

hereto and incorporated herein by reference.

3. On June 23, 1987, notice was sent by the Board of Directors to each unit owner informing them of the rules, regulations, and procedures. Said notice and rules, regulations, and procedures are attached hereto as Exhibit "B" and are incorporated herein by reference.

4. Exhibit "B" sets forth rules, regulations, and procedures relating to the following:

- 1. Security Deposit - New Homeowners;
- 2. Security Deposit - Current Homeowners;
- 3. Condominium Payments - Grace Period, Late Fees; and
- 4. Collection Procedures.

5. The above-stated rules, regulations and procedures were necessary or desirable to aid the Management Committee in carrying out its functions and to protect the interest of the unit owners.

DATED this 28th day of December, 1987.

By *R. N. Weatherbee*
 R. N. Weatherbee
 Director

STATE OF UTAH)
 : ss
 COUNTY OF SALT LAKE)

On the 28th day of December, 1987, personally appeared before me R. N. Weatherbee, signer of the above instrument, who

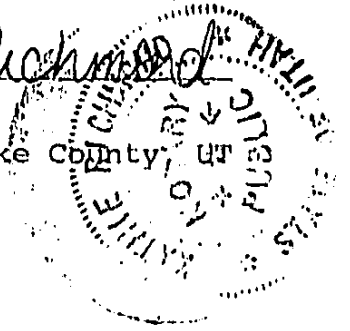
BOOK 6007 PAGE 549

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duly acknowledged to me that he executed the same.

Kathie J. Richmond
NOTARY PUBLIC

Residing in Salt Lake County, UT



My Commission Expires:

Oct. 31, 1989

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EXHIBIT "A"

Beginning at the Southeast corner of Lot 20, Sleepy Hollow Subdivision No. 1, Salt Lake County, Utah, said point of beginning also being South 341.04 feet and West 633.76 feet from the North quarter corner of said Section 11, Township 2 South, Range 1 East, Salt Lake East and Meridian, and running then South 19° 35' 20" East 221.80 feet; then West 134.60 feet; thence South 106.24 feet to the South line of the Northeast quarter of the Northwest quarter of said Section 11; thence South 89° 41' 20" East 63.93 feet; thence Southeasterly around a 325.0 foot radius curve to the right, 41.84 feet to the center of Dry Creek Spring Ditch; thence Southwesterly along the center of said ditch for the next twelve courses; thence South 62° 10' West 72.31 feet; thence South 67° 30' West 150.0 feet; thence South 73° 05' West 65.75 feet; thence South 71° 10' West 160.76 feet; thence South 66° 34' 50" West 115.92 feet; thence South 67° 00' 45" West 78.35 feet; thence South 59° 52' 25" West 111.76 feet; thence South 70° 18' 03" West 24.90 feet; thence South 63° 20' West 14.68 feet; thence South 70° 45' West 43.0 feet; thence South 80° 35' West 54.0 feet; thence South 74° 20' West 34.0 feet to the East bank of the Upper Big Cottonwood Canal; thence Northeasterly along said East bank of Canal for the next six courses; thence Northeasterly 59.80 feet, more or less; thence North 72° 33' 06" East 79.1 feet; thence North 14° 11' 12" East 49.60 feet; thence North 55° 55' 48" West 70.76 feet; thence North 5° 37' East 37.84 feet; thence North 54° 13' West 43.20 feet; thence leaving said East bank and running thence North 58° 30' East 130.00 feet; thence North 31° 30' West 248.0 feet; thence East 70.36 feet; thence North 58° 30' East 150.0 feet; thence North 11° 30' East 125.0 feet; thence North 89° 40' 30" East 594.33 feet to the point of beginning. (In Salt Lake County, State of Utah) as recorded at Book 4892, Docket No. 3301982, Pages 25, through 28 on June 28, 1979.

