

WHEN RECORDED, MAIL TO:
Robert C. Dillon, Esq.
1500 Kearns Blvd., Suite E 302
Park City, Utah 84060

CONDOMINIUM DECLARATION AND
COVENANTS, CONDITIONS AND
RESTRICTIONS FOR
PARK CITY SURGICAL AND MEDICAL PLAZA
(A Utah Condominium Project)

THIS DECLARATION is made and executed by PROSPECTOR PLAZA, L.C., a Utah limited liability company, sole owner as described on the Record of Survey Map, hereinafter referred to as "Declarant," pursuant to the provisions of the Utah Condominium Ownership Act, Utah Code Annotated §§57-8-1 through 57-8-36, for itself, its successors, grantees and assigns.

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ARTICLE I

ALAN SPRIGGS, SUMMIT COUNTY RECORDER
1998 MAR 10 10:38 AM FEE \$115.00 BY DMG
REQUEST: FIRST AMERICAN TITLE CO UTAH

RECITALS

Declarant is the sole owner of that certain real property in Park City, Summit County, Utah, which is described in Exhibit "A" attached hereto and made a part hereof by this reference.

There have been constructed buildings and other improvements thereon in accordance with the plans and drawings set forth in the Record of Survey Map filed concurrently herewith, consisting of 5 sheets, prepared by Park City Engineering, Inc., and certified by Robert W. Pohl, a Utah registered land surveyor. There will be future buildings and other improvements constructed thereon in the future, and pursuant to a supplemental Record of Survey Map and an amendmend to this Declaration filed by Declarant, a portion of the Property on the Map labelled "convertible space" will be converted into Units and Common Areas and Facilities.

Declarant desires by filing this Declaration and the aforesaid Record of Survey Map to submit the above described real property and the said buildings and other improvements constructed thereon to the provisions of the Utah Condominium Ownership Act as a Condominium Project known as Park City Surgical and Medical Plaza.

Declarant desires and intends to sell the fee title to the individual units contained in said Condominium Project, together with the undivided ownership interests in the Common Areas and Facilities appurtenant thereto, to various purchasers, subject to the covenants, limitations, and restrictions contained herein.

NOW, THEREFORE, for such purposes, Declarant hereby makes the following Declaration containing covenants, conditions and restrictions relating to this Condominium Project which, pursuant to the provisions of the Condominium Ownership Act of the State of Utah, shall be enforceable equitable servitudes, where reasonable, and shall run with the land:

ARTICLE II

DEFINITIONS

2.01. Name. The name by which the Condominium Project shall be known is Park City Surgical and Medical Plaza.

2.02. Definitions. The terms used herein shall have the meaning stated in the Utah Condominium Ownership Act and as given in this Section 2.

(a) The word "Declarant" shall mean Prospector Plaza, L.C., a Utah limited liability company, sole owner as described on the Record of Survey Map, which has made and executed this Declaration and/or any successor to or assignee of Declarant which, either by operation of law or through a voluntary conveyance, transfer or assignment, comes to stand in the same relation to the Project as did its predecessor.

(b) The word "Act" shall mean and refer to the Utah Condominium Ownership Act, Utah Code Annotated, §§ 57-8-1 through 57-8-36 as the same now exists and as it may be amended from time to time.

(c) The word "Condominium" shall mean and refer to a single unit in this Condominium Project together with an undivided interest in common with other unit owners in the Common Areas and Facilities of the Property, and together with all other appurtenances belonging thereto, as described in this Declaration.

(d) The word "Declaration" shall mean this instrument by which Prospector Plaza Office Park is established as a Condominium Project.

(e) The word "Property" shall mean and include the land, described in Article I, the buildings, all improvements and structures thereon, all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith.

(f) The words "Condominium Project" or sometimes the "Project" shall mean and refer to the entire Property, as defined above, together with all rights, obligations and organizations established by this Declaration.

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(g) The word "Map" shall mean and refer to the Record of Survey Map of Park City Surgical and Medical Plaza recorded herewith by Declarant.

(h) The word "Unit" shall mean and refer to one of the Units, which is designated as a Unit on the Map, and more particularly described in Section 5.03 hereof.

(i) The words "Unit Owner" or "Owner" shall mean the entity, person or persons owning a Unit in the Condominium Project in fee simple and an undivided interest in the fee simple estate of the Common Areas and Facilities as shown in the records of the County Recorder of Summit County, Utah. The term Unit Owner or Owner shall not mean or include a mortgagee or beneficiary or trustee under a deed of trust unless and until such a party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

(j) The term "Association" shall mean and refer to The Park City Surgical and Medical Plaza Association, Inc., a Utah non-profit corporation, which was formed to manage the affairs of the Project in accordance with the Declaration and the Bylaws attached hereto as Exhibit "B", which Bylaws are hereby incorporated herein.

(k) The words "Unit Number" shall mean and refer to the letter, number or combination thereof designating the Unit in the Declaration and in the Map.

(l) The term "Manager" shall mean and refer to the person, persons or corporation, if any, selected by the Association to manage the daily affairs of the Condominium Project.

(m) The term "Common Areas and Facilities" shall mean and refer to:

- (1) The land described on Exhibit "A" attached hereto;
- (2) That portion of the Property not specifically included in the respective Units as herein defined;
- (3) All foundations, columns, girders, beams, concrete slabs, floors, supports, mainwalls, roofs, halls, corridors, stairs, stairways, yards, landscaping, pump stations, sprinkler systems, fire sprinkler systems, cable television systems, fences, service areas, outdoor and indoor underground parking areas, and in general all other apparatus, installations and other parts of the Property necessary or convenient to the existence, maintenance and safety of the foregoing or normally in common use;

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(4) Those areas specifically set forth and designated in the Map as "Common Area" or "Limited Common Areas"; and

(5) All Common Areas and Facilities as defined in the Act, whether or not expressly listed herein.

(n) The words "Common Expenses" shall mean and refer to: all expenses of administration, maintenance, repair or replacement of the Common Areas and Facilities including an adequate reserve fund for maintenance, repair and replacement of those Common Areas and Facilities that must be replaced on a periodic basis; all items, things and sums described in the Act which are lawfully assessed against the Unit Owners in accordance with the provisions of the Act, this Declaration, the Bylaws, and such rules and regulations pertaining to the Condominium Project as the Association may from time to time adopt; and such other expenses incurred pursuant to agreements lawfully made and/or entered into by the Association.

(o) The words "Limited Common Area" shall mean and refer to those portions of the Common Areas and Facilities reserved for the exclusive use of certain Unit Owners, as specified herein. The Limited Common Areas shall be the porches on the main floor level that are adjacent to, contiguous with and open into certain Units, as more particularly identified in the Map, and the mechanical room appurtenant to Unit 320. The use and occupancy of the Limited Common Areas shall be reserved to its associated Unit, and each Unit Owner is hereby granted an irrevocable license to use and occupy the same so long as such Owner owns the Unit associated with such Limited Common Area.

(p) The words "Utility Services" shall include, but not be limited to, water, trash collection, cable television, elevator handicap monitoring service and sewage disposal.

(q) The word "Mortgage" shall mean and include both a mortgage on any Condominium and a deed of trust on any Condominium. The words "First Mortgage" shall mean a Mortgage, the lien of which is prior and superior to the lien of any other Mortgage on the same condominium.

(r) The word "Mortgagee" shall mean and include both the mortgagee under a mortgage on any Condominium and the beneficiary under a deed of trust on any Condominium. The words "First Mortgagee" shall mean the Mortgagee under a First mortgage on any Condominium.

(s) Those definitions contained in the Act, to the extent they are applicable hereto and not inconsistent herewith, shall be and are hereby incorporated herein by reference and shall have the same effect as if expressly set forth herein and made a part hereof.

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ARTICLE III

SUBMISSION TO CONDOMINIUM OWNERSHIP

Declarant hereby submits the Property to the provisions of the Act as a Condominium Project and this Declaration is submitted in accordance with the terms and the provisions of the Act and shall be construed in accordance therewith. It is the intention of Declarant that the provisions of the Act shall apply to the Property.

ARTICLE IV

COVENANTS TO RUN WITH THE LAND

This Declaration contains covenants, conditions and restrictions relating to the Project which are and shall be enforceable equitable servitudes which shall run with the land and be binding upon Declarant, its successors and assigns and upon all Unit Owners or subsequent Unit Owners, their grantees, mortgagees, successors, heirs, personal representatives, devisees and assigns.

ARTICLE V

DESCRIPTION OF PROPERTY

5.01. Description of Land. The land is that tract or parcel in Summit County, Utah, more particularly described in Article I of this Declaration.

5.02. General Description of Improvements. The Project has been constructed in accordance with the information contained in the Map. The project consists of four (4) commercial buildings labeled Building Nos. 100, 200, 300 and 400 on the Map which contain approximately 10,000 gross square feet each. The exterior walls of the building are constructed primarily of wood frame, and the roof is a shake shingle roof. All of the buildings are two-story structures with underground parking garages as shown on the Map. The condominium units located in Buildings 100 and 200 are intended for, and shall be utilized as, an ambulatory surgical center, and the condominium units located in Buildings 300 and 400 are intended for, and shall be utilized as, office space and facilities for the providing of professional services by medical doctors, dentists, dental labs and technicians, architects, engineers, teachers, realtors, artists, designers, lawyers, accountants and other similar uses; and for such other adjunct and related services, as determined by the Association. The Project will be subject to the easements which are reserved through the Project and as may be required for Utility Services.

5.03. Description and Legal Status of Units.

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(a) The Map and Exhibit "C" hereto show the Unit Number of each Unit, its location, and the Common Areas and Facilities to which it has access. All Units shall be capable of being independently owned, encumbered and conveyed.

(b) Each Unit shall include that part of the particular building containing the Unit which lies within the boundaries of the Unit. Each Unit shall have as a lower horizontal boundary the unfinished interior surface of the floor of such Unit. The upper horizontal boundary of a Unit shall be the unfinished interior surface of the ceiling of such Unit. The vertical boundaries of each Unit shall be the unfinished interior surface of each wall separating such Unit from another Unit or the Common Areas and Facilities. Exterior doors and exterior glass surfaces such as windows serving a Unit shall be construed to be part of such Unit. If any fireplaces, flues, ducts, conduits, wires, pipes, heating or air conditioning system or any other apparatus lies partially within and partially outside of the designated boundaries of a Unit, any portions thereof serving only that Unit shall be deemed a part of that Unit, while any portions thereof serving more than one Unit or any portion of the Common Areas and Facilities shall be deemed a part of the Common Areas and Facilities. Heating and air-conditioning systems serving a Unit, such as the compressor and condenser for an air conditioner, and appliances and plumbing fixtures within a Unit shall be construed to be part of the Unit.

5.04. Description of Common Areas and Facilities. Except as otherwise in this Declaration provided, the Common Areas and Facilities shall consist of the areas and facilities described in the definitions and constitute in general all of the parts of the Property except the Units. Without limiting the generality of the foregoing, the Common Areas and Facilities shall include the following, whether located within the bounds of a Unit or not:

(a) All structural parts of the building including, without limitation, foundations, columns, joists, beams, supports, slabs, exterior supporting walls, floors, ceilings and roofs;

(b) driveways, parking areas, loading areas, patios, balconies, mechanical and electrical rooms, lawns, sprinkler systems, shrubs, trees, entrance ways and storage or trash/dumpster areas;

(c) any utility pipe or line or system servicing more than a single Unit, including but not limited to any cable television system, and all ducts, wires, conduits, and other accessories used therewith.

