

NOTICE OF REVISION, AMENDMENT AND MODIFICATION OF  
THE DECLARATIONS, COVENANTS, RESTRICTIONS, BY-LAWS, AND RULES  
OF THE TERRACES AT MT. OLYMPUS CONDOMINIUM PROJECT aka  
THE TERRACES AT MT. OLYMPUS CONDOMINIUMS

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RECITALS

I. The Terraces at Mt. Olympus Condominium Project (hereinafter TERRACES) consisted of six phases, I, II, III A, IV, and V. A merger of some phases was recorded on March 29, 1978 as Entry No. 3084585, Book 4646, Page 549, of the official records of the Salt Lake County, Utah, Recorder. On the last day of March, 1973, the Developer-Declarant created the First Phase of the Terraces at Mount Olympus by filing for record on March 13, 1973, as Entry No. 2524577, Book 3277, Page 305, at the office of the Salt Lake County Recorder, the Enabling Declarations of the Terraces at Mount Olympus (First Phase), together with a Record of Survey Map of said condominium, recorded in said office on March 13, 1973, as Entry No. 2524578, in Book XX at Page 44. Then on December 26, 1973, the Second Phase Enabling Declaration of The The Terraces At Mount Olympus was duly recorded in the office of the Salt Lake County Recorder, as Entry No. 2590292, in Book 3484, Page 192; together with and concurrently filed was a map of said Second Phase, recorded as Entry No. 2590293, in Book 73-12, on Page 124, in said office. On January 18, 1978, Declarant filed the Third Phase Enabling Declaration of The Terraces at Mount Olympus in the office of the Salt Lake County Recorder, Entry No. 3052549, Book 4611, Page 576, with an accompanying map which was duly recorded in said office in Book 78-1, at Page 20, as Entry No. 3052550, on January 10, 1978. Developer-Declarant filed in the office

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of the Recorder of Salt Lake County, Utah, a document titled "Amendment to the Enabling Declarations of The Terraces at Mount Olympus (Third Phase)", amending said Third Phase Declaration, Entry No. 3084503, Book 4646. Also recorded of record was a "Notice of Merger of, First Phase, Second Phase, Third Phase, and Phase IIIA of The Terraces At Mount Olympus", on March 29, 1978, as Entry No. 3084585, in book 4646, on Page 549 together with a map titled "Record of Survey Map of The Terraces at Mount Olympus Phase IIIA-Common Areas Recreational Facility, a Condominium Residence Project", recorded as Entry No. 3084584, Book 78-3, Page 101 of Plats. On October 18, 1978, Developer-Declarant filed of record in the office of the Recorder of Salt Lake County, Utah, a Notice of Merger and Amendment of First Phase, Second Phase, Third Phases, Phase IIIA, and Fourth Phase of The Terraces at Mount Olympus, Entry No. 3183900, a document titled "Enabling Declaration of The Terraces at Mount Olympus (Fourth Phase)," Entry No. 3183898, together with accompanying map, entry No. 3183899, Book 78-10, Page 291. Concurrently with the Notice of Merger, Declarant filed of record in the office of the Recorder of Salt Lake County, Utah, a document titled "Enabling Declaration of The Terraces at Mount Olympus (Fifth Phase)," Entry No. 3301980, Book 4892, together with accompanying map, Entry No. 3301981, Book 73-6, Page 236.

All of the Phases described above are within the perimeter of the total tract identified at paragraph 9 of the First Phase Enabling Declaration, as shown at Book 3277, Page 308, and more particularly described in on page 6 herein as Article I "definitions" 3 (g), which

tract is located in Salt Lake County, Utah.

Upon the recording of the notice of merger in the office of the Salt Lake County Recorder, the Fifth Phase was merged. Said Fifth Phase Enabling Declaration, and Record of Survey Map was automatically and completely merged into and became a part of the First Phase, Second Phase, Third Phase, Phase IIIA, and Fourth Phase in the overall project to date. The Record of Survey Map of The Terraces at Mount Olympus consisted of the Record of Survey Maps of the First Phase, Second Phase, Third Phase, Phase IIA, Fourth Phase, and Fifth Phase as described above.

Attached hereto is Exhibit A, which contains the revised percentage interests in the condominium common areas attributable to the respective units of the merged project as previously filed by the Developer-Declarant. Said undivided ownership interest appertains to and pertained to the unit designated in the project upon and after the recording in the office of the Salt Lake County recorder, and each unit was subject to diminution proportionately as additional phases had been added and included in the project, pursuant to the provisions of the Enabling Declarations of the First Phase, Second Phase, Third Phase, and amended, Phase IIIA, Fourth Phase, and Fifth Phase, and of the Utah Condominium Ownership Act.

Upon recordation of the merger of all six Phases the schedule (Exhibit A) automatically became effective and adjustment of the undivided ownership interest of each unit in the common areas and facilities was accomplished by the recording.

The last sentence in Paragraph 10, page 5, of the Enabling

Declaration of The Terraces at Mount Olympus (Fourth Phase) was amended to read, "The submission which is effected by this Declaration, the rights and obligations which are created by this Declaration, and the improvements described in the Survey Map which have been or will be constructed together constitute a phase - "Fourth Phase" - of the condominium project.

