

**CONDOMINIUM DECLARATION AND  
COVENANTS, CONDITIONS, AND RESTRICTIONS**

**FOR**

**231 SUN VALLEY ROAD**

**ARTICLE I**

**Recitals and Certain Definitions**

Section 1.01 The Declarant; the Real Property. McIntosh Holdings LLC, an Idaho Limited Liability Company authorized to do business within the State of Idaho (together with its successors and assigns, including any person or entity acquiring all and not less than all of the interest of McIntosh Holdings LLC in the "Real Property" whether by purchase or pursuant to foreclosure proceedings or otherwise (collectively the "Declarant"), is the owner of that certain real property located in the City of Ketchum, Blaine County, Idaho, described in Exhibit A attached hereto and hereby made a part of this Declaration (the "Real Property").

Section 1.02 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 1.03 The Project. The term "Project" shall collectively mean the Real Property and all buildings and other improvements located on the Real Property. Declarant intends for the Project to be a mixed-use project consisting of areas for retail, office and residential uses.

Section 1.04 Type of Ownership. This condominium project will provide a means for ownership in fee simple of separate interests in the Units and for co-ownership with others, as tenants in common, of the 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 2.01 Building. "Building" means any building constructed on the Real Property pursuant to this Declaration.

Section 2.02 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, as shown and numbered on the Condominium Map to be filed for record, together with all fixtures and improvements therein contained (attached as Exhibit C). Notwithstanding such markings, the following are not part of a "Unit": bearing walls, columns, floors, and roofs (except for the interior surface thereof), foundations, elevator equipment and shafts, central heating, central refrigeration and central air-conditioning equipment, reservoirs, tanks, pumps, and other central services pipes, vents, ducts, flues, chutes, conduits, and 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 at the points at which such surfaces are located when such windows or doors are closed; the physical windows and doors themselves are part of the Unit or Common Area as herein defined. Each Unit excludes the interior of any storage areas and/or garages, which are shown on the Condominium Map that are dedicated to a particular unit, and hereinafter referred to as a Limited Common Area. The ownership of a storage unit or garage is preconditioned on the ownership of a Unit. The storage units and garage must be used only for purposes, which are consistent with relevant zoning regulations and shall not be used as residences or as dog kennels.

Section 2.03 Common Area. "Common Area" means the entire Project excepting the Limited Common Areas and the Units.

Section 2.04 Limited Common Areas. "Limited Common Area" means that Common Area and facilities designated herein for the exclusive use of a certain Condominium Owner or Owners to the exclusion, limitation or restriction of others, as described in greater detail in Section 4.02. Without limiting the foregoing, the Limited Common Areas shall include decks, balconies, porches appurtenant to and accessible only from a Unit, the elevator designated to serve a Unit 2, the garage designated to serve a Unit 2, storage areas designated as Limited Common Area in this Declaration or on the Condominium Map, and heating or other equipment located in an enclosed area adjacent to each Unit or for the exclusive use of such Unit. Such Limited Common Area shall be used in connection with such Unit to the exclusion of the use thereof by the other Owners of Units except by invitation. No reference to Limited Common Area need be made in any instrument of conveyance or encumbrance in order to convey or encumber the Limited Common Area appurtenant to a Unit.

Section 2.05 Condominium. "Condominium" means a separate interest in a Unit, plus the Limited Common Area appurtenant to that Unit, along with an undivided interest in common in the Common Area in accordance with the attached Exhibit B.

Section 2.06 Owner. "Owner" means any person or entity, including Declarant, at any time owning a Unit or 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 2.07 Mortgage. "Mortgage" means any mortgage, deed of trust, or other security instrument by which a Unit or Condominium or any part thereof is encumbered.

Section 2.08 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 2.07, under which the interest of any Owner, or successor to the interest of such Owner, is encumbered.

Section 2.09 Association. "Association" means 231 Sun Valley Road Owners Association, Inc., an Idaho corporation, not for profit, its successors and assigns, organized as provided herein. The Association shall act through its duly elected Board of Directors.

Section 2.10 Condominium Map. "Condominium Map" means the Condominium Map for 231 Sun Valley Road to be filed for record in the office of the County Recorder of Blaine County, Idaho (attached as Exhibit C) consisting of a plat or survey map of the surface of the ground of the Real Property showing a survey thereof, the location of the Building with respect to the boundaries of the Real Property, together with diagrammatic floor plans of the Building showing the boundaries of each Unit within the Building, including horizontal and vertical locations and dimensions of all boundaries of each Unit and the Unit number identifying the Units, together with such other information as may be included therein 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, 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 the Declarant's 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 4.01 Estates of an Owner. The Project is hereby divided into Condominiums, each consisting of a separate interest in a Unit, plus the Limited Common Area appurtenant to that Unit, along with an undivided interest in common in the Common Area in accordance with the attached Exhibit B. Exhibit A contains a legal description of the Project. The percentage of ownership interest in the Common Area and Limited Common Areas, which is to be allocated to each Unit for purposes of tax assessment under section 55-1514 of the Idaho Code and for purposes of liability



as provided by section 55-1515 of the Idaho Code shall be as follows: Unit 1 – 35%; Unit 2 – 65%.

Section 4.02 Roof Top Limited Common Area.

Section 4.03 Parking Area. The Association shall maintain as a part of the Common Area, the parking area, miscellaneous utility meters, mechanical rooms and the trash collection area, for the use of Condominium Owners, tenants, and occupants, or their invitees.

Section 4.06 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 4.07 Inseparability. No part of a Condominium, or of the legal rights comprising ownership of that Condominium, may be separated from any other part of that Condominium during the period of Condominium ownership prescribed herein, so that each Condominium and the undivided interest in the Common Area appurtenant to such Condominium shall always be conveyed, devised, encumbered, and otherwise affected only as a complete Condominium. Every gift, devise, bequest, transfer, encumbrance, conveyance, or other disposition of a Condominium or any part thereof shall be presumed to be a gift, devise, request, transfer, encumbrance, or conveyance, respectively, of the entire Condominium, together with all appurtenant rights created by law or by this Declaration.

Section 4.08 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 4.09 Owner's Right to Common Area. Subject to the limitations contained in this Declaration, each Owner shall have the nonexclusive right to use and enjoy the Common Area, and shall have the exclusive right to use and enjoy the Limited Common Area designated herein for exclusive or shared use by such Owner(s).

Section 4.10 Taxes and Assessments. Each Owner shall execute such instruments and take such actions as may reasonably be specified by the Association to obtain separate real property tax assessments of the interest of each Owner in each Condominium. If any taxes or special district or other assessments may, in the opinion of the Association, nevertheless be a lien on the Project or any part thereof, the Association shall pay the same and assess the same to the Owner or Owners responsible therefor. Each Owner shall pay the taxes or assessments assessed against such Owner's Condominium or interest therein, or such Owner's interest in the Common Area or any part of any or all of the foregoing. Each Owner shall pay all taxes, rates, impositions, and assessments levied against the Project or any part of the Common Area in proportion to such Owner's interest in such common area as set forth in Exhibit B, and such payment is to be made to the Association at least thirty (30) days prior to the delinquency of such tax or assessment. Each such unpaid tax or assessment shall bear interest at the rate of



ten percent (10%) per annum from and after the time the same becomes payable by each Owner and shall be secured by the lien created by Section 9.06 hereof. Notwithstanding the foregoing, taxes, assessments, or other charges attributable to the Common Area shall be apportioned among the Owners as provided in Article IX hereof.

