

Notice of Addition of Territory
Elkhorn Indian Springs Condos.

Recorded October 17, 1973
Instrument No. 151531

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NOTICE OF ADDITION OF TERRITORY
and
SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
ESTABLISHING A CONDOMINIUM PLAN
for
ELKHORN INDIAN SPRINGS CONDOMINIUMS

THIS NOTICE OF ADDITION OF TERRITORY AND SUPPLEMENTAL DECLARATION (hereinafter "Supplemental Declaration") is made this 10th day of October 1973, by JOHNS-MANVILLE IDAHO, INC., an Idaho corporation, and DOLLAR MOUNTAIN COMPANY, doing business as ELKHORN AT SUN VALLEY, an Idaho joint venture (together with their successors and assigns, collectively, "Declarant").

R E C I T A L S :

A. Declarant is the owner of certain real property in the County of Blaine, State of Idaho, a portion of which is more particularly described as Parcel A in Exhibit "A" attached hereto and by reference made a part hereof (said Parcel A is hereinafter referred to as "the Real Property").

B. Declarant has recorded in the real property records of Blaine County, State of Idaho, as Instrument No. 142929, on March 24, 1972, a "Master Declaration of Covenants, Conditions and Restrictions of Elkhorn at Sun Valley" (hereinafter the "Master Declaration") designating the property subject thereto as a planned development community known and referred to in said Master Declaration as "Elkhorn."

C. Declarant intends to provide at the present time for condominium ownership of Parcel A of the real property described in Exhibit "A" under the Condominium Property Act of the State of Idaho, and to provide a procedure for future conversion from time to time, of all or a portion of Parcel B of the real property described in Exhibit "A" to condominium ownership under said Act, as parts of a common condominium project.

ARTICLE I

ANNEXATION OF TERRITORY

Section 1.1 Establishment of General Plan. Grantor hereby declares and agrees that:

A. This Supplemental Declaration and the Master Declaration are hereby established upon the Real Property in furtherance of a general plan for the improvement and sale of Lots and Condominiums within Elkhorn, for the purpose of enhancing and perfecting the value of each Lot and Condominium therein, and specifically in furtherance of the general plan and scheme of condominium ownership referred to in Paragraph C of the Recitals to this Declaration, and are further declared to be for the benefit of the Project and every part thereof, and for the benefit of each Owner of a Unit in the Project.

B. The real property described as Parcel A on Exhibit "A" attached hereto and by this reference made a part hereof (the "Real Property") is made subject to the Master Declaration. The Real Property shall be held, conveyed, hypothecated, encumbered, leased, occupied or otherwise used, improved, or transferred, in whole or in part, subject to this Supplemental Declaration and the Master Declaration.

C. This Supplemental Declaration and the Master Declaration are hereby imposed as equitable servitudes upon the Real Property, and each and every portion thereof, as a servient tenement for the benefit of the other portions thereof and of each and every other Lot and Condominium within Elkhorn as the dominant tenements.

D. This Supplemental Declaration and the Master Declaration shall run with the Real Property and shall be binding upon and inure to the benefit of all parties having or hereafter acquiring any right, title or interest in the Real Property or any portion thereof.

Section 1.2 Classification of Additional Territory. The Real Property is hereby designated, pursuant to Section 2.02 of the Master Declaration, to be a Multi-Family Residential Area.

ARTICLE II

DEFINITIONS

The following terms shall have the following meanings when used herein unless the context otherwise requires. All other terms used herein which are defined in the Master Declaration, unless the context otherwise specifies or requires, shall have the definitions and meanings given them in Article I of the Master Declaration.

Association. "Association" means Elkhorn Indian Springs Condominium Association, Inc., an Idaho corporation, not for profit, its successors and assigns, organized as provided herein.

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

Common Area. "Common Area" means the entire Project as it may from time to time extend, excepting all Units.

Condominium. "Condominium" means a separate interest in a Unit together with an undivided interest in common in the Common Area (expressed as a percentage of the entire ownership interest in the Common Area) as set forth in Exhibit "B" attached hereto and by this reference made a part hereof, together with those easements for exclusive use of portions of the Limited Common Area granted herein or on the Condominium Map to the Owner of such Unit.

Condominium Map. "Condominium Map" means collectively the Condominium Map (consisting of a plat or survey map of the surface of the ground of the Real Property showing a survey and legal description thereof, the location of each building with respect to the boundaries of the Real Property, together with diagrammatic floor plans of the Buildings showing the boundaries of each Unit within each Building, including horizontal and vertical locations and dimensions of all boundaries of each Unit, Unit number identifying the Units, and such other information as may be included thereon at the discretion of the Declaration) to be filed for record in the Real Property Records of Blaine County, Idaho, for the Real Property described as Parcel A in Exhibit "A," together with such corresponding documents as may be so filed for any Added Property.

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

Limited Common Area. "Limited Common Area" means that portion of the Common Area for which exclusive easements are reserved for the use of Owners of particular Condominiums, as those areas are described in Section 4.2 and designated on the Condominium Map.

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

Mortgagee. "Mortgagee" means any person or entity, or any successor to the interest of such person or entity, named as the mortgagee, trust beneficiary, or creditor under any Mortgage under which the interest of any Owner, or successor to the interest of such Owner is encumbered.

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

Project. "Project" means the Real Property (including any Added Property) and all Buildings and other improvements located thereon.

Real Property. "Real Property" means that real property described as Parcel A in Exhibit "A," together with such portion of the real property described as Parcel B in Exhibit "A" as Declarant from time to time (but not later than five [5] years from the date of filing of this Declaration) by Supplemental Declaration filed in the Real Property Records of Blaine County, Idaho, shall have declared to be subject to this Declaration (the "Added Property") to be held in condominium ownership as part of the Project.

Residential Unit. "Residential Unit" means all Units other than the Commercial Units.

Units. "Units" means the separate interest in a Condominium as bounded by the interior surfaces of the perimeter walls, floors, ceiling, windows and doors thereof and the interior surface 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. Notwithstanding such marking, the following are not part of a "Unit:" bearing walls, columns, floors and roofs (except for the interior surface thereof, if a perimeter wall, floor or ceiling), foundations, clothes chutes, shafts, central heating systems, reservoirs, tanks, pumps and other services used by more than one Unit, pipes, vents, ducts, flutes, chutes, conduits, wires, except the outlets thereof when located within the Unit. The interior surfaces of the perimeter window or door means the points at which such surfaces are located when such windows or doors are closed; the physical windows and doors themselves are part of the Common Area as herein defined.

ARTICLE III

ADDITION OF ADDED PROPERTY

Declarant may at any time or from time to time during a period of five (5) years from the date that this Declaration is filed of record, add to the property which is covered by this Declaration all or any portion of the land described as Parcel B in

Exhibit "A" hereto, provided, however, that if a Final Subdivision Public Report for a portion of Elkhorn has ever been issued by the California Commissioner of Real Estate, then, unless such a report has been issued within the three (3) years immediately prior to the date such property is to be added to the property covered by this Declaration, such addition shall further require the vote of at least two-thirds (2/3) of the Owners, excluding Declarant, of Condominiums within the Project.

Upon the recording of a Notice of Addition of Property to Condominium Project, containing the provisions set forth herein (which Notice may be contained within the same document as a Notice of Addition of Territory to Elkhorn), the Covenants, Conditions and Restrictions contained in this Declaration shall apply to the Added Property in the same manner as if it were originally covered by this Declaration and originally constituted a part of the Project; and thereafter, the rights, privileges and duties and liabilities of the parties to this Declaration with respect to the added land shall be the same as with respect to the original property, and the rights, privileges, duties and liabilities of the Owners, lessees and occupants of Condominiums within the added property shall be the same as in the original project.

The Notice of Addition of Property referred to herein shall contain the following provisions:

- A. A reference to this Declaration, which reference shall state the date of recordation hereof and the book or books of the Records of Blaine County, Idaho, and the page numbers where this Declaration is recorded; and
- B. A statement that the provisions of this Declaration shall apply to the added land as set forth herein; and
- C. An exact description of the added land; and
- D. A reference to a Condominium Map, filed or to be filed for record in the Office of the County Recorder of Blaine County, Idaho, covering the added property; and
- E. An amendment to Exhibit "B" hereto, recomputing the percentage of ownership interest in the Common Area for the total Project including the added area, and taking into account existing Condominiums and recomputing the percentage of ownership interest for the Owners of such Condominiums, as well as Condominiums built or to be built on the Added Property. Such percentage of ownership interest in the Common Area shall be allocated to each Unit for purposes of tax assessment under Section 15-1514 of the Idaho Code, and for purposes of liability as provided by Section 15-1515 of such Code.

The floor plans of Units to be built in the added property shall be substantially the same design as those for corresponding Units shown on the Condominium Map for Parcel A, and shall be consistent with the overall architectural and design plan for the original Project. The allocation of percentage of ownership shall be fixed by taking as a basis the value of each Unit in relation to the value of the Project as a whole. The percentages allocated to Units having corresponding floor plans shall generally be the same whether such Units are existing Units or Units to be located on the Added Property, subject only to such adjustments as are necessary to prevent gross discrepancies because of age or condition of a particular Condominium, or its location within the Project. Upon the addition of new Units to the Project, sufficient Common Area shall also be annexed so that the value of the interest of existing Condominium Owners in the Common Area immediately prior to the addition is not appreciably diminished by the addition of the new Units.

ARTICLE IV

NATURE AND INCIDENTS OF CONDOMINIUM OWNERSHIP

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

Section 4.2 Limited Common Area. "Limited Common Area" shall consist of those portions of the Common Area designated as such on the Condominium Map. An exclusive easement of use is hereby reserved over each such Limited Common Area in favor of the Owner of the Unit identified with the same number or other designation by which the Limited Common Area is designated on the Condominium Map, to be used by the Owner of such Unit to the exclusion of the use thereof by the other owners of the Common Area except by invitation. Such Limited Common Areas shall include for each Unit (as shown on the Condominium Map):

- (a) One assigned ski locker.

The Limited Common area for a Unit may also include (if shown on the Condominium Map) a balcony or patio, or both.

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

Section 4.4 Title. Title to a Condominium may be held or owned by any entity and in any manner in which title to any other real property may be held or owned in the State of Idaho. Title to each Condominium is hereby made subject to the terms and conditions hereof, which bind the Declarant and all subsequent Owners, whether or not it be so expressed in the deed by which any Owner acquires his Condominium.

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

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

Section 4.6 Partition not Permitted. The Common Area shall be owned in common by all Owners of Condominiums, subject to said easements in the Limited Common Area, and no Owner may bring any action for partition thereof.

Section 4.7 Owners' Right to Common Area. Subject to the limitations contained in this Declaration, each Owner shall have the nonexclusive right to use and enjoy the General Common Area, and shall have the exclusive right to use and enjoy that portion of the Limited Common Area in which an easement is granted herein or on the Condominium Map for exclusive use by such Owner.

Section 4.8 Taxes and Assessments. Each Owner shall execute such instruments and take such action as may reasonably be specified by the Association to obtain separate real property tax assessments of the interest of each Owner in each Condominium. If any taxes or special district or other assessments may, in the opinion of the Association, nevertheless be a lien on the Project or any part thereof, the Association shall pay the same and assess the same to the Owner or Owners responsible therefor. Each Owner shall pay the taxes or assessments assessed against his Condominium, or interest therein, or his interest in the Common Area, or any part of any or all of the foregoing. Each Owner shall pay all taxes, rates, impositions and assessments levied against the Project or any part of the Common Area in proportion to his interest in the Common Area, such payment to be made to the Association at least thirty (30) days prior to the delinquency of such tax or assessment. Each such unpaid tax or assessment shall bear interest at the rate of eight per cent (8%) per annum and shall be secured by the lien created by Article IX, Section 9.6 hereof.

Section 4.9 Owners' Rights with Respect to Interiors. Each Owner shall have the exclusive right to paint, repaint, tile, wax, paper or otherwise maintain, refinish and decorate the interior surfaces of the walls, ceilings, floors, windows, and doors forming the boundaries of his Unit, and all walls ceilings, floors and doors within such boundaries.

Section 4.10 Easements for Encroachments. If any part of the Common Area encroaches or shall hereinafter encroach upon a Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Unit encroaches or shall hereinafter encroach upon the Common Area, or upon any 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 or shifting of the earth, or by change in position caused by repair or reconstruction of the Project or any part thereof.

Section 4.11 Easements of Access for Repair, Maintenance and Emergencies. Some of the Common Area is or may be located within the Units or may be conveniently accessible only through the Units. The Owners or other Units shall have the irrevocable right, to be exercised by the Association as their agent, to have access

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

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

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

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

Section 4.15 Other Rights of Ingress or Egress. The Project is part of the planned development encompassing other real property subject to the Master Declaration. From time to time as may be necessary or desirable, the Master Association described in said Master Declaration may grant easements of ingress and egress to and from other portions of Elkhorn across the Common Area for the use of any person entitled to use that property referred to as the "Association Properties" in said Master Declaration (including those persons defined as "Permitted Users" in said Master Declaration) and for the purpose of equestrian, pedestrian, or bicycle paths and roads and utility easements across the Common Area which may serve the real property subject to said Master Declaration.