II. All the projected phases of the Terraces project were not fully completed due to the bankruptcy of the Developer-Declarant several years ago.

III. The amendments and modifications hereafter draw liberally from the Enabling Declaration of The Terraces at Mount Olympus (Fifth Phase), and are intended to function pursuant to Utah Condominium Law as the Declaration, Covenants and Conditions, and By-laws of the project as it is completed in 1985 and consisting of twenty duplex townhouses units and a clubhouse, pool, and common area including limited common areas. The duplex townhouses are located on Ichabod Street from #4747 to #4772 and on Naniloa Drive from #4769 to #4792 in the Holladay area of Salt Lake City and County, Utah. Much of the same numbering system, title headings, and language of the prior Declarations, Covenant and Conditions and Rules have been retained.

IV. The modifications and amendments hereinafter were lawfully adopted by a vote of more than 70% of the homeowners as required by the Declaration, such affirmative vote of adoption having occurred at a lawfully conducted meeting of The Homeowners Association held at Churchill Junior High School, Salt Lake City, Utah, on April 9, 1985.

NOW THEREFORE, the homeowners of The Terraces At Mount Olympus

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Condominiums hereby adopt the following Amended Declarations, Covenants and Conditions, By-laws, and Rules:

1. DEFINITIONS

When used in this Declaration, the following terms shall have the meanings indicated. Any term used herein which is defined by the Act shall, to the extent permitted by the context hereof, have the meaning ascribed by the Act.

1. Declaration shall mean and refer to this Declaration.

2. Record of Survey Map and Survey Map shall mean and refer to the Record of Survey Maps previously filed. As to all six phases and which are on record at the Salt Lake County Recorders Office of Utah.

3. Common areas and Facilities shall mean, refer to and include:

(a) The real property and interests in real property which by this Declaration have been submitted to the terms of the Act.

(b) All common Areas and Facilities designated as such in the Survey Map.

(c) All foundations, columns, griders, beams, supports, parameter walls and roofs constituting a portion of or included in the improvements which comprise a part of the Project.

(d) All installations for and all equipment connected with the furnishing of Project central services, such as electricity, gas, water.

(e) All roadways necessary for ingress and egress as deeded units as shown on the Survey Map.

(f) all portions of the Project not specifically in ad

within the individual Units.

(g) The real property containing certain recreational facilities is described as follows:

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  $19^{\circ} 35' 20''$  East 221.80 feet; then West 131.60 feet; thence South 106.24 feet to the South line of the Northeast quarter of the Northwest quarter of said Section 11; thence South  $89^{\circ} 41' 20''$  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  $62^{\circ} 10'$  West 72.31 feet; thence South  $67^{\circ} 30'$  West 150.0 feet; thence South  $73^{\circ} 05'$  West 65.75 feet; thence South  $71^{\circ} 10'$  West 60.76 feet; thence South  $66^{\circ} 34' 50''$  West 115.92 feet; thence South  $67^{\circ} 00' 45''$  West 78.35 feet; thence South  $59^{\circ} 52' 25''$  West 111.76 feet; thence South  $70^{\circ} 18' 03''$  West 24.90 feet; thence South  $63^{\circ} 20'$  West 14.68 feet; thence South  $70^{\circ} 45'$  West 43.0 feet; thence South  $80^{\circ} 35'$  West 54.0 feet; thence South  $74^{\circ} 20'$  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  $72^{\circ} 33' 06''$  East 79.17 feet; thence North  $14^{\circ} 11' 12''$  East 49.68 feet; thence North  $55^{\circ} 55' 48''$  West 70.75 feet; thence North  $5^{\circ} 37'$  East 37.84 feet; thence North  $54^{\circ} 13'$  West 43.20 feet; thence leaving said East bank and running thence North  $58^{\circ} 30'$  East 130.00 feet; thence North  $31^{\circ} 30'$  West 248.0 feet; thence East 70.36 feet; thence North  $58^{\circ} 30'$  East 150.0 feet; thence North  $11^{\circ} 30'$  East 125.0 feet; thence North  $89^{\circ} 40' 30''$  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.

(h) All other parts of the project normally in common use or necessary or convenient to its use, existence, maintenance, safety or management.

4. Limited Common Area. The limited Common Area includes rear and side yards and the garden and courtyard areas adjacent to

each individual Unit but is otherwise subsumed within the meaning of "common area".

5. Management Committee and Committee shall mean and refer to the Management Committee of The Terraces at Mount Olympus or to the officers and directors of The Terraces at Mount Olympus Homeowners Association, Inc.

6. Unit shall mean and refer to one of the home units and attached garage, which is designated as a Unit by a number on the Record of Survey Map. Unless a wall on the perimeter of a Unit separates and is common to two or more Units, such perimeter wall shall, except for the finished surface thereof which is on the interior of a Unit, constitute a part of the Common Areas and Facilities. Such finished surface shall be a part of the Unit to which it relates. A wall on the perimeter of a Unit which separates such Unit from, and is common to, another Unit shall, from and including the surface of such wall to its center, constitute a part of the Unit to which it relates. A Unit shall include any walls or partitions which are wholly contained within its perimeters and the surfaces of any floors and ceilings which bound it. A Unit shall not include pipes, wires, conduits, or other utility lines running through it which are utilized for or which serve more than one unit.

