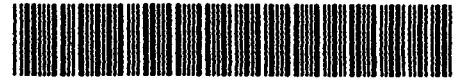


WHEN RECORDED RETURN TO:
Saratoga HC II, LLC
7585 S Union Park Ave #200
Midvale, Utah 84047



ENT 66196:2021 PG 1 of 42
ANDREA ALLEN
UTAH COUNTY RECORDER
2021 Apr 08 11:55 am FEE 40.00 BY JR
RECORDED FOR SARATOGA SPRINGS CITY

DECLARATION OF CONDOMINIUM
FOR
SHC 2 Office Condominiums Association
A Utah Condominium Project

THIS DECLARATION is made and executed as of the 29TH day of MARCH, 2021, by Saratoga HC II, LLC, a Utah limited liability company ("Declarant").

RECITALS:

A. Declarant is the record owner of that certain real property (the "Land") located in the City of Saratoga Springs, Utah County, Utah more particularly described in Article II hereof.

B. The Building and other improvements have been or are being constructed on the Land as shown on the Record of Survey Map attached hereto.

C. Declarant desires, by filing this Declaration and the Record of Survey Map, to submit the Land, the Building and all improvements now or hereafter constructed thereon to the provisions of the Act as a condominium project to be known as the "SHC 2 Office Condominiums Association," a Utah Condominium Project.

D. Declarant intends by Recording this Declaration and the Record of Survey Map that the fee title to the individual Units contained in the Project, together with the undivided ownership interests in the Common Areas and Facilities appurtenant to such Units, shall be owned, sold and conveyed subject to the covenants, restrictions, and limitations herein set forth.

NOW, THEREFORE, for the foregoing purposes, Declarant hereby makes the following Declaration:

I. DEFINITIONS

When used in this Declaration (including the Recitals and Bylaws and other exhibits attached hereto) the following terms shall have the meaning indicated. Any term used herein which is defined by the Act shall, to the extent permitted by the context hereof, have the meaning ascribed by the Act.

1.1. Act shall mean and refer to the Utah Condominium Ownership Act (Utah Code Sections 57-8-1 through 57-8-60 inclusive).

1.2. Association of Unit Owners or Association shall mean and refer to all of the Owners taken as or acting as a group in accordance with this Declaration as more fully set out in Section 5.1 of this Declaration.

1.3. Building shall mean the Building described in Section 3.1 of this Declaration.

1.4. Bylaws shall mean and refer to the bylaws adopted pursuant to Section 16-6a-206 of the Utah Revised Nonprofit Corporation Act, 16-6a-101 et seq. (and any successor or amended section) for managing the business and regulating the affairs of the Association. Said Bylaws as well as those bylaws contemplated by Sections 57-8-15 and 57-8-16 of the Act are attached hereto as Exhibit A and may be amended from time to time pursuant hereto. This Declaration shall initially define the processes and procedures for managing and governing the Association.

1.5. Common Areas and Facilities or Common Areas shall mean, refer to, and include all Common Areas and Facilities designated as such in the Survey Map and all portions of the Project not specifically included within the individual Condominium Units as more fully described in Section 3.3 of this Declaration and all Common Areas as defined in the Act, whether or not enumerated herein. Common Areas and Facilities shall also mean, refer to and include all furniture, furnishings, equipment, facilities and other personal property and interests therein at any time leased, acquired or owned by the Association for the use and benefit of the Project and/or the Owners.

1.6. Common Expenses shall mean and refer to all sums which are expended on behalf of all the Unit Owners and all sums which are required by the Management Committee to perform or exercise its functions, duties, or rights under the Act, this Declaration, the Bylaws, any management agreement for operation of the Project, and such rules and regulations as the Management Committee may from time to time make and adopt. By way of illustration, but not limitation, Common Expenses shall include: (i) expenses of administration, maintenance, operation, repair and replacement of those elements of the Common Areas and Facilities that must be maintained and/or replaced on a periodic basis and reserves as may be from time to time established by the Committee; (ii) expenses agreed upon by the Association or the Management Committee and lawfully assessed against the Unit Owners in accordance with this Declaration or the Bylaws; (iii) expenses declared to be Common Expenses by the Act or by this Declaration or the Bylaws; and (iv) any valid charge against the Project as a whole. At least annually, the Manager shall submit to each Owner a proposed budget for the Common Expenses for the following year. No Owner shall unreasonably withhold or delay its approval of such budget. Each Owner shall give the Manager written notice of its approval or disapproval of such budget within thirty (30) days after receipt. In any Owner fails to give such notice within such thirty (30) day period, such Owner shall be deemed to have approved such budget. Any disapproval of such budget shall be accompanied by a reasonably detailed explanation for such disapproval. If a majority of the Owners approve or are deemed to have approved such budget, the Manager and all such disapproving Owners shall reasonably cooperate to address and resolve the reasons for such disapproval as soon as reasonably possible so as to arrive at a budget which is approved or deemed to be approved by the majority of the Owners.

1.7. Condominium Unit or Unit means and refers to a separate and single Unit as described in Section 3.2 of this Declaration together with an undivided interest in the Common Areas and Facilities and the appurtenant right to the exclusive use of Limited Common Areas associated with such Unit.

1.8. Condominium Project or Project shall mean and refer to the SHC 2 Office Condominiums Association and shall consist of the Property.

1.9. Declarant shall mean and refer to Saratoga HC II, LLC, or any successor or assign which, either by the operation of law, or through a voluntary conveyance, transfer, or assignment, comes to stand in the same relation to the Project as Saratoga HC II, LLC.

1.10. Declarant Control Period shall mean and refer to that period of time from the Effective Date hereof until such time as Declarant shall have sold all of the Units within the Building and the Association shall have elected a President as further described in Section 5.3 herein.

1.11. Declaration shall mean and refer to this instrument as the same may hereafter be modified or amended.

1.12. Land shall mean and refer to and consist of the real property described in Article II of this Declaration submitted to the terms of the Act by Article II hereof.

1.13. Limited Common Areas shall mean and refer to those Common Areas designated herein or on the Survey Map as reserved for the use of a certain Unit or Units to the exclusion of the other Units as further described in Section 3.4 of this Declaration.

1.14. Management Committee or Committee shall mean and refer to the Management Committee of the Association of Unit Owners.

1.15. Mortgage shall mean and include both a first mortgage and a first deed of trust by which a Unit or any part thereof is encumbered.

1.16. Mortgagee shall mean and include both a mortgagee under a first mortgage on any Unit and a beneficiary under a first deed of trust on any Unit.

1.17. Owner or Unit Owner shall mean and refer to the owner in fee simple of a Unit and the percentage of undivided interest in the Common Areas and Facilities which is appurtenant thereto. Declarant shall be deemed the Owner of all unsold Units. In the event a Unit is the subject of an executory contract of sale, the contract purchaser shall, upon notice to the Committee by the purchaser, unless the seller and the purchaser have otherwise agreed and have informed the Committee in writing of such agreement, be considered the Unit Owner for purposes of voting and Association membership. The term Owner or Unit Owner shall exclude Mortgagees and other persons or entities having any interest merely as security for the performance of an obligation.

1.18. Percentage Interest shall mean and refer to an undivided percentage interest of each Unit Owner in the Common Areas and Facilities as set out in Exhibit C to this Declaration.

1.19. Property shall mean and refer to the Land and the Building, and all improvements and structures thereon, all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith.

1.20. Property Manager shall mean and refer to the third-party professional management group hired by the Management Committee to manage the Property as further described in Section 5.5 hereof. Lift Management will be initially hired to act as property manager for a period

of 24 months after all units have obtained a certificate of occupancy from the city of Saratoga Springs.

1.21. Record of Survey Map, Survey Map or Map shall mean and refer to the Record of Survey Map filed in connection herewith and attached hereto as Exhibit D and incorporated herein by that reference, executed and acknowledged by Declarant, consisting of three (3) pages, and prepared and certified to by Anderson Wahlen & Associates & Land Surveying, a duly registered Utah Land Surveyor, as the same may hereafter be modified or amended.

1.22. Simple Majority Vote shall mean a majority vote requiring a minimum of 51% approval from the Owners on voting matter for approval.

1.23. Super Majority Vote shall mean a majority vote requiring a minimum of 67% approval from the Owners on voting matters for approval.

II. SUBMISSION

2.1. Submission to Act. Declarant hereby submits to the provisions of the Act that certain parcel of real property known as Lot 2, Riverside Crossing Subdivision, according to the Official Plat thereof, on file and of record in the Office of the Utah County Recorder's Office (APN 58:035:0108), situated in the City of Saratoga Springs, Utah County, State of Utah more particularly described in Exhibit B attached hereto and incorporated herein by this reference and the Building and all other improvements now or hereafter constructed thereon.

TOGETHER WITH all easements, rights-of-way, and other appurtenances and rights incident to, appurtenant to, or accompanying the above-described parcel of real property.

SUBJECT TO all liens for current and future taxes, assessments and charges imposed or levied by governmental or quasi-governmental authorities; all patent reservations and exclusions; any mineral reservations of record and rights incident thereto; all instruments of record which affect the above-described Land or any portion thereof, including, without limitation, any mortgage or deed of trust; all visible easements and rights-of-way; all easements and rights-of-way of record; any easements, rights-of-way, encroachments, or discrepancies shown on or revealed by the Survey Map or otherwise existing; an easement for each and every pipe, line, cable, wire, utility line or similar facility which traverses or partially occupies the above-described Land at such time as construction of all Project improvements is complete; and all easements necessary for ingress to, egress from, maintenance of, and replacement of all such pipes, lines, cables, wires, utility lines, and similar facilities.

2.2. Covenants to Run With Land. This Declaration and all the provisions hereof shall constitute covenants running with the land or equitable servitudes, as the case may be, and shall be binding upon and shall inure to the benefit of Declarant, all parties who hereafter acquire any interest in a Unit or in the Project, and their respective grantees, transferees, heirs, devisees, personal representatives, successors, and assigns. By acquiring any interest in a Unit or in the Project, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Declaration.

III. DESCRIPTION OF BUILDING, CONDOMINIUM UNITS AND COMMON AREAS

3.1. Description of the Building. The Building and other improvements constructed or to be constructed on the Land are described in the Survey Map. The Building has two levels of above-

ground offices. The number of Units in the Building is depicted on the Survey Map. Parking and other common areas are also depicted on the Survey Map.

3.2. Description of the Condominium Units. The boundary lines of each Condominium Unit are the undecorated and unfinished interior surfaces of its perimeter walls, bearing walls, lowermost floor, uppermost ceiling, interior surfaces of windows and doors, window frames and door frames and trim. Each Unit shall include both the portions of the Building that are not Common Areas and Facilities within such boundary lines and the space so encompassed. Without limitation, a Unit shall include any finishing material applied or affixed to the interior surfaces of the interior walls and floors, and systems, fixtures, or appliances found within the boundary lines of the Unit and servicing only that Unit. Exhibit C hereto contains the number designation of each Unit. The Units are more particularly described in the Survey Map attached as Exhibit D.