Section 4.16 Easements Deemed Created. All conveyances of Condominiums hereafter made, whether by Declarant or otherwise, shall be construed to grant and reserve such reciprocal easements as shall give effect to Sections 4.10, 4.11, 4.12, 4.13, 4.14 and 4.15 above, even though no specific reference to such easements or to those sections appears in any such conveyance.

ARTICLE V

DESCRIPTION OF A CONDOMINIUM BY UNIT NUMBER

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

"Condominium Unit ____ as shown on the Condominium Map for Elkhorn Indian Springs Condominium, appearing in the Records of Blaine County, Idaho as Instrument No. 151530 and as defined and described in that Condominium Declaration for Elkhorn Indian Springs Condominiums recorded in the Records of Blaine County, Idaho, as Instrument No. 151531."

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

ARTICLE VI

MECHANIC'S LIEN RIGHTS

No labor performed or services or materials furnished with the consent of or at the request of an Owner or his agent or his contractor or subcontractor shall be the basis for the filing of a lien against the Condominium of any other Owner, or against any part thereof, or against any other property 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 his Condominium from a lien against two or more Condominiums or any part thereof by payment to the holder of the lien of the fraction of the total sum secured by such lien which is attributable to his Condominium.

ARTICLE VII

THE ASSOCIATION

Section 7.1 Membership. The Articles of Incorporation and By-Laws of the Association are attached hereto as Exhibits "C" and "D," respectively, and are hereby made a part of this Declaration. Every Owner (including Declarant) shall be entitled and required to be a member of the Association. If title to a Condominium is held by more than one person, the membership related to that Condominium shall be shared by all such persons in the same proportionate interests and by the same type of tenancy in which the title to the Condominium is held. An Owner shall be entitled to one membership for each Condominium owned by him. No person or entity other than an Owner may be a member of the Association, and the Articles of Incorporation or By-Laws of the Association always shall so state and shall in addition state that the memberships in the Association shall be appurtenant to the respective Condominiums.

and may not be transferred except in connection with the transfer of a Condominium. The rights of membership shall be deemed assigned to a Mortgagee as further security for any loan secured by a lien on a Condominium, but a Mortgagee can only exercise such rights in the event it obtains title to such Condominium by foreclosure or by a proceeding or deed in lieu thereof.

Section 7.2 Voting Rights. The total number of votes which may be cast by all members of the Association shall be as set forth in the Articles of Incorporation and By-Laws of the Association, attached hereto as Exhibits "C" and "D," and each Owner shall be entitled to vote a percentage of the total number of votes of the Association corresponding to such Owner's percentage interest in the Common Area as set forth in Exhibit "B" attached hereto, as said schedule may from time to time be amended upon the addition of Added Property as set forth in Article III above.

Section 7.3 Cumulative Voting. In any election of the members of the Board of Directors of the Association, every Owner (including Grantor) entitled to vote at such election shall have the right to cumulate his votes and give one candidate, or divide among any number of the candidates, a number of votes equal to the number of votes to which that Owner is entitled in voting upon other matters multiplied by the number of directors to be elected. The candidates receiving the highest number of votes, up to the number of the Board members to be elected, shall be deemed elected. Any director may be removed from office by a vote of a majority of the members entitled to vote at an election of directors; provided, however, that unless the entire Board is removed, an individual director shall not be removed if the number of votes cast against his removal exceeds the quotient arrived at when the total number of votes cast is divided by one plus the authorized number of directors. If any or all directors are so removed, new directors may be elected at the same meeting.

Section 7.4 Transfer. Except as otherwise expressly stated herein, any of the rights, interests and obligations of the Association set forth herein or reserved herein may be transferred or assigned to any other person or entity; provided, however, that no such transfer or assignment shall relieve the Association of any of the obligations set forth herein. Any such transfer or assignment shall not revoke or change any of the rights or obligations of any Owners as set forth herein.

ARTICLE VIII

CERTAIN RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

Section 8.1 The Management Body. The Association is hereby designated to be the "Management Body" as provided in Sections 55-1505 and 55-1506 of the Idaho Code and shall administer the Project in accordance with the Condominium Property Act of such Code, the Articles of Incorporation and By-Laws of the Association and the provisions of this Declaration.

Section 8.2 General Powers of the Association. The Association shall have all of the powers set forth in its Articles of Incorporation, together with its general powers as a nonprofit corporation, generally to do any and all things that a corporation organized under the laws of the State of Idaho may lawfully do in operating for the benefit of its members, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Articles, the By-Laws and in this Declaration and to do any and all lawful things which may be permitted to be done by this

Association under this Declaration and to perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association or for the peace, health, comfort, safety and general welfare of the Owners and their guests.

Section 8.3 Special Powers of the Association. In the event that the Association determines that any portion of a Condominium is in need of repair, restoration or painting, or has been constructed or altered without proper approval of the Board, or that there is a violation of any provision of this Declaration, then the Association shall give written notice to the Owner of the condition or violation complained of, and unless the Board has approved in writing corrective plans proposed by the Owner to remedy the condition complained of within such period of time as may be determined reasonable by the Association after it has given said written notice and such corrective work so approved is completed thereafter within the time allotted by the Association, the Association shall undertake to remedy such condition or violation complained of and the cost thereof shall be charged to the Owner whose Condominium is the subject matter of the corrective work, and to his Condominium, and such cost shall be deemed to be a Special Assessment to such Owner, and subject to levy, enforcement and collection by the Association in accordance with the assessment lien procedure provided for in Section 9.5 of this Declaration.

Section 8.4 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 (subject to said exclusive easements for use by individual Owners of the Limited Common Area) and all improvements thereon (including furnishings and equipment related thereto), and shall keep the same in good repair; however, each Owner of a Condominium shall keep the Limited Common Area designated for use in connection with his Unit in a clean, sanitary and attractive condition, and shall maintain and repair any heating equipment or water heater servicing his Unit exclusively. The Association shall be responsible for the maintenance and repair of exterior surfaces of Buildings and Improvements located on the Project, including without limitation, the painting of the same as often and necessary, the replacement of trim and caulking, the maintenance and repair of roofs, the maintenance and repair of other Common Areas, including utility lines, parking areas, and all other improvements or materials located within or used in connection with the Common Area. The Association shall, at all times, maintain a portion of the Common Area as a parking lot with adequate space for at least ninety-six (96) automobiles for the use of the Owners and their invitees. The Association shall maintain in a proper, first-class manner all landscaping and natural vegetation constituting part of the Common Area, including assuring the preservation of good visual continuity between landscaped areas and natural vegetation. To the extent not assessed to or paid by the Owners, the Association shall pay all real and personal property taxes and assessments levied upon any portion of the Project. It shall be the affirmative duty of the Association to require strict compliance with all provisions of this Declaration and to inspect the Property for any violations thereof. The cost of such management, maintenance and repair by the Association shall be assessed to the Owners as provided in Article IX.

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

Section 8.5 Miscellaneous Services. The Association may obtain and pay for the services of any person or entity to manage its affairs (including but not limited to the maintenance of the Common Area or any other Association Property) or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall determine to be necessary or desirable for the proper operation of the Project, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or which it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Project or the enforcement of this Declaration. The Association may arrange with others to furnish electrical, water, sewer, trash collection and other common services to each Unit. Whenever the Association deems it advantageous, such electrical, water or sewer charges shall be separately metered to each Unit. Each Owner shall be responsible for payment of all utility services separately metered to his Unit, and shall make payment for such services directly to the utility concerned. The cost of services not individually metered or otherwise charged to individual Units shall be paid by the Association on behalf of its members in common and shall be included in the Periodic Assessments and assessed to the members as provided in Article IX. The Association shall not enter into any contract unless it provides that the same may be terminated by the Association without penalty upon no more than one (1) year's prior written notice except that the Association may enter into a Management Agreement with the Sun Valley Company, provided that the same provides that it may be terminated by the Association without penalty upon reasonable written notice, which may be more or less than one (1) year.

Section 8.6 Personal Property for Common Use. The Association may acquire and hold for the use and benefit of all of the Owners tangible and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be deemed to be owned by the Owners in the same proportion as their respective interests in the Common Area. Such interest shall not be transferable except with the transfer of a Condominium. A transfer of a Condominium, including any transfer of title to a Condominium upon foreclosure, 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.

Section 8.7 Coin Operated Machines. The Association may purchase, lease or grant licenses for the installation of coin operated machines, including but not limited to washers, dryers and cigarette, soft drink or other vending machines, and may cause the same to be installed in the Common Area, upon such terms as the Association, in its discretion, deems appropriate. The net proceeds of any such machines shall be used by the Association for Association purposes, which may include, defrayal of regular Association expenses or the purchase of Personal Property for Common Use of the Owners as provided in Paragraph 8.6 above.

Section 8.8 Rules and Regulations. The Association may make reasonable rules and regulations governing the use of Units, of the Common Area, and of any personal property owned by the Association, which rules and regulations shall be consistent with the rights and duties established in this Declaration. Such rules and regulations may include, without limitation, assignment of particular portions of storage

or other areas within the General Common Area for exclusive use by Owners of particular Condominiums. The Association may suspend any Owner's voting rights in the Association during any period or periods during which such Owner fails to comply with such rules and regulations, or with any other obligations of such Owner under this Declaration. Before invoking any such suspension the Board shall give such person Notice and Hearing. 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 non-compliance, all to the extent permitted by law.

Section 8.9 Implied Rights. The Association may exercise any other right or privilege reasonably to be implied from the existence of any right or privilege given to it expressly herein or reasonably necessary to effectuate any such right of privilege.

ARTICLE IX

ASSESSMENTS

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

Section 9.2 Amount of Total Periodic Assessments. Not later than thirty (30) days prior to the beginning of each calendar year, the Association shall estimate the total cash requirements of the Association to provide for the coming year for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the Common Area or furnishing electrical, water, sewer, trash collection and other common services to each Unit (except such utility services as may be separately metered to each Unit and other services separately charged to a specific Unit), which estimates may include, among other things, expenses of management; taxes and special assessments upon the Condominiums until the Condominiums are separately assessed as provided herein; taxes and special assessments upon the Common Area; premiums for all insurance which the Association is required or permitted to maintain pursuant hereto; landscaping and care of grounds; common lighting and heating, water, sewer, trash collection, and sewer charges; repairs and maintenance of the Common Area, wages for Association employees; road maintenance and snow removal within the Common Area and on adjoining property to the extent deemed desirable by the Board; legal and accounting fees; any deficit remaining from a previous period; the creation of a reasonable contingency reserve, surplus and/or sinking funds; and any other expenses and liabilities which may be incurred by the Association for the benefit of the Owners under or by reason of this Declaration.

Section 9.3 Payment of Periodic Assessments. A sum sufficient to pay the estimated net expenses, computed as provided in Section 9.2, shall be assessed to each Owner in proportion to the interest in the Common Area owned by each. Written notice of the annual assessment for each Condominium shall be given to the Owner

thereof, which notice shall specify the amount of the assessment and the date or dates of payment of the same. The Association may, in its discretion, allow assessments to be paid in installments. No payment shall be due less than fifteen (15) days after the date said written notice is given. Each periodic assessment shall bear interest at the rate of eight per cent (8%) per annum from the date it becomes due and payable if not paid within thirty (30) days after such date. Failure of the Association to give timely notice of any assessment as provided herein shall not affect the liability of the Owner of any Condominium for such assessment, but the date when payment shall become due in such case shall be deferred to a date fifteen (15) days after such notice shall have been given. In the event the Association shall determine that the estimate of total charges for the current year is, or will become, inadequate to meet all expenses of the Association for any reason, it shall promptly determine the approximate amount of such inadequacy and levy a further assessment which shall be assessed against the Owner of each Condominium in like proportion.

Section 9.4 Special Assessments for Capital Improvements. In addition to the annual assessments authorized by this Article, the Association may levy at any time Special Assessments, payable over such period as the Association may determine, for the purpose of defraying in whole or in part the cost of any construction or reconstruction, unexpected repair or replacement of the Project or any part thereof, or for any other expense incurred or to be incurred as provided in this Declaration. In the case of any Improvements, additions or demolishing (other than maintenance or repairs to existing Improvements) involving a total expenditure in excess of One Thousand Dollars (\$1,000) or such higher limit as may be allowed by the California Department of Real Estate from time to time, the vote of a majority of each class of Owners, voting in person or by proxy at a regular or special meeting called for that purpose, approving plans and a maximum total cost therefor shall first be obtained. This Section shall not be construed as an independent source of authority for the Association to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other Sections hereof. Any amounts assessed pursuant hereto shall be assessed to Owners in proportion to the interest in the Common Area owned by each. Notice in writing of the amount of such special assessments and the time for payment thereof shall be given promptly to the Owners, and no payment shall be due less than thirty (30) days after such notice shall have been given. A Special Assessment shall bear interest at the rate of eight per cent (8%) per annum from the date it becomes due and payable if not paid within thirty (30) days after such date.