7. Unit Number shall mean and refer to the number, letter or combination thereof which designates a Unit in the Record of Survey Map.

8. Unit Owner or Owner shall mean and refer to the owner of the fee in a Unit and the percentage of undivided interest in the

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Common areas and Facilities which is appurtenant thereto. In the event a Unit is the subject of an executory contract of sale, the contract purchaser shall be considered the Unit Owner for purposes of voting and Committee membership. In event of a foreclosure the lawful purchaser at the foreclosure sale shall thereafter automatically be the Unit Owner.

9. Common Expenses shall mean and refer to all sums which are expended on behalf of all the Unit Owners and all sums which are required by the Management Committee to perform or exercise its functions, duties or rights under the Act, this Declaration, the Management Agreement for operation of the Project, and such rules and regulations as the Management Committee may from time to time make and adopt.

10. Phase shall mean and refer to each separate step in development of the extant Total Tract which was initiated through the submission of areas to the terms of the Act. The term shall also include all improvement which are constructed and all appurtenances, rights, obligations and legal relationships which came into existence in conjunction with the submission of any single area.

11. Condominium Project or Project shall mean and refer to THE TERRACES AT MOUNT OLYMPUS Project and to The Terraces at Mount Olympus Condominiums. At any point in time the Project consists of the First Phase through the Fifth Phase have been added to and merged with the First Phase.



III.

COVENANTS, CONDITIONS AND RESTRICTIONS, AND BY-LAWS

The foregoing submission of the defined area is made under the following Covenants, Conditions and Restrictions and By-Laws:

1. Description of Improvements. The improvements of the Condominium Project are now upon the parcel described above. The Survey Map shows the number of stories and the number of Units which are to be contained in the buildings which comprise a part of such improvement. The buildings were principally constructed of the following materials: Wooden frames with loadbearing or non-bearing walls studded with wood, wood siding; glass openings; wooden joist floors and roofs; roof surfaced with asphalt shingles; interior walls surfaced with gypsum sheets.

2. Description and Legal Status of Units. The Record of Survey Map shows, with respect to this Phase of the Project, the Unit Number of each Unit, its location, dimensions from which its area may be determined, and those Limited Common Areas and Facilities to which it has immediate access. Units in this Phase are home Units and attached garages. All Units shall be capable of being independently owned, encumbered and conveyed.

3. Common Areas and Facilities. The Common Areas and Facilities contained in this Phase of the Project are described and identified in Article I of the Declaration. The percentage of undivided interest in the Common Areas and Facilities shall not be separated from the Unit to which it appertains; and, even though not specifically mentioned in the instrument of transfer, such percentage

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of undivided interest shall automatically accompany the transfer of the Unit to which it relates.

4. Computation of Undivided Interests. For purposes of determining the percentages of undivided interest in the Common Areas and Facilities which are appurtenant to the various Units, was measured by the original Developer-Declarant by the total floor space contained in a Unit as compared to the total floor space of all Units. Thus the percentage of undivided ownership interest appurtenant to each Unit is the ratio between the area of such Unit and the total area of all Units in the Project.

5. Permissible Use of Units and Common Areas. Units in each Phase are home Units of a type intended solely to be used for residential housing, and each is restricted to such use. No Unit shall be used or occupied in violation of law, so as to create a nuisance or interfere with the rights of any other Unit Owner, or used in a way which would result in a increase in the cost of any insurance covering the Project or the Common Area as a whole. The Common Areas and facilities shall be used only in a manner consistent with their nature and the Rules hereinafter stated. No Unit Owner shall be allowed either to time share or to allow any other form of interval ownership or internal right to use form of time sharing of any Unit in the Project.

6. Condition and Maintenance of Units. The rooms may, but need not, be carpeted. Each Unit shall be maintained so as to not detract from the appearance of the Project and so as not to adversely effect the value or use of any other Unit.

7. Transfer or Lease of Home Units. Any Owner of a home Unit who plans to sell his/her Unit or to enter into any agreement for another party's occupancy thereof shall, at least 20 days before the transaction is to be consummated, give the Committee written notice of his/her intentions. The notice shall furnish the name and address of the proposed purchaser or occupant and the terms of the proposed transaction. At any time within fifteen days after its receipt of the notice the Committee shall have the right to enter into the transaction upon the same terms as those offered to the proposed transferee or occupant. Notwithstanding any provision of the proposed transaction, however, in the event the Committee exercises such right, it may then lease, sub-lease or sell the Unit to any party reasonably acceptable to it and the Unit Owner. Should the owner fail to notify the Committee, the Committee shall have, the power to enjoin the sale-purchase and shall have the right to assert it's power and all other legal and equitable remedies against the owner, the buyer, or both.