(d) all other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use, or which have been designated as Common Areas and Facilities in the Map;

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(e) all repairs and replacements of any of the foregoing.

ARTICLE VI

ALTERATIONS

6.01. Alterations to the Interiors of the Units. Any Unit Owner may make any improvements or alterations to the interior of his Unit that are not of a structural nature and do not impair the structural integrity of any structure or otherwise lessen the support of any portion of the Project; provided, however, all plumbing, heating and electrical work shall be done pursuant to the issuance of a valid building permit by licensed plumbing, heating and electrical contractors, respectively, and the plans and specifications for all such work shall be subject to compliance with all applicable building codes, and to the prior written approval of the Board of Trustees of the Association, or an architectural committee appointed by the Board, before commencement of any such work.

6.02. Relocation of Boundaries. Boundaries between adjoining Units may not be relocated without the prior written consent of (i) each Unit Owner whose Unit boundaries are being changed by such relocation and (ii) the Board of Trustees of the Association, which consent may be withheld in the sole discretion of the Board of Trustees. Any change in Unit size shall be accompanied by a reallocation of fractional interests in Common Area and Facilities on a square footage basis. No such change shall increase the number of Units nor materially alter the boundaries of the Common Areas and Facilities nor change the fraction of ownership of Common Areas and Facilities or votes associated with the non-altered or non-combined Units without amendment of this Declaration and or the Map in the manner described in Article XXIII of this Declaration.

6.03. Subdivision of Units. Unit Owners may subdivide their Units as follows:

(a) Any Unit Owner desiring to subdivide its Unit shall submit detailed plans and specifications for such subdivision to the Board of Trustees of the Association for its approval, which plans and specifications shall include the Unit boundaries for all Units resulting from the subdivision, together with any space being converted to Common Areas and Facilities as a result of such subdivision. The Board of Trustees shall not unreasonably withhold its approval of any such request for subdivision of a Unit; provided, however; in no event shall a resulting Unit contain less than 1,000 square feet in area.

(b) All alterations made to effect the subdivision shall be accomplished in accordance with Section 6.01 above.

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(c) For the purpose of accomplishing a subdivision of a Unit as provided above, all Units in the Project shall be deemed to be convertible space as defined in the Act, and all requirements of the Act relating to the conversion of convertible space into Units and/or Common Areas and Facilities shall be complied with in connection with any such subdivision of a Unit; provided, however, no such subdivision shall change the fraction of ownership of Common Areas and Facilities or votes associated with the non-subdivided Units without amendment of this Declaration and or the Map in the manner described in Article XXIII of this Declaration.

(d) The Owner of the Unit requesting a subdivision of its Unit shall pay all costs and expenses related to the subdivision of the Unit, including without limitation, the cost of preparing and recording a supplemental Map and amendment to the Declaration as required by the Act.

(e) The subdivision of any Unit shall also be done in compliance with all applicable local and state subdivision laws and ordinances, including without limitation the Park City Municipal Corporation Land Management Code.

6.04. Combining Use of Units. Two or more Units may be physically combined to be used as one functional Unit with the prior written consent of (i) the Declarant until control passes to the Board of Trustees of the Association pursuant to Section 12.01 hereof, and thereafter (ii) the Board of Trustees of the Association, which consent may be withheld in the sole discretion of the Declarant or the Board of Trustees, whichever is applicable. No such combination of Units shall change the fraction of ownership of Common Areas and Facilities or votes associated with the combined Units without amendment of this Declaration and or the Map in the manner described in Article XXIII of this Declaration

6.05. Conversion of Certain Units by Declarant. Notwithstanding anything to the contrary set forth herein, Declarant shall have the right to convert Units 100, 110 and 120 currently labelled as "convertible space" on the Map into a number of Units and Common Areas and Facilities to be located in Buildings 100 and 200 of the Project, which buildings have yet to be constructed at the time of recording of this Declaration. Such conversion shall be done in accordance with the provisions of the Act and in compliance with all applicable local and state subdivision ordinances. The supplemental Map and amendment to the Declaration may be signed and submitted for recording without the approval of the other Owners of the Units or the Association.

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ARTICLE VII

STATEMENT OF PURPOSE AND RESTRICTION ON USE

7.01. Purpose. The purpose of the Condominium Project is to provide for an ambulatory surgical center in Buildings 100 and 200 and commercial office space in Buildings 300 and 400 for the Unit Owners, their customers, invitees, licensees and tenants, and to provide parking space for use in connection therewith, all in accordance with the provisions of the Act and this Declaration.

7.02. Restrictions on Use. The Units and Common Areas and Facilities shall be used and occupied as hereinafter set forth:

(a) Covenants Running with Land. To assure the harmony of the Unit Owners and protect the value of the Units, the Project, including all improvements thereon, shall be subject to the use restrictions set forth in this Article VII. The Board of Trustees of the Association is hereby empowered to promulgate Rules and Regulations governing occupancy and use of the Condominium and to amend the same from time to time, which Rules and Regulations shall supplement and be in addition to the use restrictions set forth in this Article VII. All present and future owners, tenants and occupants of Units shall be subject to, and shall comply with the provisions of this Declaration, the Bylaws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the Bylaws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant, or occupant, and the Declaration as well as the obligation to comply with all of the provisions of the Bylaws and the Rules and Regulations shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof. In the event of any conflict between the provisions of the use restrictions of this Declaration and the provisions of the Rules and Regulations, the use restrictions of this Declaration shall control.

(b) Use of Buildings 100 and 200. Each of the Units located in Buildings 100 and 200 shall be occupied only as an ambulatory surgical center; and for such other adjunct and related services, as determined by the Association. The use of Units in Buildings 100 and 200 may be converted to the uses allowed for Buildings 300 and 400 as set forth below; provided, however, no such conversion in use shall prejudice the rights of a Unit Owner in Buildings 300 and 400 with regard to its existing use of the Common Areas and Facilities at the time of such conversion in use. Each business shall be operated in accordance with applicable

zoning and business regulation laws and ordinances. No Unit shall be used for residential purposes or as a retail branch bank.

(c) Use of Buildings 300 and 400. Each of the commercial Units shall be used only as office space and facilities for the providing of professional services by medical doctors, dentists, dental labs and technicians, architects, engineers, teachers, realtors, artists, designers, lawyers, accountants and other similar uses; and for such other adjunct and related services, as determined by the Association. Each business shall be operated in accordance with applicable zoning and business regulation laws and ordinances. No Unit shall be used for residential purposes or as a retail branch bank.

(d) No Increase in Insurance. Nothing shall be done or kept in any Unit or in the Common Areas and Facilities which will increase the rate of insurance on the building or contents thereof beyond that customarily applicable for an ambulatory surgical center or commercial office use, or will result in the cancellation of insurance on the building, or the contents thereof, without the prior written consent of the Association. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Areas and Facilities which is in violation of any law or regulation of any governmental authority.

(e) Use Consistent with Nature of Project. All permitted uses shall be limited to such uses as, in the opinion of the Association, are not inconsistent with the maintenance of the general character of the buildings commercial office and ambulatory surgical center Project of the first class in the quality of its maintenance, use and occupancy. The Units and Common Areas and Facilities shall be used only for purposes consistent with their design. Each Unit shall be used only for such purposes and to such extent as will not overload or interfere with any Common Area and Facility or the enjoyment thereof by the Unit Owners or occupants of other Units.

(f) Nuisance. No rubbish or debris of any kind shall be dumped, placed or permitted to accumulate upon any portion of the Property, and no odors shall be permitted to arise therefrom, so as to render any portion thereof unsanitary, unsightly, offensive or detrimental to persons using or occupying other portions of the Property. No nuisance shall be permitted to exist or operate upon any portion of the Property so as to be offensive or detrimental to persons using or occupying other portions of the Property. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices, except security devices used exclusively for security purposes or elevator handicap warning devices, shall be located, used or placed on the Property. Any Unit Owner (or his employees, agents or guests) who shall dump or place any trash or debris upon any portion of the Property shall be liable to the Association for the actual cost of the removal thereof or the sum

of \$250.00 whichever is greater, and the same shall be added to and become part of that portion of any assessment next coming due to which the Unit Owner is subject.

(g) Structural Integrity. Nothing shall be done in any Unit or in, on or to the Common Areas and Facilities which will impair the structural integrity of the building or any part thereof or which would structurally change the building or any part thereof except as is otherwise provided herein.

(h) Pets. No animals, reptiles or birds shall be kept or maintained on any portion of the Property.

(i) Building Exteriors. To provide a neat, attractive and harmonious appearance throughout the Condominium, no air conditioning units, awnings, shades or screens shall be attached to, hung or used on the exterior of any window or door of a Unit, the roof of any building, or other portion of the Common Areas and Facilities without the prior written consent of the Board of Trustees of the Association. Also, no foil or other reflective material shall be used on any windows for sun screens, blinds or any other purpose. The Board of Trustees shall be entitled to enact Rules and Regulations covering the approval by the Board of Trustees in its sole discretion of all interior window coverings, blinds, and draperies in all Units so as to promote the uniform appearance of the buildings from the outside. No antenna or other device for the transmission or reception of television signals, radio signals, or any form of electromagnetic radiation shall be erected, used, or maintained outdoors on any portion of the Property, whether attached to a building or structure or otherwise; provided, however, Declarant and the Association shall have the right to erect, construct and maintain such devices.

(j) Motor Vehicles. Motor vehicles shall be operated and parked only upon those portions of the Common Areas and Facilities designated for such purpose by the Board of Trustees of the Association. Mobile homes, motor homes, truck campers, trailers of any kind and boats shall not be kept, placed, stored, parked, maintained or operated on the Property. Permitted motor vehicles shall not be stored or otherwise parked in the parking spaces in the parking garage without being moved for periods in excess of one week. Further, although not expressly prohibited hereby, the Board of Trustees of the Association may prohibit motorcycles, motorized bicycles, motorized go-carts, snowmobiles and other such contrivances, or any of them, from being kept, placed, stored, maintained or operated upon any portion of the Property if in the opinion of the Board of Trustees such prohibition shall be in the best interests of the Project. The Unit Owners and their employees, guests or invitees shall not park any vehicle for any length of time in any driveway area on the Property. The Board of Trustees shall have the right to assess any Unit Owner a fine of \$100.00 for each violation of the restrictions contained in this Section 7.02(j).

19.06. Personal obligations of the owner of each special assessment shall be paid by the owner of the property assessed at the time the assessment is levied and shall be collectible as such, full to the extent of the amount assessed.

19.07. Personal obligations of the owner of each special assessment shall be paid by the owner of the property assessed at the time the assessment is levied and shall be collectible as such, full to the extent of the amount assessed.

(k) No Unsightly Activities. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly or unkempt conditions, shall not be pursued or undertaken on any portion of the Property.

(l) Compliance with Laws. All governmental building codes, health regulations, zoning restrictions, animal ordinances and the like applicable to the Property shall be observed. In the event of any conflict between any provision of any such governmental code, regulation or restriction and any provision of this Declaration, the more restrictive provision shall apply.

(m) Signs. No Unit Owner having any signs which comply with the master signage program established by Declarant with the City of Park City shall, without the prior written consent of the Association which shall not be unreasonably withheld with respect to the commercial Units, place or suffer to be placed or maintained (i) on any exterior door, wall or window of the Unit, or upon any door, wall or window of the Common Areas and Facilities, any sign or advertising matter or other thing of any kind, or (ii) any decoration, lettering or advertising matter on the glass of any window or door of the Unit, or (iii) any advertising matter within the Unit which shall be visible from the exterior thereof. Except as provided in Section 7.02 (n) below, no "for sale" signs shall be displayed by any Unit Owner on any Unit or in any Common Area and Facility without the prior approval of the Association.

