

WHEN RECORDED MAIL TO:

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ALAN SPRIGGS, SUMMIT COUNTY RECORDER
1995 OCT 27 09:49 AM FEE \$67.00 BY MAT
REQUEST: COALITION TITLE

DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS OF
SADDLEVIEW OFFICE PARK
(A Utah Condominium Project)

This Declaration of Covenants, Conditions and Restrictions, hereinafter referred to as "Declaration," is made and executed in Summit County, State of Utah, this 28 day of September, 1995, by SADDLEVIEW LLC, a Utah Limited Liability Company, designated and referred to hereinafter as "Declarant," pursuant to the provisions of the Utah Condominium Ownership Act (Sections 57-8-1 through 57-8-36 Utah Code Annotated (1953 as amended)).

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property located at Park City, Summit County, Utah, and more particularly described as set forth on Exhibit "A" attached hereto and incorporated by reference.

WHEREAS, Declarant is the owner of certain business or commercial units and certain other improvements heretofore constructed or hereafter to be constructed upon the aforesaid premises which property shall constitute a condominium project under the terms of the provisions of the Utah Condominium Ownership Act (title 57, Chapter 8, Utah Code Annotated, 1953) and it is the desire and the intention of the Declarant to develop the project into condominiums and to sell and convey the individual units together with undivided ownership interests in the common areas and facilities to various purchasers subject to the covenants, conditions and restrictions herein reserved to be kept and observed; and

WHEREAS, Declarant has prepared under the supervision of Jeffery S. Kearn, License #176631, a Registered Utah Land Surveyor, a record of survey map of the Saddleview Office Park, hereinafter refers to as "plat", which document is dated SEPT. 28, 1995, as Filing No. 441150, concurrently herewith; and

WHEREAS, Declarant desires and intends by filing this Declaration and the aforesaid Plat to submit the above-described property and the building and other improvements constructed thereon together with all appurtenances thereto, to the provisions of the aforesaid act as a condominium project and to impose upon said property mutually beneficial restrictions under a general rule of improvement for the benefit of all of the said condominium units and the owners thereof.

NOW, THEREFORE, the Declarant does hereby publish and declare that all of the property described above is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to the Act and the following covenants, conditions, restrictions, uses, limitations and obligations all of which are declared and agreed to be in furtherance of a plan for the improvement of said property and the division thereof into a condominium and shall be deemed to run with the land and shall be a burden and a benefit to Declarant, its successors and assigns and any person or persons acquiring or owning an interest in the real property and improvements, their grantees, successors, heirs, executors, administrators, devisees, assigns, tenants, employees, and any other person who may in any manner use the property or any part thereof.

1. Definitions. All terms used in this Declaration (including the recitals and attachments thereof) shall have the meanings as defined in the Utah Condominium Ownership Act; and, specifically for clarification, the following terms shall have the meaning indicated:

A. "Association of unit owners" or "association" means the Saddleview Office Park Owners' Association, Inc., a Utah nonprofit corporation, the certificate of incorporation and bylaws of which shall govern the administration of this condominium project and the members of which shall be all of the owners of the condominium units of this condominium project.

B. "Building" means the building improvements comprising a part of the property.

C. "Common areas and facilities or elements" shall mean the land on which the building is located; and all portions of the property not located within any unit or limited common area, and also includes, but not by way of limitation, the outer walls and roofs of the building; the yards, gardens, parking areas and storage spaces; installations consisting of central services, if any, such as power, light, gas, telephone, hot and cold water, heating, refrigerators, air fans, compressors, ducts and in general all apparatus and installations, if any, existing for common use; any utility pipes, connections, lines or systems servicing more than a single unit and all ducts, flues, chutes, wires, conduits and other accessories and utility installations to the outlets used therewith; and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use; and all repairs and replacements of any of the foregoing.

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D. "Common expenses" means and includes:

(1) All sums lawfully assessed to the unit owners against the common areas, facilities or elements by the association in accordance with the provisions of the Act, this Declaration, the Bylaws or otherwise;

(2) Expenses of administration and management, maintenance, repair or replacement of the common areas, facilities or elements;

(3) Expenses declared common expenses by the unit owners.

E. "Condominium Act" or the "The Act" shall mean the Utah Condominium Ownership Act (Title 57, Chapter 8, UCA, 1953).

F. "Declarant" shall mean Saddleview LLC, a Utah limited liability company, its successors-in-interest and assignees-in-interest to the rights and obligations under this Declaration.

G. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions, and all amendments thereto.

H. "Entire premises," "premises," or "property" means and includes the land, the buildings, all improvements and structures thereon, and all rights, easements and appurtenances belonging thereto.

I. "Limited common areas or elements" mean and include those common areas and facilities designated in the Declaration as reserved for use of a certain unit or units to the exclusion of the other units.

J. "Plat" shall mean the record of survey map filed and recorded with this Declaration in the Official Records of the Summit County Recorder, and any and all supplements and amendments thereto.

K. "Mortgage" means any mortgage installment land purchase contract, deed of trust, or other security instrument by which a condominium unit or any part thereof is encumbered.

L. "Mortgagee" shall mean a beneficiary under or holder of a trust deed or seller under an installment land purchase contract as well as a mortgage.

M. "Owner" or "Unit Owner" shall mean the person or persons owning a unit in fee simple and an undivided interest in the common areas and facilities; provided, however, that 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.

N. "Person" shall mean and include a legal entity as well as a natural person.

O. "The Project" or "The Condominium Project" shall mean the above-described real property referred to in this Declaration to be divided into condominiums, including all structures, improvements, appurtenances and common areas located thereon or belonging thereto.

P. "Record" means to file or record with the office of the County Recorder of Summit County, State of Utah.

Q. "Unit" shall mean the element of a condominium which is independently owned, encumbered, or conveyed but not owned in common with the owners of other condominiums in the project as shown on the Plat. The boundary lines of each unit are the interior surfaces of its perimeter walls, bearing walls, floors, ceilings, windows and window frames, doors and door frames, and trim and includes both the portions of the building and grounds and improvements so described as a unit and the space so encompassed.

R. "Condominium unit" means a unit together with the undivided interest in the general and limited common areas and facilities or elements appurtenant to such unit.

2. Name. The Condominium Project, as submitted to the provisions of the Condominium Act, shall be known as the "Saddleview Office Park."

3. Ownership. The Condominium Project is hereby divided into the units as described and as shown on the Plat recorded concurrently herewith, which units, together with their appurtenant interests in the common areas and facilities and limited common areas herein established, shall constitute separate freehold estates for all purposes provided by the Declaration.

4. Description of Project. The project consists of four (4) commercial buildings which contain approximately 6,000 square feet. The exterior walls of the building are constructed primarily of wood frame, and the roof is a shake shingle roof. One of the buildings is a two-story structure with basement areas as shown on the Plat. The remaining three buildings are two-story structures without habitable basements. The condominium units are intended for, and shall be utilized as, office space and facilities for the providing of professional services by medical doctors, dentists, dental labs and technicians, architects, engineers, teachers, realtors, artists, designers, lawyers, accountants and other similar uses; and for such other adjunct and related services, as determined by the Association.

5. Designation of Units. The building and the units therein, the unit numbers and their location are indicated on the Plat and on Exhibit "B" hereto, which is incorporated herein by reference.

6. Common Areas and Facilities. The common areas and facilities have been defined and described in Definition C of paragraph 1, above, and are also designated on the Plat.

7. Limited Common Areas and Facilities. There are no limited common areas and facilities in the project other than as might be specifically reserved pursuant to the terms of Section 57-8-102(e) of the Act.