Section 4.11 Owner's Rights With Respect to Interiors. Each Owner shall have the exclusive right to paint, repaint, tile, paper, or otherwise maintain, refinish and decorate the interior surfaces of the walls, ceilings, floors, and doors and to clean the interior surfaces of windows, all of which form the boundaries of their respective Unit, and all walls, ceilings, floors, and doors within such boundaries. The Association shall have the responsibility for cleaning of exterior surfaces of windows. Window coverings visible from the outside of the Building must be approved by the Association prior to installation.

Section 4.12 Easements for Encroachments. If any part of the Common Area encroaches or shall hereafter encroach upon a Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common Area or upon an adjoining Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. Such encroachments shall not be considered to be encumbrances either on the Common Area or the Units. Encroachments referred to herein 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 or by signage approved in writing by the Association.

Section 4.13 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 shall have the irrevocable right, to be exercised by the Association as their agent, to have access to all such parts of the Project when necessary, during such reasonable hours, and with reasonable notice except in cases of emergency, 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 Project. The Association shall also have such right independent of any agency relationship. In the event that the need for maintenance, repair, or replacement of all or any portion of the Common Area is caused through or by the negligent or willful act or omission of an Owner or occupant of a Unit, then the expenses incurred by the Association for such maintenance, repair, or replacement shall be a personal obligation of such Owner; and, if the Owner fails to repay the expenses incurred by the Association within seven days after notice to the Owner of the amount owed, then the failure to so repay shall be a default by the Owner, and such expenses shall automatically become a default Assessment determined and levied against such Unit, enforceable by the Association in accordance with this Declaration.

Section 4.14 Owner's Right to Ingress, Egress, and Support. Each Owner shall have the right to ingress and egress over, upon, and across the Common Area necessary for access to such Owner's Condominium and to the Limited Common Area designated for use in connection with such Owner's Condominium and shall have the right to the

horizontal and lateral support of such Owner's Condominium, and such rights shall be appurtenant to and pass with the title to each.

Section 4.15 Association's Right to Use of Common Area. The Association shall have a non-exclusive easement to make such use of the Common Area as may be necessary or appropriate to perform the duties and functions which the Association is obligated or permitted to perform pursuant to this Declaration, including the right to construct and maintain in the Common Area maintenance, trash and storage facilities for use by the Association. In addition, the Association may enter into an agreement(s) to jointly operate and/or utilize trash and maintenance facilities with adjacent property owners for the mutual benefit of the Association and adjacent property owner(s). With the approval of majority vote of the Membership Voting Percentages as set forth on attached Exhibit B, the Association shall also maintain the right to enter into agreements with Owners to allow non-exclusive temporary utilization of certain parts of the Common Area for use by their employees, tenants, and business invitees.

Section 4.16 Easements and Utilities. In order to adequately serve each Unit, utility and service facilities may be constructed and may encroach on Common Area, Limited Common Area, or the Units. An easement for such encroachment and for the maintenance of the same shall and does exist.

Section 4.17 Declarant's Right Incident to Construction. Declarant and persons Declarant shall select shall have the right to and hereby reserve an easement and right-of-way for ingress and egress over, upon, and across the Common Area and 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 4.18 Easements Deemed Created. All conveyances of Condominiums, whether by the Declarant or otherwise, shall be construed to grant and reserve such reciprocal easements as shall give effect to this Article IV, even though no specific reference to such easements or to those sections appears in any such conveyance.

Section 4.19 Association's Management of Common Area. The Association shall act prudently and diligently to manage and control the Common Area in a manner compatible with good business practices and for the benefit of all Owners. The Association shall have the right to hire a building manager for this purpose.

## **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 as set forth in Exhibit C to this Declaration and as each appears on the records of the County Recorder of Blaine County, Idaho. Such description will be construed to describe the Unit together with the appurtenant undivided interest in the Common Area, and to incorporate all the rights incident to

ownership of a Condominium and all the limitations on such ownership as described in this Declaration.

## **ARTICLE VI**

### **Mechanic's Lien Rights**

Section 6.01 Condominium Labor. No labor performed or services or materials furnished with the consent or at the request of an Owner or such Owner's agent, contractor, or subcontractor shall be the basis for the filing of a lien against the Common Area, Limited Common Area or the Condominium of any other Owner or against any part thereof or against any other property of any other Owner unless such other Owner has expressly consented to or requested the performance of such labor or furnishing of such materials or services. Such express consent shall be deemed to have been given by the Owner of any Condominium in the case of emergency repairs thereto. Labor performed or services 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 such owner's 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 such Owner's Condominium.

## **ARTICLE VII**

### **The Association**

Section 7.01 Membership. The Articles of Incorporation and Bylaws of the Association are attached hereto as Exhibit D and hereby made a part of this Declaration. Every Owner shall be entitled and required to be a member of the Association. If more than one person holds title to a Condominium, 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. No person or entity other than an Owner may be a member of the Association, and the Articles of Incorporation or Bylaws of the Association always shall so state and shall in addition state that the memberships in the Association may not be transferred except in connection with the transfer of a Condominium; provided, however, the rights of membership may be assigned to a Mortgagee as further security for a loan secured by a lien on a Condominium.

Section 7.02 Voting Rights. Each Owner shall have the percentage of interest in Common Area and be entitled to vote their percentage Membership Voting Interest as follows: Unit 1 – 35%; Unit 2 – 65% ("Membership Voting Interest"). The membership voting rights and percentage ownership interests of new members shall be determined in the same way as such voting rights and percentage interests were determined for existing members.



Section 7.03 Election of Directors. The Unit Owners shall elect a Board of Directors of at least three (3) members, each of whom shall be Unit Owners. Election and removal of members to the Board of Directors and of officers shall be as set forth in the By-laws. In the election of members of the Board of Directors, the candidates receiving the highest percentages of Membership Voting Interest shall be deemed elected. A director may be removed as set forth in the By-laws.

Section 7.05 Amplification. The provisions of this Article VII are amplified by the Articles of Incorporation of the Association and by the Bylaws of the Association; provided, however, no present or future provision of such Articles of Incorporation or Bylaws 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 8.01 The Management Body. The Association is hereby designated to be the "Management Body" as provided in sections 55-1503 and 55-1506 of the Idaho Code and shall administer the Project in accordance with the Condominium Property Act of the State of Idaho, the Idaho Code, the Articles of Incorporation and Bylaws of the Association, and the provisions of this Declaration.

Section 8.02 The Common Area. The Association, subject to the rights of the Owners set forth in Article IV hereof, shall be responsible for the exclusive management and control of the Common Area and all improvements thereon (including furnishings and equipment related thereto) and shall keep the same in good, clean, attractive and sanitary condition, order and repair; however, each Owner of a Unit shall keep the Limited Common Area designated for use in connection with such Owner's Unit in a clean, sanitary, and attractive condition and shall maintain and repair their Limited Common Area and the heating and other equipment and hot water heater exclusively servicing such Owner's Unit. The Association shall be responsible for the maintenance and repair of exterior surfaces of Buildings and improvements located on the Project including, without limitation, the painting and/or plastering of interior and exterior Common Areas, the same as often as necessary, the replacement of interior and exterior wood and/or stone in the Common Areas, trim and caulking, the maintenance and repair of roofs, the maintenance and repair of exterior walkways, and the maintenance, repair and general upkeep of any other Common Area, including utility lines and all other improvements or materials located within or used in connection with the Common Area. The Association shall be responsible for the removal and disposal of all snow and ice from all driveways, parking areas, pedestrian pathways and sidewalks. The Association shall additionally maintain the general building mechanical and electrical systems. The Association shall also have the right to allocate additional costs to any particular Owner to the extent such Owner is utilizing a portion of the Common Area for a particular purpose to the exclusion of other Owners. The Association by and through the Association's officers 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 and the Association's officers as attorney-in-fact for such purposes.

