

ANNEXATION, ZONING AND DEVELOPMENT

THIS AGREEMENT entered into this 17th day of December, 1983, by and between the City of Ketchum, Idaho, an Idaho corporation, hereinafter "Ketchum", and Northwood Associates, an Idaho limited partnership and Northwood, Inc., an Idaho corporation, jointly and severally, (hereinafter collectively referred to as "Northwood").

R E C I T A L S:

This Agreement is predicated upon the following facts:

1. Ketchum is a municipal corporation having all powers granted municipalities including the power to contract (Idaho Code Section 50-301), power to annex (Idaho Code Section 50-222), power to approve planned unit developments and special use permits (Idaho Code Section 67-6512 and 6515) and power of home rule (Idaho Code Section 50-301).
2. Northwood Associates, an Idaho limited partnership, and Northwood, Inc., an Idaho corporation, own a tract of land adjacent and contiguous to the northerly municipal boundary of Ketchum, more particularly described in Exhibit A attached hereto and made a part hereof (hereinafter referred to as the "Property"), on which Northwood proposes a planned unit development (hereinafter also referred to as "PUD").
3. On May 4, 1983, Northwood filed the following with Ketchum: Request for annexation into the City of Ketchum, Idaho; Request for Certain Zoning upon Annexation; Application for a Conditional Use Permit for a Planned Unit Development; Application for Subdivision Plat approval of the four large lot Planned Unit Development Subdivision; and, Applications for Subdivision Plat approvals of the resubdivision of each of the four large lots. Ketchum, in accordance with Section 67-6525, Idaho Code, considered zoning for the Property upon

annexation consistent with the Ketchum Comprehensive Plan.

4. The Property, if developed under regulations other than Ketchum's, will in the long run be detrimental to Ketchum, by effect upon water supply, contamination of the aquifer, traffic patterns, densities and other factors. Therefore, Ketchum and Northwood wish to agree upon the sequence and timing of development, provision of necessary improvements, open space, on-site and off-site improvements, and minimizing the fiscal impact of the development upon Ketchum in order to promote the general health and welfare of the citizens of Ketchum and the future residents of the Northwood PUD.

5. Ketchum has given legal notice and has held the lawfully required public hearings and meetings for consideration of Northwood's applications and annexation of the Property.

6. It is in the best interests of Ketchum and Northwood that the Property be annexed into Ketchum in accordance with the Northwood Planned Unit Development Plan and PUD - Conditional Use Permit, and that Ketchum and Northwood enter into this Agreement. Ketchum has further found that the health, safety and welfare of the people of Ketchum is thereby promoted and not adversely impacted by approval of the Northwood Planned Unit Development in accordance with the Conditional Use Permit. Development Plan and Northwood Construction Plans subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutually dependent promises, covenants and agreements contained herein, the parties hereto agree as follows:

1. Definitions and General Restrictions. Throughout this Agreement, the following terms are defined and certain restrictions placed upon the areas so defined as follows:

1.1 Planned Unit Development Plan. The Northwood Planned Unit Development Plan (hereinafter referred to as the "PUD Development Plan") consists of the Development Plan consisting of three (3) pages, copies of which are attached hereto and made a part hereof as Exhibit B, together with the Northwood Construction Drawings consisting of eight (8) pages which are attached hereto and made a part hereof as Exhibit C, and the PUD - Conditional Use Permit approved by Ketchum for the Northwood PUD, a copy of which is attached hereto and incorporated herein as Exhibit D, and it is agreed between the parties that Exhibit B of said PUD - Conditional Use Permit is comprised of and identical to Exhibit A and Exhibit C of this Agreement and therefore Exhibit B of said PUD - Conditional Use Permit is not attached hereto to avoid duplication of exhibits, however, said Exhibit B of the PUD - Conditional Use Permit is specifically incorporated herein and made a part hereof by reference. The four large lots within the Planned Unit Development Plan are further defined and development therein restricted as follows:

(a) Large Lot Number 1 shall be comprised of fifteen (15) single family residential lots according to the approved preliminary plat of the resubdivision of Large Lot Number 1, a copy of which is attached hereto and incorporated herein as Exhibit E, zoned Limited Residential Zoning District. No further subdivision of said lots shall be permitted.

(b) Large Lot Number 2 shall be comprised of seven (7) single family residential lots according to the approved preliminary plat of the resubdivision of Large Lot Number 2, a copy of which is attached hereto and incorporated herein as Exhibit F, zoned Limited Residential Zoning District pursuant to Ordinance Number 203. No further subdivision of

... Ordinance Number 208. It is hereby expressly agreed that the density of said Lot 1 shall be eighty-five (85) multiple family dwelling units if the lot is developed as a single parcel, although developed in phases, subject to the City of Tetchum's Design Review Ordinance in effect at the date of application. In the event that the property or a portion thereof owned by Upland Industries, Inc., a legal description of which is attached hereto and incorporated herein as

Exhibit G, or the property or portion thereof owned by Oregon Short Line Railroad or Union Pacific Railroad Company, Inc., hereinafter described, is not included in the final plat of the IUD four lot subdivision, the eighty-five (85) unit density of Lot 3 shall be reduced by a proportion equal to that which the acreage of said property bears to the acreage of Lot 3, outside of the flood plain and floodway and excluding the area encompassed by the Park rounded to the nearest whole unit number. In the event that property owned by Oregon Short Line Railroad or Union Pacific Railroad Company, Inc., a legal description of which is attached hereto and made a part hereof by reference as Exhibit H, is not included in the final plat of the IUD four lot subdivision, said property shall be deleted from Large Lot Number 4. In either event, this Agreement shall have no force and effect concerning said Upland or Union Pacific Railroad parcel.

(d) Large Lot Number 4 shall be a single lot subject to further subdivision zoned Light Industrial Zoning District pursuant to Ordinance Number 208. Vehicle access and circulation shall be provided to said lot through the resubdivision or development thereof. No curb cuts shall be

permitted onto the Connector Road as shown on the PUD Development Plan. Parking along that portion of the connector road which abutts said lot shall be permitted subject to Ketchum's police powers. It is intended by the parties that Lewis Street will be extended to said Lot 4 upon resubdivision thereof. There shall be no access to Lot 4 from State Highway 75, except access to the pressure reducing station site.

1.2 Ketchum Subdivision Ordinance. This shall refer to Ketchum Subdivision Ordinance Number 316 adopted December 28, 1979 by Ketchum and all amendments thereto and all subsequently adopted subdivision ordinance(s).

1.3 Ketchum Zoning Ordinance. This shall refer to Ketchum Ordinance Number 208 adopted April 24, 1974 and all amendments thereto and all subsequently adopted zoning ordinance(s).

1.4 Comprehensive Plan. This shall refer to that Plan adopted by Ketchum on April 8, 1983 and all amendments thereto and all subsequently adopted comprehensive plan(s).

1.5 Connector Road. This shall refer to the main arterial road from Highway 75 through the Planned Unit Development in accordance with the PUD Development Plan. The Connector Road may also be referred to as the Saddle Road Connector.

1.6 PUD Four Lot Subdivision. This shall refer to the preliminary plat of the Property into four (4) large lots as shown on Exhibit B, page one, attached hereto.

2. Sequence of Development. Northwood shall proceed to obtain final plat approval of the PUD four lot subdivision, then the final plat approval of the resubdivision of Large Lots 1 and 2, and then shall proceed to obtain preliminary and final plat approval of Large Lots 3 and/or 4 in such a

fashion that the character and aesthetic value of the PUD is maintained at all times. Each phase shall contain all the necessary elements and improvements to exist independently from proposed future phases.

3. Improvements, Amenities, Facilities, Services and Fees.

Northwood shall construct, at its sole expense, the following public improvements, amenities, facilities and services in accordance with the Planned Unit Development Plan, and Northwood shall pay certain fees, as set forth hereinbelow. Northwood requests water and sewer service from Ketchum by extension of the municipal water system and sewerage system as herein provided. The underground improvements including water, sewer, gas and electric shall be installed prior to construction of the roads. All improvements shall be constructed in accordance with the PUD Development Plan, detailed construction specifications, and the standards of Ketchum in effect at the time of construction. The detailed construction specifications shall be prepared by Northwood and approved by Ketchum prior to construction. Prior to acceptance of said improvements by Ketchum, Northwood shall provide Ketchum with "as built" drawings of each system.

3.1 Streets. All streets, bicycle paths, equestrian paths, other public ways and related improvements shall be constructed by Northwood, at its sole expense, and in accordance with the PUD Development Plan prior to final plat approval of the PUD four lot subdivision. Northwood shall construct the connector road from the intersection of Saddle Road and Highway 75 southerly toward Warm Springs Road as shown on the PUD Development Plan during the spring and summer of 1984. The real property for said streets, paths, rights-of-way and related improvements shall be deeded to Ketchum by Northwood by warranty deed free of liens and encumbrances

immediately upon annexation, copies of the legal description of which are attached hereto as Exhibit I. Upon completion of construction, inspection and approval of the streets, bicycle path, equestrian path and related improvements, the same shall be dedicated to Ketchum prior to final plat approval of the PUD four lot subdivision. Upon completion of connector road, Northwood shall deed to Ketchum by warranty deed the additional land included within the road and bicycle path fill from toe of slope to toe of slope as surveyed by Northwood.

In the event that Ketchum must acquire real property or portions thereof as described in Exhibit G and/or Exhibit H, in order for Northwood to construct the connector road as shown in the PUD Development Plan, by negotiated purchase or eminent domain proceedings, then Northwood shall pay as an additional impact fee the purchase price, damages for condemnation and other related costs incurred by Ketchum as a result thereof. Northwood shall secure performance thereof by providing an irrevocable letter of credit in the sum of Two Hundred Twenty-Five Thousand and no/100 Dollars (\$225,000.00) for the benefit of and to be drawn by Ketchum from First Interstate Bank, N.A., Ketchum Branch, a copy of which is attached hereto as Exhibit J and made a part hereof by reference. Ketchum has the right to draw against said letter of credit upon acceptance of an offer by Ketchum to purchase such property or in order for Ketchum to deposit in Court as part of an eminent domain proceeding. In consideration for payment of said additional impact fee, Ketchum shall deed to Northwood all parcels of property acquired by Ketchum as uneconomic remnants and not portions of the Connector Road as shown on the PUD Development Plan.