(n) Elevator Use. The use of the elevators in the buildings may be regulated by the Rules and Regulations adopted by the Board of Trustees of the Association.

(o) Porch Use. The Unit Owners who have porches which are Limited Common Areas appurtenant to their Units are prohibited from permanently placing any objects on the porches. The Unit Owners may temporarily place furniture, plants or other items on the porches as permitted by the Rules and Regulations adopted by the Board of Trustees of the Association relating to the attended use of such porch areas by the Unit Owners.

(p) Limited Access to Roofs. No Unit Owners shall be entitled to access the roof of any building without the prior approval of the Association, which approval may be withheld in the sole discretion of the Association.

(q) Parking Agreement and Restrictive Covenant. The terms and conditions of the Parking Agreement and Restrictive Covenant between the Declarant and the Park City Municipal Corporation attached hereto as Exhibit "D" are hereby incorporated herein.

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ARTICLE VIII

PERSON TO RECEIVE SERVICE OF PROCESS

The person to receive service of process in the cases provided herein or in the Act is Robert C. Dillon, Suite E-302, 1500 Kearns Boulevard, Park City, Utah 84060. The said person may be changed by the recordation by the Association of an appropriate instrument.

ARTICLE IX

OWNERSHIP AND USE

9.01. Ownership of a Unit. Except with respect to any of the Common Areas and Facilities located within the bounds of a Unit, each Unit Owner shall be entitled to the exclusive ownership and possession of his Unit and to the ownership of the undivided interest in the Common Areas and Facilities set forth on Exhibit "C" hereto.

9.02. Nature of and Restrictions on Ownership and Use. Each Unit Owner shall have and enjoy the rights and privileges of fee simple ownership of his Unit. There shall be no requirements concerning who may own Units, it being intended that they may and shall be owned as any other property rights by persons, corporations, partnerships or trusts and in the form of common or joint tenancy. The Unit Owners may lease or rent their Units with their appurtenant rights subject to terms and conditions chosen solely by the Unit Owner and his lessee, except that all Unit Owners, their tenants and other occupants or users of the Project, shall be subject to the Act, this Declaration, the Bylaws, and all Rules and Regulations of the Association of Unit Owners and Association.

9.03 Prohibition against Subdivision of Unit. Except as provided in Sections 6.03 and 6.05, no Unit Owner, by deed, plat or otherwise, shall subdivide or in any manner cause his Unit to be separated into time intervals or into physical tracts or parcels smaller than the whole Unit as shown on the Map.

9.04. Ownership of Common Areas and Facilities. The Common Areas and Facilities contained in the Project are described and identified in Section 5.04 of this Declaration. Said Common Areas and Facilities shall be owned by the Unit Owners as tenants in common. No fractional ownership interest in the Common Areas and Facilities shall be separated from the Unit to which it appertains; and even though not specifically mentioned in the instrument of transfer, such a fraction of undivided ownership interest shall automatically accompany the transfer of the Unit to which it relates. A Unit Owner's fractional ownership interest in the Common Areas and Facilities shall be the same for all purposes, including voting and assessment of common expenses. The

12.01. General. The Association of ...
Surgical and Medical Plans Association ...
as a non-profit membership corporation ...
Corporation Code. The ...

remove any member or members of the Board of Trustees or any officer or officers of the Association until such time as the first of the following events occurs:

(a) the expiration of three (3) years after the recording of this Declaration;

(b) the date as of which Units to which three-fourths (3/4ths) of the undivided interests in the Common Areas and Facilities appertain shall have been conveyed by the Declarant to Unit Owners other than a person or persons constituting the Declarant; or

(c) the surrender by the Declarant of the authority to appoint and remove members of the Board of Trustees and officers of the Association by an express amendment to this Declaration executed and recorded by the Declarant.

12.02. Allocation of Votes in the Association. Each Unit Owner shall automatically be a member of the Association, which membership shall continue during the period of ownership by such Unit Owner. Pursuant to the provisions of §57-8-3(19) of the Act, the number of votes in the Association hereby allocated to each Unit is as set forth in Exhibit "C" attached hereto. Said votes shall be cast under such rules and procedures as may be prescribed in the Bylaws of the Association, as amended from time to time, or by law.

12.03. Meetings. Meetings of the members of the Association shall be held in accordance with the provisions of the Association's Bylaws, and in any event not less frequently than annually. At the annual meeting, comprehensive reports of the affairs, finances and budget projections of the Association shall be made to the Unit Owners.

12.04. Rules and Regulations. Reasonable regulations concerning the use of the Units, appurtenances thereto, and the Common Areas and Facilities may be made and amended from time to time by the Board of Trustees of the Association: provided, however, that copies of such regulations and amendments thereto shall be furnished by the Association to all Unit Owners. Failure to abide by any such regulation, rule or requirement shall be grounds for any action by the Association or any aggrieved Unit Owner to recover damages, or obtain injunctive or equitable relief or both.

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12.05. Liability. To the extent obtainable, the Association shall maintain public liability insurance coverage for the directors and officers of the Association. Further, each director and each officer of the Association shall be held harmless by the Unit Owners from expense, loss or liability by reason of having served as such director or as such officer and shall be indemnified by all the Unit Owners (as a Common Expense) against

all expenses and liabilities, including reasonable attorney's fees, incurred by or imposed upon him in connection with any proceeding to which he may be a party, or have become involved by reason of being such director or officer, whether or not he is a director or officer at the time such expenses are incurred, except in such cases wherein the expenses and liability arise from a proceeding in which such director or such officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided, however, that in the event of a settlement, the indemnification shall apply only when the Board of Trustees approves such settlement and reimbursement as being in the best interests of the Association.

12.06. Compensation. No director or officer of the Association shall receive any fee or compensation for services performed by him unless such fee or compensation is first fixed by a resolution adopted by a majority vote of the Unit Owners present in person or by proxy at a meeting duly called and held for such purpose.

12.07. Overall Project Management. The business, property and affairs of the Project shall be managed, operated and maintained by the Board of Trustees of the Association on behalf of the Unit Owners. The Association shall, in connection with its exercise of any of the powers delineated in paragraphs (a) through (g) below, constitute a legal entity capable of dealing in its own name. The Board of Trustees of the Association shall have, and is hereby granted, the following authority and powers:

(a) the authority, without the vote or consent of the Unit Owners or of any other person(s), to grant or create, on such terms as it deems advisable, utility and similar easements over, under, across and through the Common Areas and Facilities;

(b) the authority to execute and record, on behalf of all Unit Owners, any amendment to the Declaration or Map which has been approved by the vote or consent necessary to authorize such amendment;

(c) the power to sue and be sued;

(d) the authority to enter into contracts which in any way concern the Project, so long as any vote or consent of the Unit Owners necessitated by the subject matter of the agreement has been obtained;

(e) the power and authority to convey or transfer any interest in real property, so long as any vote or consent necessary under the circumstances has been obtained;

(f) the authority to promulgate such reasonable rules, regulations, and procedures as may be necessary or desirable to aid the Association in carrying out any of its functions or to

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insure that the Project is maintained and used in a manner consistent with the interests of the Unit Owners; and

(g) the power and authority to perform any other acts and to enter into any other transactions which may be reasonably necessary for the Association to perform its functions as agent for the Unit Owners, including without limitation, the power and authority to perform any act as granted by the Act to the "management committee".

Any instrument executed by the Association that recites facts which, if true, would establish the Association's power and authority to accomplish through such instrument what is purported to be accomplished thereby, shall conclusively establish said power and authority in favor of any person who in good faith and for value relies upon said instrument.

12.08. Daily Management. The Association may carry out through a Project Manager any of its functions which are properly the subject of delegation. Any Manager so engaged shall be an independent contractor and not an agent or employee of the Association, shall be responsible for managing the Project for the benefit of the Association and the Unit Owners, and shall, to the extent permitted by law and the terms of the agreement with the Association, be authorized to perform any of the functions or acts required or permitted to be performed by the Association itself. Any agreement for professional management of the Project or any other contract providing for services of the Declarant which may be entered into by the Association or the Association shall call for a term not exceeding three (3) years and shall provide that such management agreement may be terminated by the Association or by the Association without cause and without payment of a termination fee upon not in excess of ninety (90) days written notice.

12.09. Approval Required. The Association shall not, without the prior favorable vote or the written consent of the Owners of a majority interest in the undivided ownership of the Common Areas and Facilities, have the authority to purchase or sell any real property or add any property to the Common Areas and Facilities.

12.10. Additional Facilities. The Association shall, subject to any necessary approval, have the authority to provide such facilities, in addition to those for which provision has already been made, as it may deem to be in the best interests of the Unit Owners and to effect the necessary amendment of documents and maps in connection therewith.

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ARTICLE XIII

EASEMENTS

13.01. Easements. In addition to the easements created by the Act, the following easements set forth below are hereby reserved and established.

13.02. Use and Enjoyment. Every Unit Owner, his successors, heirs and assigns, tenants, invitees and guests, shall have a right and easement of use and enjoyment in and to the Common Areas and Facilities (including the right of access, ingress and egress to and from his Unit over those portions of the Property designated for such purposes) and such easement shall be appurtenant to and shall pass with the title to every Unit, subject to the following provisions: The right of the Association to control the use and enjoyment thereof as provided in this Declaration, which shall include but not be limited to the right of the Association to limit the use and enjoyment thereof to the Unit Owners and their respective tenants, invitees and guests; the rights of the Association to limit the use of the Common Areas and Facilities by the Unit Owners, their tenants, invitees and guests; and right of the Association to suspend the voting rights of a Unit Owner for any period of time during which an assessment (or any portion of any monthly installment thereof) against his Unit is due and remains unpaid or for a reasonable time for infraction of the Association's published rules and regulations;

13.03. Maintenance and Repair. There shall be an easement in favor of the Association through the Units and the Common Areas and Facilities for the installation, maintenance, repair and replacement of Units and the Common Areas and Facilities. Use of this easement shall be only during normal business hours, except that access may be had at any time in the case of emergency;

13.04. Structural Support. Every portion of a Unit or the Common Areas and Facilities which contributes to the structural support of another Unit or the Common Areas and Facilities shall be burdened with an easement of structural support;

13.05. Utilities. The Association shall have the power to grant and accept easements over, through and across the Project for the installation, maintenance and replacement of utilities and other purposes, and as otherwise provided in the Act;

13.06. General. (i) There shall be a general easement to the Association, its directors, officers, agents and employees (including, but not limited to any manager employed by the Association) to enter upon the Project or any portion thereof in the performance of their respective duties. Except in the event of emergencies, this easement is to be exercised only during normal business hours and then, whenever practicable, only upon advance notice to the Unit Owner(s) directly affected thereby, and (ii)

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the Declarant and his duly authorized agents, representatives and employees shall have an easement on and over the Common Areas and Facilities for the purposes of making improvements in and to the Project and for the purpose of doing any and all things reasonably necessary and proper in connection therewith;

13.07. In the event that, by reason of the construction, reconstruction, settlement or shifting of any part of a building, any part of the Common Areas and Facilities encroaches or shall hereafter encroach upon any part of any Unit or any part of any Unit encroaches or shall hereafter encroach upon any part of the Common Areas and Facilities or any other Unit, valid easements for such encroachment and the maintenance of such encroachment are hereby established and shall exist for the benefit of such Unit and the Common Areas and Facilities, as the case may be, so long as all or any part of the building containing any such Unit shall remain standing; provided, however, that in no event shall a valid easement for any encroachment be created in favor of any Unit Owner or in favor of the Unit Owners as owners of the Common Areas and Facilities if such encroachment occurred due to the willful conduct of such Unit Owner or Owners occurring after the date on which this Declaration is recorded.

ARTICLE XIV

CHANGE IN OWNERSHIP

The Association shall maintain up-to-date records showing the name of each Owner, the address of such Owner, and the Unit which is owned by him. In the event of any transfer of a fee or undivided fee interest in a Unit either the transferor or transferee shall furnish the Association with evidence establishing that the transfer has occurred and that the Deed or other instrument accomplishing the transfer is of record in the office of the County Recorder of the county where the Project is located. The Association may for all purposes act and rely on the information concerning Owners and Unit Ownership which is thus acquired by it or, at its option, the Association may act and rely on current ownership information respecting any Unit or Units which is obtained from the office of the County Recorder of the county where the Project is located. The address of an Owner shall be deemed to be the address of the Unit owned by such Owner unless the Association is otherwise advised. An Owner who fails to so furnish the above information shall continue to be liable for monthly assessments of common expenses even after transferring ownership of the Unit.

ARTICLE XV

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ASSESSMENTS

15.01. General Obligation. Each Unit Owner shall be responsible for and hereby covenants and agrees to pay to the

Association all sums lawfully assessed by the Association against the Unit Owner or Unit, whether for the share of the Common Expenses appertaining to that Unit or otherwise, including those special assessments described in Section 15.02 hereinbelow, which assessments are to be fixed, established and collected from time to time by the Board of Trustees of the Association in accordance with this Declaration and the Bylaws of the Association. Pursuant to §57-8-20 of the Act, such assessments shall constitute a lien in favor of the Association on the Unit or Units against which each such assessment is levied and such assessment, together with the lien thereof, shall include (a) a late or delinquency charge, (b) interest on each assessment or installment thereof, and any delinquency or late charge appertaining thereto, from the date the same was first due and payable, (c) the costs of collection, including court costs, the expenses of sale, any expenses required for the protection and preservation of the Unit, and reasonable attorneys' fees actually incurred, and (d) the fair rental value of the Unit or Units from the time of the institution of suit until the sale of that Unit at foreclosure (or until satisfaction of the judgment rendered in such suit), all in accordance with and to the maximum extent permitted by §57-8-20 of the Act. The recordation of the Declaration pursuant to the Act shall constitute served notice of the existence of such lien, and no further recordation of any claim of lien for assessment shall be required.

15.02. Special Assessments. Each owner of a Unit shall be liable for and shall pay special assessments for Common Expenses incurred by the Association, as follows:

(a) any Common Expenses (i) associated with the maintenance, repair, renovation, restoration, or replacement of screens, glass or other enclosure material appurtenant to any Limited Common Area or (ii) incurred by the Association pursuant to Section 22.02(g) herein shall be specially assessed against the Unit or Units to which that Limited Common Element was assigned at the time such expenses were made;

(b) any Common Expenses benefiting less than all of the Units shall be specially assessed equitably among all of the Units so benefited;

(c) any Common Expenses occasioned by the conduct of less than all of those entitled to occupy all of the Units or by the licensees or invitees of any such Unit or Units shall be specially assessed against the Unit or Units, the conduct of any occupant, licensee or invitee of which occasioned any such Common Expenses;

(d) any other Common Expenses significantly or disproportionately benefiting certain Units shall be assessed equitably among such Units; and

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(e) any common Expenses relating to an insufficiency of insurance proceeds for reconstruction or repair of casualty damage.

In addition to the special assessments authorized hereinabove, and in addition to the special assessment for reconstruction or repair of casualty damage, the Board of Trustees of the Association may levy special assessments for the purpose of defraying, in whole or in part, the cost of any capital addition to or capital improvement of the Common Areas and Facilities (including the necessary fixtures and personal property related thereto), or for the cost of repair or replacement of a portion of the Common Areas and Facilities (including the necessary fixtures and personal property related thereto, which is for the benefit of all unit Owners in the Project as a whole. The Association shall endeavor to anticipate and budget for special assessments, and to collect such assessments in monthly installments over a reasonable period of time; provided, however, nothing herein shall prevent the Association from requiring payment of a special assessment in a lump sum or at more or less frequent intervals if such payments are in the best interest of the Association.

ARTICLE XVI

DESTRUCTION OR DAMAGE

16.01. In the event of destruction of or damage to part or all of the improvements in the Condominium Project, the procedures of this Article XVI shall apply.

(a) If the proceeds of the insurance maintained by the Association are alone sufficient to repair or reconstruct the damaged or destroyed improvement, such repair or reconstruction shall be carried out.

(b) If less than seventy-five percent (75%) of the Project's improvements are destroyed or substantially damaged, and if proceeds of the insurance maintained by the Association are not alone sufficient to accomplish repair or reconstruction, restoration shall be carried out and all of the Unit Owners shall be assessed for any deficiency on the basis of their respective appurtenant percentages of undivided ownership interest in the Common Areas and Facilities, said assessment becoming a lien on the Units as provided in the Act.

(c) If seventy-five percent (75%) or more of the Project's improvements are destroyed or substantially damaged, and if proceeds of the insurance maintained by the Association are not alone sufficient to accomplish restoration, and if the Unit Owners within one hundred (100) days after the destruction or damage by a vote of at least seventy-five percent (75%) of the entire undivided ownership interest in the Common Areas and Facilities of the Project elect to repair or reconstruct the affected

improvements, restoration shall be accomplished in the manner directed under subsection (b) above.

(d) If seventy-five percent (75%) or more of the Project's improvements are destroyed or substantially damaged, and if proceeds of the insurance maintained by the Association are insufficient to accomplish restoration, and if the Unit Owners do not, within one hundred (100) days after the destruction or damage and by a vote of at least seventy-five percent (75%) of the entire undivided ownership interest in the Common Areas and Facilities of the Project, elect to repair or reconstruct the affected improvements, the Association shall promptly record with the County Recorder of the county where the Project is located a notice setting forth such facts. Upon the recording of such notice the provisions of subsections (1) through (4) of Section 57-8-31, Utah Code Annotated, shall apply and shall govern the rights of all parties having an interest in the Project or any of the Units.

(e) Any reconstruction or repair which is required to be carried out by this Article XVI shall be accomplished at the instance and direction of the Association. Any determination which is required to be made by this section regarding the extent of damage to or destruction of Project improvements shall be made as follows:

16.02. The Association shall select three (3) appraisers; each appraiser shall independently estimate the percentage of project improvements which have been destroyed or substantially damaged the percentage which governs the application of the provisions of this Article XVI shall be the median of the three (3) estimates.

ARTICLE XVII

TAXES

It is understood that under the Act each Unit, together with its fraction of undivided interest in the Common Areas and Facilities in the Project, is deemed a parcel and subject to separate assessment and taxation by each assessing unit and special district for all types of taxes authorized by law. Each Unit Owner will, accordingly, pay and discharge any and all taxes which may be assessed against his Condominium. All taxes, assessments and charges which may become liens prior to any First Mortgage shall relate only to the individual Unit against which they are assessed and not to the Project as a whole.

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ARTICLE XVIII

INSURANCE

18.01. Hazard Insurance. The Association shall at all times maintain in force hazard insurance meeting the following requirements:

(a) A multi-peril type policy covering the entire Condominium Project (both Units and Common Areas and Facilities) shall be maintained. Such policy shall provide coverage against loss or damage by fire and other hazards covered by the special extended coverage endorsement including debris removal, cost of demolition, vandalism, malicious mischief, windstorm, water damage, and such other risks as customarily are covered with respect to condominium projects similar to the Project in construction, location, and use. As a minimum, such policy shall provide coverage on a replacement cost basis in an amount not less than one hundred percent (100%) of the full insurable value of the Project (based upon replacement cost). Such policy shall include an "Agreed Amount Endorsement" or its equivalent, and, if necessary or appropriate, an "Increased Cost of Construction Endorsement" or its equivalent.

(b) If a steam boiler is or comes to be contained in the Project, there shall be maintained boiler explosion insurance and a broad form policy of repair and replacement boiler and machinery insurance, evidenced by the standard form of boiler and machinery insurance policy. Said insurance shall, as a minimum, provide coverage in the amount of Fifty Thousand Dollars (\$50,000.00) per accident per location. If the steam boiler benefits less than all of the Units in the Project, then any insurance premiums for the insurance required hereunder shall be specially allocated amongst the Units being so benefitted.

(c) If the Project is or comes to be situated in a locale identified by the Secretary of Housing and Urban Development as an area having special flood hazards and the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, a "blanket" policy of flood insurance on the Condominium Project shall be obtained and maintained. The minimum amount of coverage afforded by such policy shall be the lesser of the maximum amount of insurance available under the said Act or the aggregate of the unpaid principal balances of the Mortgages affecting the individual Units. Such policy shall be in the form of the standard policy issued by members of the National Flood Insurers Association or in the form of a policy which meets the criteria established by the Flood Insurance Administration.

(d) The named insured under each policy required to be maintained by the foregoing items (a), (b) and (c) shall be in form and substance essentially as follows: "The Association, for the use and benefit of the individual Unit Owners".

(e) Each such policy shall include the standard mortgagee clause (without contribution) which either shall be endorsed to provide that any proceeds shall be paid to the Association for the use and benefit of Mortgagees as their interests may appear or shall be otherwise endorsed to fully protect the interests of Mortgagees. In addition, the mortgagee clause shall provide that the insurance carrier shall notify each Mortgagee at least sixty (60) days in advance of the effective date of any reduction in or cancellation of the policy.

(f) Each such policy shall provide that notwithstanding any provision thereof which gives the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable if it is in conflict with any requirement of law or without the prior written approval of the Association.

18.02. Fidelity Insurance. The Association shall be authorized to maintain in force fidelity coverage against dishonest acts on the part of managers (and employees of managers), trustees, employees, officers, Association members, or volunteers responsible for handling funds belonging to or administered by the Association. The fidelity bond or insurance shall name the Association as the obligee or insured and shall be written in an amount sufficient to afford the protection reasonably necessary, but in no event less than one and one-half times (150%) the Project's estimated annual operating expenses and reserves. An appropriate endorsement to the policy shall be secured to cover persons who serve without compensation if the policy would not otherwise cover volunteers.

18.03. Liability Insurance. The Association shall at all times maintain in force a comprehensive policy of public liability insurance covering all of the Common Areas and Facilities. Such insurance shall include a "Severability of Interest Endorsement" or its equivalent which shall preclude the insurer from denying the claim of a Unit Owner because of negligent acts of other Unit Owners or the Association. The coverage afforded by such public liability insurance shall include protection against water damage liability, liability for non-owned and hired automobiles, liability for property of others, garage-keeper's liability (if applicable), and such other risks as customarily are covered with respect to condominium projects similar to the Project in construction, location, and use. The limits of liability under such insurance shall not be less than One Million Dollars (\$1,000,000.00) for all claims for personal injury, death and/or property damage arising out of a single occurrence. Liability insurance covering the association directors and officers against "wrongful acts" as defined in such insurance policies shall also be procured insuring the Association for its obligation to indemnify the Association members for liability arising from service to the Association.

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18.04. General Requirements Concerning Insurance. Each insurance policy maintained pursuant to the foregoing Sections 18.01 through 18.03 shall be written by an insurance carrier which is licensed to transact business in the State of Utah and which has a financial rating by Best's Insurance Reports of B+ or better for General Policy Holders Rating and X for Financial Size Rating. No such policy shall be maintained where:

(a) under the terms of the carrier's charter, bylaws or policy, contributions may be required from, or assessments may be made against, a Unit Owner, a Mortgagee, the Association, a Unit, the Common Areas, or the Project;

(b) by the terms of the carrier's charter, bylaws, or policy, loss payments are contingent upon action by the carrier's board of directors, policyholders, or members;

(c) the policy includes any limiting clauses (other than insurance conditions) which could prevent the party entitled from collecting insurance proceeds; or

(d) the policy provides that the insurance thereunder shall be brought into contribution with insurance purchased by the individual Unit Owners or their Mortgagees.

18.05. General Requirements Concerning Coverage. Each policy maintained pursuant to the foregoing Sections 18.01 through 18.03 shall provide that:

(a) 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;

(b) coverage shall not be prejudiced by any failure by the Association to comply with any warranty or condition with regard to any portion of the Project over which the Association has no control;

(c) coverage may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least sixty (60) days prior written notice to any and all insureds named therein, including any Mortgagee named as an insured and

(d) the insurer waives any right of subrogation it might have to any and all claims against the Association, the Association, any Unit Owner, and/or their respective agents employees or tenants, and any defense it might have based upon co-insurance or upon invalidity arising from acts of the insured.

If, due to changed circumstances, excessive cost, or any other reason, any of the insurance coverage required to be obtained and maintained under Sections 18.01 through 18.03 cannot

reasonably be secured, with respect to such coverage the Association shall obtain and maintain such substitute, different or other coverage as may be reasonable and prudent under the circumstances as they then exist.

ARTICLE XIX

PAYMENT OF EXPENSES

19.01. Assessments; Interest on Late Payments. Each Unit Owner shall pay the Association his allocated portion of assessments made by the Association and his allocated portion of the cash requirement to manage and operate the Condominium Project, upon the terms, at the time, and in the manner herein provided without any deduction on account of any set-off or claim which the Owner may have against the Association or Association. If the Unit Owner shall fail to pay any installment within ten (10) days of the time when the same becomes due, the Owner shall pay interest thereon at the rate of eighteen percent (18%) per annum from the date when such installment shall become due to the date of the payment thereof.

19.02. Reserve Fund. The cash requirements above referred to for each year, or portion of the year, are hereby defined and shall be deemed to include an adequate reserve fund for maintenance, repairs and replacement of those Common Areas and Facilities that must be replaced on a periodic basis, plus such aggregate sum as the Association from time to time shall determine, in its judgment, is to be paid by all the Unit Owners of the Condominium Project then in existence to enable the Association to pay all estimated expenses and outlays of the Association to the close of such year, growing out of or in connection with the maintenance and operation of such land, building, and improvements; which sum may include, among other things, the cost of management, special assessments, fire, casualty, flood, fidelity, public liability and other insurance premiums, common lighting, landscaping and the care of the grounds, repairs, and renovations to Common Areas and Facilities, snow removal, wages, all utility services (except telephone, electricity, gas and other services which are separately billed or metered to the individual Units by the utility or party furnishing such service), legal and accounting fees, management fees, expenses and liabilities incurred by the Association under or by reason of this Declaration, the payment of any deficit remaining from the previous period, the creation of a reasonable contingency or other necessary reserve or surplus fund, as well as all other costs and expenses relating to the Condominium Project. The Association may, from time to time, up to the close of the year for which such cash requirements have been so fixed or determined, increase or diminish the amount previously fixed or determined for such year. It may include in the cash requirements for any year, any liabilities or items of expense which accrued or became payable in the previous year, or which might have been included in

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Common Expenses may be maintained without foreclosure or waiving the lien (described hereafter) securing the same. If not paid when due, the amount of any assessment, whether regular or special, assessed to a Unit plus interest at eighteen percent (18%) per annum, costs of action and reasonable attorney's fees, shall become a lien upon such Unit upon recordation of a notice thereof as provided by the Act. The said lien for non-payment of common expenses shall have priority over all other liens and encumbrances, recorded or unrecorded, except only:

(a) tax and special assessment liens on the Unit in favor of any assessing unit, or special district; and

(b) encumbrances on the interest of the Unit Owner recorded prior to the date such notice is recorded which by law would be a lien prior to subsequently recorded encumbrances.

19.07. Liability of Grantee. In any conveyance, except to a mortgagee as hereinafter set forth, the grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his share of the common expenses up to the time of the grant or conveyance, without prejudice to the grantee's rights to recover from the grantor the amounts paid by the grantee. However, any such grantee shall be entitled to a statement from the Manager or Association setting forth the amounts of the unpaid assessments against the grantor, and such grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments against the grantor in excess of the amount set forth.

19.08. Certificate Regarding Assessments. A certificate executed and acknowledged by the Manager or Association stating the unpaid assessment for Common Expenses then outstanding with respect to a Unit shall be conclusive upon the Association and the Unit Owners as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any Unit Owner or encumbrances or prospective Unit Owner or encumbrancees of a Unit upon request at a reasonable fee initially not to exceed Twenty Five Dollars (\$25.00). Unless the request for a certificate of indebtedness shall be complied with within ten (10) days, all unpaid Common Expenses which become due prior to the date of making of such request shall be subordinate to the lien or interest held by or obtained by the person making the request. Any encumbrancee holding a lien on a Unit may pay any unpaid Common Expenses payable with respect to such Unit and upon such payment that encumbrancee shall have a lien on that Unit of the same rank as the lien of his encumbrance for the amounts paid.

19.09. Lien Rights. Upon payment or other satisfaction of delinquent assessments concerning which a notice of assessment has been recorded, the Association shall cause to be recorded in the same manner as the notice of assessment a further notice stating

the satisfaction and release of the lien thereon. Such lien for non-payment of assessment may be enforced by sale of the Association or by a bank or trust company or title insurance company authorized by the Association. Such sale to be conducted in accordance with the provisions of the law applicable to the exercise of powers of sale or foreclosure or deeds or trust or mortgages or in any other manner permitted by law. In any foreclosure or sale, the Unit Owner shall be required to pay the costs and expenses of such proceedings including reasonable attorney's fees.

19.10. Unit During Foreclosure Period. In the event of foreclosure, the Unit Owner, if he is an owner-occupier and desires to remain in the Unit during any redemption period, shall be required to pay a reasonable rental for the Unit and the claimant in the foreclosure action shall be entitled to the appointment of a receiver to collect the rental without regard to the value of the security. The Association or Manager shall have the power to bid on the Unit at foreclosure or other sale and to hold, lease, mortgage and convey the Unit.

19.11 Working Capital Fund. The Association shall establish and maintain a working capital fund for the calendar year 1997 in an amount equal to \$20,000. Each Unit's share of the working capital fund will be collected by the Declarant from the purchaser of a Unit and transferred to the Association by the Declarant at the time of the sale of a Unit by the Declarant prior to the end of the calendar year 1997, and the Association shall maintain such fund in a segregated account for the use and benefit of the Association. Amounts paid into the fund shall not be deemed to be advance payments of the regular quarterly assessment or Common Expenses, but shall be in addition thereto. After the end of 1997, the working capital fund shall be maintained as required by the Association. In the event that the Declarant has not sold all of the Units by the end of calendar year 1998, then for each Unit still owned by the Declarant the Declarant shall pay to the Association each such Unit's entire share of the 1998 working capital fund.

ARTICLE XX

MORTGAGE PROTECTION

20.01. Default Notice to Mortgagees. From and after the time a Mortgagee makes written request to the Association therefor, the Association shall notify such Mortgagee in writing in the event that the Owner of the Unit encumbered by the mortgage held by such Mortgagee neglects for a period of sixty (60) or more days to cure any failure on his part to perform any of his obligations under this Declaration.

20.02. Subordination of Lien Rights. The lien or claim against a Unit for unpaid assessments or charges levied by the

Association pursuant to this Declaration or the Act shall be subordinate to a First Mortgage affecting such Unit. A First Mortgagee who obtains title to a Unit pursuant to his First Mortgage or a deed or assignment in lieu of foreclosure shall not be liable for such Unit's unpaid assessments which accrue prior to the acquisition of title to such Unit by the First Mortgagee and shall take the same free of such lien or claim for unpaid assessments or charges, but only to the extent of assessments or charges which accrue prior to the acquisition of title to such Unit by such First Mortgagee (except for claims for a pro rata share of such prior assessments or charges resulting from a pro rata reallocation thereof to all Units including the Unit in which the First Mortgagee is interested). No assessment, charge, lien or claim which is described in the preceding sentence as being subordinate to a First Mortgage or as not a burden to a First Mortgagee coming into possession pursuant to his First Mortgage or a deed or assignment in lieu of foreclosure shall be collected or enforced by either the Association or the Association from or against a First Mortgagee, a successor in title to a First Mortgagee, or the Unit affected or previously affected by the mortgage concerned (to the extent any such collection or enforcement would prejudice the interests of the First Mortgagee or successor in title to the First Mortgagee interested in such Unit).

20.03. First Mortgagee Approval. Unless all of the First Mortgagees have given their prior written approval, the Association shall not be entitled, by act, omission, or otherwise:

(a) to seek to abandon or terminate the Condominium Project or to abandon or terminate the arrangement which is established by this Declaration and the Record of Survey Map (except as provided in Article XVI hereof in the event of certain destruction or damage);

(b) to partition or subdivide any Unit other than pursuant to the terms of Sections 6.03 and 6.04 hereof;

(c) to seek to abandon, partition, subdivide, encumber, sell or transfer all or any of the Common Areas and Facilities (except for the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Areas and Facilities except as provided in Article XVI hereof in the event of certain destruction or damage);

(d) to use hazard insurance proceeds resulting from damage to any part of the Condominium Project (whether to Units or to the Common Areas) for purposes other than the repair, replacement, or reconstruction of such improvements, except as provided by statute in the event of substantial loss to the Units and/or Common Areas and Facilities;

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(e) to change the pro rata interests or obligations of any Unit which apply for (1) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards or for (2) determining the pro rata share of ownership of each Unit in the Common Areas and Facilities; provided, however, that nothing herein shall impair, restrict or prevent the exercise of Declarant's rights under Sections 10.02 and 10.03 hereof, or the Association's rights under Section 10.04 hereof;

(f) to alter the provisions of Article XVIII hereof in such a way as to diminish the insurance protection required to be afforded to the parties designed to be protected thereby, or to fail to maintain the insurance coverage described therein.

20.04. Mortgagees' Rights to Inspect Records. Any Mortgagee shall have the right, at its request and expense and upon reasonable notice, to examine the books and records of the Association or of the Condominium Project. From and after the time a Mortgagee makes written request to the Association therefor, the Association shall furnish to such Mortgagee copies of such annual operating reports and other reports or writings summarizing or reflecting the financial position or history of the Condominium Project as may be prepared for distribution to or use by the Association or the Unit Owners.

20.05. Notice of Loss or Condemnation to Mortgagees. From and after the time a Mortgagee makes written request to the Association therefor, the Association shall notify such Mortgagee in writing in the event that there occurs any damage or loss to, or any taking or anticipated condemnation of: (a) the Common Areas involving an amount in excess of, or reasonably estimated to be in excess of, Ten Thousand Dollars (\$10,000.00); or (b) any Unit involving an amount in excess of, or reasonably estimated to be in excess of, One Thousand Dollars (\$1,000.00). Said notice shall be given within ten (10) days after the Association or said Association learns of such damage, loss, taking or anticipated condemnation.

20.06. First Mortgagees' Priority. Nothing contained in this Declaration shall give a Unit Owner, or any other party, priority over any rights of a First Mortgagee pursuant to its mortgage in the case of a distribution to such Unit Owner of insurance proceeds or condemnation awards for losses to or a taking of condominium Units and/or Common Areas and Facilities.

20.07. Conflict. In the event another provision or clause of this Declaration deals with the same subject matter as is dealt with in any provision or clause of this Article XX, the provision or clause which results in the greatest protection and security for a Mortgagee shall control the rights, obligations, or limits of authority as the case may be, applicable to the Association with respect to the subject concerned.

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20.08. Amendments. No amendment to this Article XX which has the effect of diminishing the rights, protection or security afforded to First Mortgagees shall be accomplished or effective unless all of the First Mortgagees of the individual Units have given their prior written approval to such amendment. Any amendment to this Article XX shall be accomplished by an instrument executed by the Association and filed for record in the office of the County Recorder of the county where the Project is located. In any such instrument an officer of the Association shall certify that any prior written approval of First Mortgagees required by this Article XX as a condition to amendment has been obtained.

ARTICLE XXI

EMINENT DOMAIN

In the event that eminent domain proceedings are commenced against the Project or any portion thereof, the provisions of §57-8-32.5 of the Act shall apply. The Association shall give written notice of such proceedings to all Mortgagees of record. No first lien priority of any Mortgagee shall be diminished or otherwise disturbed by virtue of such proceedings.

ARTICLE XXII

MAINTENANCE

22.01. Association. Except as may be otherwise specifically provided for herein, the responsibility of the Association with respect to the maintenance and repair of the Project shall be as follows:

(a) Subject to the Unit Owner's obligations set forth in Section 22.02 below, to maintain in good working order and condition, repair and replace the Common Areas and Facilities, including the Limited Common Areas, provided, however, that the Association may with the consent of Unit Owners to which seventy-five percent (75%) of the voting rights of the Association appertain, alter the use or form of the Common Areas and Facilities including, without limitation, construction of improvements thereon, or elect not to repair or replace any portion of the Common Areas and Facilities damaged by casualty or otherwise in accordance with the provisions of Article XVI hereof;

(b) To provide exterior maintenance of the building containing the Units;

(c) To provide exterior and interior cleaning and maintenance of the parking garage structure; and

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(d) To provide cleaning and maintenance of the exterior side of windows of the Project.

22.02. Unit Owner(s). The responsibility of a Unit Owner with respect to the maintenance and repair of his Unit, shall be as follows:

(a) To maintain, repair and replace all portions of his Unit as described in Section 5.03 hereof. The responsibility of the Unit Owner shall include the maintenance, repair and replacement of all fixtures and equipment installed in or as a part of his Unit, including without limitation the maintenance, repair and replacement of the wiring, plumbing, heating ducts and components, the air conditioning and heating systems, fireplaces, chimneys and flues, the windows, screens and exterior lights, if any, serving his Unit;

(b) To keep in a neat, clean and sanitary condition his Unit and any Limited Common Areas serving his Unit, subject to the Association's primary responsibility for cleaning and maintenance of the parking garage structure and the exterior side of windows of the Project;

(c) To perform his responsibilities in such manner so as not to unreasonably disturb persons in other Units;

(d) Not to paint or otherwise decorate or change the outside appearance of his Unit, any appurtenances thereto, or any Limited Common Areas serving his Unit. Further, the design, type, location, size, color and intensity of all exterior lights and the design and type of all exterior windows shall be subject to control by the Board of Trustees of the Association;

(e) To promptly report to the Association or its agents any defect or need for repairs, for which the Association is responsible;

(f) Not to make any alteration in the portions of the Unit which are to be maintained by the Association, or to remove any portion thereof, or to make any additions thereto, or do anything with respect to the exterior or interior of the Unit which would or might jeopardize or impair the safety or soundness of any Unit without first obtaining the written consent of the Board of Trustees of the Association and all Unit Owners and mortgagees of the Units affected, nor, shall any Unit Owner impair any easement without first obtaining written consent of the Association and of the Unit Owner or Owners and their mortgagees for whose benefit such easement exists; and

(g) To pay for the cost of repairing, replacing or cleaning up any item which is the responsibility of the Unit Owner, but which responsibility such Owner fails or refuses to discharge (which the Association shall have the right, but not the

obligation to do), or to pay for the cost of repairing, replacing, or cleaning up any item which, although the responsibility of the Association, is necessitated by reason of the willful or negligent act of the Unit Owner, his family, tenants or guests; with the cost thereof to be specially assessed against such Unit Owner in accordance with Section 15.02 hereof and the Bylaws of the Association.

ARTICLE XXIII

AMENDMENT

In addition to the amendment provisions contained in Article X and Section 6.04 hereof, and subject to the terms of Article XX, this Declaration and/or the Map may be amended upon the affirmative vote or approval and consent of owners having ownership of not less than two-thirds (2/3rds) of the undivided interest in the Common Areas and Facilities. Any amendment so authorized shall be accomplished by recordation of an instrument executed by the Association. In said instrument the Association shall certify that the vote or consent required by this Article XXIII has occurred. Notwithstanding any other provision contained herein, until occurrence of either of the events referred to in Article XXV hereof, no amendment to the Map or to any provision of this Declaration which has or may have the effect of diminishing or impairing any right, power, authority, privilege, protection or control given to Declarant (in its capacity as Declarant) herein shall be accomplished or effective unless the instrument through which such amendment is purported to be accomplished is consented to in writing by Declarant.

ARTICLE XXIV

CONSENT IN LIEU OF VOTE

In any case in which the Act or this Declaration requires the vote of a stated percentage of the Project's undivided ownership interest for 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 stated percentage of undivided ownership interest. The following additional provisions shall govern any application of this section:

(a) all necessary consents must be obtained prior to the expiration of ninety (90) days after the first consent is given by any Owner;

(b) any change in ownership of a Unit which occurs after consent has been obtained from the Owner having an interest therein shall not be considered or taken into account for any purpose; and

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(c) unless the consents of all Owners having an interest in the same Unit are secured, the consent of none of such Owners shall be effective.

ARTICLE XXV

MISCELLANEOUS

25.01 Severability. The invalidity of any one or more phrases, sentences subparagraphs, paragraphs, sections or articles hereto shall not affect the remaining portions of this instrument nor any part thereof, and in the event that any portion or portions of this instrument should be invalid or should operate to render this instrument invalid, this instrument shall be construed as if such invalid phrase or phrases, sentence or sentences, subparagraph or subparagraphs, paragraph or paragraphs, section or sections, or article or articles had not been inserted.

25.02. Declarant's Rights Assignable. All of the rights of Declarant under this Declaration may be assigned or transferred either by operation of law or through a voluntary conveyance, transfer or assignment. Any Mortgage covering all Condominium Units in the Project, title to which is vested in the Declarant, shall, at any given point in time and whether or not such Mortgage does so by its terms, automatically cover, encumber, and include all of the unexercised or then-unused rights, powers, authority, privileges, protections and controls which are accorded to Declarant (in its capacity as Declarant herein).

25.03. Gender. The singular, wherever used herein, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, male or female, shall in all cases be assumed as though in each case fully expressed.

25.04. Waivers. No provision contained in this Declaration shall be deemed to have been waived by reason of any failure to enforce it, irrespective of the number of violations which may occur.

25.05. Topical Headings. The topical headings contained in this Declaration are for convenience only and do not define, limit or construe the contents of the Declaration.

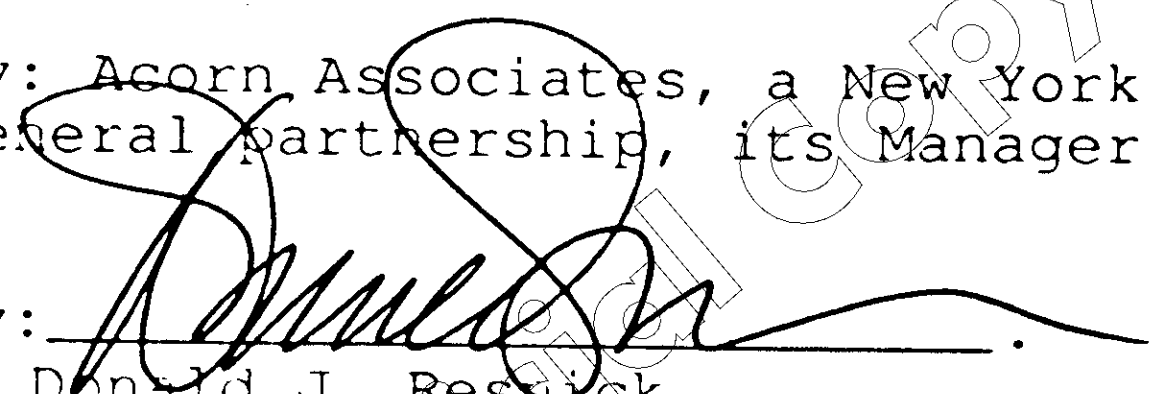
25.06 Effective Date. This Declaration shall take effect upon recording.

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IN WITNESS WHEREOF, the undersigned has caused this Declaration to be executed on its behalf this 9th day of JANUARY, 1998.

PROSPECTOR PLAZA, L.C.,
a Utah limited liability company

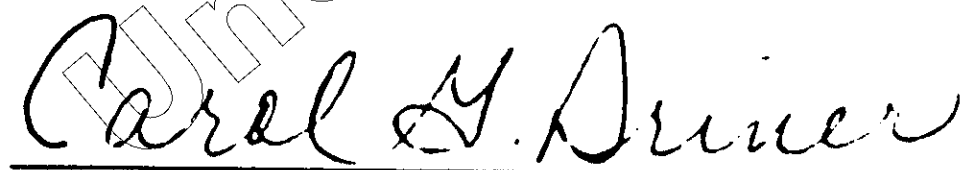
By: Acorn Associates, a New York
general partnership, its Manager

By: 
Donald J. Resnick
General Partner

STATE OF UTAH

COUNTY OF Montgomery } ss.

On the 9th day of January, 1998, personally appeared before me Donald J. Resnick, signer of the above Declaration, who being duly sworn, did say that he is a general partner of Acorn Associates, the Manager of Prospector Plaza, L.C., a limited liability company of the State of the State of Utah, and that the Declaration was signed in behalf of said company under authority granted by its partnership agreement, and said Donald J. Resnick duly acknowledged to me that said partnership executed the same.



Notary Public
Residing at:

251 Calumet Terr.
West Chester, Pa 19380

My Commission Expires:

Notarial Seal
Carol G. Driner, Notary Public
Upper Merion Twp., Montgomery County
My Commission Expires Aug. 1, 1998

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APPROVAL BY CITY

PARK CITY, a body corporate and politic, and the City in which PARK CITY SURGICAL AND MEDICAL PLAZA, a Utah Condominium Project is located, by and through its duly elected mayor, does hereby give final approval to the said Project, to the foregoing Declaration, to the Record of Survey Map recorded concurrently herewith, and to the attributes of the said Project which are mentioned in § 57-8-35(3) of the Utah Condominium Ownership Act, as amended and expanded by the Laws of Utah, 1975, Chapter 173, Section 18.

DATED _____

PARK CITY

By _____

Mayor

ATTEST:

Recorder

00501380 Bk01125 Pg00616

CONSENT TO RECORD

The undersigned FLOYD L. ENGLISH AND ELAINE ENGLISH, holders of a deed of trust on the property subject hereto, does hereby consent to the recordation of this Condominium Declaration and to the recordation of the Record of Survey Map recorded concurrently herewith and consents to the submission of the property to the Utah Condominium Ownership Act.

Floyd L. English
Floyd L. English

Elaine English
Elaine English

STATE OF COLORADO }
COUNTY OF EAGLE } ss.

CHRISTOPHER B. LOWE
NOTARY PUBLIC
STATE OF COLORADO

My Commission Expires 02/02/2002

On the 7TH day of MARCH, 1998, personally appeared before me Floyd L. English and Elaine English, signers of the above Consent to Record, who being duly sworn, did acknowledge to me that they executed the same.

Christopher B. Lowe
Notary Public
Residing at: PO B 5000
EDWARDS, COLORADO, 81630

My Commission Expires:

2/02/2002

00501380 Bk01125 Pg00617

Exhibit "B"

BYLAWS
OF
PARK CITY SURGICAL AND MEDICAL PLAZA ASSOCIATION, INC.
A UTAH NON-PROFIT CORPORATION

ARTICLE I

PRINCIPAL OFFICE

The principal office of the Association shall be Suite E-302, 1500 Kearns Boulevard, Park City, Utah 84060.

ARTICLE II

MEETINGS OF MEMBERS

2.1. Annual Meeting. The annual meeting of the members shall be held at 7:00 p.m. on the second Monday in March of each year at the principal office of this Association, or at such other place as shall be stated in the notice of meeting or in a duly executed waiver of notice; provided, however, that, whenever such date falls upon a legal holiday, the meeting shall be held on the next succeeding business day. And further provided that the Board of Trustees may by resolution fix the date of the annual meeting at such other date as the Board may deem appropriate. At such meeting, the members shall elect trustees for one (1) year terms to serve until their successors shall be elected and shall qualify. Only members of the Association shall be elected Trustees; provided, however, that officers and/or duly authorized agents of the corporate members may also be elected trustees of the Association. The number of trustees shall be at least three (3) and not more than five (5).

2.2. Special Meetings. Special meetings of the members may be called by the President, by a majority of the Board of Trustees, or by any number of members whose holdings shall not be less than one-third (1/3) of the memberships of the Association.

2.3. Notice of Meetings. Notice of all annual and special meetings of the members shall be given in accordance with the statutes of the State of Utah. Whenever all of the members shall meet in person or by proxy, such meetings shall be valid for all purposes without call or notice, or waiver of call and notice. No notice of any meeting of members shall be necessary if waiver of notice be signed by all of the members, whether before or after the time of the meeting.

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EXHIBIT "A"

LEGAL DESCRIPTION

ALL of LOT 42, PROSPECTOR SQUARE, AMENDED, according to the Official Plat thereof, on file and of record in the Office of the Summit County Recorder.

EXCEPTING THEREFROM:

LOT 42 A, according to the Official Plat thereof, on file and of record in the Office of the Summit County Recorder and described as follows:

BEGINNING at a point South 47°22' West along the Lot line 266.86 feet from the Northwest Corner of said Lot 42; thence South 42°38' East 294.78 feet to a point on the South line of said lot, said point is also on a curve to the right, the radius point of which is North 50°42'16" West 100 feet; thence Westerly along the arc of said curve and said South line 171.17 feet to the point of tangency; thence North 42°38' West along said South line 180.77 feet to a point of a 15 foot radius curve to the right; thence Northerly along the arc of said curve 23.56 feet to the point of tangency; thence North 47°22' East 99.04 feet to the point of beginning.

The above described property also known by the street address of:

1850 Sidewinder Drive
Park City, UT 84060

2.4. Presiding Officer. The President, and in his absence a Vice President, shall preside at all such meetings.

2.5. Voting Requirements. When a quorum is present in person or represented by proxy at any meeting, the vote of members holding the right to cast a majority of the votes entitled to be cast on said matter shall decide any question brought before such meeting, unless the question is one upon which, by express provision of the statutes of the State of Utah, or of the Articles of Incorporation or these By-laws, a different vote is required, in which case such express provision shall govern and control the decision of such question. All votes may be cast by the members either in person or by proxy. All proxies shall be in writing, and in the case of proxies for the annual meeting, they shall be delivered to a credentials committee consisting of the President, a Vice President and Secretary of the Association at least ten (10) days prior to said annual meeting. Proxies for special members meetings must be of record with the credentials committee least five (5) days prior to the holding of such special members meetings. If instructed, the Secretary shall enter a record of such proxies in the minutes of the meeting. On all matters presented to a vote of the members, the holder of each membership shall have that number of votes determined by multiplying one hundred (100) votes by the undivided percentage interest in the Common Areas of the Project appurtenant to the Unit to which such membership is appurtenant. The cumulative voting rights set forth in the Articles of Incorporation shall apply to any vote relating to the election of Trustees. No matter shall be deemed to have been approved by the members unless it shall have been presented to and received the affirmative vote of members holding the right to cast a majority of the votes entitled to be cast thereon. In the case of a membership owned as joint tenants, each such joint tenant shall have that number of votes determined by dividing the number of votes attributable to the membership by the number of joint tenants who own the membership.

2.6. Registered Members. At annual meetings of the members, only such persons shall be entitled to vote in person or by proxy as appear as members upon the transfer books of the Association on the 30th day before such annual members meeting. The Board of Trustees may, by resolution, fix a date in advance of the date of special members meetings upon which a member must appear as a member of record on the Association's transfer books in order to be entitled to vote at such special members meetings; provided, however, that said date shall in no event be fixed at fewer than ten (10) nor more than thirty (30) days prior to the date set for such meeting.

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2.7. Quorum. At any meeting of the members, members entitled to cast a majority of the votes of the Association present in person or by proxy shall constitute a quorum of the members for all purposes. In the absence of a quorum, the chairman of the meeting may adjourn the meeting from time to time, without notice

other than by announcement at the meeting, until holders of the amount of memberships requisite to constitute a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified.

2.8. Waiver of Irregularities. All inaccuracies and/or irregularities in calls, notices of meeting and in the manner of voting, form of proxies, credentials and methods of ascertaining those present shall be deemed waived if no objection is made at the meeting.

ARTICLE III

BOARD OF TRUSTEES

3.1. Responsibilities. The business and property of the Association shall be managed by its Board of Trustees (herein designated and referred to as the "Board of Trustees"). The Board of Trustees may, however, enter into such management agreement or agreements with third persons as it may deem advisable.

3.2. Vacancies. In case of any vacancy in the Board of Trustees, the remaining members of the Board may elect a successor trustee or trustees to hold office until the next meeting of the members.

3.3. Regular Meetings. A regular annual meeting of the trustees shall be held immediately after the adjournment of each annual members meeting at the place at which such members meeting was held. Regular meetings, other than the annual meeting shall be held at regular intervals at such places and at such times as the Board of Trustees may from time to time by resolution provide.

3.4. Special Meetings. Special meetings of the Board of Trustees shall be held whenever called by the President, the Vice President or by a majority of the Board. By unanimous consent of the trustees, special meetings of the Board may be held without call or notice at any time or place. Notice of all calls and meetings of the Board of Trustees shall be as provided in these Bylaws.

3.5. Quorum. A quorum for the transaction of business at any meeting of the trustees shall consist of a majority of the trustees then in office.

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3.6. Committees. The Board of Trustees may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of two (2) or more of the members of the Association, which, to the extent provided in said resolution, shall have and may exercise the powers in said resolution set forth. Such committee or committees shall have such name or names as may be determined from time to time by resolution

adopted by the Board of Trustees. Such committees shall keep regular minutes of their proceedings and report the same to the Board of Trustees when required. The President may appoint persons to fill vacancies on each of said committees occasioned by death, resignation, removal or inability to act for any extended period of time.

3.2. Additional Facilities. The Board of Trustees shall have the authority to provide such facilities, in addition to those for which provisions has already been made, as it may deem to be in the interest of the members.

ARTICLE IV

OFFICERS

4.1. Selection of Officers. The Trustees shall elect or appoint the officers of the Association. Such election or appointment shall regularly take place at the first meeting of the trustees immediately following the annual meeting of the members: provided, however, that election of officers may be held at any other meeting of the Board of Trustees.

4.2. Additional Officers. The Board of Trustees may appoint such other officers, in addition to the officers hereinbelow expressly named, as they shall deem necessary, who shall have such authority to perform such duties as may be prescribed from time to time by the Board of Trustees or by the President.

4.3. Removal. All officers and agents shall be subject to removal, with or without cause, at any time by the affirmative vote of the majority of the then members of the Board of Trustees.

4.4. President. The President shall be the chief executive officer of the Association and shall exercise general supervision over its property and affairs. He shall sign on behalf of the Association all membership certificates, conveyances, mortgages and contracts and shall do and perform all acts and things which the Board of Trustees may require of him. He shall receive such compensation for his services as may be fixed or approved by the Board of Trustees. The President shall be invited to attend meetings of each committee.

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4.5. Vice President. In the event of the President's absence or inability to act, the Vice President shall have the powers of the President. He shall perform such other duties as the Board of Trustees may impose upon him and shall receive such compensation as may be fixed or approved by the Board of Trustees.

4.6. Secretary. The Secretary shall keep the minutes of the Association, its membership books and such books and records as these Bylaws or any resolution of the trustees may require him to keep. He shall be the custodian of the seal of the Association

and shall affix the seal to all papers and instruments requiring it. He shall perform such other services as the Board of Trustees may impose upon him and shall receive such compensation as the Board of Trustees may fix or approve. One or more Assistant Secretaries may be elected, who shall, in the event of the Secretary's absence or inability to act, perform the duties and functions of the Secretary.

4.7. Treasurer. The Treasurer shall have the custody and control of the funds of the Association, subject to the action of the Board of Trustees and shall, when requested by the President so to do, report the state of the finances of the Association at each annual meeting of the members and at any meeting of the trustees, He shall perform such other services as the Board of Trustees may require of him and shall receive compensation as the Board of Trustees may fix or approve.

ARTICLE V

SEAL

The Board of Trustees shall at its option have the authority to select a seal for the corporation. Such seal shall be impressed with the name of the corporation and shall indicate that the corporation is a corporation of the State of Utah.

ARTICLE VI

MEMBERSHIP CERTIFICATES

6.1. Form of Certificates. The Association shall not be required to issue certificates evidencing membership. If the Board of Trustees should determine to issue membership certificates, the holders of such certificates shall be determined by Articles I and II of the Articles of Incorporation and such certificates shall further be issued and controlled in accordance with the following:

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6.2. Issuance. All membership certificates shall be signed by the President or Vice President and by the Secretary of an Assistant Secretary. The name of the initial owner of each certificate shall be entered on its stub. Each owner of a Unit (hereinafter designated a "Unit") in the Project shall be issued a membership certificate for each Unit owned by him. The conveyance or other disposition by a member of all of such member's entire ownership interest in a Unit shall be deemed to constitute, and may be treated by the Association as a transfer and conveyance by such member to his successor in interest in ownership of said Unit of the membership in the Association which is appurtenant to the Unit sold or disposed of, and the Association shall be entitled to cancel the certificate evidencing such membership, whether or not said certificate is surrendered, and reissue the same to the new

owner or owners of such Unit upon such terms and conditions as the Board of Trustees may, in each case direct.

6.3. Transfer. Except as provided in Section 6.2, membership certificates shall be transferred on the books of the Association by assignment made by the owner, his attorney-in-fact or legal representative, and by delivery of the certificate to the Secretary of the Association for transfer, together with such further supportive documents as the Association may reasonably require. Each certificate surrendered for transfer shall be marked "Canceled" by the Secretary and the canceled certificate shall be affixed to its stub.

6.4. Lost Certificates. Should the owner of any membership certificate make application to the Association for the issuance of a duplicate certificate by reason of the loss or destruction of his certificate, he shall accompany his application by an affidavit setting forth the time, place and circumstances of such loss or destruction, together with a bond in such amount and with such surety or sureties as are acceptable to the Secretary of the Association, agreeing to indemnify the Association against such loss as the Association may suffer by reason of the issuance of a duplicate certificate or the refusal to recognize the certificate that was allegedly lost or destroyed. Upon satisfaction of the foregoing, a duplicate certificate may be issued. The duplicate certificate shall be marked "Duplicate," and the stub of the certificate lost or destroyed shall indicate the issuance of the duplicate. The Board of Trustees may, in its discretion, waive the requirement of a surety or sureties on the bond.

ARTICLE VII

DIVIDENDS

There shall be no dividends paid or payable by the association. It is hereby acknowledged that the association is organized as a non-profit corporation under the Utah Non-Profit Corporation Cooperative Association Act solely and strictly as an association of condominium owners to act as an agent for said owners in the management of the Project. It is not intended that the Association realize any profit on any transactions.

ARTICLE VIII

ANNUAL STATEMENT

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The Board of Trustees shall present at each annual meeting, and when called for by a vote of the members at any special meeting of the members, a full and complete statement of the business and condition of the Association.

ARTICLE IX

FISCAL YEAR

The fiscal year of the Association shall be fixed by a resolution of the Board of Trustees.

ARTICLE X

BUILDING RULES

The Board of Trustees shall have the power to adopt and establish, by resolution, such building, management and operational rules as the Board of Trustees may deem necessary for the maintenance, operation, management and control of the Project, and the Board may from time to time, by resolution, alter, amend and repeal such rules. Members, who shall also be the owners of Units in the Project, shall at all times obey such rules and see that they are faithfully observed by those persons over whom they have or may exercise, control and supervision, it being understood that such rules shall apply and be binding upon all members of the Association and upon all owners and occupants of the Project.

ARTICLE XI

AMENDMENTS

These Bylaws may be altered or repealed by the affirmative vote of a majority of the members at any regular meeting of the members or at any special meeting of the members if notice of the proposed alteration or repeal be contained in the notice of such special meeting.

ARTICLE XII

PROJECT MANAGER

The Board of Trustees may employ a Project Manager for the Project which may be either an individual, partnership or corporation under a Management Agreement containing such terms and conditions as the Board shall deem to be in the interest of the members. Said Project Manager shall be responsible for managing the Project, for and on behalf of the Association, in accordance with these Bylaws and said Management Agreement.

Secretary

00501380 Bk01125 Pg00625

EXHIBIT "C"

OWNERSHIP AND VOTING RIGHTS

<u>Unit No.</u>	<u>Unit Gross Square Feet</u>	<u>Percentage Share of Voting Rights and Ownership of Common Areas and Facilities *</u>	<u>Amount of Initial Quarterly Assessment</u>
<u>Building 100/200 Units</u>			
100	11,358.63	0.0000%	-0-
110	11,285.22	25.0000%	\$11,959.43
120	10,614.54	25.0000%	\$11,959.43
<u>Building 300 Units</u>			
310	4,236.47	12.5128%	\$ 5,985.84
320	4,267.96	12.6058%	\$ 6,030.33
<u>Building 400 Units</u>			
410	4,134.55	12.2119%	\$ 5,841.90
420	4,289.51	12.6695%	\$ 6,060.80

Share of Voting Rights and Ownership

* The share of voting rights and ownership in the Common Areas and Facilities are allocated to the Units based upon the gross square footage of each Unit divided by the total gross square footage of all of the Units, all as provided by §57-8-3(19) of the Act. Until the convertible space in Units 100, 110 and 120 is converted into office units and common areas, the Unit Gross Square Feet for the office space units contained in said Building 100/200 is estimated to be 50% of the total gross square footage for all office units in the Project.

Limited Common Areas

The porches immediately adjacent to Units 320 and 410 are designated as Limited Common Areas appurtenant to such Units.

The attic mechanical room over Unit 320 is designated a Limited Common Area appurtenant to such Unit.

Number of Assigned Parking Spaces in Underground Parking Garage.

Parking spaces in the underground parking garages beneath each building are assigned for the use of the Owners of the Units designated as follows:

- Unit 310 - Space Nos. 1, 2, 3, 22, 23 & 24
- Unit 320 - Space Nos. 4, 5, 6, 7, 8 & 9
- Unit 410 - Space Nos. 14, 15, 16, 17, 20 & 21
- Unit 420 - Space Nos. 10, 11, 12, 13, 18 & 19

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Number of Unassigned Parking Spaces in Above Ground Parking Lot.

Each Unit is hereby assigned the use of unassigned parking spaces in the above-ground common area parking lot as follows:

<u>Unit No.</u>	<u>No. of Unassigned Parking Spaces</u>
Unit 100	0
Unit 110	24
Unit 120	24
Unit 310	12
Unit 320	12
Unit 410	11
Unit 420	12

The number of unassigned parking spaces allocated to each Unit is based upon the amount of initial Net Usable Office Space in each Unit and may be changed by the Association only in accordance with the terms and conditions of the Parking Agreement and Restrictive Covenant attached as Exhibit "D" to the Declaration.

EXHIBIT "D"

PARKING AGREEMENT AND RESTRICTIVE COVENANT

This Agreement is made by and among Prospector Plaza, L.C. as Declarant for Park City Surgical and Medical Center, a Utah condominium project, and Park City Municipal Corporation (the "City").

RECITALS:

This Agreement is entered into between Declarant and the City for the purpose of regulating the requirement for and the use of parking spaces by the Unit Owners, their tenants, and the employees and customers of both such parties, under the Declaration and the Park City Land Management Code.

The provisions of this Agreement are a supplement to the use restrictions set forth in Section 7.02 of the Declaration, constitute perpetual covenants which run with the land for the benefit of the successors and assigns of the parties, and constitute binding obligations on the Declarant and the City in accordance with the provisions hereof.

The provisions of this Agreement are contained as an exhibit to the Declaration and are hereby incorporated into the Declaration. Reference is hereby made to the Declaration for any defined terms used herein and not otherwise defined herein.

The Declarant and the City agree as follows:

1. Addition to Definitions in § 2.02. The words "Net Usable Office Space" shall mean the square footage of that portion of any Unit calculated by subtracting from the gross square footage of the Unit all interior corridors (including interior circulation aisles created by using modular furniture or walls), mechanical space, stairways, uninhabitable storage areas, rest rooms and all other non-habitable space contained in the Unit. No such excluded space shall be used or designed for work station/office use.

2. Additions to §7.02 Restrictions on Use of Parking Spaces. At the recording of this Declaration the Park City Municipal Corporation (the "City") has approved the Condominium Project with a total of 144 parking spaces based upon a total of 28,800 square feet of Net Usable Office Space in the Units. This computation was based upon a ratio of one (1) parking space per 200 square feet of Net Usable Office Space as required by the Park City Land Management Code (the "Code") as enacted at the date of recording of this Declaration. So long as the Net Usable Office Space in the Condominium Project does not exceed 28,800 square feet, no additional parking shall be required by the City. No building permit or certificate of occupancy will be allowed by the City for the construction or use of the interior of any Unit which causes the Net Usable Office Space in the Condominium Project to exceed the maximum allowable as set forth above unless additional parking

in the Condominium Project as required by the Code is provided at such time; provided, however, by execution of this Declaration, the City agrees that the definition of Net Usable Office Space contained herein shall apply to all determinations of required parking for the Condominium Project under the Code. In the event any Unit is used for a permitted purpose other than office space under the Code, then the number of required parking spaces for the Project shall be adjusted to reflect the number of spaces required for all permitted uses then in effect. The underground parking spaces in the Condominium Project shall be used only by the Unit Owners, their tenants, and the employees of either the Unit Owners or the tenants. There shall be no reserved parking places for named individuals or positions, it being understood that the underground parking spaces designated as limited common areas shall be available to the applicable Unit Owner and its tenants (or the employees of either) on a first-come first-served basis. Upon written request by the Declarant, the Association or any Unit Owner, the City will issue letters of compliance to the requesting party, potential buyers of Units, or lenders financing the purchase, ownership or construction of any Unit within thirty (30) days of receipt of any such written request.

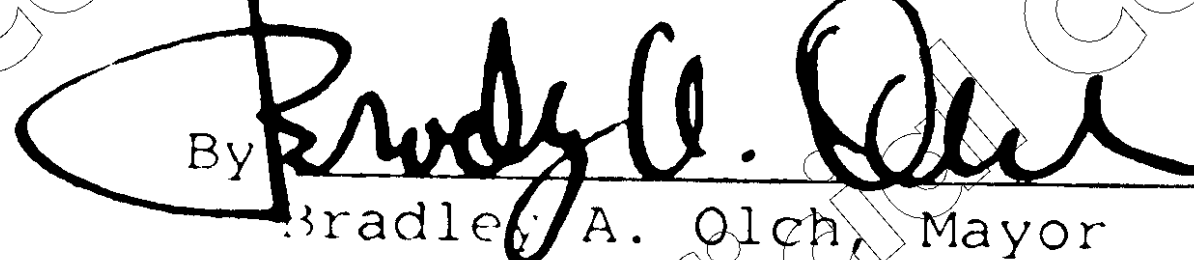
IN WITNESS WHEREOF the parties have executed this Agreement as of the date indicated below next to the signatures of the respective parties.

PROSPECTOR PLAZA, L.C.,
a Utah limited liability company

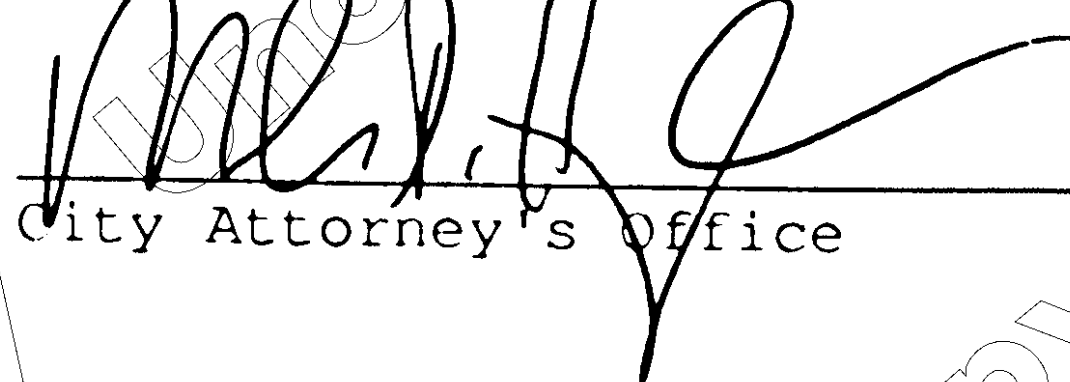
By: 
general partnership, its Manager

By: _____
Donald J. Resnick
General Partner

PARK CITY MUNICIPAL CORPORATION

By: 
Bradley A. Olch, Mayor

Approved as to form:


City Attorney's Office

Attest: _____
Janet M. Scott,
City Recorder