Section 8.03 Miscellaneous Services. The Association may obtain and pay for the services of any person or entity to manage the Association's affairs, or any part thereof, to the extent the Association 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 the Association contracts. The Association may obtain and pay for legal, accounting and tax preparation services, as 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, natural gas, water, sewer, trash collection and recycling, and other common services to each Unit. The cost of such management, maintenance, and repair by the Association shall be borne as provided in Article IX.

Section 8.04 Personal Property for Common Use. The Association may acquire and hold for the use and benefit of all the Owners tangible and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be deemed to be owned by the Owners in the same proportion as the Owner's percentage in the Common Area as set forth in attached Exhibit B. Such interest shall not be transferable except with the transfer of a Condominium. A transfer of a Condominium shall transfer to the transferee ownership of the transferor's beneficial interest in such property without any reference thereto. Each Owner may use such property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of other Owners. The transfer of title to a Condominium under foreclosure shall entitle the purchaser to the interest in such personal property associated with the foreclosed Condominium.

Section 8.05 Rules and Regulations. The Association may, from time to time, make reasonable rules and regulations for the management, preservation, safety, control and orderly operation of the Project in order to effectuate the intent and enforce the obligation set forth in this Declaration. Such rules and regulations may include, without limitation, assignment of particular areas within the Common Area for the temporary exclusive use by Owners of particular Units including but not limited to the right of the Association to designate use of particular portions of parking areas, outside sidewalk areas for the installation, maintenance and utilization of outdoor seating and related equipment uses. 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 with such rules, regulations, or other obligations or to obtain damages for noncompliance, all to the extent permitted by law. The Association is hereby appointed as the Owners' representative for the purpose of enforcing compliance with such rules, regulations, other obligations, or to obtain damages for non-compliance by tenants with respect to the Common Area. The Association may appoint an outside management company to serve as the Owner's representative so long

as the Association provides adequate supervision of the activities of the outside management company.

Section 8.06 Implied Rights. The Association may exercise any other right or privilege given to the Association expressly by this Declaration or by law, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to the Association herein or reasonably necessary to effectuate any such right or privilege.

## ARTICLE IX

### Assessments

Section 9.01 Agreement to Pay Assessment. Declarant, for each Condominium owned by Declarant 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, 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. In the case of joint or co-ownerships this liability shall be joint and several. No Unit Owner may waive or otherwise escape personal liability for the payment of the Assessments provided for in this Declaration by not using the Common Areas or the facilities contained in the Common Area or by abandoning or leasing his Unit. Such assessments shall be fixed, established, and collected from time to time in the manner provided in this Article IX.

Section 9.02 Amount of Total Periodic Assessments. The total periodic assessments against all Condominiums shall be based upon cash requirements determined by the Association to provide for the payment of all estimated or actual expenses growing out of or connected with the maintenance and operation of the Common Area or furnishing electrical, water, sewer, trash collection, and other common services to each Unit to the extent not separately metered and/or billed to a specific Unit, which estimates may include, among other things, expenses of management, taxes and special assessments, premiums for all insurance which the Association is required or permitted to maintain pursuant hereto, landscaping and care of grounds, snow removal, common lighting and heating, water charges, trash collection, recycling, sewer service charges, repairs and maintenance, wages for Association employees, legal and accounting fees, taxes, licenses, any deficit remaining from a previous period, the creation of a reasonable contingency reserve, surplus, and/or sinking fund, 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 9.03 Apportionment of Periodic Assessments. The expenses attributable to the Common Area shall be apportioned among all Owners of Units in proportion to the interest in the Common Area owned by each Owner of a Unit as set forth in Exhibit B to this Declaration.



Section 9.04 Notice of Periodic Assessments and Time Payment Thereof. The Association shall make periodic assessments based upon a budget adopted no less frequently than annually, which assessments shall be annually, quarterly, or monthly, as the Association shall from time to time determine. The total periodic Assessment for any fiscal year of the Association shall be assessed to the Units in proportion to their percentage of interest in the Common Area as follows: ---, subject to: (a) common expenses which are separately metered or assessed to the Units by third parties; (b) common expenses associated with the maintenance, repair or replacement of Limited Common Areas which shall be assigned equally or on such other equitable basis as the Board of Directors shall determine to the Units to which the specific Limited Common Areas are appurtenant; (c) common expenses or portions thereof benefitting fewer than all of the Units which shall be assessed exclusively against the Units benefitted; (d) any increased cost of insurance based upon risk which shall be assessed to Units in proportion to the risk; (e) any common expense caused by the misconduct of any Unit Owner(s), which may be assessed exclusively or on such other equitable basis as the Board of Directors shall determine against such Unit Owner(s); and (f) any expenses which are charged equally to the Units.

The Association may, in the Association's discretion, allow assessments to be given to each Owner, which notice shall specify the amount of the assessment and the date or dates of payment of the same. No payment shall be due less than fifteen (15) days after the said written notice has been given as herein provided. Each periodic 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 and shall be subject to an automatic late charge of Fifty Dollars (\$50.00). Failure of the Association to give notice of the assessment shall not affect the liability of any Owner for such assessment, but the date when payment shall become due in such a case shall be deferred to a date fifteen (15) days after such notice shall have been given. A Unit Owner's assessment shall be prorated if the ownership of a Unit commences or terminates on a day other than the first day or last day, respectively, of a month or other applicable payment period.

Section 9.05 Special Assessments. In addition to the annual assessments authorized by this Article IX, the Association may, at any time, levy 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 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 this section shall be construed to prescribe the manner of assessing for expenses authorized by other sections hereof which shall make specific reference to this Article IX. Any amounts assessed pursuant hereto shall be assessed to Owners in the same manner as provided in Section 9.03 of this Article IX. Notice in writing of the amount of such special assessments and the time for payment thereof shall be given promptly to the Owners, and no payment shall be due less than thirty (30) days after such notice shall have been given. The Association shall have the power to incur expenses for maintenance and repair of any Unit, if such maintenance or repair is necessary, in the opinion of the Board of Directors of the Association to protect the Common Area or any other portion of the Project and if the Owner or Owners of said

Unit have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair has been delivered by the Board of Directors to said Owner or Owners; the Board of Directors shall levy a special assessment against the Owner or Owners of any such Unit to pay for the cost of such maintenance and repair and any other costs or expenses arising out of or incident to such maintenance and repair and the assessment therefor. 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 and an automatic late charge of fifty dollars (\$50).

Section 9.06 Lien for Assessments. All sums assessed to any Condominium pursuant to this Article IX, together with interest thereon and late fees 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, including all unpaid obligatory advances to be made 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 liens to future liens for assessments as provided herein, whether or not such consent be specifically set forth in the instruments creating such liens. To create a lien for sums assessed pursuant to this Article IX, the Association shall 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 a member of the Board of Directors, an officer of the Association or the managing agent and shall 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 of the Owner's Condominium 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. The Owner shall be required to pay the costs and expenses of such proceeding, the costs and expenses of filing the notice of assessment and all reasonable attorney fees. All such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any assessments against the Condominium which shall become due 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 Condominium as the Owner thereof.