Northwood shall dedicate to Ketchum at the time of

annexation the public easements shown on the PUD Development Plan. Northwood shall not construct fences or other improvements except those shown on the PUD Development Plan within the area of said easements.

3.2 Landscaping and Street Lighting. Northwood, at its sole expense, shall landscape the Planned Unit Development and install street lighting, street signs and other related improvements in accordance with the PUD Development Plan. Said improvements located in any public right-of-way shall be constructed, and upon inspection and approval, dedicated by Northwood to Ketchum prior to final plat approval of the PUD four lot subdivision.

3.3 Water System Improvements shall be constructed by Northwood, at its sole expense, as follows:

(a) Water Well. Northwood shall drill a six (6) inch test well at the site or sites designated by J.U.B. Engineers, Inc. within five (5) months of the execution of this Agreement or earlier at the option of Ketchum if Ketchum plows snow from the test well site(s). Said test well shall be tested and certified for maximum possible water flow by J.U.B. Engineers, Inc. of Twin Falls, Idaho. In the event that said test well does not provide a minimum flow of 600 gallons per minute, Northwood shall drill test wells on sites selected by Northwood and approved by Ketchum until the minimum flow of 600 gallons per minute is provided, either by a single well or the aggregate of wells. When the flow, as tested above meets the minimum flow requirement of 600 gallons per minute, then Northwood shall contract with J.U.B. Engineers, Inc. to design the pump system and associated telemetry for the maximum water flow of said well or wells up to a maximum flow of 1,000 gallons per minute as determined by J.U.B. Engineers, Inc., and Northwood shall construct

said well or wells and connect same to the municipal water system at its sole expense. In the event the test well results indicate that the well will produce more than 1,000 gallons per minute, Ketchum shall have the right to notify Northwood and Northwood shall upon said notification design the well and pump system for a maximum flow not to exceed 1,500 gallons per minute, and Ketchum shall pay the increased construction costs of the pumping facility necessary to increase the flows of said wells above 1,000 gallons per minute. Said increased costs shall be calculated at twenty percent (20%) of the entire construction cost of the well excepting thereof telemetry. Upon certification of flow and designation of the well site(s) by J.U.B. Engineers, Inc., Northwood shall convey to Ketchum by warranty deed free of liens and encumbrances the well site or sites together with access and utility easement(s) thereto and the area of said well site(s) shall be outside of the flood plain and of sufficient size and location to comply with all laws, rules and regulations of the State of Idaho. Northwood shall construct said well or wells, pump system and associated telemetry, and connect the telemetry to the municipal booster pump well house and connect said well(s) to the municipal water system during spring and summer of 1984. Upon final inspection and approval, Northwood shall dedicate same to Ketchum in consideration for the provision by Ketchum of domestic flows and fire flows with a minimum residual water pressure of twenty (20) pounds per square inch (p.s.i.) of 3,500 gallons per minute to the Light Industrial large lot and 3,500 gallons per minute for the General Residential - low lot and 1,250 gallons per minute to the single family residential lots upon completion of the water system improvements by Northwood pursuant to paragraph 3.3 in accordance with

the PUD Development Plan and construction of the water line pursuant to paragraph 3.3(d). In the event Ketchum is prevented from extending the municipal water system to Northwood then Northwood shall not have to construct said well and shall only deed by warranty deed free and clear of liens or encumbrances the well site(s) together with access and utility easement to Ketchum, and Ketchum shall be relieved of its obligations to provide water hereunder. In the event Ketchum does not provide water to the Northwood PUD, then the parties acknowledge that certain construction and permitted uses within the Northwood PUD may not be allowed until adequate water flows and pressures for domestic and fire flows are provided in accordance with the applicable ordinances, Uniform Fire Code, Uniform Building Code and Ketchum's Water System Ordinances, and laws and regulations of the State of Idaho, then in effect.

(b) In addition to the water well referred to in paragraph 3.3(a) above, Ketchum shall make application for and use its best efforts to obtain a permit for and Northwood shall construct, at its sole expense, an eight (8) inch water well at the site agreed to between the parties prior to final plat approval of the PUD four lot subdivision. Prior to final plat approval of the PUD four lot subdivision, Northwood shall dedicate said eight (8) inch well and well site to Ketchum and Ketchum shall lease back said well to Northwood for a period of fifty (50) years in consideration of Northwood's agreement to bear all expenses of operation, maintenance, replacement, and all other costs related to said well. Northwood shall have the right to assign said lease to the master homeowners' association created to manage the Northwood PUD. Said well shall be used by Northwood to provide water for the landscaping of the Project as shown

on the PUD Development Plan.

(c) Water Distribution System. The municipal water system of Ketchum shall be extended by Northwood, at its sole expense, throughout the Northwood PUD. Said system shall be designed and constructed by Northwood in conformance with the PUD Development Plan. Prior to final plat approval of the PUD four lot subdivision, Northwood shall construct said water system and upon final inspection and approval by Ketchum, Northwood shall dedicate same to Ketchum, and, thereafter, Ketchum shall assume all responsibility for said water system. In the event that Ketchum does not provide water to the Northwood PUD, then Northwood shall not extend the municipal water distribution system and Ketchum shall be relieved of its obligation to provide water. Northwood shall amend the water system construction drawings to lawfully intersect and protect any water lines existing within the Northwood PUD, and the final plat of the PUD four lot subdivision shall delineate any existing easements with regard to such water lines.

(d) Northwood, at its sole expense, shall extend the twelve (12) inch municipal water line at such time as the necessary right-of-way or easements becomes available for such use by Ketchum or Northwood from the municipal water line located on real property owned by the Presbyterian Church of the Bigwood up the connector road to its intersection with Highway 75. Should the final engineering studies made by J.V.B. Engineers, Inc. for Northwood establish that the water main from Warm Springs Road need not be twelve (12) inches to serve the fire flow requirements for development of Lot 3 and/or Lot 4 of the PUD four lot subdivision, then Northwood shall install said twelve (12) inch line and Ketchum shall pay Northwood the difference in cost of water

...from the region of which water pipe and the leader
...determined by J. H. Engineers, Inc. in cash at the
...of dedication of the larger water main size. Ketchum
...obtain the necessary right-of-way or easements for
...water line within two (2) years of the execution of
...this Agreement. Also, Northwood may file a certificate of
...financial contribution for its actual cost of construction
...of that portion of the construction of said water line
...pursuant to Ordinance Number 328.

(e) Northwood shall construct, at its sole
expense, the landscape irrigation system in accordance
with the PUD Development Plan prior to final plat approval
of the PUD four lot subdivision. Detailed construction
plans shall be submitted by Northwood and approved by Ketchum
prior to construction.

(f) Water User Fees. Users of said system
on the Property shall pay the normal monthly service fees
and such other charges, fees and assessments at the same
rate as other equivalent users on the Ketchum municipal
water system.

(g) Northwood shall dedicate to Ketchum a
site for construction, operation and maintenance for an
underground pressure reduction system and an access and
utility easement thereto upon annexation. Said site and
easement shall be located in the sixty (60) foot wide landscaping
easement adjacent to Highway 75 as shown on Exhibit B.

3.4 Sewer shall be constructed by Northwood as
follows:

(a) The Ketchum sewerage system shall be
extended by Northwood, at its sole expense, throughout the
Northwood PUD with pipelines, pumping facilities, manholes,
service stubs to each building lot and other necessary

improvements in accordance with the PUD Development Plan. All said improvements are designed and shall be constructed in accordance with the standards of the State of Idaho, Department of Health and Welfare, Division of Environment and Ketchum.

(b) Northwood shall extend the Lewis Street sewer line north to serve its Large Lot 1 and Large Lot 2 and Light Industrial Large Lot 4 resubdivision according to the PUD Development Plan. In the event a pump station is necessary to serve the development of Lot 3 or Lot 4 or any portion thereof, Northwood, at its sole expense, shall construct same at a location agreed upon between the parties.

(c) Dedication. Prior to final plat approval of the PUD four lot subdivision, Northwood shall construct said sewer system and after final inspection and approval by Ketchum, Northwood shall dedicate same to Ketchum and Ketchum shall assume all responsibility for said sewer system.

(d) Sewer User Fees. All fees, charges and assessments for use of the Ketchum sewer and collection lines shall be at the rate equivalent to such fees, charges and assessments charged to other similar users except as otherwise herein provided. The present fees set by ordinance or resolution of Ketchum with regard to sewer service are set forth in Exhibit K, attached hereto and made a part hereof by reference, which are subject to change.

(e) Sewer Connection Fee. Northwood shall pay Ketchum a sewer capital improvement fee in the sum of \$3,000.00 for each unit connected to the sewage system, or the sum due under Ketchum Ordinance Number 360, as amended, whichever is greater. Said fee shall be subject to a cost of living index based upon the Environmental Protection Agency's index of sewer plant construction. The sum so due

shall be paid at the time of making application for a building permit for each structure within the project. If said permit is not issued, said fee shall be refunded, but Northwood shall pay said permit fee at the time of subsequent building permit applications.

(f) Sewer Buy-in Fee. Northwood shall pay Ketchum a sewer buy-in fee, representing the pro-rata share of the capital improvement to date of the Ketchum Sewage Treatment Plant, in the sum of \$485.00 per unit and said fee shall be subject to a cost of living index based upon the Environmental Protection Agency's inflation index for the cost of sewage plant construction. Ketchum shall advise Northwood of any modification to said fee for any calendar year by April 1st of that year. This fee shall be paid at the time of building permit application for each structure within the project and should said permit not issue, said fee shall be refunded by Ketchum, but Northwood shall pay said permit fee at the time of subsequent building permit applications.

