CONDOMINIUM DECLARATION

FOR

SWC CONDOMINIUMS

This Condominium Declaration for SWC Condominiums ("Declaration") is made this 8 day of AUGUST, 2008, by SWC, LLC, an Idaho limited liability company, and its successors or assigns ("Declarant").

ARTICLE I. RECITALS AND CERTAIN DEFINITIONS.

RECITALS

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

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

NOW, THEREFORE, the Declarant declares as follows:

CERTAIN DEFINITIONS

Section 1.1 Declarant. "Declarant" means SWC, LLC, and its successors and assigns.

Section 1.2 Real Property. The "Real Property" means that certain parcel of real property more particularly described on Exhibit A attached hereto and made a part of this Declaration.

Section 1.3 The Project. The term "Project" shall mean the entirety of the property divided or to be divided into condominiums.

ARTICLE II. ADDITIONAL DEFINITIONS.

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

Section 2.1 Assessment. "Assessment" means a share of the funds required for the payment of common expenses, including those expenses attributable to less than all Owners in the case of Limited Assessments, which, from time to time, are assessed against some of the Owners, and shall include Regular, Special, and Limited Assessments, as more particularly described in Section 10 herein.

Section 2.2 Association. "Association" means SWC Condominium Association, Inc., the association of Owners of Units formed under this Declaration.

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Ex-Officio Recorder Deputy
Index to: COVENANTS & RESTRICTIONS

Section 2.3 Association Articles and Bylaws. "Association Articles and Bylaws" means the articles of incorporation and bylaws for the governance of the Association as set forth in Exhibit B attached hereto and by this reference made a part hereof.

Section 2.4 Board or Board of Directors. "Board" or "Board of Directors" means the duly elected board of directors of the Association.

Section 2.5 Building. "Building" or "Buildings" means structures containing the Units and Common Area, including the Limited Common Area, now or hereafter constructed on the Real Property.

Section 2.6 Common Area. "Common Area" means the entire Project excepting all of the Units. Common Area shall include all Limited Common Area, as the same is defined in Section 2.14.

Section 2.7 Condominium. "Condominium" means a separate interest in a Unit, together with an undivided interest in common in the Common Area as set forth in the Condominium Plat and the Declaration.

Section 2.8 Condominium Documents. "Condominium Documents" means the Association Articles and Bylaws and this Declaration.

Section 2.9 Condominium Plat. "Condominium Plat" means the plat map for SWC Condominiums, to be filed for record in the office of the County Recorder of Blaine County, Idaho, consisting of a plat or survey map of the surface of the ground and the air rights of the Real Property, showing a survey and legal description thereof, the location of the Building showing the boundaries of each Unit within the Building, including horizontal and vertical locations and dimensions of all boundaries of each Unit, Unit number identifying the Units and the Common Area, together with such other information as may be included therein in the discretion of the Declarant, as the same may be hereafter amended from time to time as provided herein.

Section 2.10 Legal Rate of Interest. "Legal Rate of Interest" shall be the rate of interest allowed on money due on the judgment of any competent court or tribunal as determined under the provisions of Idaho Code Section 28-22-104(2) or any successor provision of law.

Section 2.11 Limited Assessments. "Limited Assessment" means an assessment levied against an Owner or some but not all Owners by the Association for costs and expenses incurred by the Association for the construction, installation, maintenance, repair and replacement of Limited Common Area, and equipment and facilities located thereon, including any corrective action necessitated due to damage by the acts of any Owner or occupant of a Unit who is occupying a Unit with the consent, either express or implied, of such Owner, as more particularly described in Section 10.5(a) herein.

Section 2.12 Limited Common Area. "Limited Common Area" shall be as defined in Article III hereof.

Section 2.13 Mortgage. "Mortgage" means any mortgage, deed of trust, bond indenture, or other security instrument by which one or more Condominiums or any part thereof is encumbered.

Section 2.14 Mortgagee. "Mortgagee" means any person or any successor to the interest of such person named as the mortgagee, trust beneficiary, bond trustee, or creditor under any Mortgage under which the interest of any Owner, or successor to the interest of such Owner, is encumbered.

Section 2.15 Owner. "Owner" means any person or entity, including Declarant, at any time owning a Condominium or, with respect to the Residential Rental Units, such term shall also include the qualified lessee of each such Residential Unit. The term "Owner" shall not refer to any Mortgagee, as herein defined, unless such Mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

Section 2.16 Regular Assessment. "Regular Assessment" means an assessment by the Board to provide for the payment of all estimated expenses growing out of or connected with the Project as a whole, as more particularly described in Sections 10.2, 10.3 and 10.4 herein.

Section 2.17 Special Assessment. "Special Assessment" means an assessment by the Board for the purpose of defraying, in whole or in part, the costs of any new acquisitions and/or new capital improvement, construction or reconstruction, or unexpected or extraordinary repairs, maintenance or replacement of the Project or any part thereof, including, without limitation, snow and ice removal, or for any expenses incurred or to be incurred as provided in this Declaration, or in the event that the Regular Assessment assessed for any particular year is or will become inadequate to meet the expenses of the Association, such Special Assessment shall be authorized pursuant to the terms and conditions provided herein, as more particularly described in Section 10.5(b) herein, to cover those additional costs.

Section 2.18 Super Majority Consent. "Super Majority Consent" shall be as defined in Section 8.2 hereof.

Section 2.19 Unit. "Unit" means the separate interest in a condominium as bounded by the interior surfaces of the perimeter walls, floors, ceilings, windows and window frames, doors and door frames and trim, as such boundaries are shown on the Condominium Plat. All other portions of the walls, floors or ceilings (including walls common to separate Units) shall be a part of the Common Area. In addition, each Unit shall include the following: (a) all spaces, non-bearing interior partitions, windows, window frames, exterior doors, door frames, and all other fixtures and improvements within the boundaries of the Unit; (b) all outlets, lines, and ducts of utility service lines, including but not limited to power, light, gas, hot and cold water, heating, and waste disposal, within the boundaries of the Unit; and (c) all heating, hot water, and air conditioning apparatus exclusively serving the Unit.

(a) The Project contains thirty-one (31) Units. A brief description of each Unit and the use of such Unit follows:

(i) Units 1A, 1B and 1C shall consist of commercial structures, the initial use of which shall be for office purposes and permitted uses in LI III zone in Ketchum, Idaho,, located on the first floor of the Building (the "Commercial Units").

(ii) Units 2A, 2B, 2C, 2K, 2M, 2N, 2P, 2Q, 2R, 2S, 2T, 2U and 2V inclusive, are located on the second floor of the Building and are residential units which shall be deed restricted and owned and occupied by persons meeting income requirements promulgated by the City of Ketchum/Blaine County Housing Authority and which units shall be used only for residential purposes ("Community Residential Units").

(iii) Units 2J and 2O, located on the second floor of the Building, are residential units which may only be used for residential purposes and which are deed restricted and owned by employers and leased to their employees meeting qualification and income requirements promulgated by the City of Ketchum/Blaine County Housing Authority ("Limited Community Residential Units").

(iv) Units 2D, 2E, 2F, 2G, 2H, 2I and 2L, located on the second floor of the Building, and Units 3A, 3B, 3C, 3D, 3E and 3F inclusive, located on the third floor of the Building, are residential units which shall be used only for residential purposes ("Residential Condominium Units").