Upon any default in the payment of periodic or special Assessments, the Association shall also have the right to appoint a receiver to collect all rents, profits, or other income from the Unit payable to the Unit Owner and to apply all such rents, profits, and income to the payment of



delinquent Assessments. Each Unit Owner, by ownership of a Unit, agrees to the assignment of such rents, profits and income to the Association effective immediately upon any default in the payment of Assessments.

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 may report any unpaid assessment remaining unpaid for longer than ninety (90) days after the same shall have become due to any encumbrancer of a Condominium; provided, however, such encumbrancer first shall have furnished written notice of such encumbrance to the Association. Unless sooner satisfied and released or the enforcement thereof initiated as provided earlier in this section, any lien created pursuant to this section shall expire and be of no further force or effect one (1) year from the date of recordation of said notice of assessment; provided, however, said one-year period may be extended by the Association for not to exceed one (1) additional year by a written extension signed by the Association and recorded in the office of the County Recorder of Blaine County, Idaho, prior to expiration of said first one-year period.

Section 9.07 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 foreclosure or waiver of the lien securing the same. No Owner may avoid or diminish such personal obligation by waiver of the use and enjoyment of any of the Common Area or by abandonment of the Owner's Condominium.

Section 9.08 Statement of Account. Upon payment of a reasonable fee, not to exceed Fifty Dollars (\$50.00), and upon written request of any Owner, 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, the date that such assessment becomes or became due, and credit for advanced payments or prepaid items, including, but not limited to, an Owner's share of prepaid insurance premiums, which statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied with within twenty (20) days, all unpaid assessments which became due prior to the date of making such request shall be subordinate to the lien of a Mortgagee which acquired such Mortgagee's 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 20-day period provided herein and if thereafter an additional written request is made by such purchaser, is not



complied with within ten (10) days, and the purchaser subsequently acquires the Condominium.

Section 9.09 Personal Liability of Purchaser for Assessments. Subject to the provisions of Section 9.08, a purchaser of a Condominium shall be jointly and severally liable with the seller for all unpaid assessments against the Condominium up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments. However, such purchaser shall be entitled to rely upon the existence and status of unpaid Assessments as shown upon any certificate issued by or on behalf of the Association to such named purchaser pursuant to the provisions of this Declaration.

Section 9.10 Waiver of Homestead Exemption; Subordination of Association's Lien for Assessments. By acceptance of the deed or other instrument of transfer of a Unit, each Unit Owner irrevocably waives the homestead exemption provided by Idaho Code § 55-1001, as amended, with regard to any assessment of the Association.

## **ARTICLE X**

### **Use of Condominiums**

Section 10.01 Condominiums. No Unit shall be used for any purpose not allowed by the city of Ketchum's Municipal Code.

Section 10.02 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. There shall be no modifications, additions or alterations made to the Common Area or Limited 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 after its acceptance of the Common Area from Declarant. No modification or alteration of the open space or exterior parking area(s) of the Common Area which would affect the quantity or quality of such areas shall be made without the written consent of the Planning and Zoning Commission of the City of Ketchum, Idaho.

Section 10.03 Prohibition of Damage and Certain Activities. Nothing shall be done or kept in any part of the Project which would result in the cancellation of the insurance on the Project or any part thereof or increase the rate of insurance on the Project or any part thereof over what the Association, but for such activity, would pay, without the prior written consent of the Association. Nothing shall be done or kept in any part of the Project that would be in violation of any statute, rule, ordinance, regulation, permit, or other validly imposed requirement of any governmental body. No damage to or waste of the Common Area or any part thereof shall be committed by any Owner or any invitee of any Owner, and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from any such damage or waste caused by such Owner or such Owner's invitees; provided, however, 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 part of the Project 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 or operating a business in the Project.

Section 10.04 Animals. The Association hereby prohibits the raising, breeding, or keeping of animals, livestock, or poultry in any part of the Project including without limitation operation of a pet store or other pet related business. Notwithstanding the foregoing, each Unit Owner shall be entitled to keep no more than two (2) dogs, two (2) cats, two (2) birds and aquarium fish in any Condominium Unit; provided that (A) such pets are of a size and nature that does not cause disruption or nuisance to other Owners, (B) such pets are not allowed to run at large, chase humans or other animals or bark excessively, (C) such pets do not cause damage to the Common Area, and (D) the owner thereof complies with any further restrictions contained in any supplemental Declaration, and any reasonable rules and regulations adopted by the Association regarding such pets.

Section 10.05 Rules and Regulations. No Owner shall violate the rules and regulations for the use of that portion of the Project to which such rules apply as adopted from time to time by the Association. Except as otherwise provided herein, any Owner shall have the right to enforce any or all of the provisions of any restriction contained in this Declaration or any rule or regulation adopted by the Association. Any violation of any state, municipal or local law, ordinance or regulation pertaining to ownership, occupation or use of any property within the Project is hereby declared to be a violation of a restriction in this Declaration and subject to any or all of the enforcement procedures set forth below.

Section 10.06 Maintenance of Interiors. Each Owner shall keep the interior of such Owner's Unit including, without limitations interior walls, windows, glass, ceilings, floors, and permanent fixtures and appurtenances thereto, in a clean, sanitary, and attractive condition and good state of repair; shall keep the Limited Common Area designated for use in connection with such Owner's Unit in clean, sanitary, and attractive condition; and shall keep the heating and other equipment and water heating system exclusively servicing such Owner's Unit in a good state of maintenance and repair.

Section 10.07 Structural Alterations. No structural alterations or modification to any interior walls shall be made to any Condominium 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,

Section 10.08 Parking Restrictions. The parking area shall be used for parking operable vehicles only and shall not be converted for living, recreational, or business purposes, nor shall anything be stored in any parking area so as to prevent the parking of an automobile thereon, unless otherwise approved in writing by the Association.

Section 10.09 Signs. Except for signs as may be used by Declarant in connection with the sale of Condominiums, no sign of any kind shall be displayed to the public view by Owners of Condominiums without the approval of the Board of Directors. In addition, the Declarant and/or the Association shall be entitled to place interior identification and/or directional signage as appropriate and additionally an identification directory for owners of Units within the Project.

Section 10.10 Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate, and no odors shall be permitted to arise from the property or any Condominium so as to render any portion of the property unsanitary, unsightly, offensive, or detrimental to any other property or Condominium in the vicinity thereof or to its occupants. No noise or other nuisance shall be permitted to exist or operate either within any such property or any Condominium or be permitted to exist or operate outside of any Condominium and controlled by an owner or occupant of the Condominium so as to be offensive or detrimental to any other property or Condominium in the vicinity thereof or its occupants. Without limiting the generality of any of the following provisions, no exterior music and/or speakers, horns, whistles, bells, or other sound devices (other than security systems used exclusively for security purposes) shall be located, used, or placed on any such property or Condominium without the prior written approval of the Association (unless originally approved by the Declarant).

Section 10.11 Outside Installations. No clotheslines, television antennas, satellite dishes, wiring, or installation of air conditioning, or other machines, awnings, flags, banners or umbrellas, unless properly screened from view or contained within roof wells as part of the original construction of the Project, shall be installed on the exterior of the Building for the use of any Unit or be allowed to protrude through the walls, windows, or roof of the Building for the use of any Unit without the prior written approval of the Association.

