintenance and storage facilities in the Common Area for use by the Association.

Section 5.13 <u>Easements and Utilities</u>. In order to adequately serve each Unit and the Common Area, utility facilities may be constructed within and may encroach on the Common Area to the extent reasonable and only then to the extent minimally required for the intended purpose. An easement for such encroachment and for access for the maintenance of the same shall and does exist.

Section 5.14 Contractor's Right Incident to Construction. Subject to the provisions of Section 5.18 hereof, the contractors employed by Declarant or any of them, and all of their subcontractors shall have the right to ingress and egress over, upon, and across the Common Area and the right to make such other use thereof as may be reasonably necessary incident to complete development of the Project. Access for any authorized repair, reconstruction or replacement of any portion of the Project in any area other than the Common Area shall be subject to the advance written consent of the Owner over whose Unit access is sought, which consent shall not be unreasonably withheld. Such consent may be premised on the Contractor seeking access complying with such reasonable requirements of the Owner designed to minimize the disruption of the Owner's business operations in the Unit. Losses experienced by the Owner of the Unit accessed shall be compensated by the Contractor in the same manner as set forth in Section 5.11, above.

Section 5.15 <u>Easements for Pedestrian Ingress and Egress</u>. There is hereby created an easement for pedestrian access, ingress, and egress over and across the Common Areas for the benefit of the Owners of Condominium Units and their respective guests, tenants and licensees. Owners of the Garage Units and their invitees, permittees and agents shall have, and there is hereby created, an easement through and across the parking garage and the exit ways providing ingress and egress thereto as a means of entering or exiting the Garage Units. All of the easements and covenants referred to in this <u>Section 5.16</u> shall run with the land and may not be dissolved except with the prior written consent of all Owners and their mortgagees.

Section 5.16 <u>Easement for Storm Drains and Sanitary Sewer Lines</u>. All storm drains carrying storm runoff water from the Condominiums or adjoining lands and located on the Project and all sanitary sewer lines within the Building, whether or not express easements are provided for same, are hereby granted express easements for their installation, repair and maintenance. Storm drains and sanitary sewer lines and laterals serving a Unit and sewer mains shall be maintained as common expenses by the Association pursuant to <u>Section 9.3</u>. These easements shall run with the land and may not be dissolved except upon the prior written consent of the City of Ketchum, Idaho.

Section 5.17 <u>Easements for Future Construction/Construction Requirements</u>. Each Owner has the right to engage in construction activities on such Owner's Unit(s). The Unit Owner undertaking such future construction shall bear all costs related thereto and shall repair to the original specifications any damage to the other Units resulting from such future construction. Such Owner performing such future construction shall first give the other Owners notice of such Owner's intention to undertake such future construction, which notice shall contain a detailed description of the future construction to be undertaken. The notice shall be given on or before fifteen (15) days prior to commencing work on the future construction. Any Owner shall have the unrestricted right to participate in the normal governmental public hearing and comment process with respect to such future construction, but shall not have any independent rights to review or comment upon the plans for the future construction.

It is expressly understood that any future construction shall not (a) jeopardize the soundness or safety of the Building, reduce the value thereof, violate any applicable zoning restriction, building codes, or other applicable governmental law or regulation; (b) require any change, modification, or alteration of any nature to any Unit, the full cost of which is not paid by the Unit Owner proposing such future construction and which is consented to by the Owner of the Unit in question; or (c) endanger or effect in any material adverse manner the safety, utility or component of any portion of the Building or any Unit. In the event any such construction plans or future construction do not satisfy the requirements of (a), (b) or (c) above, any Unit Owner may provide such constructing Owner with written notice of such failure. The Owners agree to work together in good faith to satisfactorily resolve any such issues. In the event a satisfactory resolution of any of the matters specified in (a), (b) or (c) in the written notice to the Owner proposing or engaging in the construction cannot be made, the matter shall be submitted to the dispute resolution procedures contained in Article XVIII of this Declaration.

Section 5.18 <u>Easement for Future Construction</u>. There is hereby created an easement over and across the Common Areas for the benefit of any Owners engaging in future construction activities. During the course of any construction work performed pursuant to the

terms of this easement, the Unit Owner performing such work and its contractors and agents may erect construction barricades, fences and other devices around active construction areas in accordance with good construction practices and in such attractive manner as is practicable and feasible. All of such future construction shall be conducted so as to minimize, to the fullest extent reasonable and practicable, any inconvenience or business interruption to the existing Units or the customers thereof.

Section 5.19 <u>Easements Deemed Created</u>. All conveyances of Condominiums hereafter made, whether by the Declarant or otherwise, shall be construed to grant and retain the reciprocal easements and create the covenants contained in this Condominium Declaration, even though no specific reference to such easements or covenants appears in any such conveyance.

ARTICLE VI. 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 or letter shown on the Condominium Plat and by reference 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 plat of SWC
Condominiums: Phase 1,	appearing in the	Records of Blaine
County, Idaho as Instrume	ent No	and as defined and
described in that Con		
Condominiums recorded in	the Records of E	laine County, Idaho,
as Instrument No.	_, as amended an	d supplemented from
time to time.		

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 VII. MECHANIC'S LIEN RIGHTS.

Section 7.1 <u>In General.</u> No labor performed or services or materials furnished with the consent of or at the request of an Owner or his/her agent or her/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 of 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 of materials furnished for the Project or any portion thereof, if duly authorized by the Association, shall be deemed to be performed or furnished with the express consent of each Owner of that portion of the Project. Any Owner may remove his/her 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 her/his Condominium. Nothing herein shall subject an Owner who is a governmental entity to mechanic's liens.

against the Common Area, including the Limited Common Area or the Unit of another Owner, then the Owner whose activities gave rise to the lien (the "Indemnitor") shall (i) indemnify and hold the Association and all other affected Owners (collectively the "Indemnitee") harmless from and against all costs, expenses, claims, causes of action, attorney and professional fees, lawsuits and damages, direct or consequential (collectively "Claims") which the Indemnitee may incur or suffer as a result of the lien; and (ii) the Indemnitor shall on or before fifteen (15) days after the filing of the lien cause the same to be removed as the lien against the Common Area, including the Limited Common Area and any other Unit, by payment, bond or any other lawful means, satisfactory to the Indemnitee, and any lender or mortgagee whose interest in the Project is effected by the lien. In the event the Indemnitor shall fail to comply with the provisions of subsection (ii), above, within the time period therein specified, the Indemnitee may, but shall not be obligated to, cause the lien to be removed, by payment, bonding or other means, without inquiry into the validity thereof, and in such event, the entire cost incurred by the Indemnitee in so doing, together with its actual, reasonable attorney fees, shall be due and payable by the Indemnitor on or before twenty (20) days after written demand. If the Indemnitor shall fail to pay such costs within the time period so specified, then the Association is hereby authorized to assess such costs against the Indemnitor in the manner provided in Article X below, and upon collection, to distribute the same to the Indemnitees. Nothing herein shall be construed as preventing an Indemnitee from bringing an action against the Indemnitor in order to enforce the terms, covenants and conditions of this Article VII, and in the event any such suit is brought, the Indemnitee, if successful in the action, shall be entitled to collect all attorney fees and costs incurred in connection therewith.

ARTICLE VIII. THE ASSOCIATION.

Section 8.1 <u>Membership</u>. 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 held by all such persons jointly. An Owner shall be entitled to one membership for each Condominium owned by such Owner. No person or entity other than an Owner may be a member of the Association. The memberships in the Association may not be transferred except in connection with the transfer of a Condominium; provided, however, the rights of membership may be assigned to a Mortgagee as further security for a loan secured by a lien on a Condominium.