(b) Notwithstanding the foregoing or anything else set forth herein, because a Unit may be designated for a particular purpose in this Declaration, any such designation shall not limit the purposes to which said Unit may be used; provided, the Board, by prior written approval, approves an alternate use. The purposes for which all Units may be used shall be only such use as is set forth above or which is approved by the Board and is approved under and pursuant to applicable governmental rules, regulations and ordinances relating to zoning and building uses, as the same may be amended from time to time and set forth in the Rules and Regulations as adopted by the Board as provided by Section 9.6 hereof. In addition, the basement floor of the Building must at all times be used as a parking garage and storage areas unless all Owners and their mortgagees otherwise consent in writing.

ARTICLE III. LIMITED COMMON AREA.

Section 3.1 Limited Common Area. Limited Common Area, consists of such portions of the Common Area that are reserved for the exclusive use of one or more, but not all, of the Owners and subject to the maintenance obligations solely by the Owner or Owners of the Condominium or Condominiums to which it is appurtenant, which use is to the exclusion of all others except by invitation of such Owner or Owners of such Condominium Unit(s). Limited Common Area also includes the following:

(a) Automobile parking spaces located in the basement level of the Building. Each such striped parking space and enclosed garage shall be identified in the basement level with a plaque bearing the number of the Unit to which such parking area is appurtenant as set forth on Exhibit D hereto, and each such identified parking area shall be Limited Common Area appurtenant to the identified Unit and reserved for the exclusive use of the Owner of such

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

(b) Storage areas located in the basement level of the Building. Each such storage area shall be identified in the basement level with a plaque bearing the number of the Unit to which such storage area is appurtenant as set forth on Exhibit D hereto, and each such identified storage space shall be Limited Common Area appurtenant to the identified Unit and reserved for the exclusive use of the Owner of such identified Unit for storage of personal property of the Owner.

(c) Some Units have decks and patios as indicated on the Condominium Plat as Limited Common Area which shall be reserved for the exclusive use by the Owner of the Unit which adjoins such deck or patio and such Owner's invitees and guests.

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

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

ARTICLE IV. STATEMENT OF INTENTION AND PURPOSE.

Section 4.1 Declaration. Declarant hereby declares that the Project and every part thereof is held and shall be held, conveyed, devised, leased, rented, encumbered, used, occupied, and improved and otherwise affected in any and all manners subject to the provisions of this Declaration, each and all of which provisions are hereby declared to be in furtherance of the general plans and scheme of condominium ownership referred to in Article I and are further declared to be for the benefit of the Project and every part thereof and for the benefit of each Owner. All provisions hereof shall be deemed to run with the land as covenants running with the land or as equitable servitudes, as the case may be, and shall constitute benefits and burdens to the Declarant and its assigns and to all persons now owning or hereafter acquiring or owning any interest in the Project, however such interest may be obtained.

ARTICLE V. NATURE AND INCIDENTS OF CONDOMINIUM OWNERSHIP.

Section 5.1 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 Condominium Plat and this Declaration which sets forth the Common Area appurtenant to each Unit. The percentage of ownership interest in the Common Area which is to be allocated to each Unit for purposes of tax assessment under Section 55-1514 of the Idaho Code and for purposes of liability as provided by Section 55-1515 of such Code shall be the same as set forth on Exhibit C. Exhibit C also contains a legal description of each Unit in the Project, consisting of the identifying number or letter of such Unit as shown on the Condominium Plat. Such undivided interests in the Common Area are hereby declared to be appurtenant to the respective Units. The allocation of Common Area, as set forth on Exhibit C hereto, is based upon the initial listed or offered sales price for each such Unit as a percentage of the total sales price of Units in the Project. Where a Unit has not been listed or offered for sale, the estimated market value of the Unit has been used.

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

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

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

Section 5.4 Title. Title to a Condominium may be held or owned by a person or an entity in any manner in which title to any other real property may be held or owned in the State of Idaho.

Section 5.5 Inseparability. Except as specifically provided in the Declaration, no part of a Condominium or of the legal rights comprising ownership of a Condominium may be separated from any other part thereof during the period of Condominium ownership prescribed herein, so that each Unit and the undivided interest in the Common Area shall always be conveyed, devised, encumbered, and otherwise affected only as a complete Condominium. Every gift, devise, bequest, transfer, encumbrance, conveyance, or other disposition of a Condominium or any part thereof shall be presumed to be a gift, devise, bequest, transfer, encumbrance, or conveyance, respectively, of the entire Condominium, together with all appurtenant rights created by law or by this Declaration.

Section 5.6 Partition Not Permitted. The Common Area, including the Limited Common Area, shall be owned in common by all owners of the Condominiums, and no Owner may bring any action for partition thereof.

Section 5.7 Use of Common Area, and Limited Common Area and Units. Subject to the limitations contained in this Declaration, each Owner and its customers and invitees shall have the nonexclusive right to use and enjoy the Common Area, and each Owner and its customers and invitees shall have the exclusive right to use and enjoy the Limited Common Area designated herein for exclusive use by such Owner.

(a) Unit 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, and doors and to clean the interior surfaces of the windows, all of which form the boundaries of his/her Unit and all walls, ceilings, floors and doors within such boundaries. Notwithstanding the foregoing, no tile or other hard surface floor covering, including uncovered wooden floors, shall be installed in any of the Community Residential Units, Limited Community Residential Units or Residential Condominium Units without the prior written approval of the Association.

(b) Advertising Signs. Except for any business signs originally installed by the Declarant for the business operation conducted on the first floor of the Project, no Owner may place upon any of the Common Area any advertising signs without written permission of the Association.

(c) Unit Use. The Units shall be utilized only for the purposes set forth in Section 2.19(a) and for no other purpose without the written permission of the Association.

(d) 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.

(e) Prohibition of Damage and Certain Activities. Nothing shall be done or kept in any Unit or in the Common Area or any part thereof which would result in the cancellation of the insurance on the Project or any part thereof or increase the rate of insurance on the Project or any part thereof over what the Association, but for such activity, would pay, without the prior written consent of the Association. Nothing shall be done or kept in any Unit or in the Common Area or any part thereof which would be in violation of any statute, rule, ordinance, regulation, permit, or other validly imposed requirement of any governmental body. No damage to, or waste of, the Common Area or any part thereof shall be committed by any Owner or any invitee of any Owner, and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from any such damage or waste caused by him or his invitees; provided, however, that any invitee of the Declarant shall not under any circumstances be deemed to be an invitee of any other Owner. No noxious, destructive, or offensive activity shall be carried on in any Unit or in the Common Area or any part thereof, nor shall anything be done therein which may be or may become an annoyance or nuisance to any other Owner or to any person at any time lawfully occupying any Unit in the Project.

(f) Maintenance of Interiors. Each Owner shall keep the interior of his Unit, including, without limitation, interior walls, windows, glass, ceilings, floors, and permanent fixtures and appurtenances thereto, in a clean, sanitary, and attractive condition, and good state of repair, and shall keep the Limited Common Area designated for use in connection with his Unit in clean, sanitary, and attractive condition, and shall keep any electrical, plumbing, cooling, sewer and water lines and heating equipment serving his Unit exclusively in a good state of maintenance and repair.