Section 10.12 Enforcement of Violations. No violation of any Rule or Regulation, inclusive of those items described in Section 10.05 above, shall be allowed. If any Owner, Owner's family, tenant, licensee, or invitee commits such violation; the Association may, in addition to any other legal remedies it may have, impose a Special Assessment upon such person of not more than Fifty Dollars (\$50) for each such violation for each day that such violation continues. Before invoking such assessment, the Association's Board of Directors shall give such person sixty (60) days written notice to cure such violation and/or to be heard by the Board regarding the violation and any potential assessment. If such violation is of a nature that it cannot be remedied within sixty days, no assessment shall be invoked so long as the Owner submits a remediation plan to the Board to remedy the violation within a reasonable time and such Owner diligently pursues such plan to completion. If an Owner violates any Rule or Regulation more than twice within any three-year period, regardless of whether the Rule that has been violated is the same, the accrual of such assessment shall begin three days after the Board gives notice of such violation rather than sixty days after such notice. Such additional assessments may be collected and enforced in the same manner as any other assessment under Article IX. Each remedy provided in this Declaration or by law shall



be cumulative and not exclusive. The failure to enforce any of the provisions of this Declaration at any time shall not constitute a waiver of the right to enforce such provision thereafter.

## ARTICLE XI

### Insurance

Section 11.01 Types of Insurance. The Association shall obtain and keep in full force and effect at all times the following insurance coverage provided by a company authorized to do business in Idaho. The provisions of this Article XI shall not be construed to limit the power or authority of the Association to obtain and maintain insurance coverage in addition to any insurance coverage required hereunder in such amounts and in such forms as the Association may deem appropriate from time to time. In order to facilitate the providing and maintaining of adequate and proper insurance, it is contemplated that Declarant may contract for blanket insurance coverage covering the Project as contemplated by this Article XI prior to or concurrently with the first conveyance of a Condominium. Any obligation or commitment for the payment of premiums or expenses otherwise incurred by Declarant under any such blanket policy or coverage, whether or not the same is also a personal obligation of the purchaser or purchasers of any Condominium, shall become an obligation of the Association and shall be paid for out of Association funds.

(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, mixed use 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 the Association deems advisable to provide adequate protection. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operation, maintenance, and other use of the Project.

(c) Worker's Compensation and Employer's Liability Insurance. The Association shall purchase worker's compensation and employer's liability insurance and all other similar insurance in respect to 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 the Association 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 the Association shall deem appropriate with respect to the Project, including any personal property of the Association located thereon.

Section 11.02 Optional Insurance. The Association may obtain the following types of insurance coverage, but the Association is not required to do so.

(a) Personal Property Casualty Insurance. The Association may, in the Association's 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 amounts equal to the replacement cost less depreciation 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 the Association's discretion, obtain casualty, and public liability insurance coverage in amounts the Association 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.

(c) Other Casualty Insurance. The Association may purchase other casualty insurance, such as, flood, earthquake, etc., in such amounts and in such forms as the Association deems advisable to provide adequate protection.

Section 11.03 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, description, 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 Mortgage. The Association shall furnish to each Owner who requests it and to Declarant a true copy of such policy, together with a certificate identifying the interest of the Owner. All policies of insurance shall provide for a waiver of subrogation by the insurer as to claims against the Association, the Board of Directors, employees, and agents and against each Owner and each Owner's employees, agents, and guests and shall provide that the insurance cannot be cancelled, invalidated, or suspended on account of the conduct of the Association, the Board of Directors, employees, and agents or on account of any Owner or such Owner's employees, agents, or guests and shall provide that any "no other insurance" clause in the insurance policy shall exclude any policies of insurance maintained by any Owner or Mortgagee and that

the insurance policy shall not be brought into contribution with insurance maintained by any Owner or Mortgagee.

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

Section 11.04 Owner's Responsibility. Insurance coverage on the furnishings initially placed in the Unit by Declarant, unless the Association elects to arrange for such casualty insurance pursuant to Section 11.02 hereof (in which event Owner shall be responsible for the amount, if any, the replacement cost exceeds the insurance proceeds), 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 elects to arrange for such insurance pursuant to Section 11.02 hereof, and regardless of the Association's election, insurance coverage against loss from theft on all personal property, and insurance coverage on items of personal property placed in the Unit by Owner shall be the responsibility of the respective Owners. Owners shall require tenants to carry appropriate personal property insurance for the contents of their respective leased space as well as all other forms of insurance as are customary for, retail and/or office tenants, as the case may be, as shall be set forth in each such lease.

Section 11.05 Insurance Proceeds. The Association shall receive the proceeds of any casualty insurance payments received under policies obtained and maintained pursuant to this Article XI. The Association shall 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 Condominiums, as set forth in Section 13.04. 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 11.06 Owner's Own Insurance. Notwithstanding the provisions of Sections 11.01 and 11.02 hereof, each Owner shall obtain insurance at the Owner's own expense providing coverage upon the Owner's Condominium, the Owner's personal property, for the Owner's personal liability, and covering such other risks as the Owner may deem appropriate, but each such policy shall provide that it does not diminish the insurance carrier's coverage for liability arising under insurance policies which the Association obtains pursuant to this Article XI. All such insurance of the Owner's Condominium shall waive the insurance company's right of subrogation against the Association, the other Owners, and the servants, agents, and guests of any of the Owners, the Declarant, and Mortgagee. If any Owner violates this provision, any diminution in insurance proceeds otherwise payable under the policies described in this section that results from the existence of such other insurance will be chargeable to the Owner who



acquired such other insurance, and the Owner shall be liable to the Association to the extent of any such diminution. In addition, any improvements made by a Owner within such Owner's Unit may be separately insured by the Owner, but such insurance shall be limited to the type commonly known as "tenant's improvements" insurance.

Section 11.07 Adjustment of Claims. The Association may adopt and establish written non-discriminatory policies and procedures relating to the submission of claims, responsibility for deductibles, and any other matters of claims adjustment. To the extent the Association settles a property insurance claim, it shall have the authority to assess negligent Unit Owners causing such loss or benefitting from such repair or restoration all deductibles paid by the Association. In the event more than one Unit is damaged by a loss, the Association in its reasonable discretion may assess each Unit Owner a prorata share of any deductible paid by the Association.

Section 11.08 Copies of Policies. A copy of each insurance policy obtained by the Association shall be made available for inspection by any Unit Owner or Mortgagee at reasonable times.

## **ARTICLE XII**

### **Casualty Damage or Destruction**

Section 12.01 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 such Owner's Condominium.

Section 12.02 Association as Agent. All of the Owners irrevocably constitute and appoint the Association by and through the Association's elected officers as the Owners' true and lawful attorney-in-fact in the Owner's 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 12.03 General Authority of the Association. As attorney-in-fact, the Association by and through the Association's elected officers 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 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 not to rebuild, the Association shall have the option to purchase such Mortgage by payment in full of the amount secured thereby if the Owners are in unanimous agreement not to rebuild. The Association shall obtain the funds for such purpose by special assessments under Article IX of this Declaration.

Section 12.04 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 the Association deems reliable and complete of the costs of repair or reconstruction of that part of the Project damaged or destroyed.

Section 12.05 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, however, in such latter event in the absence of the consent of each affected Owner, the number of cubic feet and the number of square feet of any Unit may not vary by more than five percent (5%) from the number of cubic feet and the number of square feet for such Unit as originally constructed pursuant to such original plans and specifications, and the location of the Building shall be substantially the same as prior to damage or destruction.

Section 12.06 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 Article IX. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair or reconstruction.

Section 12.07 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 12.06 constitute a fund for the payment of cost or repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for the 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 12.06 of this Declaration.

Section 12.08 Decision Not to Rebuild. If the record Owners, as reflected on the real estate record of Blaine County, Idaho, representing sixty five percent (65%) or more of the Membership Voting Interest set forth on attached Exhibit B, 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 Condominiums, as set forth in Section 13.04.

