

Knob
 Hill Ridge

LEGAL DOCUMENTATION
Condominium Declaration
Association Articles of Incorporation
Association By-laws

CONDOMINIUM DECLARATION

FOR

KNOB HILL RIDGE CONDOMINIUMS

ARTICLE I. Recitals and Certain Definitions.

Section 1.1 The Declarant; The Real Property.

Ketchum Properties, a California limited partnership (together with successors and assigns, collectively, the "Declarant") is the owner of that certain real property located in Blaine County, Idaho described in Exhibit "A" attached hereto and hereby made a part of this Declaration (the "Real Property").

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

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

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

ARTICLE II. Additional Definitions.

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

Section 2.1 Building. "Building" means one of the buildings constructed on the Real Property pursuant to this Declaration.

Section 2.2 Units.

(a) With reference to each Unit designated on the Condominium Map as an "A Unit", "Unit" means the separate interest in a condominium as bounded by the interior surfaces of the perimeter walls, floors, ceilings, windows and doors thereof and the interior surfaces of built-in fireplaces, plus appurtenant decks and balconies as shown and numbered on the Condominium Map to be filed for record, together with all fixtures and improvements therein contained. Notwithstanding such markings, the following are not a part of a Unit: bearing walls, columns, floors and roofs (except for the interior surface thereof, if a perimeter wall, floor or ceiling), foundations, pipes, vents, ducts, flues, conduits, wires, and other utility installations, wherever located, except the outlets thereof when located within the Unit. The interior surfaces of a perimeter window or door means the points at which such surfaces are located when such windows or doors are closed; the physical windows and doors themselves are part of the Common Area, as herein defined. Each Unit also includes the interior of any storage areas which are shown on the Condominium Map as belonging to such Unit, bounded as described herein for the other portions of the Unit. In the case of combination of two or more adjoining Units, those portions of partition walls between Units which are from time to time used as door openings between such Units shall be deemed to be divided in

half longitudinally, parallel to the partition wall, and each half shall constitute part of the Unit which it adjoins, as Limited Common Area appurtenant to such Unit.

(b) With reference to each Unit designated as a "B Unit", "Unit" means the separate interest in a condominium consisting of an entire, separate building, including all interior and exterior surfaces of said building, the perimeter wall of said building, and all other structural components of each such building, including appurtenant decks and balconies, as shown and numbered on the Condominium Map.

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

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

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

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

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

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

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

Section 2.10 Association. "Association" means Knob Hill Ridge Condominium Association, Inc., an Idaho corporation, not for profit, its successors and assigns, organized as provided herein.

Section 2.11 Condominium Map. "Condominium Map" means the Condominium Map for Knob Hill Ridge 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 of the Real Property showing a survey and legal description of the Real Property, together with diagrammatic floor plans of the Buildings showing the boundaries of each Unit within each Building, including horizontal and vertical locations and dimensions of all boundaries of each Unit, Unit number identifying the Units, together with such other information as may be included thereon in the discretion of the Declarant.

ARTICLE III. Statement of Intention and Purpose.

Declarant hereby declares that the Project and every part thereof, is held and shall be held, conveyed, devised, leased, rented, encumbered, used, occupied and improved and otherwise affected in any manner subject to the provisions of this Declaration, each and all of which provisions are hereby declared to be

in furtherance of the general plans and scheme of condominium ownership referred to in Article I and are further declared to be for the benefit of the Project and every part thereof and for the benefit of each Owner. All provisions hereof shall be deemed to run with the land as covenants running with the land or as equitable servitudes as the case may be and shall constitute benefits and burdens to the Declarant and its assigns and to all persons hereafter acquiring or owning any interest in the Project, however such interest may be obtained.

ARTICLE IV. Nature and Incidents of Condominium Ownership.

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

Section 4.2 Limited Common Area. "Limited Common Area" shall consist of automobile parking area. The automobile parking area identified on the Condominium Map with the same number or other designation by which the Unit is identified on the Condominium Map, as referred to above, shall be used in connection with such Unit to the exclusion of the use thereof by the other Owners of Common Area except by invitation.

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

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

Section 4.5 Inseparability. No part of a Condominium or of the legal rights comprising ownership of a Condominium may be separated from any other part thereof during the period of Condominium ownership prescribed herein, so that each Unit and the undivided interest in the Common Area appurtenant to such Unit shall always be conveyed, divided, encumbered, and otherwise affected only as a complete Condominium. Every gift, devise, bequest, transfer, encumbrance, conveyance or other disposition of a Condominium or any part thereof shall be presumed to be a gift, devise, bequest, transfer, encumbrance or conveyance, respectively, of the entire Condominium; together with all appurtenant rights created by law or by this Declaration.