If the Committee desires itself to enter into the transaction proposed by the Unit Owner it shall, after first complying with the provisions of Paragraph 15. (Capital Improvements), give the Unit Owner written notice of such facts within fifteen (15) days after its receipt of Owner's notice. Upon the giving of such notice the Committee shall be obligated to enter into the proposed transaction within thirty (30) days thereafter at the price of and under the same terms and conditions set forth in the Owner's unit sale contract.

In the event of foreclosure of a mortgage, deed of trust or like encumbrance upon the entire area or upon any Unit, the purchaser at

such sale shall be entitled to own, occupy, use and dispose of the property so encumbered and sold, free of any prior Unit interests and designations, and free of any assessment liens on such Unit incurred prior to such purchaser's acquisition of Unit, and as fully as the original owner of such property, and shall be entitled to enjoy such property, Units and all related common areas. From the effective date of the foreclosure, the purchaser at the foreclosure sale shall automatically succeed to the status of Unit Owner and shall, from such date, comply with all the duties and shall have all the rights of a Unit Owner.

8. Acceptability of Tenants; Limitations.

8.1 In the event an Owner of a home Unit plans to allow someone other than a member of his/her immediate family to occupy his Unit, such Owner: shall, at least 10 days prior to the proposed date of occupancy, give the Committee written notice of the name of the intended occupant. Within 10 days after its receipt of the notice, the Committee may disapprove of the proposed occupant. If the Committee does so, the Owner concerned shall not permit the planned occupancy unless the Committee's decision is reversed by the vote of at least 40% of the Project's undivided ownership interests. In the event the Unit Owner wishes to seek such a vote, he/she shall notify the Committee and it shall call a special meeting of all Unit Owners. The meeting shall be held as soon as is reasonably possible after the Unit Owner requests it.

8.2 Not more than twenty percent (20%) of the Units shall, at any time, be rented or leased by Unit Owner. Anything to the

contrary, notwithstanding, a Unit Owner may rent or lease his/her Unit during such time as his/her Unit is listed for sale or during a Unit Owner's extended vacation, sabbatical, or temporary residence outside the State of Utah, provided the Unit Owner remains legally domiciled in Utah at the Unit and provided the Unit Owner notifies the Committee subject to the same terms and conditions as in 8.1.

9. Status and General Authority of Committee. The Condominium Project shall be managed, operated and maintained by the Management Committee as agent for the Unit Owners. The Committee shall, in connection with its exercise of any of the powers stated in subparagraphs (a) through (j) below, constitute a legal entity capable of dealing in its committee or corporate name, have, and is hereby granted, the following authority and powers:

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

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

(c) The power to sue and be sued.

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

(e) The power and authority to convey or transfer any

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interest in real property, so long as any vote or consent necessary under the circumstances has been obtained.

(f) The power and authority to purchase, other-wise acquire, and to 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.

(g) The power and authority to add any interest in real property obtained pursuant to subparagraph (f) above to The Terraces at Mount Olympus, so long as such action has been authorized by the necessary vote of consent.

(h) 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. Any such reasonable rules and regulations promulgated shall not require either amendment to this document or an affirmative vote by the Unit Owners.

(i) 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.

(j) To have and exercise any other powers not hereinbefore enumerated but authorized pursuant to the Utah Condominium Law, as amended from time to time by the Utah legislature or by the Common Law of Utah.

10. Manager. At all times the Committee may, but is not

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required to, carry out all of its functions which are capable of delegation through a Project Manager. The Committee may employ a Manager for such purposes, and any Manager retained must be an individual or entity qualified in the field of condominium project management. The Manager so engaged by the Committee shall be responsible for managing the Project on behalf of the Unit Owners and shall, to the extent permitted by law, be authorized to perform any of the functions or acts required or permitted to be performed by the Management Committee itself.

11. Composition of Management Committee: Voting.

11.1 The Committee shall be composed of five members. At the first regular Owners Meeting, three committee members were elected for two-year terms and two members for one-year terms. At each annual Owners meeting, thereafter the entire condominium, as then constituted, shall vote upon and fill any vacant seat on the Committee with a member elected for a two-year term, there having been initially established a "staggered" term Committee. Members shall serve on the Committee until their successors are elected and qualify. Only Unit Owners and officers and agents of corporate owners who are secured first priority creditors shall be eligible for Committee membership. At the annual meeting each Unit Owner may cast one vote in favor of as many candidates for Committee membership as there are seats on the Committee to be filled. Even if two or more persons own a Unit, only one person shall be allowed to vote. In all cases of vacancy thereafter the remaining Committee members shall elect a replacement to sit on the Committee until the expiration of the term for which the

member being replaced was elected. Committee members shall be reimbursed for all expenses reasonably incurred in connection with Committee business. The Committee may fix such compensation for any member as may be reasonable in light of the Committee duties which that member is required to perform.

11.2 With the exception of voting for officers and/or Management Committee members and members of the arbitration committee all other voting shall be by a unit owner voting his/her percentage of undivided interest for or against. However, even if two or more persons own or rent, only one person shall be allowed to vote the entire interest of a unit as "Unit Owners".