(g) Northwood hereby agrees to pay all said fees set forth in this Agreement voluntarily and based upon contract, and Northwood and its successors or assigns in interest to said real property or any portion thereof covenants not to sue and waives any right to rescind payment of said fees or to bring any legal action to challenge said fees or to seek to recover same. Furthermore, Northwood acknowledges and agrees that said fees are each a fair and equitable amount voluntarily agreed upon to mitigate the impact to be borne by the Ketchum Sewerage System that are specifically attributable to the annexation and development of the Property.

3.5 Dedication of City Park. At the time of annexation, Northwood shall dedicate by warranty deed free

of liens and encumbrances to Ketchum a passive public park site along the Bigwood River in a location set forth in the Northwood PUD Development Plan in an approximate size of 6.38 acres, a legal description of which is attached hereto as Exhibit L and made a part hereof by reference. Prior to September 13, 1984, Northwood shall remove debris and deadfalls from the park and correct any health hazards and may improve the channel outside the flood plain to prevent stagnant water pockets for public health reasons upon prior consent of Ketchum. Ketchum and Northwood shall enter into a maintenance agreement whereby Northwood maintains the park until 1990. Ketchum shall provide regular police patrols and shall prohibit overnight camping, and any violations of City, County or State law, commencing on the date of annexation of the Property. It is agreed that said passive park shall be open to the public from one hour before sunrise until one hour after sunset. The deed shall contain the right of reversion to the Northwood Homeowners' Association if said park is put to any other use than a passive park and well site. Ketchum shall insure the park under its umbrella liability policy and shall assume all liability for said park, however, Northwood shall hold Ketchum harmless from liability for the acts of Northwood agents and employees. In the event that Northwood is unable to deed to Ketchum said park, and the streets as required under paragraph 3.1 hereof, free and clear of liens and encumbrances immediately upon annexation, then Northwood shall immediately upon annexation deed to Ketchum said park and streets subject to such liens and encumbrances, and Northwood shall execute a lien upon the real property described in Exhibit M, which is incorporated herein and made a part hereof by reference. Northwood warrants that it holds fee simple title free and

clear and not subject to liens and encumbrances to the real property described in Exhibit M. Said Lien, a copy of which is attached hereto and made a part hereof by reference to Exhibit N, executed pursuant to Idaho Code 45-101 et seq., shall be in the sum of One Million and no/100 Dollars (\$1,000,000.00) and Ketchum shall have the right to foreclose said lien in the event Northwood does not remove the liens and encumbrances from said park and streets on or before October 15, 1984. In the event Ketchum files legal action to foreclose said lien, Northwood hereby irrevocably consents that judgement be entered in favor of Ketchum and against Northwood in said action. A default by Northwood under any terms or conditions of either of the aforesaid mortgages, which are each incorporated herein and made a part hereof by reference, shall constitute a default of this Agreement by Northwood whereupon Ketchum shall have the right to foreclose said lien. The purpose of the lien is to give Ketchum the right and funds necessary to pay off a Mortgage dated January 29, 1982 between Northwood Associates and Bigwood River Properties Associates II, and a Mortgage dated May 22, 1978 between Bigwood River Properties Associates, Inc. and John Seward Johnson, Jr., Anthony J. Beisler and Elaine Johnson Wold, and Keith Clinton Wold, Jr. as the same become due in order for Ketchum to receive the park and street properties free and clear of said encumbrances. Should said lien be foreclosed by Ketchum, any lands or monies remaining after Ketchum has foreclosed upon said real property and released said liens and encumbrances from the park and streets, if any, shall be transferred to Northwood subject to the rights of third parties, if any. Northwood shall obtain title insurance from Sawtooth Title Co., Inc. for the benefit of Ketchum in the sum of One Hundred Thousand and no/100 Dollars (\$100,000.00) insuring title to said

park, streets and property subject to said lien.

3.6 Impact Fee. In consideration for Ketchum providing essential governmental services to the Property and to mitigate the impact on Ketchum of annexing the Property, Northwood shall pay to Ketchum a general impact fee in the sum of \$2,000.00 per single family lot and per light industrial lot and per dwelling unit in the multiple family PUD subdivision Lot 3. Said fee shall be paid on a per lot basis prior to final plat approval for Large Lot 1 and 2 as herein described. Said fee shall be paid at the time of building permit application for any structure in Large Lot 3 and 4 or upon sale of all or a portion of said property, whichever shall occur first. In the event that Lot 3 of the PUD four lot subdivision is sold prior to development thereof, the amount due hereunder shall be calculated at eighty-five (85) units and if less than eighty-five (85) units are constructed upon said Lot 3, Ketchum shall reimburse Northwood upon approval of the amended development plan the fees paid for units so deleted. In the event that Lot 4 of the PUD four lot subdivision is sold prior to resubdivision thereof, the amount due hereunder shall be calculated at twenty-four (24) lots, and in the event upon resubdivision more than twenty-four (24) lots, \$2,000.00 shall be paid for each lot. It is expressly agreed that any transfer of interests between Northwood Associates and Northwood, Inc. or between the present principals of Northwood Associates and Northwood, Inc. shall not be deemed to be a sale under this paragraph 3.6. Sale of a majority of the stock of Northwood, Inc. or a majority interest of Northwood Associates to a party or parties not presently shareholders of Northwood, Inc. or partners of Northwood Associates shall be deemed a sale for the purpose of this paragraph. Northwood hereby agrees that Northwood

and its successors or assigns in interest to said real property or any portion thereof covenants to not sue and waives any right to rescind payment of said fees or to bring any legal action to challenge said fees or to seek to recover same. Furthermore, Northwood hereby acknowledges and agrees that said impact fee together with all other impact fees set forth in this Agreement are each a fair and equitable amount voluntarily agreed upon to mitigate impacts to be borne by Ketchum that are specifically attributable to the development and annexation of the Property. As a condition of final approval of the PUD four large lot plat, Northwood shall execute a lien in favor of Ketchum to secure performance of this Section which shall encumber Large Lot 3 and each of the light industrial lots within Large Lot 4.

4. City Approval. Ketchum shall consider all subsequent applications for development or subdivision plats of Lot 1, 2, 3 and 4 filed by Northwood in accordance with the approved PUD Development Plan - Conditional Use Permit and this Agreement in an efficient and expeditious manner, and shall review all applications for development of each phase of said PUD in good faith in a manner consistent therewith. Nothing contained herein is intended to limit the police powers of Ketchum or its discretion of review of a subsequent application, but in the exercise of its discretion, Ketchum shall act in a manner which is consistent with the approved Conditional Use Permit and PUD Development Plan and this Agreement. This Agreement does not prevent Ketchum in its preliminary plat and final plat approval of Project phases from applying new rules, regulations and policies so long as such rules, regulations and policies are consistent with the approvals already granted Northwood and do not impose unreasonably burdensome requirements on Northwood.

5. Force Majeure. If either party hereto is delayed

in the performance of any of its obligations hereunder because of inclement weather, labor dispute or strike, civil strife, act of God, actions by the State of Idaho or any of its agencies, or political subdivisions, the time of performance for completion of such amenity or improvement shall be extended for the same time as lost by the cause hereinabove set forth.

6. Amendment of Agreement and Changes to Development Plan.

This Agreement shall be amended or cancelled, in whole or in part, only by the mutual consent of the parties, executed in writing and evidenced by amended plat and Development Plan.

7. Default and Enforcement. In the event of a breach of this Agreement, in addition to all remedies at law and equity, this Agreement is enforceable by specific performance by either party.

8. Attorney Fees and Costs. If legal action by either party is brought because of breach of this Agreement or to enforce a provision of this Agreement, the prevailing party is entitled to reasonable attorney fees and court costs.

9. Notices. All notices required or provided for under this Agreement shall be in writing and delivered in person or sent by certified mail, postage prepaid. Notices required to be given to Ketchum shall be addressed as follows:

City of Ketchum
P.O. Box 2315
Ketchum, Idaho 83340

Notices required to be given to Northwood (as herein collectively defined) shall be addressed as follows:

Northwood, Inc.
P.O. Box 1440
Sun Valley, Idaho 83353

A party may change the address by giving notice in writing to the other party and thereafter notices shall be addressed and transmitted to the new address.

Section 3.3(b) - Improvements. Ketchum hereby finds, pursuant to the Ketchum Subdivision Ordinance that should the advent of winter weather, defined by this Agreement as October 15th, prevent completion of certain improvements within the Northwood PUD, Ketchum may allow Northwood to file an irrevocable letter of credit, upon approval by Ketchum, in lieu of completion of said improvements required prior to approval of the PUD four lot subdivision or any resubdivision. Said bonds shall be an amount equal to one hundred fifty percent (150%) of the bona fide estimated cost of said improvements. Northwood shall post the irrevocable letter of credit in the sum of One Hundred Fifty Thousand and no/100 Dollars (\$150,000.00) from First Interstate Bank, N.A., the form to be approved by Ketchum to secure performance of Northwood's obligation under paragraph 3.3(a) of this Agreement excluding cost of drilling test well or wells within fifteen (15) days of Ketchum obtaining a permit from the State of Idaho to drill the well referred to in said paragraph.

11. Agreement Subject To. As a result of Ketchum's review of Northwood's PUD, annexation and other applications, the parties have executed this Agreement which shall be subject to Ketchum's approval of the following applications and subject to annexation of the Property, to-wit:

Approval of the Northwood Planned Unit Development Plan and the Conditional Use Permit for a Planned Unit Development by Ketchum.

Northwood shall comply with the terms and conditions of said Conditional Use Permit for Planned Unit Development.