Section 9.5 Unpaid Assessments As Liens. The amount of any assessment, whether regular or special, assessed to any Owner, plus interest on such assessment at a rate of eight per cent (8%) per annum simple interest and costs, including reasonable attorneys' fees, shall become a lien upon such Condominium upon recordation with the County Recorder of Blaine County, Idaho, of a notice of assessment stating the amount of the claim of delinquency, the interest and costs which have accrued thereon, and designating the Condominium against which it has been assessed and the name of the record Owner thereof. Such notice shall be signed and acknowledged by an officer of the Association. Upon recordation it shall create a lien upon the Condominium described in the amount set forth. Such assessment lien shall be prior to any declaration of homestead recorded after the recording of this Declaration. The lien

shall continue for one (1) year from the date of recordation of said notice of assessment; provided, however, that said one (1) year period may be extended by the Association for not to exceed one (1) additional year by recording a written extension thereof. When the lien has been fully paid or satisfied, a further notice releasing the lien shall be recorded. Such lien may be foreclosed in the same manner as is provided in the laws of the State of Idaho for the foreclosure of liens against a Condominium as provided in Section 15-1518 of the Code of Idaho and as otherwise provided by law. a certificate executed and acknowledged by any two (2) members of the Board stating the indebtedness secured by the liens upon any Condominium created hereunder shall be conclusive upon the Association and the Owners as to the amount of such indebtedness as of the date of the certificate, in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any Owner upon request at a reasonable fee, not to exceed Ten Dollars (\$10.00).

Section 9.6 Mortgagee Protection. Notwithstanding all other provisions hereof, no lien created under this Article IX nor any breach of this Declaration, nor the enforcement of any provision hereof shall defeat or render invalid the rights of the Mortgagee under any recorded Mortgage upon a Condominium made in good faith and for value, provided that after the foreclosure of any such Mortgage or conveyance of any Condominium to such Mortgagee by Deed in lieu of foreclosure, such Condominium shall remain subject to this Declaration and the amount of all regular assessments and all special assessments to the extent they relate to expenses incurred subsequent to such foreclosure shall be assessed hereunder to the purchaser at such foreclosure sale.

Section 9.7 Notice of Recording Mortgages. No amendment to this Article IX of this Declaration shall affect the rights of any Mortgagee who does not join in the execution thereof; provided that his Mortgage is recorded prior to the recordation of such amendment.

Section 9.8 Subordination. By subordination agreement executed by the Association, the benefits of Sections 9.6 and 9.7 above may be extended to Mortgagees not otherwise entitled thereto.

Section 9.9 Personal Obligation of Owner. The amount of any periodic or special assessment against any Condominium shall be the personal obligation of the Owner thereof to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish such personal obligation by waiver of the use and enjoyment of any of the Common Area or by abandonment of his Condominium.

Section 9.10 Personal Liability of Purchaser for Assessments. Subject to the provisions of Section 9.5, a purchaser of a Condominium shall be jointly and severally liable with the seller for all unpaid assessments against the Condominium up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments.

ARTICLE X

USE OF CONDOMINIUMS

Section 10.1 Residential. Each Condominium shall be used for residential purposes only, and no trade or business of any kind may be carried on therein, except that:

A. Lease or rental of a Condominium or of a portion or portions thereof for lodging or residential purposes shall not be considered a violation of this Declaration.

B. Declarant or a person designated by the Association as the agent of the Association for purposes of managing the Property may maintain management offices and facilities in a Condominium or in a temporary structure constructed on the Project.

C. Declarant may use any Condominium owned by Declarant as a sales office or display model, may display sales materials and signs in or about such Condominium or anywhere within the Common Area, and may carry out sales activities therein connected with the sale of Condominiums in the Project.

Section 10.2 Use of Common Area. There shall be no obstruction of the Common Area, nor shall anything be stored on any part of the Common Area without the prior written consent of the Association. Nothing shall be altered on, constructed in, or removed from, the Common Area, except upon the prior written consent of the Association.

Section 10.3 Prohibition of Damage and Certain Activities. Nothing shall be done or kept in any Unit or in the Common Area or any part thereof which would result in the cancellation of the insurance on the Project or any part thereof, or would increase the cost of such insurance without the prior written consent of the Association. Nothing shall be done or kept in any Unit or in the Common Area or any part thereof, which would be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of, the Common Area or any part thereof shall be committed by any Owner or any invitee of any Owner. No noxious, destructive or offensive activity shall be carried on in any Unit or in the Common Area or any part thereof, nor shall anything be done therein which may be or may become an annoyance or nuisance to any other Owner or to any person at any time lawfully residing in the Project. No loud noises shall be permitted on the Property, and the Board of Directors of the Association shall have the right to determine if any noise or activity producing noise constitutes a nuisance.

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

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

Section 10.6 Maintenance of Interiors. Each Owner shall keep the interior of his Unit including, without limitation, interior walls, windows, glass, ceilings, floors and permanent fixtures and appurtenances thereto, in a clean, sanitary and attractive condition, and good state of repair, and shall keep the Limited Common

Area designated for use in connection with his Unit in clean, sanitary and attractive condition, and shall keep any heating equipment and water heater serving his Unit exclusively in a good state of maintenance and repair.

Section 10.7 Structural Alterations. No structural alterations or exterior alterations to any Unit shall be made, and no plumbing, electrical or similar work within the Common Area shall be done by any Owner without the prior written consent of the Association, except that an Owner may do such work as may be appropriate to maintain and repair the Limited Common Area appurtenant to such Owner's Unit.

Section 10.8 Outside Installations. No clotheslines, wiring or installation of air conditioning or other machines shall be installed on the exterior of a Building or the Project or be allowed to protrude through the walls, windows or roof of a Building, unless the prior written approval of the Board of Directors is secured.

Section 10.9 Parking and Vehicular Restrictions. No vehicle which shall not be in an operating condition shall be parked or left on the property subject to this Declaration other than on an assigned parking space. The parking spaces shall be used for parking vehicles only and shall not be converted for living, recreational or business purposes, nor shall anything be stored in any parking space so as to prevent the parking of an automobile therein. No exposed storage shall be permitted anywhere on the property.

ARTICLE XI

INSURANCE AND INDEMNIFICATION

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

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

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

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

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

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

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

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

B. Casualty and Public Liability Insurance. The Association may in its discretion obtain casualty and public liability insurance coverage, in amounts it may select, with respect to the Common Area.

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

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

Section 11.4 Insurance Proceeds. The Association shall receive the proceeds of any casualty insurance payments received under policies obtained and maintained pursuant to this Article. The Association shall determine the amount of the proceeds attributable to damage to the Common Area, and to the various Units. To the extent that reconstruction is required, the proceeds shall be used for such purpose. To the extent that reconstruction is not required and there is a determination that the Project shall not be rebuilt as provided in Article XII hereof, the proceeds shall be distributed in the manner provided in Section 13.4 herein in the event of sale of obsolete Units. 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 11.5 Liability and Indemnification. Each Owner shall be liable to the Association for any damage of any type to the Common Area or any equipment thereon which may be sustained by reason of the negligence of said Owner or of his family or any licensee, lessee or invitee, to the extent that any such damage shall not be covered by insurance carried by the Association. Each Owner does further, by the acceptance of his deed, agree to indemnify each and every other Owner, and to hold him or her harmless from any claim of any person for personal injuries or property damage occurring within the Unit of the Owner, unless said injury or damage shall occur by reason of the negligence of any other Owner temporarily visiting such Unit, and each Owner further agrees to defend, at his expense, any and all remaining Owners who may be sued by any person on a claim for personal injury or property damage alleged to have been sustained within the Unit of that Owner.

Neither Declarant, any member of the Board, any officer of the Association, nor the Manager shall be personally liable to any Owner, or to any other party, for any damage, loss or prejudice suffered or claimed on account of any act of omission of the Association, the Board, the Manager or any other representatives or employees of the Association, representative or employee, provided that such Board member or the Manager has, upon the basis of such information as may be possessed by him acted in good faith.

Section 11.6 Owner's Own Insurance. Nothing herein shall prevent any Owner from obtaining insurance at his own expense providing coverage upon his Condominium, his personal property, for his personal liability, or covering such other risks as he may deem appropriate, but each such policy shall provide that it does not diminish the insurance carrier's coverage for liability arising under any insurance policies which the Association obtains pursuant to this Article. Insurance coverage on the furnishings initially placed in the Unit by Declarant (unless the Association, pursuant to Section 11.2 hereof, elects to insure such furnishings) and casualty and public liability insurance coverage within each individual Unit and for activities of the Owner, not acting by the Association (unless the Association, pursuant to Section 11.2 hereof, elects to arrange for such casualty insurance), and insurance coverage on items of personal property placed in the Unit by the Owner, and against loss from theft on all personal property, shall be the responsibility of the respective Owners.

All such insurance carried by the Owner shall waive the insurance company's right of subrogation against Declarant, Manager, the Association, the other Owners, and the servants, agents and gusts of any of them, if such waiver can be obtained in the normal practice without additional premium charge therefor.

ARTICLE XII

CASUALTY, DAMAGE OR DESTRUCTION

Section 12.1 Association as Agent. All of the Owners irrevocably constitute and appoint the Association their true and lawful attorney in fact in their name, place and stead for the purpose of dealing with the Project upon its damage or destruction as hereinafter provided. Acceptance by any grantee of a deed from the Declarant or from any Owner shall constitute such appointment.

Section 12.2 General Authority of Association. As attorney in fact, the Association shall have full and complete authorization, right and power to make, execute and deliver any contract, deed or other instrument with respect to the interest of a Condominium Owner which may be necessary or appropriate to exercise the powers herein granted. Repair and reconstruction of the improvements as used in the succeeding subparagraphs means restoring the Project to substantially the same condition in which it existed prior to damage, with each Unit and the Common Area having substantially the same vertical and horizontal boundaries as before. The proceeds of any insurance collected shall be available to the Association for the purpose of repair or reconstruction unless the Owners agree not to rebuild in accordance with the provisions set forth hereinafter.

Section 12.3 Estimate of Costs. As soon as practical after an event causing damage to, or destruction of, any part of the Project, the Association shall obtain estimates that it deems reliable and complete of the costs of restoration or repair of that part of the Project damaged or destroyed.

Section 12.4 Destruction

A. Partial Destruction. Except as otherwise provided in this Declaration, in the event of partial destruction of the Project, it shall be the duty of the Association to restore and repair the same to its former condition, as promptly as practical. The proceeds of any insurance maintained pursuant to Article XI hereof, shall be used for such purpose, subject to the prior rights of beneficiaries of deeds of trust whose interest may be protected by said policies. In the event that the amount available from the proceeds of such insurance policies for such restoration and repair shall be at least eighty-five per cent (85%) of the estimated cost of restoration and repair, or if the estimated cost of restoration and repair shall exceed the amount of any insurance proceeds available for such purpose by less than \$100,000.00, a Special assessment of the Owners, with each Owner contributing a sum in proportion to his interest in the Common Area, may be levied by the Association to provide the necessary funds for such restoration and repair. In the event that the amount available from the proceeds of such insurance policies for such restoration and repair shall be less than eighty-five per cent (85%) of the estimated cost of restoration and repair, and the balance needed shall exceed \$100,000.00, the Owners by the vote of not less than seventy-five per cent (75%) of the votes cast by the Owners present and entitled to vote, in person or by proxy, at a duly constituted

meeting of the members of the Association may determine not to make such repairs. In the event of a determination by the Owners as provided above not to proceed with such restoration and repair, the Owners may, at their discretion, proceed as provided in Section B below.

B. Total Destruction. In the event of the total destruction of the Project, the Owners, by said requisite vote, shall likewise have the authority to determine whether said improvements shall be rebuilt, or whether the Project shall be sold. In the event of a determination to rebuild, the necessary funds shall be raised as provided in Section 1 above, and the Association shall be authorized to have prepared the necessary plans, specifications and maps, and to execute the necessary documents to effect such reconstruction as promptly as practical. A certificate of the resolution authorizing such reconstruction shall be filed within the Records of Blaine County, Idaho, within six (6) months from the date of such destruction and in the event of a failure to record such certificate within such period, it shall be conclusively presumed that the Owners have determined not to rebuild said improvements. In the event of a determination not to rebuild, the Association shall be authorized to have prepared and to file, as promptly as practical, a corrected subdivision map, converting the Project into an unimproved parcel of land, which shall be offered for sale at the highest and best price obtainable, either in its damaged condition, or after damaged structures have been razed. The net proceeds of such sale, and the proceeds, if any, of insurance carried by the Association, shall be divided proportionately among the Owners, such proportion to be based upon the percentage of interest of each Owner in the Common Area, provided that the balance then due on any valid encumbrances of record shall be first paid in order of priority before the distribution of any proceeds to any Owner whose Condominium is so encumbered.