8. Voting - Common Expense - Ownership in Common Areas and Facilities. The percentage of undivided ownership in the common areas and facilities assigned and appurtenant to each unit is set forth as follows and shall be used for all purposes including voting and sharing of the common expenses. The allocation of undivided interests in the common areas and facilities was accomplished in the following manner. The proportionate size or actual square footage of each Unit on the main and second floors and 800 square feet of basement space in Unit B was determined as a percentage of the total square footage of all units. This resulted in a percentage for Unit A of 24.2%, for Unit B of 27.4%, for Unit C of 24.2% and for Unit D of 24.2%. Any further divisions of main and second floor and/or basement shall be accomplished in accordance with applicable law and this Declaration, and proportionate interests in the common areas and facilities shall be transferred to any newly created units. Unit locations and other related information can be found more fully detailed in Exhibit "B" hereto and the Plat.

9. Service of Process. The person to receive service of process in the cases contemplated by the Act is:

Saddleview L.L.C.
c/o Willow Ranch Development Company
P. O. Box 2190
Park City, Utah 84060-2190

10. Exclusive Ownership and Possession by Owner. Each owner shall be entitled to exclusive ownership and possession of their unit. Each owner shall be entitled, for each Unit owned, to an undivided interest in the common areas and facilities in the percentage expressed in Exhibit "A" of this Declaration, subject to the provisions of this Declaration and the Association's Articles of Incorporation and Bylaws as they relate to said common areas. The percentage of the undivided interest of each owner in the common areas as expressed in Exhibit "A" shall have a permanent character and shall not be altered without the consent of all owners expressed in an amended declaration duly recorded. The percentage of the undivided interest in the common areas shall not be separated from the Unit to which it

appertains and shall be deemed to be conveyed or encumbered or released from liens from the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument; provided, however, that a transfer by a Unit owner to the Association of their undivided interest in the common areas and facilities shall not be deemed a violation of the provisions of this paragraph 10. Each Unit owner may use the common areas in accordance with the purposes for which they are intended, without hindering or encroaching upon the lawful rights of other owners.

The common areas and facilities shall remain undivided and no Unit owner or any other person shall bring any action for partition or division of any part thereof unless the property has been removed from the provisions of the Utah Condominium Ownership Act.

An owner shall not be deemed to own the utilities running through their Unit or fixtures or appliances which are utilized for, or serve more than one Unit. An owner shall be deemed to own and shall have the exclusive right to paint, repair, tile, wax, paper or otherwise refinish and decorate the inner surfaces of the walls, floors, ceiling, windows and doors bounding their Unit.

11. Owner's Obligation to Repair. Except for those portions which the Association is required to maintain and repair hereunder, each owner shall at the owner's expense keep the interior of their Unit and its equipment and appurtenances in good order, condition and repair and in a clean and sanitary condition. For purposes of maintenance, repair, alteration and remodeling, an owner shall be deemed to own the windows, doors, interior walls, the materials (such as but not limited to plaster, gypsum dry walls, paneling, wallpaper, brick, stone, paint, wall and floor tile, and flooring making up the finished surfaces of the perimeter walls, ceilings and floors within the Unit and the Unit doors and windows. The owner shall not be deemed to own any utilities running through their Unit which serve more than one Unit except as a tenant in common with the other owners. Such right to repair, alter and remodel shall carry the obligation to replace any finishing materials removed with similar or other types or kinds of finishing materials of equal or better quality. All fixtures and equipment installed within the Unit commencing at a point where the utilities lines, pipes, wires, conduits or systems (which for brevity are hereafter referred to as "utilities") enter the Unit shall be maintained and kept in repair by the owner thereof.

The owner shall promptly discharge any lien which may hereafter be filed against their Unit and shall otherwise abide by the provisions of Section 57-8-19 of the Utah Condominium Act, relating to liens against Units. The owner shall indemnify and hold harmless each of the other owners from and against all liability arising from the claim of any lien against the Unit of any other owner or against the common areas for construction performed or for labor, materials, services or other products incorporated in or otherwise attributable to the owner's Unit at such other's request.

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12. Prohibition Against Structural Changes by Owner. The owner shall do no act nor any work that will impair the structural soundness or integrity of the buildings or safety or the property or impair any easement or hereditament without the written consent of all owners. The owner shall not paint, decorate or alter any portion of the exterior of the building or other common area, or any other area contained therein without first obtaining written consent of the Association or its duly authorized agent.

13. Limitation on the Use of the Units and the Common Areas. The Units and common areas shall be occupied and used as follows:

A. Without the prior written consent of all the Unit owners, no owner shall occupy or use their Unit, or permit the same or any part thereof to be occupied or used for any purpose other than for office space and facilities for professional services, as defined in paragraph 4, above.

B. There shall be no obstruction of the common areas. Nothing shall be stored in the common areas without the prior consent of the Association.

C. No animals, birds or poultry of any kind shall be permitted in any Unit or in the common areas; provided, however, that the provisions of this subparagraph shall not be interpreted to prohibit the placement and maintenance by Unit owners and/or the Association of aquariums.

D. No noxious or offensive activity shall be carried on in any Unit or in the common areas, nor shall anything be done therein which may be or become an annoyance or nuisance to the other owners.

E. Nothing shall be done or kept in any Unit or in the common areas which will increase the rate of insurance thereon, without the prior written consent of the Association. No owner shall permit anything to be done or kept in their Unit or in the common area which will result in the cancellation of insurance on any Unit or any part of the common areas, or which would be in violation of any law. No waste will be committed in the common area.

F. Each Unit owner shall be entitled to signs in accordance with a master sign plan as approved by the Association or its duly authorized representative. A Unit owner shall not permit any other sign of any kind to be displayed on the exterior of any Unit or in any portion of the common areas; the Association being charged with the placement of an appropriate sign relating to the project as a whole, near the front of the property and in accordance with all applicable codes, ordinances and regulations including any restrictions or requirements imposed upon Declarant as a condition to the issuance of a building permit by Park City Municipal Corporation.

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G. Nothing shall be altered or constructed in or removed from the common areas, except upon the written consent of the Association.

H. Except in areas designated on the Plat or by the Association, no rubbish, trash, garbage or other waste shall be stored, kept, deposited, or burned within the Condominium Project. All trash, rubbish, garbage or other waste within the boundaries of the Condominium Project shall be kept only in sanitary containers. Each Unit shall be kept free of trash and refuse by the owner of such Unit. No person shall allow any unsightly, unsafe or dangerous conditions to exist on or in any Unit.

I. None of the rights and obligations of the owners created herein or by the deed creating the Unit shall be altered in any way by encroachment due to settlement or shifting or structures or any other cause. There shall be valid easements for the maintenance of said encroachments so long as they shall exist, provided, however, that in no event shall a valid easement for encroachment be created in favor of an owner if said encroachment occurred due to the willful conduct of said owner.

J. Any requirement, uses or restrictions imposed upon Declarant by Park City Municipal Corporation as a condition to the issuance to Declarant of a building permit.

14. Reservation for Access-Maintenance, Repair and Emergencies. The owners shall have the irrevocable right, to be exercised by the managing agent or board of trustees of the Association, to have access to each Unit from time to time during reasonable hours as may be necessary for the inspection, maintenance, repair or replacement of any of the common areas or facilities therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the common areas or to another Unit or Units.

Damage to the interior of any part of a Unit resulting from the maintenance, repair, emergency repair or replacement of any of the common areas or facilities, or as a result of emergency repairs within another Unit at the instance of the association shall be a common expense of all of the owners; provided, however, that if such damage is the result of the negligence of a Unit owner, then such Unit owner shall be responsible for all of such damage. Restoration of the damaged improvements shall be substantially the same as the condition of such improvements prior to the damage.