12. Committee Officers and Agents. The Committee shall perform its functions through those members who are elected as officers by the Committee and through such agents or employees as the Committee may appoint. Any Committee officer, agent or employee may at any time be removed with or without cause by the vote of a majority of the Committee members. If at all possible, the Committee shall be comprised of Unit Owners from each of the following residence unit locations: North Ichabod, South Ichabod, East Naniloa, and West Naniloa. The officers of the Committee, and their respective powers and functions, shall be as follows:

(a) President. The President shall be the chief executive of the Committee and shall exercise general supervision over the property and affairs of the Project. He/she shall preside over all meetings of the Committee and of the Unit Owners. He/she may execute all instruments on behalf of the Committee.



(b) Vice President. The Vice President shall have all the powers of the President in the event of the latter's absence or inability to act.

(c) Secretary. The Secretary shall keep minutes of meetings of the Committee and of Unit Owners and shall keep all records which are required or made necessary by the Act, this Declaration, or by the committee.

(d) Treasurer. The Treasurer shall have custody and control of the funds available to the Committee. At the request of the Committee, he/she shall furnish the Committee with a bond, in the amount specified by the Committee conditioned upon the faithful performance of his/her duties. The offices of Secretary and Treasurer may be held by the same person.

13. Committee Meetings. A regular meeting of the Committee shall be held immediately after the adjournment of each annual Owners meeting. Other regular meetings shall be held at regular intervals at such time and place as the Committee may provide. No notice need be given of regular Committee meetings.

Special Committee meetings shall be held whenever called by the President or a majority of the Committee. Either oral or written notice of special meetings shall, unless a waiver of such notice is signed by all members, be given to each Committee member at least 24 hours before the time fixed for the meeting. Any meeting attended by all Committee members shall be valid for all purposes.

A quorum for the transaction of business at any Committee meeting shall consist of a majority of all the members then in office.

14. Owners Meetings. Annual meetings of the Unit Owners shall be held on any of the first, third, or fourth Tuesdays in April of each year.

Whenever such day is a legal holiday, the meeting shall occur on the first business day thereafter. The place of meeting shall be in Salt Lake County, at either the Project's office or as specified in the notice of meeting. At least 10 days before the date of the regular meeting a written notice thereof shall be personally delivered or mailed, postage prepaid, to each Unit Owner at his/her last known address. Such notice shall state the time place and general purpose of the meeting.

Special meetings of the Owners may be called by the President, by majority of the Committee members, or by Unit Owners cumulatively holding at least one-fourth of the undivided ownership interest in the Project. At least ten days before the date set for a special meeting, written notice such as that described in the immediately preceding paragraph shall be personally delivered or mailed postage prepaid to each Unit Owner at his/her last known address.

No notice of any Owners meeting shall be required if a waiver of such notice is signed by all of the Owners. Whenever all the Owners meet in person or by written proxy such meeting shall be valid for all purposes. A quorum for the transaction of business at an Owners Meeting shall consist of a majority of all the undivided ownership interest in the Project. In the event a quorum is not present at an Owners meeting, whether regular or special, the meeting may be adjourned and rescheduled for a time no earlier than 48 hours, and no

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later than 30 days after the time set for the original meeting. No notice of such rescheduled meeting shall be required. A quorum for the transaction of business at the rescheduled meeting shall be 35% of all the undivided ownership interest in the Project.

15. Capital Improvements. Additions or capital improvements to the Project which cost no more than \$12,000.00 may be authorized by the Management Committee alone. Additions or capital improvements the cost of which will exceed which amount must, prior to being constructed, be authorized by at least a majority of the undivided ownership interest in the Project. Any addition or capital improvements which would materially alter the nature of the Project must, regardless of its cost and prior to being constructed, be authorized by at least 75% of the Project's undivided ownership interest.

16. Operations and Maintenance. The Committee shall provide for such maintenance of the Common and Limited Common Areas and Facilities as may be reasonably necessary to keep them clean, functional, attractive and generally in good condition and repair. The Committee shall not, however, be required to maintain any floor, subfloor, or surface covering on patios, porches, decks, or balconies. The Committee shall have no obligation regarding the maintenance or care of the interior of home Units or garages, or of garage door opening/closing mechanisms, or of door bells or chimes, or the like.

The Committee shall maintain a reserve fund for the necessary, and periodic, non-yearly maintenance of the common areas including, but not limited to, redwood sidings and roofs. Such reserve fund

shall be deposited in an interest bearing account or instrument of a financial institution chartered in Utah or granted the right by the Utah Department of Financial Institutions to operate in Utah and insured by a instrumentality of the federal government. Except during the actual payment for such non yearly maintenance, such reserve fund shall, at a minimum, be not less than a sum equal to one-twelfth of the total of the annual monthly assessments for the prior calendar year.