Section 12.5 Specifications for Repairs. Such restoration or repair, if undertaken, shall be in accordance with the original plans and specifications of the Project or may be in accordance with any other plans and specifications the Association may approve, provided that in such latter event the number of cubic feet and the number of square feet of any Unit may not vary by more than five per cent (5%) from the number of cubic feet and the number of square feet for such Unit as originally constructed pursuant to such original plans and specifications, and the location of the Buildings shall be substantially the same as prior to damage or destruction.

Section 12.6 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 12.4 shall constitute a fund for the payment of costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for 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 by the Owners in proportion to the contributions by each Owner pursuant to the assessments by the Association under Section 12.4 of this Declaration.

Section 12.7 Right to Partition. In the event that a certificate of a resolution to rebuild or restore has not been recorded as provided above within six (6) months from the date of any partial or total destruction, or if restoration has not actually commenced within said period, then each Owner shall have the right to partition of his interest in the Project.

Section 12.8 Interior Damage. Restoration and repair of any damage to the interior of any individual Unit shall be made by and at the individual expense of the Owner of that Unit and, in the event of a determination to rebuild after partial or total destruction, shall be completed as promptly as practical and in a lawful and workmanlike manner.

ARTICLE XIII

OBSOLESCENCE

Section 13.1 Adoption of a Plan. The Owners, as reflected on the records of the County Recorder of Blaine County, Idaho, representing an aggregate record ownership interest of eighty-five per cent (85%) or more of the Units may agree at any time after December 31, 2013, that the Project is obsolete and adopt a written plan for the renewal and reconstruction, which plan has the unanimous approval of all first Mortgagees of record at the time of the adoption of such plan. Written notice of adoption of such a plan shall be given to all Owners. Such plans shall be recorded in the records of the County Recorder of Blaine County, Idaho.

Section 13.2 Payment for Renewal and Reconstruction. The expense of renewal or reconstruction shall be payable by all of the Owners as assessments against their respective Condominiums. These assessments shall be levied in advance pursuant to Article IX hereof and shall be allocated and collected as provided in that Article. Further levies may be made in like manner if the amounts collected prove insufficient to complete the renewal and reconstruction.

Section 13.3 Dissents from the Plan. An Owner not a party to such a plan for renewal or reconstruction may give written notice of dissent to the Association within fifteen (15) days after the recordation of such plan. The Association shall then give written advice of such dissents to all the Owners within five (5) days after the expiration of such fifteen (15) day period. Within fifteen (15) days of receipt of such notice from the Association, the Owners, representing an aggregate record ownership of more than fifteen per cent (15%) of the Units, may cancel the plan by written instrument recorded in the real estate records of Blaine County, Idaho. If the plan is not cancelled, then the Condominium of each dissenter shall be purchased according to the following procedures.

If the Owner and the Association can agree on the fair market value thereof, then such sale and conveyance shall be completed within sixty (60) days thereafter. If the parties are unable to agree, the date when either party notifies the other that he or it is unable to agree with the other shall be the "Commencing Date" from which all periods of time mentioned herein are measured. Within ten (10) days following the Commencing Date; each party shall nominate a qualified appraiser by written nomination and shall give notice of such nomination to the other. If either party fails to make such nomination, the appraiser nominated shall, within five (5) days after default by the other party, appoint and associate with him another qualified appraiser. If the two appraisers designated by the parties, or selected

pursuant hereto in the event of default of one party, are unable to agree, they shall appoint another qualified appraiser to be umpire between them, if they can agree on such person. If they are unable to agree upon such umpire then each appraiser previously appointed shall nominate two qualified appraisers, and from the names of the four persons so nominated one shall be drawn by lot by a judge of any court in Idaho, and the person whose name is so drawn shall be the umpire. The nominations from among which the name of the umpire is to be drawn by lot shall be submitted within ten (10) days after the failure of the two appraisers to agree, which, in any event, shall be no later than twenty (20) days following the appointment of the second appraiser. The decision of the appraisers as to the fair market value, or in the case of their disagreement, the decision of such umpire shall be final and binding. The expenses and fees of such appraisers shall be borne equally by the Association and the Owner. The sale shall be consummated within sixty (60) days after decision of the appraisers, and the Association as attorney in fact shall disburse the proceeds in the same manner provided in Section 13.4 of this Declaration. The obligation of the Association to make such purchase shall be conditioned on the fair market value of the Condominium exceeding the obligations secured by liens on such Condominium, and upon the marketability of the title of the Owner. Owner shall furnish the Association an appropriate abstract of title or commitment for title insurance evidencing marketability of his title not less than fifteen (15) days prior to the date set for completion of the sale.

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

Section 13.4 Sale of Obsolete Units. The Owners representing an aggregate ownership interest of sixty-six and two-thirds per cent (66-2/3%) or more of the Units may agree at any time after December 31, 2013, that the Condominiums are obsolete and that the Project should be sold. Such an agreement must have the unanimous approval of every first Mortgagee of record at the time such agreement is made. In such instance the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association the Project shall be sold by the Association as attorney in fact for all of the Owners free and clear of the provisions contained in this Declaration, the Condominium Map and the Articles and By-Laws of the association. The sale proceeds shall be apportioned among the Owners in proportion to their respective interest in the Common Area, and such apportioned proceeds shall be paid into separate accounts, each such account representing one Condominium. Each such account shall remain in the name of the Association, and shall be further identified by the Condominium designation and the name of the Owner. From such 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 13.5 Distribution of Excess. In the event amounts collected pursuant to Section 13.2 are in excess of the amounts required for renewal and reconstruction, the excess shall be returned to the Owners by the Association by a distribution to each Owner in an amount proportionate to the respective amount collected from each such Owner.

ARTICLE XIV

CONDEMNATION

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

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

Section 14.3 Complete Taking. In the event that the entire Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the Condominium ownership pursuant hereto shall terminate. The Condemnation Award shall be apportioned among the Owners in proportion to their respective interests in the Common Area, provided that if a standard different from the value of the Project as a whole is employed to measure the Condemnation Award in the negotiation, judicial decree or otherwise, then in determining such shares the same standard shall be employed to the extent it is relevant and applicable.

On the basis of the principal set forth in the last preceding paragraph, the Association shall as soon as practical 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 practical in the same manner provided in Section 13.4 of this Declaration.

Section 14.4 Partial Taking. In the event that less than the entire Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the Condominium ownership hereunder shall not terminate. Each Owner shall be entitled to a share of the Condemnation Award to be determined in the following manner:

As soon as practical the Association shall, reasonably and in good faith, allocate the Condemnation Award between compensation, damages, or other proceeds, and shall apportion the amounts so allocated among the Owners as follows: (a) the total amount allocated to taking of or injury to the Common Area shall be apportioned among the Owners in the percentages set forth in Exhibit "B;" (b) the total amount allocated to severance damages shall be apportioned to those Condominiums which were not taken or condemned; (c) the respective amounts allocated to the taking of or injury to a particular Unit and/or improvements as Owner has made within his own Unit shall be apportioned to the particular Unit involved; and (d) the total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable in the circumstances. If an allocation of the Condemnation Award is already established in negotiation, judicial decree or otherwise, then in allocating the Condemnation Award the Association shall employ such allocation to the extent it is relevant and applicable. Distribution of apportioned proceeds shall be made in the same manner provided in Section 13.4 of this Declaration.

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

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

Section 14.7 Arbitration. In the event any dispute shall arise between the parties under the terms of this Article XIV, such dispute shall be decided by arbitration pursuant to the rules of the American Arbitration Association, except as modified herein. The arbitrators shall decide any dispute submitted to them by applying the laws of the State of Idaho, and shall make written findings of fact and conclusions of law, if requested by either party. Such a decision may be reviewed by the Superior Court of Blaine County, in the same manner and applying the same standards of review as are applied on appeal from the decision of the trial court.

ARTICLE XV

DURATION AND AMENDMENT

Section 15.1 Duration. Unless previously terminated in the manner provided in Article XIII (Obsolescence) or Article XIV (Condemnation), this Declaration shall continue in full force for a term of fifty (50) years from the date hereof, after which time the same shall be automatically extended for successive periods of ten (10) years, unless a declaration of termination meeting the requirements of an amendment to this Declaration as set forth in Section 15.2 below is recorded in the public records of Blaine County, Idaho. There shall be no severance by sale, conveyance, encumbrance or hypothecation of an interest in any Unit from the concomitant membership in the Association as long as this Declaration shall continue in full force and effect.

Section 15.2 Amendment. Notice of the subject matter of a proposed amendment to this Declaration in reasonably detailed form shall be included in the notice of any meeting of the Association at which a proposed amendment is to be considered. A resolution adopting a proposed amendment may be proposed by a Condominium Owner at a meeting of members of the Association. The resolution shall be adopted by approval of Condominium Owners owning in the aggregate not less than a seventy-five percent (75%) interest in the Common Area. A copy of each amendment shall be certified by at least two officers of the Association and the amendment shall be effective when recorded in the public records of Blaine County, Idaho; provided further, that any of the following amendments to be effective must also be approved in writing by the record holders of all encumbrances on any Condominium at the time of such amendment:

A. Any amendment which affects or purports to affect the validity or priority of encumbrances or the rights or protection granted to encumbrancers.

See Third Amendment to CC&Rs For Updated Text

See Third Amendment to CC&Rs For Updated Text

B. Any amendment which would necessitate an encumbrancer after it has acquired a Condominium through foreclosure to pay more than its proportionate share of any unpaid assessment or assessments accruing prior to such foreclosure.

C. Any amendment which would or could result in an encumbrance being cancelled by forfeiture, or in the individual Condominiums not being separately assessed for tax purposes.

D. Any amendment relating to the insurance provisions as set out in Article XI hereof, or to the application of insurance proceeds, or to the disposition of any money received in any taking under condemnation proceedings.

A certificate, signed and sworn to by two officers of the Association, that Owners holding at least a seventy-five percent (75%) interest in the Common Area have either voted for or consented in writing to any amendment adopted as above provided, when recorded, shall be conclusive evidence of such fact. The Association shall maintain in its files the record of all such votes or written consents for a period of at least four (4) years. Any amendment which requires the written consent of all the record holders of encumbrances shall be signed and sworn to by all such encumbrancers. When recorded, it shall be noted that such amendment has been so approved.

Notwithstanding the above, any amendment required by the California Commissioner of Real Estate as a condition to the sale in California of Condominiums in the Project not in conflict with laws of the State of Idaho shall not require a Notice or Hearing and shall be effective upon recordation with the Blaine County Recorder of:

- (1) An instrument in writing signed and acknowledged by Declarant setting forth the amendment; and
- (2) An instrument in writing signed and acknowledged by the president and secretary of the Association or the Master Association certifying that such amendment is required by the California Commissioner of Real Estate as a condition to the sale in California of Condominiums in the Project.

ARTICLE XVI

MISCELLANEOUS

Section 16.1 Legal Proceedings. Failure to comply with the provisions of this Declaration, the Articles of Incorporation, the By-laws of the Association, or the Condominium Rules and Regulations, as the same may be lawfully amended from time to time, shall be grounds for relief which may include, without limiting the same, an action to recover sums due for damages, injunctive relief, foreclosure of liens, or any combination thereof, which relief may be sought by the Association or, if appropriate, by an aggrieved Owner. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of the Project, and any violation of this Declaration shall be deemed to be a nuisance. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision, or any other provision hereof. Any Owner not at the time in default hereunder, or Declarant, shall be entitled to bring an action for damages against any defaulting Owner, and in addition may enjoin any violation of this Declaration. Any judgment rendered in any action or proceeding pursuant hereto shall include a sum for attorney²'s fees in such amount as the court may deem reasonable, in favor of the prevailing party. Each remedy provided for in this Declaration shall be cumulative and not exclusive or exhaustive.

Section 16.2 Registration of Mailing Address. Each Owner shall register his mailing address with the Association and all notices or demands intended to be served upon any Owner shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the Owner at such registered mailing address. All notices or demands intended to be served on Mortgagees pursuant hereto shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the Mortgagee at such address as the Mortgagee may have furnished to the Association in writing. Unless the Mortgagee furnishes the Association such address, the Mortgagee shall be entitled to receive none of the notices provided for in this Declaration. Any notice referred to in this Section shall be deemed given when deposited in the United States mail in the form provided for in this Section.

Section 16.3 Transfer of Declarant's Rights. Any right or any interest reserved hereby to the Declarant may be transferred or assigned by the Declarant either separately or with one or more of such rights or interests, to any person or entity.

Section 16.4 Owners' Obligations Continue. All obligations of each Owner under and by virtue of the provisions contained in this Declaration shall continue, notwithstanding that he may have sold or rented said interest as provided herein, but the Owner of a Condominium shall have no personal obligation for expenses or other obligations accruing prior to his acquisition of such Condominium, other than unpaid assessments as provided in Sections 9.5 and 9.10 above.