## **ARTICLE XIII**

### **Obsolescence**

Section 13.01 Adoption of a Plan. The record Owners may agree that the Project is obsolete and adopt a written plan for the renewal and reconstruction which plan has the unanimous approval of all first Mortgagees of record of Units at the time of the adoption of such plan. Written notice of adoption of such a plan shall be given to all Owners. Such plan shall be recorded in Blaine County, Idaho, real estate records.

Section 13.02 Payment for Renewal and Reconstruction. The expense of renewal or reconstruction shall be payable by all the Owners as assessment against their respective Condominiums in accordance with the proportions of Common Area. These assessments shall be levied in advance pursuant to Article IX hereof and shall be allocated and collected as provided in Article IX. Further levies may be made in like manner if the amounts collected prove insufficient to complete the renewal and reconstruction.

Section 13.03 Sale of Obsolete Project. The Owners may agree that the Project is obsolete and that the Project should be sold. Such an agreement must have the unanimous approval of every first Mortgagee of record at the time such agreement is made. In such instance the Association shall forthwith record a notice setting forth such fact or facts. 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 Bylaws. The sale proceeds shall be apportioned among the Owners pro rata based on the percentage interest in common area. Such apportioned proceeds shall be paid into separate accounts, each account representing one ownership interest. 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 13.04 Distribution of Excess. In the event amounts collected pursuant to Section 13.03 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 14.01 Consequences of Condemnation. If at any time or times during the continuance of the 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 14.02 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 14.03 Complete Taking. In the event that the entire Project is taken, condemned, 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 pro rata based on the percentage interest in common area as set forth in Exhibit B to this Declaration, 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 principle 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 13.04 of this Declaration.

Section 14.04 Partial Taking. In the event that less than the entire Project is taken, condemned, 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 of each area as follows: (a) the total amount allocated to taking of or injury to the Common Area shall be apportioned equally among the Owners; (b) the total amount allocated to severance damages shall be apportioned to those Condominiums which were not taken or condemned; (c) the respective amounts allocated to the taking of or injury to a particular Condominium and/or improvements an Owner has made within such Owner's own Condominium shall be apportioned to the particular Owners 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 13.04 of this Declaration.

Section 14.05 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 Condominiums for amendment of this Declaration as provided in Article XV hereof.

Section 14.06 Reconstruction and Repair. Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Article XII above.

## **ARTICLE XVI**

### **Revocation or Amendment**

This Declaration shall not be revoked, nor shall any of the provisions herein be amended unless all sixty-five percent (65%) of the Owners 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 XVII**

### **Period of Condominium Ownership**

The Condominium ownership created by this Declarant 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 Article XII (Obsolescence) or Article XIV (Condemnation) of this Declaration.

## **ARTICLE XVIII**

### **Miscellaneous**

Section 18.01 Compliance With Provisions of Declaration and Bylaws of the Association. Each Owner shall comply with the provisions of this Declaration, the Articles of Incorporation, the Bylaws, rules, and regulations of the Association and the decisions and resolutions of the Association adopted pursuant thereto as the same may be lawfully amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due and for damages or injunctive relief, or both, maintainable by the Association on behalf of the Owners or, in a proper case, by an aggrieved Owner.

Section 18.02 Registration of Mailing Address. Each Owner shall register such Owner's mailing address and email address with the Association. All notices or

demands intended to be served upon any Owner shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the Owner at such registered mailing address and by email sent to the Owner at such email address. All notices or demands intended to be served upon the Association shall be given by registered or certified mail, postage prepaid, to the address of the Association as designated in the Articles of Incorporation or Annual Report of the Association (whichever is current) and by email to the email addresses of the President and Secretary of the Association. All notices or demands to be served on Mortgagees pursuant thereto shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the Mortgagee at such address as the Mortgagee may have furnished to the Association in writing. Unless the Mortgagee furnishes the Association such address, the Mortgagee shall be entitled to receive none of the notices provided for in this Declaration. Any notice referred to in this section shall be deemed given when deposited in the United States mail in the form provided for in this section.

Section 18.03 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 18.04 Mediation. Except for any mechanics, labor and materialman's liens or liens by the Association for unpaid Assessments, the Association and all Owners agree to and shall mediate any controversy, dispute, or claim of whatever nature arising out of, in connection with, or in relation to the interpretation, performance or breach of this Agreement or such rules and regulations as the Association may promulgate under its responsibilities as set forth in this Agreement. The mediation shall be held prior to any court action or arbitration. The mediation shall be confidential. In the event the parties are not able to agree on a mediator within thirty days, a judicial and mediation service mutually acceptable to the parties shall appoint a mediator. In the event the mediator determines that a second mediation session is necessary, it shall be conducted in accordance with this paragraph. Should any party attempt an arbitration or a court action before attempting to mediate, THAT PARTY SHALL NOT BE ENTITLED TO ATTORNEYS FEES THAT MIGHT OTHERWISE BE AVAILABLE TO THEM IN A COURT ACTION OR ARBITRATION, AND IN ADDITION THERETO, THE PARTY WHO IS DETERMINED BY THE ARBITRATOR TO HAVE RESISTED MEDIATION SHALL BE SANCTIONED BY THE ARBITRATOR OR JUDGE AND THE COURT SHALL DISMISS THE ARBITRATION OR COURT ACTION WITHOUT PREJUDICE AND ORDER THE PARTY THAT ATTEMPTED THE ARBITRATION OR COURT ACTION TO PAY THE OTHER PARTY'S REASONABLE ATTORNEY'S FEES AND COSTS.

Section 18.05 Owner's Obligations Continue. All obligations of the Owner under and by virtue of the provisions contained in this Declaration shall continue, notwithstanding that such Owner 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 the Owner conveys such Condominium.



Section 18.06 Number and Gender. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders

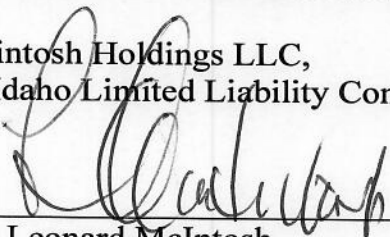
Section 18.07 Severability. If any of the provisions of this. Declaration or any clause, paragraph, sentence, phrase, or word or the application thereof in any circumstance shall be invalidated, such invalidity shall not affect the validity of the remainder of the Declaration, and the application of any such provision, paragraph, sentence, clause, phrase, or word in any other circumstance shall not be affected thereby.

Section 18.08 Construction by Declarant. Nothing in this Declaration or any action taken by the Association shall limit the right of Declarant to complete construction of the Project.

Section 18.09 Statute. The provisions of this Declaration shall be in addition and supplemental to the Condominium Property Act of the State of Idaho and to all other provisions of law.