12. Relationship of Parties. It is understood that the contractual relationship between Ketchum and Northwood is such that Northwood is an independent contractor and not the agent or partner of Ketchum and that Northwood, Inc. will do

the actual development and Northwood Associates guarantees that performance.

13. Rules of Construction and Miscellaneous Terms. The singular includes the plural; the masculine gender includes the feminine; "shall" is mandatory, "may" is permissive. The captions to paragraphs of this Agreement are for convenience only and shall not be deemed to enlarge, diminish, explain or in any manner affect the meaning of such paragraphs.

14. Binding Effect and Covenants Running with the Land. This Agreement shall inure to the benefit of and be binding upon Ketchum and Northwood, their successors and assigns. This Agreement shall be a covenant running with the land and any portion thereof described in Exhibit A attached hereto and made a part hereof by reference. The words "successors and assigns" as used in this Agreement shall include all successors, assigns, personal representatives, administrators, trustees and holders of a security interest in the Property or any portion thereof or interest therein.

15. No Waiver. In the event Ketchum or Northwood does not strictly comply with any of its obligations or duties herein thereby causing a default of this Agreement, or any forbearance of any kind that may be granted or allowed by Northwood or Ketchum to the other under this Agreement shall not in any manner nor in anywise be deemed or construed or considered as waiving or surrendering any of the conditions or covenants of this Agreement or any subsequent default.

16. Recordation. This Agreement may be recorded with the Blaine County Recorder, Hailey, Idaho by either party hereto.

17. Partial Invalidity. In the event any portion of this Agreement or part thereof shall be determined by any Court of competent jurisdiction to be invalid, void, or

otherwise unenforceable, the remaining provisions hereunder, or parts thereof, shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated thereby, it being understood that such remaining provisions shall be construed in a manner most closely approximating the intention of the parties with respect to the invalid, void, or unenforceable provision or part thereof.

18. Exhibits. Attached to this Agreement and made a part of this Agreement by reference are the following exhibits:

- A - Northwood Property
- B - Northwood Development Plan - three pages
- C - Northwood Construction Plans - eight pages
- D - PUD - Conditional Use Permit
- E - Resubdivision of Lot 1
- F - Resubdivision of Lot 2
- G - Upland Property
- H - Union Pacific Railroad Property
- I - Road and Easements Legal Description
- J - Connector Road Letter of Credit
- K - Sewer Fee Schedule
- L - Park Legal Description
- M - Lien Property Description
- N - Lien

19. Authority to Execute. Each of the persons executing this Agreement represent and warrant that they have the lawful authority and authorization from their respective entities to execute this Agreement together with all deeds and lien required hereunder for and on behalf of said entity.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, in duplicate, in accordance with the laws of the State of Idaho, the date and year first written above.

NORTHWOOD ASSOCIATES, an
Idaho limited partnership,

By

Ronald J. Sharp
Title General Partner

NORTHWOOD, INC., an Idaho
corporation,

By

Ronald J. Sharp
Title President

CITY OF KETCHUM, IDAHO

By

Gerald N. Seiffert
Mayor



By

Betty A. Coles
City Clerk

STATE OF IDAHO)
) ss.
County of Blaine)

On this 19th day of December, 1983, before me, Jack Jacobus,
a Notary Public in and for said State, personally appeared
RONALD J. SHARP, known or identified to me to be a General
Partner in the partnership of Northwood Associates, and the
partner who subscribed said partnership name to the foregoing
instrument, and acknowledged to me that he executed the same
in said partnership name.

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

Jack Jacobus
Notary Public

Residing at: Bellaire Idaho

STATE OF IDAHO)
) ss.
County of Blaine)

On this 19th day of December, 1983, before me, Jane Jarboe
a Notary Public in and for said State, personally appeared
RONALD J. SHARP, known or identified to me to be the President
of the corporation that executed the instrument or the
person who executed the instrument on behalf of said corporation,
and acknowledged to me that such corporation executed the
same.

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

Jane Jarboe
Notary Public
Residing at: Pullman, Idaho



NORTHWOOD PROPERTY DESCRIPTION

This parcel is situated in Section 12, Township 4 North, Range 17 East, Boise Meridian and is more particularly described as follows:

Commencing at the SE corner of said Section 12, a brass cap;

Thence N35°23'54" W a distance of 760.72 feet to the TRUE POINT OF BEGINNING a 1/2" bar;

Thence S89°59'04" W a distance of 689.76 feet to the right-of-way line of Union Pacific Railroad, a 1/2" bar;

Thence N4°58'12" W along said right-of-way line a distance of 1280.48 feet, a 1/2" bar;

Thence S85°01'48" W along said right-of-way line a distance of 100.00 feet, a 1/2" bar;

Thence S4°58'12" E along said right-of-way line a distance of 797.88 feet, a 1/2" bar;

Thence S89°21'49" W a distance of 316.42 feet to a 1/2" bar;

Thence along a curve to the right a distance of 327.61 feet that has a radius of 432.31 feet and central angle of 43°25'12" and long chord of 319.81 feet bearing S27°18'12" E to a 1/2" bar;

Thence S5°35'36" E a distance of 111.06 feet to a 1/2" bar;

Thence along a curve to the left a distance of 39.25 feet that has a radius of 25.00 feet and central angle of 89°57'42" and long chord of 35.34 feet bearing S50°34'27" E to a 1/2" bar;

Thence N84°26'41" E a distance of 167.52 feet to a point on the west right-of-way line of Union Pacific Railroad, a 1/2" bar;

Thence S4°58'12" E along said right-of-way line a distance of 60.00 feet to a 5/8" bar;

Thence S84°26'41" W a distance of 81.82 feet to a 5/8" bar;

Thence S89°59'04" W a distance of 625.01 feet to the east bank of Big Wood River;

Thence following approximately the east bank of Big Wood River:

N63°34'14" W a distance of 188.72 feet;

N5°12'32" W a distance of 352.46 feet;

N45°45'13" E a distance of 214.98 feet;

N24°43'38" E a distance of 167.34 feet;
N22°15'19" E a distance of 374.93 feet;
N2°21'50" E a distance of 121.10 feet;
N37°59'26" W a distance of 347.67 feet;
N74°48'32" W a distance of 156.47 feet;
N29°30'41" W a distance of 182.70 feet;
N52°31'57" E a distance of 172.61 feet;
N17°19'16" E a distance of 119.85 feet to the south
boundary of Northwood Subdivision #1, a 1/2" bar;

Thence following the south boundary of Northwood Subdivision #1:

N89°58'54" E a distance of 336.79 feet to a 5/8" bar;
S4°41'06" E a distance of 55.18 feet to a 5/8" bar;
N89°58'54" E a distance of 863.48 feet to a 5/8" bar;
60.05 feet along a curve to the left that has a radius of
791.15 feet and central angle of 4°20'57" and long chord
of 60.04 feet bearing N2°11'35" W;
N89°58'54" E a distance of 230.07 feet to the SE corner
of Northwood Subdivision #1 also the west right-of-way
line of Highway 75, a brass cap set in concrete;

Thence S9°53'08" E along the west right-of-way line of Highway 75
a distance of 171.85 feet to a 1/2" bar;

Thence S80°08'15" W a distance of 100.00 feet to a 1/2" bar;

Thence S9°49'38" E a distance of 99.70 feet to a 1/2" bar;

Thence N80°10'14" E a distance of 99.78 feet to a point on the
west right-of-way line of Highway 75 a 1/2" bar;

Thence along said right-of-way line 608.76 feet along a curve to
the right that has a radius of 5680.00 feet and central angle
of 6°08'26" and long chord of 608.64 feet bearing S6°30'04" E;

Thence S3°25'51" E along said right-of-way a distance of 1033.14
feet to the TRUE POINT OF BEGINNING;

Excepting from this parcel:

Commencing at the SE corner of said Section 12;

Thence N35°23'54" W a distance of 760.72 feet;

Thence S89°59'04" W a distance of 689.76 feet;

Thence N4°58'12" W a distance of 1280.48 feet to the TRUE POINT
OF BEGINNING;

Thence N4°58'12" W a distance of 103.10 feet;

Thence N85°01'48" E a distance of 388.93 feet;

Thence S4°58'12" E a distance of 560.00 feet;

Thence S85°01'48" W a distance of 388.93 feet;

Thence N4°58'12" W a distance of 456.90 feet to the TRUE POINT
OF BEGINNING;

This parcel contains 5.00 acres.

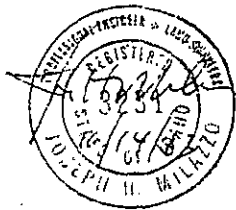
This total parcel contains 53.38 acres.

PARCEL D - Saddle Road west of Railroad property & Park Circle

An easement for a roadway located in Section 12, Township 4 North, Range 17 East, Boise Meridian, Blaine County, Idaho, more particularly described as follows:

COMMENCING at the Southeast corner of Section 12;
THENCE North 65°38'29" West 1502.84 feet to the TRUE POINT OF BEGINNING;
THENCE South 89°59'05" West 225.11 feet to a point;
THENCE 24.58 feet along a curve to the right, the radius of which is 50.00 feet and the long chord of which bears North 31°04'32" East 85.64 feet to a point;
THENCE 27.13 feet along a curve to the left, the radius of which is 25.00 feet and the long chord of which bears South 58°55'28" East 25.82 feet to a point;
THENCE North 89°59'05" East 56.26 feet to a point;
THENCE 29.46 feet along a curve to the left, the radius of which is 25.00 feet and the long chord of which bears North 56°13'10" East 27.78 feet to a point;
THENCE 35.86 feet along a curve to the left, the radius of which is 450.00 feet and the long chord of which bears North 4°40'37" East 34.85 feet to a point;
THENCE South 05°35'37" East 33.31 feet to a point;
THENCE 45.25 feet along a curve to the left, the radius of which is 25.00 feet and the long chord of which bears South 50°34'28" East 35.34 feet to a point;
THENCE North 84°26'41" East 56.47 feet to a point;
THENCE 61.09 feet along a curve to the left, the radius of which is 350.00 feet and the long chord of which bears South 21°00'05" West 61.02 feet to the TRUE POINT OF BEGINNING;

and containing 0.455 acres.