17. Payment of Expenses; Budget. Before the end of each calendar year the Committee shall prepare a budget which sets forth an itemization of the estimated Common Expenses which are anticipated for the coming year. Such budget shall take into account any deficit or surplus realized during the current year. The total of such expenses shall be apportioned among all the Units on the basis of their appurtenant percentages of undivided ownership interest. Prior to or on the first day of each month during the year covered by the budget, each Unit Owner shall pay to the Committee as his/her share of the Common Expenses one-twelfth of the amount so apportioned to his/her Unit. If such monthly payments are too large or too small as a result of unanticipated income or expenses, or as a result of an addition to the Project, the Committee may effect an equitable change in the amount of said payments after one month's prior written notice. The dates, manner and terms of payment shall be determined by the Committee. The foregoing method of assessing the Common Expenses to the Unit Owners may be altered by the Committee, so long as the method it adopts is consistent with good accounting practices and requires

that the portion of Common Expenses borne by each Owner during a twelve-month period be determined on the basis of his/her undivided ownership interest.

The Management Committee shall have a reasonably detailed annual financial statement for the prior fiscal year prepared and mailed to each Unit Owner covering the preceding year's financial activity at least thirty (30) days prior to the annual meeting of Unit Owners. The information in the statement should be presented in a manner which is in accordance with generally accepted accounting principles, it should contain a reasonably detailed listing of all sources of revenue and reasonably detailed listing of all items of expense, and it should be prepared by an independent CPA. The financial statement should also include the management's disclaimer to the C.P.A.

18. Remedies for Nonpayment. Should any Unit Owner fail to pay, when due, his/her share of the Common Expenses, the Committee may enforce any remedy provided in the Utah Condominium Act or otherwise available for collection of delinquent Common Expense assessments. Regardless of the terms of any agreement to which the Committee is not a party, liability for the payment of Common Expenses assessments shall be joint and several, and any remedy for the collection of such assessments may be enforced against any person holding an ownership in the Unit concerned, against the interest which is held by him/her, against either or both the seller or purchaser, and against any combination or all of such persons and interests. Any relief obtained, whether or not through foreclosure proceedings, shall include the Committee's costs and expenses and reasonable attorney's

fees.

In event, a Unit Owner is delinquent and is renting or leasing, his/her rent, the Committee shall immediately notify the Unit Owner's tenant or lessee to make payment directly to the Management Committee of a sum equal to the Unit Owner's monthly assessment. The Unit Owner, in event of his/her own delinquency shall thereby automatically have created an assignment of such rent or lease payment to and for the benefit of the Homeowners Association. The Committee, in addition, shall have all legal remedies including, but not limited to, the appointment of the Committee as a receiver for such rental or lease payments. The purpose of this paragraph is to prevent delinquent Unit Owners from being subsidized at the expense of the other non delinquent Unit Owners.

19. Insurance. The Management Committee shall secure and at all times maintain adequate insurance coverage:

(i) A policy or policies of fire and casualty insurance, with extended coverage endorsement, for the full insurable replacement value of the entire Project. Such policy or policies shall be made payable to the Committee and all persons holding an interest in the Project or any of the Units, as their interest may appear.

(ii) A policy or policies insuring the Committee, the Manager, and the Unit Owners against any liability incident to the ownership, use or operation of the Project or of any Unit which may arise among themselves, to the public, and to any invitees or tenants of the Project or of the Unit Owners. Limits of liability under such insurance shall be not less than \$300,000.00 for any one person

injured, \$1,000,000.00 for all persons injured in any one accident, and \$1,000,000.00 for property damage resulting from one occurrence. Such policies shall be issued on a comprehensive liability basis and shall provide a cross liability endorsement pursuant to which the rights of the named insureds as between themselves are not prejudiced. following additional provisions shall apply with respect insurance:

(a) In addition to the insurance described above, the Committee shall secure and at all times maintain valid insurance against such risks as are or hereafter may be customarily insured against in connection with condominium projects similar to the Project in construction, nature, and use.

(b) The Committee shall have the authority to adjust losses.

(c) Insurance secured and maintained by the Committee shall not be brought into contribution with insurance held by the individual Unit Owners or their mortgagees.

(d) Each policy of insurance obtained by the Committee shall, if possible, provide: a waiver of the insurer's subrogation rights with respect to the Committee, the Manager, the Unit Owners, and their respective servants, agents, and guests; that it cannot be cancelled, suspended, or invalidated due to the conduct of any particular Unit Owner or Owners; that it cannot be cancelled, suspended, or invalidated due to the conduct of any member, officer, or employee of the Committee or of the Manager without a affected improvement, the Management Committee shall promptly record with the Salt Lake County Recorder a notice setting forth such facts. Upon the

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recording of such notice the provisions of subsections (1) through (4) of Section 57-8-31, Utah Code Annotated (1953), shall apply and shall govern the rights of all parties having an interest in the Project or any of the Units.

(e) Any personal property or fixtures such as, but not limited to, hot tubs, swing sets, fish ponds, fountains, or the like constructed or placed in the common or limited common areas by a Unit Owner shall be insured by the Unit Owner and not by the Committee. The Unit Owner shall name the Homeowners Association as a named loss payee and shall indemnify, hold harmless, and defend the Homeowner's Association and all other Unit Owners against any claim arising from the use or ownership of such personal equipment or fixture.

(f) Unit Owners shall insure the interior of own living area of their individual units.