This Declaration is executed on July 27, 2022

McIntosh Holdings LLC,  
an Idaho Limited Liability Company

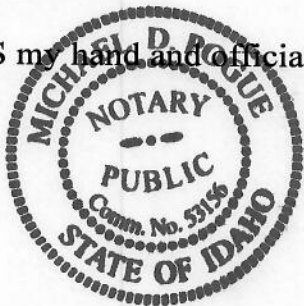
  
By: Leonard McIntosh  
Its: Managing Member

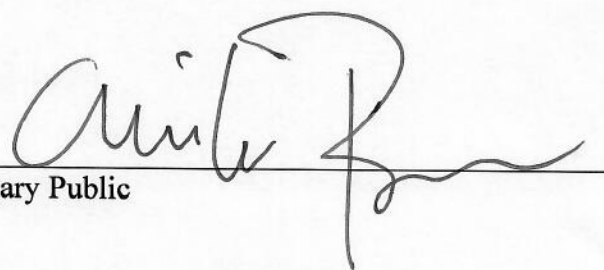
#### ACKNOWLEDGMENT

State of Idaho                     )  
                                              )ss  
County of Blaine                )

On July 27, 2022, before me, Michael D. Pogue, a Notary Public, personally appeared Leonard McIntosh, known or identified to me on the basis of satisfactory evidence to be the manager or a member of the limited liability company that executed the instrument or the person who executed the instrument on behalf of said limited liability company and acknowledged to me that such limited liability company executed the same.

WITNESS my hand and official seal.



  
Notary Public

Residing at SunValley, ID  
My Commission Expires: 9/8/2026

**EXHIBIT A**

**LEGAL DESCRIPTION**

**The East Seventy Five Feet (75') of Lot 8 in Block 17, of the VILLAGE OF KETCHUM, as shown on the certified copy of the official map thereof, recorded as Instrument No. 302967, records of Blaine County, Idaho.**



**EXHIBIT B**

**COMMON AREA OWNERSHIP INTEREST**

**Allocation of Owner Common Area Interest and Voting Rights.**

|              |                |
|--------------|----------------|
| Unit 1       | 35%            |
| Unit 2       | 65%            |
| <u>Total</u> | <u>100.00%</u> |

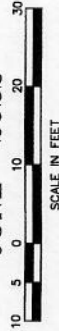
**EXHIBIT C**  
**(Condominium Map)**

# A CONDOMINIUM PLAT SHOWING

## 231 SUN VALLEY ROAD CONDOMINIUMS

WHEREIN THE EAST 75' OF LOT 8, BLOCK 17, KETCHUM TOWNSITE, IS REPLATED INTO CONDOMINIUMS AS SHOWN HEREON  
LOCATED WITHIN SECTION 18, T.4 N., R.18 E., B.M., CITY OF KETCHUM, BLAINE COUNTY, IDAHO

JUNE 2022



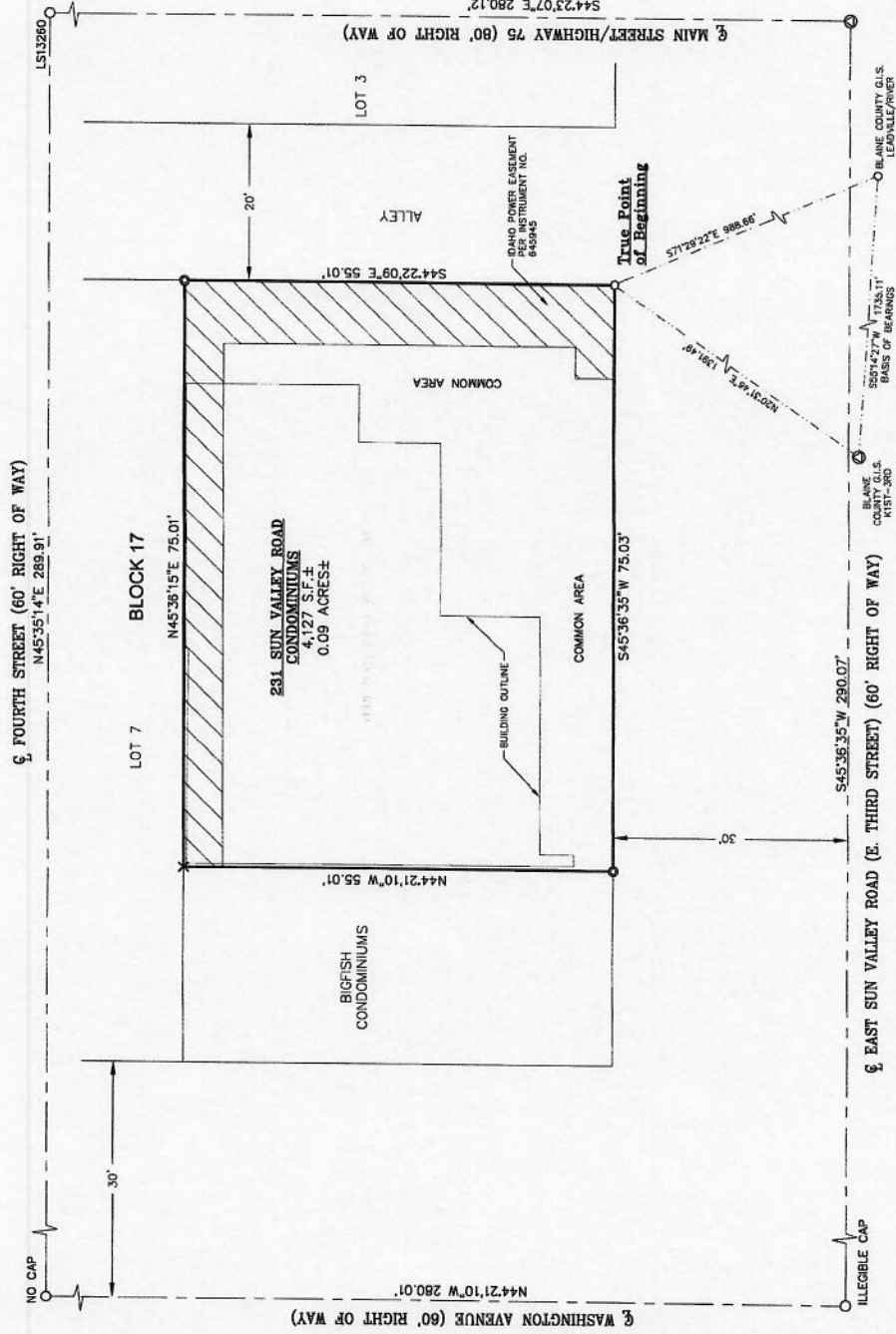
SCALE: 1" = 10'

### LEGEND

- Property Boundary
- Adjoining Lot Line
- Right of Way Centerline
- Building Outline at Ground Level
- G.I.S. Survey Tie
- Idaho Power Easement Per Instrument No. 645945
- Found 1/2" Rebar
- Found 5/8" Rebar
- Found Aluminum Cap on 5/8" Rebar
- Calculated Point
- Set Magnetic Nail and Washer, P.L.S. 16670
- Corner not set, falls in building

### SURVEY NARRATIVE & NOTES

- THE PURPOSE OF THIS SURVEY IS TO SHOW THE MONUMENTS FOUND AND SET DURING THE BOUNDARY RETRACEMENT OF THE EAST 75' OF LOT 8, BLOCK 17, KETCHUM TOWNSITE, INSTRUMENT NUMBER 302957, RECORDS OF BLAINE COUNTY, IDAHO, AND TO CONDOMINUMIZE SAID PROPERTY AS SHOWN HEREON. ALL MONUMENTS HAVE BEEN ACCEPTED LOT CORNER MONUMENTS. THE SURVEY IS BASED ON THE RECORDS OF THE PROPORTIONING RECORD DISTANCES, ADDITIONAL DOCUMENTS USED IN THE COURSE OF THIS SURVEY INCLUDE THE PLAT OF BIGFISH CONDOMINIUMS, INSTRUMENT NUMBER 524689, THE RECORD OF SURVEY FOR AMERICAN NATIONAL, INSTRUMENT NUMBER 520, THE PLAT OF AMENDED LOTS 2, 3, 4, BLOCK 17, TOWNSITE 50, KETCHUM, IDAHO, INSTRUMENT NUMBER 297871, THE PLAT OF KETCHUM, BLOCK 17, REPLAT OF LOTS 1 AND A P.T.N. OF LOT 2, INSTRUMENT NUMBER 302975, ALL RECORDS OF BLAINE COUNTY, IDAHO.
- PROPERTY HEREON IS SUBJECT TO THE COVENANTS, CONDITIONS, AND RESTRICTIONS CONTAINED UNDER INSTRUMENT NO. \_\_\_\_\_, RECORDS OF BLAINE COUNTY, IDAHO.
- VERTICAL DATUM IS ASSUMED. BENCHMARK IS A FOUND 5/8" REBAR IN THE INTERSECTION OF FIFTH STREET AND WASHINGTON AVENUE, ELEVATION = 5851.00.
- THE BUILDING OUTLINE IS ONLY SHOWN ON THIS PAGE FOR ORIENTATION.