Section 16.5 Number and Gender. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

Section 16.6 Severability. In any of the provisions of this Declaration or any clause, paragraph, sentence, phrase or word or the application thereof in any circumstances be invalidated, such invalidity shall not affect the validity of the remainder of the Declaration, and the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

Section 16.7 Construction by Declarant. Nothing in this Declaration shall limit the right of Declarant to complete construction of improvements to the Common Areas and to Units owned by Declarant or to alter the foregoing, or to construct such additional improvements as Declarant deems advisable prior to completion and sale of the entire Project. Such right shall include but shall not be limited to erecting, constructing and maintaining on the Project such structures and displays as may be reasonably necessary for the conduct of its business of completing the work and disposing of the same by sale, lease or otherwise. This Declaration shall not limit the right of Declarant at any time prior to acquisition of title by a purchaser from Declarant to establish on the Project additional easements, reservations and rights of way to itself, to utility companies, or to others as may from time to time be reasonably necessary to the proper development and disposal of the Project. Prospective purchasers and Declarant shall have the right to use all Common Areas and Limited Common Areas for access to the sales facilities of Declarant. Declarant reserves the right to alter its construction plans and designs as it deems appropriate.

The rights of Declarant hereunder may be assigned by Declarant to any successor to all or part of Declarant's interest in the Project, by an express assignment incorporated in a recorded deed transferring such interest to such successor.

Section 16.8 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 this 10th day of October, 1973.

ELKHORN AT SUN VALLEY
an Idaho Joint Venture

By _____
By JACK MARSHALL [s]
Its Authorized Agents

"Declarant"

STATE OF IDAHO)
) ss
COUNTY OF BLAINE)

On this 10th day of October, 1973, before me, the undersigned, a Notary Public for the State of Idaho, personally appeared JACK MARSHALL, known to me to be the duly authorized agents of ELKHORN AT SUN VALLEY and who affirmed to me that they had been authorized by ELKHORN AT SUN VALLEY, a Joint Venture consisting of DOLLAR MOUNTAIN COMPANY, INC., and JOHNS-MANVILLE IDAHO, INC., to execute the foregoing instrument for an on behalf of the Joint Venture.

WITNESS my hand and official seal.

KAREN SONNERGREN [s]
Notary Public in and for
said County and State

PARCEL "B"

Commencing at the Southeast corner of said Section 17; thence N. $34^{\circ}82'03''$ W., 3294.90 feet to the True Point of Beginning.

Thence N. $64^{\circ}38'29''$ W., 227.78 feet;

Thence N. $49^{\circ}07'39''$ W., 356.62 feet;

Thence 61.55 feet along a curve to the right with a central angle of $23^{\circ}18'37''$, a radius of 151.38 feet, and a long chord of 61.12 feet that bears N. $82^{\circ}04'56''$ E.;

Thence S. $86^{\circ}15'45''$ E., 89.29 feet;

Thence 117.90 feet along a curve to the left with a central angle of $101^{\circ}23'47''$, a radius of 66.62 feet, and a long chord of 103.10 feet that bears N. $43^{\circ}02'21''$ E.;

Thence N. $7^{\circ}39'32''$ W., 57.63 feet;

Thence 104.07 feet along a curve to the right with a central angle of $67^{\circ}26'13''$, a radius of 88.42 feet, and a long chord of 98.17 feet that bears N. $26^{\circ}03'34''$ E.;

Thence N. $58^{\circ}46'41''$ E., 13.20 feet;

Thence 118.81 feet along a curve to the right with a central angle of $62^{\circ}41'35''$, a radius of 108.58 feet, and a long chord of 112.97 feet that bears S. $88^{\circ}52'31''$ E.;

Thence S. $57^{\circ}31'44''$ E., 65.34 feet;

Thence 27.71 feet along a curve to the left with a central angle of $157^{\circ}09'11''$, a radius of 10.10 feet, and a long chord of 19.81 feet that bears N. $43^{\circ}53'42''$ E.;

Thence S. $34^{\circ}40'55''$ E., 79.15 feet;

Thence 137.75 feet along a curve to the right with a central angle of $7^{\circ}04'71''$, a radius of 1115.92 feet, and a long chord of 137.66 feet that bears S. $31^{\circ}88'57''$ E.;

Thence S. $27^{\circ}36'34''$ E., 85.49 feet;

Thence 19.27 feet along a curve to the right with a central angle of $73^{\circ}35'32''$, a radius of 15.00 feet, and a long chord of 17.97 feet that bears S. $9^{\circ}11'11''$ W.;

Thence 26.88 feet along a curve to the left with a central angle of $29^{\circ}14'38''$, a radius of 52.67 feet, and a long chord of 26.89 feet that bears S. $31^{\circ}21'39''$ W.;

Thence 8.77 feet along a curve to the right with a central angle of $72^{\circ}55'58''$, a radius of 6.89 feet, and a long chord of 8.19 feet that bears S. $53^{\circ}12'18''$ W.;

Thence S. $89^{\circ}40'18''$ W., 21.75 feet;

Thence S. $0^{\circ}19'42''$ E., 161.29 feet;

Thence West 18.27 feet;

Thence S. $42^{\circ}38'25''$ W., 98.41 feet to the True Point of Beginning;

and said parcel containing 4.24 acres.

PERCENTAGE OF OWNERSHIP INTEREST

<u>Unit No.</u>	<u>%</u>	<u>Unit No.</u>	<u>%</u>	<u>Unit No.</u>	<u>%</u>
49	1.7901	90	1.2147	130	1.7901
50	.9288	91	1.2147	131	1.2146
51	.7275	92	1.2147	132	1.2147
52	1.2147	93	1.2147	133	.8392
53	1.2146	94	.8392	134	.8652
54	1.7901	95	.8652	135	1.2147
55	.9288	96	1.2146	136	1.2146
56	.7275	97	1.2147	137	1.2147
57	1.2147	98	1.7001		
58	1.2146	99	.9288		
59	1.2147				
60	.8392	100	.7275		
61	.8652	101	1.2147		
62	1.2146	102	1.2147		
63	1.2147	103	1.7901		
64	1.2147	104	.9288		
65	.8392	105	.7275		
66	.8652	106	1.2147		
67	1.2147	107	1.2146		
68	1.2147	108	.8652		
69	1.2147	109	.8392		
70	1.2147	110	1.2147		
71	1.2147	111	1.2147		
72	.8652	112	1.2146		
73	.8392	113	.7275		
74	1.2147	114	.9288		
75	1.2146	115	1.7901		
76	.8392	116	1.2146		
77	.8652	117	1.2147		
78	1.2147	118	.8652		
79	1.2146	119	.8392		
80	1.2147	120	1.2147		
81	1.7901	121	1.2147		
82	.9288	122	1.2146		
83	.7276	123	1.7901		
84	1.2147	124	.9288		
85	1.2146	125	.7275		
86	1.2147	126	1.2147		
87	.8392	127	1.2146		
88	.8652	128	.7275		
89	1.2146	129	.9208		

LEGAL DESCRIPTION

ELKHORN AT SUN VALLEY
(Indian Springs Condominiums)

A parcel of land within Section 17, Township 4 North, Range 18 East, B. M., Sun Valley, Blaine County, Idaho, and more particularly described as follows:

PARCEL "A"

Commencing at the Southeast corner of said Section 17; thence North $34^{\circ}02'03''$ West, 1294.90 feet to the True Point of Beginning.

Thence South $42^{\circ}38'25''$ West, 193.00 feet;

Thence South $22^{\circ}38'25''$ West, 76.60 feet;

Thence South $42^{\circ}54'00''$ West, 196.27 feet;

Thence North $72^{\circ}35'50''$ West, 210.64 feet;

Thence North $57^{\circ}04'19''$ West, 125.10 feet;

Thence North $12^{\circ}45'27''$ West, 217.37 feet;

Thence North $03^{\circ}57'00''$ East, 207.83 feet;

Thence North $88^{\circ}14'55''$ East, 60.86 feet;

Thence 78.87 feet along a curve to the right with a central angle of $34^{\circ}39'37''$, a radius of 130.38 feet, and a long chord of 77.67 feet that bears North $15^{\circ}34'44''$ East;

Thence 99.06 feet along a curve to the right with a central angle of $37^{\circ}31'05''$, a radius of 151.28 feet, and a long chord of 97.30 feet that bears North $51^{\circ}40'04''$ East;

Thence South $49^{\circ}07'39''$ East, 356.62 feet;

Thence South $64^{\circ}38'29''$ East, 227.78 feet to the True Point of Beginning.

and said parcel containing 5.97 acres.

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

✓ Kneeland, Korb, Collier,
Legg & Haukaas
P.O. Box 249
Ketchum, Idaho 83340

Professional Land
343873
Amend
332

(Space above line provided for Recorder's Use)

FIRST AMENDMENT TO NOTICE OF ADDITIONAL
TERRITORY AND SUPPLEMENTAL DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
ESTABLISHING A CONDOMINIUM PLAN FOR
ELKHORN INDIAN SPRINGS CONDOMINIUMS

R E C I T A L S

1. The Notice of Addition of Territory and Supplemental Declaration of Covenants, Conditions and Restrictions Establishing a Condominium Plan for Elkhorn Indian Springs Condominiums was recorded 12-16-87 as Instrument No. 151571.

2. At the annual meeting of the membership of Elkhorn Indian Springs Condominium Springs Association on December 30, 1987, owners representing an aggregate ownership interest of 75% in person or by proxy amended the Notice of Addition of Territory and Supplemental Declaration of Covenants, Conditions and Restrictions Establishing a Condominium Plan for Elkhorn Indian Springs Condominiums, as provided hereinafter.

NOW THEREFORE, the Notice of Addition of Territory and Supplemental Declaration of Covenants, Conditions and Restrictions Establishing a Condominium Plan for Elkhorn Indian Springs Condominiums is amended as follows:

1. Article IV Section 4.8 shall be amended to read as follows:

Section 4.8 Taxes and Assessments. Each Owner shall execute such instruments and take such actions as may reasonably be specified by the Association to obtain separate real property tax assessments of the interest of each Owner in each Condominium. If any taxes or special district or other assessments may, in the opinion of the Association, nevertheless be a lien on the Project or any part thereof, the Association shall pay the same and assess the same to the Owner or Owners responsible therefor. Each Owner shall pay the taxes or assessments assessed against his Condominium or interest therein, or his interest in the Common Area, or any

part of any or all of the foregoing. Each Owner shall pay all taxes, rates, impositions and assessments levied against the project or any part of the Common Area in proportion to his interest in the Common Area, such payment to be made to the Association at least thirty (30) days prior to the delinquency of such tax or assessment. Each such unpaid tax or assessment shall bear interest at the rate as determined by resolution from time to time by the Board of Directors of Elkhorn Indian Springs Condominium Association and shall be secured by the lien created by Article IX, Section 9.6.

2. Article VIII, Section 8.8 shall be amended to read as follows:

Section 8.8 Rules and Regulations. The Association may make reasonable rules and regulations governing the use of Units and of the Common Area, which rules and regulations shall be consistent with the rights and duties established in this Declaration. The Association rules shall, inter alia, govern the use of the Common Area by all Owners and tenants, and their guests or invitees. Such rules and regulations may include, without limitation, assignment of particular portions of storage areas within the Common Area for exclusive use by Owners of particular condominiums. A copy of the rules as adopted, amended or repealed, shall be mailed or otherwise delivered to each owner and a copy shall be posted in a conspicuous place within the project.

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

- a. Impose monetary penalties, including late charges and interest,
- b. Suspend voting rights in the Association,
- c. Suspend use privileges for the Common Area, and
- d. Commence a legal action for damages, injunctive relief, or both.

The determination of whether to impose any of the foregoing sanctions shall be within the sole discretion of the Association. Any legal action may be brought in the name of the Association on its own behalf and on behalf of the Owner

who consents, and the prevailing party in any such action shall be entitled to recover costs and reasonable attorney's fees. The Association may make more than one of the foregoing enforcement actions against any one violation or threatened violation, provided that a suspension of use privileges shall not exceed thirty (30) days (unless suspension is for delinquent assessments) and a monetary penalty shall not exceed Five Hundred Dollars (\$500.00) (excluding late charges imposed for delinquent assessments) for any one violation. The Association, in its sole discretion, may resolve or settle any dispute, including any legal action, under such terms and conditions as it considers appropriate.

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

An Owner shall be given fifteen (15) days prior notice before the imposition of any disciplinary action and the reasons for such action. The notice shall be hand delivered, or mailed certified, return receipt requested to the Owner's last known address. The Owner shall have the opportunity to be heard, orally or in writing by a majority of the Board of Directors not less than five (5) days before the imposition of the penalty.