15. Failure of the Association to Insist on Strict Performance and Waiver. The failure of the Association or its authorized agent to insist in any one or more instances, upon the strict performance of any of the terms, covenants, conditions or restrictions contained in this Declaration, the Articles of Incorporation, the Bylaws or the Plat, or to exercise any right or option, shall not be construed as a waiver or a relinquishment for the future of such terms, covenants, conditions or restrictions and they shall remain in full force and effect. In the event of the receipt by the Association or its agents of any assessment from

an owner, with knowledge of such a breach, no waiver by the Association or its agent of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Association or its agent.

16. Limitation of the Association's Liability. The Association and its agents shall not be liable for any failure of water supply or other services to be obtained and paid for by the Association hereunder or for injury or damage to person or property caused by the elements or by another owner or person in the project, or resulting from electricity, water, rain, dust or sand which may leak or flow from outside or from any part of the building, or from any of its pipes, drains, conduits, appliances, or equipment, or from any other place unless caused by gross negligence of the Association or its duly authorized employees or agents. No diminution or abatement of common expense assessments shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the common areas or from any action taken to comply with a law, ordinance or order of a governing authority.

17. Administration and Management. The administration and management of this condominium project shall be governed by this Declaration, and by the Certificate of Incorporation and Bylaws of Saddleview Office Park Owners' Association, Inc., a Utah nonprofit corporation, hereinafter referred to as the "Association." A true copy of the initial Bylaws of such corporation are attached to this Declaration as Exhibit "C" and shall be recorded simultaneously with this declaration. An owner of a condominium Unit, upon becoming an owner, shall be a member of the Association and shall remain a member for the period of their ownership. An exclusive agent for the operation and management of this condominium complex may be appointed by the Association.

18. Duties and Powers of the Association. In addition to the duties and powers enumerated in the Articles of Incorporation and bylaws, or as elsewhere provided for herein, and without limiting the generality thereof, the Association shall:

A. Own and/or maintain and otherwise manage all of the common areas, and all facilities, improvements, and landscaping thereon, including but not limited to the private streets and street fixtures, parking areas, fences, and all other property acquired by the Association.

B. Pay any real and personal property taxes and other charges assessed against the common areas.

C. Have the authority to obtain, for the benefit of all of the common areas, utility services, including all water, gas, and electric services and refuse collection.

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D. Grant easements where necessary for utilities and sewer facilities over the common areas to serve the common areas and the Units.

E. Maintain such policy or policies of insurance as the Board of Trustees of the Association deems necessary or desirable in furthering the purposes of and protecting the interests of the Association and its members, all as more specifically set forth below.

F. Have the authority to employ a manager or other persons and to contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Association, provided that any contract with a person or firm appointed as a manager or managing agent shall provide for the right of the Association to terminate the same upon reasonable notice to said manager or managing agent, or prior thereto for cause.

G. Have the power to establish and maintain a working capital and contingency fund in an amount to be determined by the Board of Trustees of the Association.

H. Have the power to adopt and establish by resolution such building management and operational rules as the Association may deem necessary, desirable and convenient for the maintenance, operation, management and control of the Project, and the Association may, from time to time by resolution, alter, amend and repeal such rules. Unit owners shall, at all times, obey such rules and see that they are faithfully observed by those persons over whom they have or may exercise control and supervision, it being understood that such rules shall apply and be binding upon all Unit owners and/or occupants of the Project.

19. Compliance with Provisions of Declaration and Bylaws. Each owner shall comply strictly with the provisions of this Declaration, the provisions of the Certificate of Incorporation and Bylaws of the Association, and the decisions and resolutions of the Association adopted pursuant thereto and as may be lawfully amended from time to time. Failure so to comply shall be grounds for an action to recover sums due and for damages or injunctive relief or both, maintainable by the managing agent or board of trustees in the name of the Association on behalf of the owners or, in a proper case, by an aggrieved owner.

20. Liability for Assessments. All owners shall be obligated to pay the assessments imposed by the board of trustees or managing agent of the Association to meet the common expenses. The assessments shall be made pro rata according to each owner's percentage interests in and to the common areas and facilities as set forth in paragraph 8.. Assessments for the common expenses, including insurance, shall be due monthly in advance on the first day of each month or as the board may otherwise direct. The managing agent or board of trustees shall prepare and deliver or mail to each owner an itemized quarterly statement showing the various estimated or actual expenses for which the assessments are

made. Contribution for monthly assessments shall be prorated if the ownership of a condominium Unit commences on a day other than the first day of a month.

No owner may exempt himself from liability for their contribution towards the common expenses by waiver of the use or enjoyment of any of the common areas or facilities, or by abandonment of their Unit.

21. Assessment for Common Expenses. The assessments made upon the owners by the Association shall be based upon the cash requirements deemed to be such aggregate sum as the managing agent or board of trustees of the Association shall from time to time determine is to be paid by all of the condominium Unit owners, to provide for the payment of all actual and estimated expenses growing out of or connected with the maintenance and operation of the common areas and facilities. Said sum may include, among other things, the following: expenses of management; taxes and special assessments, until separately assessed; fire insurance with extended coverage and vandalism and malicious mischief insurance with endorsements attached issued in the amount of the maximum replacement value of all of the condominium Units; casualty and public liability and other insurance premiums; landscaping and care of grounds; common lighting and heating; repairs and renovations; garbage collections; wages; water charges; legal and accounting fees; management fees; expenses and liabilities incurred by the managing agent or board of trustees under or by reason of this declaration; the payment of any deficit remaining from a previous period; the creation of a reasonable contingency or other reserve or surplus fund as well as other costs and expenses relating to the common areas and facilities. The commission or failure of the board to fix the assessment for any month shall not be deemed a waiver, modification or a release of the owners from their obligation to pay.

a. Annual Budget. Annual Assessments shall be determined on a May 1 through April 30 fiscal year basis. On or before April 1 each year, the Association shall prepare or cause to be prepared an operating budget for the upcoming fiscal year. The budget shall itemize the estimated expenses of Common Expense for such fiscal year, anticipated receipts (if any), and any deficit or surplus from the prior operating period. The budget shall serve as the supporting document for the Annual Assessment for the upcoming fiscal year and as the major guideline under which the Project shall be operated during such annual period.

b. Notice and Payment. Annual assessments shall be made on a May 1 through April 30 fiscal year basis. The Association shall furnish to each Owner a copy of the budget and notify each Owner as to the amount of the annual Assessment with respect to their Condominium on or before April 15 each year for the fiscal year commencing on May 1 next following such date. Each Annual Assessment shall be payable in four (4) equal quarterly installments due on the first day of each quarter during the fiscal year to which

the assessment relates or at the discretion of the Board of Trustees in monthly and/or unequal installments; provided, however, that the first Annual Assessment shall be based upon and shall be payable in installments during the balance of the fiscal year remaining after the date hereof. All unpaid installments of any Annual Assessment shall bear interest at the rate of one and one-half percent (1-1/2%) per month (or at such lesser rate equal to the maximum interest rate allowed by applicable law) from the date each such installment is due until paid. The failure of the Association to give timely notice of any Annual Assessment as provided herein shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay such assessment or any other assessment; but the date when the payment shall become due in such case shall be deferred to a date fifteen (15) days after notice of such assessment shall have been given to the Owner in the manner provided in this Declaration.