SEE SHEET 2 FOR CONDOMINIUM UNIT  
DIMENSIONS, UNIT TIES AND ADDITIONAL NOTES

HEALTH CERTIFICATE: Sanitary restrictions as required by Idaho Code Title 50, Ch. 13, Section 50-1326, by issuance of a Certificate of Disapproval.  
7/12/2022

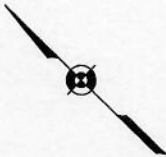
Date South Central District Health Dept., DHS

MARK E. PHILLIPS, P.L.S. 16670  
JOB NO. 7534  
KETCHUM FILE NO. P22-017

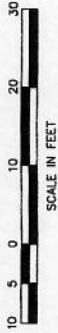
231 SUN VALLEY ROAD CONDOMINIUMS  
SALENA ENGINEERING, INC.  
HAILEY, IDAHO  
SHEET 1 OF 3



# A CONDOMINIUM PLAT SHOWING 231 SUN VALLEY ROAD CONDOMINIUMS

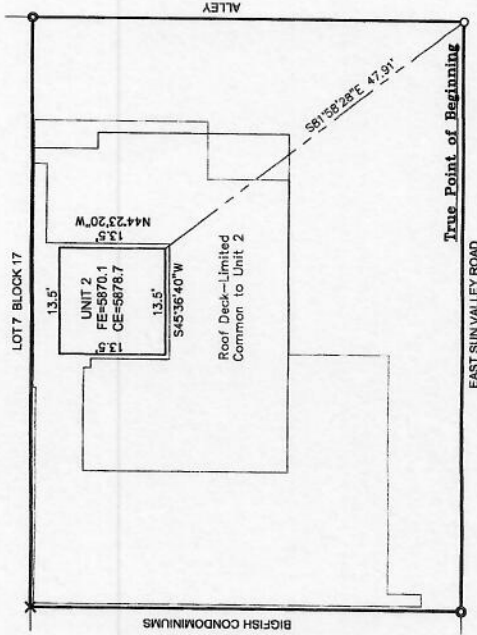


SCALE: 1" = 10'

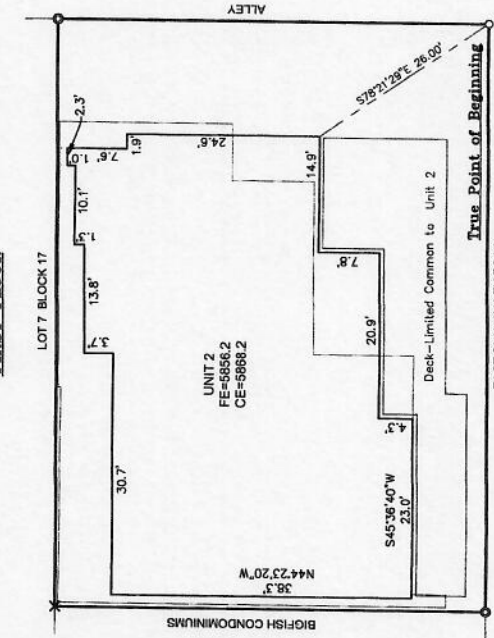


## LEGEND

- Property Boundary
- Building Outline at Ground Level
- Unit Outline
- Unit Tie
- Ceiling Elevation Change
- ME
- Mechanical Area
- CE
- Ceiling Elevation
- FE
- Floor Elevation
- S
- Storage



## ROOF LEVEL



## FIRST FLOOR

## SECOND FLOOR

## FLOOR PLAN NOTES

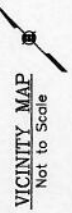
- IN INTERPRETING THE DECLARATION, PLAT OR PLATS, AND DEEDS, THE EXISTING PHYSICAL BOUNDARIES OF THE UNIT AS ORIGINALLY CONSTRUCTED, OR RECONSTRUCTED IN LIEU THEREOF, SHALL BE THE BASIS FOR THE INTERPRETATION OF THE DECLARATION, PLAT OR PLATS, AND/OR DEEDS, REGARDLESS OF SETTLING OR LATERAL BOUNDARIES EXPRESSED OR IMPLIED IN THE DECLARATION, PLAT OR PLATS, AND/OR DEEDS. THE BOUNDARIES OF THE UNIT SHALL BE THE BOUNDARIES SHOWN IN THE DECLARATION, PLAT OR PLATS, AND/OR DEEDS, AND THE ACTUAL BOUNDARIES OF THE UNITS IN THE BUILDING.
- HORIZONTAL PLANS SHOWN HEREIN ARE TOP OF FINISHED SUBFLOOR PLANS. VERTICAL PLANS SHOWN HEREIN ARE TOP OF FINISHED SUBFLOOR PLANS. SURFACES OF INTERIOR WALLS, SOME STRUCTURAL MEMBERS EXTEND INTO UNITS, LIMITED COMMON AREAS AND PARKING SPACES.
- DIMENSIONS SHOWN HEREIN WILL BE SUBJECT TO SLIGHT VARIATIONS, DUE TO NORMAL CONSTRUCTION TOLERANCES.
- CONSULT THE CONDOMINIUM DECLARATIONS FOR THE DEFINITION OF COMMON AND LIMITED COMMON AREA.
- ALL AREA OUTSIDE OF UNITS THAT IS NOT DESIGNATED AS LIMITED COMMON IS COMMON AREA. AREAS OF "COMMON" OR "LIMITED COMMON" ARE SHOWN BY DIAGRAM.
- BUILDING TIES ARE TO THE INTERIOR CORNERS OF UNIT WALLS.
- UTILITY EASEMENTS NECESSARY TO ALLOW FOR ACCESS AND MAINTENANCE OF UTILITIES SERVING UNITS OTHER THAN THE UNIT THEY ARE LOCATED IN ARE HEREBY GRANTED BY THIS PLAT.
- NO GARAGE MAY BE CONDOMINIUMIZED OR SOLD SEPARATE FROM THE ASSOCIATED RESIDENTIAL UNITS.

SEE SHEET 1 FOR LOT DIMENSIONS,  
G.I.S. TIES AND ADDITIONAL NOTES



MARK E. PHILLIPS, P.L.S. 16670

231 SUN VALLEY ROAD CONDOMINIUMS  
GALENA ENGINEERING, INC.  
HAILEY, IDAHO  
SHEET 2 OF 3  
JOB NO. 7534  
KETCHUM FILE NO. P22-017



VICINITY MAP  
Not to Scale

**EXHIBIT D**

**(By Laws and Articles of Incorporation)**