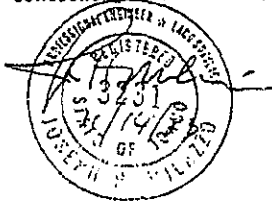


PARCEL F - Mountain View

An easement for a roadway located in Section 12, Township 4 North, Range 17 East, Boise Meridian, Blaine County, Idaho, more particularly described as follows:

COMMENCING at the Southeast corner of Section 12;
THENCE North 47°32'21" West 918.45 feet to the TRUE POINT OF BEGINNING;
THENCE South 89°59'05" West 60.00 feet to a point;
THENCE North 0°20'47" West 157.28 feet to a point;
THENCE North 06°06'24" West 399.89 feet to a point;
THENCE 132.84 feet along a curve to the left, the radius of which is 170.00 feet and the long chord of which bears North 28°29'31" West 129.48 feet to a point;
THENCE North 50°52'37" West 327.28 feet to a point;
THENCE 43.12 feet along a curve to the left, the radius of which is 25.00 feet and the long chord of which bears South 79°42'36" West 37.97 feet to a point;
THENCE 117.98 feet along a curve to the right, the radius of which is 390.00 feet and the long chord of which bears North 38°57'49" East 117.54 feet to a point;
THENCE 42.98 feet along a curve to the left, the radius of which is 25.00 feet and the long chord of which bears South 01°37'24" East 37.88 feet to a point;
THENCE South 50°52'37" East 327.58 feet to a point;
THENCE 179.72 feet along a curve to the right, the radius of which is 230.00 feet and the long chord of which bears South 28°29'31" East 175.18 feet to a point;
THENCE South 06°06'24" East 402.89 feet to a point;
THENCE South 0°20'47" East 160.66 feet to the TRUE POINT OF BEGINNING;

and containing 1.486 acres.



December 20, 1983

City of Ketchum, Idaho
P.O. Box 2315
Ketchum, Idaho 83340

Gentlemen:

We hereby establish our irrevocable and Transferable Letter of Credit No. _____, in your favor, for account of Northwood, Inc., an Idaho corporation, to the extent of Two Hundred Twenty-Five Thousand and no/100 Dollars (\$225,000.00), available by your draft(s) at sight for 100 percent statement value drawn on First Interstate Bank of Idaho, N.A. bearing the clause: "Drawn under Letter of Credit No. _____ of First Interstate Bank of Idaho, N.A.", accompanied by the following documents:

- a) The original of this Letter of Credit No. _____ and,
- b) Your signed statement that the amount drawn is required to pay for the negotiated purchase of certain real property or in order for the City of Ketchum, Idaho to deposit said sum in Court as part of an eminent domain proceeding of certain real property in accordance with the Annexation, Services and Development Agreement dated December 19, 1983.

This credit is issued to secure payment by Northwood, Inc. as set forth in said Annexation, Services and Development Agreement dated December 19, 1983, and it expires in Ketchum, Idaho on July 1, 1984. This credit will be duly honored on presentation.

The amount of each draft must be endorsed on the reverse of this credit by the negotiating bank.

Except so far as otherwise stated, this documentary credit is subject to the "Uniform Customs and Practice for Documentary Credits" (1974 revision) International Chamber of Commerce (publication #290).

FIRST INTERSTATE BANK OF IDAHO, N.A.

S. Steele
Vice President & Manager

First Interstate Bank of Idaho
is hereby instructed to comply
with the terms of this Letter
of Credit in the event that
the beneficiary (payee) makes
proper demand for payment.

NORTHWOOD, INC.

By _____
President

Northwood Associates, an Idaho limited partnership, and Northwood, Inc., an Idaho corporation, jointly and severally, do hereby accept the above Planned Unit Development Conditional Use Permit, including the Exhibits thereto, subject to the terms and conditions thereof.

NORTHWOOD ASSOCIATES, an
Idaho limited partnership,

By _____
Title

NORTHWOOD, INC., an Idaho
corporation,

By _____
Title

STATE OF IDAHO)
) ss.
County of Blaine)

On this _____ day of _____, 1983, before me, a Notary Public in and for said State, personally appeared RONALD J. SHARP, known to me to be a General Partner in the partnership of Northwood Associates, and the partner who subscribed said partnership name to the foregoing instrument, and acknowledged to me that he executed the same in said partnership name.

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

Notary Public
Residing at:

STATE OF IDAHO)
) ss.
County of Blaine)

On this _____ day of _____, 1983, before me, a
Notary Public in and for said State, personally appeared
RONALD J. SHARP, known to me to be the President of the
corporation that executed the instrument or the person who
executed the instrument on behalf of said corporation, and
acknowledged to me that such corporation executed the same.

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

Notary Public
Residing at:

NORTHWOOD PROPERTY DESCRIPTION

This parcel is situated in Section 12, Township 4 North, Range 17 East, Boise Meridian and is more particularly described as follows:

Commencing at the SE corner of said Section 12, a brass cap;

Thence N75°23'54" W a distance of 760.72 feet to the TRUE POINT OF BEGINNING a 1/2" bar;

Thence S89°59'04" W a distance of 689.76 feet to the right-of-way line of Union Pacific Railroad, a 1/2" bar;

Thence N4°56'12" W along said right-of-way line a distance of 1280.48 feet, a 1/2" bar;

Thence S95°01'48" W along said right-of-way line a distance of 100.00 feet, a 1/2" bar;

Thence S4°58'12" E along said right-of-way line a distance of 797.88 feet, a 1/2" bar;

Thence S89°21'49" W a distance of 316.42 feet to a 1/2" bar;

Thence along a curve to the right a distance of 327.61 feet that has a radius of 432.31 feet and central angle of 43°25'12" and long chord of 319.81 feet bearing S27°18'12" E to a 1/2" bar;

Thence S5°35'36" E a distance of 111.06 feet to a 1/2" bar;

Thence along a curve to the left a distance of 39.25 feet that has a radius of 25.00 feet and central angle of 89°57'42" and long chord of 35.34 feet bearing S50°34'27" E to a 1/2" bar;

Thence N84°26'41" E a distance of 167.52 feet to a point on the west right-of-way line of Union Pacific Railroad, a 1/2" bar;

Thence S4°58'12" E along said right-of-way line a distance of 60.00 feet to a 5/8" bar;

Thence S84°26'41" W a distance of 81.82 feet to a 5/8" bar;

Thence S89°59'04" W a distance of 625.01 feet to the east bank of Big Wood River;

Thence following approximately the east bank of Big Wood River:

N63°34'14" W a distance of 188.72 feet;

N5°12'32" W a distance of 352.46 feet;

N45°45'13" E a distance of 214.98 feet;

N24°43'38" E a distance of 167.34 feet;

N22°15'19" E a distance of 374.93 feet;

N2°21'50" E a distance of 121.10 feet;

N37°59'26" W a distance of 347.67 feet;

N74°48'32" W a distance of 156.47 feet;

N29°30'41" W a distance of 182.70 feet;

N52°31'57" E a distance of 172.61 feet;

N17°19'16" E a distance of 119.85 feet to the south boundary of Northwood Subdivision #1, a 1/2" bar;

Thence following the south boundary of Northwood Subdivision #1:

N89°58'54" E a distance of 336.79 feet to a 5/8" bar;

S4°41'06" E a distance of 55.18 feet to a 5/8" bar;

N89°58'54" E a distance of 963.48 feet to a 5/8" bar;

60.05 feet along a curve to the left that has a radius of 791.15 feet and central angle of 4°20'57" and long chord of 60.04 feet bearing N2°11'35" W;

N89°58'54" E a distance of 230.07 feet to the SE corner of Northwood Subdivision #1 also the west right-of-way line of Highway 75, a brass cap set in concrete;

Thence S9°53'08" E along the west right-of-way line of Highway 75 a distance of 171.85 feet to a 1/2" bar;

Thence S80°08'15" W a distance of 100.00 feet to a 1/2" bar;

Thence S9°49'38" E a distance of 99.70 feet to a 1/2" bar;

Thence N80°10'14" E a distance of 99.78 feet to a point on the west right-of-way line of Highway 75 a 1/2" bar;

Thence along said right-of-way line 608.76 feet along a curve to the right that has a radius of 5680.00 feet and central angle of 6°08'26" and long chord of 608.64 feet bearing S6°30'04" E;

Thence S3°25'51" E along said right-of-way a distance of 1033.14 feet to the TRUE POINT OF BEGINNING;

Excepting from this parcel:

Commencing at the SE corner of said Section 12;

Thence N35°23'54" W a distance of 760.72 feet;

Thence S89°59'04" W a distance of 689.76 feet;

Thence N4°58'12" W a distance of 1280.48 feet to the TRUE POINT
OF BEGINNING;

Thence N4°58'12" W a distance of 103.10 feet;

Thence N85°01'48" E a distance of 388.93 feet;

Thence S4°58'12" E a distance of 560.00 feet;

Thence S85°01'48" W a distance of 388.93 feet;

Thence N4°58'12" W a distance of 456.90 feet to the TRUE POINT
OF BEGINNING;

This parcel contains 5.00 acres.

This total parcel contains 53.38 acres.

The following are the conditions placed upon the Conditional Use Permit approved for the Northwood Planned Unit Development, as follows:

I. Conditional Use Permit for Northwood PUD

A. Connector Road

1. Dedicate r.o.w. upon annexation.
2. Construct road, curb, gutter and sidewalk and install street sign and street light at intersection with SH75 prior to final plat approval of PUD 4 lot subdivision.