c. Inadequate Funds. In the event that the Common Expense Fund proves inadequate at any time for whatever reason, including nonpayment of any Owner's assessment, the Association may levy additional assessments in accordance with the procedure set forth in Section 21.d. below, except that the vote therein specified shall be unnecessary.

d. Special Assessments. In addition to the Annual Assessments authorized by this Article, the Association may levy, at any time and from time to time, upon affirmative vote of at least sixty (60%) of the total votes of the Association, Special Assessments, payable over such periods as the Association may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Project or any part thereof, or for any other expenses incurred or to be incurred as provided in this Declaration (including without limitation Common Expenses). This Section shall not be construed as an independent source of authority for the Association or incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other Sections or Articles hereof. Any amounts assessed pursuant hereto shall be assessed to Owners in proportion to their respective undivided interests in the Common Areas. Notice in writing of the amount of such Special Assessments and the time for payment thereof shall be given promptly to the Owners; no payment shall be due less than fifteen (15) days after such notice shall have been given. All unpaid portions of any Special Assessment shall bear interest at the rate of one and one-half percent (1-1/2%) per month (or at such lesser rate equal to the maximum interest rate allowed by applicable law) from the date such portions become due until paid. All funds received from assessments under this Section shall be part of the Common Expense Fund.

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22. Lien for Nonpayment of Common Expenses. All sums assessed but unpaid for the share of common expenses chargeable to any condominium Unit, including interest thereon at eighteen percent (18%) per annum, shall constitute a lien on such Unit superior (prior) to all other liens and encumbrances except: (1) tax and special assessment lien on the Unit in favor of any assessment Unit and special district, and (2) encumbrances on the owner's condominium recorded prior to the date such notice is recorded which by law would be a lien prior to subsequently recorded encumbrances.

To evidence such lien the board of trustees or managing agent may, but shall not be required to, prepare a written notice setting forth the amount of such unpaid indebtedness, the name of the owner of the condominium Unit and a description of the condominium Unit. Such a notice shall be signed by one of the board of trustees or by the managing agent and may be recorded in the office of the recorder of the County of Summit, State of Utah. Such lien for the common expenses shall attach from the date of the failure of payment of the assessment, and may be enforced by the foreclosure on the defaulting owner's condominium Unit by the association in like manner as a mortgage or deed of trust on real property upon the recording of a notice or claim thereof. In any such foreclosure the owner shall be required to pay the costs and expenses of such proceedings, the costs and expenses for filing the notice or claim of lien and all reasonable attorney's fees. The owner shall also be required to pay to the Association a reasonable rental for the condominium Unit during the period of foreclosure, and the Association shall be entitled to a receiver to collect the same. The Association shall have the power to bid on the condominium Unit at foreclosure sale and to acquire and hold, lease, mortgage and convey the same.

The amount of the common expenses assessed against each condominium Unit shall also be a debt of the owner thereof at the time the assessment is made. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing same.

Any encumbrancer holding a lien on a condominium Unit may pay any unpaid common expense payable with respect to such Unit, and upon such payment such encumbrancer shall have a lien on such Unit for the amounts paid of the same rank as the lien of their encumbrance.

23. Liability for Common Expense Upon Transfer of Condominium Unit. Upon payment of a reasonable fee not to exceed ten dollars (\$10.00) and upon the written request of any owner or any mortgagee or prospective mortgagee of a condominium Unit, the Association, by its managing agent or board of trustees, shall issue a written statement setting forth the amount of the unpaid common expenses, if any, with respect to the subject Unit, the amount of the current monthly assessment and the date such assessment becomes due, credit for advanced payments or for prepaid items, including but not limited to insurance premiums, which should be conclusive upon the association in favor of all persons who rely thereon in good faith. Unless such request for a statement of indebtedness is complied with within ten

(10) days, all unpaid common expenses which become due prior to the date of making such request shall be subordinate to the lien of the person requesting such statement.

The grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for their proportionate share of the common expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor; provided however, that upon payment of a reasonable fee not to exceed ten dollars (\$10.00), and upon written request, any prospective grantee shall be entitled to a statement from the managing agent or board of trustees, setting forth the amount of the unpaid assessments, if any, with respect to the subject Unit, the amount of the current monthly assessment and the date that such assessment becomes due, credit for advanced payments or for prepaid items, including but not limited to insurance premiums, which shall be conclusive upon the Association. Unless such request for a statement of indebtedness shall be complied with within ten (10) days of such request, then such grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments against the subject Unit.

If any owner shall, at any time, let or sublet any Unit and shall default for a period of one (1) month in payment of any assessments, the Association may, at its option, so long as such default shall continue, demand and receive from any tenant or subtenant of such owner occupying the Unit, the rent due or becoming due up to the amount of such assessment due, together with all penalties provided herein. Such payment of rent to the Association shall be sufficient payment and discharge of such tenant or subtenant as between such tenant or subtenant and such owner to the extent of the amount so paid.

24. Mortgaging a Condominium Unit -- Priority. Any owner shall have the right from time to time to mortgage or encumber their interest by deed of trust, mortgage or other security instrument.

25. Mortgage Protection. Notwithstanding all other provisions hereof:

A. The liens created hereunder upon any condominium shall be subject and subordinate to, and shall not affect the rights of the holder of the indebtedness secured by any recorded first mortgage (meaning a mortgage with first priority over other mortgages) upon such interest made in good faith and for value, provided that after the foreclosure of any such mortgage there may be a lien created pursuant to the provisions hereof on the interest of the purchaser at such foreclosure sale to secure all assessments, whether regular or special, assessed hereunder to such purchaser as an owner after the date of such foreclosure sale, which said lien, if any claimed, shall have the same effect and be enforced in the same manner as provided herein.

B. The Association shall give a written notification to a holder of a recorded first mortgage on any Unit within the project, of any default by the mortgagor of

such Unit in the performance of the mortgagor's obligations created under this Declaration and the Plat in connection herewith, which default is not cured within thirty (30) days.

C. Unless the Act otherwise provides or unless all holders of first mortgage liens on individual Units have given their prior written approval, the owners of the condominium project or the board of trustees of the Association shall not be entitled to:

(1) Change the pro rata interest or obligations of any Unit for purposes of levying assessments and determining shares of the common areas and facilities and proceeds of the project;

(2) Partition or subdivide any Unit or the common areas and facilities of the project; nor

(3) By act or omission seek to abandon the condominium status of the project except as provided by statute in case of substantial loss of the Units and common areas and facilities of the condominium project.

D. No amendment to this paragraph shall affect the rights of the holder of any such mortgage recorded prior to recordation of such amendment who does not join in the execution thereof.

E. By subordination agreement executed by the Association, the benefits of subparagraphs A, B, C and D, above may be extended to mortgages not otherwise entitled thereto.

26. Amendments. In addition to the amendment procedure provided by law and elsewhere in this Declaration, the Unit owners shall have the right to amend this Declaration and/or the Plat upon the approval and consent of the owners of three-fourths (3/4) of the undivided interests in the project which amendment(s) shall be effective upon proper recordation with the Summit County Recorder.

27. Taxes. It is acknowledged that under the Condominium Ownership Act, each Unit and each of said Units' percentage of the undivided interest in the common areas of the project is subject to separate assessment and taxation by each assessing authority and special district for all types of taxes authorized by law. Each owner will, therefore, pay and discharge any and all taxes which may be assessed against any of said Units of which he is the owner, against the percentage of undivided interests in the common areas of any such Unit, to the extent not assessed to and paid for by the Association, and/or against the items of personal property located in or upon any Unit of which he is the owner.