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

3. Article VIII, Section 8.10. Personal Liability, shall be added as follows:

No member of the board or of any committee of the Association, or any officer of the Association, shall be personally liable to any Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error, or negligence of any such person or entity if such person or entity has, on the bases of such information as may be possessed by him or her, acted in good faith without willful or intentional misconduct.

3. Article IX, Section 9.3 Payment of Periodic Assessments, shall be amended as follows:

Section 9.3 Payment of Periodic Assessments. A sum sufficient to pay the estimated net expenses, computed as provided in Section 9.2, shall be assessed to each Owner in proportion to the interest in the Common Area owned by each.

Written notice of the annual assessment for each Condominium shall be given to the Owner thereof, which notice shall specify the amount of the assessment and the date or dates of payment of the same. The Association may, in its discretion, allow assessments to be paid in installments. No payment shall be due less than fifteen (15) days after the date said written notice is given. Each periodic assessment shall bear interest at the rate as determined by resolution from time to time by the Board of Directors of Elkhorn Indian Springs Condominium Association from the date it becomes due and payable if not paid within thirty (30) days after such date. Failure of the Association to give timely notice of any assessment as provided herein shall not affect the liability of the Owner of any Condominium for such assessment, but the date when payment shall become due in such case shall be deferred to a date fifteen (15) days after such notice shall have been given. In the event the Association shall determine that the estimate of total charges for the current year is, or will become, inadequate to meet all expenses of the Association for any reason, it shall promptly determine the approximate amount of such inadequacy and levy a further assessment which shall be assessed against the Owner of each Condominium in like proportion.

3. Article IX, Section 9.4 Special Assessments for Capital Improvements, shall be amended as follows:

Section 9.4 Special Assessments for Capital Improvements. In addition to the annual assessments authorized by this Article, the Association may levy at any time Special Assessments, payable over such 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 for any other expense incurred or to be incurred as provided in this Declaration. In the case of any Improvements, additions or demolishing (other than maintenance or repairs to existing Improvements) involving a total expenditure in excess of One Thousand Dollars (\$1,000.00) or such higher limit as may be allowed by the California Department of Real Estate from time to time, the vote of a majority of each class of Owners, voting in person or by proxy at a regular or special meeting called for that purpose, approving plans and a maximum total cost therefore shall first be obtained. This Section shall not be construed as an independent source of authority for the Association to incur expenses, but shall be expenses authorized by other Sections hereof. Any amounts assessed pursuant hereto shall be assessed to Owners in proportion to the interest in the Common Area owned by each. Notice in writing of the amount of such special assessments and the time for payment thereof shall be given promptly to the Owners, and no payment shall be due less than thirty (30) days after such notice shall have been given. A Special Assessment shall bear

interest at the rate as determined by resolution from time to time by the Board of Directors of Elkhorn Indian Springs Condominium Association from the date it becomes due and payable if not paid within thirty (30) days after such date.

5. Article IX, Section 9.5 Unpaid Assessments As Liens, shall be amended as follows:

The amount of any assessment, whether regular or special, assessed to any Owner, plus interest on such assessment at a rate as determined by resolution from time to time by the Board of Directors of Elkhorn Indian Springs Condominium Association and costs, including reasonable attorney's fees, shall become a lien upon such Condominium upon recordation with the County Recorder of Blaine County, Idaho, of a notice of assessment stating the amount of the claim of delinquency, the interest and costs which have accrued thereon, and designating the Condominium against which it has been assessed and the name of the record Owner thereof. Such notice shall be signed and acknowledged by an officer of the Association. Upon recordation it shall create a lien upon the Condominium described in the amount set forth. Such assessment lien shall be prior to any declaration of homestead recorded after the recording of the Declaration. The lien shall continue for one (1) year from the date of recordation of said notice of assessment; provided, however, that said one (1) year period may be extended by the Association for not to exceed one (1) additional year by recording a written extension thereof. When the lien has been fully paid or satisfied, a further notice releasing the lien shall be recorded. Such lien may be foreclosed in the same manner as is provided in the laws of the State of Idaho for the foreclosure of liens against a Condominium as provided in Section 15-1518 of the Code of Idaho and as otherwise provided by law. A certificate executed and acknowledged by any two (2) members of the Board stating the indebtedness secured by the liens upon any Condominium created hereunder shall be conclusive upon the Association and the Owners as to the amount of such indebtedness as of the date of the certificate, in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any Owner upon request at a reasonable fee, not to exceed Twenty-five dollars (\$25.00).

6. Article X, Section 10.9 Parking and Vehicular Restrictions, shall be amended as follows:

Section 10.9 Parking and Vehicular Restrictions. No vehicle which shall not be in an operating condition shall be parked or left on the property subject to this Declaration other than on an assigned parking space. The parking spaces shall be used for parking vehicles only and shall not be converted for living, recreational or business purposes, nor shall anything

be stored in any parking space so as to prevent the parking of an automobile therein. No exposed storage shall be permitted anywhere on the Property. No motorhomes, boats, large trucks, or trailers shall be parked or left anywhere on the property.

7. Article XI, Section 11.1 F Directors and Officers Liability Insurance, shall be amended as follows:

Section 11.1 F Directors and Officers Liability Insurance. The Association shall purchase, in such amounts and in such forms as it shall deem appropriate, coverage for all directors, officers, and committee members, for any and all errors and/or omissions that occur during their tenure in office and employment.

8. Article XII, Section 12.4 A Partial Destruction, shall be amended as follows:

Except as otherwise provided in this Declaration, in the event of partial destruction of the Project, it shall be the duty of the Association to restore and repair the same to its former condition, as promptly as practical. The proceeds of any insurance maintained pursuant to Article XI hereof, shall be used for such purpose, subject to the prior rights of beneficiaries of the deeds of trust whose interest may be protected by said policies. In the event that the amount available from the proceeds of such insurance policies for such restoration and repair shall be at least eighty-five percent (85%) of the estimated cost of restoration and repair, or if the estimated cost of restoration and repair shall exceed the amount of any insurance proceeds available for such purpose by less than \$100,000.00, a Special Assessment of the Owners, with each Owner contributing a sum in proportion to his interest in the Common Area, may be levied by the Association to provide the necessary funds for such restoration and repair. In the event that the amount available from the proceeds of such insurance policies for such restoration and repair shall be less than eighty-five percent (85%) of the estimated cost of restoration and repair, and the balance needed shall exceed \$1000,000.00, the Owners by the vote of not less than sixty-six and two-thirds percent (66 2/3%) of the votes cast by the Owners present and entitled to vote, in person or by proxy, at a duly constituted meeting of the members of the Association may determine not to make such repairs. In the event of a determination by the Owners as provided above not to proceed with such restoration and repair, the Owners may, at their discretion, proceed as provided in Section B below.

8. Article XIII, Section 13.1 Adoption of a Plan, shall be amended as follows:

Section 13.1 Adoption of a Plan. The Owners, as reflected on the records of the County Recorder of Blaine County, Idaho, representing an aggregate record ownership interest of sixty-six and two-thirds percent (66 2/3%) or more of the Units may agree at any time after December 31, 2013, that the Project is obsolete and adopt a written plan for the renewal and reconstruction, which plan has the unanimous approval of all first Mortgagees of record at the time of the adoption of such plan. Written notice of adoption of such a plan shall be given to all Owners. Such plans shall be recorded in the records of the County Recorder of Blaine, Idaho.

9. Article XIII, Section 13.3 Dissents from the Plan, shall be amended as follows:

Section 13.3. Dissents from the Plan. An Owner not a party to such a plan for renewal or reconstruction may give written notice of dissent to the Association within fifteen (15) days after the recordation of such plan. The Association shall then give written advice of such dissents to all the Owners within five (5) days after the expiration of such fifteen (15) day period. Within fifteen (15) days of receipt of such notice from the Association, the Owners, representing an aggregate record ownership of more than thirty-three and one-third percent (33 1/3%) of the Units, may cancel the plan by written instrument recorded in the real estate records of Blaine County, Idaho. If the plan is not cancelled, then the Condominium of each dissenter shall be purchased according to the following procedures.

If the Owner and the Association can agree on the fair market value thereof, then such sale and conveyance shall be completed within sixty (60) days thereafter. If the parties are unable to agree, the date when either party notifies the other that he or it is unable to agree with the other shall be the "Commencing Date" from which all periods of time mentioned herein are measured. Within ten (10) days following the Commencing Date, each party shall nominate a qualified appraiser by written nomination and shall give notice of such nomination to the other. If either party fails to make such nomination, the appraiser nominated shall, within five (5) days after default by the other party, appoint and associate with him another qualified appraiser. If the two appraisers designated by the parties, or selected pursuant hereto in the event of default of one party, are unable to agree, they shall appoint another qualified appraiser to be umpire between them, if they can agree on such person. If they are unable to agree upon such umpire then each appraiser previously appointed

shall nominate two qualified appraisers, and from the names of the four persons so nominated one shall be drawn by lot by a judge of any court in Idaho, and the person whose name is so drawn shall be the umpire. The nominations from among which the name of the umpire is to be drawn by lot shall be submitted within ten (10) days after the failure of the two appraisers to agree, which, in any event, shall be no later than twenty (20) days following the appointment of the second appraiser. The decision of the appraisers as to the fair market value, or in the case of their disagreement, the decision of such umpire shall be final and binding. The expenses and fees of such appraisers shall be borne equally by the Association and the Owner. The sale shall be consummated within sixty (60) days after decision of the appraisers, and the Association as attorney in fact shall disburse the proceeds in the same manner provided in Section 13.4 of this Declaration. The obligation of the Association to make such purchase shall be conditioned on the fair market value of the Condominium exceeding the obligations secured by liens on such Condominium, and upon the marketability of the title of the Owner. Owner shall furnish the Association an appropriate abstract of title or commitment for title insurance evidencing marketability of his title not less than fifteen (15) days prior to the date set for completion of the sale.

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

9. Article XV, Section 15.2 Amendment, shall be amended as follows:

Section 15.2 Amendment. Notice of the subject matter of a proposed amendment to this Declaration in reasonably detailed form shall be included in the notice of any meeting of the Association at which a proposed amendment is to be considered. A resolution adopting a proposed amendment may be proposed by a Condominium Owner at a meeting of members of the Association. The resolution shall be adopted by approval of the Condominium Owners owning in the aggregate not less than a sixty and two-thirds percent (60 2/3%) interest in the Common Area. A copy of each amendment shall be certified by at least two officers of the Association and the amendment shall be effective when recorded in the public records of Blaine County, Idaho; provided further, that any of the following amendments to be effective must also be approved in writing by the record holders of all encumbrances on any Condominiums at the time of such amendment.

A. Any amendment which affects or purports to affect the validity or priority of encumbrances or the rights or protection granted to encumbrances.

B. Any amendment which would necessitate an encumbrancer after it has acquired a condominium through foreclosure to pay more than its proportionate share of any unpaid assessment or assessments accruing prior to foreclosure.

C. Any amendment which would or could result in an encumbrance being cancelled by forfeiture, or in the individual Condominiums not being separately assessed for tax purposes.

D. Any amendment relating to the insurance provisions as set out in Article XI hereof, or to the application of insurance proceeds, or to the disposition of any money received in taking under condemnation proceedings.

A certificate, signed and sworn to by two officers of the Association, that Owners holding at least a sixty-six and two-thirds percent (66 2/3%) interest in the Common Area have either voted for or consented in writing to any amendment adopted as above provided, when recorded, shall be conclusive evidence of such fact. The Association shall maintain in its files the record of all such votes or written consents for a period of at least four (4) years. Any amendment which requires the written consent of all the record holders of encumbrances shall be signed and sworn to by all such encumbrances. When recorded, it shall be noted that such amendment has been so approved.

Notwithstanding the above, any amendment required by the California Commissioner of Real Estate as a condition to the sale in California of Condominiums in the Project not in conflict with laws of the State of Idaho shall not require a Notice of Hearing and shall be effective upon recordation with the Blaine County Recorder of:

(1) An instrument in writing signed and acknowledged by the president and secretary of the Association or the Master Association certifying that such amendment is required by the California Commissioner of Real Estate as a condition to the sale in California of Condominiums in the Project.

10. Except as specifically amended herein, each and every remaining term of said Notice of Addition of Territory and Supplemental Declaration of Covenants, Conditions and Restrictions establishing a Condominium Plan for Elkhorn Indian Springs Condominiums shall remain in full force and effect.

DATED this 14th day of August, 1992.

ELKHORN INDIAN SPRINGS
CONDOMINIUM ASSOCIATION

BY [Signature]
President

BY [Signature]
Secretary

The undersigned president and secretary of Elkhorn Indian Springs Condominium Association, hereby certify that the amendments as set forth above have been approved by the vote or written consent of at least owners of a seventy-five percent (75%) of Elkhorn Indian Springs Condominium pursuant to the terms and conditions of said declaration.