3.3. Description of Common Areas and Facilities. The Common Areas and Facilities shall mean and include: the Land, all portions of the Project and all Property not contained within any Unit, including, but not by way of limitation: foundations, columns, girders, beams, supports, main walls, roofs, halls, corridors, lobbies, elevators, stairs, stairways, and entrances and exits of the Building; the grounds, fire riser room and equipment, parking areas and the areas used for storage of janitorial supplies, maintenance equipment and materials; installations of any and all central services, including power, light, water, hallway heating and air conditioning, and garbage collection; the elevators, pumps, motors, fans, ducts, and in general all apparatus and installations existing for common use; all driveways; any utility pipes, 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; all Limited Common Areas as herein described; all other parts of the Property necessary or convenient to the existence, maintenance and safety, or normally common in use, or which have been designated as Common Areas and Facilities in the Survey Map; and all repairs and replacements of any of the foregoing.

3.4. Description of Limited Common Areas. Limited Common Areas mean and include those portions of the Common Areas and Facilities reserved for the use of certain Units to the exclusion of other Units. The use and occupancy of designated Limited Common Areas shall be reserved to its associated Unit and each Unit Owner is hereby granted an irrevocable license to use and occupy said Limited Common Areas.

3.5. Percentages of Undivided Interest in Common Areas and Facilities. The percentage of undivided interest in the Common Areas and Facilities appurtenant to each Unit and its Owner for all purposes, including voting, is set forth in Exhibit C.

IV. PURPOSE AND USE OF PROJECT AND UNITS

4.1. Purpose of Project and Units. The purpose of the Project and the respective Units thereof is to provide offices with parking and other facilities for Unit Owners, their respective employees, clients, patients, visitors and guests.

4.2. Use of Units and Common Areas. The Units shall be occupied as offices and related purposes. No Unit shall be used for residential purposes.

4.3. Improper Uses. No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Areas and Limited Common Areas nor shall anything be done which may be or become an annoyance or a nuisance to the Unit Owners. No Owner shall do or permit anything to be done or keep or permit to be kept in its Unit or on the Common Areas

and Limited Common Areas anything that will result in the cancellation of the insurance on the Project or any part thereof or will increase the rate of insurance on the Project. No Owners shall make or permit any noise or objectionable odor that will disturb or annoy the occupants of the Units or do permit anything to be done therein which would interfere with the rights, comfort, or convenience of the other Owners. No bird or animal shall be kept or harbored in the building except in each instance by the express permission of the Management Committee in writing.

4.4. Exclusivity Restrictions. There shall only operate within the Building, one (1) business of pediatric health care and related services to the exclusion of all other occupants or Unit Owners who portend to provide such services. Likewise, there shall only operate within the Property two (1) businesses of women's health services to the exclusion of all other occupants or Unit Owners who portend to provide such services. Likewise, there shall only operate within the Property one (1) business of eye care and surgery to the exclusion of all other occupants or Unit Owners who portend to provide such services.

4.5. Signs. No signs or other advertising devices shall be displayed which are visible from the exterior of the Unit or on the Common Areas and Limited Common Areas, including "For Sale" signs, except in conformity with Rules and Regulations promulgated by the Management Committee; provided, however, that the Owners may have signs on their windows and doors within such limitations on size and type as the Management Committee may determine, but not on the exterior walls of the improvements, and provided, further that no Owner can be excluded from any building directory unless prohibited by law or ordinance.

4.6. Cleaning and Storage in Common Areas. The Common Areas and Limited Common Areas, other than Limited Common Areas specifically designated as storage areas, are not to be used for storage of supplies, personal property or trash or refuse of any kind except common trash receptacles placed at the discretion of the Management Committee, nor shall the Common Areas and Limited Common Areas be used in any way for the drying, shaking or airing or clothing or other fabrics. Stairs, entrances, sidewalks, yards, driveways, and parking areas shall not be obstructed in any way nor shall unauthorized persons use them for other than their intended purposes. In general, no activities shall be carried on nor condition maintained by any Owner either in its Unit or upon the Common Areas and Limited Common Areas which despoils the appearance of the Project. No damage to or waste of the Common Areas or any part thereof shall be committed by any Owner, or its respective employees, clients, patients, visitors and guests, and each Owner shall indemnify and hold the Management Committee and the other Unit Owners harmless against all loss resulting from any such damage or waste caused by such Owner, or its respective lessees, employees, clients, patients, visitors and guests.

4.7. Maintenance of Units. Each Owner shall maintain its Unit in a sanitary condition as provided in Section 6.2 hereof. Each Owner shall also use due care to avoid damaging any of the Common Areas and Limited Common Areas or any other Unit, and each Owner shall be responsible for its negligence or misuse of any of the Common Areas and Limited Common Areas or of its own facilities resulting in damage to the Common Areas and Limited Common Areas or any other Unit.

4.8. Rules and Regulations. In addition to the restrictions set forth in this Article IV, the use of the Units and the Common Areas and Facilities shall also be subject to such Rules and Regulations of general application as the Management Committee may adopt for protecting the interests of all the Owners or protecting the Units or the Common Areas.

4.9. Parking Areas. Common Areas designated for parking shall be used for the parking of vehicles of Owners and the vehicles of employees, patients, patrons and visitors, guests and invitees of Owners. All parking areas shall be maintained by the Association. The Management Committee may establish reasonable rules and regulations governing use of the driveways and parking areas in the Common Property including the restriction of certain parking areas for the sole use of employees, patients, handicapped persons, or patrons.

4.10. Division of Utility Costs. The cost of all utility or municipal services (including, without limitation, water, sewer, garbage collection, telephone, electrical, and gas) which are separately metered or otherwise separately billed directly to the Units shall be paid by the Owners of the respective Units provided that if any such services also benefit the Common Areas, the Association shall reimburse the Owner for the portion benefiting the Common Areas as Common Expenses. The cost of all such services which are not separately metered (if metering is applicable to the service in question) and not billed to any Units (but rather are billed to the Project as a whole), shall be paid by the Association as Common Expenses. Provided that if the Management Committee reasonably determines that such services are not used by or do not benefit all Units or do not benefit the Units in roughly the same proportion as the Common Expenses are assessed to the various Owners, the Management Committee may assess such services to the Owners of the benefited Units proportionate to the service or benefit to each such Unit in a fair and reasonable manner on the basis of the best information reasonably available at the time.

V. ASSOCIATION OF UNIT OWNERS - MANAGEMENT COMMITTEE

5.1. Association of Unit Owners. The persons or entities who are, at the time of reference, the Unit Owners are members of a condominium owners association, which association is governed by its Articles of Incorporation, this Declaration and the Bylaws. The name in which contracts shall be entered into, title to property shall be acquired, held, dealt in and disposed of, bank accounts shall be opened and suits shall be brought and defended by the Management Committee or officers thereof on behalf of and as agents for the Unit Owners in the manner specified in the Act, this Declaration or the Bylaws is: "SHC 2 Office Condominiums Association, Inc." an association of unit owners under the Utah Condominium Act.

5.2. Voting. At any meeting of the Association of Unit Owners, each Unit Owner, including Declarant, either in person or by proxy, shall be entitled to the number of votes which is equal to the percentage of undivided interest of the Common Areas and Facilities assigned to its Unit in Exhibit C to this Declaration. If there is more than one Owner with respect to a particular Unit, any or all of such Owners may attend any meeting of the Association, but it shall be necessary for all such Owners present to act unanimously in order to cast the votes pertaining to their Unit. In those cases in which the Act or this Declaration requires the vote of a stated percentage of the Project's undivided ownership interest for the authorization or approval of a transaction, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Unit Owners who collectively hold at least the necessary percentage of undivided ownership interest.

5.3. Officers of the Association. From the Effective Date of this Declaration until such time as Declarant has sold one hundred percent (100%) of the Units ("Declarant Control Period"), Declarant shall be authorized to carry out the Association's decisions and to execute contracts and other documents for the Association. At the end of the Declarant Control Period, the Association of Unit Owners shall elect a President, a Vice-President, Secretary, and Treasurer, in addition to any other officers as the Unit Owners shall deem necessary or appropriate.

5.4 Management Committee. The management and maintenance of the Project, the Property and the business and affairs of the Association of Unit Owners shall be managed by a Management Committee. Each Unit Owner, or its designee, shall be a member of the Management Committee. At any meeting of the Management Committee, the Unit Owner or its representative shall be entitled to the number of votes which is equal to the percentage of undivided interest of the Common Areas and Facilities assigned to its Unit in Exhibit C to this Declaration. All agreements and determinations with respect to the Project and the Property lawfully made or entered into by the Management Committee shall be binding upon and inure to the benefit of all of the Unit Owners and their successors and assigns.

5.5. Powers and Duties of Management Committee. The Management Committee shall have all the powers, duties and responsibilities which are now or may hereafter be provided by the Act, this Declaration and the Bylaws, including but not limited to the following:

5.5.1. To make and enforce rules and regulations covering the operation and maintenance of the Property.

5.5.2. To engage the services of a manager or managing company, accountants, attorneys or other employees or agents and to pay to said persons a reasonable compensation for their services; provided however, that any management agreement may be terminable by the Management Committee for cause upon thirty days' written notice and that the term of any said management agreement may not exceed one year, renewable by agreement for successive one year periods.

5.5.3. To operate, maintain, repair, improve, and replace the Common Areas and Facilities, including entering into agreements for the use and maintenance of the Common Areas and Facilities for the benefit of the Association.

5.5.4. To determine and pay the Common Expenses.

5.5.5. To assess and collect the proportionate share of Common Expenses from the Unit Owners.

5.5.6. To enter into contracts, deeds, leases, and/or written instruments or documents and to authorize the execution and delivery thereof by the appropriate officers.

5.5.7. To open bank accounts on behalf of the Association and to designate the signatories thereto.

5.5.8. To purchase, hold, sell, convey, mortgage or lease any one or more Units in the name of the Association or its designee.

5.5.9. To bring, prosecute and settle litigation for itself, the Association and the Project.

5.5.10. To obtain insurance for the Association respecting the Units and Common Areas and Facilities as well as workers' compensation insurance and such other insurance required by the Act, this Declaration or the Bylaws or determined to be necessary or advisable by the Management Committee as provided by the Act, this Declaration or the Bylaws.

5.5.11. To repair or restore the Property following damage or destruction or a permanent taking by a power in the nature of eminent domain or by an action or deed in lieu of condemnation not resulting in the removal of the Property from the provisions of the Act.

5.5.12. To own, purchase or lease, hold and sell or otherwise dispose of on behalf of the Unit Owners, items of personal property necessary to or convenient in the management of the business and affairs of the Association and the Management Committee and in the operation of the Property.

5.5.13. To keep adequate books and records.

5.5.14. To do all other acts necessary for the operation and maintenance of the Property, including the maintenance and repair of any Unit if the same is necessary to protect or preserve the Project.

5.5.15 Any necessary duty required to be performed by the Management Committee.

5.6. Professional Management. The Management Committee shall employ, Lift Management, a third-party professional manager to manage the Project ("Property Manager") on such terms and conditions as are commercially reasonable.