B. LI Road (interior)

1. Dedicate r.o.w. upon annexation.
2. Construct road, curb, gutter and sidewalk and install street signs prior to final plat approval of PUD 4 lot subdivision.

C. Northwood Way (north of intersection with Saddle Road) and Graduate Drive (interior of large lot 1)

1. Dedicate r.o.w.s. upon annexation.
2. Construct roads and install street signs prior to final plat approval of PUD 4 lot subdivision.

D. Road and cul de sac to Park (Park Circle)

1. Dedicate r.o.w. upon annexation.
2. Construct road and install street and/or public access sign prior to final plat approval of PUD 4 lot subdivision.

E. Easements

1. Bicycle/Jogging Easements

- a. Dedicate to City upon annexation.
- b. Construct paths and install signs prior to final plat approval of PUD 4 lot subdivision.

2. Equestrian Easements

- a. Dedicate to City upon annexation.

- b. Construct paths and install sign(s) prior to final plat approval of PUD 4 lot subdivision.
3. Fisherman's Easement
- a. Dedicate upon annexation.
4. Landscape Strip along SH75
- a. Delineate landscape/no access easement along SH75 frontage on final plat of PUD 4 lot subdivision.
5. Scenic Easement along river
- a. Delineate 25' easement along river on final plat of PUD 4 lot subdivision providing for no improvements, landscaping, fences or structures allowed within said easement.
6. Drainage Easement
- a. Delineate maintenance easement on final plat of PUD 4 lot subdivision.
- F. Dwelling Unit Density
1. PUD lot 1 shall be allowed a maximum of 15 dwelling units for long term residential use.
 2. PUD lot 2 shall be allowed a maximum of 7 dwelling units for long term residential use.
 3. PUD lot 3 shall be developed in accordance with the Annexation, Services and Development Agreement under GR-1, Zoning District Long Term residential use.
 4. PUD lot 4 shall be for light industrial land use.
- G. Landscaping
1. Install landscaping and automatic irrigation systems according to plan approved prior to final plat approval of PUD 4 lot subdivision.
- II. Park
1. Dedicate to City upon annexation or as set out in Annexation, Services and Development Agreement.

2. Determine maintenance agreement with Council prior to final plat approval of PUD 4 lot subdivision.

I. Water system, sewer system and well improvements

1. Construct in accordance with Annexation, Services and Development Agreement.

J. Notes to appear on final plat of PUD 4 lot subdivision

1. No building in the flood plain with only possible exception within dedicated Park.
2. No motorized access directly onto SH75 except connector road.
3. Building envelopes for PUD lot 2 shall be identified upon its resubdivision.
4. Maintenance of drainage ditch shall be owner's responsibility.
5. Fisherman's easement as per standard City wording - allowing shifting of location as river changes.
6. 25' scenic/no building easement to prohibit landscaping, fences, improvements, structures and to allow signing.

K. Annexation

- L. Performance of Annexation, Services and Development Agreement of even date herewith.

II. Preliminary Plat of PUD 4 Lot Subdivision

Conditions to be satisfied prior to final plat approval:

1. Construct connector road, curb, gutter and sidewalk and install street sign and street light at intersection with SH75.
2. Construct interior LI road, curb, gutter and sidewalk and install street signs.
3. Construct Northwood Way and Graduate Drive and install street signs.
4. Construct road and cul de sac to Park and install street and/or public access sign.

5. Construct bicycle/ jogging paths and install signs.
6. Construct equestrian paths and install sign(s).
7. Delineate landscape/no access easement along SH75 frontage on final plat.
8. Delineate 25' easement along river providing for no improvements, landscaping, fences or structures allowed within said easement.
9. Delineate maintenance easement for drainage ditch.
10. Install landscaping and automatic irrigation system according to plan approved.
11. Determine maintenance agreement on Park with Council.
12. Construct water system, sewer system and well improvements according to Annexation, Services and Development Agreement.
13. Notes to appear on final plat:
 - a. No building in the flood plain with only possible exception within dedicated Park.
 - b. No motorized access directly onto SH75 except connector road.
 - c. Building envelopes for PUD lot 2 shall be identified upon its resubdivision.
 - d. Maintenance of drainage ditch shall be owner's responsibility.
 - e. Fisherman's easement as per standard City wording - allowing shifting of location as river changes.
 - f. 25' scenic/no building easement to prohibit landscaping, fences, improvements, structures and to allow signing.
14. Annexation.
15. Performance of Annexation, Services and Development Agreement of even date herewith.
16. Council approval of conditional use permit for PUD.
17. Construct improvements (culverts, etc. according to plans) along the drainage easement at the south boundary of the property.

III. Preliminary Plat of the Resubdivision of PUD Lot 1

Conditions to be satisfied prior to final plat approval:

1. Construct connector road, curb, gutter and sidewalk and install street sign and street light at intersection with SH75.
2. Construct Northwood Way and Graduate Drive and install street signs.
3. Construct bicycle/jogging paths and install signs.
4. Construct equestrian paths and install sign(s).
5. Delineate landscape/no access easement along SH75 frontage on final plat.
6. Install landscaping and automatic irrigation system according to plan approved.
7. Construct water system, sewer system and well improvements according to Annexation, Services and Development Agreement.
8. All notes, as shown on preliminary plat, to appear on final.
9. All easements, as shown on preliminary plat, to appear on final.
10. Annexation.
11. Performance of Annexation, Services and Development Agreement of even date herewith.
12. Council approval of conditional use permit for PUD.
13. Council final plat approval of PUD 4 lot subdivision.
14. Note to appear on final plat driveway accesses to homesites across equestrian/pedestrian easement shall be minimized, particularly on those lots also adjacent to a road other than Northwood Way.

IV. Preliminary Plat of the Resubdivision of PUD Lot 2

Conditions to be satisfied prior to final plat approval:

1. Construct connector road, curb, gutter and sidewalk and install street sign and street light at intersection with SH75.

-
2. Delineate 25' easement along river providing for no improvements, landscaping, fences or structures allowed within said easement.
 3. Construct water system, sewer system and well improvements according to Annexation, Services and Development Agreement.
 4. All notes, as shown on preliminary plat, to appear on final.
 5. All easements, as shown on preliminary plat, to appear on final.
 6. Annexation.
 7. Performance of Annexation, Services and Development Agreement of even date herewith.
 8. Council approval of conditional use permit for PUD.
 9. Council final plat approval of PUD 4 lot subdivision.
 10. Building envelopes to appear on final plat.
 11. Language in the form of a note or other documentation that the corner of lot 1 will revert to the owner of lot 1 if and when it is not used for roadway access to PUD lot 3 when developed.

CONDITIONAL USE PERMIT - PLANNED UNIT DEVELOPMENT
CITY OF KETCHUM, IDAHO

PERMIT ISSUED TO: Northwood Associates, an Idaho limited partner-
ship, and Northwood, Inc., an Idaho corporation

MAILING ADDRESS: P.O. Box 1440, Sun Valley, Idaho 83353

LEGAL PROPERTY DESCRIPTION: Attached as Exhibit A

PROPERTY ADDRESS: N/A

ZONING DISTRICT: LI, GR-L, and LR DATE APPLIED FOR: May 4, 1983

DESCRIPTION OF CONDITIONAL USE: Planned Unit Development for

Northwood PUD as set forth in PUD Development Plan attached

hereto as Exhibit B

DATE OF APPROVAL BY CITY COUNCIL: December 19, 1983

CONDITIONS OF APPROVAL: Attached as Exhibit C

THIS CONDITIONAL USE PERMIT -
PLANNED UNIT DEVELOPMENT IS
HELD BY THE APPLICANT AND
IS NON-TRANSFERABLE.

EFFECTIVENESS OF THIS
CONDITIONAL USE PERMIT -
PLANNED UNIT DEVELOPMENT
IS SUBJECT TO COMPLIANCE
WITH CONDITIONS STATED ON
EXHIBIT C.

ATTEST:

CITY CLERK

PERMIT APPROVED: December 19, 1983

APPROVED BY: City Council and

Mayor of City of Ketchum, Idaho

BY: _____
MAYOR

EXHIBIT D

26
12-19-83

LEGAL DESCRIPTION

UPLAND PARCEL

A parcel of land in Section 12, Township 4 North, Range 17 East, Boise Meridian, City of Ketchum, Blaine County, State of Idaho, more fully described as follows:

Commencing at the southeast corner of Section 12, Township 4 North, Range 17 East, Boise Meridian, thence North $50^{\circ}54'54''$ West 1414.81 feet to the Point of Beginning, said point being 50 feet distant westerly, measured at right angles of the main track of the Ketchum Branch of the Oregon Short Line Railroad tracks;

Thence South $84^{\circ}28'50''$ West 168.08 feet;

Thence 39.27 feet along a curve to the right with a central angle of $90^{\circ}00'00''$ and a radius of 25 feet with a long chord of 35.36 feet bearing North $50^{\circ}31'10''$ West;

Thence North $5^{\circ}31'10''$ West 111.18 feet;

Thence 327.28 feet along a curve to the left with a central angle of $43^{\circ}22'32''$ and a radius of 432.21 feet with a long chord of 319.51 feet bearing North $27^{\circ}12'26''$ West;

Thence North $89^{\circ}24'01''$ East 316.18 feet more or less to the said westerly boundary of the Oregon Short Line Railroad right-of-way;

Thence South $4^{\circ}58'30''$ East 405 feet along the westerly right-of-way to the point of beginning, said tract containing 91,006 square feet or 2.09 acres.