Any reconstruction or repair which is required to be carried out by this Paragraph shall be accomplished at the instance and direction of the Management Committee. Any determination which is required to be made by this Paragraph regarding the extent of damage to or destruction of Project improvements shall be made by qualified persons selected by the Management Committee.

21. Consent Equivalent to Vote. In those cases in which the Act or this instrument requires the vote of a stated percentage of the Project's undivided ownership interest for the authorization or approval of a transaction, such requirement may be fully satisfied provided the notice requirements of these By-laws are first satisfied and consents in writing to such transaction are obtained, with or

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without a meeting, from Unit Owners who collectively hold at least the necessary percentage of undivided ownership interest.

22. Description of and Limitations on Contemplated Development. One sheet of preliminary general plans prepared by Ed, Allen, Engineer and Surveyor, Architects-Planners Alliance, In., and entitled "Masterplan of The Terraces At Mount Olympus Project" (hereinafter referred to as the "Plans"), on file in the office of the former Developer-Declarant, which Plans indicate the general location and outlines of the more significant improvements to be added to the Project in the event all parts of the Total Tract ultimately are included. The following provides additional information concerning said improvements which ultimately became the finished Project.

#### FIRST PHASE

(a) Six duplex-type structures with approximately two above-ground levels.

(b) Constructed of wooden frame with wood siding exterior.

(c) Constituting 12 home Units, containing approximately 2,200 square feet each.

#### SUBSEQUENT PHASES

Like cluster of duplex-type structures.

The right to enlarge the Project through the addition of Phases was limited as follows:

(i) The improvements included in any Phase which was added to the Project was to have been constructed substantially in accordance with the information contained in the Plans and in this instrument regarding the improvements corresponding to those included

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in such Phase or merger.

(ii) Enlargement of the Project occurred only through the addition of Phases which were accomplished on or before May 15, 1983.

23. Amendment. Except as provided below, the vote of at least 70% of the undivided ownership interest in the Common Areas and Facilities shall be required to amend the Declaration of Covenants and Restrictions and By-Laws or the Record of Survey Map. Any amendment so authorized shall be accomplished through the recordation of an instrument executed by the Management Committee. In such instrument the Committee shall certify that the vote required by this Paragraph for amendment has occurred.

Rules or regulations, however, may be adopted by a majority vote of the members of the Committee at a lawfully called meeting of the Management Committee and shall not require a vote of the Unit Owners.

24. Security. The Project has no security guards, gates, or devices. Each Unit Owner should look to the Salt Lake County law enforcement agency or to the Unit Owner's own burglary prevention/deterrent devices or means. The Committee and the Homeowner's Association takes no responsibility for security of the Project or the individual unit.

25. Additions, Modifications, Architecture Committee. No Unit Owner shall enlarge or otherwise modify the exterior of his/her Unit or limited common area or add any devices or structures such as, for illustration and not limitation, fences, greenhouses, solariums, room additions, enclosing decks, hot tubs, unless and until the Unit Owner has received written consent from the Management Committee. The

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Management Committee may function by itself or may appoint an architectural committee. The architectural committee shall be charged with the responsibility of keeping the Project's exterior and common areas complete. In the event the architectural committee recommends that the Committee grants to and the Committee thereafter grants any Unit Owner the right to modify his/her Unit or limited common area in any way, the entire cost of any such improvement shall be the sole cost of the Unit Owner. However, should any such improvement, modification, or addition affect the cost of the Homeowners Association's utility, insurance, painting, staining, or other expenses, such expense affected shall be added to the affecting Unit Owner's monthly assessment. Further, any such additional expense affected thereby and applicable to non-yearly periodic maintenance projects such as, for illustration but not limitation, roofing, staining or painting shall also be added to any special assessment of the Unit Owner.

26. Rules. The purpose of the foregoing covenants, conditions and restrictions, by-laws, and the rules and regulations hereafter is to provide at The Terraces Condominium Community for a little democratic society and to provide for self governance. The condominium community concept is one of shared ownership; shared responsibility; preservation of the economic integrity of a Unit Owner's investment; promotion of happiness and peace of mind among Owners who live in close proximity to each other and who use common facilities together. Accordingly, all Unit Owners must give up a certain degree of freedom of choice which he/she might otherwise enjoy

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in a separate privately owned property.

All rules and regulations hereafter expressed or enacted after the date of this document, and the presently existing pool rules, shall be enforced against the Unit Owner. A tenant or lessee of a Unit Owner shall also be required by the Unit Owner to live up to all rules, regulations, and conditions of the tenancy.

An arbitration committee of seven members shall be formed to serve as arbitrators to hear charges made by any Unit Owner or by the Management Committee against any other Unit Owner for a violation of any rule or regulation of the Homeowner's Association.

The first Arbitration Committee shall be appointed by the Management Committee. Thereafter, new members shall be elected at the annual Homeowners' meeting. Nominations may be made by the Management Committee, the Arbitration Committee or Unit Owners attending the annual meeting. Any Unit Owner living in the Project shall be eligible for nomination. The Arbitration Committee shall be elected in the same manner as the Management Committee, but shall serve for only one year. The Arbitration Committee shall elect from its membership a chairperson. If a member resigns, the remaining members shall appoint a new member to complete the term.