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- 1) Units all
Terraces Mt Olympus Ph 2 Condo
+
- 2) Units all
Terraces Mt Olympus Ph 1 Condo
+
- 3) Units all
Terraces Mt Olympus Ph 3 + 3A
+
- 4) Units all
Terraces Mt Olympus Ph 4 Condo

- 5) Units all
Terraces Mt Olympus Ph 5 Condo
+
- 6) Lots all
Bron Breck

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EXHIBIT B

June 23, 1987

Collections Procedures/Security Deposits

Dear Homeowner:

During the last several years, your Association has experienced significant trouble in collecting condominium fees in a timely and expeditious fashion. The current rules have, generally allowed homeowners to become 3 months delinquent before any collection action has been initiated. In addition, delinquent homeowners were frequently able to secure additional time through entreaties and promises. Unfortunately, most homeowners failed to fulfill their promises, the end result being that suit was not initiated until 6 or more months' fees were delinquent. Not only has this adversely affected your Association's cash flow, it has also occasionally prevented the actual collection of delinquent fees. By the time the Association had proceeded to judgement against some homeowners, their assets had already been dissipated or they were in bankruptcy.

In order to correct these problems and to encourage all homeowners to place condominium fee payment at the top of their payment priority list, your Board has unanimously decided to implement more stringent payment and collection procedures. Copies of the new rules are attached to this letter.

Since the new deadlines have meaningful consequences associated with them, since they are different than in the past and since collection actions will be virtually automatic, homeowners may wish to consider establishing an automatic payment plan for condominium fees with their bank. If you desire to initiate this type of program, please contact your bank as soon as possible. The Association maintains its account with the Utah State Credit Union, 660 South 200 East, Salt Lake City, UT. 84111, under the name of "The Terraces at Mt. Olympus Homeowners Association Inc". The account number is 00614023 2298. Use of an automatic payment plan would eliminate your postage expense while reducing the association's billing expense and would relieve you from responsibility for any late payments excepting those caused by failure to maintain adequate funds in your account. Errors by your bank will not be charged against you. If you elect to use an automatic payment plan, please promptly advise Gandre of your intent to do so, i.e. enclosing copies of all directions to your bank.

Sincerely yours,

Terraces Homeowners Association
Board of Directors

- POOR COPY -
CO. RECORDER

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Security Deposit-New Homeowners

Effective August 1, 1987, all new homeowners will be required to post a security deposit equal to 4 months condominium fees with Gandre & Associates within 30 days of possession of the property or closing on the property, whichever occurs first. The security deposit will be placed in an interest bearing account. The security deposit plus accrued interest will be returned to the homeowner upon, either the sale of the property (assuming all debts owed the Association have been paid in full) or at the end of 24 consecutive months of on-time condominium fee payments, whichever occurs first. The Association shall have an absolute right of set off against such deposits for all condominium and special assessment fees, late fees, interest charges, lien fees and collection fees (including attorney fees) due and owing by an involved homeowner.

Security Deposit-Current Homeowners

Any current homeowner who is one or more months delinquent in condominium fee payments on August 1, 1987 will be required to post a security deposit equal to 4 months condominium fees within 15 days thereafter. The security deposit will be placed in an interest bearing account and will be returned to the homeowner together with accrued interest upon the sale of the property (assuming there is no outstanding indebtedness to the HOA) or upon the conclusion of 24 consecutive months of on time condominium fee payments.

Condominium Payments-Grace Period-Late Fees

Condominium payments must be received by Gandre & Associates on or before the 10th day of each month. Gandre & Associates will send a delinquent notice to each such homeowner on or before the 15th day of such month. Copies of the notices will be sent to the HOA board. If the delinquency is not cured by the homeowner by the 20th of the month, a lien will be filed against the involved unit and a lien filing fee of \$50 will be assessed against the homeowner. If the delinquency is not cured by the end of the month, suit will be filed as soon as possible thereafter. Any homeowner whose unit is liened will be required to post a security deposit equal to 4 months condominium fees with Gandre & Associates immediately unless such a security deposit has already been posted. The security deposit plus accrued interest will be returned to the homeowner upon the sale of the property (assuming there is no outstanding indebtedness to the HOA) or after 24 consecutive monthly payments have been received on time, whichever occurs first. A late fee of \$10 will be assessed against any homeowner whose payment is received by Gandre after the 10th day of each month. In addition, all unpaid balances including condominium fees, late fees and lien fees as well as any other special charges assessed against the individual unit owner will also accrue interest at the rate of 2% per month compounded monthly.

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CO. RECORDS

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June 23, 1987

Collections Procedures/Security Deposits

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Terraces Homeowners Association
Board of Directors

POOR COPY -
CO. RECORDER

BOOK 6007 PAGE 554

EXHIBIT 

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POOR COPY -
CO. RECORDER

BOOK 6007 PAGE 555

EXHIBIT B