28. Consequences of Condemnation. If at any time or times during the continuance of the condominium ownership pursuant to this Declaration, all or any part of the

property shall be taken or condemned by any public authority, or sold or otherwise disposed of in lieu of or in avoidance thereof, the following provisions shall apply.

(1) Proceeds. All compensation, damages, or other proceeds therefrom, the sum of which is hereinafter called the "condemnation award," shall be payable to the Association.

(2) Complete Taking. In the event that the entire project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership pursuant thereto shall terminate. The condemnation award shall be apportioned among the owners on the basis of each owner's percentage interest in the common areas and facilities, provided that if a standard different from the value of the property as a whole is employed to measure the condemnation award in the negotiation, judicial decree, or otherwise, then in determining such shares the same standard shall be employed to the extent it is relevant and applicable.

On the basis of the principle set forth in the last preceding paragraph, the Association shall as soon as practicable determine the share of the condemnation award to which each owner is entitled. Such shares shall be paid into separate accounts and disbursed as soon as practicable in the following order:

1. For payment of the balance of the lien of any first mortgage;
2. For payment of taxes and special assessments liens in favor of any assessing entity;
3. For payment of unpaid common expenses;
4. For payment of junior liens and encumbrances in the order of and to the extent of their priority; and
5. The balance remaining, if any, shall be paid to the condominium Unit owner.

(3) Partial Taking. In the event that less than the entire project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership hereunder shall not terminate. Each owner shall be entitled to a share of the condemnation award to be determined in the following manner: As soon as practicable the Association shall, reasonably and in good faith, allocate the condemnation award between compensation, damages, or other proceeds, and shall apportion the amounts so allocated among the owners, as follows: (a) the total amount allocated to taking of or injury to the general common elements shall be apportioned among the owners

on the basis of each owner's percentage interest in the general common elements, (b) the total amount allocated to severance damages shall be apportioned to those condominium Units, or portions thereof, which were not taken or condemned, (c) the respective amounts allocated to the taking of or injury to a particular Unit and/or improvements an owner has made within their own Unit shall be apportioned to the particular Unit involved, and (d) the total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable in the circumstances. If an allocation of the condemnation award is already established in negotiation, judicial decree, or otherwise, then in allocating the condemnation award the Association shall employ such allocation to the extent it is relevant and applicable. Distribution of apportioned proceeds shall be disbursed as soon as practicable in the same manner provided in the next preceding paragraph.

(4) Reorganization. In the event a partial taking results in the taking of a complete Unit, the owner thereof automatically shall cease to be a member of the Association. Thereafter the Association shall reallocate the ownership, voting rights and assessment ratio determined in accordance with this declaration according to the same principles employed in this Declaration at its inception and shall submit such reallocation to the owners of remaining Units for amendment of this declaration as provided herein. The provisions of this paragraph 28, shall be construed so as to comply with the provisions of Section 57-8-32.5, Utah Code Annotated, 1953 and as may be subsequently amended. In the event of conflict, the said statute shall control.

(5) Reconstruction and Repair. Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in paragraph 29, below.

29. Damage and Destruction. In case of fire, casualty or any other disaster, the insurance proceeds, if sufficient to reconstruct the building, shall be used to reconstruct it. As used in this paragraph, "reconstruct" means restoring the building to substantially the same condition in which it existed prior to the fire, casualty or other disaster, with each Unit and the common areas having the same vertical and horizontal boundaries as before. Such reconstruction shall be accepted by the Association.

If the insurance proceeds are insufficient to reconstruct the building, damage to or destruction of the building shall be promptly repaired and restored by the Association, using proceeds of insurance, if any, on the building for that purpose, and the Unit owners shall be liable for assessments for any deficiency. However, if three-fourths or more of the building is destroyed or substantially damaged and if the owners, by a vote of at least three-fourths of the voting power, do not voluntarily within 100 days after such destruction or damage make provisions for reconstruction, the Association shall record, with the County Recorder, a notice setting forth such facts, and upon the recording of such notice (1) the property shall be deemed to be owned in common by the owners; (2) the undivided interest in the property owned in common which shall appertain to each owner shall be the percentage of

undivided interest previously owned by such owner in the common areas; (3) any liens affecting any of the Units shall be deemed to be transferred in accordance with the existing priorities to the undivided interest of the owners of the property; and (4) the property shall be subject to an action for partition at the suit of any owner, in which event the net proceeds of sale, together with the net proceeds of the insurance on the property, if any, shall be considered as one fund and shall be divided among all the owners in a percentage equal to the percentage of undivided interest owned by each owner in the common areas, after first paying out of the respective shares of the owners, to the extent sufficient for the purposes, all liens on the undivided interest in the property owned by each owner.

Notwithstanding all other provisions hereof, the owners may, by an affirmative vote of at least three-fourths of the voting power, at a meeting of Unit owners duly called for such purposes, elect to sell or otherwise dispose of the property. Such action shall be binding upon all Unit owners and it shall thereupon become the duty of every Unit owner to execute and deliver such instruments and perform all acts as in manner and form may be necessary to effect the sale.

30. Insurance. The Association shall obtain and maintain, at all times, a policy or policies insuring the Association, the Unit owners and their agents and employees against any liability to the public or the owner(s) of the Units' common areas, and its/their invitees or tenants, incident to the ownership and/or use of the common areas of the condominium project, issued by such insurance companies and with such limits of liability as determined by the Association. Said policy or policies shall be issued on a comprehensive liability basis and shall provide cross-liability endorsement wherein the rights of named insureds under the policy or policies shall not be prejudiced as in respect to their, her or their action against another named insured.

In addition, the Association may obtain insurance for such other risks of a similar or dissimilar nature as are or shall hereafter customarily be covered with respect to common areas or other condominium projects similar in construction, design and use.

31. Mailing of Notices. Each owner shall register their mailing address with the Association and all notices or demands intended to be served upon any owner shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the owner at such registered mailing address. All notices or demands intended to be served upon the Association shall be given by registered or certified mail, postage prepaid, to the address of the Association as designated in the Bylaws of the Association. All notices or demands to be served on mortgagees pursuant hereto shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the mortgagee at such address as the mortgagee may have furnished to the Association in writing. Unless the mortgagee furnishes the Association such address, the mortgagee shall be entitled to receive none of the notices provided for in this Declaration. any notice referred to in this section shall be deemed given when deposited in the United States mail in the form provided for this section.

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32. Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of operating the subject property as a condominium project and as specified herein. Failure to enforce any provision hereof shall not constitute a waiver of the rights to enforce said provision or any other provision hereof. The provisions of this Declaration shall be in addition and supplemental to the Condominium Ownership Act of the State of Utah and to all other provisions of law.

33. Severability. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not effect the validity or enforceability of any other provision hereof.

34. Expansion of Project. The Project may be expanded under the provisions of this Declaration and the Condominium Act from time to time by recording in the office of the County Recorder of Summit County, State of Utah, a new or supplemental Record of Survey Map and an amendment to this Declaration. Such new or supplemental Record of Survey Map shall be duly executed and acknowledged by Declarant or its successors or assigns, and by any and all other owners and lessees of that part of the Additional Units added to the Project, and shall contain the information necessary to comply with the provisions of Section 57-8-13(1) of the Condominium Act, as amended. The required amendment to this Declaration shall also be duly executed and acknowledged by Declarant or its successors or assigns, and by any and all other owners and lessees of that part of the Additional Units added to the Project, shall contain a legal description of metes and bounds of that part of the Additional Units added to the Project, and shall reallocate undivided interests in the Common Areas in accordance with the provisions of paragraph 35 hereof.