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

(h) Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate and no odors shall be permitted to arise from the Project so as to render any portion of the Project unsanitary, unsightly, offensive, or detrimental to any other property in the vicinity thereof or to its occupants. No noise or other nuisance shall be permitted to exist or operate upon any such property so as to be offensive or detrimental to any other property in the vicinity thereof or its occupants. Without limiting the generality of any of the following provisions, no exterior speakers (except those connected to wiring initially installed by Declarant), and no horns, whistles, bells, or other sound devices (other than devices used exclusively for security purposes) shall be located, used, or placed on any such property without the prior written approval of the Association.

(i) Outside Installations. No apparatus shall be installed on the exterior of the Building or be allowed to protrude through the walls, the windows, or the roof of the Building, unless the prior written approval of the Association is secured. No satellite dish or antennae of

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

(j) Window Coverings. The Community Residential Units and the Limited Community Residential Units have been provided with window coverings by the Declarant and no other window coverings may be installed or replaced in such Community Residential Units without the prior written consent of the Association. All other window coverings which are visible to outside view shall be esthetically harmonious with the exterior design, color and coverings for other Units as determined by the Association.

(k) Refuse Disposal. No garbage, refuse or other disposed or discarded personal property shall be deposited by any Owner in or about the Common Area, including the Limited Common Area, and all of same shall be deposited in trash receptacles located in each Unit or in such other disposal facilities provided in the Project by the Association and if not so located or if full, then all of same shall be transported to municipal trash reception facilities.

(l) No Clothes Drying. No clothes lines or other exterior clothes drying apparatus shall be placed, contained, or maintained on the Common Area, including any Limited Common Area.

(m) Prohibited Use on Decks. No portion of the Limited Common Area decks shall be used for the storage of bicycles or other sporting equipment or for the storage of any item of personal property. Outdoor furniture, landscaping, potted plants, or other decorative items are permitted provided they do not exceed 4' in height. All outdoor barbeques must have the approval of the Association. Fuel for the use of the barbeques will be limited to natural gas or liquid propane. No charcoal briquettes, wood of any type or synthetic burning material will be allowed. All barbeque units shall have a cover.

(n) Pets. No animal, bird or reptile of any kind shall be raised, bred, or kept in a Unit or any portion the Common Area, provided however, that an Owner may keep in any Unit no more than one (1) dog, being of gentle disposition and not prone to excessive barking, and one (1) cat, or some other combination of either dogs or cats totaling not more than two (2) animals, except that two pets of the same type will be allowed in Units that are 1400 square feet or larger.. Such pets shall not be permitted upon the Common Area, including the Limited Common Area, unless accompanied by an adult and unless carried or leashed and no pet shall be allowed to remain in the basement level of the Building. Any Owner who keeps and maintains any pet upon any portion of the Project shall be deemed to have indemnified and agreed to hold the Association, Directors, and each Owner and the Declarant harmless from any loss, claim or liability of any kind or character whatsoever arising by reason of keeping or maintaining such pet within the Project. Any pet causing or creating a nuisance, danger to humans, or unreasonable disturbance or noise shall be permanently removed from the Project upon three (3) days' written notice from the Association. The Owner of a Unit housing a pet shall be responsible for cleaning up any waste deposited by the pet on the Project and for reimbursing the Association for any damage caused by the pet to the Project. Companion or helper animals, including seeing eye dogs and hearing ear dogs, are permitted within the Project.

(o) Occupancy Restrictions. No Community Residential Unit, no Limited Community Residential Unit and no Residential Condominium Units shall be occupied overnight by more than two (2) persons for each bedroom located within each such Unit as originally designed and constructed by Declarant.

(p) Parking. No portion of the Common Area including any Limited Common Area shall be utilized for the parking for any motorized vehicle. Except as hereafter provided, the parking of motor vehicles within the Project shall only take place within the subterranean garage portion of the Project and only within the Garage Units located therein or the striped parking spaces located in such garage. The Common Area on Lindsay Circle will include a limited number of "on street" parking spaces, which will be available to Condominium Owners on a "first come, first served" basis. This parking area will be designated and limited to one parking space per Condominium Unit.

Section 5.8 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 may pay the same and assess the same to the Owner or Owners responsible therefor. Each Owner shall pay the taxes or assessments assessed against its Condominium, or interest therein, or its interest in the Common Area or any part of any or all of the foregoing. Each Owner shall pay all taxes, rates, impositions, and assessments levied against the Project or any part of the Common Area in proportion to its interest in the Common Area, such payment to be made to the Association at least thirty (30) days prior to the delinquency of such tax or assessment. Each such unpaid tax or assessment shall bear interest at the Legal Rate of Interest from and after the time the same is paid by the Association and shall be secured by the lien created by Section 10.6 hereof. Notwithstanding the foregoing, taxes, assessments, or other charges attributable to the Common Area shall be apportioned among the Owners of Units as provided in Article X hereof.

Section 5.9 Easements for Encroachments. If any part of the Common Area encroaches or shall hereinafter encroach upon a Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common Area or upon an adjoining Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. Such encroachments shall not be considered to be encumbrances either on the Common Area or the Units. Encroachments referred to herein are limited to encroachments caused by engineering errors, settling, rising, or shifting of the earth, or by changes in position caused by construction or repair of the Project or any part thereof in accordance with the original plans for the Project and any encroachment due to building overhang or projection.

Section 5.10 Easements of Access for Repair, Maintenance, and Emergencies. Portions of the Common Area and/or any easement areas granted pursuant to this Declaration are or may be located within the Units or may be conveniently accessible only through the Units. The Owners of Units shall have the irrevocable right to have access to each Unit and to all Common Areas from time to time during such reasonable hours as may be necessary for the construction, installation, inspection, operation, maintenance, repair, or replacement of any of the Common

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

Section 5.11 Owner's Right to Ingress and Egress and Support. Each Owner shall have the right to ingress and egress over, upon, and across the Common Area necessary for access to her/his Unit and to the Limited Common Area designated for use in connection with his/her Unit and shall have the right to the horizontal and lateral support of her/his Unit, and such rights shall be appurtenant to and pass with the title to each Condominium.

Section 5.12 Association's Right to Use of Common Area. The Association shall have a nonexclusive easement to make such use of the Common Area as may be necessary or appropriate to perform the duties and functions which it is obligated or permitted to perform pursuant to this Declaration, including the right to grant utility easements, alter the Common Areas, and construct and maintain maintenance and storage facilities in the Common Area for use by the Association.

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

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

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

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

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

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

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

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

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

ARTICLE VI. DESCRIPTION OF A CONDOMINIUM.

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

> Condominium Unit_____ as shown on the plat of SWC Condominiums: Phase 1, appearing in the Records of Blaine County, Idaho as Instrument No. _____ and as defined and described in that Condominium Declaration for SWC Condominiums recorded in the Records of Blaine County, Idaho, as Instrument No. _____, as amended and supplemented from time to time.

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

ARTICLE VII. MECHANIC'S LIEN RIGHTS.

Section 7.1 In General. No labor performed or services or materials furnished with the consent of or at the request of an Owner or his/her agent or her/his contractor or subcontractor shall be the basis for the filing of a lien against the Condominium of any other Owner, or against any part thereof, or against any other property of any other Owner, unless such other Owner has expressly consented to or requested the performance of such labor or furnishing of such materials or services. Such express consent shall be deemed to have been given by the Owner of any Condominium in the case of emergency repairs thereto. Labor performed or services of materials furnished for the Project or any portion thereof, if duly authorized by the Association, shall be deemed to be performed or furnished with the express consent of each Owner of that portion of the Project. Any Owner may remove his/her Condominium from a lien against two or more Condominiums or any part thereof by payment to the holder of the lien of the fraction of the total sum secured by such lien which is attributable to her/his Condominium. Nothing herein shall subject an Owner who is a governmental entity to mechanic's liens.