5.7. Powers and Duties of Property Manager. The Management Committee may delegate to the Property Manager all of its powers, duties and responsibilities referred to in Paragraph 5.4 above except: the final determination of Common Expenses, budgets and assessments based thereon; the promulgation of rules and regulations; the power to enter into any contract involving more than \$10,000 in any one fiscal year; the power to purchase, hold, sell, convey, mortgage, or lease any Units in the name of the Association; to bring, prosecute and settle litigation; or any other power, duty or responsibility nondelegable by law.

5.8. Limitation of Liability of Management Committee and Officers. Members of the Management Committee and the officers of the Association: (i) shall not be liable to the Unit Owners as a result of their activities as such for any mistake of judgment, negligence or otherwise, except for their own willful misconduct or bad faith; (ii) shall have no personal liability in contract to a Unit Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Association in their capacity as such; (iii) shall have no personal liability in tort to any Unit Owner or any person or entity direct or imputed by virtue of acts performed by them except for their own willful misconduct or bad faith or acts performed by them in their capacity as such; (iv) shall have no personal liability arising out of the use, misuse or condition of the Property which might in any way be assessed against or imputed to them as a result of or by virtue of their capacity as such.

5.9. Indemnification of Management Committee and Officers. The Unit Owners shall indemnify and hold harmless any person, his or her heirs and personal representatives from and against all personal liability and all expenses, including attorneys' fees, incurred or imposed or arising out of or in settlement of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, instituted by any one or more Unit Owners or any other persons or entities to which he or she shall be threatened to be made a party by reason of the fact the he or she was a member of the Management Committee or an officer of the Association, other than to the extent, if any, such liability or expense shall be attributable to his or her willful misconduct or bad faith, provided, further that in the case of any settlement that the Management Committee shall have approved, the indemnification shall apply only when the

Management Committee approves the settlement as being in the best interests of the Association. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled as a matter of law or agreement or vote of Unit Owners or of the Management Committee or otherwise. The indemnification by the Unit Owners as contained herein shall be paid by the Management Committee on behalf of the Unit Owners and shall constitute a Common Expense and shall be assessed and collectable as such.

VI. MAINTENANCE, ALTERATION AND IMPROVEMENT

6.1. Maintenance of Common Areas and Facilities. The cleaning, maintenance, alteration, replacement and repair of the Common Areas and Facilities shall be the responsibility of the Management Committee and the costs thereof shall be a Common Expense. The Management Committee shall also maintain, alter, replace and repair all parking areas, balconies and patios and all conduits, ducts, plumbing and wiring and other facilities for the furnishing of heat, gas, light, power, air conditioning, water and sewer that may be contained in portions of the Units, but which service part or parts of the Project other than the Unit in which they are contained. All incidental damages caused to a Unit by the maintenance, alteration, replacement and repair of the Common Areas and Facilities or utilities shall be repaired promptly by the Management Committee as a Common Expense. The Management Committee shall be responsible for cleaning and general maintenance of all parking areas.

6.2. Maintenance of Units. Each Owner shall keep the interior of its Unit, including, without limitation, interior walls, windows, ceilings, floors and permanent fixtures and appurtenances thereto, in a clean and sanitary condition and in a state of good repair. In addition, each Owner shall be responsible for the maintenance, repair or replacement of any cabinetry, plumbing fixtures, water heaters, heating equipment, air conditioner, lighting fixtures or other appliances or fixtures that may be in or are used for its Unit, even though not within its boundaries. In the event that any such Unit shall develop an unsanitary or unclean or unsafe condition or fall into a state of disrepair, and in the event that the Owner of such Unit shall fail to correct such condition or state of disrepair promptly following written notice from the Management Committee, the Management Committee on behalf of the Association shall have the right, at the expense of the Owner and without liability to the Owner for trespass or otherwise, to enter said Unit and correct or eliminate said unsanitary or unclean condition or state of disrepair; provided, however, that the Association shall in no event have the obligation to correct or eliminate any such condition or state of disrepair. The Unit Owners shall keep clean and in a sanitary condition their storage areas, balconies or patios, if any.

6.3. Interior of Units. Each Owner shall have the exclusive right to paint, repaint, tile, paper, carpet or otherwise decorate the interior surfaces of the walls, ceilings, floors and door forming the boundaries of its Unit and the surfaces of all walls, ceilings, floors and doors within such boundaries, construct and remove partition walls, fixtures and other improvements within the boundaries of its Unit; provided, however, that such improvements (i) shall not impair the structural soundness or integrity of the Building; (ii) shall not interfere with facilities necessary for the support, use or enjoyment of any other part of the Project; (iii) shall be built to construction standards comparable or better than the original construction of the Project; and (iv) shall not encroach upon the Common Areas or any part thereof, unless the Management Committee shall consent in writing to such encroachment.

6.4. Structural Changes and Prohibitions. No Owner shall make structural alternations or modifications to its Unit or to any of Common Areas and Limited Common Areas, including, but not limited to, the erection of antennas, aerials, awnings, the placement of any reflective or other

material in the windows of the Unit, or other exterior attachments, without the prior written approval of the Management Committee. The Management Committee shall not approve any alterations, decorations or modifications which would jeopardize or impair the soundness, safety or appearance of the Project. The approval of structural alterations by the Management Committee shall be subject to such conditions as the Management Committee may impose, including, but not limited to, minimum size requirements, architectural plans, maintenance of liability insurance during construction, performance and payment bonds, or otherwise, the expense of which must be borne by the affected Owners.

6.5. Association Access to Unit. The Association or its agents shall have access to each Unit from time to time during reasonable working hours, upon notice to its Owner, as may be necessary for the maintenance, repair or replacement of any of the Common Areas and Limited Common Areas, or other Units. The Association or its agents shall also have access to each Unit at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Areas and Limited Common Areas or to another Unit. If requested by the Association, each Owner shall furnish to the Association a duplicate key to the entrance door to its Unit and shall furnish a new duplicate key upon any change of locks thereto. Said keys shall be kept by the Association in a safe and secure place, and are to be used only in case of emergency or upon written authorization of the Owners.

VII. INSURANCE

7.1. Insurance Requirements. The Management Committee shall obtain and maintain at all times insurance of the types and kinds as provided herein and including insurance for all other risks, of a similar or dissimilar nature, as or shall hereafter customarily be covered with respect to other properties similar to the Project in construction, design and use. The Management Committee shall make a reasonable effort to obtain insurance with the following provisions or endorsements:

7.1.1. Exclusive authority to adjust losses shall be vested in the Management Committee as insurance trustees or any successor trustee as designated by the Management Committee.

7.1.2. The insurance coverage shall not be brought into contribution with insurance purchased by individual Unit Owners or their respective Mortgagees.

7.1.3. Each Unit Owner may obtain additional insurance covering its real property, fixtures, or personal interest at its own expense, so long as such additional or other insurance does not have the effect of decreasing the amount which may be realized under any insurance maintained by the Management Committee.

7.1.4. The insurer waives its rights of subrogation as to any and all claims against the Association, each Unit Owner, and/or their respective agents, employees or tenants, and of all defenses based upon co-insurance or upon invalidity arising from the act of the insured.

7.1.5. The insurance coverage cannot be canceled, invalidated or suspended because of the conduct of any one or more individual Unit Owners or their respective lessees, employees, agents, contractors, and guests.

7.1.6. The insurance coverage cannot be canceled, invalidated or suspended because of the conduct of any officer or employee of the Association or Management Committee or their

employees, agents, or contractors, without prior demand in writing that the Management Committee cure the defect and then only if the defect is not cured within 30 days.

7.1.7. Such policies shall provide that coverage shall not be prejudiced by any act or neglect of the Unit Owners when such act or neglect is not within the control of the Association or failure of the Association to comply with any warranty or condition with regard to any portion of the Project over which the Owners Association has no control.

7.1.8. The insurance coverage shall provide that coverage may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least 30 days' prior written notice to any and all insureds' named thereon, including all Mortgagees.

7.1.9. All policies of property insurance shall provide that, notwithstanding any provisions thereof which give the insurer the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable without the prior written approval of the Management Committee (or any insurance trustee) or when in conflict with the provisions of any insurance trust agreement to which the Association may be a party, or any requirement of Law.

7.2. Property Insurance. The Management Committee, for the benefit of the Project and the Unit Owners, shall maintain a "master" or "blanket" policy of property insurance in an amount equal to the full replacement value (i.e., 100% of the current "replacement cost" exclusive of land, foundations, excavations, and other items normally excluded from coverage) of the entire Condominium Project (including all Units, all Common Areas and Facilities, service equipment and any fixtures or equipment, but not contents furnished or installed by Unit Owners within the Units) with an "Agreed Amount Endorsement" or its equivalent, and, if necessary, an "increased Cost of Construction Endorsement" or "Contingent Liability from Operation of Building Laws Endorsement" or the equivalent, payable to the insurance trustee to be disbursed in accordance with the terms of this Declaration. Such insurance will afford protection against at least the loss or damage by fire and other hazards covered by the standard extended coverage endorsement, debris removal, vandalism, malicious mischief, windstorm, and water damage. The limits and coverage of said insurance shall be reviewed at least annually by the Management Committee. Said policy or policies shall provide for a separate loss payable endorsement in favor of the Mortgagee of each Unit, if any, as their interests may appear. The costs of this policy shall be split amongst the owners proportionate to their respective ownership.

7.3. Liability Insurance. The Management Committee shall obtain a comprehensive policy or policies of public liability insurance insuring the Association, the Management Committee, the Unit Owners and their respective lessees, agents, employees, clients, patients, visitors or guests against any liability to the public or to the Unit Owners, incident to the ownership and/or use of the Property, and including the personal liability of the Unit Owners incident to the ownership and/or use of the Property. Limits of liability under such insurance shall not be less than \$2,000,000 for any one person injured in any one occurrence, and shall not be less than \$2,000,000 for property damage in each occurrence. The limits in coverage of said liability policy or policies shall be reviewed at least annually by the Management Committee and increased at its discretion. Said policy or policies shall be issued on a comprehensive liability basis and, if possible, shall provide cross-liability endorsements for possible claims of any one or more or group of insureds against any one or more or group of insureds, without prejudice to the right of a named insured under the policies to maintain an action against another named insured. Such coverage will include protection against water damage liability, liability for non-owned and hired automobiles, liability for property of others, and such others risks as shall customarily be covered with respect to projects similar in construction, location and use.

7.4. Fidelity Coverage. The Management Committee may maintain fidelity coverage to protect against misconduct on the part of members of the Management Committee, officers, and employees of the Association, including professional managers and their employees. Such fidelity bonds shall meet the following requirements:

7.4.1. All such fidelity bonds shall name the Association as the insured.

7.4.2. Such fidelity bonds shall be written in an amount equal to at least 50% of the estimated annual operating expenses of the Association, including reserves.

7.4.3. Such fidelity bonds shall include as part of any definitions of “employee” or similar expression both persons who serve with and without compensation.