Each Unit owner may further expand this Project by "condominiumizing" an individual Unit by floors or half-floors. Each amendment shall be accomplished in accordance with the Declaration and the provisions of § 57-8-1, et seq. of the Act.

35. Reallocation of Undivided Interests. In the event the Project is expanded in accordance with the provisions of this Declaration and the Condominium Act, and in each such event, the undivided interests in the Common Areas and the votes appurtenant to the Units shall be reallocated among all of the Units in the Project, including the Units added to the Project. A part of the entire interest in the Common Areas shall be allocated to each Unit in proportion to the size of such Unit, and the total of the undivided interests so allocated to all of the Units in the Project shall add up to one hundred percent (100%). The size of each Unit shall be determined on the basis of the approximate number of square feet of floor space within such Units and percentages of undivided interests may be rounded off. The votes shall be similarly reallocated.

36. Effective Date. This Declaration shall take effect upon recording.

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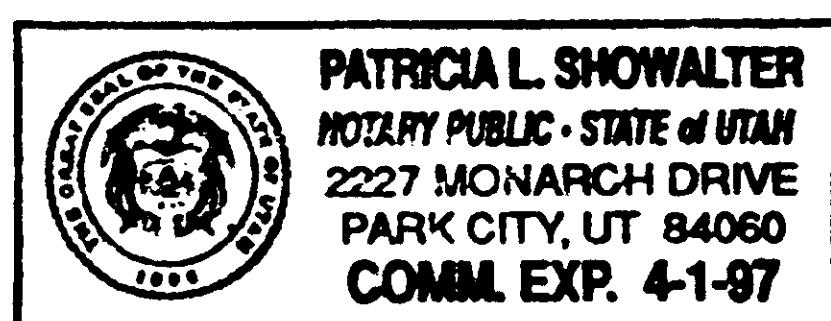
IN WITNESS WHEREOF, the undersigned have executed this instrument on the date first above indicated.

SADDLEVIEW LLC

By Richard W. Dudley
Its Manager

STATE OF UTAH)
: ss.
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me this 28 day of September, 1995, by Richard Dudley, the Manager of Saddleview LLC, a Utah Limited Liability Company.



Patricia L. Showalter
NOTARY PUBLIC
Residing at: 2227 Monarch
Park City UT 84060

My Commission Expires:

4/1/97

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SURVEYORS CERTIFICATE

I, JEFFERY S. KEARL, A REGISTERED LAND SURVEYOR IN THE STATE OF UTAH, HOLDING CERTIFICATE (LICENSE) NUMBER 176631, DO HEREBY CERTIFY THAT, BY THE AUTHORITY OF THE OWNERS, I HAVE SURVEYED THE FOLLOWING TRACT OF LAND:

ALL THAT PIECE OR PARCEL OF PROPERTY LOCATED WITHIN SECTION 8, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL 1

BEGINNING AT THE SOUTHWEST CORNER OF THE WINDRIFT CONDOMINIUM PLAT, SAID POINT BEING S0°16'20"W, 1221.28 FEET, AND S68°44'00"W, 358.70 FEET FROM A MONUMENT USED AS THE NORTHEAST CORNER OF SECTION 8, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN, MONUMENT MARKED WITNESS CORNER 15.51 FEET NORTH, RUNNING THENCE S68°44'00"W, 159.27 FEET; THENCE N21°16'00"W, 344.26 FEET TO THE SOUTH LINE OF A 50-FOOT WIDE NON-EXCLUSIVE EASEMENT; THENCE ALONG SAID SOUTH LINE N68°44'00"E, 140.00 FEET TO THE WEST LINE OF SAID WINDRIFT CONDOMINIUM PLAT; THENCE ALONG SAID WEST LINE THE FOLLOWING THREE COURSES: (1) S41°16'00"E, 170.00 FEET, (2) S31°30'00"E, 49.98 FEET AND (3) S1°50'00"E, 143.52 FEET TO THE POINT OF BEGINNING, CONTAINING 61756 SQ. FT. (1.418 ACRES).

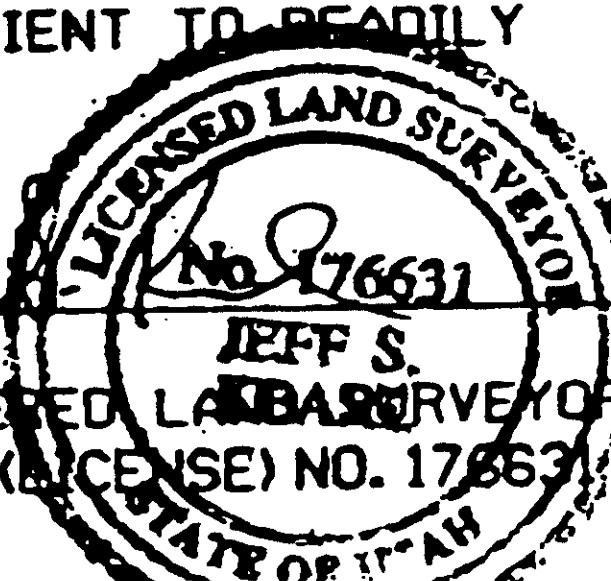
PARCEL 2

BEGINNING AT A POINT S68°44'00"W, 159.27 FEET FROM THE SOUTHWEST CORNER OF THE WINDRIFT CONDOMINIUM PLAT, SAID POINT BEING S0°16'20"W, 1221.28 FEET AND S68°44'00"W, 358.70 FEET FROM A MONUMENT USED AS THE NORTHEAST CORNER OF SECTION 8, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN, MONUMENT MARKED WITNESS CORNER 15.51 FEET NORTH, RUNNING THENCE S68°44'00"W, 149.71 FEET TO THE EAST RIGHT OF WAY LINE OF HIGHWAY U-224; THENCE ALONG SAID EAST LINE N21°12'00"W, 329.28 FEET TO AN ANGLE POINT ON SAID EAST LINE; THENCE N23°47'59"E, 21.21 FEET TO THE SOUTH LINE OF A 50-FOOT WIDE NON-EXCLUSIVE EASEMENT; THENCE ALONG SAID SOUTH LINE N68°44'00"E, 134.31 FEET; THENCE S21°16'00"E, 344.26 FEET TO THE POINT OF BEGINNING, CONTAINING 51358 SQ. FT. (1.179 ACRES).

I FURTHER CERTIFY THAT THE ABOVE DESCRIPTION DESCRIBES THE LAND SURFACE UPON WHICH SADDLEVIEW OFFICE PARK IS TO BE BUILT, IN ACCORDANCE WITH THE UTAH CONDOMINIUM OWNERSHIP ACT. I FURTHER CERTIFY THAT REFERENCE MARKERS SHOWN ON THIS PLAT ARE LOCATED AS SHOWN AND ARE SUFFICIENT TO READILY RETRACE OR RE-ESTABLISH THIS SURVEY.

9-28-1995
DATE

JEFFERY S. KEARL
UTAH REGISTERED LAND SURVEYOR
CERTIFICATE (LICENSE) NO. 176631



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UBLIC NON-EXCLUSIVE
TY AND SNOW STORAGE
ENT

N23°47'59"E
21-21'

RECORDED OCTOBER 12, 1979
ENTRY NO. 160192. BOOK 143, PAGE 331

—NON-EXCLUSIVE ACCESS ESMT. IN FAVOR OF WINDRIFT,
A UTAH PARTNERSHIP. RECORDED AUGUST 23, 1979
ENTRY NO. 158726, BOOK 139, PAGE 633

— 20. WIDE NON-EXCLUSIVE LIABILITY ESMT.

PLAT OF ESTATE OF
IN FAVOR OF WINDRIFT CONDOMINIUMS,
A UTAH LIMITED PARTNERSHIP.

RECORDED JANUARY 21, 1983
ENTRY NO. 201220, BOOK 248, PAGE 21

20' WIDE SANITARY SEWER EASEMENT
IN FAVOR OF SNYDERVILLE BASIN
IMPROVEMENT DISTRICT. RECORD
APRIL 10, 1995. ENTRY NO. 42
BOOK 877. PAGE 74

10

WINDRIFT CONDOMINIUMS

-SOUTHWEST CORNER

REVIEW
AND CAP
0' WIDE PUBLIC
RAIL EASEMENT

68° 44', 00" W - 358.70'

-SOUTHWEST CORNER

21.1'

Site plan diagram showing a property line with dimensions and a 30' wide drive.

Property line dimensions:

- Frontage: S 68° 44' 00" W
- Depth: 149.71'

Other features:

- 30' wide drive
- Lot E2

HIGHWAY U-224

INSTRUCTION
EASEMENT IN
JTAH DEPARTMENT
XTRATION RECORD
993 ENTRY NO.
X 722 PAGE 16

EXHIBIT

BY-LAWS

OF

SADDLEVIEW OFFICE PARK OWNERS' ASSOCIATION, INC.

A Non-Profit Corporation of the State of Utah

Pursuant to the provisions of the Utah Non-Profit Corporations Act, the Board of Trustees of the Saddleview Office Park Owners' Association, Inc. hereby adopt the following By-Laws of the Saddleview Office Park Owners' Association, Inc.:

ARTICLE I

Name and Principal Office

1.1 Name. The name of the corporation is "Saddleview Office Park Owners' Association, Inc.", and it is referred to below as the "Association."

1.2 Offices. The initial office of the Association will be in Park City, Utah.

ARTICLE II

Members and Meetings

2.1 Annual Meetings. The annual meeting of the members of the Association shall be held on the First Monday in April at 6:00 p.m. at the offices of the Association, beginning in the year following the year in which the Association is incorporated. The Board of Trustees may designate some other time, date and place for the annual meeting by giving proper notice of the change in advance of the meeting. The purpose of the annual meeting is the election of officers and Trustees, and to consider such other business that comes before the meeting. If the Trustees are not elected at the annual meeting, the existing Trustees shall continue to serve until their successors are named in a special meeting called for that purpose or until the next annual meeting. The Trustees may change the date, time and place of the annual meeting as they see fit by formal resolution.

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2.2 Special Meeting. Special Meetings of the Members may be called by the Board of Trustees or by the President as they see fit or by the Members of the Association

representing not less than 33% of the total votes of the Association. Any notice of Special Meeting shall state the time, place and date of the meeting, and the matters to be considered at that meeting. When a Special Meeting is called by the Members of the Association, the notice shall be in writing and delivered to the President or the Chairman of the Board.

2.3 Place of Meeting. All meetings will be held in Park City, Utah, unless the Members have authorized a meeting to be held elsewhere by written waiver.

2.4 Notice of Meeting. The Board of Trustees shall cause written or printed notice of the date, time, place and purposes of all meetings of the Members to be sent to each of the Members not more than 60 but not less than 10 days prior to the meeting. Mailed notice is deemed delivered when it is deposited in the United States Mail, postage prepaid, addressed to the Member at the last known address. Each Member shall register his or her address with the Association, and it shall be the obligation of the Member to provide notice of any change of address to the Association. If no address is registered, the Association may mail that Member's notice to the Secretary of the Association as the agent for the Member. Only one notice will be mailed on each Unit, so if there are multiple owners, they must designate one of them to receive the notice of the meeting on their behalf.

2.5 Members of Record. Upon purchasing a Unit in the Office Park, each owner shall promptly furnish the Association with a copy of the deed or other instrument under which he or she acquired title to the Unit. For purposes of determining a quorum, determining the persons entitled to vote, and all other matters before a meeting of the Members, the Association may designate a record date, not more than 60 days nor less than 10 days prior to the meeting date to determine the Members entitled to notice and to vote at the meeting. If no record date has been fixed, the record date is deemed to be the date on which notice of the meeting was mailed to the Members. The persons appearing as Members as of the record date are deemed entitled to notice and to vote at the meeting. Persons who become Members subsequent to the record date, or whose ownership is not registered with the Association until subsequent to the record date shall not be entitled to notice, shall not be counted in comprising a quorum and shall not be entitled to vote at the meeting. This shall not preclude a person who acquires his or her Membership subsequent to the record date from voting the interest of his predecessor under a written proxy.

2.6 Quorum. At any meeting of the Members, the presence of members, in person or by proxy, holding the right to cast more than 50% of the total votes of the Association shall constitute a quorum for the transaction of business. In the event that a quorum is not present at a meeting, the Members present, in person or by proxy, though less than a quorum, may adjourn the meeting to a later date set by those Members present. Notice of the re-scheduled meeting will be sent to the Members providing at least 10 days' notice of

the new meeting. At any re-scheduled meeting, a quorum will be deemed to exist comprised of those Members present in person or by proxy at the re-convened meeting.

2.7 Proxies. At each meeting of the Members, each Member entitled to cast a vote shall be entitled to vote in person or by written proxy. All proxies must be in writing, signed by the Member as shown on the records of the corporation. When a Membership is jointly held, the proxy must be signed by all of the joint owners of the Membership. Proxies must be presented to the Secretary of the Meeting at the beginning of the meeting for purposes of determining a quorum. The secretary will make an entry of proxies in the minutes of the meeting.

2.8 Voting Rights. With respect to each matter presented to the Members, including the election of Trustees, each Member will be entitled to cast one vote for each Unit that he or she owns. Units with multiple owners will be entitled to only one vote for that Unit, and in the event that the multiple owners of that Unit are not able to agree on how to cast the vote, no vote will be cast. The Unit may be counted as present for purposes of calculating a quorum. If only one of the multiple owners is present at the meeting, the other owners are deemed to have consented to that owner voting the interests of the Unit. In the event of Units held subject to Trust Deeds or Mortgages, the Trustor or Mortgagor will be entitled to vote, and the Lender shall have no right to vote; provided however that when a Lender has taken possession of any Unit, the Lender shall be deemed to have succeeded to the interest of the Trustor or Mortgagor and shall then be entitled to cast that vote.

2.9 Simple Majority. Any matter placed before the Members for a vote shall pass if there is an affirmative vote of the majority of the Members present at the meeting (and there is a quorum present). Election of Trustees will be by secret ballot. Other matters may be voted by secret ballot or by show of hands or such other means as the officer conducting the meeting shall determine.

2.10 Waiver of Irregularities. Any inaccuracies, irregularities, or errors in any call for a meeting or notice of meeting, inaccuracies or irregularities in the determination of a quorum or acceptance of proxies are deemed waived unless there is an objection stated at the meeting prior to the vote being taken.

2.11 Informal Action. Any act which is required to be taken or approved at a meeting may be taken or approved without a formal meeting if a majority of the Members consent to the action in writing prior to the action being taken. The Members may hold meetings for which formal notice was not given if the Members waive notice prior to the meeting.

ARTICLE III

Board of Trustees

3.1 General Powers. The Board of Trustees shall have authority to manage and control the property and affairs of the Association. The Board of Trustees may exercise all powers conferred upon them by law, by the Articles of Incorporation, or by these by-laws, provided however that those powers which are specifically reserved to the Members by law or by the Articles of Incorporation shall be exercised only by the Members. The Board may delegate its powers to officers, managers, or others such of its powers as are appropriately delegated.

3.2 Number and Tenure. The initial Board of Trustees is three members. They shall serve until the next annual meeting in which Trustees are elected, and shall continue to serve until their successors have been elected and assumed office. Immediately after the election of the first Board of Trustees by the Members, the Trustees shall, by drawing lots, divide themselves into three terms of two years and two terms of one year. Thereafter, at each annual meeting, only those Trustees whose terms have expired will stand for election. Trustees need not be residents of the State of Utah.

3.3 Board Meetings. The Board of Trustees shall have at least one meeting per year, which shall be within the 90 days preceding the Annual Meeting of Members for the purpose of setting the agenda for that meeting. The Trustees may meet as often as they see fit, and as required by law or the Articles for purposes of approving annual reports, tax returns, and similar matters. Special Meetings may be called by the President or the Chairman, or by a majority of the Board by giving notice to the other Board members. Notice of Board meetings will be given in writing or by telephone not more than 15 days, and not less than 5 days prior to the date of the meeting.

3.4 Quorum. A quorum at a Board meeting will consist of a simple majority of the Board. Board members may be counted as present if they are participating in the meeting by telephone. No proxies will be given among Board members. Actions of the Board may only be taken by formal action of the Board, and no individual Trustee shall have the authority to act on behalf of the Association.

3.5 Assessment. Assessments of the Members, as called for in the Declaration of Covenants, Conditions and Restrictions for the Saddleview Office Park, shall be levied by Association. The Trustees shall prepare an annual budget for presentation to the Members. The Assessment will be deemed levied when approved by a majority of the Members at the annual meeting or a special meeting called for that purpose.

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3.6 Deadlock. In the event of a deadlock on the Board, the Board shall immediately call for a special meeting of the Members and, at the direction of the Chairman of the Board, either call for the election of a new board, or submit the matter to the Members for determination.

3.7 Compensation. The Board of Trustees shall serve without compensation, provided that their reasonable out of pocket expenses for Association business, including the costs of attending board meetings, may be reimbursed by the Association.

3.8 Resignation or Removal. Any Trustee may resign at any time. A Trustee is deemed to have resigned when he or she sells (or otherwise is divested of) his or her Unit and therefore ceases to be Member of the Association. Any Trustee may be removed prior to the end of his or her term of office by an affirmative vote of 60% of the Members of the Association at a regular or special meeting called for that purpose.

3.9 Vacancies. Vacancies on the Board of Trustees will be filled by appointment of a successor by the remainder of the Board, provided that any such appointee will be confirmed or rejected at the next regular meeting of the Members. Any such Trustee is to fill the balance of the vacant term which he or she has filled, and will stand for election at the expiration of that term.

3.10 Informal Action by Trustees. The Trustees may take any action they could take in a formal meeting without a formal meeting, provided that the action is authorized in advance in writing signed by a majority of the Board, and further provided that all of the Trustees must have been given an opportunity to approve or reject the action. The Trustees may waive notice of meetings by signing written waivers at the time of the meeting. Minutes of all board meetings will be kept, and when a meeting is held without prior notice, the minutes will reflect the written waiver of notice.

ARTICLE IV

Officers

4.1 Number. The officers of the Association shall consist of at least a President, Vice President, and a Secretary/Treasurer. The Board may establish such other officers as it deems appropriate.

4.2 Appointment, Tenure. The officers will be appointed by the Board of Trustees at their annual meeting, and all officers serve at the pleasure of the Board and may

be removed by a majority vote of the Board in a meeting called for that purpose. All officers must be Members of the Association.

4.3 Duties of the President. The President shall preside at meetings of the Board of Trustees and at meetings of Members. He shall sign, on behalf of the Association, all legal documents approved by the Board, including deeds and mortgages and other contracts. The president shall supervise and be primarily responsible for the day to day operation of the Association's affairs, including the firing and termination of employees and subordinates. The President shall perform such other duties as assigned by the Board.

4.4 Duties of the Vice President. The Vice President will perform the duties of the President if he or she is not available, and shall perform such other duties as designated by the Board.

4.5 Duties of the Secretary/Treasurer. The Secretary/Treasurer is responsible to keep accurate records of the Members of the Association and the transfer of their interests to others, to keep minutes at the meetings of the Association Members and the Trustees, and cause notice of any meetings to be issued as called for in these by-laws, to file annual reports, and to perform all other assignments of the Board.

4.6 Compensation. The Officers will serve without compensation, provided that their reasonable out of pocket expenses in performing their duties for the Association will be reimbursed. The Board may fix such other compensation as it finds appropriate given the responsibility of the officers.

ARTICLE V

Indemnification

5.1 Indemnification Against Third Party Actions. The Association may defend and indemnify the officers and Trustees against all actions, claims, and suits brought by third parties against them individually which arise from the exercise of their obligations and duties as officers and Trustees. This shall include all civil, administrative, criminal, or investigative actions whether brought by an individual or a government agency. The indemnification shall extend to the payment of reasonable attorney's fees incurred in the defense of such action, including fees for independent counsel, and the payment of any fine, settlement, or judgment. This indemnity is limited in scope to those acts or omissions arising from the good faith exercise of the authority of the office held, or the discharge of the duties as a Trustee on behalf of the Association.

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5.2 Indemnification Against Member Actions. The Association may defend and indemnify the officers and Trustees against all actions, claims, and suits brought by Members of the Association against them individually which arise from the exercise of their obligations and duties as officers and Trustees. This shall include all civil, administrative, criminal, or investigative actions whether brought by an individual or a governmental agency. The indemnification shall extend to the payment of reasonable attorney's fees incurred in the defense of such action, including fees for independent counsel, and the payment of any fine, settlement, or judgment. This indemnity is limited in scope to those acts or omissions arising from the good faith exercise of the authority of the office held, or the discharge of the duties as a Trustee on behalf of the Association.

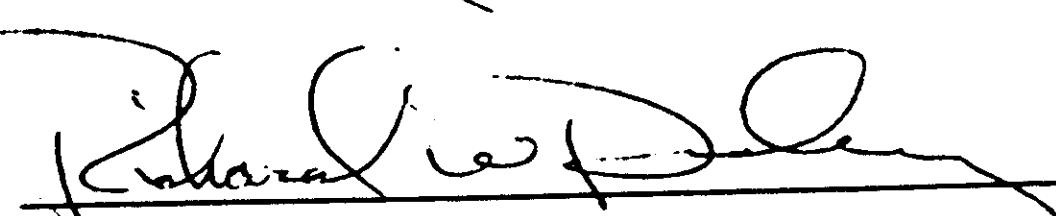
5.3 Request for Indemnification. When any officer, Trustee or employee of the Association receives notice of any action referred to above, he or she must give notice to the President and to the Board of Trustees, stating at the nature of the claim, the claimant, and providing all pertinent information about the claim. The Board, in the case of an action against an officer or employee, or against a single Trustee, may vote to indemnify the officer, employee or Trustee. In the event that the action is against the Board of Trustees as a whole, or names more than a single Trustee individually, and the claim is entirely covered by and within the policy limits of the Association's insurance coverage, the Board may vote to indemnify itself and the individuals named. In the event that the claim exceeds the limits of any insurance coverage, or is not covered, the Board may not agree to indemnify itself without presenting the matter to the Association for a vote at a special meeting called for that purpose.

ARTICLE VI

Amendment

6.1 Amendment. These by-laws may be amended by the Members of the Association from time to time as the Members see fit by a majority vote at a meeting called for that purpose.

Adopted this 12th day of SEPTEMBER, 1995.


President

Attest:


Secretary