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

ARTICLE VIII. THE ASSOCIATION.

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

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

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

Section 8.3 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, no such transfer or assignment shall relieve the Association of any of the obligations set forth herein. Any such transfer or assignment shall not revoke or change any of the rights or obligations of any Owners as set forth herein.

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

ARTICLE IX. CERTAIN RIGHTS AND OBLIGATIONS OF THE ASSOCIATION.

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

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

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

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

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

Section 9.4 Miscellaneous Services. The Association may obtain and pay for the services of any person or entity to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall determine to be necessary or desirable for the proper operation of the Project, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or which it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Project or the enforcement of this Declaration.

Section 9.5 Personal Property for Common Use. The Association may acquire and hold for the use and benefit of all the Owners tangible and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be deemed to be owned by the Owners in the same proportion as their respective interests in the Common Area. Such interest shall not be transferable except with the transfer of a Condominium. A transfer of a Condominium shall transfer to the transferee ownership of the transferor's beneficial interest in such property without any reference thereto. Each Owner may use such property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of other Owners. The transfer of title to a Condominium under a foreclosure shall entitle the purchaser to the interest in such personal property associated with the foreclosed Condominium.

Section 9.6 Rules and Regulations. The Association may make reasonable rules and regulations governing the use of the Units and of the Common Area, which rules and regulations shall be consistent with the rights and duties established in this Declaration. The Association may also take judicial action against any Owner to enforce compliance with such rules, regulations, or other obligations or to obtain damages for noncompliance, all to the extent permitted by law.

Section 9.7 Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the Association Bylaws and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

Section 9.8 Use of Association Powers. Notwithstanding the foregoing, the Association shall not take any actions that would impair an Owner's right to enjoy and use its Unit as set forth herein.

ARTICLE X. ASSESSMENTS.

Section 10.1 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 Regular Assessments made by the Association for the purposes provided in this Declaration, Limited Assessments, if applicable, and Special Assessments for capital improvements and other matters as provided in this Declaration. Such Assessments shall be fixed, established, and collected from time to time in the manner provided in this Article X.

Section 10.2 Amount of Total Periodic Regular Assessments. The total periodic Regular Assessments against all Condominiums shall be based upon advance estimates of cash requirements by the Association to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the Common Area not maintained or operated by the Owners as provided in Article III, or furnishing electrical, water, sewer, trash collection, and other common services to each Unit to the extent not separately metered and/or billed to a specific Unit, which estimates may include, among other things, expenses of management; taxes and special assessments, until the Condominiums are separately assessed as provided herein; premiums for all insurance which the Association is required or permitted to maintain pursuant hereto; common lighting and heating; water charges; trash collection; sewer service charges; repairs and maintenance; wages for Association employees; legal and accounting fees; any deficit remaining from a previous period; the creation of reasonable contingency reserve, surplus, and/or sinking funds; and any other expenses and liabilities which may be incurred by the Association for the benefit of the Owners under or by reason of this Declaration. Notwithstanding the foregoing or anything else set forth herein, or in the Articles or By-Laws, Declarant shall pay all operating expenses of the Association until the earlier of the first day of the first complete calendar month after (i) an Owner is issued a certificate of occupancy for the improvements constituting the Owner's Unit; or (ii) an Owner commences business operations in Unit 1A. Notwithstanding the foregoing, the maximum monthly assessment for a Community Residential and a Community Residential Unit shall be One Hundred Dollars ($100) plus three (3) percent per year from and after calendar year 2008.

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

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

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

Section 10.5 Limited Assessments; Special Assessments.

(a) Limited Assessment. Unless otherwise provided in this Declaration, a Limited Assessment may be levied against any affected Owners for any construction, maintenance, inspection, installation, repair and replacement of any Limited Common Areas, including, without limitation the parking spaces appurtenant to Units. A Limited Assessment may be levied on Owners who fail to cause maintenance, replacement and upkeep of the Owner's Unit as provided in this Declaration to be timely performed, such levy to be in amounts expended by the Association to perform the same. Limited Assessments may also be made by the Association for any other purpose described in this Declaration, referencing this Section 10.5 (a).

(b) Special Assessments. In the event that the Association shall determine that Regular Assessments for any given calendar year is or will be inadequate to pay the expenses of the Association, the Association may levy a Special Assessment payable over such period as the Association may determine, for the purpose of defraying in whole or in part such expenses, including, without limitation: the cost of any construction or reconstruction, unexpected repair or replacement of the Project or any part thereof or for any other expense incurred or to be incurred as provided in this Declaration. This Section 10.5(b) shall not be construed as an independent source of authority for the Association to incur expenses but shall be construed to prescribe the manner of assessing for expenses authorized by other sections hereof which shall make specific reference to this Article X. Any amounts assessed pursuant hereto shall be assessed to Owners in the same manner as provided in Section 10.3 of this Article X. Notice in writing of the amount of such Special Assessments and the time for payment thereof shall be given promptly to the Owners, and no payment shall be due less than thirty (30) days after such notice shall have been given. The Association shall have the power to incur expenses for maintenance and repair of any Unit, if such maintenance and repair is necessary, in the opinion of the Board of Directors of the Association to protect the Common Area or any other portion of the Project, and if the Owner or Owners of said Unit have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair has been delivered by the Board to said Owner or Owners as further described in Section 3.5 above. The Board shall levy a Special Assessment against the Owner or Owners of any such Unit to pay for the cost of such maintenance and repair, any other costs or expenses arising out of or incident to such maintenance and repair, and the Special Assessment therefor. A Special Assessment shall bear interest at the Legal Rate of Interest from the date it becomes due and payable if not paid within thirty (30) days after such date. Any Special Assessment levied against a Community Residential Unit may be paid in not less than twelve (12) equal monthly installments.

Section 10.6 Lien for Assessments. All sums assessed to any Condominium pursuant to this Article X, together with interest thereon as provided herein, shall be secured by a lien on such Condominium in favor of the Association upon recordation of a notice of Assessment as herein provided. Such lien shall be superior to all other liens and encumbrances on such Condominium except only for: (a) valid tax and assessment liens on the Condominium in favor of any governmental assessing authority; and (b) labor or materialmen's liens, to the extent allowed by law. The secured party under a valid first Mortgage, duly recorded with the Blaine County Recorder as to a Condominium, shall be entitled to cure a default in payment of Assessments by paying all past due Assessments which accrued no more than sixty (60) days prior to the date that such secured party was first notified by mail of such Owner's failure to pay Assessments past due. In the event of foreclosure on any such first Mortgage, the holder thereof shall take the Condominium interest subject to all unpaid Assessments, except to the extent that such liability has been limited by exercise of the cure option set forth in the immediately preceding sentence. All other lienors acquiring liens on any Condominium after the proper recordation of this Declaration shall be deemed to consent that such liens are inferior liens to future liens for Assessments as provided herein, whether or not such consent be specifically set forth in the instruments creating such liens.

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

A further notice stating the satisfaction and release of any such lien shall be executed by the Association and recorded with the Blaine County Recorder upon payment of all sums secured by a lien which has been made the subject of a recorded notice of Assessment.