LEGAL DESCRIPTION

U.P.R.R. PARCEL

A parcel of land in Section 12, Township 4 North, Range 17 East, Boise Meridian, City of Ketchum, Blaine County, State of Idaho, more fully described as follows:

Commencing at the Southeast corner of Section 12, Township 4 North, Range 17 East, Boise Meridian;

Thence North 35°23'54" West a distance of 760.72 feet to a point;

Thence South 89°59'04" West a distance of 689.76 feet to the True Point of Beginning, said point being on the easterly boundary of the Oregon Short Line Railroad right-of-way;

Thence North 04°58'12" West a distance of 1280.48 feet to a point;

Thence South 85°01'48" West a distance of 100 feet to a point;

Thence South 04°58'12" East a distance of 797.88 feet along the westerly boundary of said railroad right-of-way to a point;

Thence continuing South 4°58'30" East along said westerly boundary of the right-of-way for a distance of 405 feet to a point;

Thence continuing South 4°58'11" East along the said westerly boundary of said right-of-way a distance of 60 feet to a point;

Thence South 89°59'04" West a distance of 100.38 feet to the Point of Beginning, said tract containing 2.9194 acres more or less.

EXHIBIT B

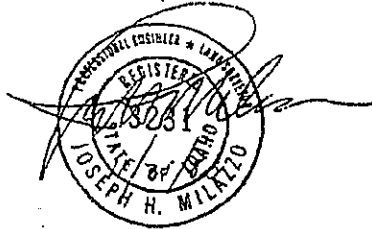
PARCEL A - Saddle Road east of Railroad right-of-way

An easement for a roadway located in Section 12, Township 4 North, Range 17 East, Boise Meridian, Blaine County, Idaho, more particularly described as follows:

COMMENCING at the Southeast corner of Section 12;
THENCE North 16°31'05" West 1779.87 feet to a point on the West right-of-way line of Highway 75, which is the TRUE POINT OF BEGINNING;
THENCE South 85°23'36" West 323.68 feet to a point;
THENCE 615.08 feet along a curve, the radius of which is 390.00 feet, and the long chord of which bears South 40°12'42" West 553.29 feet to a point of the East right-of-way line of the Union Pacific Railroad;
THENCE along said right-of-way North 04°58'12" West 296.65 feet to a point;
THENCE 5.06 feet along a curve to the right, the radius of which is 490.00 feet, and the long chord of which bears North 32°35'02" East 5.06 feet to a point;
THENCE 36.55 feet along a curve to the left, the radius of which is 25.00 feet and the long chord of which bears North 08°59'54" West 33.38 feet to a point;
THENCE North 49°33'04" West 1.06 feet to a point on the East right-of-way line of the Union Pacific Railroad;
THENCE along said right-of-way North 04°58'12" West 83.51 feet to a point;
THENCE South 50°52'37" East 58.95 feet to a point;
THENCE 36.64 feet along a curve to the left, the radius of which is 25.00 feet and the long chord of which bears North 87°07'56" East 33.45 feet to a point;
THENCE 344.24 feet along a curve to the right, the radius of which is 490.00 feet and the long chord of which bears North 65°16'02" East 337.20 feet to a point;
THENCE North 85°23'36" East 323.88 feet to a point on the West right-of-way of Highway 75;
THENCE along said right-of-way South 04°29'30" East 100.00 feet to the TRUE POINT OF BEGINNING;

and containing 1.945 acres.

Together with an easement for a bicycle path, 15 feet in width, along the entire northerly line of this parcel.



Parcel 1 - Northwood Way West of Railroad Right-of-Way

An easement for a roadway located in Section 12, Township 4 North, Range 17 East, Boise Meridian, Blaine County, Idaho, more particularly described as follows:

COMMENCING at the Southeast corner of Section 12;

THENCE North $19^{\circ}13'54''$ West 2137.71 feet to a point on the West right-of-way line of the Union Pacific Railroad, which is the TRUE POINT OF BEGINNING.

THENCE North $50^{\circ}33'34''$ West 88.52 feet to a point;

THENCE 672.75 feet along a curve to the right, the radius of which is 834.47 feet and the long chord of which bears North $27^{\circ}46'51''$ West 654.70 feet to a point;

THENCE North $04^{\circ}41'06''$ West 149.47 feet to a point on the boundary of Northwood

Subdivision No. 1;

THENCE along said boundary North $89^{\circ}58'54''$ East 60.19 feet to a point;

THENCE South $04^{\circ}41'22''$ East 144.57 feet to a point;

THENCE 568.57 feet along a curve to the left, the radius of which is 774.47 feet and the long chord of which bears South $25^{\circ}43'00''$ East 555.89 feet to a point;

THENCE 40.61 feet along a curve to the left, the radius of which is 25.00 feet and the long chord of which bears North $86^{\circ}42'54''$ East 36.29 feet to a point;

THENCE North $40^{\circ}10'41''$ East 34.16 feet to a point on the West right-of-way of the Union Pacific Railroad;

THENCE along said right-of-way South $04^{\circ}58'12''$ East 167.94 feet to the TRUE POINT OF BEGINNING.

and containing 1.22 acres.

Together with an easement 15 feet in width, for an equestrian path and for landscaping, along the easterly line of this entire parcel.

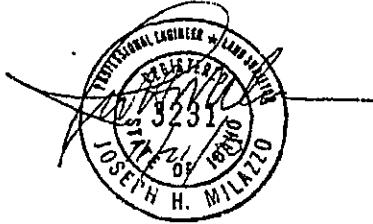


EXHIBIT K

List of Sewer Charges

1. Trunk Line Connection Charge -
either \$2.50 per equivalent frontage foot or \$0.0168 times the area in square feet; set by Ketchum Ordinance Number 254.
This charge is for all properties that were not assessed under I.I.D.1A which paid for the construction of sewer collection lines to the treatment plant. This charge is paid at the time of application for a sewer hookup.
2. Sewer Hookup Fee - \$40.00
a fee to process an application for connection to the Ketchum sewer collection system and for the inspection of the connection of the private service line to the city collection line; this fee is paid at the time of application for a sewer hookup - set by Ketchum Ordinance Number 226.
3. Sewer User Fee - billed quarterly and set by Ketchum Ordinance Number 357.
4. Sewer Capital Improvement Fee - set by Ketchum Ordinance Number 360 at a rate of \$3,000 per equivalent connection. This charge is placed on all construction or improvements that result in an increase in the use of the sewerage system. All monies collected are used to help repay the 1983 Ketchum Sewer Revenue Bond. This charge is paid at the time of building permit.

PARK DESCRIPTION

A parcel of land located in Section 12, Township 4 North, Range 17 East, Boise Meridian, Blaine County, Idaho, more particularly described as follows:

Commencing at the SE corner of Section 12, thence North $69^{\circ}39'57''$ W - 1783.53 feet to the true point of beginning;

Thence $S89^{\circ}59'04''$ W - 255.54 feet;

Thence $N63^{\circ}34'14''$ W - 188.72 feet;

Thence $N5^{\circ}12'32''$ W - 352.46 feet;

Thence $N45^{\circ}45'13''$ E - 214.98 feet;

Thence $S74^{\circ}00'05''$ E - 452.44 feet;

Thence $S14^{\circ}02'11''$ E - 82.46 feet;

Thence $S13^{\circ}34'41''$ W - 184.16 feet;

Thence $S40^{\circ}38'51''$ W - 141.21 feet;

Thence $S4^{\circ}21'19''$ W - 94.35 feet, to the true point of beginning, and containing 6.252 acres, together with an easement thereto for ingress and egress and utilities.



EXHIBIT L

LIEN PROPERTY DESCRIPTION

A parcel of land located in Section 12, Township 4 North, Range 17 East, B.M., Blaine County, Idaho more particularly described as follows:

Commencing at the southeast corner at Section 12, which is a brass cap, thence N13°45'14" W - 2598.06 feet to a brass cap which is the southeast corner of Northwood subdivision number 1 according to the official plat thereof and also the true point of beginning of this parcel;

Thence S09°53'08" E - 171.85 feet to a 1/2" iron bar;

Thence S80°08'15" W - 100.00 feet to a 1/2" iron bar;

Thence S09°49'38" E - 99.70 feet to a 1/2" iron bar;

Thence N80°10'14" E - 99.78 feet to a 1/2" iron bar;

Thence 608.76 feet along a curve to the right, the radius of which is 5680.00 feet, the central angle of which is 6°08'26" and the long chord of which bears S06°30'04" E - 608.64 feet to a brass monument in the westerly R.O.W. line of Highway 75;

Thence 101.58 feet along a curve to the left, the radius of which is 63.83 feet, the central angle of which is 91°10'33" and the long chord of which bears N49°01'06" W - 91.20 feet to a point;

Thence S85°23'36" W - 305.99 feet to a point;

Thence 122.75 feet along a curve to the left, the radius of which is 160.00 feet, the central angle of which is 43°57'28", and the long chord of which bears S63°24'51" W - 119.76 feet to a point;

Thence S41°26'53" W - 178.52 feet to a point;

Thence N50°52'37" W - 146.03 feet to a 1/2" iron bar;

Thence N04°58'12" W - 305.38 feet to a 1/2" iron bar;

Thence S53°01'48" W - 100.00 feet to a 1/2" iron bar;

Thence S04°58'12" E - 208.50 feet to a 1/2" iron bar;

Thence N50°52'53" W - 31.04 feet;

Thence 45.29 feet along a curve to the left, the radius of which is 25.00 feet, the central angle of which is 103°47'16", and the long chord of which bears S77°13'48" W - 39.35 feet to a point;

Thence 77.15 feet along a curve to the left, the radius of which is 130.00 feet, the central angle of which is 34°00'06", and the long chord of which bears S08°20'04" W - 76.02 feet to a point;

Thence S81°20'01" W - 60.00 feet to a point;

Thence S76°54'47" W - 405.35 feet to a point;

Thence N22°15'13" E - 206.93 feet to a point;

Thence N02°21'50" E - 121.10 feet to a point;

Thence N37°59'28" W - 347.67 feet to a point;

Thence N74°48'32" W - 156.47 feet to a point;