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

Section 4.7 Owner's Right to Common Area. Subject to the limitations contained in this Declaration, including, but not limited to, the Rules and Regulations referenced in Section 8.5 herein, each Owner shall have the nonexclusive right to use and enjoy the General Common Area, and shall have the exclusive right to use and enjoy the Limited Common Area designated herein for exclusive use by such owner.

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

Section 4.9 Owner's Rights with Respect to Interiors. Each Owner shall have the exclusive right to paint, repaint, tile, wax, paper or otherwise maintain, refinish and decorate the interior surfaces of the walls, ceilings, floors windows, and doors forming the boundaries of his Unit and all walls, ceilings, floors and doors within such boundaries. However, all window coverings shall conform to aesthetic standards set by the Board of Directors of the Association, with said standards being designed and intended to preserve the architectural and aesthetic integrity of the Project.

Section 4.10 Easements for Encroachments. If any part of the Common Area encroaches or shall hereinafter encroach upon a Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common Area, or upon an adjoining Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. Such encroachments shall not be considered to be encumbrances whether on the Common Area or the Units. Encroachments referred to herein include, but are not limited to, encroachments caused by settling, rising or shifting of the earth, or by changes in position caused by repair or reconstruction of the Project or any part thereof.

Section 4.11 Easements of Access for Repair, Maintenance, and Emergencies. Some of the Common Area is or may be located within the Units or may be conveniently accessible only through the Units. The Owners of other Units shall have the irrevocable right, to be exercised by the Association as their agent, to have access to each Unit and to all Common Area from time to time during such reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Area located therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common Area or to another Unit or Units. The Association shall also have such right independent of any agency relationship. Damage to the interior of any part of a Unit or Units resulting from the maintenance, repair, emergency repair or replacement of any of the Common Area or as a result of emergency repairs within another Unit at the instance of the Association or

of Owners shall be an expense of all of the Owners; provided, however, that if such damage is the result of negligence of the Owner of a Unit, then such Owner shall be financially responsible for all of such damage. Such damage shall be repaired and the property shall be restored substantially to the same condition as existed prior to damage. Amounts owing by Owners pursuant thereto shall be collected by the Association by assessment pursuant to Article IX below

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

Section 4.13 Association's Right to Use Common Area. The Association shall have a 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 construct and maintain in the General Common Area maintenance and storage facilities for use by the Association. However, any such maintenance and storage facilities shall be designed and constructed to conform to standards and specifications set by the Board of Directors of the Association, with said standards and specifications being designed and intended to preserve the architectural and aesthetic integrity of the Project.

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

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

ARTICLE V. Description of a Condominium.

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

Condominium Unit _____ as shown on the Condominium Map for Knob Hill Ridge Condominiums appearing in the Records of Blaine County, Idaho, as Instrument No. _____, and as defined and described in that Condominium Declaration for Knob Hill Ridge Condominiums, recorded in the records of Blaine County, Idaho, as Instrument No. _____.

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

ARTICLE VI. Mechanic's Lien Rights.

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

ARTICLE VII. The Association.

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

Section 7.2 Voting Rights. The total number of votes which may be cast by all members of the Association shall be as set forth in the Articles of Incorporation and By-Laws of the Association, and each Owner shall be entitled to vote the same percentage of the total number of votes of the Association as such Owner's percentage interest in the Common Area as set forth in Exhibit B attached hereto.

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

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

ARTICLE VIII. Certain Rights and Obligations of the Association.

Section 8.1 The Management Body. Knob Hill Ridge Condominium Association, Inc., an Idaho corporation, 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 of such Code the Articles of Incorporation and By-Laws of the Association, and the provisions of this Declaration.

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

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

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

Section 8.4 Personal Property for Common Use. The Association may acquire and hold for the use and benefit of all of the Owners tangible and intangible personal property and 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 the foreclosure shall entitle the purchaser to the interest in such personal property associated with the foreclosed Condominium.

Section 8.5 Rules and Regulations. The Association may make reasonable rules and regulations governing the use of the Units and of the Common Area, which rules and regulations shall be consistent with the rights and duties established in this Declaration. Such rules and regulations may include, without limitation, assignment of particular portions of storage areas within the Common Area for exclusive use by Owners of particular Condominiums. The Association may suspend any Owner's voting rights in the Association during any period or periods during which such Owner fails to comply with such rules and regulations or with any other obligations of such Owner under this Declaration. The Association may also take judicial action against any Owner to enforce compliance, all to the extent permitted by law.

Section 8.6 Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or by law, and every other right or privilege reasonable to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

ARTICLE IX. Assessments.

Section 9.1 Agreement to Pay Assessment. Declarant, for each Condominium owned by it within the project, and for and as the Owner of the Project and every part thereof, hereby covenants, and each Owner of any Condominium by the acceptance of a deed therefor, whether or not it be so expressed in the deed, shall be deemed to covenant and agree with each other and with the Association, to pay to the Association periodic assessments made by the Association for the purposes provided in this Declaration, and special assessments for capital improvements and other matters as provided in this Declaration. Such assessments shall be fixed, established and collected from time to time in the manner provided in this Article. Declarant's obligation to pay said assessments, in connection with any and all unsold units title to which has remained in Declarant, shall commence 10 days following receipt by Declarant of the Notice of Substantial Completion from the project architect and shall continue until the sale of each such unit.

Section 9.2 Amount of Total Periodic Assessments. The total periodic assessments against all Condominiums shall be based upon advance estimates of cash requirements by the Association to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the Common Area or furnishing electrical, water, sewer and trash collection and services, and other common services, to each Unit, which estimates may include, among other things, expenses of management, including pool maintenance and maintenance of all other Common Area; taxes and special assessments, until the Condominiums are separately assessed as provided herein; premiums for all insurance which the Association is required or permitted to maintain pursuant hereto; landscaping and care of grounds; 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 a reasonable contingency reserve, surplus and/or sinking funds; and any other expenses and liabilities which may be incurred by the Association for the benefit of the Owners under or by reason of this Declaration.

Section 9.3 Apportionment of Periodic Assessments.

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

Section 9.4 Notice of Periodic Assessments and Time For Payment Thereof. The Association shall make periodic assessments, which assessments shall be annually, quarterly or monthly as the Association shall from time to time determine. The Association may, in its discretion, allow annual assessments to be paid in monthly installments, which installments shall be due and payable on the first day of each month, without written notice or billing from the Association to the individual owners. Each periodic assessment shall bear interest, at a rate to be determined by the Board of Directors of the Association within legal limits, from the date it becomes due and payable if not paid within thirty (30) days after such date. Failure of the Association to give timely notice of any assessment shall not affect the liability of the Owner of any Condominium for such assessment.

Section 9.5 Special Assessments for Capital Improvements.

In addition to the annual assessments authorized by this Article, the Association may levy at any time a special assessment, payable over such a period as the Association may determine for the purpose of defraying in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Project or any part thereof, or for any other expense incurred or to be incurred as provided in this Declaration. This Section shall not be construed as an independent source of authority for the Association to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other Sections hereof which shall make specific reference to this Article. Any amounts assessed pursuant hereto shall be assessed to Owners in proportion to the interest in the Common Area owned by each. Notice in writing of the amount of such special assessments and the time for payment thereof shall be given promptly to the Owners, and no payment shall be due less than thirty (30) days after such notice shall have been given. A special assessment shall bear interest at the rate of ten percent (10%) per annum from the date it becomes due and payable if not paid within thirty (30) days after such date.

Section 9.6 Lien for Assessments. All sums assessed to any Condominium pursuant to this Article, together with interest thereon as provided herein, shall be secured by a lien on such Condominium in favor of the Association upon recordation of a notice of assessment as herein provided. Such lien shall be superior to all other liens and encumbrances on such Condominium except only for: (a) valid tax and special assessment liens on the Condominium in favor of any governmental assessing authority; (b) a lien for all sums unpaid on a first Mortgage, or on any Mortgage to Declarant, duly recorded in Blaine County, Idaho real estate records, including all unpaid obligatory advances to be made pursuant to such Mortgage and all amounts advanced pursuant to such Mortgage and secured by the lien thereof in accordance with the terms of such instrument; and (c) labor or materialmen's liens to the extent required by law. All other lienors acquiring liens on any Condominium after this Declaration shall have been recorded in said records shall be deemed to consent that such liens shall be inferior to future liens for assessments as provided herein,

whether or not such consent be specifically set forth in the instruments creating such liens.

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

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

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

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

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

Section 9.8 Statement of Account. Upon payment of a reasonable fee, and upon written request of any Owner or any Mortgagee, prospective Mortgagee or prospective purchaser of a Condominium, the Association shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such Condominium, the amount of the current periodic assessment and the date that such assessment becomes or became due, credit for advanced payments or prepaid items, including, but not limited to, an Owner's share of prepaid insurance premiums, which statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied with within thirty (30)

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 thirty (30) day period provided herein, and thereafter an additional written request is made by such purchaser and is not complied with within ten (10) days, and the purchaser subsequently acquires the Condominium.

ARTICLE X. Use of Condominium.

Section 10.1 Residential. Each Condominium shall be used for residential purposes only, and no trade or business of any kind may be carried on therein. Lease or rental of a Condominium for lodging or residential purposes shall not be considered to be a violation of this covenant.

Section 10.2 Use of Common Area. 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.

Section 10.3 Prohibition of Damage and Certain Activities Nothing shall be done or 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 the 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 an 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 residing in the Project.

Section 10.4 Animals. The Association may, by rules or regulations, prohibit or limit the raising, breeding, or keeping of animals, livestock, or poultry in any Unit or on the Common Area or any part thereof.

Section 10.5 Rules and Regulations. No Owner shall violate the rules and regulations for the use of the Units and of the Common Area as adopted from time to time by the Association.

Section 10.6 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 a clean, sanitary and attractive condition, and shall keep the heating equipment and water heater servicing his Unit exclusively in a good state of maintenance and repair.

Section 10.7 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.

ARTICLE XI. Insurance.

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

(a) Casualty Insurance. The Association shall obtain insurance on the Project in such amounts as shall provide for full replacement thereof in the event of damage or destruction from the casualty against which such insurance is obtained, all in the manner in which a corporation owning similar multiple family residential buildings in the vicinity of the Project would, in the exercise of prudent business judgment, obtain such insurance. Such insurance shall include fire and extended coverage, vandalism and malicious mischief, war risk insurance if available and if deemed appropriate by the Association, and such other risks and hazards against which the Association shall deem it appropriate to provide insurance protection. The Association may comply with the above requirements by the purchase of blanket coverage and may elect such "deductible" provisions as in the Association's opinion are consistent with good business practice.

(b) Public Liability and Property Damage Insurance. The Association shall purchase broad form comprehensive liability coverage in such amounts and in such forms as it seems advisable to provide adequate protection. Coverage shall include without limitation, liability for personal injuries, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operation, maintenance and other use of the Project.

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

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

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

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

(a) Personal Property Casualty Insurance. The Association may in its discretion, obtain insurance on the personal property and furnishings initially placed in the Units of Owners by

Declarant upon completion of construction of the Project in such amounts as shall provide for the full replacement thereof in the event of damage or destruction from casualties against which such insurance is obtained.

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

Section 11.3 Form. Casualty insurance shall be carried in a form or forms naming the Association the insured as trustee for the Owners, which policy or policies shall specify the interest of each Condominium Owner (Owner's name, Unit number, the appurtenant undivided interest in the Common Area) and which policy or policies shall provide a standard loss payable clause providing for payment of insurance proceeds to the Association as trustee for the Owners and for the respective first Mortgagees which from time to time shall give notice to the Association of such first Mortgages, such proceeds to be used in accordance with this Declaration. Each policy shall also provide that it cannot be cancelled by either the insured or the insurance company until after ten (10) days' prior written notice is first given to each Owner and to each first Mortgagee. The Association shall furnish to each Owner who requests it and to the Declarant a true copy of such policy together with a certificate identifying the interest of the Owner. All policies of insurance shall provide that the insurance thereunder shall be invalidated or suspended only in respect to the interest of any particular Owner guilty of breach of warranty, act, omission, negligence or non-compliance with any provision of such policy, including payment of the insurance premium applicable to that Owner's interest, or who permits or fails to prevent the happening of any event, whether occurring before or after a loss, which under the provisions of such policy would otherwise invalidate or suspend the entire policy. All policies of insurance shall provide further that the insurance under any such policy as to the interest of all other insured Owners not guilty of any such act or omission, shall not be invalidated or suspended and shall remain in full force and effect.

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

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

Section 11.5 Insurance Proceeds. The Association shall receive the proceeds of any casualty insurance payments received under policies obtained and maintained pursuant to this Article. The Association shall apportion the proceeds to the portions of the Project which have been damaged and shall determine the amount of the proceeds attributable to damage to the Common Area. To the

extent that reconstruction is required herein, the proceeds shall be used for such purpose. To the extent that reconstruction is not required herein and there is a determination that the Project shall not be rebuilt, the proceeds shall be distributed in the same manner herein provided in the event of sale of obsolete Units, as set forth in Section 13.4. Each Owner and each Mortgagee shall be bound by the apportionments of damage and of the insurance proceeds made by the Association pursuant hereto.

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

ARTICLE XII. Casualty Damage or Destruction.

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

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

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

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

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

Section 12.5 Repair or Reconstruction. As soon as practicable after receiving these estimates the Association shall diligently pursue to completion the repair or reconstruction of that part of the Project damaged or destroyed. The Association may take all necessary or appropriate action to effect repair or reconstruction, as attorney in fact for the Owners, and no consent or other action by any Owner shall be necessary in connection therewith. Such repair or reconstruction shall be in accordance with the original plans and specifications of the Project or may be in accordance with any other plans and specifications the Association may approve, provided that in such latter event the number of cubic feet and the number of square feet of any Unit may not vary by more than 5% from the number of cubic feet and the number of square feet for such Unit as originally constructed pursuant to such original plans and specifications, and the location of the Buildings shall be substantially the same as prior to damage or destruction. However, said reconstruction plans and specification may provide for a change or changes which exceed the limitations contained in the preceding sentence herein, on the condition that said changes are unanimously approved by the membership of the Association.

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

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

Section 12.8 Decision Not to Rebuild. If all Owners and all holders of first Mortgages on Condominiums agree not to rebuild, as provided herein, the Project shall be sold and the proceeds distributed in the same manner herein provided in the event of sale of obsolete Units, as set forth in Section 13.3.

ARTICLE XIII. Obsolescence.

Section 13.1 Adoption of a Plan. All record Owners, as reflected on the records of Blaine County, Idaho, of the Units may agree that the Project is obsolete and adopt a written plan for its renewal and reconstruction, which plan shall have the unanimous approval of all first Mortgagees of record at the time of the adoption of such plan. Written notice of adoption of such plan shall be given to all Owners. Such plan shall be recorded with the Recorder of Blaine County, Idaho. In the event that one or more first Mortgagees fail to approve such a proposed plan, the Association upon unanimous approval of its membership, shall have the power to pay off any such Mortgagee or Mortgagees, and to make whatever financial

arrangements are required in order to do so.

Section 13.2 Payment for Renewal and Reconstruction.

The expense of renewal or reconstruction shall be payable by all of the Owners as assessments against their respective Condominiums. These assessments shall be levied in advance pursuant to Article IX hereof and shall be allocated and collected as provided in that Article. Further levies may be made in like manner if the amounts collected prove insufficient to complete the renewal and reconstruction.

Section 13.3 Sale of Obsolete Units.

All of the 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 the event that one or more first Mortgagees fail to approve such a proposed agreement, the Association, upon unanimous approval of its membership, shall have the power to pay off any such Mortgagee or Mortgagees, and to make whatever financial arrangements are required in order to do so. In such instance the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association the Project shall be sold by the Association as attorney in fact for all of the Owners free and clear of the provisions contained in this Declaration, the Condominium Map, and the By-Laws. The sale proceeds shall be apportioned among the Owners in proportion to each Owner's percentage interest in the Common Area, exclusive of the amounts paid for personal property, and such apportioned proceeds shall be paid into separate accounts, each account representing one Condominium. Each such account shall remain in the name of the Association, and shall be further identified by the Condominium designation and the name of the Owner. From each separate account the Association, as attorney in fact, shall use and disburse the total amount of such accounts without contribution from one account to the other, first to Mortgagees and other lienors in the order of priority of their mortgages and other liens and the balance remaining to each respective Owner.

Section 13.4 Distribution of Excess.

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

ARTICLE XIV. Condemnation.

Section 14.1 Consequences of Condemnation.

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

Section 14.2 Proceeds.

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

Section 14.3 Complete Taking.

In the event that the entire Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the Condominium ownership pursuant hereto shall terminate. The Condemnation Award shall be apportioned among the Owners in proportion to each Owner's percentage interest in the Common Area, provided that if a standard different from the value of the Project as a whole is employed to measure the Condemnation Award in the negotiation, judicial decree

or otherwise, then in determining such shares the same standard shall be employed to the extent it is relevant and applicable.

On the basis of the principal set forth in the last preceding paragraph, the Association shall as soon as practicable determine the share of the Condemnation Award to which each Owner is entitled. Such shares shall be paid into separate accounts and disbursed as soon as practicable in the same manner provided in Section 13.3 of this Declaration.

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

(a) The total amount allocated to taking of or injury to the Common Area shall be apportioned in accordance with each Owner's ownership interest in the Common Area, as set forth herein;

(b) The total amount allocated to severance damages shall be apportioned to those Condominiums which were not taken or condemned;

(c) The respective amounts allocated to the taking of or injury to a particular Unit and/or improvements an Owner has made within his own Unit shall be apportioned to the particular Unit involved; and

(d) The total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable in the circumstances. If an allocation of the Condemnation Award is already established in negotiation, judicial decree, or otherwise, then in allocating the Condemnation Award the Association shall employ such allocation to the extent it is relevant and applicable. Distribution of apportioned proceeds shall be made in the same manner provided in Section 13.3 of this Declaration.

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

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

ARTICLE XV. Revocation or Amendment to Declaration.

This Declaration shall not be revoked nor shall any of the provisions herein be amended unless the Owners representing an aggregate ownership interest of 66-2/3% of the Condominiums, as reflected on the real estate records of Blaine County, Idaho, and all holders of any recorded Mortgage covering or affecting any or all of the Condominiums, whose interests as Mortgagees appear in

such records, consent and agree to such revocation or amendment by instruments duly recorded. Any such revocation or amendment shall be binding upon every Owner and every Condominium whether the burdens thereon are increased or decreased by any such amendment and whether or not the Owner of each and every Condominium consents thereto.

ARTICLE XVI. Period of Condominium Ownership.

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

ARTICLE XVII. Miscellaneous.

Section 17.1 Compliance with Provisions of Declaration and By-Laws of the Association. Each Owner shall comply with the provisions of this Declaration, the Articles of Incorporation and the By-Laws of the Association, and the decisions and resolutions of the Association adopted pursuant thereto as the same may be lawfully amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due and for damages or injunctive relief or both, maintainable by the Association on behalf of the Owners, or, in a proper case, by an aggrieved Owner.

Section 17.2 Registration of Mailing Address. Each Owner shall register his mailing address with the Association and all notices or demands intended to be served upon any Owner shall be in writing and shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the Owner at such registered mailing address. All notices or demands intended to be served upon the Association shall be in writing and shall be given by registered or certified mail, postage prepaid, to the address of the Association as designated in the By-Laws of the Association. All notices or demands to be served on Mortgagees pursuant hereto shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the Mortgagee at such address as the Mortgagee may have furnished to the Association in writing. Unless the Mortgagee furnishes the Association such address, the Mortgagee shall be entitled to receive none of the notices provided for in this Declaration. Any notice referred to in this Section shall be deemed given when deposited in the United States mail in the form provided for in this Section.

Section 17.3 Transfer of Declarant's Rights. Any right or any interest reserved hereby to the Declarant may be transferred or assigned by the Declarant either separately or with one or more of such rights or interests, to any person or entity.

Section 17.4 Owner's Obligations Continue. All obligations of the Owner under and by virtue of the provisions contained in this Declaration shall continue, notwithstanding that he may have leased or rented said interest as provided herein, but the Owner of a Condominium shall have no obligation for expenses or other obligations accruing after he conveys such Condominium.

Section 17.5 Number and Gender. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

Section 17.6 Severability. If any of the provisions of this Declaration or any clause, paragraph, sentence, phrase or word, or the application thereof, in any circumstances be invalidated, such invalidity shall not affect the validity of the remainder of the Declaration, and the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstance shall not be affected thereby.

Section 17.7 Statute. The provisions of this Declaration shall be in addition and supplemental to the Condominium Property Act of the State of Idaho and to all other applicable provisions of law.

Section 17.8 Consent. The undersigned Declarant, Ketchum Properties, hereby consents to the recordation of the within Condominium Declaration, together with a plat or plats of the real property affected hereby, pursuant to the Condominium Property Act of the State of Idaho.

This Declaration is executed this _____ day of _____, 1979.

KETCHUM PROPERTIES, a limited
partnership

By: _____
Bryan S. Hall
General Partner

ACKNOWLEDGMENT

STATE OF _____)
County of _____) ss.

On this _____ day of _____, 1979, before me, the undersigned, a Notary Public in and for said State, personally appeared BRYAN S. HALL, and acknowledged to me that he executed the within instrument.

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 _____
Residing at _____
Commission expires _____

(Seal)

EXHIBIT A

LEGAL DESCRIPTION OF KNOB HILL RIDGE CONDOMINIUMS

Lots 1 through 4, Block 28, and 1/2 of 8th Street, and
1/2 of Leadville Avenue - north and south only as it
borders Lots 3 and 4, Ketchum, Blaine County, Idaho.

EXHIBIT B

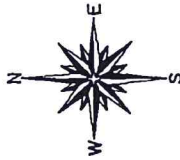
TO CONDOMINIUM DECLARATION FOR
KNOB HILL RIDGE CONDOMINIUMS

Unit	Percentage of Ownership Interest in Common Area
1-A	9.46%
2-A	8.60%
3-A	8.96%
4-A	8.60%
5-A	9.79%
6-A	10.13%
7-A	10.59%
8-B	11.29%
9-B	11.62%
10-B	10.96%

Knob Hill Ridge Condominiums

LOCATED IN
 LOTS 1, 2, 3 & 4, BLOCK 28, KETCHUM TOWNSITE
 AND VACATED PORTIONS OF
 EIGHTH STREET AND LEADVILLE AVENUE

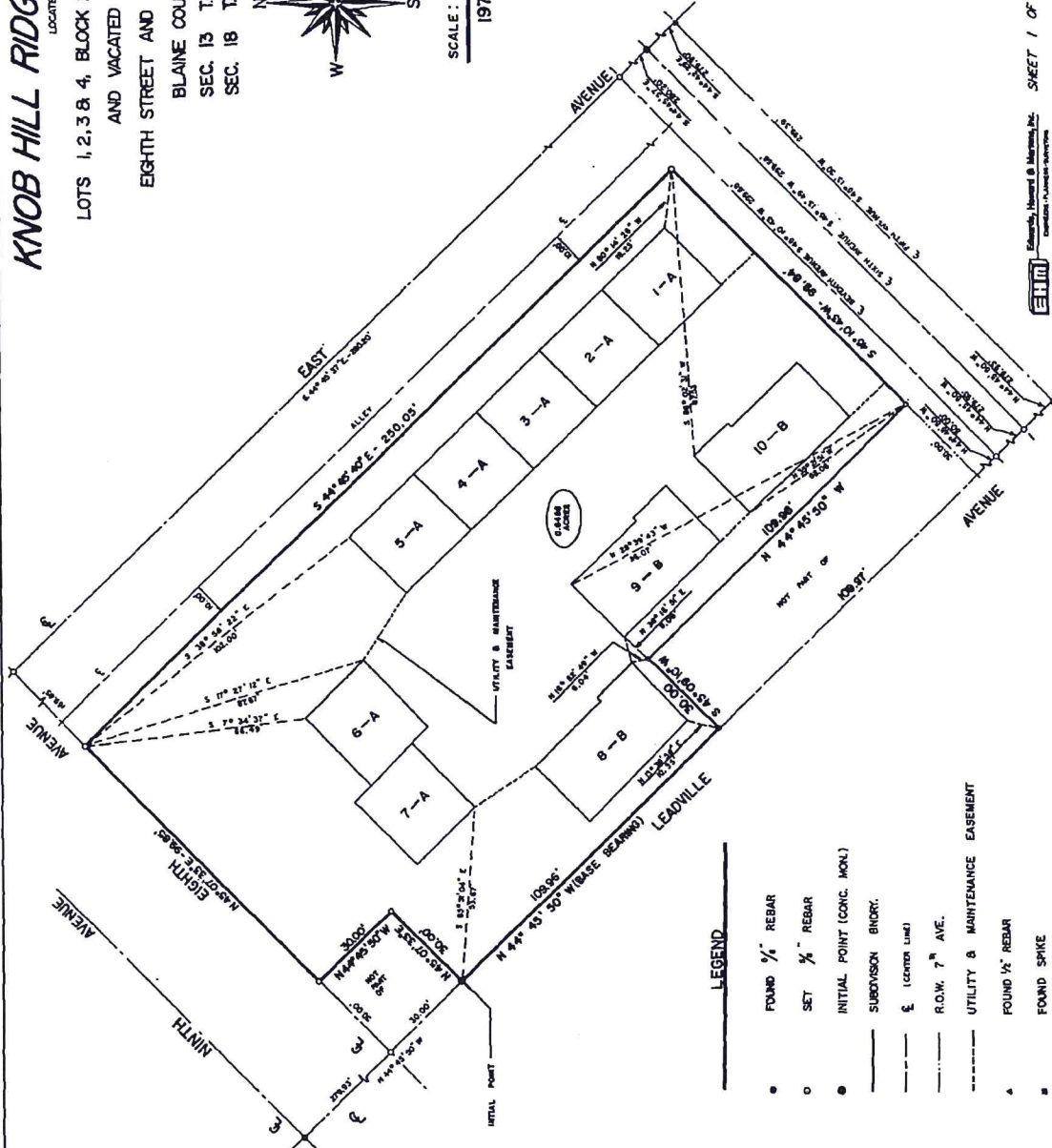
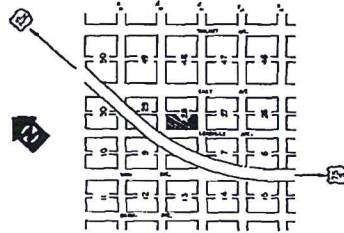
BLAINE COUNTY, IDAHO
 SEC. 13 T4N. R. 17E B.M.
 SEC. 18 T4N. R. 18E B.M.



SCALE: 1" = 20'
 1979

NOTE
 BUILDING TIES ARE TO EXTERIOR
 CORNERS OF FOUNDATIONS.

VICINITY SKETCH
 NO SCALE



LEGEND

- FOUND 1/2" REBAR
- SET 1/2" REBAR
- INITIAL POINT (CONC. MON.)
- SUBDIVISION BOUNDARY
- E (CENTER LINE)
- R.O.W. 7' AVE.
- UTILITY & MAINTENANCE EASEMENT
- ▲ FOUND 1/2" REBAR
- FOUND SPIKE

Handwritten signature/initials

© 1999 by The McGraw-Hill Companies

NOB HILL RIDGE CONDOMINIUMS

NOTES

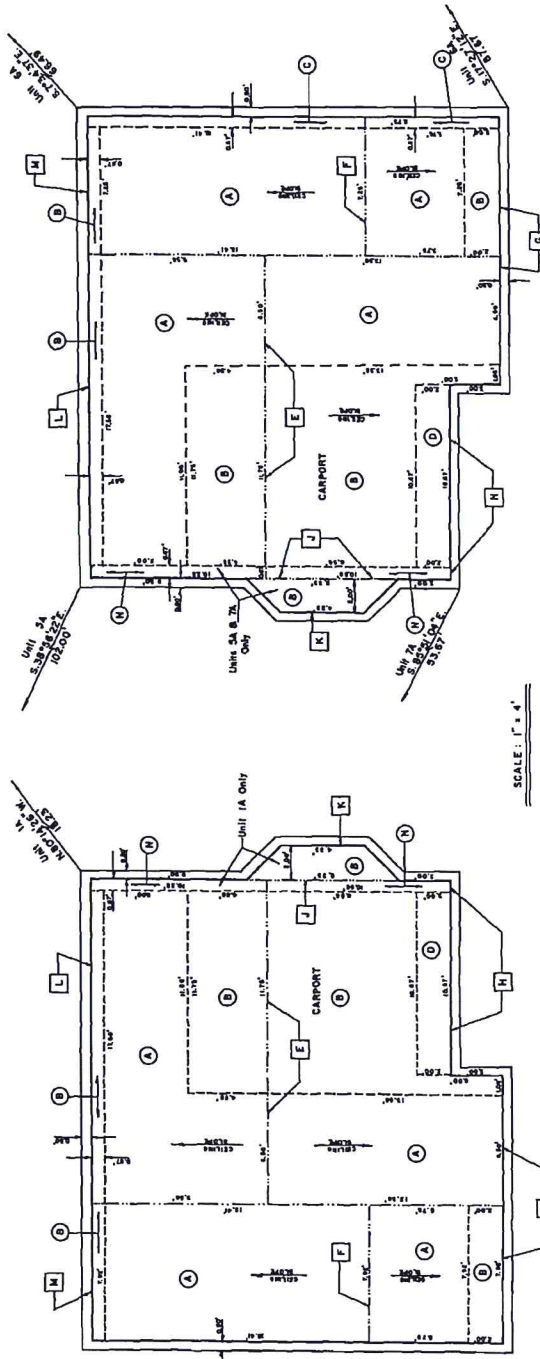
1. Vertical limits of ownership are top of finished floors and bottom of finished ceilings for Units 1-4 through 7-4.
2. Horizontal limits of ownership are interior finished walls for Units 1-4 through 7-4.
3. Vertical and horizontal limits of ownership are the building exterior as defined by the Condominium Declaration for Units 8-8 through 10-8.
4. Building limit are to exterior corners of foundations.
5. In interpreting the declaration, plans and deeds, the existing physical boundaries of the land shall prevail over the recorded plat, and the recorded plat shall prevail over the plat as amended to be its boundary reference from the most recent boundary expressed or depicted in the declaration, plans or deeds. Repetition of existing or former segments of the building and representation of minor variations between boundaries shown in the declaration, plans or deeds and the actual boundaries existing in the buildings.

LIMITS OF VERTICAL OWNERSHIP

[illegible]

LEGEND

- | | | | | | |
|-------------------------------------|-------------------------------------|-----------------|-----------------|--------------------------------|---------------|
| Change in Upper Limits Of Ownership | Change in Lower Limits Of Ownership | Lower Elevation | Upper Elevation | Horizontal Limits Of Ownership | Exterior Wall |
| ----- | ----- | | | ----- | ----- |
| | | (D) | (M) | | |



UNITS 4A, 5A, 6A, 7A

UNITS 1A, 2A, 3A

EW
 Prepared by
 Edwards, Howard & Mortens, Inc.
 CHICAGO/PLANNED/VALUATION

SHEET 2 OF 4

Knob Hill Ridge Condominiums

Knob Hill Ridge Condo
Folder 1

LEGEND

Building Exterior
Change in Vertical Ownership
Horizontal Limits of Easement
Lower Limits of Vertical Ownership
(See Table Below For Elevations)

LOWER LIMITS OF VERTICAL OWNERSHIP

Unit	P	Q	R	S	T	U
UNIT 8B	580.00	580.00	580.00	580.00	580.00	580.00
UNIT 9B	580.00	580.00	580.00	580.00	580.00	580.00
UNIT 10B	580.00	580.00	580.00	580.00	580.00	580.00

NOTES

1. Building lines are to exterior corners of foundations.

Prepared By
Edward, Howard & Associates, Inc.
6000 12th Avenue, Suite 100
Denver, CO 80202