[Signature]
President

[Signature]
Secretary

BLAINE CO. REQUEST

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

PROFESSIONAL LAND MANAGEMENT
P.O. BOX 2192
SUN VALLEY, ID 83353

Professional Land Mgmt

1994 AUG -3 10 2:08

368992

Mary Green, CLERK

Amend

FEE \$ 12.00

CC + R's

Space above line for Recorder's Use

SECOND AMENDMENT TO MASTER DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
AS TO THE
USE OF REAL PROPERTY EMBRACED
WITHIN
INDIAN SPRINGS CONDOMINIUM ASSOCIATION INC

THIS AMENDMENT is made to the certain Master Declaration of Covenants, Conditions and Restrictions as the Use of Real Property Embraced within the Indian Springs Condominium Assoc Inc., located in Blaine County, Idaho, recorded as Instrument No. 151531, Records of Blaine County, Idaho, as amended by Instrument No. 343873, Records of Blaine County, Idaho, incorporated herein by this reference thereto, as follows:

1. Section 11.1(a), Casualty Insurance, is amended in its entirety to read as follows:

"(a) Casualty Insurance. The management shall obtain insurance on the project in such amounts as shall provide for the replacement value of the condominium units as they were sold under the original specifications before any subsequent additions by the unit owner in the event of damage or destruction from the casualty against which such insurance is obtained, all in the manner in which a corporation owning similar multiple family residential buildings in the vicinity of the project would, in the exercise of prudent business judgment, obtain such insurance. Such insurance is intended to provide coverage for fixtures within the four perimeter walls, floor and ceiling of the condominium unit. Fixtures include, but are not limited to: paint and wall coverings, carpets and floor coverings, drapes, cabinets and appliances,

non-load bearing interior walls, doors and plumbing and electrical fixtures. Further, such insurance shall include fire and extended coverage, building ordinance of law coverage, vandalism and malicious mischief, war risk insurance if available and if deemed appropriate by the Management and such other risks and hazards against which the Association shall deem it appropriate to provide insurance protection. The Management may comply with the above requirements by the purchase of blanket coverage and may elect such "deductible" provisions as in the Management's opinion are consistent with good business practice."

2. Section 11.6, Owner's Own Insurance, is amended in its entirety to read as follows:

"Section 11.6. Owner's Own Insurance. Insurance coverage on any improvements installed by the owner and on furnishings initially placed in the unit by Declarant or owner, unless the Management pursuant to Section 11.2 hereof, elects to arrange for such casualty insurance, and public liability insurance coverage within each individual unit and for activities of the owner, not acting by the Management with respect to the common area, unless the Management pursuant to Section 11.2 hereof, elects to arrange for such casualty insurance, and regardless of the management election, insurance coverage against loss from theft on all personal property placed in the unit by owner, shall be the responsibility of the respective owners.

3. Except as specifically amended herein, each and every term of the Condominium Declaration for Indian Springs Condominium Assoc. Inc. and prior Amendments thereto shall remain in full force and effect.

DATED this 25th day of July, 1994.

INDIAN SPRINGS CONDOMINIUM ASSOC. INC.

By [Signature]
President

By [Signature]
Secretary

The President and Secretary of Indian Springs Condominium Assoc. Inc. hereby certify that owners representing an aggregate ownership interest of 66 2/3% or more of the condominiums have consented and agreed to this Amendment as set forth above, pursuant to the terms and conditions of the Declaration.

By [Signature]
President

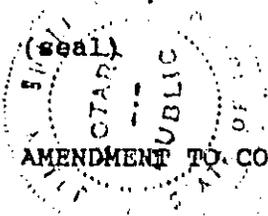
By [Signature]
Secretary

STATE OF IDAHO)
County of ~~Blaine~~) SS.
 MINIDOKA)

On this 25th day of July, 1994, before me, the undersigned, a Notary Public in and for said State, personally appeared LARRY R DILL, known to me to be the President of Indian Springs Condominium Assoc. Inc., an Idaho Corporation, and known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same on behalf of said corporation.

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

[Signature]
NOTARY PUBLIC for Idaho
Residing at Rupert, ID
Commission Expires 06-30-94



STATE OF IDAHO)
County of Blaine) ss.

On this 30th day of July, 1994, before me, the undersigned, a Notary Public in and for said State, personally appeared Charles Williamson, known to me to be the Secretary of Indian Springs Condominium Assoc. Inc., an Idaho Corporation, and known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same on behalf of said corporation.

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

Sharon Williamson
NOTARY PUBLIC for Idaho
Residing at Blaine
Commission Expires 10-4-97

(seal)



STATE OF IDAHO)
) ss.
County of Blaine)

On this 14th day of August, 1992, before me, the undersigned, a Notary Public in and for the said State, personally appeared Lucy O'Neil and Mark O'Neil who above signed, known to me to be the President and Secretary of ELKHORN INDIAN SPRINGS CONDOMINIUM ASSOCIATION, and known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same on behalf of said Association.

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



Sharon Williams
NOTARY PUBLIC for Idaho
Residing at: Blaine
Commission expires:

EXHIBIT "C"

ARTICLES OF INCORPORATION
OF
ELKHORN INDIAN SPRINGS CONDOMINIUM ASSOCIATION, INC.

KNOW ALL MEN BY THESE PRESENTS: That we, the undersigned, each being a natural person of full age and a citizen of the United States of America, have voluntarily and do hereby associate ourselves together for the purpose of forming a corporation under the laws of the State of Idaho, Idaho Code, Title 30, Chapter 1, Section 117A. We do hereby certify, declare and adopt the following Articles of Incorporation.

ARTICLE I

The name of the corporation is: ELKHORN INDIAN SPRINGS CONDOMINIUM ASSOCIATION, INC.

ARTICLE II

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

ARTICLE III

This corporation shall be a non-profit membership corporation.

ARTICLE IV

The location and post office address of the registered office of this corporation shall be the City of Sun Valley, Blaine County, Idaho 83353.

ARTICLE V

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

ARTICLE VI

A. The nature of the business and the object and purpose of this corporation shall be as follows:

1. This corporation (hereinafter referred to as the Association) shall be the "Management Body" as defined in Section 55-1503, Idaho Code, and as provided for in the terms and conditions of that certain Condominium Declaration for Elkhorn Indian Springs Condominium Association, Inc. (hereinafter referred to as the "Declaration") to be executed by Elkhorn at Sun Valley, an Idaho joint venture, which delegates and authorizes this Association to exercise certain functions as the Management Body. The Declaration shall be recorded in the Office of the County Recorder of Blaine County, State of Idaho, together with a certified copy of these Articles of Incorporation appended thereto. All the words and terms which are capitalized herein shall have the same meaning and definition as contained in the definitions section of the Declaration, which definitions are incorporated herein by reference.

EXHIBIT "C"

2. The Management Body shall have the power to have, exercise and enforce all rights and privileges, and to assume, incur, perform, carry out and discharge all duties, obligations and responsibilities of a Management Body as provided for in the Idaho Condominium Property Act and in the Declaration, as such Declaration is originally executed or, if amended, as amended. The Management Body shall have the power to adopt and enforce rules and regulations covering the use of any Condominium Project or any Area or Units thereof, to levy and collect the annual and special assessments and charges against the Condominiums and the members thereof and in general to assume and perform all the functions to be assumed and performed by the Management Body as provided for in the Declaration. It shall have the power to transfer, assign or delegate such duties, obligations or responsibilities to other persons or entities as permitted or provided for in the Idaho Condominium Property Act, the Declaration, or in an agreement executed by the Association with respect thereto. The Management Body shall actively foster, promote, and advance the interest of Owners of Condominium Units within the Condominium Project.

B. In addition to the foregoing, where not inconsistent with either the Idaho Condominium Property Act (Chapter 15, Title 55, Idaho Code) or Title 30, Idaho Code, the corporation shall have the following powers:

1. The authority set forth in Title 30 of the Idaho Code relating to the organization and conduct of general business corporations.

2. To buy, sell, acquire, hold or mortgage or enter into security agreements, pledge, lease, assign, transfer, trade and deal in and with all kinds of personal property, goods, wares and merchandise of every kind, nature and description.

3. To buy, sell, lease, let, mortgage, exchange or otherwise acquire or dispose of lands, lots, houses, buildings and real property, hereditaments and appurtenances of all kinds and wheresoever situated, and of any interest and rights therein, to the same extent as natural persons might or could do, and without limit as to amount.

4. To borrow money, to draw, make, accept, enforce, transfer and execute promissory notes, debentures and other evidences of indebtedness, and for the purpose of securing any of its obligations or contracts, to convey, transfer, assign, deliver, mortgage and/or pledge all or any part of the property or assets, real or personal, at any time owned or held by this corporation.

5. To have one or more offices to carry on all or any part of its operations and business, and to do all and everything necessary, suitable, convenient or proper for the accomplishment of any of the purposes, or the attainment of any one or more of the objects herein named, or which shall at any time appear conducive or expedient for the protection or benefit of the Association, and which now or hereafter may be authorized by law, and this to the same extent and as fully as natural persons might or could do, as principals, agents, contractors, trustees or otherwise, and either alone or in connection with any firm, person, association or corporation.

EXHIBIT "C"

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

7. Notwithstanding anything to the contrary in this Section B of Article VI, in the case of any Improvements, addition or demolishing (other than maintenance or repairs to existing Improvements) involving a total expenditure in excess of One Thousand Dollars (\$1,000), the vote of a majority of each class of Owners voting in person or by proxy at a regular or special meeting called for that purpose approving plans and a maximum total cost therefor shall first be obtained.

ARTICLE VII

A. Each member shall be entitled to receive a certificate of membership, which certificate shall state the number of votes he is entitled to cast as a member of the Association.

B. There shall be one membership in the corporation for each Condominium in Elkhorn Indian Springs Condominium Association, Inc., as established in the Declaration; until such time as any Added Property is added to the Project, the total number of memberships shall be not more than 137. Upon the addition of any Added Property to the Project, each Owner of a Condominium in the Added Property shall also be entitled to a membership in the Association, and the number of votes to which the Owner of each existing and new Condominium shall be entitled shall be as set forth in the Notice of Addition of Property to Condominium Project. The members of the corporation must be and remain Owners of Condominiums within the Project set forth in the Declaration, and the Association shall include all Owners of Condominiums within the Project. If title to a Condominium is held by more than one person, the membership relating to that Condominium shall be shared by all such persons in the same proportionate interest and the same type of tenancy in which the title to the Condominium is held.

C. No person or entity other than an Owner may be a member of the Association. A member shall not assign or transfer his membership certificate except in connection with the transfer or sale of a Condominium; provided, however, that the rights of membership may be assigned as further security for a loan secured by a line on a Condominium Unit. Every person or entity who is an Owner of any Condominium Unit included in any Condominium Project for which the Association has been or may be designated as a Management Body shall be required to be a member of the Association and remain a member so long as such person or entity shall retain the ownership of a Condominium Unit. Membership in the Association is declared to be appurtenant to the title of the Condominium Unit upon which such membership is based and automatically shall pass with the sale or transfer of the title of the Unit. Members shall not have pre-emptive rights to purchase other membership in the Association or other Condominium Units in the Project.

EXHIBIT "C"

D. The voting rights of a member of the Association shall be determined by the Owner member's percentage interest in the Common Area of the Condominium Project described in the Declaration, as the term "Common Area" is defined in Section 55-1503 of the Idaho Code; therefore, the voting rights of each member Owner will not in all cases be equal. The Declaration, or the most recent Notice of Addition of Territory to Condominium Project, or an exhibit attached thereto, shall set forth the percentage interest of each member in the Common Area, which interest depends upon the number and type of Condominium Units. The voting rights and interests of new members shall be determined in the same way as such percentage interests and rights were determined for old members.

E. The total number of votes that attach to membership certificates to be exercised by the members of the corporation from and after the date of the incorporation shall be 10,000. Each member shall be entitled to vote the same percentage of the 10,000 votes as he is given percentage in the Common Area.

F. In any election of the members of the Board, every Owner (including the developer) entitled to vote at such election shall have the right to cumulate his votes and give one candidate, or divide among any number of the candidates, a number of votes equal to the number of votes to which that Owner is entitled in voting upon other matters multiplied by the number of directors to be elected. The candidate receiving the highest number of votes, up to the number of the Board members to be elected, shall be deemed elected. Any director may be removed from office by a vote of a majority of the members entitled to vote at an election of directors; provided, however, that unless the entire Board is removed, an individual director shall not be removed if the number of votes cast against his removal exceeds the quotient arrived at when the total number of votes cast is divided by one plus the authorized number of directors. If any or all directors are so removed, new directors may be elected at the same meeting.

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

H. 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 the Rules and Regulations of the Association, or with any other obligations of such Owner under the Declaration. Before invoking any such suspension the Board shall give such person Notice and Hearing.

I. The following sections of the Declaration dealing with specific voting requirements which require special action of the membership are incorporated herein by reference: Article III, Sections 12.4, 13.1, 13.3, 13.4, and 15.2.

ARTICLE VIII

Each member shall be liable for the payment of assessments provided for in the Declaration and for the payment and discharge of the liabilities of the corporation as provided for in the Declaration, the Idaho Condominium Property Act (Title 55, Chapter 15), and as set forth in the By-Laws of the Corporation.

EXHIBIT "C"

ARTICLE IX

The By-Laws of this Corporation may be altered, amended, or new By-Laws adopted by any regular or special meeting of the corporation called for that purpose by the affirmative vote of the membership of the Association holding two-thirds (2/3) of the voting power of the Association.

ARTICLE X

For the purpose of specifying in detail the rights, responsibilities, duties and obligations of the Board of Directors, the officers, employees and agents of the corporation and the members thereof, including the liability of the members for the payment of assessments, the By-Laws may incorporate by reference the provisions of the Declaration, provided that a true and correct copy of such Declaration is attached to and made a part of the By-Laws of the corporation.

ARTICLE XI

The business and affairs of the Association shall be managed and controlled by a Board of Directors. The original Board of Directors shall be three (3); however, the By-Laws of the Association may provide for an increase or decrease in their number, provided that the number of directors shall not be greater than nine (9) or less than three (3).

ARTICLE XII

The names and post office address of the incorporators and membership of each are as follows:

<u>Name</u>	<u>Address</u>	<u>Membership</u>
-------------	----------------	-------------------

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 19____.

STATE OF IDAHO)
) ss.
COUNTY OF)

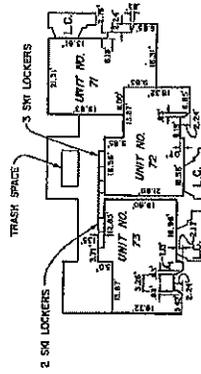
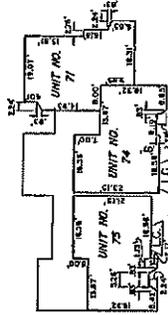
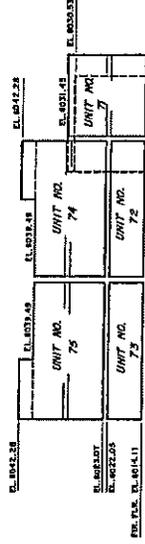
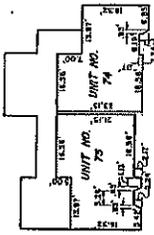
On this _____ day of _____, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, _____, and _____, known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same.

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

Notary Public for Idaho
Residing at

INDIAN SPRINGS CONDOMINIUMS

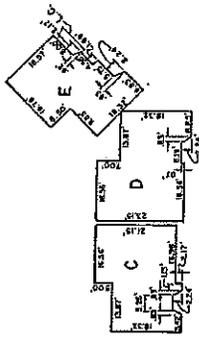
BUILDING NO. R



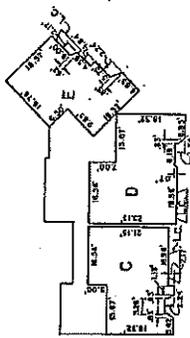
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INDIAN SPRINGS CONDOMINIUMS

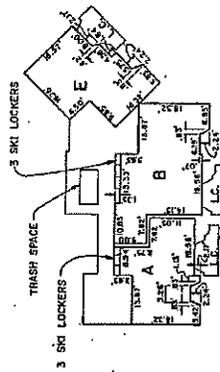
BUILDINGS M, N, T, X, Y & CC



THIRD LEVEL



SECOND LEVEL



FIRST LEVEL



ELEVATION BUILDING NOS. M, N, T, X, Y, B, CC

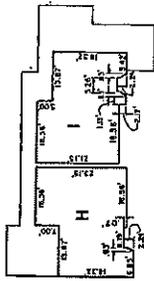
BUILDING NUMBER	UNIT NUMBER	UNIT DESIGNATION
M	48	C
	50	B
	51	A
	52	D
	53	E
N	54	C
	55	B
	56	A
	57	D
	58	E
T	59	B
	60	A
	61	D
	62	C
	63	E
X	100	A
	101	B
	102	C
	103	D
	104	E
Y	105	A
	106	B
	107	C
	108	D
	109	E
CC	124	A
	125	B
	126	C
	127	D
	128	E

BUILDING NUMBER	ELEV-1	ELEV-2	ELEV-3	ELEV-4	ELEV-5	ELEV-6
M	8011.00	8023.14	8037.14	8047.32	8046.00	8047.17
N	8011.00	8023.14	8037.14	8047.32	8046.00	8047.17
T	8011.00	8023.14	8037.14	8047.32	8046.00	8047.17
X	8011.00	8023.14	8037.14	8047.32	8046.00	8047.17
Y	8011.00	8023.14	8037.14	8047.32	8046.00	8047.17
CC	8011.00	8023.14	8037.14	8047.32	8046.00	8047.17

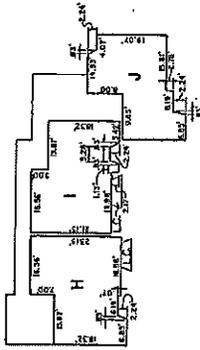
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INDIAN SPRINGS CONDOMINIUMS

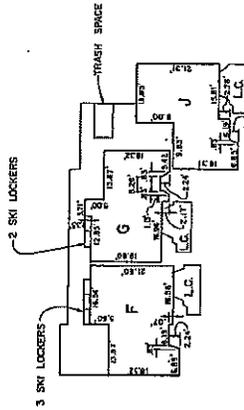
BUILDINGS O, P, U & W



THIRD LEVEL



SECOND LEVEL



FIRST LEVEL



ELEVATION BUILDING NOS O, P, U & W

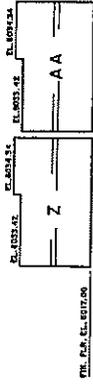
BUILDING NUMBER	UNIT NUMBER	UNIT DESIGNATION
O	01	O
	02	O
	03	O
	04	O
P	05	P
	06	P
	07	P
	08	P
U	09	U
	10	U
	11	U
	12	U
W	13	W
	14	W
	15	W
	16	W

BUILDING NUMBER	ELEV 7	ELEV 8	ELEV 9	ELEV 10	ELEV 11	ELEV 12	ELEV 13	ELEV 14
O	6073.00	6074.04	6075.08	6076.12	6077.16	6078.20	6079.24	6080.28
P	6081.00	6082.04	6083.08	6084.12	6085.16	6086.20	6087.24	6088.28
U	6091.00	6092.04	6093.08	6094.12	6095.16	6096.20	6097.24	6098.28
W	6101.00	6102.04	6103.08	6104.12	6105.16	6106.20	6107.24	6108.28

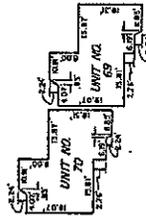
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INDIAN SPRINGS CONDOMINIUMS

BUILDING NO. Q



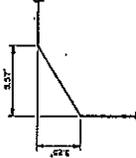
ELEVATION BUILDING NO. Q



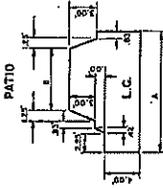
SECOND LEVEL



FIRST LEVEL

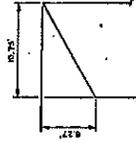


CEILING LINE DETAIL
(Typical for all unit nos except:
49, 54, 59, 64, 61, 66, 85, 88, 103,
110, 115, 120, 123 & 130.)

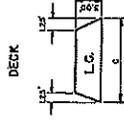


UNIT NUMBER	A	B
50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 104, 105, 106, 107, 108, 109, 111, 112, 113, 114, 116, 117, 118, 119, 121, 122, 124, 125, 126, 127, 128, 129, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200	7.83	8.00
49, 54, 59, 64, 61, 66, 85, 88, 103, 110, 115, 120, 123 & 130	12.82	8.87

PATIO & DECK DETAILS



CEILING LINE DETAIL
(Typical for unit nos
31, 64, 66, 95, 100, 120.)

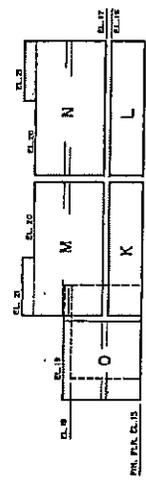
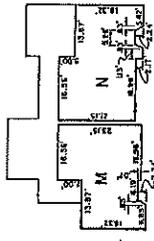


UNIT NUMBER	C
21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200	8.50
49, 54, 59, 64, 61, 66, 85, 88, 103, 110, 115, 120, 123 & 130	8.50

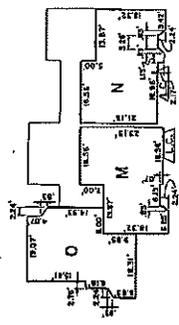
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plan sheets

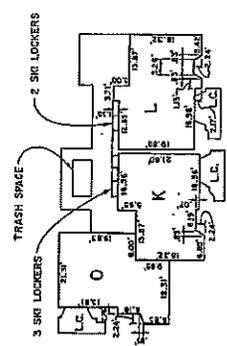
BUILDINGS S & EE



ELEVATION BUILDING NO. S, & EE



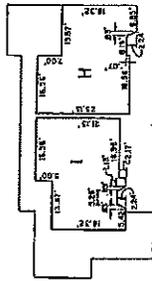
BUILDING NUMBER	UNIT NUMBER	UNIT DESCRIPTION
S	74	K
	75	D
	76	A
	77	L
EE	124	K
	125	D
	126	A
	127	M



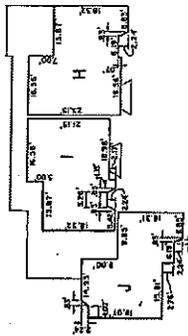
BUILDING NUMBER	ELEV-15	ELEV-16	ELEV-17	ELEV-18	ELEV-19	ELEV-20	ELEV-21
S	4013.74	4014.88	4024.42	4034.96	4044.50	4054.04	4063.58
EE	4020.00	4021.14	4030.68	4040.22	4049.76	4059.30	4068.84

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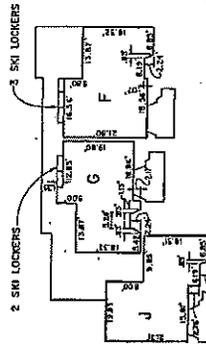
BUILDINGS Z & BB



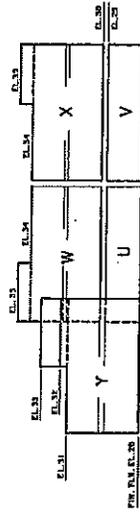
THIRD LEVEL



SECOND LEVEL



FIRST LEVEL



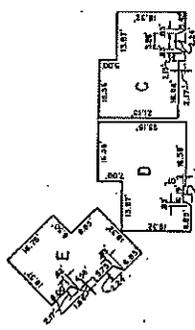
ELEVATION BUILDING NO. Z, & BB

BUILDING NUMBER	FLOOR NUMBER	ROOM DESIGNATION	DATE
Z	105	Y	
	110	W	
	111	X	
	112	U	
	113	V	
BB	120	Y	
	121	X	
	122	W	

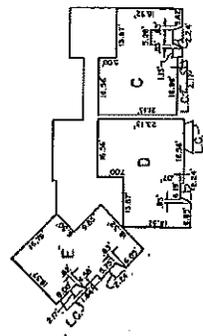
BUILDING NUMBER	ELEV 18	ELEV 27	ELEV 30	ELEV 31	ELEV 31	ELEV 31	ELEV 34	ELEV 35
Z	8224.00	8271.74	8282.81	8282.42	8282.00	8281.77	8281.35	8281.17
BB	8257.00	8274.54	8278.28	8253.42	8253.00	8252.22	8251.35	8251.17

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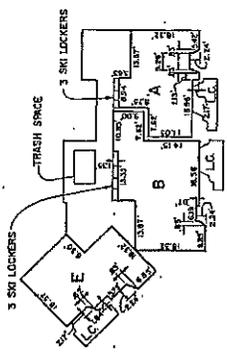
BUILDINGS AA & DD



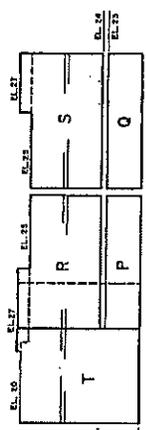
THIRD LEVEL



SECOND LEVEL



FIRST LEVEL



ELEVATION BUILDING NO. A & DD

BUILDING NUMBER	FLOOR NUMBER	ROOM NUMBER	ROOM DESCRIPTION
AA	112	112	Q
		114	P
		115	T
		116	S
		117	R
DD	122	122	A
		123	T
		124	T
		125	B
		126	B

BUILDING NUMBER	ELEVATION	ELEVATION	ELEVATION	ELEVATION	ELEVATION
AA	6041.84	6035.38	6035.38	6051.05	6043.17
DD	6042.28	6042.28	6042.28	6042.28	6042.28

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