Thence N29°30'41" W - 182.70 feet to a point;

Thence N52°31'57" E - 172.61 feet to a point;

Thence N17°19'16" E - 119.85 feet to a 1/2" iron bar in the boundary of Northwood subdivision number 1 as previously described;

Thence N89°58'54" E - 336.79 feet to a 1/2" iron bar;

Thence S04°41'06" E - 55.18 feet to a 1/2" iron bar;

Thence N89°58'54" E - 863.48 feet to a 1/2" iron bar;

Thence N02°11'35" W - 60.04 feet to a 1/2" iron bar;

Thence N89°58'54" E - 230.07 feet to the true point of beginning, EXCEPTING THEREFROM the following described parcel:

This parcel is situated in Section 12, Township 4 North, Range 17 East, Boise Meridian, and is more particularly described as follows:

Commencing at the southeast corner of said Section 12;

Thence N35°23'54" W a distance of 760.72 feet to a point on the westerly right of way line of Highway 75;

Thence N3°25'51" W along said right of way line a distance of 393.70 feet;

Thence S85°01'48" W a distance of 711.19 feet;

Thence N4°58'12" W a distance of 446.67 feet;

Thence S85°01'48" W a distance of 100.00 feet;

Thence S4°58'12" E a distance of 208.50 feet;

Thence N50°55'19" W a distance of 31.04 feet;

Thence along a curve to the left a distance of 45.29 feet that has a radius of 25.00 feet and central angle of 103°47'16" with long chord of 39.34 feet bearing S77°13'45" W;

Thence along a curve to the left a distance of 77.15 feet that has a radius of 130.00 feet and central angle of 34°00'06" with long chord of 76.02 feet bearing S8°20'04" W;

Thence S81°20'01" W a distance of 60.00 feet;

Thence S76°54'47" W a distance of 57.21 feet to the TRUE POINT OF BEGINNING;

Thence S76°54'47" W a distance of 348.14 feet;

Thence S 72° 30' 41" W a distance of 112.70 feet;
Thence S 72° 30' 41" W a distance of 112.70 feet;
Thence S 72° 30' 41" W a distance of 112.70 feet;
Thence S 72° 30' 41" W a distance of 112.70 feet;
Thence S 72° 30' 41" W a distance of 112.70 feet to a point on
the south boundary of Northwood subdivision number 1;
Thence N 89° 58' 54" E along said subdivision boundary a distance
of 336.79 feet;
Thence S 4° 41' 06" E along said subdivision boundary a distance
of 55.18 feet;
Thence S 12° 47' 03" a distance of 892.49 feet to the TRUE POINT
OF BEGINNING.

The parcel described above contains 19.83 acres.



LIEN

The undersigned, Northwood Associates, an Idaho limited partnership, and Northwood, Inc., an Idaho corporation, (hereinafter collectively referred to as Northwood), of P.O. Box 1440, Sun Valley, Idaho, 83353, as owner of the following described property, and pursuant to Idaho Code 45-101 through 45-115, as amended, hereby grants this lien to the City of Ketchum, Idaho, a municipal corporation, of P.O. Box 2315, Ketchum, Idaho, 83340, (hereinafter referred to as Ketchum), on real property described as:

A parcel of land located in Section 12, Township 4 North, Range 17 East, B.M., Blaine County, Idaho more particularly described as follows:

Commencing at the southeast corner at Section 12, which is a brass cap, thence N13°45'14" W - 2598.06 feet to a brass cap which is the southeast corner of Northwood subdivision number 1 according to the official plat thereof and also the true point of beginning of this parcel;

Thence S09°53'08" E - 171.85 feet to a 1/2" iron bar;

Thence S80°08'15" W - 100.00 feet to a 1/2" iron bar;

Thence S09°49'38" E - 99.70 feet to a 1/2" iron bar;

Thence N80°10'14" E - 99.78 feet to a 1/2" iron bar;

Thence 608.76 feet along a curve to the right, the radius of which is 5680.00 feet, the central angle of which is 6°08'26" and the long chord of which bears S06°30'04" E - 608.64 feet to a brass monument in the westerly R.O.W. line of Highway 75;

Thence 101.58 feet along a curve to the left, the radius of which is 63.83 feet, the central angle of which is 91°10'33" and the long chord of which bears N49°01'06" W - 91.20 feet to a point;

Thence S85°23'36" W - 305.99 feet to a point;

Thence 122.75 feet along a curve to the left, the radius of which is 160.00 feet, the central angle of which is 43°57'28", and the long chord of which bears S63°24'51" W - 119.76 feet to a point;

Thence S41°26'53" W - 178.52 feet to a point;

Thence N50°52'37" W - 146.03 feet to a 1/2" iron bar;

Thence N04°58'12" W - 305.38 feet to a 1/2" iron bar;

Thence S58°01'48" W - 100.00 feet to a 1/2" iron bar;

Thence S04°58'12" E - 208.50 feet to a 1/2" iron bar;

Thence N50°52'53" W - 31.04 feet;

Thence 45.29 feet along a curve to the left, the radius of which is 25.00 feet, the central angle of which is 103°47'16", and the long chord of which bears S77°13'48" W - 39.35 feet to a point;

Thence 77.15 feet along a curve to the left, the radius of which is 130.00 feet, the central angle of which is 34°00'06", and the long chord of which bears S08°20'04" W - 76.02 feet to a point;

Thence S81°20'01" W - 60.00 feet to a point;

Thence S76°54'47" W - 405.35 feet to a point;

Thence N22°15'19" E - 204.93 feet to a point;

Thence N02°21'50" E - 121.10 feet to a point;

Thence N37°59'26" W - 347.67 feet to a point;

Thence N74°48'32" W - 156.47 feet to a point;

Thence N29°30'41" W - 182.70 feet to a point;

Thence N52°31'57" E - 172.61 feet to a point;

Thence N17°19'16" E - 119.85 feet to a 1/2" iron bar in the boundary of Northwood subdivision number 1 as previously described;

Thence N89°58'54" E - 336.79 feet to a 1/2" iron bar;

Thence S04°41'06" E - 55.18 feet to a 1/2" iron bar;

Thence N89°58'54" E - 863.48 feet to a 1/2" iron bar;

Thence N02°11'35" W - 60.04 feet to a 1/2" iron bar;

Thence N89°58'54" E - 230.07 feet to the true point of beginning, EXCEPTING THEREFROM the following described parcel:

This parcel is situated in Section 12, Township 4 North, Range 17 East, Boise Meridian, and is more particularly described as follows:

Commencing at the southeast corner of said Section 12;

Thence N35°23'54" W a distance of 760.72 feet to a point on the westerly right of way line of Highway 75;

Thence N3°25'51" W along said right of way line a distance of 893.70 feet;

Thence S85°01'48" W a distance of 711.19 feet;

Thence N4°58'12" W a distance of 446.67 feet;

Thence S85°01'48" W a distance of 100.00 feet;

Thence S4°58'12" E a distance of 208.50 feet;

Thence N50°55'19" W a distance of 31.04 feet;

Thence along a curve to the left a distance of 45.29 feet that has a radius of 25.00 feet and central angle of 103°47'16" with long chord of 39.34 feet bearing S77°13'45" W;

Thence along a curve to the left a distance of 77.15 feet that has a radius of 130.00 feet and central angle of 34°00'06" with long chord of 76.02 feet bearing S8°20'04" W;

Thence S81°20'01" W a distance of 60.00 feet;

Thence S76°54'47" W a distance of 57.21 feet to the TRUE POINT OF BEGINNING;

Thence S76°54'47" W a distance of 348.14 feet;

Thence N22°15'19" E a distance of 204.93 feet;

Thence N2°21'50" E a distance of 121.10 feet;

Thence N37°59'26" W a distance of 347.67 feet;

Thence N74°48'32" W a distance of 156.47 feet;

Thence N29°30'41" W a distance of 182.70 feet;

Thence N52°31'57" E a distance of 172.61 feet;

Thence N17°19'16" E a distance of 119.85 feet to a point on the south boundary of Northwood subdivision number 1;

Thence N89°58'54" E along said subdivision boundary a distance of 336.79 feet;

Thence S4°41'06" E along said subdivision boundary a distance of 55.18 feet;

Thence S12°47'08" a distance of 892.49 feet to the TRUE POINT OF BEGINNING.

The parcel described above contains 19.83 acres.

This lien is in the sum of One Million and no/100 Dollars (\$1,000,000.00) and shall take effect upon execution hereof, as security for the performance of certain obligations by Northwood to Ketchum under that certain Annexation, Services and Development Agreement executed between the parties, dated December 19, 1983. A conforming copy of said agreement is attached hereto as Exhibit A and by this reference made a part hereof.

Ketchum agrees to release this lien upon satisfaction by Northwood of its obligations as provided in said contract.

Northwood agrees to indemnify and save Ketchum harmless from any and all costs and/or liability that may result to Ketchum from this lien.

DATED this _____ day of December, 1983.

NORTHWOOD ASSOCIATES, an Idaho
limited partnership,

By _____
Title

NORTHWOOD, INC., an Idaho
corporation,

By _____
Title

STATE OF IDAHO)
) ss.
County of Blaine)

On this _____ day of _____, 1983, before me, a
Notary Public in and for said State, personally appeared
RONALD J. SHARP, known to me to be a General Partner in the
partnership of Northwood Associates, and the partner who
subscribed said partnership name to the foregoing instrument,
and acknowledged to me that he executed the same in said
partnership name.

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

Notary Public
Residing at:

STATE OF IDAHO }
County of Blaine } ss.

On this _____ day of _____, 1983, before me, a
Notary Public in and for said State, personally appeared
RONALD J. SHARP, known to me to be the President of the
corporation that executed the instrument or the person who
executed the instrument on behalf of said corporation, and
acknowledged to me that such corporation executed the same.

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

Notary Public
Residing at: