

Presented by the Board of Trustees

CONDOMINIUM DECLARATION

FOR

3286652

FOOTHILL GARDENS
a Utah Condominium Project

THIS DECLARATION is made and executed by Foothill Gardens Venture, a joint venture composed of Wilcox Real Estate, Inc., a California corporation, and Jack C. Jensen, a Utah resident, pursuant to the provisions of the Utah Condominium Ownership Act, Utah Code Annotated §§57-8-1 through 57-8-36 (Repl. Vol. 1974) (Supp. 1977), for itself, its successors, grantees and assigns.

ARTICLE I

RECITALS

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

There have been constructed seven three story buildings, a recreational building, swimming pool and other improvements thereon in accordance with the plans and drawings set forth in the Record of Survey Map filed concurrently herewith, consisting of 3 sheets, prepared by Bush & Gudgell, Inc., Engineers and Surveyors and certified by Robert B. Jones, a registered land surveyor.

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 Foothill Gardens.

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.

SECURITY TITLE COMPANY
194317

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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

1. Name.

The name by which the Condominium Project shall be known is Foothill Gardens, a Utah Condominium Project.

2. 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 Foothill Gardens Venture, a joint venture composed of Wilcox Real Estate, Inc., a California corporation, and Jack C. Jensen, a Utah resident, which has made and executed this Declaration and/or any successor 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 1953, Section 57-8-1 through 57-8-36 (Repl. Vol. 1974) (Supp. 1977).

(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.

(d) The word "Declaration" shall mean this instrument by which Foothill Gardens 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.

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(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.

(g) The word "Map" shall mean and refer to the Record of Survey Map of Foothill Gardens 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 V(c) 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 Salt Lake 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 words "Association of Unit Owners" or "Association" shall mean and refer to the Utah nonprofit corporation formed under the name "Foothill Gardens Owners' Association, Inc." to manage the affairs of the Project, in accordance with this Declaration and the Articles of Incorporation and Bylaws attached hereto as Exhibit "B", which Articles and Bylaws are hereby incorporated herein.

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

(l) The words "Management Committee" or "Committee" shall mean and refer to the officers of the Association as provided in this Declaration and the Articles and Bylaws hereto attached as Exhibit "B". Said Committee is charged with and shall have the responsibility and authority to make and to enforce all of the reasonable rules and regulations covering the operation and maintenance of the Project.

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

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

The land described on Exhibit "A" attached;

That portion of the Property not specifically included in the respective Units as herein defined;

All foundations, columns, girders, beams, supports, mainwalls, roofs, halls, corridors, stairs, stairways, building storage room, building maintenance room, tool room, recreation room, mail room, office, incinerator room, laundry facility and related equipment, heating and mechanical equipment room, boilers and related equipment, sewer fixtures and equipment, electrical equipment, furnaces, air conditioning equipment, whether or not located within a Unit, elevators, yards, gardens, fences, service and 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;

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

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

(o) 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 expenses of operating, maintaining and replacing the boilers and other mechanical equipment related to heating the building; all charges for utilities furnished to the Common Areas and Facilities including but not limited to electricity, gas, sewer charges, water charges, and the like; those charges for utilities furnished to the Units which are to be treated as common expenses as provided in Article V(b), 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 of Unit Owners or the Management Committee may from time to time adopt; and such other expenses incurred pursuant to agreements lawfully made and/or entered into by the Management Committee.

(p) 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 designated covered and uncovered parking stalls as indicated on the Map and on Exhibit "C" attached hereto and by reference incorporated

herein, the balconies or patios that are adjacent to, contiguous with and open into certain Units, as more particularly identified in the Map, and the storage areas shown on the Map which are contiguous to and are identified by the last digit of the Unit Number of the Unit to which they are appurtenant, preceded by the letter "S". If some or all of the parking stalls which are Limited Common Area are not designated as appurtenant to particular units on Exhibit "C", that designation will be made by Declarant at the time of the first conveyance of a unit in the instrument of conveyance. Within six (6) months after the last unit is conveyed or sooner, at Declarant's option, Declarant will record an addendum to Exhibit "C" containing the final permanent assignments of parking stalls. 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.

(q) The words "Utility Services" shall include, but not be limited to, water, trash collection and sewage disposal.

(r) The word "Mortgage" shall mean and include both a mortgage on any Condominium Unit and a deed of trust on any Condominium Unit. 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 Unit.

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

(t) 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.

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

(a) Description of Land. The land is that tract or parcel in Salt Lake County, Utah more particularly described in Article I of this Declaration.

(b) Description of Improvements. The Project has been constructed in accordance with the information contained in the Map. The residential buildings are of wood frame and brick veneer construction. The buildings contain a total of one hundred twenty six units, consisting of twenty eight (28) three bedroom units, seventy (70) two bedroom units, and twenty eight (28) one bedroom units. Electricity is separately metered to each Unit. Each Unit is equipped with carpet, drapes, range, oven, refrigerator, disposal and dishwasher and smoke alarm system, as well as a fireplace and patio or balcony. Gas heating and air conditioning and hot water heating are provided for each Unit and will be treated as common expenses. Water, sewage and garbage disposal will not be separately billed or metered and will be paid as common expenses. Also included in the Project are a swimming pool and recreation building with a small office, two saunas, exercise room and a sauna pool. The Project will be subject to the easements which are reserved through the Project and as may be required for Utility Services.

(c) Description and Legal Status of Units. The Map and Exhibit "C" hereto show the Unit Number of each Unit, its location, and the Common Areas and Facilities. All Units shall be capable of being independently owned, encumbered and conveyed. Each Unit shall include that part of the building which lies within the boundaries of the Unit, which boundary shall be determined in the following manner:

The upper boundary shall be the plane of the lower surface of the ceiling;

The lower boundary shall be the plane of the upper surface of the floor; and

The vertical boundaries of the Unit shall be (i) the interior surface of the outside walls of the building bounding a Unit; (ii) the center line of any non-bearing interior walls bounding a Unit; and (iii) the interior surface of any interior bearing walls bounding a Unit.

(d) 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:

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

driveways, parking areas, lawns, patios, shrubs, trees, entrance ways, halls, stairways, and service areas including clothes laundering facilities, recreation building, swimming pool, heating and mechanical equipment room, and all related heating and mechanical equipment and controls; furnaces, air conditioning equipment, ducts and controls, whether located within a Unit or not; sewer lines; electrical equipment and lines;

any utility or heating pipe or line or system servicing more than a single Unit, and all ducts, wires, conduits, and other accessories used therewith;

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;

all repairs and replacements of any of the foregoing.

ARTICLE VI

ALTERATIONS

For five years following the recordation hereof, Declarant reserves the right to change the interior design and interior arrangement of the common areas or of any Unit and to alter the boundaries between Units, or to combine units, or to divide Units as hereinafter set forth, so long as the Declarant owns the Units so altered or divided or combined. No such division shall be permitted without the prior written approval of the holder of a First Mortgage covering the Unit to be divided. Any change of the boundaries between units or any division or combination of units or any alteration of the common areas shall be reflected by an amendment of this Declaration and of the Map which may be executed by the Declarant alone, notwithstanding the procedures for amendment described in Article XXVII of this Declaration. Any division, combination and/or change in unit size shall be accompanied by a reallocation of percentage interest in common area on a square footage basis. No such change shall materially alter the boundaries of the Common Areas and Facilities nor change the fraction of ownership of Common Areas and Facilities associated with the non-altered, non-separated or non-combined Units without amendment of this Declaration and of the Map in the manner described in Article XXVII of this Declaration.

ARTICLE VII

STATEMENT OF PURPOSE AND RESTRICTION ON USE

(a) Purpose. The purpose of the Condominium Project is to provide residential housing space for Unit Owners, their families, guests and lessees, and to provide parking space for use in connection therewith, all in accordance with the provisions of the Act.

(b) Restrictions on Use. The Units and Common Areas and Facilities shall be used and occupied as hereinafter set forth.

(1) Each of the residential Units shall be occupied only as a residence and for no other purpose. No business shall be operated in or from any residential Unit other than the rental of the Unit itself, subject to applicable zoning and business regulation laws and ordinances. Each parking stall

shall be used for the parking or storage of operable motor vehicles and for no other purpose. Not more than one vehicle belonging to or being used by a Unit Owner, his family, guests, employees or invitees shall be parked in the non-assigned parking area at any one time. The Common Areas and Facilities shall be used only for the purposes for which they are intended.

(2) 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 residential use, or will result in the cancellation of insurance on the building, or the contents thereof, without the prior written consent of the Management Committee. 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.

(3) No Unit Owner shall cause or permit anything (including, without limitation, an awning, canopy, shutter, storm door or screen door) to hang, be displayed, be visible or otherwise be placed on the exterior walls or roof of any building or any part thereof, or on the outside of windows or doors, without the prior written consent of the Management Committee. No sign of any kind shall be displayed to the public view on or from any residential Unit or the Common Areas unless it is for the common benefit of all Unit owners. Any signs displayed to public view on or from the commercial Unit shall be first approved by the Management Committee.

(4) No noxious or offensive activity shall be carried on in any Unit or in the Common Areas and Facilities, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or occupants.

(5) 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.

(6) No pets or animals of any kind shall be allowed, kept, bred or raised in any Unit or on any of the Common Areas in the Project except pursuant to rules and regulations established by the Management Committee.

(7) The Common Areas and Facilities shall be kept free and clear of all rubbish, debris and other unsightly materials. The storage facilities shall be used strictly in accordance with rules and regulations promulgated by the Management Committee.

(8) No admission fees, charges for use, leases or other income generating arrangement of any type shall be employed or entered into with respect to any portion of the Common Areas and Facilities without the prior written consent of the Management Committee.

(9) Without the express written approval of the Management Committee which shall not be withheld unreasonably, no Unit shall be occupied simultaneously by more than the number of persons indicated hereinafter: one bedroom units -- two persons; two bedrooms -- four persons; three bedrooms -- five persons.

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 Jack C. Jensen, whose address is 255 East 400 South, Salt Lake City, Utah. The said person may be changed by the recordation by the Management Committee of an appropriate instrument.

ARTICLE IX

OWNERSHIP AND USE

(a) 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 shown on Exhibit "C".

(b) 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.

(c) Prohibition against Subdivision of Unit. Except as provided in Article VI above, no Unit Owner, by deed, plat or otherwise, shall subdivide or in any manner cause his Unit to be separated into physical tracts or parcels smaller than the whole Unit as shown on the Map.

(d) Restrictions on Leasing of Unit. With the exception of a First Mortgagee in possession of a Unit following a default in a First Mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no Unit Owner shall be permitted to lease his Unit for transient or hotel purposes. No Unit Owner may lease less than the entire Unit. Any lease agreement shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration and the Bylaws and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be required to be in writing. Other than the foregoing, there is no restriction on the right of any Unit Owner to lease his Unit.

(e) Ownership of Common Areas and Facilities. The Common Areas and Facilities contained in the Project are described and identified in Article V(d) of this Declaration. Said Common Areas and Facilities shall be owned by the Unit Owners as tenants in common. The percentage interest in common areas appurtenant to each Unit and set forth on Exhibit "C" has been determined on the basis of the square footage of the Unit as set forth on the Map and in Exhibit "C" divided by the total square footage of all Units in the Project. 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.

(f) Use of Common Areas and Facilities. The Common Areas and Facilities shall be used only in a manner which is consistent with their community nature and with the use restrictions applicable to the Units contained in the Project, subject to the Declaration and Bylaws. This right of use shall be appurtenant to and run with each Unit.

ARTICLE X

LIMITED COMMON AREAS

Each Unit Owner shall be entitled to the exclusive use and occupancy, as Limited Common Areas, of the patio or balcony adjacent to his Unit (as shown on the Map), the storage area, if any, which is adjacent to and bears the same number as the last digit of the Unit Number of the Unit to which it is assigned preceded by the letter "S", (as shown on the Map) and the parking stall or stalls assigned to his Unit as set forth in Exhibit "C", or to be set forth in the initial instrument of conveyance and on an addendum to Exhibit "C" to be recorded by Declarant as set forth in Subsection II 2.(p) above, subject, however, to the same restrictions on use which apply generally to the Common Areas and Facilities and to Rules and Regulations to be promulgated by the Management Committee as authorized in the Bylaws. Such right to use the Limited Common Areas shall be appurtenant to and contingent upon ownership of the Unit associated therewith, and even though not specifically mentioned in the instrument of transfer, shall automatically pass to the grantee or transferee of such Unit. Such right of use shall not be revocable, nor may it be voluntarily or involuntarily relinquished, waived, or abandoned.

ARTICLE XI

VOTING - MULTIPLE OWNERSHIP

The vote attributable to and exercisable in connection with a Unit shall be the fraction of undivided ownership interest in the Common Areas and Facilities which is appurtenant to such Unit. In the event there is more than one Owner of a particular Unit, the vote relating to such Unit shall be exercised as such Owners may determine among themselves. A vote cast at any meeting by any of such Owners shall be conclusively presumed to be the vote attributable to the Unit concerned unless an objection is immediately made by another Owner of the same Unit. In the event such an objection is made, the vote involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

ARTICLE XII

MANAGEMENT

(a) Management Committee. The business, property and affairs of the Project shall be managed, operated and maintained by the Management Committee as agent for the Association. The Management Committee shall, in connection with its exercise of any of the powers delineated in paragraphs (1) through (9) below, be authorized to deal in the name of the Association. The Management Committee shall have, and is hereby granted, the following authority and powers:

(1) 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;

(2) 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;

(3) the power to sue and be sued;

(4) 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;

(5) 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;

(6) the power and authority to purchase, otherwise acquire, and accept title to, any interest in real property, so long as such action has been authorized by any vote or consent which is necessary under the circumstances;

(7) the power and authority to add any interest in real property obtained pursuant to paragraph (6) above to the Condominium Project, so long as such action has been authorized by the necessary vote or consent;

(8) the authority to promulgate such reasonable rules, regulations, and procedures as may be necessary or desirable to aid the Committee in carrying out any of its functions or to insure that the project is maintained and used in a manner consistent with the interests of the Unit Owners; and

(9) the power and authority to perform any other acts and to enter into any other transactions which may be reasonably necessary for the Management Committee to perform its functions as agent for the Unit Owners.

Any instrument executed by the Management Committee that recites facts which, if true, would establish the Committee'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.

(b) Composition of Management Committee. The Committee shall be selected by the Board of Directors of the Association, shall be composed of three (3) members and shall constitute the officers of the Association. A member of the Board of Directors may also be a member of the Management Committee. Committee members shall serve at the pleasure of the Board of Directors and may be removed at any time upon a majority vote of the Board. Only Unit Owners and officers and agents of Owners other than individuals shall be eligible for Committee membership. At each annual meeting, members of the Board of Directors shall be elected for one year terms, and the Owner(s) of each Unit shall be entitled to a vote equal to that Unit's percentage ownership in Common Areas and Facilities for each seat to be filled. The Board shall have seven (7) members. Said votes may be voted in favor of as many candidates for Board membership as the Owner(s) desire, or may be cumulated and voted for a lesser number of candidates; provided, however, that until the annual Owners' meeting held in November of 1980 or until all Units owned by Declarant have been sold, whichever occurs first, Declarant alone shall be entitled to select four of the seven Board members. Notwithstanding the foregoing limitations, until the first meeting of the Owners, the members of the Committee shall be the following persons and each shall hold the office indicated opposite his name:

Jack C. Jensen
Bob R. Wilcox
Robert A. Safier

President
Vice President
Secretary-Treasurer

Any Board member who fails on three successive occasions to attend Board meetings (whether regular or special) or who has not attended at least 75% of all Board meetings (whether regular or special) held during any twelve month period shall automatically forfeit his seat. In the event a Board seat becomes vacant, whether by reason of forfeiture or due to another cause, the remaining Board members shall elect a replacement to sit on the Board until the expiration of the term for which the member being replaced was elected. Unless he forfeits or otherwise loses his seat as herein provided, a director shall serve on the Board until his successor is elected and qualifies. Board and

Committee members shall be reimbursed out of common expense assessments for all expenses reasonably incurred in connection with Board or Committee business, but shall receive no additional compensation for their services as Board or Committee members.

(c) Responsibility. The Management Committee shall be responsible for the control, operation and management of the Project in accordance with the provisions of the Act, this Declaration, such administrative, management and operational rules and regulations as it may adopt from time to time as herein provided, and all agreements and determinations lawfully made and entered into by said Committee.

(d) Approval Required. The Management Committee 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 Area, have the authority to purchase or sell any real property or add any property to the Common Area.

(e) Additional Facilities. The Management Committee 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.

(f) Name. The Management Committee shall be known as the Foothill Gardens Management Committee.

(g) Manager. The Committee 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 Committee, shall be responsible for managing the Project for the benefit of the Committee and the Unit Owners, and shall, to the extent permitted by law and the terms of the agreement with the Committee, be authorized to perform any of the functions or acts required or permitted to be performed by the Management Committee 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 Management Committee or the Association shall call for a term not exceeding one (1) year and shall provide that such management agreement may be terminated by the Management Committee or by the Association without cause and without payment of a termination fee upon not in excess of thirty (30) days written notice.

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ARTICLE XIII

EASEMENTS

(a) Each Unit shall be subject to such easements as may be necessary for the installation, maintenance, repair or replacement of any Common Areas and Facilities located within the boundaries of such Unit or reasonably accessible only through such Unit.

(b) In the event that, by reason of the construction, repair, reconstruction, settlement, movement or shifting of any part of the Project, 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 Management Committee 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 Management Committee 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 Salt Lake County, Utah. The Management Committee 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 Management Committee may act and rely on current ownership information respecting any Unit or Units which is obtained from the office of the County Recorder of Salt Lake County, Utah. The address of an

Owner shall be deemed to be the address of the Unit owned by such Owner unless the Management Committee is otherwise advised. An Owner (other than a mortgagee in possession pursuant to foreclosure or deed in lieu of foreclosure) 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

ASSESSMENTS

Every Unit Owner shall pay his proportionate share of the common expenses. Payment thereof shall be in such amounts and at such times as the Management Committee determines in accordance with the Act, the Declaration or the Bylaws. There shall be a lien for nonpayment of common expenses as provided in the Act.

In assessing Unit Owners for capital improvements, no assessment for a single improvement in the nature of a capital expenditure exceeding the sum of \$10,000.00 shall be made without the same having been first voted on and approved by at least a majority of the Project's undivided ownership interest.

ARTICLE XVI

DESTRUCTION OR DAMAGE

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

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

(b) If less than 75% of the Project's improvements are destroyed or substantially damaged, and if proceeds of the insurance maintained by the Committee 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, said assessment becoming a lien on the Units as provided in the Act.

(c) If 75% or more of the Project's improvements are destroyed or substantially damaged, and if proceeds of the insurance maintained by the Management Committee are not alone sufficient to accomplish restoration, and if the Unit Owners within 100 days after the destruction or damage by a vote of at least 75% of the entire undivided ownership interest in the common areas 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 75% or more of the Project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the Committee are insufficient to accomplish restoration, and if the Unit Owners do not, within 100 days after the destruction or damage and by a vote of at least 75% of the entire undivided ownership interest in the common areas of the Project, elect to repair or reconstruct the affected improvements, the Management Committee shall promptly record with the Salt Lake County Recorder 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 (Repl. Vol. 1974) (Supp. 1977), 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 section shall be accomplished at the instance and direction of the Management Committee. 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:

The Management Committee shall select three 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 section shall be the median of the three 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.

ARTICLE XVIII

INSURANCE

(a) Hazard Insurance. The Management Committee or Association of Unit Owners shall at all times maintain in force hazard insurance meeting the following requirements:

(1) 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 standard extended coverage endorsement and by 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 that necessary to comply with any co-insurance percentage specified in the policy, but 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, a "Demolition Endorsement" or its equivalent, and, if necessary or appropriate, an "Increased Cost of Construction Endorsement" or its equivalent, and a "Contingent Liability from Operation of Building Laws Endorsement" or its equivalent.

(2) 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.

(3) 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.

(4) The named insured under each policy required to be maintained by the foregoing items (1), (2) and (3) shall be in form and substance essentially as follows: "Foothill Gardens Owners' Association, Inc., or its authorized representative, for the use and benefit of the individual Owners".

(5) 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 Management Committee or the Association of Unit Owners 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 thirty (30) days in advance of the effective date of any reduction in or cancellation of the policy.

(6) 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.

(b) Fidelity Insurance. The Management Committee or 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, Committee members, or volunteers responsible for handling funds belonging to or administered by the Management Committee or Association of Unit Owners. 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.

(c) Liability Insurance. The Management Committee or Association of Unit Owners 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 Owners, the Management Committee, the Association of Unit Owners, or the employees or agents of any of them. 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 \$1,000,000.00 for all claims for personal injury, death and/or property damage arising out of a single occurrence.

(d) General Requirements Concerning Insurance. Each insurance policy maintained pursuant to the foregoing Article XVIII Sections (a) through (c) 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 Class VI or better. No such policy shall be maintained where: (1) 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 Management Committee, the Association of Unit Owners, a Unit, the Common Areas, or the Project; (2) 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; (3) the policy includes any limiting clauses (other than insurance conditions) which could prevent the party entitled from collecting insurance proceeds; or (4) the policy provides that the insurance thereunder shall be brought into contribution with insurance purchased by the individual Unit Owners or their Mortgagees. Each such policy 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 of Unit Owners or the Management Committee; (b) coverage shall not be prejudiced by any failure by the Association or Committee to comply with any warranty or condition with regard to any portion of the Project over which the Association and Committee have no control; (c) coverage may not be cancelled or substantially

modified (including cancellation for nonpayment of premium) without at least thirty (30) 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 Management Committee, 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 (a) through (c) of this Article XVIII cannot reasonably be secured, with respect to such coverage the Association or the Committee 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

(a) Each Unit Owner shall pay the Management Committee 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 Management Committee or Association. If the Unit Owner shall fail to pay any installment within one month 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.

(b) 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 Management Committee from time to time shall determine, in its judgment, is to be paid by all the Owners of the Condominium Project then in existence to enable the Management Committee to pay all estimated expenses and outlays of the Management Committee 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, heating oil charges, water charges, natural gas charges and all other utility services (except telephone, electricity 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 Management Committee 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 Management Committee 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 the cash requirements for a previous year, but were not included therein; and also any sums which the Management Committee may deem necessary or prudent to provide a reserve against liabilities or expenses then accrued or thereafter to accrue although not payable in that year.

(c) The portion payable with respect to each Unit in and for each year or for a portion of a year shall be a sum equal to the aggregate amount of such cash requirements for such year, or portion of year, determined as aforesaid, multiplied by the fraction of undivided interest in the Common Areas and Facilities appurtenant to such Unit, as shown in Exhibit "C". Such assessments, together with any additional sums accruing under this Declaration, shall be payable monthly in advance, or in such payments and installments as shall be provided by the Management Committee. The Management Committee has estimated that the Common Area expenses for the first year will be approximately \$110,000. The monthly share initially attributable to each Unit is set forth on Exhibit "C" and constitutes the initial assessment. A sum equal to two times the initial monthly assessment is to be paid by the initial purchaser at the time of purchase. Thereafter monthly payments shall be made on the first day of each month. The foregoing initial annual assessment is only an estimate, however, and may be revised by the Management Committee as experience is accumulated.

(d) The Management Committee shall have discretionary powers to prescribe the manner of maintaining and operating the Condominium Project and to determine the cash requirements of the Project to be paid as aforesaid by the Owners under this Declaration. Every such reasonable determination by the Management Committee within the bounds of the Act and this Declaration shall be final and conclusive as to the Owners, and any expenditures made by the Management Committee within the bounds of the Act and this Declaration shall as against the Owner be deemed necessary and properly made for such purpose.

(e) If an Owner shall at any time let or sublet his Unit and shall default for a period of one month in the payment of any assessments, the Management Committee may, at its option, so long as such default shall continue, demand and receive from any tenant or subtenant of the Owner occupying the Unit so much of the rent due or becoming due and payable as is necessary to cure said default and the payment of such rent to the Management Committee shall be sufficient payment and discharge of such tenant or subtenant and the Owner to the extent of the amount so paid.

(f) Each monthly assessment and each special assessment shall be separate, distinct and personal obligations of the Owner(s) of the Unit against which the same is assessed at the time the assessment is made and shall be collectible as such. Suit to recover a money judgment for unpaid 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 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:

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

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.

(g) 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 Management Committee setting forth the amounts of the unpaid assessments against the grantor, and such grantee shall not be liable for, nor shall the Unit conveyed by subject to a lien for, any unpaid assessments against the grantor in excess of the amount set forth.

(h) A certificate executed and acknowledged by the Manager or Management Committee stating the unpaid common expenses then outstanding with respect to a Unit shall be conclusive upon the Management Committee and the 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 Owner or encumbrancee or prospective Owner or encumbrancees of a Unit upon request at a reasonable fee initially not to exceed Ten Dollars (\$10.00). 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.

(i) Upon payment or other satisfaction of delinquent assessments concerning which a notice of assessment has been recorded, the Management Committee 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 thereof. Such lien for non-payment of assessment may be enforced by sale by the Management Committee or by a bank or trust company or title insurance company authorized by the Management Committee, such sale to be conducted in accordance with the provisions of the law applicable to the exercise of powers of sale or foreclosure in deeds of 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.

(j) In the event of foreclosure of the lien provided above the Unit Owner shall be required to pay a reasonable rental for the Unit and the plaintiff 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 Management Committee 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.

ARTICLE XX

MORTGAGEE PROTECTION

(a) From and after the time a Mortgagee makes written request to the Management Committee or the Association of Unit Owners therefor, the Committee or 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.

(b) The lien or claim against a Unit for unpaid assessments or charges levied by the Management Committee or by the Association of Unit Owners pursuant to this Declaration or the Act shall be subordinate to a First Mortgage affecting such Unit. A First Mortgagee who comes into possession of a Unit pursuant to his 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 the 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 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 Mortgage or a deed or assignment in lieu of foreclosure shall be collected from or enforced against a First Mortgagee, a successor in title to a 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 Mortgagee or successor in title to the Mortgagee interested in such Unit).

(c) Without the prior written approval of each institutional First Mortgagee, neither Declarant, the Management Committee nor the Association of Unit Owners shall be entitled, by act, omission, or otherwise:

(1) 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 and as provided in Article XXI in the event of a taking by condemnation or eminent domain);

(2) To partition or subdivide any Unit;

(3) 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);

(4) 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.

(5) To change the pro rata interests or obligations of any Unit which apply for (a) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards or for (b) determining the pro rata share of ownership of each Unit in the Common Areas and Facilities.

(6) 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.

(7) To effectuate any decision by the Association to terminate professional management and assume self-management of the Project.

(d) Any Mortgagee shall have the right, at its request and expense and upon reasonable notice, to (a) examine the books and records of the Management Committee, or the Association of Unit Owners, or of the Condominium Project during normal business hours and (b) receive an annual audited financial statement of the Project within ninety (90) days following the end of any fiscal year of the Project, and (c) written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings. From and after the time a Mortgagee makes written request to the Management Committee or the Association of Unit Owners therefor, the Committee or 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 Committee, the Association, or the Unit Owners.

(e) The Management Committee and the Association shall establish an adequate reserve fund to cover the cost of reasonably predictable and necessary major repairs and replacements of the Common Areas and Facilities and shall cause such reserve to be funded by regular monthly or other periodic assessments against the Units rather than by special assessments.

(f) The Committee or the Association shall notify each First Mortgagee in writing in the event that there occurs any substantial damage or loss to, or any taking or anticipated condemnation of: (a) The Common Areas and Facilities or any part thereof; or (b) The Unit covered by the Mortgage of such First Mortgagee. Said notice shall be given within ten (10) days after the Management Committee or the Association learns of such damage, loss, taking or anticipated condemnation.

(g) 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.

(h) 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 Management Committee and Association of Unit Owners with respect to the subject concerned.

(i) Except with respect to combination or division of units pursuant to Article VI, no amendment to this Article XX which has the effect of diminishing the rights, protection or security afforded to Mortgagees including, but not limited to, any amendment which would change the percentage interests of the Unit Owners in the Project, 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 Management Committee and filed for record in the office of the Salt Lake County Recorder. In any such instrument an officer of the Management Committee shall certify that any prior written approval of 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, Utah Code Annotated (Supp. 1977) shall apply. The Management Committee 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

(a) Each Owner of a Unit at his own expense shall keep the interior of such Unit and its equipment and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating and painting which may at any time be necessary to maintain the good appearance of such Unit. Except to the extent that the Management Committee on behalf of all Unit owners is protected by insurance against such injury, the Unit Owner shall repair all injury or damages to the Unit, building or buildings caused by the act, negligence or carelessness of the Unit Owner or that of any tenant or subtenant or any member of the Unit Owner's family or of the family of any tenant or subtenant or any agent, employee or guest of the Owner or his tenant or subtenant and all such repairs, redecorating and painting shall be of a quality and kind equal to the original work. In addition to decorating and keeping the interior of the Unit in good repair, the Unit Owner shall be responsible for the maintenance or replacement of any plumbing fixtures that may be used exclusively by the Unit. Each Unit Owner shall be entitled to the exclusive use and possession of the Limited Common Areas appurtenant to his Unit and shall be responsible for the maintenance and upkeep of same (except for parking areas, which will be maintained by the Management Committee); provided, however, that without the written permission of the Management Committee first had and obtained, a Unit Owner shall not make or permit to be made any structural alteration, in or to the Unit or in or to the exterior of the building, and shall not paint or decorate any portion of the exterior of the Unit or of the building in which the Unit is located. Window coverings or decorations (drapes, shades, curtains, blinds and the like) shall be white or off-white as viewed from the outside unless the Management Committee otherwise consents in writing.

(b) Except as hereinafter provided, the Management Committee shall provide for such maintenance and operation of the Common Areas and Facilities as may be reasonably necessary to keep them clean, functional attractive and generally in good condition and repair. The Management Committee shall have no obligation regarding maintenance or care of Units.

ARTICLE XXIII

RIGHT OF ENTRY

The Management Committee and its duly authorized agents shall have the right to enter any and all of the Units in case of an emergency originating in or threatening such Unit or any other part of the Project, whether or not the Unit Owner or occupant thereof is present at the time. The Committee and its duly authorized agents shall also have the right to enter into any and all of said Units at all reasonable times as required for the purpose of making necessary repairs upon the Common Areas and Facilities of the Project or for the purpose of performing emergency installations, alterations or repairs to the mechanical or electrical devices or installations located therein or thereon; provided, however, such emergency installations, alterations or repairs are necessary to prevent damage or threatened damage to other Units in the Project; and provided further, that the Unit Owner affected by such entry shall first be notified thereof if available and if time permits.

ARTICLE XXIV

ADMINISTRATIVE RULES AND REGULATIONS

The Management Committee shall have the power to adopt and establish by resolution, such Project management and operational rules as it may deem necessary for the maintenance, operation, management and control of the Project. The Committee may, from time to time by resolution, alter, amend and repeal such rules. When a copy of any amendment or alteration or provision for repeal of any rule or rules has been furnished to the Unit Owners, such amendment, alteration or provision shall be taken to be a part of such rules. Unit Owners shall at all times obey such rules and see that they are faithfully observed by those persons over whom they have or may exercise control and supervision, it being understood that such rules shall apply and be binding upon all Units Owners, tenants, subtenants or other occupants of the Units.

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ARTICLE XXV

OBLIGATION TO COMPLY HEREWITH

Each Unit Owner, tenant, subtenant or other occupant of a Unit shall comply with the provisions of the Act, this Declaration, the Bylaws, and the rules and regulations, all agreements and determinations lawfully made and/or entered into by the Management Committee or the Unit Owners, when acting in accordance with their authority, and any failure to comply with any of the provisions thereof shall be grounds for an action by the Management Committee or other aggrieved party for injunctive relief or to recover any loss or damage resulting therefrom, including costs and reasonable attorney's fees.

ARTICLE XXVI

INDEMNIFICATION OF MANAGEMENT COMMITTEE

Each member of the Management Committee shall be indemnified and held harmless by the Association of Unit Owners against all costs, expenses and liabilities whatsoever, including, without limitation, attorney's fees reasonably incurred by him in connection with any proceeding in which he may become involved by reason of his being or having been a member of said Committee; provided, however, the foregoing indemnification shall not apply if the loss, expense or liability involved resulted from the willful misconduct or gross negligence of the member.

ARTICLE XXVII

AMENDMENT

In addition to the amendment provisions contained in Article VI hereof, but 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 66.66 percent 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 Management Committee. In said instrument the Committee shall certify that the vote or consent required by this Article XXVII has occurred. Notwithstanding any other provision contained herein, until occurrence of either of the events referred to in Article XXIX 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 XXVIII

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

(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 XXIX

DECLARANT'S SALES PROGRAM

Notwithstanding any other provision of this Declaration, until Declarant ceases to be a Unit Owner or until the expiration of five (5) years after the date on which this Declaration is filed for record in the office of the County Recorder of Salt Lake County, Utah, whichever first occurs (hereinafter referred to as the "Occurrence"), Declarant shall have the following rights in furtherance of any sales, promotional, or other activities designed to accomplish or facilitate the sale of all Units owned by Declarant.

(a) Declarant shall have the right to maintain a sales office and/or model Units. Such office and/or model Units may be Units (at any location) owned by Declarant.

(b) Declarant shall have the right to maintain a reasonable number of promotional, advertising, and/or directional signs, banners or similar devices at any place or places on the Property, but any such device shall be of a size and in a location as is reasonable and customary.

(c) Declarant shall have the right to use the Common Areas and Facilities of the Project to entertain prospective purchasers or to otherwise facilitate Unit sales, provided said use is reasonable as to both time and manner.

Declarant shall have the right from time to time to locate or relocate its sales office, model units, and/or signs, banners or similar devices, but in connection with each such location or relocation shall observe the limitations imposed by the preceding portion of this Article. Within a reasonable period of time after the happening of the Occurrence, Declarant shall have the right to remove from the Project, any signs, banners or similar devices.

ARTICLE XXX

LIMITATION ON IMPROVEMENTS BY ASSOCIATION

Until the Occurrence described in Article XXIX, neither the Association nor the Management Committee shall, without the written consent of Declarant, make any improvement to or altera-

tion in any of the Common Areas and Facilities, other than such repairs, replacements, or similar matters as may be necessary to properly maintain the Common Areas as they existed at the time the Declaration was recorded.

ARTICLE XXXI

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.

ARTICLE XXXII

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 then-unexercised or then unused rights, powers, authority, privileges, protections and controls which are accorded to Declarant (in its capacity as Declarant herein).

ARTICLE XXXIII

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.

ARTICLE XXXIV

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.

ARTICLE XXXV

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.

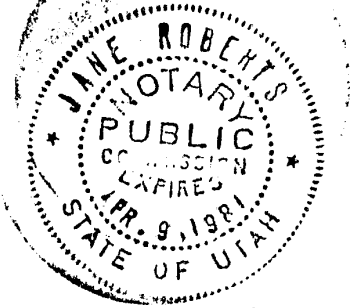
ARTICLE XXXVI

EFFECTIVE DATE

This Declaration shall take effect upon recording.

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

On the 30th day of April, 1979, personally appeared before me Robert A. Safier, who being by me first duly sworn, declared that he is the Vice-President of Wilcox Real Estate, Inc., a California corporation and a member of Foothill Gardens Venture, a joint venture, and that the within instrument was executed in behalf of said corporation for and on behalf of Foothill Gardens Venture, pursuant to authorization of its Board of Directors, and Robert A. Safier duly acknowledged to me that said corporation executed the same.



Jane Roberts
Notary Public
Residing at: Salt Lake County, Utah

My Commission Expires: April 9, 1981

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EXHIBIT "A"

DESCRIPTION

Property located in Salt Lake County and described as follows:

Beginning at a point on the East line of 2100 East Street, said point being North 341.00 feet from the Southwest corner of Lot 2, Block 26, Five Acre Plat "C", Big Field Survey, and running thence North along said East line 64.00 feet; thence East 135.0 feet; thence North 270.0 feet; thence West 135.0 feet to aforementioned East line of Street; thence North along said East line 101.30 feet; thence East 70.0 feet; thence N 66° 38' 20" E 204.21 feet to the Westerly line of Foothill Drive; thence S 33° 15' E along said westerly line 821.82 feet; thence West 573.07 feet; thence North 171.00 feet; thence West 135.00 feet to the point of beginning. Contains 6.135 acres.

ARTICLES OF INCORPORATION

OF

FOOTHILL GARDENS OWNER'S ASSOCIATION, INC.
(A Utah Nonprofit Corporation)

I, _____, the undersigned natural person over the age of 21 years, whose address is _____, acting as incorporator of a nonprofit corporation under the Utah Nonprofit Corporation and Cooperative Association Act [§§16-6-18 through 16-6-111, Utah Code Annotated (1953)], hereby adopt these Articles of Incorporation for such corporation.

The name of the corporation is FOOTHILL GARDENS OWNER'S ASSOCIATION, INC. The corporation shall continue in existence perpetually unless dissolved or otherwise terminated according to law.

I. DEFINITIONS

When used in these Articles the following terms shall have the meaning indicated:

1. Articles shall mean and refer to these Articles of Incorporation of Foothill Gardens Owner's Association, Inc.
2. Association shall mean and refer to Foothill Gardens Owner's Association, Inc., the Utah nonprofit corporation which is created by the filing of these Articles.
3. Member shall mean and refer to every person who holds membership in the Association.
4. Declarant shall mean and refer to Foothill Gardens Venture, a joint venture composed of Wilcox Real Estate, Inc., a California corporation, and Jack C. Jensen, an individual.
5. Property shall mean and refer to the entirety of the tract of real property situated in Salt Lake County, State of Utah, and more particularly described in Exhibit "A" attached hereto and by reference incorporated herein.
6. Map shall mean and refer to the Record of Survey Map covering the Property, entitled Foothill Gardens, a Utah condominium project, executed and acknowledged by Declarant on the _____ day of _____, 19____, prepared and certified to by Robert B. Jones (a duly registered Utah Land Surveyor holding Certificate No. 1525), and filed for record in the office of the County Recorder of Salt Lake County, Utah on or about the date that these Articles are filed with the office of the Secretary of State of Utah.
7. Declaration shall mean and refer to the instrument entitled "Condominium Declaration for Foothill Gardens, a Utah condominium project," executed and acknowledged by Declarant on the _____ day of _____, 19____, and filed for record in the office of the County Recorder of Summit County, Utah concurrently with the filing of the Map.
8. Unit shall mean and refer to any of the 126 units shown on the Map, as defined in the Declaration.
9. Common Areas shall mean and refer to that part of the Property which is not included within the Units, including all improvements other than utility lines now or hereafter constructed or located

thereon, and including all Limited Common Areas as the same are defined in the Declaration and identified on the Map.

10. Owner shall mean and refer to the person, whether one or more, who is the owner of record (in the office of the County Recorder of Salt Lake County, Utah) of a fee or an undivided fee interest in any Unit. Notwithstanding any applicable theory relating to a mortgage, deed of trust, or like instrument, the term Owner shall not mean or include a mortgagee or a beneficiary or trustee under a deed of trust unless and until such party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

II. POWERS AND PURPOSES

1. Purposes. The Association is organized and shall be operated as a nonprofit corporation for the purpose of maintaining and administering the Common Areas, collecting and disbursing the assessments and charges provided for in the Declaration, otherwise administering, enforcing, and carrying out the terms of the Declaration, and generally providing for and promoting the recreation, health, safety, and welfare of residents of the Property.

2. Powers. The Association shall have all of the powers conferred upon it by the Declaration and all powers allowed by law necessary or convenient for accomplishment of any of its purposes, including all powers referred to or described in Section 16-6-22, Utah Code Annotated (1953).

3. Limitation. The Association is not organized for pecuniary profit. Notwithstanding the breadth of the foregoing portion of this Article II: (i) no dividend shall be paid to, no part of the Association's funds shall be distributed to, and no part of any net income of the Association shall inure to the benefit of, any of its Members, Directors, or officers or any other person; and (ii) the powers of the Association shall be subject to all limitations or restrictions contained herein or in the Declaration.

III. MEMBERSHIP AND VOTING RIGHTS

1. Membership. Every Owner shall be a Member of the Association. Membership in the Association shall be mandatory, shall be appurtenant to the Unit in which the Owner has the necessary interest, and shall not be separated from the Unit to which it appertains. Neither the issuance nor the holding of shares of stock shall be necessary to evidence membership in the Association.

2. Voting Rights. The vote attributable to and exercisable in connection with a Unit shall be the fraction of undivided ownership interest in the Common Areas and Facilities which is appurtenant to such Unit. In the event there is more than one Owner of a particular Unit, the vote relating to such Unit shall be exercised as such Owners may determine among themselves. A vote cast at any meeting by any of such Owners shall be conclusively presumed to be the vote attributable to the Unit concerned unless an objection is immediately made by another Owner of the same Unit. In the event such an objection is made, the vote involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

3. Membership List. The Association shall maintain up-to-date records showing the name of each person who is a Member, the address of such person, and the Unit to which the membership of such person is appurtenant. 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

Salt Lake County, Utah. The Association may for all purposes act and rely on the information concerning Members 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 Salt Lake County, Utah. The address of a Member shall be deemed to be the address of the Member's Unit unless the Association is otherwise advised in writing.

IV. MEMBERS MEETINGS

1. Annual Meeting. The first annual meeting of the Members shall be held on the second Wednesday in November of 1980. Thereafter an annual meeting of the Members shall be held on the second Wednesday in November of each succeeding year. The time of the meeting shall be 7:00 p.m. If the day fixed for the annual meeting falls on a legal holiday in the State of Utah, such meeting shall be held on the next succeeding business day. The purpose of the annual meeting shall be the election of Directors and the transaction of such other business as may come before the Members. If election of Directors is not held on the day designated herein for an annual meeting, the Board of Directors shall cause such election to be held at a special meeting of the Members as soon thereafter as is convenient.

2. Special Meetings. A special meeting of the Members for any purpose or purposes may be called by the President, by the Board of Directors, by the Declarant so long as it is an Owner of a Unit, or by Members who own in the aggregate at least one-third of the undivided interest in the Common Areas and Facilities.

3. Place of Meeting. The Board of Directors may designate any place within the State of Utah as the place for any annual meeting or for any special meeting called by the Board. If no designation is made, the place of meeting shall be the principal office of the Association in Salt Lake County, Utah.

4. Notice. Written or printed notice stating the place, day, and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to all Members at least ten (10) but not more than thirty (30) days prior to the meeting date. Such notice shall be deemed to have been properly furnished if mailed postage prepaid within the required time period to the person who appears as a Member, at the latest address for such person appearing in the records of the Association at the time of mailing.

5. Quorum. Except as otherwise provided in these Articles, in the Declaration, or by law, those Members present in person or by proxy shall constitute a quorum at any meeting of the Members.

6. Proxies. At any meeting of the Members a Member may vote by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. All proxies shall be filed with the Secretary of the Association before or at the time of the meeting. Unless otherwise provided therein no proxy shall be valid after eleven (11) months from the date of its execution.

7. Cumulative Voting. At each election for Directors the vote attributable to a Unit may be accumulated by the Member or Members entitled to cast the same by giving one candidate as many votes as the number of Directors to be elected multiplied by the vote concerned shall equal, or by distributing the total vote so determined among any number of candidates. A plurality shall be sufficient for the election of a candidate.

8. Necessary Vote. Except as concerns the election of Directors and except with respect to those proposals which under these Articles, under the Declaration, or by law require a greater proportion for adoption, the affirmative vote of a majority of all votes which Members present in person or represented by proxy are entitled to cast at a meeting shall be sufficient for the adoption of any matter voted

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on by the Members.

V. BOARD OF DIRECTORS

1. Number, Tenure, and Qualifications. The affairs of the Association shall be managed by a Board of Directors composed of seven (7) individuals. Any change in the number of Directors may be made only by amendment of these Articles. Except for the initial Directors named in subsection 2 of this Article V, directors must be Members of the Association. Each Director shall hold office until the next annual meeting of the Members and until his successor has been duly elected and qualifies.

2. Initial Board. The persons who are to serve as Directors until the first annual meeting of Members, though numbering less than seven, are as follows:

<u>Name</u>	<u>Address</u>
Jack C. Jensen	c/o Jack C. Jensen & Associates 255 East 400 South Salt Lake City, Utah 84111
Bob R. Wilcox	c/o Wilcox Real Estate, Inc.
Robert A. Safier	100 Kinross Drive Walnut Creek, Ca. 94598

Notwithstanding the foregoing, until the annual meeting of the Association in November, 1980, or until Declarant is not a Member (having conveyed all Units owned by it), Declarant shall have the right to appoint four of the seven Directors.

3. Regular Meetings. A regular meeting of the Board of Directors shall be held without notice other than this Section immediately after, and at the same place as, the annual meeting of the Members. The Board of Directors may provide by resolution the time and any place for the holding of additional regular meetings without notice other than such resolution.

4. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) Directors. The person or persons calling a special meeting of the Board may fix any place as the place for holding such meeting.

5. Notice. Written or printed notice stating the place, day, and hour of any special meeting of the Board shall be given to all Directors at least three (3) days prior to the meeting date. Such notice shall be deemed to have been properly furnished if mailed postage prepaid at least three (3) business days before the meeting date to each Director at his business address. Attendance of a Director at any meeting shall constitute a waiver of notice of such meeting unless the Director attends for the express purpose of objecting to the transaction of any business because the meeting is not properly called or convened. Neither the business to be transacted at nor the purpose of any meeting need be specified in the notice thereof.

6. Quorum. A majority of the Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board. The act of a majority of the Directors at a meeting at which a quorum is present shall constitute the act of the Board of Directors unless the act of a greater number is required by law.

7. Vacancies. Subject to the limitation in Section 2 of this Article V, any vacancy on the Board may be filled by the affirmative vote of a majority of the remaining Directors, even though such

remaining Directors constitute less than a quorum. A Director thus selected to fill a vacancy shall serve for the unexpired term of his predecessor in office.

8. Compensation. The Board may provide by resolution that the Directors shall be paid their expenses, if any, of attendance at each meeting of the Board.

VI. OFFICERS

1. Number and Qualifications. The Officers of the Association shall be a President, a Vice-President and a Secretary-Treasurer, which shall constitute the Management Committee of the Association. Any two (2) or more offices, other than the office of President and Secretary-Treasurer, may be held by the same person. Officers must be Members of the Association (or officers or agents of Members of the Association which are corporations or partnerships).

2. Tenure. The Officers of the Association shall be elected by the Board of Directors annually at the first meeting of the Board held after the annual meeting of the Members. If election of Officers does not occur at such meeting, it shall be held as soon thereafter as is convenient. Each Officer shall hold office until his successor has been duly elected and qualifies or until he is removed. Any Officer may be removed by the Board whenever in its judgment the best interests of the Association would be served thereby.

3. Vacancies. A vacancy in office resulting from death, resignation, removal, or any other cause shall be filled by the Board of Directors for the unexpired portion of the term of the person previously in office.

4. President. The President shall be the principal executive Officer of the Association and, subject to the control of the Board of Directors, shall exercise general supervision and control over all of the property and affairs of the Association. The President shall, when present, preside at all meetings of the Members and of the Board of Directors. If the President is not present, then the Vice-President shall preside. Except in cases where the signing and execution thereof is expressly delegated by the Board of Directors or by these Articles to some other Officer or agent of the Association or where required by law to be otherwise signed or executed, the President, together with the Secretary or any other Officer of the Association authorized by the Board of Directors, may sign any deeds, mortgages, contracts, or other instruments which the Board of Directors has properly authorized to be executed. The President shall, in general, perform all duties incident to the office of President and such other duties as may from time to time be prescribed by the Board of Directors.

5. Vice-President. In the absence of the President or in the event of his death, inability, or refusal to act, the Vice-President shall perform all of the duties of the President. When so acting he shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice-President shall perform such duties as may from time to time be assigned to him by the President or by the Board of Directors.

6. Secretary-Treasurer. The Secretary-Treasurer shall keep minutes of meetings of the Members and of the Board of Directors in one or more books provided for that purpose, shall see that all notices are given in accordance with the provisions of these Articles, the Declaration, and law and shall maintain the membership list required by these Articles. If required by the Board of Directors, the Secretary-Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board shall determine. The Secretary-Treasurer shall have the custody of and shall be responsible for all funds of the Association, shall receive and give receipts for money due and payable to the Association, shall deposit all such

money in the name of the Association in such banks, trust companies, or other depositories as are selected by the Board, shall perform all accounting, financial record-keeping, and similar services which may be necessary or desirable in connection with the Association's affairs, and, in general, perform all duties incident to the office of Secretary-Treasurer and such other duties as may from time to time be assigned to him by the President or by the Board of Directors.

8. Compensation. Officers shall receive no compensation for their services, but may be reimbursed from Association funds for expenses reasonably incurred in the performance of their duties.

VII. MISCELLANEOUS

1. Manager. The Association may carry out through a Property 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 Property for the benefit of the Association and the Members, 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. Employment of the Manager shall be subject to the limitations stated in Article XII(g) of the Declaration.

2. Principal Office. The principal office of the Association shall be located in Salt Lake County, Utah. The address of the initial principal office of the Association is as follows:

3. Amendment. Any amendment to these Articles shall require: (i) the affirmative vote of at least two-thirds (2/3) of the undivided ownership of the Common Areas and Facilities; and, so long as Declarant is a Member of the Association, the written consent of Declarant. Written notice setting forth the purpose of the meeting and the substance of the amendment proposed shall be sent to all Members at least ten (10) but not more than thirty (30) days prior to the meeting date. Any amendment authorized pursuant to this Section shall be accomplished through the filing with the office of the Secretary of State of Utah of appropriate articles of amendment executed by the President or Vice-President of the Association and, if required, by the Declarant.

4. Consent in Lieu of Vote. In any case in which these Articles require for authorization or approval of a transaction the assent or affirmative vote of a stated percentage of the votes present or represented at a meeting, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Members entitled to cast at least the stated percentage of all membership votes outstanding. The following additional provisions shall govern any application of this Section 4.

(a) All necessary consents must be obtained prior to the expiration of ninety (90) days after the first consent is given by any Member.

(b) The total number of votes required for authorization or approval under this Section 5 shall be determined as of the date on which the last consent is signed.

(c) Except as provided in the following sentence, any change in ownership of a Unit which occurs after consent has been obtained from the

Member having an interest therein shall not be considered or taken into account for any purpose.

(d) Unless the consent of all Members whose memberships are appurtenant to the same Unit are secured, the consent of none of such Members shall be effective.

5. Bylaws and Resolutions. The Board of Directors may adopt, amend, and repeal Bylaws or resolutions for regulation and management of the affairs of the Association not inconsistent with these Articles, the Declaration, or law.

6. Interpretation. The captions which precede the various portions of these Articles are for convenience only and shall in no way affect the manner in which any provision hereof is construed. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, the whole shall include any part thereof, and any gender shall include both other genders. The invalidity or unenforceability of any provision contained in these Articles shall not affect the validity or enforceability of the remainder hereof. These Articles have been prepared in conjunction with the Declaration and should be read and construed in light of that fact and liberally so as to effect all of the purposes of both instruments. To the extent the provisions of the Utah Nonprofit Corporation and Co-operative Association Act [§§16-6-18 through 16-6-111, Utah Code Annotated (1953)] and any modifications, amendments, and additions thereto are consistent with these Articles and the Declaration, such legislation shall supplement the terms hereof.

DATED this _____ day of _____, 1979.

STATE OF UTAH)
 : ss
COUNTY OF SALT LAKE)

On this _____ day of _____, 1979, personally appeared before me _____, who being by me duly sworn, declared that he is the person who as incorporator signed the foregoing Articles of Incorporation of Foothill Gardens Owners' Association, Inc., and that the statements contained therein are true and correct to the best of his knowledge.

Notary Public
Residing at: _____

My Commission expires:

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BYLAWS
OF
FOOTHILL GARDEN'S OWNER'S ASSOCIATION, INC.
A NON-PROFIT CORPORATION

ARTICLE I

OFFICE

The principal office of the Association shall be in Salt Lake City, Salt Lake County, State of Utah.

ARTICLE II

MEETINGS & MEMBERS

Section 2.1. Annual Meeting. The annual meeting of the members shall be held at 7:00 p.m. on the second Wednesday in November 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 Directors may by resolution fix the date of the annual meeting at such other date as the Board of Directors may deem appropriate. At such meeting, the members shall elect directors for one (1) year terms to serve until their successors shall be elected directors; provided, however, that officers and/or duly authorized agents of corporate members may also be elected directors of the Association.

Section 2.2. Special Meetings. A special meeting of the members for any purpose or purposes may be called by the President, by the Board of Directors, by the Declarant so long as it is an Owner of a Unit, or by members who own in the aggregate at least one-third of the undivided interests in the Common Areas and Facilities.

Section 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.

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

Section 2.5. Voting Requirements. When a quorum is present in person or represented by proxy at any meeting, the vote of a majority shall decide any question brought before such meeting, including the election of directors, unless the question is one which, by express provision of the statutes of the State of Utah or of the Declaration or of the Articles of Incorporation or of these Bylaws, 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 the Management Committee at least ten (10) days prior to said annual meeting. Proxies for special members meetings must be of record with the Management Committee at 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. All matters to be voted upon by the members shall be presented to and voted upon by the members holding membership. 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 the members.

Section 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 Membership List maintained by the Association on the 10th day before such annual meeting. The Board of Directors may, by resolution, fix a date in advance of the date of special members meeting upon which a member must appear as a member of record on the property records of Salt Lake County, Utah in order to be entitled to vote at such special members meetings; provided, however, that said date shall in no event be fixed at less than ten (10) nor more than thirty (30) days prior to the date set for such meeting.

Section 2.7. Quorum. At any meeting of the members, the holders of a majority of the undivided interest in the Common Areas and Facilities 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. At such adjourned meeting, the Members present in person or by proxy shall constitute a quorum, regardless of number. At any such adjourned meeting any business may be transacted which might have been transacted at the meeting as originally notified.

Section 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 method of ascertaining those present shall be deemed waived if no objection is made at the meeting.

ARTICLE III

BOARD OF DIRECTORS

Section 3.1. Responsibilities. The business and property of the Association shall be managed by its Board of Directors (herein designated and referred to as the "Board of Directors"). The Board of Directors may, however, enter into such management agreement or agreements with third persons as it may deem advisable, subject to the limitations stated in Article XII(g) of the Declaration.

Section 3.2. Vacancies. In case of any vacancy in the Board of Directors, the remaining members of the Board of Directors may elect a successor director or directors to hold office until the next meeting of the members.

Section 3.3. Regular Meetings. A regular annual meeting of the Board of Directors 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 Directors may from time to time by resolution provide.

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

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

Section 3.6. Committees. The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, 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 Directors. Such committees shall keep regular minutes of their proceedings and report the same to the Board of Directors 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 period of time.

Section 3.7. Compensation. Directors shall not receive any salary for their services.

Section 3.8. Additional Facilities. The Board of Directors shall have the authority to provide such facilities, in addition to those for which provision has already been made, at it may deem to be in the interest of the members.

ARTICLE IV

OFFICERS

Section 4.1. Selection of Officers. The directors shall elect or appoint the officers of the Association. Such election or appointment shall regularly take place at the first meeting of the Board of Directors 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 Directors.

Section 4.2. Additional Officers. The Board of Directors 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 Directors or by the President.

Section 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 then members of the Board of Directors.

Section 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 Directors may require of him. He shall receive no compensation for his services. The President shall be invited to attend meetings of each committee.

Section 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 Directors may impose upon him and shall receive no compensation for his services.

Section 4.6. Secretary - Treasurer. The Secretary-Treasurer shall keep the minutes of the Association, its membership books and such books and records as these Bylaws or any resolution of the directors 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. One or more Assistant Secretaries may be elected, who shall, in the event of the Secretary-Treasurer's absence or inability to act, perform the duties and functions of the Secretary-Treasurer.

The Secretary-Treasurer shall have the custody and control of the funds of the Association, subject to the action of the Board of Directors 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 directors. He shall perform such other services as the Board of Directors may require of him and shall receive no compensation for his services.

ARTICLE V

SEAL

The Board of Directors 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

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 and Co-operative Association Act solely and strictly as an association of Unit owners. It is not intended that the Association realize any profit on any transactions.

ARTICLE VII

ANNUAL STATEMENT

The Board of Directors 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 VIII

FISCAL YEAR

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

EXHIBIT "C"

OWNERSHIP OF COMMON AREAS AND ASSIGNMENT OF
PARKING SPACES AS LIMITED COMMON AREA

Associated with and appurtenant to each Unit in the Project shall be an undivided percentage interest in the Common Areas and Facilities as set forth below.

The parking spaces in the Project, as designated on the Map, are assigned to the Units as Limited Common Area as follows:

Unit No.	Square Footage Size of Unit	Percentage Ownership in Common Areas and Facilities	Initial Monthly Assessment	Parking Stall No.
<u>BUILDING 1</u>				
111	879	.7139	\$ 65.44	P98
112	879	.7139	65.44	P99
113	756	.6140	56.28	P100
114	756	.6140	56.28	P101
115	879	.7139	65.44	P102
116	879	.7139	65.44	P103
121	891	.7236	66.33	P104
122	891	.7236	66.33	P105
123	761	.6180	56.65	P106
124	761	.6180	56.65	P107
125	891	.7236	66.33	P108
126	891	.7236	66.33	P109
131	1260	1.0233	93.80	P88
132	1260	1.0233	93.80	P90
133	1218	.9892	90.68	P92
134	1218	.9892	90.68	P93
135	1260	1.0233	93.80	P94
136	1260	1.0233	93.80	P96
<u>BUILDING 2</u>				
211	879	.7139	65.44	P75
212	879	.7139	65.44	P76
213	756	.6140	56.28	P77
214	756	.6140	56.28	P78
215	879	.7139	65.44	P79
216	879	.7139	65.44	P80
221	891	.7236	66.33	P81
222	891	.7236	66.33	P82
223	761	.6180	56.65	P83
224	761	.6180	56.65	P84
225	891	.7236	66.33	P85
226	891	.7236	66.33	P86

ARTICLE IX

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.

Robert A. Safier
Director

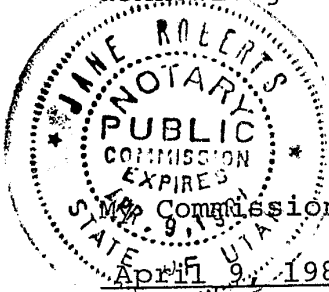
Jack C. Jensen
Director

Jack C. Jensen, Jr.
Director

STATE OF UTAH)
 : ss
COUNTY OF SALT LAKE)

On the 1st day of May, 1979, personally appeared before me Robert A. Safier, Jack C. Jensen and Jack C. Jensen, Jr., who being by me duly sworn did say, each for himself, that he is a director of Foothill Condominium Owners' Association, Inc., and that the within and foregoing instrument was signed in behalf of said corporation by authority of a resolution of its board of directors and said Robert A. Safier, Jack C. Jensen and Jack C. Jensen, Jr. each duly acknowledged to me that said coporation executed the same.

Jane Roberts
Notary Public
Residing at: Salt Lake County, Utah



My Commission expires:
April 9, 1981

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<u>Unit No.</u>	<u>Square Footage Size of Unit</u>	<u>Percentage Ownership in Common Areas and Facilities</u>	<u>Initial Monthly Assessment</u>	<u>Parking Stall No.</u>
<u>BUILDING 2</u> <u>(continued)</u>				
231	1260	1.0233	\$ 93.80	P87
232	1260	1.0233	93.80	P110
233	1218	.9892	90.68	P111
234	1218	.9892	90.68	P112
235	1260	1.0233	93.80	P113
236	1260	1.0233	93.80	P114
<u>BUILDING 3</u>				
311	879	.7139	65.44	P63
312	879	.7139	65.44	P64
313	756	.6140	56.28	P65
314	756	.6140	56.28	P66
315	879	.7139	65.44	P67
316	879	.7139	65.44	P68
321	891	.7236	66.33	P69
322	891	.7236	66.33	P70
323	761	.6180	56.65	P71
324	761	.6180	56.65	P72
325	891	.7236	66.33	P73
326	891	.7236	66.33	P74
331	1260	1.0233	93.80	P115
332	1260	1.0233	93.80	P116
333	1218	.9892	90.68	P117
334	1218	.9892	90.68	P118
335	1260	1.0233	93.80	P119
336	1260	1.0233	93.80	P120
<u>BUILDING 4</u>				
411	879	.7139	65.44	P23
412	879	.7139	65.44	P24
413	756	.6140	56.28	P25
414	756	.6140	56.28	P26
415	879	.7139	65.44	P27
416	879	.7139	65.44	P28
421	891	.7236	66.33	P29
422	891	.7236	66.33	P30
423	761	.6180	56.65	P31
424	761	.6180	56.65	P32
425	891	.7236	66.33	P33
426	891	.7236	66.33	P34
431	1260	1.0233	93.80	P35
432	1260	1.0233	93.80	P37
433	1218	.9893	90.69	P39
434	1218	.9893	90.69	P40
435	1260	1.0233	93.80	P41
436	1260	1.0233	93.80	P43

Unit No.	Square Footage Size of Unit	Percentage Ownership in Common Areas and Facilities	Initial Monthly Assessment	Parking Stall No.
<u>BUILDING 5</u>				
511	879	.7139	\$ 65.44	P1
512	879	.7139	65.44	P2
513	756	.6140	56.28	P3
514	756	.6140	56.28	P4
515	879	.7139	65.44	P5
516	879	.7139	65.44	P6
521	891	.7236	66.33	P7
522	891	.7236	66.33	P8
523	761	.6180	56.65	P9
524	761	.6180	56.65	P10
525	891	.7236	66.33	P11
526	891	.7236	66.33	P12
531	1260	1.0233	93.80	P13
532	1260	1.0233	93.80	P15
533	1218	.9893	90.69	P17
534	1218	.9893	90.69	P18
535	1260	1.0233	93.80	P19
536	1260	1.0233	93.80	P21
<u>BUILDING 6</u>				
611	879	.7139	65.44	P55
612	879	.7139	65.44	P56
613	756	.6140	56.28	P57
614	756	.6140	56.28	P58
615	879	.7139	65.44	P59
616	879	.7139	65.44	P60
621	891	.7236	66.33	P61
622	891	.7236	66.33	P62
623	761	.6180	56.65	P124
624	761	.6180	56.65	P125
625	891	.7236	66.33	P126
626	891	.7236	66.33	P127
631	1260	1.0233	93.80	P128
632	1260	1.0233	93.80	P129
633	1218	.9893	90.69	P130
634	1218	.9893	90.69	P131
635	1260	1.0233	93.80	P132
636	1260	1.0233	93.80	P133
<u>BUILDING 7</u>				
711	879	.7139	65.44	P45
712	879	.7139	65.44	P46
713	756	.6140	56.28	P47
714	756	.6140	56.28	P48
715	879	.7139	65.44	P49
716	879	.7139	65.44	P50
721	891	.7236	66.33	P51

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BUILDING 7
(continued)

<u>Unit No.</u>	<u>Square Footage Size of Unit</u>	<u>Percentage Ownership in Common Areas and Facilities</u>	<u>Initial Monthly Assessment</u>	<u>Parking Stall No.</u>
722	891	.7236	\$ 66.33	P52
723	761	.6180	56.65	P53
724	761	.6180	56.65	P54
725	891	.7236	66.33	P135
726	891	.7236	66.33	P136
731	1260	1.0233	93.80	P137
732	1260	1.0233	93.80	P138
733	1218	.9893	90.69	P139
734	1218	.9893	90.69	P140
735	1260	1.0233	93.80	P141
736	1260	1.0233	93.80	P142

A sum equal to two times the initial monthly assessment shall be paid by the purchaser of a Unit at the time of purchase.

APPROVAL BY CITY

SALT LAKE CITY, a body corporate and politic, and the City in which FOOTHILL GARDENS, 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 Section 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: May 15, 1979

SALT LAKE CITY

By [Signature]
Mayor

ATTEST
[Seal of Salt Lake City Recorder]
[Signature]
Recorder

121.00
MAY 30 2 30 PM '79
KATIE L. JOHNSON
RECORDER
SALT LAKE COUNTY,
UTAH
\$ REF [] FILE 00.
Evelyn Thompson