Section 8.2 <u>Voting Rights</u>. The total number of votes which may be cast by all members of the Association shall be set forth in the Association Bylaws. Voting shall always be divided among Units in the same proportion as is the percentage of ownership interest in the Common Area as set forth on <u>Exhibit C</u>. When more than one (1) person holds such interest in any Condominium Unit, all such persons shall be Members, but all such persons shall only be entitled to the number of votes established for such Unit and all such votes must be cast, if at all, as a single block of votes on behalf of such Unit. Unless otherwise provided for herein, all matters submitted to a vote of the Association shall be determined, made, approved or authorized upon a majority vote (51% or more of the total votes) of the Owners, i.e. the votes entitled to vote on a matter cast in favor exceed those opposed. Specific provisions of this Declaration may require "Super Majority Consent," in which event, voting rights shall be governed by the following definition. When Super Majority Consent is required, then the Owners of Unit 1A and at least one Owner of a Residential Condominium Unit must consent to the action being

proposed by a majority vote, or such action shall not be permitted. If the Owners of Unit 1A and at least one Owner of a Residential Condominium Unit cannot agree, then either the Owner of Unit 1A or any Owner of a Residential Condominium Unit may request dispute resolution under the provisions of Article XVIII, below, or binding arbitration before a panel of three (3) arbitrators in accordance with the rules of the American Arbitration Association then in effect. The place of arbitration shall be Ketchum, Idaho. Each party shall pay their own attorney fees but shall divide the cost of the arbitration equally between them. The decision of the arbitrators shall be final and binding on the parties and may be entered as a judgment in any court of competent jurisdiction.

Section 8.3 <u>Transfer</u>. 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, 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 8.4 <u>Amplification</u>. The provisions of this Article VIII are amplified by the Bylaws to the extent such Bylaws are not inconsistent with this Article VIII. No present or future provision of the Bylaws shall alter or amend any of the rights or obligations of the Owners contained in this Article VIII.

ARTICLE IX. CERTAIN RIGHTS AND OBLIGATIONS OF THE ASSOCIATION.

Section 9.1 <u>The Management Body</u>. The Association is hereby designated to be the "Management Body" as provided in Sections 55-1503 and 55-1506 of the Idaho Code and shall administer the Project in accordance with the Condominium Property Act, the Association Bylaws, and the provisions of this Declaration.

Section 9.2 <u>Adoption of Bylaws</u>. Upon the execution and the filing of this Declaration, Declarant shall file the Articles and adopt the Bylaws. At the same time, Declarant will appoint an interim Board of Directors to serve until their successors are elected as provided in the Bylaws. Such interim Board may appoint an interim manager or managing agent for the Project on behalf of the Association, and such interim manager or managing agent shall have such authority, control and responsibility for the management, operation, and maintenance of the Project until a replacement is appointed by the duly elected Board.

Section 9.3 The Common Area. The Association, subject to the rights of the Owners set forth in Article V hereof and except as specifically provided in Article III hereof as to special allocations of Common Area costs and responsibilities, shall be responsible for the exclusive management and control of the Common Area (excluding the Limited 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. Each Owner of a Unit shall keep the Limited Common Area designated for use in connection with his/her Unit in a clean, sanitary, and attractive condition and shall maintain and repair any utility equipment servicing her/his Unit exclusively, at such Owner's sole cost and expense. The specification of duties of the Association with respect to a particular Common Area shall not be construed to

limit its duties with respect to other Common Areas as set forth in the first sentence in this Section 9.3. The cost of such management, maintenance, and repair by the Association shall be assessed to Owners as provided in Article X except as provided otherwise in Article III hereof.

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 the Association as attorney in fact for such purpose, provided that Super Majority Consent is first obtained.

- Section 9.4 <u>Miscellaneous Services</u>. 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.
- Section 9.5 Personal Property for Common Use. The Association may acquire and hold for the use and benefit of all 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 a foreclosure shall entitle the purchaser to the interest in such personal property associated with the foreclosed Condominium.
- Section 9.6 <u>Rules and Regulations</u>. 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 may also take judicial action against any Owner to enforce compliance with such rules, regulations, or other obligations or to obtain damages for noncompliance, all to the extent permitted by law.
- Section 9.7 <u>Implied Rights</u>. The Association may exercise any other right or privilege given to it expressly by this Declaration or the Association Bylaws and 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.
- Section 9.8 <u>Use of Association Powers</u>. Notwithstanding the foregoing, the Association shall not take any actions that would impair an Owner's right to enjoy and use its Unit as set forth herein.

ARTICLE X. ASSESSMENTS.

Section 10.1 <u>Agreement to Pay Assessment</u>. 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 Regular Assessments made by the Association for the purposes provided in this Declaration, Limited Assessments, if applicable, 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 X.

Section 10.2 Amount of Total Periodic Regular Assessments. The total periodic Regular 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 not maintained or operated by the Owners as provided in Article III, or furnishing electrical, water, sewer, trash collection, and other common services to each Unit to the extent not separately metered and/or billed to a specific 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; common lighting and heating; water charges; trash collection; sewer service charges; repairs and maintenance; wages for Association employees; legal and accounting fees; any deficit remaining from a previous period; the creation of 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. Notwithstanding the foregoing or anything else set forth herein, or in the Articles or By-Laws, Declarant shall pay all operating expenses of the Association until the earlier of the first day of the first complete calendar month after (i) an Owner is issued a certificate of occupancy for the improvements constituting the Owner's Unit; or (ii) an Owner commences business operations in Unit 1A. Notwithstanding the foregoing, the maximum monthly assessment for a Community Residential and a Community Residential Unit shall be One Hundred Dollars (\$100) plus three (3) percent per year from and after calendar year 2008.

Section 10.3 <u>Apportionment of Periodic Regular Assessments</u>. To the extent not otherwise allocated to or required to be paid by a particular Owner, expenses attributable to Common Areas shall be apportioned to Owners of each Unit in the same percentage as their ownership interest in the Common Areas as set forth on <u>Exhibit C</u> hereto. To the extent such expenses attributable to a Community Residential Unit or a Community Residential Unit exceed the maximum amount provided by Section 10.2 above, the excess of such expenses shall be apportioned to the Owners of Commercial Units and Market Rate Units in the same rates as the percentage for each of such Units bears to the combined percentages of all of the Commercial Units and the Market Rate Units.

Section 10.4 <u>Notice of Periodic Regular Assessments and Time for Payment Thereof.</u> The Association shall make Regular Assessments, which Regular Assessments shall be levied annually, quarterly, or monthly as the Association shall from time to time determine. No

payment shall be due less than thirty (30) days after written notice has been given. Each Regular Assessment shall bear interest at the Legal Rate of Interest from the date it becomes due and payable if not paid within thirty (30) days after such date. Failure of the Association to give written notice of the Regular Assessment shall not affect the liability of the Owner of any Condominium for such Regular Assessment, but the date when payment shall become due in such case shall be deferred to a date thirty (30) days after such notice shall have been given.

Section 10.5 Limited Assessments; Special Assessments.

- (a) <u>Limited Assessment</u>. Unless otherwise provided in this Declaration, a Limited Assessment may be levied against any affected Owners for any construction, maintenance, inspection, installation, repair and replacement of any Limited Common Areas, including, without limitation the parking spaces appurtenant to Units. A Limited Assessment may be levied on Owners who fail to cause maintenance, replacement and upkeep of the Owner's Unit as provided in this Declaration to be timely performed, such levy to be in amounts expended by the Association to perform the same. Limited Assessments may also be made by the Association for any other purpose described in this Declaration, referencing this Section 10.5 (a).
- Special Assessments. In the event that the Association shall determine (b) that Regular Assessments for any given calendar year is or will be inadequate to pay the expenses of the Association, the Association may levy a Special Assessment payable over such period as the Association may determine, for the purpose of defraying in whole or in part such expenses, including, without limitation: 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 10.5(b) 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 X. Any amounts assessed pursuant hereto shall be assessed to Owners in the same manner as provided in Section 10.3 of this Article X. 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. The Association shall have the power to incur expenses for maintenance and repair of any Unit, if such maintenance and repair is necessary, in the opinion of the Board of Directors of the Association to protect the Common Area or any other portion of the Project, and if the Owner or Owners of said Unit have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair has been delivered by the Board to said Owner or Owners as further described in Section 3.5 above. The Board shall levy a Special Assessment against the Owner or Owners of any such Unit to pay for the cost of such maintenance and repair, any other costs or expenses arising out of or incident to such maintenance and repair, and the Special Assessment therefor. A Special Assessment shall bear interest at the Legal Rate of Interest from the date it becomes due and payable if not paid within thirty (30) days after such date. Any Special Assessment levied against a Community Residential Unit may be paid in not less than twelve (12) equal monthly installments.

Section 10.6 Lien for Assessments. All sums assessed to any Condominium pursuant to this Article X, 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 assessment liens on the Condominium in favor of any governmental assessing authority; and (b) labor or materialmen's liens, to the extent allowed by law. The secured party under a valid first Mortgage, duly recorded with the Blaine County Recorder as to a Condominium, shall be entitled to cure a default in payment of Assessments by paying all past due Assessments which accrued no more than sixty (60) days prior to the date that such secured party was first notified by mail of such Owner's failure to pay Assessments past due. In the event of foreclosure on any such first Mortgage, the holder thereof shall take the Condominium interest subject to all unpaid Assessments, except to the extent that such liability has been limited by exercise of the cure option set forth in the immediately preceding sentence. All other lienors acquiring liens on any Condominium after the proper recordation of this Declaration shall be deemed to consent that such liens are inferior liens 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 X, 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 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 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 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 prior to commencement of foreclosure and 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 with the Blaine County Recorder 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 <u>Section 10.6</u>, and upon such payment such encumbrancer shall be subrogated to all rights of the Association with respect to such lien, including priority.

Section 10.7 <u>Personal Obligation of Owner</u>. In addition to any liens against a Unit, the amount of any Regular 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 foreclosure or waiver of 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/her Condominium.

Section 10.8 Statement of Account. Upon payment of a reasonable fee, not to exceed Twenty-Five Dollars (\$25.00) on or before ten (10) days after written request from 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 Regular Assessment, the date that such Assessment becomes or became due, and 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 ten (10) 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 10-day period provided herein, and the purchaser subsequently acquires the Condominium.

Section 10.9 <u>Personal Liability of Purchaser for Assessments</u>. Subject to the provisions of <u>Section 10.8</u>, 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 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, provided such insurance is available and/or realistically affordable. In the event the Association determines that any of the following insurance coverages are not in the opinion of the Association available and/or realistically affordable, it shall so notify each Owner and each Owner may obtain any such insurance for such Owner or its Unit at the sole cost and expense of such Owner. The provisions of this Article XI 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 Association may deem appropriate from time to time. In order to facilitate the providing and maintaining of adequate and proper insurance, it is contemplated that Declarant may contract for blanket insurance coverage covering the Project as contemplated by this Article XI prior to or concurrently with the first conveyance of a Condominium, and any obligations or commitments for the payment of premiums or expenses otherwise incurred by Declarant under any such blanket policy or coverage to the extent attributable or properly allocable to the Project, whether or not the same is also a personal obligation of the purchaser or purchasers of any Condominiums, shall become an obligation of the Association and shall be paid for out of Association funds.

- (a) <u>Casualty Insurance</u>. The Association shall obtain a policy or policies of insurance covering loss or damage from fire, with extended coverage endorsement, and such other coverages such as flooding, which the Association may deem desirable, for not less than the full insurable replacement value of the Units and Common Area.
- (b) Public Liability and Property Damage Insurance. The Association shall obtain a policy or policies insuring the Association, the Board of Directors, the Unit Owners, and the managing agent, against liability to third parties or to the Owners and their invitees or tenants, for personal injury and property damage, and such other similar risks as may be typically insured against, incident to the ownership or use of the Project. There may be excluded from such policy or policies coverage of a Unit Owner (other than as a member of the Association or Board of Directors) for liability arising out of acts or omission of such Unit Owner and liability incident to the ownership and/or use of the part of the Project as to which such Unit Owner has the exclusive use or occupancy. Limits of liability under such insurance shall not be less than Two Million Dollars (\$2,000,000) on a combined single limit basis. Such policy or policies shall be issued on a comprehensive liability basis and shall provide cross liability endorsement wherein the rights of named insured under the policy or policies shall not be prejudiced as respects his, her, or their action against another named insured.
- (c) <u>Workmen's Compensation and Employer's Liability Insurance</u>. The Association shall purchase workmen's compensation, employer's liability insurance, and all other similar insurance in respect of employees of the Association, if any, in the amounts and in the forms now or hereafter required by law.
- (d) <u>Directors Omission Coverage</u>. The Association shall purchase Directors Omission coverage insuring officers, directors and the other eligible employees and members of the Association against errors and omissions occurring during the performance of their duties and obligations to the Association.
- (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 <u>Casualty and Public Liability Insurance</u>. The Association <u>may</u>, at the request of and at the sole cost of individual Owners, obtain casualty and public liability insurance coverage in amounts it may select with respect to such requesting Owners' 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 Owner (Owner's name, Unit number, and 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 Mortgagees which from time to time shall give notice to the Association of such first Mortgages, such proceeds to be used in accordance with this Declaration. Each policy shall also provide that it cannot be canceled 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 Declarant a true copy of such policy, together with a certificate identifying the interest of the Owner. All policies of insurance shall provide for a waiver of subrogation by the insurer as to claims against the Association, the Board, employees, and agents and against each Owner and each Owner's employees, agents, and guests, shall provide that the insurance cannot be canceled, invalidated, or suspended on account of the conduct of the Association, the Board, employees, and agents or of any Owner or such Owner's employees, agents, or guests, and shall provide that any "no other insurance" clause in the insurance policy shall exclude any policies of insurance maintained by any Owner or Mortgagee and that the insurance policy shall not be brought into contribution with insurance maintained by any Owner or Mortgagee.

Public liability and property damage insurance shall name the Association as 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. Each Owner shall be responsible for obtaining casualty and public liability insurance coverage within each individual Unit for activities of the Owner, not acting for the Association, with respect to the Common Area, unless the Association pursuant to Section 11.2 hereof elects to arrange for such 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 Owners.

Section 11.5 <u>Insurance Proceeds</u>. The Association shall receive the proceeds of any casualty insurance payments received under policies obtained and maintained pursuant to this Article XI. The Association shall by Super Majority Consent of the Members, apportion the proceeds to the portions of the Project which have been damaged in a fair and equitable manner. 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 (which determination shall be made by Super Majority consent), the proceeds shall be distributed as determined by Super Majority Consent of the Members. 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 Sections 11.1 and 11.2 hereof, each Owner may obtain insurance at her/his own expense providing coverage upon his/her Condominium, upon her/his personal property, and/or for his/her personal liability and covering such other risks as she/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 XI. All such insurance of the Owner's Condominium shall waive the insurance company's right of subrogation against the Association, the other Owners, and the agents and guests of any of them, if such insurance can be obtained in the normal practice without additional premium charge for the waiver of rights of subrogation.

Section 11.7 <u>Actions Affecting Cost and Coverage of Insurance</u>. Nothing shall be done or kept in any Unit or in the Common Area which will increase the cost of insurance on the Common Area. No Owner shall permit anything to be done or kept in her/his Unit or in the Common Area which will result in cancellation of insurance on any Unit or any part of the Common Area.

ARTICLE XII. CASUALTY DAMAGE OR DESTRUCTION.

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

Section 12.2 <u>Estimate of Costs.</u> As soon as practicable after an event causing damage to or destruction of any part of the Common Area or Limited Common Area, and provided that the decision under <u>Section 11.5</u> above has been made to rebuild, then the Association shall obtain estimates that it deems reliable and complete for the costs of repair or reconstruction of that part of the Project damaged or destroyed.

Section 12.3 Repair or Reconstruction. As soon as practicable after receiving those estimates described in Section 12.2, the Association shall diligently pursue to completion the repair or reconstruction of that part of the Common Area or Limited Common Area damaged or destroyed. The Association may take all necessary or appropriate action to effect repair or reconstruction. Such repair or reconstruction shall be substantially in accordance with the original plans and specifications of the Project, as modified at the time of the damage or destruction, taking into account any changes mandated by applicable governmental agencies, or in accordance with other plans and specifications approved by Super Majority Consent. Provided, however, any changes to the plans and specifications must be made in a way that does not materially change the size or functionality of any Units, the Owners of which did not vote for the modified plans and specifications.

In addition to the foregoing, in the event only one Owner is affected, that Owner may elect to repair or reconstruct his/her Unit without the required consents set forth in this Section 12.3.

Section 12.4 Funds for Reconstruction. The proceeds of any insurance collected shall be available to the Association or for an Owner, as applicable, 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, by Super Majority Consent, pursuant to Article X 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 Article X. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair or reconstruction.

Section 12.5 <u>Disbursement of Funds for Repair or Reconstruction</u>. The insurance proceeds held by the Association and the amounts received from the assessments provided for in <u>Section 12.4</u> constitute a fund for the payment of costs of repair and reconstruction after

casualty. It shall be deemed that the first money disbursed in payment for costs 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 assessments by the Association under Section 12.4 of this Declaration.

Section 12.6 <u>Decision Not to Rebuild</u>. If the Owners by Super Majority Consent agree not to rebuild as provided herein, the Project shall be sold and the proceeds distributed in the same manner herein provided in the event of sale of obsolete Units, as set forth in <u>Section 13.4</u>.

ARTICLE XIII. OBSOLESCENCE.

Section 13.1 Sale of Obsolete Units. A Super Majority Consent of Owners 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 record 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 Plat, and the Association Bylaws. The sale proceeds shall be apportioned among the Owners in proportion to the respective appraised value of the Condominiums exclusive of the amounts paid for personal property, and such apportioned proceeds shall be paid into separate accounts, each such 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 Mortgagees and other lienors in the order of priority of their mortgages and other liens and the balance remaining to each respective Owner.

ARTICLE XIV. CONDEMNATION.

Section 14.1 <u>Definition</u>. For the purposes of this Article XIV, the term "Condemnation" or the phrase "taken under the power of eminent domain," or similar language, shall mean and include any sale, conveyance, court ordered or other transfer, made in settlement of or in connection with the exercise of authority by any public or private entity having the power to acquire real property rights through governmental action or statutory authority. As used herein, the term "Award" shall mean and include any consideration received or to be received as a result of a Condemnation or a taking under the power of eminent domain.

Section 14.2 <u>Taking of a Unit</u>. In the event all or any part of a Unit is taken under the power of eminent domain, the Owner of the Unit is entitled to receive the entire Award for the taking of all or any part of the Owner's Unit and for all consequential damages to the Unit.

Section 14.3 <u>Taking of Limited Common Areas</u>. In the event any Limited Common Areas of the Condominium are taken under the power of eminent domain, any Award for the taking of such Limited Common Areas shall be payable to the Association, but shall be allocated to the Owners of the Units to which the use of those of Limited Common Areas is restricted in proportion to their respective percentage interest in the Common Areas. The Association shall

have no separate claim to any such Award for the taking of a Limited Common Area. The rights of Unit Owners to receive payment for a taking under the power of eminent domain of any Limited Common Area is subject to the right and obligation of all Unit Owners and the Association to rebuild as set forth in Section 14.5 below.

Section 14.4 <u>Taking of Common Area</u>. Subject to the obligations of Unit Owners and the Association to rebuild set forth in <u>Section 14.5</u> below, any Award received for the taking under the power of eminent domain of the Common Areas of the Condominium shall be allocated and paid to all Owners in proportion of their respective percentage interests in the Common Areas. Payment to Owners shall be subject to the rights of mortgagees under any instrument granting said mortgagees a security interest in the Unit in question.

Section 14.5 Obligation to Reconstruct. Following Condemnation of all or any part of the Limited Common Area or the Common Area, the Association and all Unit Owners shall be obligated to promptly restore the Limited Common Areas and the Common Area to an architectural whole substantially and materially identical to and in all respects compatible with the Project as initially constructed by Developer. The costs of such restoration in excess of the Award shall be a Common Expense payable by the Owners in proportion to their respective percentage interest in the Common Areas via a Special Assessment. The association shall be obligated to undertake and complete such restoration unless within ninety (90) days after the date on which the property condemned is conveyed to the condemning authority, Super Majority Consent is obtained for a decision not to restore the Common Area, including the Limited Common Area. In such event, the Property shall be subject to an action for partition brought in a court of competent jurisdiction by the Association or any Unit Owner. In the case of partition, the net proceeds of sale, together with any net proceeds of the Award for the taking, shall be considered as one fund and shall be divided among all Unit Owners in proportion to their percentage interests in the Common Elements, and shall be distributed to such Unit Owners and their mortgagees.

Section 14.6 <u>Preservation of Right to Appeal</u>. Each Unit Owner whose Unit has been taken under the power of eminent domain shall have the individual right of appeal of the necessity of the taking and of the condemnation Award made for the taking of the Unit and the Limited Common Area appurtenant to such Unit. The Association shall have the right of appeal of the necessity of taking of the Common Area and the right of appeal of the Award made for such taking. An appeal by the Association shall be binding upon the individual Unit Owners for the necessity of the taking or the condemnation Award made for the taking of the Common Area. If the Association shall fail to contest the necessity of the taking of the Award for the taking with respect to Common Area, any Unit Owner may so appeal.

Section 14.7 <u>Reorganization</u>. 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 and shall be entitled to any related condemnation award. Thereafter, the Association shall reallocate the ownership, voting rights and assessment ratio determined in accordance with this Declaration according to the same principles employed in this Declaration at its inception and shall submit such reallocation to the Owners of the remaining Units for amendment of this Declaration as provided in Article XV hereof.

Section 14.8 <u>Reconstruction and Repair</u>. Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Article XII above.

ARTICLE XV. REVOCATION OR AMENDMENT.

Section 15.1 <u>Declaration</u>. Except as provided in <u>Section 15.2</u>, this Declaration shall not be revoked, nor shall any of the provisions herein be amended, unless the Super Majority Consent is obtained and all holders of any recorded Mortgage covering or affecting any or all of the Condominiums, or any bond trustee, whose interests as Mortgagees appear in the Blaine County real estate 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 provided, however, this Declaration shall not be amended in a manner which materially increases the burdens imposed upon a Unit (including the charges or assessments applicable thereto), materially changes the dimensions of a Unit, or materially increases the benefits or rights appurtenant to a Unit without the written consent of the Owner of the affected Unit.

Section 15.2 <u>Right to Amend Declaration and Plat.</u> Following completion of any future construction performed pursuant to the terms of this Declaration, the Association shall file with the Blaine County Recorder Amendments to this Declaration and the Condominium Plat map appropriately showing by way of a diagrammatic floor plan(s) of each floor whose configuration has been changed, the boundaries of each Unit on each changed floor, including horizontal and vertical locations and dimensions of all boundaries of each Unit, Unit numbers identifying the Units, and the Common Area, together with such other information as may be included therein in the discretion of the Association. In addition, the Association shall include in its amendment to this Declaration an amendment to Exhibit C reflecting any changes in the percentages or ownership interest in the Common Area allocated to each Unit resulting from the Project changes under this Section 15.2. Each of entities constituting Declarant, for themselves and their respective successors and assigns, hereby covenant and agree with each other to execute and acknowledge all of the amendments provided for herein. All costs and expenses incurred in the preparation and recording of any such amendment shall be borne by the Unit Owner performing or causing to be performed the expansion or additional improvements to the Building.

ARTICLE XVI. PERIOD OF CONDOMINIUM OWNERSHIP.

The condominium ownership created by Declarant and the Condominium Plat 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 Article XIII (Obsolescence) or Article XIV (Condemnation) of this Declaration.

ARTICLE XVII. MISCELLANEOUS.

Section 17.1 <u>Compliance With Provisions of Declaration and Bylaws of the Association</u>. Each Owner shall comply with the provisions of this Declaration, the Bylaws, 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. The prevailing party shall be entitled to an award of costs and attorney fees.

Section 17.2 <u>Registration of Mailing Address</u>. Each Owner shall register his/her 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. If an Owner fails to provide the Association with a valid address, all notices shall be sent to that Owner's address on record with the Blaine County, Idaho Assessor's office. 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 Association Operating Agreement. All notices or demands to be served on Mortgagees pursuant thereto 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 17.2 shall be deemed given when deposited in the United States mail in the form provided for in this Section 17.2.

Section 17.3 Owner's Obligations Continue. All obligations of the Owner under and by virtue of the provisions contained in this Declaration shall continue, notwithstanding that she/he may have leased or rented said interest as provided herein, but the Owner of a Condominium shall have no obligation for expenses or other obligations accruing after he/she conveys such Condominium.

Section 17.4 <u>Number and Gender</u>. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural shall include the singular, and the use of any gender shall include all genders.

Section 17.5 <u>Severability</u>. 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 circumstance shall not be affected thereby.

Section 17.6 <u>Indemnification</u>. The Unit Owner undertaking or causing to be undertaken any of the future construction contemplated by this Declaration shall protect, indemnify, defend and hold the Project, and each Unit Owner and its officers, directors, shareholders, affiliates, employees, representatives, invitees, agents and contractors free and harmless from and against any and all claims, damages, liens, stop notices, liabilities, losses, costs and expenses, including reasonable attorneys' fees and court costs resulting from such future construction activities including, without limitation, repairing any and all damages to any portion of the Project, arising out of or related (directly or indirectly) to such construction activities or the erection of such additional improvements and/or expansions to the Building. Such Unit Owner performing such future construction or causing such future construction to be performed shall keep the Project free and clear of any mechanic's liens or materialmen's liens relating to such future construction. In addition, in the event any of the Units or any portion thereof are, by reason of such construction activities, rendered partially or wholly unavailable for

the safe and continuous use, then the Unit Owner performing such construction or causing such construction to be performed shall reimburse the owner of the affected Units for any and all loss of revenues or other damages resulting therefrom. Notwithstanding anything in the foregoing to the contrary, in no event will an Owner completing future construction (a "Constructing Owner") be responsible for costs in connection with any required construction change, modification or alteration of another Unit that is triggered by (i) modifications required because such items were not built in compliance with applicable laws in the first instance; or (ii) modifications that would otherwise need to be made in the ordinary course by the non-constructing Owner within the next five (5) years (e.g., new laws or building code changes that are mandatory whether or not any new construction occurs in the Project). Any construction changes, modifications or alterations triggered by any of the items set forth in the foregoing subsections (i) and (ii) shall be made by the non-constructing Owner at such non-constructing Owner's sole cost.

Section 17.7 <u>Statute</u>. 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 17.8 <u>Non-Discrimination</u>. The Declarant states and the Owners agree and acknowledge that there shall be no discrimination against or segregation of any person or group of persons on account of age, race, color, creed, handicap, religion, sex, marital status, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Project, nor shall the transferee, or any person claiming under or through it/her/him, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Project.

ARTICLE XVIII. DISPUTE RESOLUTION.

In the event Owners are unable to resolve any significant dispute amongst themselves arising out of the future construction, operation or management of the Project, the following procedure shall be invoked unless a different procedure is specified herein. The Owners shall attempt to resolve the dispute through non-binding mediation proceedings, with or without the assistance of a professional mediator as the parties to the mediation may decide. If this dispute resolution mechanism does not result in a decision agreed upon within a reasonable amount of time, then any party to the dispute may pursue any other remedies or procedures available in Idaho at law or in equity.

[SIGNATURE ON FOLLOWING PAGE]

SWC, LLC, an Idaho limited liability company

By: NORTHWOOD LIGHT INDUSTRIAL, LLC,

Member

By: James P. Conger, Manager

By: WILSON CONSTRUCION, LLC,

Member

By: David F. Wilson, Manager

By: SCOTT USA, INC. a Delaware corporation

Member

By: David L. Stevens

Its: Vice-President

STATE OF IDAHO COUNTY OF BLAINE

On this day of August, 2008, before me, a Notary Public in and for said State, personally appeared James P. Conger, known or identified to me to be the Manager of Northwood Light Industrial, LLC, an Idaho limited liability company, a Member of SWC, LLC, an Idaho limited liability company, the limited liability company that executed the within instrument or the person who executed the instrument on behalf of said limited liability company, and acknowledged to me that he executed the within instrument on behalf of said company, and that such company executed the same in the company's name.

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

Notary Public for Idaho

Residing at: Ketchum 1) 9/18/13017

Comm. Exp.:

ALISON WARNER NOTARY PUBLIC STATE OF IDAHO

STATE OF IDAHO COUNTY OF BLAINE

On this ______ day of August, 2008, before me, a Notary Public in and for said State, personally appeared David F. Wilson, known or identified to me to be the Manager of Wilson Construction, LLC, an Idaho limited liability company, a Member of SWC, LLC, an Idaho limited liability company, the limited liability company that executed the within instrument or the person who executed the instrument on behalf of said limited liability company, and acknowledged to me that he executed the within instrument on behalf of said company, and that such company executed the same in the company's name.

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

Notary Public for Idaho

Residing at: Keterum (1)
Comm. Exp.: 911212012

ALISON WARNER NOTARY PUBLIC STATE OF IDAHO

STATE OF IDAHO COUNTY OF BLAINE

On this ______ day of August, 2008, before me, a Notary Public in and for said State, personally appeared David L. Stevens, known or identified to me to be the Vice-President of Scott, USA, Inc., a Delaware corporation, a Member of SWC, LLC, an Idaho limited liability company, the limited liability company that executed the instrument or the person who executed the instrument on behalf of said limited liability company, and acknowledged to me that he executed the within instrument on behalf of said company, and that such company executed the same in the company's name.

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

Notary Public for Idaho

Residing at: Ketchum 1 D

Comm. Exp.:

9/10/2012

EXHIBIT A

Legal Description of Real Property

Lots 2, 3, and 4 of the RESUBDIVISION NORTHWOOD P.U.D. SUBDIVISION LOT 4, BLAINE COUNTY, IDAHO, according to the official plat thereof, recorded as Instrument No. 266897, records of Blaine County, Idaho.

And

Lots 3 and 4 of

kot Axxf NORTHWOOD PARK NO. 1, BLAINE COUNTY, IDAHO, according to the official plat thereof, recorded as Instrument No. 315070, records of Blaine County, Idaho.

EXHIBIT B

Articles and Bylaws

ARTICLES OF INCORPORATION

OF

SWC CONDOMINIUM ASSOCIATION, INC.

The undersigned, acting as incorporator of a nonprofit corporation under the Idaho Nonprofit Corporation Act, adopt the following Articles of Incorporation for such corporation:

ARTICLE I

The name of the corporation is SWC Condominium Association, Inc. (hereinafter referred to as the "Association").

ARTICLE II

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

ARTICLE III

This Association shall be a nonprofit membership corporation.

ARTICLE IV

The name of the registered agent of this Association shall be David L. Strucks and the location and post office address of the registered office of this Association shall be 110 Lindsay Circle, P. O. Box 2020, Ketchum, Idaho, 83340. 82353

This Association is formed to be a Management Body as permitted by the provisions of the Idaho Condominium Property Act, Idaho Code, Title 55, Chapter 15, and its powers are and shall be consistent with the provisions of the Act.

ARTICLE VI

- The nature of the business and the objective and purpose of this Section 1. Association shall be as follows:
- This Association shall be the "Management Body" as defined in Section 55-1503, Idaho Code, and as provided for in the terms and conditions of that certain Condominium Declaration for SWC Condominiums (hereinafter referred to as the "Declaration") to be executed

by the Declarant named therein and recorded in the real estate records of Blaine County, Idaho, which Declaration delegates and authorizes this Association to exercise certain functions as the Management Body. All capitalized terms not herein defined shall have the meanings assigned to them in the Declaration.

- (b) The Management Body shall have the power to have, exercise, and enforce all rights and privileges and to assume, incur, perform, carry out, and discharge all duties, obligations, and responsibilities of a Management Body as provided for in the Idaho Condominium Property Act and in the Declaration, as such Declaration is originally executed or, if amended, as amended. The Management Body shall have the power to adopt and enforce rules and regulations covering the use of any condominium project or any area or units thereof, to levy and collect the annual and special assessments and charges against the condominiums and the members thereof, and, in general, to assume and perform all the functions to be assumed and performed by the Management Body as provided for in the Declaration. It shall have the power to transfer, assign, or delegate such duties, obligations, or responsibilities to other persons or entities as permitted or provided for in the Idaho Condominium Property Act, the Declaration, or in an agreement executed by the Association with respect thereto. The Management Body shall actively foster, promote, and advance the interest of owners of condominium units within the condominium project.
- Section 2. In addition to the foregoing, where not inconsistent with either the Idaho Condominium Property Act (Title 55, Chapter 15, Idaho Code) or Title 30, Idaho Code, the Association shall have the following powers:
- (a) The Association shall have the authority set forth in Title 30 of the Idaho Code relating to the organization and conduct of general business corporations.
- (b) The Association shall have the power to buy, sell, acquire, hold, mortgage, or enter into a security agreement, pledge, lease, assignment, transfer, trade, and deal in and with all kinds of personal property, goods, wares, and merchandise of every kind, nature, and description.
- (c) The Association shall have the power to buy, sell, lease, let, mortgage, exchange, or otherwise acquire or dispose of lands, lots, houses, buildings and real property, hereditaments, and appurtenances of all kinds and wheresoever situated, and any interest and rights therein, to the same extent as natural persons might or could do and without limit as to amount.
- (d) The Association shall have the power to borrow money, draw, make, accept, enforce, transfer, and execute promissory notes, debentures, and other evidences of indebtedness, and for the purpose of securing any of its obligations or contracts, to convey, transfer, assign, deliver, mortgage, and/or pledge all or any part of the property or assets, real or personal, at any time owned or held by this Association.
- (e) The Association shall have the power to have one or more officers to carry on all or any part of its operations and businesses and to do all and everything necessary, suitable, convenient, or proper for the accomplishment of any of the purposes, or the attainment of any one or more of the objectives herein named, or which shall at any time appear conducive or

expedient for the protection or benefit of the Association, and which now or hereafter may be authorized by law, and this to the same extent and as fully as natural persons might or could do as principals, agents, contractors, trustees, or otherwise, and either alone or in connection with any firm, person, association, or corporation.

The foregoing clauses are to be construed both as objectives and powers. As hereby expressly provided, an enumeration herein of the objectives, powers, and purposes shall not be held to restrict in any manner the general powers of the Association. The Association shall have the power to do all acts that are necessary and convenient to obtain the objectives and purposes herein set forth to the same extent and as fully as any natural person could or might do within the framework of the Idaho Condominium Property Act, these Articles of Incorporation, and the general corporation laws of Idaho.

ARTICLE VII

<u>Section 1</u>. Each member shall be entitled to receive a certificate of membership, which certificate shall state the number of votes that member is entitled to cast as a member of the Association.

Section 2. There shall be one membership in the Association for each condominium in SWC Condominiums, as established in the Declaration. The members of the Association must be and remain owners of condominiums within the project set forth in the Declaration to be recorded in Blaine County, Idaho, and the Association shall include all owners of condominiums within the project. If title to a condominium is held by more than one person, the membership relating to that condominium shall be shared by all such persons in the same proportionate interest and the same type of tenancy in which the title to the condominium is held.

Section 3. No person or entity other than an owner may be a member of the Association. A member shall not assign or transfer his membership certificate except in connection with the transfer or sale of a condominium; provided, however, the rights of membership may be assigned to a mortgagor as further security for a loan secured by a lien on a condominium. Every person or entity who is an owner of any condominium unit included in any condominium project for which the Association has been or may be designated as a Management Body shall be required to be a member of the Association and remain a member so long as such person or entity shall retain the ownership of the condominium unit. Membership in the Association is declared to be appurtenant to the title of the condominium unit upon which such membership is based and automatically shall pass with the sale or transfer of the unit. Members shall not have preemptive rights to purchase other memberships in the Association or other condominium units in the project.

Section 4. Except for election or appointment of directors, the voting rights and interests of a member of the Association shall be determined by the owner member's percentage interest in the Common Area of the condominium project described in the Declaration and Exhibit C thereto, as the term "Common Area" is defined in Section 55-1503 of the Idaho Code. The Declaration, or an exhibit attached thereto, shall set forth the percentage interest of each owner member in the Common Area, which interest depends upon the number and type of

condominium units. The voting rights and interests of new members shall be determined in the same way as such percentage interests and rights were determined for old members and in accordance with any amendment to the Declaration and Exhibit B thereto allocating Common Area to the respective units.

Section 5. There shall be a total of one hundred (100) votes to be allocated as described in Article VII, Section 4, and in this section. The total number of votes that attached to membership certificates shall be exercised by the members of the Association from and after the date of the incorporation. Each member shall be entitled to vote the same percentage of 100 votes as he is given percentage in the Common Area. Directors shall be elected or appointed by the members, with each Owner entitled to elect or appoint one (1) director, except as provided otherwise in the Bylaws.

ARTICLE VIII

Each member shall be liable for the payment of assessments provided for in the Declaration and for the payment and discharge of the liabilities of the Association as provided for in the Declaration, the Idaho Condominium Property Act (Title 55, Chapter 15, Idaho Code), and as set forth in the Bylaws of the Association.

ARTICLE IX

The Bylaws of the Association may be altered, amended, or new bylaws adopted by any regular or special meeting of the Association called for that purpose by a Super Majority Consent as that term is defined in the Declaration. The Bylaws may also be amended or repealed, or new bylaws adopted, at any meeting of the Board of Directors by the vote of at least a majority of the entire Board; provided, any bylaw adopted by the Board may be amended or repealed by the members in the manner set forth above.

Any proposal to amend or repeal these Bylaws or to adopt new bylaws shall be stated in the notice of the meeting of the Board of Directors or its members, or in the waiver of notice thereof, as the case may be, unless all of the directors or the members are present at such meeting.

ARTICLE X

The business and affairs of the Association shall be managed and controlled by a Board of Directors. The Board of Directors shall be three (3) in number. The following shall constitute the initial Board of Directors

<u>Name</u>

mid Stevens

<u>Address</u>

36

Dand F. Wilson	
James P. Conger	

ARTICLE XI

The name and post office address of the incorporator is as follows:

David B. Lincoln

Moffatt Thomas P.O. Box 829 Boise, Idaho 83701-0829

ARTICLE XII

No part of the net earnings of the Association shall inure to the benefit of any private member or individual (other than by acquiring, constructing, or providing management, maintenance, and care of property held by the Association, commonly held by the members of the Association, or located in the development and owned by members of the Association, and other than by a rebate of excess membership dues, fees, or assessments).

ARTICLE XIII

In the event the Association is voluntarily or involuntarily dissolved, the assets of the Association shall be conveyed to the members in the same percentages as their percentage ownership interests in the Common Area as that term is defined in the Declaration.

IN	WITNESS, 2008.	WHEREOF,	I have	hereunto	set m	ny hand	and	seal	this		day of
							s /	1			
	David B. Lingoln, Incorporator										

BYLAWS OF SWC CONDOMINIUM ASSOCIATION, INC.

Article I

Principal Office

The principal office of SWC Condominium Association, Inc. (the "Association"), shall be in Ketchum, Blaine County, Idaho. The Association may have such other offices, either in or outside of the State of Idaho as the Board of Directors may determine or the affairs of the Association may require.

Article II

Board of Directors

- 1. <u>General Powers</u>. The property, business, and affairs of the Association shall be controlled and managed by the Board of Directors.
 - 2. Number. The Board of Directors shall consist of three (3) directors.
- 3. Qualifications, Election, and Term. Directors need not be members of the Association and shall be elected by the members at their annual meeting. All other action shall be determined by a majority of the votes cast at such meeting, except as otherwise provided by the terms of these Bylaws, the Declaration, by statute or by the Articles of Incorporation. Directors shall serve the term of one (1) year or until their successors are duly elected and qualified.
- 4. <u>Removal, Resignation</u>. Any director may be removed with or without cause by the member or members, as the case may be, who elected or appointed such director. Any director may resign by submitting a written notice to the Board of Directors and the member or members, as the case may be, who elected or appointed such director stating the effective date of the director's resignation, and acceptance of the resignation shall not be necessary to make it effective.
- 5. <u>Vacancies</u>. Any vacancy occurring on the Board of Directors whether by removal, resignation, death, or otherwise shall be filled by the majority vote of the remaining Directors. A director elected to fill a vacancy on the Board of Directors shall hold office until the next annual election of directors and until the director's successor is duly elected and qualified.
- 6. <u>Meeting</u>. There shall be a regular annual meeting of the Board of Directors immediately following the annual meeting of the members of the Association, and the Board may establish regular meetings to be held at such other places and at such other times as it may determine from time to time. After the establishment of a time and place for such regular

meeting, no further notice thereof need be given. Special meetings of the Board may be called by the President or upon written request delivered to the Secretary-Treasurer or by any two (2) directors.

- 7. <u>Notices, Waiver</u>. Five (5) days notice of special meetings shall be given to each director by the Secretary-Treasurer. Such notice may be given orally to each director. Written waiver of notice signed by a director or attendance at a meeting of the Board of Directors by a director shall constitute a waiver of notice of such meeting, except where attendance is for the express purpose of objecting to the failure to receive such notice or to defects in said notice.
- 8. Quorum, Vote Required, Adjournment. At any meeting of the Board of Directors, a majority of the qualified directors shall constitute a quorum. If a quorum is present, the action of the majority of the directors present and voting shall be the act of the Board of Directors, except for those matters requiring a Super Majority Consent. If a quorum is not present, the majority of directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting.
- 9. Action of Directors Without a Meeting. Any action required to be taken or any other action which may be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all the directors entitled to vote in respect to the subject matter thereof.

Article III

Officers

- 1. <u>General</u>. The officers of the Association shall be a President and a Secretary-Treasurer, whom shall be elected by the Board of Directors to serve at the pleasure of the Board.
- 2. <u>President</u>. The President shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall direct, supervise, coordinate, and have general control over the affairs of the Association and shall have the powers generally attributable to the chief executive officer of a corporation. The President shall preside at all meetings of the members of the Association.
- 3. <u>Secretary-Treasurer</u>. The Secretary-Treasurer shall be the custodian of the records and shall see that all notices are duly given in accordance with the provisions of these Bylaws and as required by law and that the books, reports, and other documents and records of the Association are properly kept and filed. The Secretary-Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association. The Secretary-Treasurer shall deposit all moneys and other valuable effects in the name of and to the credit of the Association in such banks and depositories as shall be designated by the Board of Directors. The Secretary-Treasurer shall keep books of account and records of transactions and of the financial condition of the Association and shall submit such reports thereof as the Board of Directors may from time to time require, and in general shall perform all of the duties as may from time to time be assigned to the Secretary-Treasurer by the Board of Directors or the

President. The Board of Directors may appoint one or more assistant secretary-treasurers who may act in the place of the Secretary-Treasurer in case of the Secretary-Treasurer's death, absence, inability, or failure to act.

- 4. <u>Compensation</u>. Officers, agents, and employees shall not receive compensation from the Association for their services.
- 5. <u>Delegating of Powers</u>. In case of absence of any officer of the Association or for any other reason that may seem sufficient to the Board of Directors, the Board of Directors may delegate that officer's duties and powers for the time being to any other officer or any director.

Article IV

Rights, Duties, and Obligations of the Members of the Association

- 1. <u>Membership</u>. Every owner of a condominium unit ("Owner") shall be a member of the Association, and no person or entity other than an owner of a condominium unit may 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 interest and by the same type of tenancy in which the title to the condominium unit is held, but all votes appurtenant to a condominium unit must be cast as a block and cannot be divided among several owners of a unit. Memberships in the Association shall not be transferred except in connection with the transfer of a condominium unit; provided, however, the rights of membership may be assigned as further security for a loan secured by a lien on a condominium unit.
- 2. <u>Transfer of Membership</u>. Transfer of membership in the Association shall occur upon the transfer of a title to the condominium unit to which the membership pertains; however, the Association shall be entitled to maintain the person, persons, or entity in whose name or names the membership is recorded on the books and records of the Association until such time as evidence of the transfer of title satisfactory to the Association has been submitted to the Secretary-Treasurer. A transfer of membership shall not release the transferor from liability or obligation accrued and incidental to such membership prior to such transfer. In the event of dispute as to ownership of a condominium unit to the membership appurtenant thereto, title to the condominium units as shown on the public records of Blaine County, Idaho, shall be determinative.
- 3. <u>Voting Rights</u>. The voting rights of each member owner will not necessarily be equal to the voting rights of other members. The voting rights of a member of the Association for all matters other than matters requiring Super Majority Consent shall be determined by the owner member's percentage interest in the "Common Area" of the Association, as this term is defined in Section 55-1503 of the Idaho Code and calculated in accordance with Section 55-1505 of the Idaho Code. The Declaration sets forth the percentage interest of each member in the Common Area and each member shall be entitled to vote such member's percentage of a total of

one hundred (100) votes. Voting by proxy shall be permitted; however, proxies must be filed with the Secretary-Treasurer before the appointed time of the meeting.

- 4. <u>Annual Meetings</u>. An annual meeting of the members for the purpose of electing directors and transaction of such other matters as may properly come before the meeting shall be held on the first Wednesday in October of each year in a convenient location in Ketchum, Idaho, or at such other time and/or place as the members shall select by a majority vote.
- 5. Special Meeting. Special meetings of the members may be called any time by the Board of Directors or by written request of two (2) members and shall be held at a convenient location in Ketchum, Idaho, or by telephone conference, if all directors are in agreement. In the event that a special meeting is called by the members as aforesaid, they shall notify the Secretary-Treasurer in writing of that time, place, and purpose of the meeting to permit the Secretary-Treasurer to give notice to all members in accordance with these Bylaws. The Secretary-Treasurer shall forthwith give notice of the date, time and place of such meeting, with such meeting being scheduled to be held not less than ten (10) or more than thirty-five (35) days after the receipt of said request, and if the Secretary-Treasurer shall neglect or refuse to issue such call, the Board of Directors or members making request may do so.
- 6. <u>Notice, Waiver.</u> Notice of annual and special meetings of the members must be given in writing and must state the date, hour, and place of the meeting and generally describe the nature of the business to be transacted. Such notice shall be delivered personally or deposited in the mail, postage prepaid, addressed to the last known address as shown on the books of the Association, to the owner or any one of the co-owners of each membership as shown on the books of the Association and shall be delivered or deposited in the mail at least ten (10) days prior to the date of the meeting.

Written waiver of notice signed by or attendance at a meeting by the owners or any one of the co-owners of a membership shall constitute a waiver of notice of such meeting, except where attendance is for the express purpose of objecting to the failure to receive such notice or to defects in the notice.

- 7. Quorum, Vote Required, Adjournment. A majority of the members represented in person or by proxy shall constitute a quorum at any meeting of the members. If a quorum is present, the action of a majority of the voting rights present and voting shall be the act of the members, except for matters requiring Super Majority Consent. If a quorum is not present at a meeting, a majority of the voting rights present in person or by proxy may adjourn the meeting from time to time without notice other than announcement of the meeting.
- 8. <u>Memberships Held.</u> Memberships held in estates or trust may be voted by the administrator, executor, guardian, trustee, conservator, or receiver thereof without such membership or title to the condominium unit being transferred to said person.
- 9. <u>Conduct of the Meeting</u>. The meeting will be conducted by the officers in order of their priority. The order of business shall be a call of the roll, a reading of the notice and

proof of the call, report of officers, report of committees, unfinished business, new business, election of directors, and miscellaneous business.

Article V

Condominium Declaration Incorporated

Pursuant to Article X of the Articles of Incorporation of this Association, the Condominium Declaration for SWC Condominiums (the "Declaration") is hereby incorporated by reference and made a part of these Bylaws as if set out in full herein. All capitalized terms not defined herein shall have the meanings assigned to them in the Declaration.

Article VI

Contracts, Conveyances, Checks, and Miscellaneous

- 1. <u>Contracts</u>. The Board of Directors may authorize any officer of the Association to enter into any contract or execute any instrument in the name of the Association, except as otherwise specifically required by the Articles of Incorporation or by the Declaration.
- 2. <u>Conveyances and Encumbrances</u>. Association property may be conveyed or encumbered if Super Majority Consent is obtained therefore. Conveyances or encumbrances so authorized shall be executed by instrument by the President and the Secretary-Treasurer of the Association.
- 3. <u>Checks</u>. All checks, drafts, notes, and orders for the payment of money shall be signed by such persons as the Board of Directors may authorize.
- 4. <u>Fiscal Year</u>. The fiscal year or business year of the Association shall begin on the first day of October and end on the last day of September following.
- 5. <u>Records</u>. The Association shall maintain accurate records and accounts of its business and properties, and they shall be kept at such places as are from time to time fixed and designated by the Board of Directors.
- 6. <u>Seal</u>. The Board of Directors may adopt an Association seal of such design as may be appropriate.

Article VII

Amendments

1. <u>Bylaws</u>. These Bylaws may be amended, altered, or repealed from time to time by Super Majority Consent.

	Proposed Amendment or Rep new bylaws shall be stated in n the waiver of notice thereof	a notic	e sent to a	ll members of the	meeting of the
present at suc	h meeting.			á	
APPR undersigned r	OVED AND ADOPTED This members of the initial Board of	Directo	_ day of ors of this A	Association.	_, 2008, by the
			,	01/1	

EXHIBIT C

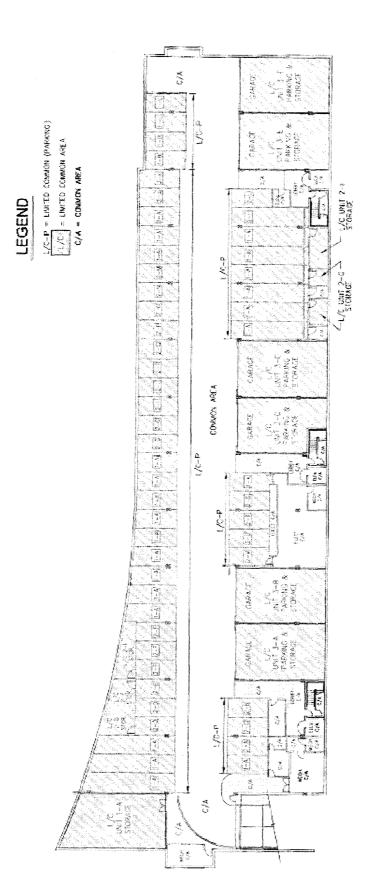
Allocation of Common Area

<u>unit</u>	area (sf)	% ownership	SWC CONDOMINIUMS 7/29/2008
1-A	25,272	36.0	PERCENT OWNERSHIP INTEREST
1-B	3,846	5.5	
1-C	2,251	3.2	
2-A	589	0.8	
2-B	982	1.4	
2-C	668	1.0	
2-D	1,477	2.1	
2-E	1,387	2.0	
2-F	1,406	2.0	
2-G	1,396	2.0	
2-H	1,036	1.5	
2-I	1,405	2.0	
2-J	907	1.3	
2-K	907	1.3	
2-L	819	1.2	
2-M	825	1.2	
2-N	540	0.8	
2-0	841	1.2	
2-P	668	1.0	
2-Q	673	1.0	
2-R	774	1.1	
2 - S	672	1.0	
2-T	679	1.0	
2-U	669	1.0	
2-V	566	8.0	
3-A	3,546	5.1	
3-B	3,096	4.4	
3-C	3,080	4.4	
3-D	3,075	4.4	
3-E	3,082	4.4	
3-F	3,075	4.4	

TOTAL: 70209 100.0

EXHIBIT D

(attached)



BASEMENT PARKING GARAGE PLAN

Instrument # 641035

HAILEY, BLAINE, IDAHO

1-17-2017 04:26:21 PM No. of Pages: 4

Recorded for: SWC CONDOMINIUM ASSOCIATION JOLYNN DRAGE Fee: 19,00

JOLYNN DRAGE Ex-Officio Recorder Deputy

Index to: AMENDED COVENANTS & RESTRICTIONS



FIRST AMENDMENT TO THE CONDOMINIUM DECLARATION FOR SWC CONDOMINIUMS

This FIRST AMENDMENT TO THE CONDOMINIUM DECLARATION FOR SWC CONDOMINIUMS (this "Amendment") is made effective as of the 20th day of October 2016, pursuant to the approval of a Super Majority Consent of the Members, at a duly constituted meeting held on the 20th day of October, 2016, as attested by the President and Secretary of the SWC Condominium Association, Inc. (the "Association"), in accordance with that certain CONDOMINIUM DECLARATION FOR SWC CONDOMINIUMS, recorded in the real property records of Blaine County, Idaho on the 4th day of September 2008, as Instrument No. 561093 (the "Declaration").

Recitals

WHEREAS, the Board of Directors of the Association would like to amend certain provisions of the Declaration to correct the designation of certain Units.

WHEREAS, the Board of Directors of the Association has proposed to the Owners and members an amendment to amend the Declaration to correct the designation of certain Units.

NOW, THEREFORE, pursuant to the authority granted by Section 15.1 of the Declaration, the Owners, as certified by the Association, hereby amend the Declaration as follows:

- **1. Definitions.** All defined terms contained herein and not otherwise defined, shall have the same meaning as ascribed to them in the Declaration.
 - 2. Definition of "Unit." Section 2.19 of the Declaration is hereby amended as follows:
 - 2.19(a)(ii) is hereby amended by adding Unit 2J as a Community Residential Unit.
 - 2.19(a)(iv) is hereby amended by adding Unit 2O as a Residential Condominium Unit.

- 2.19(a)(iii) is hereby amended by deleting the text thereof in its entirety and replacing the text with "Intentionally Omitted."
- **3. Recitals and Exhibits.** The recitals and exhibits of this Amendment are hereby incorporated into the text of this Amendment and made a part hereof.
- **4. Other Terms Not Modified.** The Declaration is in full force and effect and remains unaltered, except to the specific extent amended or supplemented herein. This Amendment shall be considered part of the Declaration as such term is defined herein.

[end of text]

The undersigned hereby certify that the above referenced Amendment was adopted by the Super Majority Consent of the Owners at a meeting duly called at which a quorum was present.

SWC Condominium Association, Inc., an Idaho non-profit corporation

By:

David L. Stevens, President

Attest:

Dovid FA

David F. Wilson, Secretary

STATE OF IDAHO) ss. County of Blaine)

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

STATE OF IDAHO

State of Blaine

ORA JIMEN

NOTAR

OF IDAHO

SS.

Notary Public for the State of Jdaho
Residing at: Huiley th 83333
My commission expires: 6-8-2021

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

NOTARL PUBLIC OF IDAM

Notary Public for the State of 100h Residing at: 100h 8333

My commission expires: 6-82021