Any encumbrancer holding a lien on a Condominium may pay, but shall not be required to pay, any amounts secured by the lien created by this Section 10.6, and upon such payment such encumbrancer shall be subrogated to all rights of the Association with respect to such lien, including priority.

Section 10.7 Personal Obligation of Owner. In addition to any liens against a Unit, the amount of any Regular or Special Assessment against any Condominium shall be the personal obligation of the Owner thereof to the Association. Suit to recover a money judgment for such

personal obligation shall be maintainable by the Association without foreclosure or waiver of the lien securing the same. No Owner may avoid or diminish such personal obligation by waiver of the use and enjoyment of any of the Common Area or by abandonment of his/her Condominium.

Section 10.8 Statement of Account. Upon payment of a reasonable fee, not to exceed Twenty-Five Dollars ($25.00) on or before ten (10) days after written request from any Owner or any Mortgagee, prospective Mortgagee, or prospective purchaser of a Condominium, the Association shall issue a written statement setting forth the amount of the unpaid Assessments, if any, with respect to such Condominium, the amount of the current Regular Assessment, the date that such Assessment becomes or became due, and credit for advanced payments or prepaid items, including, but not limited to, an Owner's share of prepaid insurance premiums, which statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied with within ten (10) days, all unpaid Assessments which became due prior to the date of making such request shall be subordinate to the lien of a Mortgagee which acquired its interest subsequent to requesting such statement. Where a prospective purchaser makes such request, both the lien for such unpaid Assessments and the personal obligation of the purchaser shall be released automatically if the statement is not furnished within the 10-day period provided herein, and the purchaser subsequently acquires the Condominium.

Section 10.9 Personal Liability of Purchaser for Assessments. Subject to the provisions of Section 10.8, a purchaser of a Condominium shall be jointly and severally liable with the seller for all unpaid Assessments against the Condominium up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such Assessments.

ARTICLE XI. INSURANCE.

Section 11.1 Types of Insurance. The Association shall obtain and keep in full force and effect at all times the following insurance coverage provided by companies duly authorized to do business in Idaho, provided such insurance is available and/or realistically affordable. In the event the Association determines that any of the following insurance coverages are not in the opinion of the Association available and/or realistically affordable, it shall so notify each Owner and each Owner may obtain any such insurance for such Owner or its Unit at the sole cost and expense of such Owner. The provisions of this Article XI shall not be construed to limit the power or authority of the Association to obtain and maintain insurance coverage, in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Association may deem appropriate from time to time. In order to facilitate the providing and maintaining of adequate and proper insurance, it is contemplated that Declarant may contract for blanket insurance coverage covering the Project as contemplated by this Article XI prior to or concurrently with the first conveyance of a Condominium, and any obligations or commitments for the payment of premiums or expenses otherwise incurred by Declarant under any such blanket policy or coverage to the extent attributable or properly allocable to the Project, whether or not the same is also a personal obligation of the purchaser or purchasers of any Condominiums, shall become an obligation of the Association and shall be paid for out of Association funds.

(a) Casualty Insurance. The Association shall obtain a policy or policies of insurance covering loss or damage from fire, with extended coverage endorsement, and such other coverages such as flooding, which the Association may deem desirable, for not less than the full insurable replacement value of the Units and Common Area.

(b) Public Liability and Property Damage Insurance. The Association shall obtain a policy or policies insuring the Association, the Board of Directors, the Unit Owners, and the managing agent, against liability to third parties or to the Owners and their invitees or tenants, for personal injury and property damage, and such other similar risks as may be typically insured against, incident to the ownership or use of the Project. There may be excluded from such policy or policies coverage of a Unit Owner (other than as a member of the Association or Board of Directors) for liability arising out of acts or omission of such Unit Owner and liability incident to the ownership and/or use of the part of the Project as to which such Unit Owner has the exclusive use or occupancy. Limits of liability under such insurance shall not be less than Two Million Dollars ($2,000,000) on a combined single limit basis. Such policy or policies shall be issued on a comprehensive liability basis and shall provide cross liability endorsement wherein the rights of named insured under the policy or policies shall not be prejudiced as respects his, her, or their action against another named insured.

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

(d) Directors Omission Coverage. The Association shall purchase Directors Omission coverage insuring officers, directors and the other eligible employees and members of the Association against errors and omissions occurring during the performance of their duties and obligations to the Association.

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

Section 11.2 Casualty and Public Liability Insurance. The Association may, at the request of and at the sole cost of individual Owners, obtain casualty and public liability insurance coverage in amounts it may select with respect to such requesting Owners' activities within each individual Unit and for activities of the Owner, not acting by the Association, with respect to the Common Area.

Section 11.3 Form. Casualty insurance shall be carried in a form or forms naming the Association the insured as trustee for the Owners, which policy or policies shall specify the interest of each Owner (Owner's name, Unit number, and the appurtenant undivided interest in the Common Area) and which policy or policies shall provide a standard loss payable clause providing for payment of insurance proceeds to the Association as trustee for the Owners and for the respective Mortgagees which from time to time shall give notice to the Association of such first Mortgages, such proceeds to be used in accordance with this Declaration. Each policy shall also provide that it cannot be canceled by either the insured or the insurance company until after

thirty (30) days' prior written notice is first given to each Owner and to each first Mortgagee. The Association shall furnish to each Owner who requests it and to Declarant a true copy of such policy, together with a certificate identifying the interest of the Owner. All policies of insurance shall provide for a waiver of subrogation by the insurer as to claims against the Association, the Board, employees, and agents and against each Owner and each Owner's employees, agents, and guests, shall provide that the insurance cannot be canceled, invalidated, or suspended on account of the conduct of the Association, the Board, employees, and agents or of any Owner or such Owner's employees, agents, or guests, and shall provide that any "no other insurance" clause in the insurance policy shall exclude any policies of insurance maintained by any Owner or Mortgagee and that the insurance policy shall not be brought into contribution with insurance maintained by any Owner or Mortgagee.

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

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

Section 11.5 Insurance Proceeds. The Association shall receive the proceeds of any casualty insurance payments received under policies obtained and maintained pursuant to this Article XI. The Association shall by Super Majority Consent of the Members, apportion the proceeds to the portions of the Project which have been damaged in a fair and equitable manner. To the extent that reconstruction is required herein, the proceeds shall be used for such purpose. To the extent that reconstruction is not required herein and there is a determination that the Project shall not be rebuilt (which determination shall be made by Super Majority consent), the proceeds shall be distributed as determined by Super Majority Consent of the Members. Each Owner and each Mortgagee shall be bound by the apportionments of damage and of the insurance proceeds made by the Association pursuant hereto.

Section 11.6 Owner's Own Insurance. Notwithstanding the provisions of Sections 11.1 and 11.2 hereof, each Owner may obtain insurance at her/his own expense providing coverage upon his/her Condominium, upon her/his personal property, and/or for his/her personal liability and covering such other risks as she/he may deem appropriate, but each such policy shall provide that it does not diminish the insurance carrier's coverage for liability arising under insurance policies which the Association obtains pursuant to this Article XI. All such insurance of the Owner's Condominium shall waive the insurance company's right of subrogation against the Association, the other Owners, and the agents and guests of any of them, if such insurance can be obtained in the normal practice without additional premium charge for the waiver of rights of subrogation.

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

ARTICLE XII. CASUALTY DAMAGE OR DESTRUCTION.

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

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

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

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

Section 12.4 Funds for Reconstruction. The proceeds of any insurance collected shall be available to the Association or for an Owner, as applicable, for the purpose of repair or reconstruction. If the proceeds of the insurance are insufficient to pay the estimated or actual cost of such repair or reconstruction, the Association, by Super Majority Consent, pursuant to Article X hereof, may levy in advance a special assessment sufficient to provide funds to pay such estimated or actual costs of repair or reconstruction. Such assessment shall be allocated and collected as provided in Article X. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair or reconstruction.

Section 12.5 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 constitute a fund for the payment of costs of repair and reconstruction after

casualty. It shall be deemed that the first money disbursed in payment for costs of repair or reconstruction shall be made from insurance proceeds. If there is a balance after payment of all costs of such repair or reconstruction, such balance shall be distributed to the Owners in proportion to the contributions by each Owner pursuant to the assessments by the Association under Section 12.4 of this Declaration.

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

ARTICLE XIII. OBSOLESCENCE.

Section 13.1 Sale of Obsolete Units. A Super Majority Consent of Owners may agree that the Condominiums are obsolete and that the Project should be sold. Such an agreement must have the unanimous approval of every first Mortgagee of record at the time such agreement is made. In such instance, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association, the Project shall be sold by the Association as attorney in fact for all of the Owners free and clear of the provisions contained in this Declaration, the Condominium Plat, and the Association Bylaws. The sale proceeds shall be apportioned among the Owners in proportion to the respective appraised value of the Condominiums exclusive of the amounts paid for personal property, and such apportioned proceeds shall be paid into separate accounts, each such account representing one Condominium. Each such account shall remain in the name of the Association and shall be further identified by the Condominium designation and the name of the Owner. From each separate account, the Association as attorney in fact shall use and disburse the total amount of such accounts without contribution from one account to the other, first to Mortgagees and other lienors in the order of priority of their mortgages and other liens and the balance remaining to each respective Owner.

ARTICLE XIV. CONDEMNATION.

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

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

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

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

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

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

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

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

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

ARTICLE XV. REVOCATION OR AMENDMENT.

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

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

ARTICLE XVI. PERIOD OF CONDOMINIUM OWNERSHIP.

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

ARTICLE XVII. MISCELLANEOUS.

Section 17.1 Compliance With Provisions of Declaration and Bylaws of the Association. Each Owner shall comply with the provisions of this Declaration, the Bylaws, and the decisions and resolutions of the Association adopted pursuant thereto as the same may be lawfully amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due and for damages or injunctive relief, or both, maintainable by

the Association on behalf of the Owners or, in a proper case, by an aggrieved Owner. The prevailing party shall be entitled to an award of costs and attorney fees.

Section 17.2 Registration of Mailing Address. Each Owner shall register his/her mailing address with the Association, and all notices or demands intended to be served upon any Owner shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the Owner at such registered mailing address. If an Owner fails to provide the Association with a valid address, all notices shall be sent to that Owner's address on record with the Blaine County, Idaho Assessor's office. All notices or demands intended to be served upon the Association shall be given by registered or certified mail, postage prepaid, to the address of the Association as designated in the Association Operating Agreement. All notices or demands to be served on Mortgagees pursuant thereto shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the Mortgagee at such address as the Mortgagee may have furnished to the Association in writing. Unless the Mortgagee furnishes the Association such address, the Mortgagee shall be entitled to receive none of the notices provided for in this Declaration. Any notice referred to in this Section 17.2 shall be deemed given when deposited in the United States mail in the form provided for in this Section 17.2.

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

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

Section 17.5 Severability. If any of the provisions of this Declaration or any clause, paragraph, sentence, phrase, or word or the application thereof in any circumstances be invalidated, such invalidity shall not affect the validity of the remainder of the Declaration, and the application of any such provision, paragraph, sentence, clause, phrase, or word in any other circumstance shall not be affected thereby.

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

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

Section 17.7 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.

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

ARTICLE XVIII. DISPUTE RESOLUTION.

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

[SIGNATURE ON FOLLOWING PAGE]

SWC, LLC, an Idaho limited liability company

By: NORTHWOOD LIGHT INDUSTRIAL, LLC,
Member

By: James P. Conger, Manager

By: WILSON CONSTRUCION, LLC,
Member

By: David F. Wilson, Manager

By: SCOTT USA, INC. a Delaware corporation
Member

By: David L. Stevens
Its: Vice-President

STATE OF IDAHO
COUNTY OF BLAINE

On this 19 day of August, 2008, before me, a Notary Public in and for said State, personally appeared James P. Conger, known or identified to me to be the Manager of Northwood Light Industrial, LLC, an Idaho limited liability company, a Member of SWC, LLC, an Idaho limited liability company, the limited liability company that executed the within instrument or the person who executed the instrument on behalf of said limited liability company, and acknowledged to me that he executed the within instrument on behalf of said company, and that such company executed the same in the company's name.

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

Notary Public for Idaho
Residing at: Ketchum ID
Comm. Exp.: 9/18/2012

ALISON WARNER
NOTARY PUBLIC
STATE OF IDAHO

STATE OF IDAHO
COUNTY OF BLAINE

On this 12 day of August, 2008, before me, a Notary Public in and for said State, personally appeared David F. Wilson, known or identified to me to be the Manager of Wilson Construction, LLC, an Idaho limited liability company, a Member of SWC, LLC, an Idaho limited liability company, the limited liability company that executed the within instrument or the person who executed the instrument on behalf of said limited liability company, and acknowledged to me that he executed the within instrument on behalf of said company, and that such company executed the same in the company's name.

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

Notary Public for Idaho
Residing at: Ketchum ID
Comm. Exp.: 9/18/2012

ALISON WARNER
NOTARY PUBLIC
STATE OF IDAHO

STATE OF IDAHO
COUNTY OF BLAINE

On this 8th day of August, 2008, before me, a Notary Public in and for said State, personally appeared David L. Stevens, known or identified to me to be the Vice-President of Scott, USA, Inc., a Delaware corporation, a Member of SWC, LLC, an Idaho limited liability company, the limited liability company that executed the instrument or the person who executed the instrument on behalf of said limited liability company, and acknowledged to me that he executed the within instrument on behalf of said company, and that such company executed the same in the company's name.

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

Notary ~~Public~~ for Idaho
Residing at: Ketchum ID
Comm. Exp.: 9/10/2012

ALISON WARNER
NOTARY PUBLIC
STATE OF IDAHO

EXHIBIT A

Legal Description of Real Property

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

And
Lots 3 and 4 of
~~Lot 4 of~~ NORTHWOOD PARK NO. 1, BLAINE COUNTY, IDAHO, according to the official plat thereof, recorded as Instrument No. 315070, records of Blaine County, Idaho.

EXHIBIT B

Articles and Bylaws

ARTICLES OF INCORPORATION

OF

SWC CONDOMINIUM ASSOCIATION, INC.

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

ARTICLE I

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

ARTICLE II

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

ARTICLE III

This Association shall be a nonprofit membership corporation.

ARTICLE IV

The name of the registered agent of this Association shall be David L. Stevens and the location and post office address of the registered office of this Association shall be 110 Lindsay Circle, P. O. Box 2020, ~~Ketchum~~ Sun Valley, Idaho, ~~83340~~ 83353.

ARTICLE V

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

ARTICLE VI

Section 1. The nature of the business and the objective and purpose of this Association shall be as follows:

(a) This Association shall be the "Management Body" as defined in Section 55-1503, Idaho Code, and as provided for in the terms and conditions of that certain Condominium Declaration for SWC Condominiums (hereinafter referred to as the "Declaration") to be executed

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

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

Section 2. In addition to the foregoing, where not inconsistent with either the Idaho Condominium Property Act (Title 55, Chapter 15, Idaho Code) or Title 30, Idaho Code, the Association shall have the following powers:

(a) The Association shall have the authority set forth in Title 30 of the Idaho Code relating to the organization and conduct of general business corporations.

(b) The Association shall have the power to buy, sell, acquire, hold, mortgage, or enter into a security agreement, pledge, lease, assignment, transfer, trade, and deal in and with all kinds of personal property, goods, wares, and merchandise of every kind, nature, and description.

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

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

(e) The Association shall have the power to have one or more officers to carry on all or any part of its operations and businesses and to do all and everything necessary, suitable, convenient, or proper for the accomplishment of any of the purposes, or the attainment of any one or more of the objectives herein named, or which shall at any time appear conducive or

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

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

ARTICLE VII

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

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

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

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

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

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

ARTICLE VIII

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

ARTICLE IX

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

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

ARTICLE X

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

Name	Address
David Stevens	P.O Box 2030 Sun Valley ID 83353

David F. Wilson — PO Box 6770 Ketchum ID 83340

James P. Conger — PO Box 62 Sun Valley ID 83353

ARTICLE XI

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

David B. Lincoln — Moffatt Thomas, P.O. Box 829, Boise, Idaho 83701-0829

ARTICLE XII

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

ARTICLE XIII

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

IN WITNESS WHEREOF, I have hereunto set my hand and seal this ___ day of _____, 2008.

/s/
David B. Lincoln, Incorporator

BYLAWS
OF
SWC CONDOMINIUM ASSOCIATION, INC.

Article I

Principal Office

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

Article II

Board of Directors

1. General Powers. The property, business, and affairs of the Association shall be controlled and managed by the Board of Directors.

2. Number. The Board of Directors shall consist of three (3) directors.

3. Qualifications, Election, and Term. Directors need not be members of the Association and shall be elected by the members at their annual meeting. All other action shall be determined by a majority of the votes cast at such meeting, except as otherwise provided by the terms of these Bylaws, the Declaration, by statute or by the Articles of Incorporation. Directors shall serve the term of one (1) year or until their successors are duly elected and qualified.

4. Removal, Resignation. Any director may be removed with or without cause by the member or members, as the case may be, who elected or appointed such director. Any director may resign by submitting a written notice to the Board of Directors and the member or members, as the case may be, who elected or appointed such director stating the effective date of the director's resignation, and acceptance of the resignation shall not be necessary to make it effective.

5. Vacancies. Any vacancy occurring on the Board of Directors whether by removal, resignation, death, or otherwise shall be filled by the majority vote of the remaining Directors. A director elected to fill a vacancy on the Board of Directors shall hold office until the next annual election of directors and until the director's successor is duly elected and qualified.

6. Meeting. There shall be a regular annual meeting of the Board of Directors immediately following the annual meeting of the members of the Association, and the Board may establish regular meetings to be held at such other places and at such other times as it may determine from time to time. After the establishment of a time and place for such regular

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

7. Notices, Waiver. Five (5) days notice of special meetings shall be given to each director by the Secretary-Treasurer. Such notice may be given orally to each director. Written waiver of notice signed by a director or attendance at a meeting of the Board of Directors by a director shall constitute a waiver of notice of such meeting, except where attendance is for the express purpose of objecting to the failure to receive such notice or to defects in said notice.

8. Quorum, Vote Required, Adjournment. At any meeting of the Board of Directors, a majority of the qualified directors shall constitute a quorum. If a quorum is present, the action of the majority of the directors present and voting shall be the act of the Board of Directors, except for those matters requiring a Super Majority Consent. If a quorum is not present, the majority of directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting.

9. Action of Directors Without a Meeting. Any action required to be taken or any other action which may be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all the directors entitled to vote in respect to the subject matter thereof.

Article III

Officers

1. General. The officers of the Association shall be a President and a Secretary-Treasurer, whom shall be elected by the Board of Directors to serve at the pleasure of the Board.

2. President. The President shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall direct, supervise, coordinate, and have general control over the affairs of the Association and shall have the powers generally attributable to the chief executive officer of a corporation. The President shall preside at all meetings of the members of the Association.

3. Secretary-Treasurer. The Secretary-Treasurer shall be the custodian of the records and shall see that all notices are duly given in accordance with the provisions of these Bylaws and as required by law and that the books, reports, and other documents and records of the Association are properly kept and filed. The Secretary-Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association. The Secretary-Treasurer shall deposit all moneys and other valuable effects in the name of and to the credit of the Association in such banks and depositories as shall be designated by the Board of Directors. The Secretary-Treasurer shall keep books of account and records of transactions and of the financial condition of the Association and shall submit such reports thereof as the Board of Directors may from time to time require, and in general shall perform all of the duties as may from time to time be assigned to the Secretary-Treasurer by the Board of Directors or the

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

4. Compensation. Officers, agents, and employees shall not receive compensation from the Association for their services.

5. Delegating of Powers. In case of absence of any officer of the Association or for any other reason that may seem sufficient to the Board of Directors, the Board of Directors may delegate that officer's duties and powers for the time being to any other officer or any director.

Article IV

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

1. Membership. Every owner of a condominium unit ("Owner") shall be a member of the Association, and no person or entity other than an owner of a condominium unit may be a member of the Association. If title to a condominium is held by more than one person, the membership related to that condominium shall be shared by all such persons in the same proportionate interest and by the same type of tenancy in which the title to the condominium unit is held, but all votes appurtenant to a condominium unit must be cast as a block and cannot be divided among several owners of a unit. Memberships in the Association shall not be transferred except in connection with the transfer of a condominium unit; provided, however, the rights of membership may be assigned as further security for a loan secured by a lien on a condominium unit.

2. Transfer of Membership. Transfer of membership in the Association shall occur upon the transfer of a title to the condominium unit to which the membership pertains; however, the Association shall be entitled to maintain the person, persons, or entity in whose name or names the membership is recorded on the books and records of the Association until such time as evidence of the transfer of title satisfactory to the Association has been submitted to the Secretary-Treasurer. A transfer of membership shall not release the transferor from liability or obligation accrued and incidental to such membership prior to such transfer. In the event of dispute as to ownership of a condominium unit to the membership appurtenant thereto, title to the condominium units as shown on the public records of Blaine County, Idaho, shall be determinative.

3. Voting Rights. The voting rights of each member owner will not necessarily be equal to the voting rights of other members. The voting rights of a member of the Association for all matters other than matters requiring Super Majority Consent shall be determined by the owner member's percentage interest in the "Common Area" of the Association, as this term is defined in Section 55-1503 of the Idaho Code and calculated in accordance with Section 55-1505 of the Idaho Code. The Declaration sets forth the percentage interest of each member in the Common Area and each member shall be entitled to vote such member's percentage of a total of

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

4. Annual Meetings. An annual meeting of the members for the purpose of electing directors and transaction of such other matters as may properly come before the meeting shall be held on the first Wednesday in October of each year in a convenient location in Ketchum, Idaho, or at such other time and/or place as the members shall select by a majority vote.

5. Special Meeting. Special meetings of the members may be called any time by the Board of Directors or by written request of two (2) members and shall be held at a convenient location in Ketchum, Idaho, or by telephone conference, if all directors are in agreement. In the event that a special meeting is called by the members as aforesaid, they shall notify the Secretary-Treasurer in writing of that time, place, and purpose of the meeting to permit the Secretary-Treasurer to give notice to all members in accordance with these Bylaws. The Secretary-Treasurer shall forthwith give notice of the date, time and place of such meeting, with such meeting being scheduled to be held not less than ten (10) or more than thirty-five (35) days after the receipt of said request, and if the Secretary-Treasurer shall neglect or refuse to issue such call, the Board of Directors or members making request may do so.

6. Notice, Waiver. Notice of annual and special meetings of the members must be given in writing and must state the date, hour, and place of the meeting and generally describe the nature of the business to be transacted. Such notice shall be delivered personally or deposited in the mail, postage prepaid, addressed to the last known address as shown on the books of the Association, to the owner or any one of the co-owners of each membership as shown on the books of the Association and shall be delivered or deposited in the mail at least ten (10) days prior to the date of the meeting.

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

7. Quorum, Vote Required, Adjournment. A majority of the members represented in person or by proxy shall constitute a quorum at any meeting of the members. If a quorum is present, the action of a majority of the voting rights present and voting shall be the act of the members, except for matters requiring Super Majority Consent. If a quorum is not present at a meeting, a majority of the voting rights present in person or by proxy may adjourn the meeting from time to time without notice other than announcement of the meeting.

8. Memberships Held. Memberships held in estates or trust may be voted by the administrator, executor, guardian, trustee, conservator, or receiver thereof without such membership or title to the condominium unit being transferred to said person.

9. Conduct of the Meeting. The meeting will be conducted by the officers in order of their priority. The order of business shall be a call of the roll, a reading of the notice and

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

Article V

Condominium Declaration Incorporated

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

Article VI

Contracts, Conveyances, Checks, and Miscellaneous

1. Contracts. The Board of Directors may authorize any officer of the Association to enter into any contract or execute any instrument in the name of the Association, except as otherwise specifically required by the Articles of Incorporation or by the Declaration.

2. Conveyances and Encumbrances. Association property may be conveyed or encumbered if Super Majority Consent is obtained therefore. Conveyances or encumbrances so authorized shall be executed by instrument by the President and the Secretary-Treasurer of the Association.

3. Checks. All checks, drafts, notes, and orders for the payment of money shall be signed by such persons as the Board of Directors may authorize.

4. Fiscal Year. The fiscal year or business year of the Association shall begin on the first day of October and end on the last day of September following.

5. Records. The Association shall maintain accurate records and accounts of its business and properties, and they shall be kept at such places as are from time to time fixed and designated by the Board of Directors.

6. Seal. The Board of Directors may adopt an Association seal of such design as may be appropriate.

Article VII

Amendments

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

2. Proposed Amendment or Repeal. Any proposal to amend or repeal these Bylaws or to adopt new bylaws shall be stated in a notice sent to all members of the meeting of the member, or in the waiver of notice thereof, as the case may be, unless all of the members are present at such meeting.

APPROVED AND ADOPTED This 8 day of August, 2008, by the undersigned members of the initial Board of Directors of this Association.

EXHIBIT C

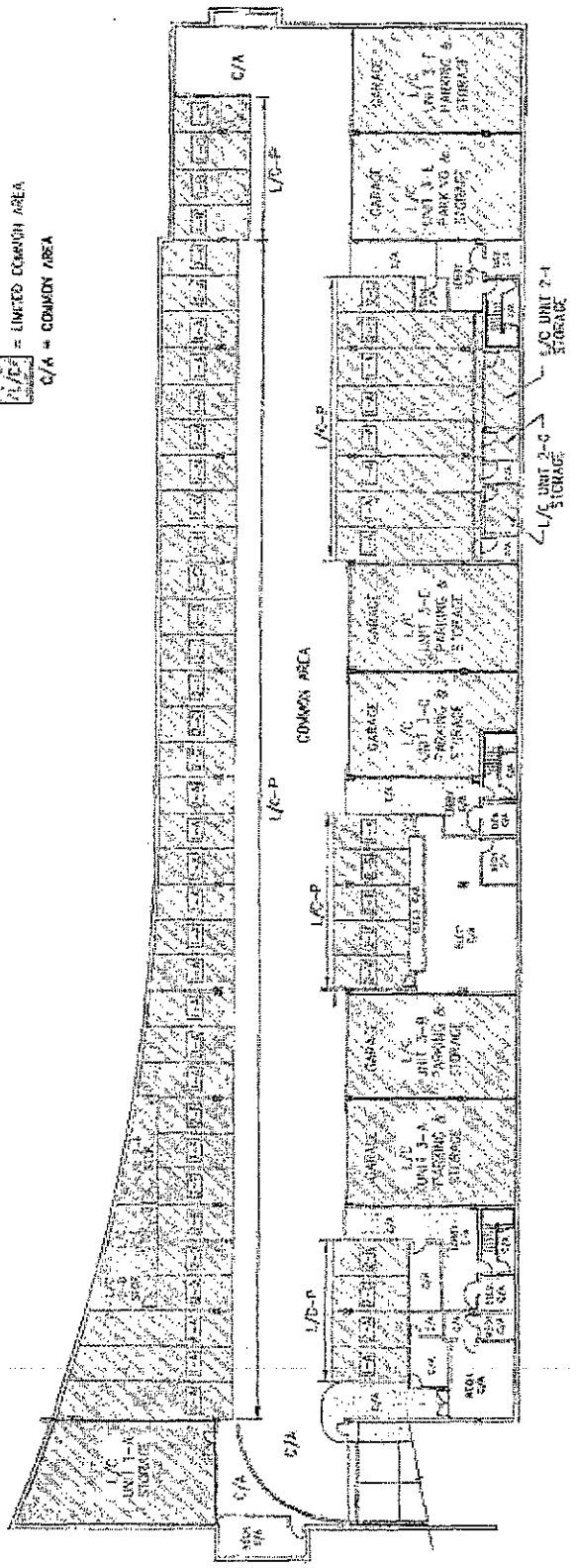
Allocation of Common Area

SWC CONDOMINIUMS 7/29/2008
PERCENT OWNERSHIP INTEREST

unit	area (sf)	% ownership
1-A	25,272	36.0
1-B	3,846	5.5
1-C	2,251	3.2
2-A	589	0.8
2-B	982	1.4
2-C	668	1.0
2-D	1,477	2.1
2-E	1,387	2.0
2-F	1,406	2.0
2-G	1,396	2.0
2-H	1,036	1.5
2-I	1,405	2.0
2-J	907	1.3
2-K	907	1.3
2-L	819	1.2
2-M	825	1.2
2-N	540	0.8
2-O	841	1.2
2-P	668	1.0
2-Q	673	1.0
2-R	774	1.1
2-S	672	1.0
2-T	679	1.0
2-U	669	1.0
2-V	566	0.8
3-A	3,546	5.1
3-B	3,096	4.4
3-C	3,080	4.4
3-D	3,075	4.4
3-E	3,082	4.4
3-F	3,075	4.4
TOTAL:	70209	100.0

EXHIBIT D

(attached)



BASEMENT PARKING GARAGE PLAN