7.4.4. Such bonds shall provide that they may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least 30 days prior written notice to the Mortgagees of the Units.

7.5. Other Insurance. The foregoing provisions of this Article VII shall not be construed to limit the power or authority of the Management Committee to obtain and maintain insurance coverage, in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Management Committee may deem proper from time to time.

7.6. Owner’s Own Insurance. Each Owner, at its own expense, shall procure and maintain at all times fire and extended coverage insurance covering personal property of such Owner and additional fixtures and improvements added by such Owner against loss by fire and other casualties, including, without limitation, vandalism and malicious mischief. All policies providing such casualty insurance shall provide that they do not diminish the insurance carrier’s coverage for liability arising under insurance policies obtained by the Association pursuant to this article. Notwithstanding the provisions hereof, such Owner shall obtain such insurance at its own expense providing such other coverage upon its Condominium, its personal property, for its personal liability and covering such other risks as it may deem appropriate, provided that each such policy shall provide that it does not diminish the insurance carrier’s coverage for liability arising under insurance policies obtained by the Association pursuant to this article. If obtainable under industry practice without an unreasonable additional charge for such waiver, all such insurance shall contain a waiver of the insurance company’s right of subrogation against the Association, the other Owners and their respective servants, agents and guests.

VIII. ASSESSMENTS

8.1. Agreement to Pay Assessment. Declarant, for each Unit owned by it within the Project, hereby covenants, and each Owner of any Unit by the acceptance of a deed therefor, whether or not it be so expressed in the deed, or by entering into a sale and purchase contract, shall be deemed to covenant and agree with each other and with the Association to pay to the Association assessments made by the Association for the Common Expenses 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 pursuant to the Bylaws and subject to the provisions of in this Article VIII.

8.2. Apportionment of Expenses. Each Unit Owner shall be liable for a proportionate share of the Common Expenses and shall share in the common profits, such shares being the same as

the percentage of undivided interest in the Common Areas and Facilities appurtenant to the Unit owned by the Unit Owner as set forth in Exhibit C.

8.3. Commencement of Assessments. Assessments for Common Expenses on any Unit shall commence on that date which is the date of closing of a sale of the Unit, or the date of occupancy of the Unit, whichever occurs first, without regard to who is designated as the Owner thereof.

8.4. Assessments for Capital Improvements. The Management Committee may include in the monthly assessments, amounts representing contributions to the capital of the Association to be used for the replacement of or additions to capital items or improvements to the Project. Said amounts shall be set up as capital accounts for each Unit. In the event of transfer of a Unit, the capital account shall be deemed transferred to the Unit transferee.

8.5. Interest on Delinquent Assessments. Assessments and any installments thereof not paid on or before ten days after the date when due shall bear interest at the rate of 18% per annum, or at such rate of interest as may be set by the Management Committee, from the date when due until paid. All payments on account shall be first applied to interest and then to the assessment payment first due.

8.6. Lien for Assessments. Any unpaid assessments shall constitute a continuing lien on the interest of any Unit Owner, which shall also secure reasonable attorney's fees and all costs and expenses incurred by the Management Committee incident to the collection of such assessment or enforcement of such a lien. Such lien shall be superior to all other liens and encumbrances on such Unit, recorded or unrecorded, except only for: (i) valid tax and special assessments liens on the Unit in favor of any governmental assessing authority; (ii) the lien of a Mortgage; and (iii) encumbrances on the interest of the Unit Owner recorded prior to the date a notice of lien under this Section is recorded which by law would be a lien prior to subsequently recorded encumbrances. To evidence a lien for sums assessed hereunder, the Management Committee may prepare a written notice of lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the Owner of the Unit and a description of the Unit. Such a notice shall be signed by the Committee and may be recorded. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by judicial foreclosure by the Committee in the same manner in which mortgages on real property may be foreclosed in Utah. In any foreclosure of a lien for assessments, the Unit Owner subject to the lien shall be required to pay a reasonable rental for the Unit, and the Management Committee shall be entitled to the appointment of a receiver to collect the same. The Management Committee shall have the right and power to bid an amount equal to its then existing lien 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 release of notice of lien shall be executed by the Management Committee and recorded in the Office of the County Recorder of Utah County, Utah, upon payment of all sums secured by a lien which has been made the subject of a recorded notice of lien. Any encumbrancer holding a lien on a Unit may pay, but shall not be required to pay, any amounts secured by the lien created hereunder, and upon such payment such encumbrancer shall be subrogated to all rights of the Management Committee with respect to such lien, including priority. If a Unit Owner shall, at any time, let its Unit and shall default for a period of one month in the payment of assessments, the Management Committee may, at its option, so long as such default shall continue, demand and receive from any tenant of the Owner the rent due or becoming due, and the payment of such rent to the Management Committee shall discharge such tenant from its obligation for rent to the Owner and the Owner from its obligation to the Association, to the extent of the amount so paid.

8.7. Personal Obligation of Owner. The amount of any assessment against any Unit shall be the personal obligation of the Unit Owner to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Committee without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish any personal obligation by waiver of the use and enjoyment of any of the Common Areas or by abandonment of its Unit.

8.8. Statement of Account. Upon payment of a reasonable fee not to exceed \$25, or such other amount as may in the future be allowed by the Act, and upon written request of any Owner or any Mortgagee, prospective Mortgagee or prospective purchaser of a Unit, the Committee shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such Unit; the amount of the current assessment and the date that such assessment becomes or became due; any credit for advanced payments or prepaid items, including, but not limited to, an Owner's share of prepaid insurance premiums; and such statement shall be conclusive upon the Committee in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied with within 30 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 obligations of the purchaser shall be released automatically if the statement is not furnished within the 30 day period provided herein and thereafter an additional written request is made by such purchaser and is not complied with within ten days, and the purchaser subsequently acquires the Unit.

8.9. Personal Liability of Purchaser for Assessments. Subject to the provisions of Section 8.8, a purchaser of a Unit shall be jointly and severally liable with the seller for all unpaid assessments against the Unit 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.

IX. DESTRUCTION, CONDEMNATION AND TERMINATION

9.1. Destruction or Damage. In the case of fire or other damage or destruction to all or part of the Property, the Management Committee, with the help of an independent appraiser if necessary or advisable, shall determine the percentage of the Building that was destroyed or damaged and shall proceed as follows:

9.1.1. If Less than 75 percent of the Building is destroyed or substantially damaged, the Management Committee shall arrange for the prompt repair and restoration of the Building using the proceeds of insurance on the Building for that purpose, and the Unit Owners shall be liable for assessment for the deficiency, if any, in proportion to their respective percentages of undivided interests in the Common Areas and Facilities. Reconstruction of the Building shall mean the restoring of the Building to substantially the same condition in which it existed prior to the damage or destruction, with each Unit and the Common Areas and Facilities having the same vertical and horizontal boundaries as before, unless the destruction or damage is by reason of eminent domain, in which event the provisions of Section 9.2 hereof shall apply.

9.1.2. If 75 percent or more of the building is destroyed or substantially damaged, the Management Committee shall, within 100 days after such destruction or damage, call a special meeting of the Unit Owners for the purpose of deciding whether or not the Building shall be repaired and restored. If the proceeds of insurance on the Building are sufficient to reconstruct the Building, then unless the Unit Owners representing 75 percent of the undivided interests in the

Common Areas affirmatively vote not to restore the Building, the Management Committee shall promptly arrange for the reconstruction of the Building, using the proceeds of insurance on the Building for that purpose. If the proceeds of insurance on the Building are not sufficient to reconstruct the Building, then if the Unit Owners representing at least 75 percent of the undivided interests in the Common Areas, in person or by proxy, vote to repair or restore the Building, the Management Committee shall promptly arrange for the reconstruction of the Building, using the proceeds of insurance on the Building for that purpose, and the Unit Owners shall be liable for assessment for any deficiency, if any, in proportion to their respective percentage of undivided interest in the Common Areas and Facilities. If the destruction or damage is by reason of eminent domain, the provisions of Section 9.2 hereof shall apply.

9.1.3. If 75 percent or more of the Building is destroyed or substantially damaged and the reconstruction of the Building is not approved as provided in Section 9.1.2, the Management Committee shall record, with the County Recorder, a notice of setting forth such facts, and upon the recording of such notice: (i) the Property shall be deemed to be owned in common by the Unit Owners; (ii) the undivided interest in the Property owned in common which shall appertain to each Unit Owner shall be the percentage of undivided interest previously owned by such Owner in the Common Areas and Facilities; (iii) 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 Unit Owner according to their undivided interest in the Common Areas; and (iv) the Property shall be subject to an action for partition at the suit of any Unit Owner, in which event the net proceeds of such sale, together with the net proceeds of the insurance on the Property shall be considered as one fund and shall be divided among all Unit Owners in a percentage equal to the percentage of undivided interest owned by each Unit Owner in the Common Areas and Facilities, after first paying out of the respective shares of the Unit Owners, to the extent sufficient for such purposes, all sums necessary to satisfy the Mortgage on the Unit owned by each Unit Owner.

9.1.4. For purposes of this Section 9.1, the terms "disaster," "destruction" or "substantial damage" shall mean and include a temporary or permanent taking, injury or destruction of all or part of the Common Areas and Facilities or one or more Units or portions thereof by the exercise of the power of or power in the nature of eminent domain or by an action or deed in lieu of condemnation.

9.2. Eminent Domain. Whenever any proceeding is instituted that could result in the temporary or permanent taking, injury or destruction of all or part of the Common Areas and Facilities or one or more Units or portions thereof by the exercise of the power of or power in the nature of eminent domain or by an action or deed in lieu of condemnation (all of which shall be defined as "eminent domain"), the Management Committee, each Unit Owner, and every Mortgagee, shall be entitled to timely written notice thereof and the Management Committee shall and the Unit Owners, at their respective expense, may participate in the proceedings incident thereto. The provisions governing the allocation of awards by reason of eminent domain shall be determined in accordance with Section 57-8-32.5 of the Act; provided, that the priority of any Mortgage shall remain undisturbed.

9.3. Termination. All of the Unit Owners may agree that the Units are obsolete or the Project should otherwise be abandoned or terminated and that the same should be sold. Such plan or agreement must have the written unanimous approval of every Mortgagee. In such instance, the Management Committee shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice, the entire Property 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 Survey Map and the Bylaws. The sales proceeds shall be apportioned among the Owners and disbursed in the same manner as provided in Section 9.1.3 of this Declaration.

X. MORTGAGE PROTECTION

10.1. Notice of Action. Upon written request made to the Association by a Mortgagee, which written request shall identify the name and address of such Mortgagee, and the number and address of the Condominium, any such First Mortgagee, shall be entitled to timely written notice of:

10.1.1. Any condemnation loss or any casualty loss which affects a material portion of the Project or any Condominium on which there is Mortgage held by such Mortgagee;

10.1.2. Any delinquency in the payment of assessments or charges owed by an Owner, whose Condominium is subject to a Mortgage held by such Mortgagee, which default remains uncured for a period of 60 days;

10.1.3. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and

10.1.4. Abandonment or termination the legal status of the Project after substantial destruction or condemnation occurs.

10.2. Books and Records. Any Mortgagee shall have the right to examine the books and records of the Association during normal business hours and, upon request shall be entitled to received copies of annual reports, financial statements and other financial data for the preceding fiscal year, and shall be entitled to receive written notice of all meetings of the Association and may designate a representative to attend all such meetings.

10.3. Amendment of Article X. No amendment to Article X of this Declaration shall affect the rights of the Mortgagee under any Mortgage recorded prior to the recordation of any such amendment who does not join in the execution thereof.

XI. CONVEYANCE, EASEMENTS AND ENCROACHMENTS

11.1. Conveyancing. Every deed, lease, mortgage, instrument of conveyance or sale, or other instrument affecting title to a Unit shall describe the Unit by its designation set forth in Exhibit C and in the Survey Map with appropriate reference to the Survey Map and this Declaration, as each shall appear on the records of the County Recorder of Utah County, State of Utah. Every such description shall be deemed good and sufficient for all purposes and shall be deemed to convey, transfer, encumber or otherwise affect the Unit Owner's corresponding percentage of undivided ownership in the Common Areas and Facilities, as a tenant-in-common, as set forth in Exhibit C, also incorporating all rights and limitations incident to ownership described in this Declaration and the Bylaws, even though the same are not exactly mentioned or described. A description shall be deemed sufficient if it appears in substantially the following form:

Unit _____, as shown in the Record of Survey Map for SHC 2 Office Condominiums Association appearing in the Records of the County Recorder of Utah County, State of Utah, in Book No. _____, Page No. _____, of Plats, and as defined and described in the Declaration for SHC 2 Office Condominiums Association, recorded the ____ day of _____, 20____, as Entry No. _____, Book No _____, Page No. _____ TOGETHER

WITH the undivided ownership interest in the Common Areas and Facilities that is appurtenant to said Unit as more particularly described in said Declaration. The Declaration of SHC 2 Office Condominiums Association Condominiums includes Exhibits A, B, and D attached thereto.

Whether or not the description employed in any such instrument is in the above-specified form, however, all provisions of this Declaration shall be binding upon and shall inure to the benefit of any party who acquires any interest in a Unit. Neither the interest in Common Areas and Facilities, nor the right of exclusive use of the Limited Common Areas, shall be separated from the Unit to which it appertains; and, even though not specifically mentioned in the instrument of transfer, such interest in the Common Areas and Facilities and such right of exclusive use shall automatically accompany the transfer of the Unit to which they relate.

In the event any Person shall acquire, through foreclosure, exercise of power of sale, or other enforcement of any lien, or by tax deed, the interest of any Owner, the interest acquired shall be subject to all the provisions of the Act and to this Declaration, the Record of Survey Map, the Bylaws, or any deed affecting the interest then in force.

11.2. Easements. Every deed, lease, mortgage or other similar instrument shall be deemed to:

11.2.1. Except and reserve with respect to a Unit; (i) any portion of the Common Areas and Facilities lying within said Unit; (ii) easements through said Unit, appurtenant to the Common Areas and Facilities and all other Units, for support and repair of the Common Areas and Facilities and all other Units; and (iii) easements, appurtenant to the Common Areas and Facilities, for encroachment upon the air space of said Unit by those portions of the Common Areas and Facilities located within said Unit by those portions of the Common Areas and Facilities located within said Unit.

11.2.2. Include with respect to a Unit nonexclusive easements for ingress and support of said Unit through the Common Areas and Facilities, for the repair of said Unit through all other Units and through all Common Areas and for the use of the Limited Common Areas associated with the Unit as indicated in this Declaration and the Survey Map.

11.2.3. Except and reserve, with respect to the undivided percentage interest in the Common Areas and Facilities, nonexclusive easements appurtenant to all Units for ingress, egress, support and repair and exclusive easements appurtenant to each Unit for the use of the balcony, patio, and any storage area as set forth in Exhibit B and the Survey Map.

11.2.4. Include, with respect to the undivided percentage interest in the Common Areas and Facilities, nonexclusive easements through each Unit for support and repair of the Common Areas and Facilities and nonexclusive easements for encroachments upon the air space of all of the Units by and for the portions of the Common Areas and Facilities lying within the Units.

11.3. Encroachments. None of the rights and obligations of any Unit Owner created by this Declaration, the Bylaws or by any deed conveying a Unit shall be affected in any way by any encroachments (i) by any portion of the Common Areas and Facilities upon any Unit; (ii) by any Unit upon another Unit or upon the Common Areas due to settling or shifting of the Building or other structure, including the rebuilding of the Building or other structure after fire or other casualty or an eminent domain taking or delivery of a deed in lieu of condemnation, unless there occurs an encroachment that results from the willful or negligent act or omission of the Unit Owner of the encroaching Unit, or of the owners of the Units to which the use of the encroaching

Limited Common Areas is appurtenant, or of the Management Committee in the event of an encroachment by any portion of the Common Areas and Facilities other than the Limited Common Areas. There are hereby created valid easements for the maintenance of any encroachments permitted by this Section so long as such encroachments exist.

XII. AMENDMENT

12.1. Amendment by Unit Owners. Except as otherwise provided in this Declaration and except as prohibited by the Act, the provisions of this Declaration may be amended by an instrument in writing signed and acknowledged by Unit Owners who own seventy-five percent (75%) in the aggregate of the ownership interest in the Common Areas and Facilities, which amendment shall be effective upon recording, and upon approval of Mortgagees where necessary. Any material amendment to this Declaration, including, but not limited to, any such amendment which would alter the percentage interests in the Common Areas and Facilities, other than those alterations allowed in Article XIV, must be approved in writing by all Mortgagees.

XIII. GENERAL PROVISIONS

13.1. Initial Registered Agent. Declarant's Initial Registered Agent is Gregg C. Johnson of Saratoga HC II LLC. The Registered Agent will initially receive service of process on behalf of the Association of all cases brought pursuant to the Act.

13.2. Notices. Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to be delivered 72 hours after a copy of the same has been deposited in the U.S. postal service, postage prepaid, return receipt requested. Notice to Unit Owners shall be addressed to each Unit Owner at the address given in writing by such Unit Owner to the Management Committee for the purpose of service of such notice or to the Unit of such Unit Owner if no such address has been given to the Management Committee. Such address may be changed from time to time by notice in writing addressed to the Management Committee.

13.3. Waiver. The failure of the Management Committee or its contractors to insist, in one or more instances, upon the strict performance of any of the terms, covenants, conditions or restrictions of this Declaration or the Bylaws, or to exercise any right or option herein contained, or to serve any notice or to institute any action shall not be construed as a waiver or relinquishment for the future of such term, covenant, condition or restriction, but such term, covenant, condition or restriction shall remain in full force and effect. The receipt and acceptance by the Management Committee or its contractor of the payment of any assessment from a Unit Owner, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by the Management Committee of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Management Committee.

13.4. Enforcement. Each Owner or occupant of a Unit shall strictly comply with, and all interests in all Units shall be subject to, the terms of the Act, the terms of this Declaration, the Bylaws, and the provisions of any rules, regulations, agreements, instruments, and determinations contemplated by this Declaration, and failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Management Committee on behalf of Unit Owners, or, in a proper case by an aggrieved Unit Owner.

13.5. Accommodation of Handicapped Persons. Notwithstanding any other provision of this Declaration, the Bylaws or any rules or regulations adopted by the Management Committee, the Management Committee shall make reasonable accommodations under any restrictions therein contained as may be necessary to afford a handicapped person equal opportunity to use and enjoy the Property.

13.7. Gender. The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

13.8. Severability. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision hereof.

13.9. Controlling Law. This Declaration, the Survey Map and the Bylaws shall be construed and controlled by and under the laws of the State of Utah. This Declaration is set forth to comply with the requirements of the Act. In the event of any conflict between this Declaration or the Bylaws and the provisions of the Act, the provisions of the Act shall control.

13.10. Captions. The captions in this Declaration are inserted as a matter of convenience and for reference and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

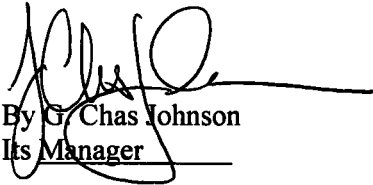
13.11. Assignment of Construction Warranty. Immediately upon the recording of this Declaration any and all construction warranties which had been previously issued to the Declarant from Mint Construction LLC, the General Contractor for the construction work of the Building, shall be transferred over to the Association. Such Transfer shall be acknowledged and agreed upon in writing between Mint Construction LLC (Contractor) and the Declarant prior to the Effective Date.

13.12. Effective Date. This Declaration shall take effect upon recording in the office of the County Recorder of Utah County, Utah.

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EXECUTED on the day and year first above written.

Saratoga HC II, LLC



By G. Chas Johnson
Its Manager

STATE OF)
 : ss.
COUNTY OF)

The foregoing instrument was acknowledged before me this 29TH day of MARCH 2021, by G. CHAS JOHNSON, whose identity has been proven to me on the basis of satisfactory evidence, being first duly sworn, acknowledges before me that he is the Manager of Saratoga HC II, LLC and that he executed the foregoing instrument for and on behalf of Saratoga HC II, LLC in said capacity.

My commission expires:

AUG 18, 2021


Notary Public
Residing at: MIDVALE, UT

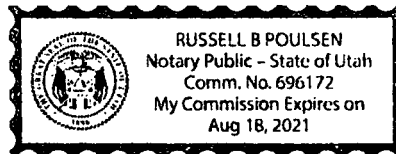


EXHIBIT "A"

Bylaws

[See attached]

EXHIBIT "B"

Boundary Description**Lot 2, Riverside Crossing****October 29, 2020**

All of Lot 2, Riverside Crossing Subdivision – Plat A located in the Northeast Quarter of Section 23, Township 5 South, Range 1 West, Salt Lake Base and Meridian, being described metes and bounds as follows:

Beginning at a point located 866.50 feet South $0^{\circ}13'38''$ East along the Quarter Section Line, 99.61 feet East to a Right-of-Way Monument found marking the Easterly Line of Redwood Road and 552.49 feet North $89^{\circ}57'12''$ East from a Brass Cap Monument found marking the North Quarter Corner of said Section 23; and running thence North $89^{\circ}57'12''$ East 298.67 feet to the Westerly Line of the future Devonshire Drive; thence along said Westerly Line the following 4 courses: South $7^{\circ}07'33''$ East 72.55 feet; South 119.30 feet to a point of curvature; Southwesterly along the arc of a 31.50 foot radius curve to the right a distance of 20.45 feet (Central Angle equals $37^{\circ}12'01''$ and Long Chord bears South $18^{\circ}36'00''$ West 20.09 feet) to a point of reverse curvature; and Southwesterly along the arc of a 61.50 foot radius curve to the left a distance of 49.42 feet (Central Angle equals $46^{\circ}02'29''$ and Long Chord bears South $14^{\circ}10'46''$ West 48.10 feet); thence West 289.48 feet; thence North 256.73 feet to the point of beginning.

**Contains 77,933 sq. ft.
Or 1.79 acres**

(APN 58:035:0108)

EXHIBIT "C"

Percentages of Undivided Interest in Common Areas and Facilities

<u>Unit Number</u>	<u>Unit Sq. Ft.</u>	<u>Undivided Interest in Common Areas</u>
100	10,705	49.92%
200	6,323	29.49%
210	4,415	20.59%
Total	21,443	100%

SHC 2 Office Condominiums Association

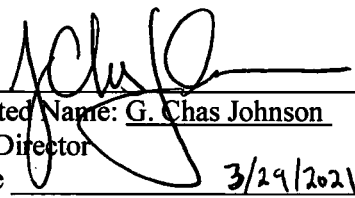
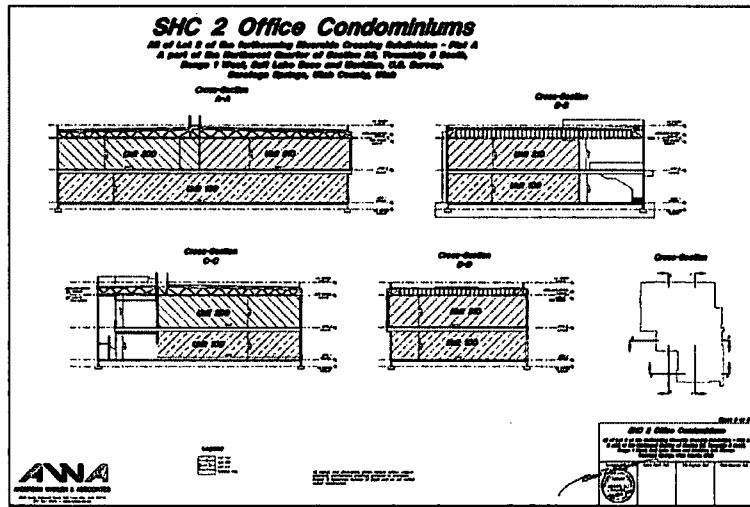
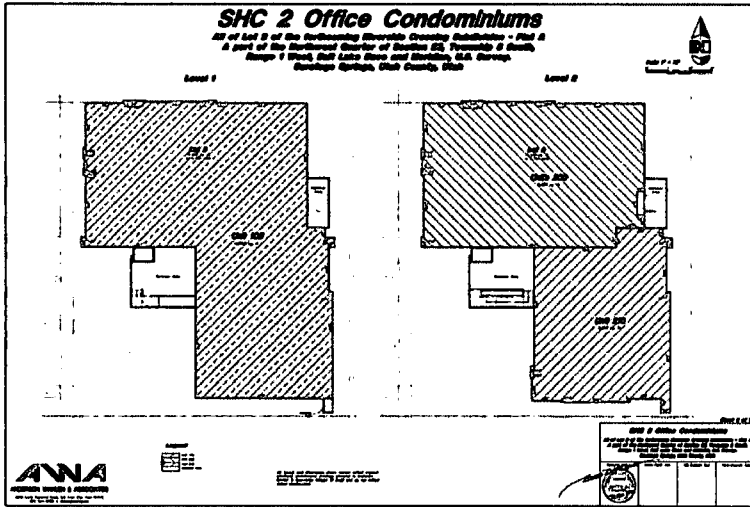
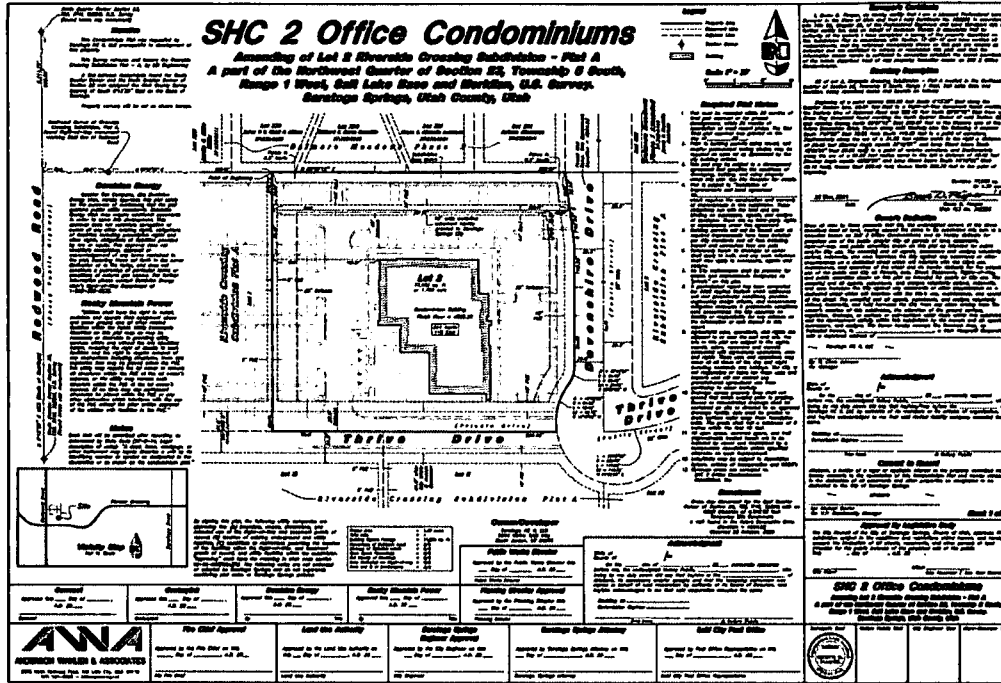
By 
 Printed Name: G. Chas Johnson
 Its: Director
 Date 3/29/2021

EXHIBIT "D"

Record of Survey Map



**BYLAWS OF
SHC 2 OFFICE CONDOMINIUMS ASSOCIATION, INC.**

BYLAWS
OF
SHC 2 OFFICE CONDOMINIUMS ASSOCIATION, INC.

Article I
Name, Principal Office, and Definitions

1.1. Name. The name of the corporation is SHC 2 OFFICE CONDOMINIUMS ASSOCIATION, INC. (hereinafter, the "Association," or the "Corporation").

1.2. Principal Office. The principal office of the Association shall be located in Utah County, Utah. The Association may have such other offices, within or outside the State of Utah, as the Management Committee Members may determine or as the affairs of the Association may require.

1.3. Definitions. The words used in these Bylaws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in that Declaration of Covenants, Conditions, and Restrictions for the Association recorded in the public records of Utah County, Utah, as it may be amended (the "Declaration"), unless the context indicates otherwise.

Article II
Association: Membership, Meetings, Quorum, Voting, Proxies

2.1. Membership. The persons or entities who are, at the time of reference, the Unit Owners (as more fully set forth in the Declaration), shall be the members of the Association.

2.2. Place of Meetings. Meetings of the Association shall be held on the Property or at such other place as the Management Committee may designate.

2.3. Annual Meetings. The first meeting of the Association, whether a regular or special meeting, shall be held not later than one year from April 1, 2021. Subsequent regular annual meetings shall be set by the Management Committee so as to occur at least thirty (30) days but not more than one hundred twenty (120) days after the close of the Association's fiscal year on a date and at a time set by the Management Committee.

2.4. Special Meetings. The President of the Management Committee may call special meetings. In addition, it shall be the duty of the President to call a special meeting if so directed by resolution of a Majority of the Management Committee or upon a petition signed by at least ten percent (10%) of the total vote of the Association.

2.5. Notice of Meetings. Written notice stating the place, day, and hour of any meeting of the Association Members shall be delivered to each Owner entitled to vote at such meeting, not less than ten (10) nor more than sixty (60) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting, Said notice shall be delivered either personally, by mail, or by email, or will be posted in a prominent

place on the Association's website, and such notice will constitute fair and reasonable notice. A member wishing not to receive notice by electronic means must notify the Association in writing and must request of the Association to provide notice to the member by U.S. mail only.

2.6. Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice either before or after such meeting. Attendance at a meeting by a Member shall be deemed waiver by such Member of notice of the time, date, and place thereof; unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance also shall be deemed waiver of notice of all business transacted at such meeting unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

2.7. Voting. The voting rights of the Members shall be as set forth in the Declaration and in these Bylaws, and such voting rights provisions are specifically incorporated by this reference. Members may vote in person at a meeting by voice vote or ballot. Members may also vote by mail or email, as long as a signature is attached, all as determined by the Management Committee; *provided, however*, meetings shall be held when required by the Declaration or Bylaws. All Membership votes cast for the election of Management Committee Members shall be by secret written ballot. Unless otherwise provided for in the Declaration, all Membership votes shall be subject to the quorum requirements of Section 2.9 of these Bylaws and, if a quorum is established, a Majority vote of the votes cast will constitute an affirmative action of the Association.

2.8. Majority. As used in these Bylaws, the term "Majority" shall mean those votes, Owners, or other groups, as the context may indicate, totaling more than fifty percent (50%) of the total eligible number.

2.9. Quorum. Except as otherwise provided in these Bylaws or in the Declaration, the presence of fifty percent (50%) of the Members of the Association shall constitute a quorum at all meetings of the Association.

2.10. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meetings and record in a minute book all resolutions adopted and all other transactions occurring at such meetings.

2.11. Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, a Majority of the Members who are present at such meeting may adjourn the meeting to a time not less than five nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, the required quorum for the conduct of business shall be reduced by one-half (1/2); if the meeting is reconvened a second time, the reduced quorum shall again be reduced by one-half (1/2), so that the required quorum is one-fourth (1/4) of the original requirement. At any reconvened meeting, if the required reduced quorum is present, any business may be transacted which might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the

meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, provided that any action taken is approved by at least a Majority of the votes required to constitute a quorum.

2.12. Action Without a Meeting. Any action required or permitted by law to be taken at a meeting of the Members may be taken without a meeting, without prior notice and without a vote if written consent specifically authorizing the proposed action is signed by Members holding at least the minimum number of votes necessary to authorize such action at a meeting if all Members entitled to vote thereon were present. All such consents shall be signed within sixty (60) days after receipt of the earliest dated consent, dated and delivered to the Association at its principal place of business. Such consents shall be filed with the minutes of the Association.

Article III Management Committee, Powers, Meetings

3.1. Management Committee. The affairs of the Association shall be governed by a Management Committee. Each Unit owner or its designee shall be a member of such Committee; Each Unit Owner or its representative shall be entitled to the number of votes which is equal to the percentage of undivided interest of the Common Areas and Facilities assigned to its Unit in **Exhibit C of the Declaration**. All Unit Owners or their representatives, as applicable, shall complete, prior to being elected to the Management Committee, such training and committee or other service requirements as established by the Management Committee. In the case of a member which is not a natural person, any officer, Management Committee Member, partner or trust officer of such member shall be presumed to be eligible to serve as a committee member unless otherwise specified by written notice to the Association signed by such Member.

3.5. Organizational Meetings. The first meeting of the Management Committee following each annual meeting of the Association shall be held within ten (10) days thereafter at such time and place the Management Committee Members shall fix.

3.6. Regular Meetings. Regular meetings of the Management Committee Members may be held at such time and place as a Majority of the Members shall determine, but at least one such meeting shall be held each quarter. Notice of the time and place of a regular meeting shall be noticed and communicated to Members not less than four (4) days prior to the meeting; *provided, however*, notice of a meeting need not be given to any Member who has signed a waiver of notice or a written consent to holding of the meeting.

3.7. Special Meetings. Special meetings of the Management Committee Members shall be held when called by written notice signed by the President or by any two Management Committee Members. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each Member by: (a) personal delivery; (b) first class mail, postage prepaid, return receipt requested; (c) telephone

communication, either directly to the Member or to a person at the Member's office or home who would reasonably be expected to communicate such notice promptly to the Member; or (d) email. All such notices shall be given at the Management Committee Member's telephone number, email address, or sent to the Management Committee Member's email address as shown on the records of the Association. Notices of special meetings of the Management Committee shall be posted in a prominent place within the Property. Notices sent by first class mail shall be deposited within the Property. Notices shall be delivered or transmitted at least 72 hours before the time set for the meeting.

3.8. Waiver of Notice. The transaction of any meeting of the Management Committee, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if: (a) a quorum is present, and (b) either before or after the meeting each of the Management Committee Members not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any Management Committee Member who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.9. Telephonic Participation in Meetings. Members of the Management Committee or any committee designated by the Management Committee may participate in a meeting of the Management Committee or committee by means of conference call, video conferencing, or similar communications equipment, by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.

3.10. Quorum of Management Committee Members. The presence of two-thirds of the Members of the Management Committee shall constitute a quorum for the transaction of business, and the votes of a Majority of the Management Committee Members present at a meeting at which a quorum is present shall constitute the decision of the Management Committee, unless otherwise specifically provided in these Bylaws or the Declaration. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Management Committee Members, if any action taken is approved by at least a Majority of the required quorum for that meeting. If any meeting of the Management Committee cannot be held because a quorum is not present, a Majority of the Management Committee Members present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date of the original meeting. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.11. Compensation. No Management Committee Member shall receive any compensation from the Association for acting as such; *provided however*, any Management Committee Member may be reimbursed for expenses incurred on behalf of the Association upon approval of a Majority of the other Management Committee Members. Nothing herein shall prohibit the Association from compensating a Management Committee Member, or any entity with which a Management Committee Member is affiliated, for services or supplies furnished to the Association in a capacity other than as a Management Committee Member pursuant to a

contract or agreement with the Association, provided that such Management Committee Member's interest was made known to the Management Committee prior to entering into such contract and such contract was approved by a Majority of the Management Committee, excluding the interested Management Committee Member.

3.12. Conduct of Meetings. The President shall preside over all meetings of the Management Committee or a duly appointed designee, and the Secretary shall keep a minute book of Management Committee meetings, recording all Management Committee resolutions and all transactions and proceedings occurring at such meetings.

3.13. Open Meetings. All meetings of the Management Committee shall be open to all Owners of Units, but attendees other than Management Committee Members may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by the President. In such case, the President may limit the time any such individual may speak. Notwithstanding the above, the President may adjourn any meeting of the Management Committee and reconvene in executive session, and may exclude persons other than Management Committee Members, to discuss matters of a sensitive nature, such as pending or threatened litigation and personnel matters.

3.14. Action Without a Formal Meeting. Any action to be taken at a meeting of the Management Committee may be taken without a formal meeting if either (a) a consent in writing, setting forth the action so taken, is signed by all of the Management Committee Members, or (b) such action taken without a formal meeting is ratified at a subsequent meeting of the Management Committee Members. Such consent or ratification, as the case may be, shall have the same force and effect as a formal vote. Written consent or consents shall be filed with the minutes of the proceedings of the Management Committee.

3.15. Powers. The Management Committee shall have all of the powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Governing Documents and as provided by law. The Management Committee may do or cause to be done all acts and things that are not by the Governing Documents or Utah law directed to be done and exercised exclusively by the membership generally, including entering into covenants to share costs and cross-use agreements for the benefit of the members of the Association.

3.16. Duties. The duties of the Management Committee shall include, without limitation:

- (a) preparing and adopting, in accordance with the Declaration, an annual budget establishing each Owner's share of the Common Expenses;
- (b) levying and collecting such assessments from the Owners;
- (c) providing for the operation, care, upkeep, and maintenance of the Area of Common Responsibility;

(d) designating, hiring, and dismissing the personnel necessary to carry out the rights and responsibilities of the Association and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(e) depositing all funds received on behalf of the Association in a bank account which it shall approve, and using such funds to operate the Association provided that a reserve fund may be deposited, in the Management Committee Members' best business judgment, in depositories other than banks;

(f) making and amending use restrictions and rules in accordance with the Declaration;

(g) opening of bank accounts on behalf of the Association and designating the signatories required;

(h) making, contracting, or otherwise authorizing for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the Declaration and these Bylaws;

(i) enforcing, by legal means, the provisions of the Governing Documents and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association; provided, the Association shall not be obligated to take action to enforce any covenant, restriction or rule which the Management Committee reasonably determines is, or is likely to be construed as, inconsistent with applicable law, or in any case in which the Management Committee reasonably determines that the Association's position is not strong enough to justify taking enforcement action;

(j) obtaining and carrying property and liability insurance and fidelity bonds, as provided in the Declaration, paying the cost thereof, and filing and adjusting claims, as appropriate;

(k) paying all taxes and/or assessments which are or could become a lien on the Common Area or a portion thereof;

(l) paying the cost of all services rendered to the Association or its members and not chargeable directly to specific Owners;

(m) keeping books with detailed accounts of the receipts and expenditures of the Association;

(n) making available to any prospective purchaser of a Unit, any Owner, and the holders, insurers, and guarantors of any Mortgage on any Unit, current copies of the Governing Documents, and all other books, records, and financial statements of the Association;

(o) permitting utility suppliers to use portions of the Common Areas and Facilities reasonably necessary to the ongoing development or operation of the Properties;

(p) indemnifying a Management Committee Member, officer or committee member, or former Management Committee Member, officer or committee member of the Association to the extent such indemnity is permitted or required by Utah law, the Articles or the Declaration; and

(q) assisting in the resolution of disputes between Owners and others without litigation, as set forth in the Declaration.

3.17. Management. The Association may, but shall not be required to, employ for the Association a professional management company or companies at such compensation as the Management Committee may establish, to serve as Manager and perform such duties and services as the Management Committee shall authorize. The Declarant, or an affiliate of the Declarant may be employed as managing company or manager. The Management Committee may delegate to one of its members the authority to act on behalf of the Management Committee on all matters relating to the duties of the Manager, if any, which might arise between meetings of the Management Committee.

3.18. Financial Standards, Accounts and Reports.

(a) *Standards*. The following management standards of performance shall be followed unless the Management Committee by resolution specifically determines otherwise:

(1) cash accounting, as defined by generally accepted accounting principles (“GAAP”), shall be employed; provided however, that any subsidy funded by the Declarant may be calculated on a cash basis of accounting;

(2) accounting and controls shall conform to GAAP;

(3) cash accounts of the Association shall not be commingled with any other;

(4) no remuneration shall be accepted by the managing company from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder’s fees, service fees, prizes, gifts, or otherwise anything of value received shall benefit the Association; and

(5) any financial or other interest which the managing company may have in any firm providing goods or services to the Association shall be disclosed promptly to the Management Committee.

(b) *Budget.* The Management Committee shall cause a reserve budget and a Common Expense budget (collectively referred to as the “Budget”) for the Association, to be prepared for each fiscal year of the Association, a copy of which shall be distributed to each Member of the Association not less than thirty (30) nor more than sixty (60) days before the beginning of the fiscal year to which the Budget relates. A copy of the Budget shall be distributed personally or by mail or other manner reasonably designed to provide delivery to each of the Members of the Association. The Budget shall include the following information:

- (1) the estimated revenue and expenses of the Association on an accrual basis for the forthcoming fiscal year;
- (2) the amount of the total cash reserves of the Association currently available for the replacement or major repair of the Area of Common Responsibility and for contingencies;
- (3) an estimate of the current replacement costs, of the estimated remaining useful life of, and the methods of funding to defray future repair, replacement or additions to, those major components of the Area of Common Responsibility;
- (4) a general statement setting forth the procedures used by the Management Committee in calculation and establishment of reserves to defray the future repair, replacement or additions to major components of the Area of Common Responsibility;
- (5) a statement disclosing whether the Declarant or a Builder is contributing “in kind” services or material pursuant to a contract with the Association and that their assessment obligation may be reduced or abated by the amount of the agreed value of such services or materials; and
- (6) a statement disclosing whether a subsidy contract exists between the Declarant and the Association.

Subject to applicable law, in lieu of distributing the Budget as specified in this Section, the Management Committee may elect to distribute a summary of the Budget (“Summary”) to all Members with a written notice that the Budget is available at the business office of the Association or at another suitable location within the boundaries of the Properties and that copies will be provided upon request at the expense of the Association. If any Member requests a copy of the Budget, the Association shall provide one copy to the Member without charge by first-class United States mail and deliver such copy within five (5) days of such request. The written notice that is distributed to each of the Members shall be in at least 10-point bold type on the front page of the Summary.

(c) *Financial statements.* The Management Committee may cause an annual report (“Financial Statement”) to be prepared in accordance with GAAP to be distributed

to each Member of the Association within one hundred (120) days after close of the Association's fiscal year. A copy of the Financial Statement shall be distributed personally or by mail or other manner reasonably designed to provide delivery to each of the Members of the Association and shall consist of:

- (1) a balance sheet as of the end of the fiscal year;
- (2) an income and expense statement for the fiscal year (this statement shall include a schedule of assessments received and receivables identified by the numbers of the Units and the names of the Owners assessed); and
- (3) a statement of changes in financial position for the fiscal year.

The Financial Statement shall be prepared by an independent accountant for any fiscal year in which the gross income to the Association exceeds \$75,000.00. If the Financial Statement is not prepared by an independent accountant, it shall be accompanied by the certificate of an authorized officer of the Association that the statements were prepared without independent audit or review of the books and records of the Association.

(d) *Quarterly requirements.* The Management Committee shall do the following at least quarterly:

- (1) cause a current reconciliation of the Association's operating accounts to be made and review the same;
- (2) cause a current reconciliation of the Association's reserve accounts to be made and review the same;
- (3) review the current year's actual reserve, revenues and expenses compared to the current year's Budget;
- (4) review the most current account statements prepared by the financial institution where the Association has its operating and reserve accounts;
- (5) review an income and expense statement for the Association's operating and reserve accounts; and
- (6) review the delinquency report listing all Owners who are delinquent in paying any assessments at the time of the report and describing the status of any action to collect such assessments which remain delinquent.

3.19. Borrowing. The Association shall have the power to borrow money for any legal purpose, provided that the Management Committee shall obtain Member approval for Special Assessments if the proposed borrowing is for the purpose of making discretionary capital improvements and the total amount of such borrowing, together with all other debt incurred within the previous 12-month period, exceeds or would exceed 5% of the budgeted gross

expenses of the Association for that fiscal year. No Mortgage lien shall be placed on any portion of the Common Area without the affirmative vote or written consent, or any combination thereof, of Members representing at least 80% of the total vote in the Management Committee.

3.20. Rights of the Association. The Management Committee shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or other owners or residents associations, within and outside the Properties; provided, any common management agreement shall require the consent of a Majority of the total number of Management Committee Members of the Association. The Association shall not have the right to terminate any such contract entered into during the Declarant Control Period.

3.21. Enforcement.

(a) *Notice.* Prior to imposition of any sanction as provided in the Declaration, the Management Committee or the Manager shall serve the alleged violator with written notice including: (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed; (iii) a statement that the alleged violator may present a written request for a hearing to the Management Committee within fifteen (15) days of delivery of the notice; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a request for a hearing is received by the Management Committee within such time period. Proof of proper notice shall be placed in the Management Committee's record book. Proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, Management Committee Member, or company who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator requests a hearing.

If a timely request for a hearing is not received by the Management Committee, the sanction stated in the notice shall be imposed; provided the Management Committee may, but shall not be obligated to, suspend any proposed sanction if the violation is cured or if a cure is diligently commenced within the fifteen-day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person.

(b) *Hearing.* If a hearing is requested within the allotted fifteen-day period, the hearing shall be held before the Management Committee in executive ("closed") session. The alleged violator shall be afforded a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

3.22. Prohibited Acts. The Management Committee shall not take any of the following actions except with the written consent or vote of at least a Majority of the Members other than the Declarant:

(a) to pay compensation to Management Committee Members or officers of the Association for services performed in the conduct of the Association's business; *provided, however*, the Management Committee may cause a Management Committee Member or officer to be reimbursed for expenses incurred in carrying on the business of the Association; or

(b) to enter into a contract with a third Person wherein the third Person will furnish goods or services for the Common Areas and Facilities or the Association for a term not to exceed three (3) years, with the following exceptions:

(1) agreements for cable television services and equipment or satellite television services and equipment not to exceed six years duration, provided that the supplier is not an entity in which Declarant has a direct or indirect interest of 10% or more; and

(2) agreements for sale or lease of burglar alarm and fire alarm equipment, installation and services thereof, not to exceed five years' duration, provided that the supplier is not an entity in which Declarant has a direct or indirect interest of 10% or more.

No contract with the Association negotiated by Declarant shall exceed a term of one year except as may otherwise be provided in paragraph (d) of this Section.

Article IV **Officers**

4.1. **Officers.** During the Declarant Control Period, the Declarant shall be authorized to carry out the Association's decisions and to execute contracts and other documents for the Association. At the end of the Declarant Control Period, the Management Committee shall elect, from among its members, a President, Vice President, Secretary, and Treasurer (collectively, the "**Officers**"). Other officers may, but need not be members of the Management Committee. The Management Committee may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed by the Management Committee. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

4.2. **Election and Term of Office.** The Management Committee shall elect the Officers of the Association at the first meeting of the Management Committee following each annual meeting of the Association, as set forth in Article 3 above.

4.3. **Removal and Vacancies.** The Management Committee may remove any Officer whenever in its judgment the best interests of the Association will be served. A vacancy arising because of death, resignation, removal, or otherwise may be filled by the Management Committee for the unexpired portion of the term.

4.4. Powers and Duties. The Officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may specifically be conferred or imposed by the Management Committee of Management Committee Members. The President shall be the chief executive officer of the Association. The Vice President shall act in the President's absence and shall have all powers, duties and responsibilities provided for the President when so acting. The Secretary shall keep the minutes of all meetings of the Association and the Management Committee and shall have charge of such books and papers as the Management Committee may direct. In the Secretary's absence, any officer directed by the Management Committee shall perform all duties incident to the office of Secretary. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and these Bylaws and may delegate all or part of the preparation and notification duties to a finance committee, Manager, or both.

4.5. Resignation. Any officer may resign at any time by giving written notice to the Management Committee, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.6. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association (other than for the withdrawal of reserve funds) shall be executed by at least two officers or by such other person or persons as may be designated by resolution of the Management Committee. The Management Committee shall require signatures for the withdrawal of reserve funds of either two members of the Management Committee or a member of the Management Committee and Officer of the Association who is not also a member of the Management Committee. For purposes of this Section, "reserve funds" means monies the Management Committee has identified in the Budget for use to defray the future repair or replacement of or additions, to those major components which the Association is obligated to maintain.

4.7. Compensation. Compensation of Officers shall be subject to the same limitations as compensation of Management Committee Members under Section 3.11 above.

Article V Committees

5.1. General. The Management Committee may establish such committees and charter clubs as it deems appropriate to perform such tasks and functions as the Management Committee may designate by resolution; provided, however, any committee member, including the committee chair, may be removed by the vote of a Majority of the Management Committee Members. Any resolution establishing a charter club shall designate the requirements, if any, for membership therein. Each committee and charter club shall operate in accordance with the terms of the resolution establishing such committee or charter club.

Article VI
Miscellaneous

6.1. **Fiscal Year.** The fiscal year of the Association shall be the calendar year, January 1 through December 31, unless otherwise established by Management Committee resolution.

6.2. **Parliamentary Rules.** Except as may be modified by Management Committee resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Utah law, the Articles of Incorporation, the Declaration, or these Bylaws.

6.3. **Conflicts.** Any conflicts between these Bylaws and the other Governing Documents shall be resolved as set forth in Section 13.9 of the Declaration.

6.4. **Books and Records.**

(a) *Inspection by Members and Mortgagees.* The Management Committee shall make available for inspection and copying by any holder, insurer or guarantor of a first Mortgage on a Unit, any Member, or the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in a Unit: the Declaration, Bylaws, and Articles of Incorporation, including any amendments, the rules of the Association as set forth in the Declaration, the membership register, books of account, and the minutes of meetings of the Management Committee and any subcommittees or other committees. The Management Committee shall provide for such inspection to take place at the office of the Association or at such other place within the Properties as the Management Committee shall designate.

(b) *Rules for Inspection.* The Management Committee shall establish rules with respect to:

(1) notice to be given to the custodian of the records;

(2) hours and days of the week when such an inspection may be made;
and

(3) payment of the cost of reproducing copies of documents requested.

(c) *Inspection by Management Committee Members.* Every Management Committee Member shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Management Committee Member includes the right to make a copy of relevant documents at the expense of the Association.

6.5. **Notices.** Except as otherwise provided in the Declaration or these Bylaws, all notices, demands, bills, statements, or other communications meant for the Association or for a

particular Member under the Declaration or these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid:

(a) if to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Unit of such Member; or

(b) if to the Association, the Management Committee, or the managing company, at the principal office of the association or the managing company or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

6.6. Amendment.

(a) *By Declarant.* During the Declarant Control Period, the Declarant may unilaterally amend these Bylaws. Following the expiration of the Declarant Control Period, the Bylaws may only be amended by the Members generally as set forth below.

(b) *By Members Generally.* Except as provided above, these Bylaws may be amended only by the affirmative vote or written consent, or any combination thereof, of sixty-seven percent (67%) of the total of those who vote, provided that the required quorum is present at the time of such vote, and with the consent of the Declarant during the Declarant Control Period. In addition, the mortgagee approval requirements set forth in Section 21.4 of the Declaration shall be met, if applicable. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

If an Owner consents to any amendment to the Declaration or these Bylaws, it will be conclusively presumed that such Owner has the authority to do so, and no contrary provision in any mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Notwithstanding any provision herein to the contrary, no amendment to these Bylaws may remove, revoke, or modify any right or privilege of Declarant relating to its ability to complete development of the Properties in compliance with the Master Plan without the written consent of Declarant or the assignee of such right or privilege until the last Unit is no longer listed for sale by the Declarant.

These Bylaws of SHC 2 OFFICE CONDOMINIUMS ASSOCIATION, INC., affect the real property described on **Exhibit "A"** attached hereto, located in Utah County, State of Utah (which is also described in **Exhibit "B"** of the Declaration), and any other real property identified in Exhibit "B" to the Declaration which may be annexed to the Properties from time to time.

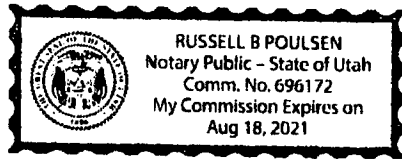
IN WITNESS WHEREOF, I, being the Secretary of SHC 2 OFFICE CONDOMINIUMS ASSOCIATION, INC., certify and acknowledge that these BYLAWS OF SHC 2 OFFICE CONDOMINIUMS ASSOCIATION, INC. are true and accurate and the legally adopted Bylaws of said company.

By: [Signature]
Its: Director

STATE OF UTAH)
) :SS
COUNTY OF SALT LAKE)

On this 29th day of MARCH, 2021, before me personally appeared G. CHAS JOHNSON, whose identity is personally known to or proved to me on the basis of satisfactory evidence, and who, being by me duly sworn (or affirmed), did say that he/she is a Director of SHC 2 OFFICE CONDOMINIUMS ASSOCIATION, INC. , a Utah nonprofit corporation, and that the foregoing document was signed by him/her on behalf-of the Association by authority of its Bylaws, Declaration, or resolution of the Management Committee , and he/she acknowledged before me that he/she executed the document on behalf of the Association and for its stated purpose.

[Signature]
Notary Public



**EXHIBIT A
BOUNDARY DESCRIPTION**

**Lot 2, Riverside Crossing
2020**

October 29,

All of Lot 2, Riverside Crossing Subdivision – Plat A located in the Northeast Quarter of Section 23, Township 5 South, Range 1 West, Salt Lake Base and Meridian, being described metes and bounds as follows:

Beginning at a point located 866.50 feet South $0^{\circ}13'38''$ East along the Quarter Section Line, 99.61 feet East to a Right-of-Way Monument found marking the Easterly Line of Redwood Road and 552.49 feet North $89^{\circ}57'12''$ East from a Brass Cap Monument found marking the North Quarter Corner of said Section 23; and running thence North $89^{\circ}57'12''$ East 298.67 feet to the Westerly Line of the future Devonshire Drive; thence along said Westerly Line the following 4 courses: South $7^{\circ}07'33''$ East 72.55 feet; South 119.30 feet to a point of curvature; Southwesterly along the arc of a 31.50 foot radius curve to the right a distance of 20.45 feet (Central Angle equals $37^{\circ}12'01''$ and Long Chord bears South $18^{\circ}36'00''$ West 20.09 feet) to a point of reverse curvature; and Southwesterly along the arc of a 61.50 foot radius curve to the left a distance of 49.42 feet (Central Angle equals $46^{\circ}02'29''$ and Long Chord bears South $14^{\circ}10'46''$ West 48.10 feet); thence West 289.48 feet; thence North 256.73 feet to the point of beginning.

**Contains 77,933 sq. ft.
Or 1.79 acres**

(APN 58:035:0108)