The conflicts which arise between neighbors can often be resolved in a voluntary manner. However, when amiable verbal contact by the Unit Owner or the Management Committee has failed or is not feasible, and a violation of the rules and regulations of the Homeowners' Association may have occurred, the complaint may file a written charge with the Management Committee. Alternatively, the Management

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Committee may also a complaint against a Unit Owner or lessee. The Management Committee shall send written notice of the complaint to the person involved, who will have two weeks to resolve the problem or to protest the validity of the charge. If at the end of two weeks the conflict has not been resolved and the Management Committees' attempts at mediation have failed, the complaint shall be forwarded to the chairperson of the Arbitration Committee who shall:

1. Set a date for a hearing within three weeks of his receipt of the complaint.

2. Provide all parties, including the Arbitration Committee, with notice of the date and a clear statement of the charge. Notice of the complaint and service of process upon the person(s) involved shall be made by certified mail.

3. Provide all parties with the names of the seven members of the Arbitration Committee.

Up to one week before the hearing the complainant and the person charged may each strike the names of two Committee Members. From the names remaining, a panel of three shall be randomly chosen to hear the complaint. If a panel member disqualifies himself from hearing a case, and four Committee Members have been stricken, the remaining panel members shall select a replacement in a random manner from uninvolved Unit Owners.

The Arbitrator Panel so selected shall hear evidence and shall then make written findings of fact and conclusions and issue a written an order all of which shall become a permanent part of the records of the Association. An order of the majority of the arbitrators shall be

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final. The Panel shall have the power to levy fines and to order whatever other remedy or remedies is reasonable and appropriate. Any such fine shall automatically become a lien upon the Unit Owners' interest. As to the violation of any rule or regulation at issue, no fine shall exceed One Hundred Dollars (\$100.00). However, if a Unit Owner is found in violation of the same rule or regulation within an immediately following two month period, the previous fine, if any, may be doubled to to Two Hundred Dollars (\$200.00) for the second offense. An order of a Panel may be filed in a court of competent jurisdiction if enforcement of the lien or fine is necessary and, in such event, the Association shall also be awarded by the court its reasonable attorney's fees and costs. Each Unit Owner agrees to arbitration proceedings as to the rules and regulations of the Terraces Condominium Community.

RULES/REGULATION.

A. The greens and walkways in front of and around the Units and the entrance ways shall not be obstructed or used for any purpose other than ingress to and egress from the Units.

B. The exterior of a Unit shall not be decorated and awnings shall not be placed by any Unit Owner in any manner without the prior written consent of management. No article shall be hung or shaken from the doors or window or placed upon the window sills of the Units.

C. No bicycles, scooters, or recreational vehicles or similar over the road vehicles or types or other personal articles shall be allowed to stand unattended in any of the common areas except in designated parking areas. An over the road recreational vehicle shall

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not be stored or parked in a common area. Notwithstanding the foregoing, persons who were Unit Owners as of June 1, 1985, and who owned a recreational vehicle as of such date that is not larger than 20 feet long may continue, between May 1 and October 31, to park that particular vehicle in the common area.

D. No owner shall make or permit any noise that will likely disturb or annoy the occupants of any of the other Units in the development. No Owner shall do or permit anything to be done which will interfere with the rights, comfort or convenience of other Owners. No stereo, radio, or similar sound equipment shall be played at a volume annoying to nearby Unit Owners after 10:00 p.m. or before 8:00 a.m.

E. Each Owner shall keep his/her Unit in a good state of safety, preservation and cleanliness. No Owner shall sweep, throw or permit to be swept or thrown, any dirt, refuse, or other substances from doors or windows.

F. No sign, notice or advertisement shall be inscribed or displayed on any part of the Unit or in any common or limited common areas, except those which have been approved in writing by the Management Committee. Notwithstanding the foregoing, a Unit Owner may display one standard size real estate "for sale" sign, which shall not in any event exceed 24"x24", through a window of the Owner's unit without first securing the Management Committee's approval.

G. All garbage and refuse from the Units shall be deposited in garbage containers intended for such purpose. Garbage containers should be placed in the common area for pickup only at such times and

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in such manner as the Management Committee may direct. Wet garbage shall deposited in the Owner's disposal rather than in the garbage containers, wherever possible.

H. Water-closets, hot tub, saunas, and other water containing or steam generating apparatus or devices in the buildings, the common, or the limited common areas shall not be used for any purposes other than those for which they were designed or constructed. No sweepings, rubbish, rags, paper, ashes or any other articles shall be thrown into such water containing devices located in the common or limited common areas. Any damage to the common areas or limited common areas or to any adjoining or adjacent unit resulting from the misuse or negligent maintenance of any such devices or such other water or steam containing apparatus shall be paid for by the Owner in whose Unit or on whose limited common area it shall have been caused.

I. No bird, non-human mammal, or reptile shall be kept or harbored in the development unless expressly permitted in writing by the Management Committee. In no event shall a dog be permitted in any of the public portions of the development unless the dog is carried, or is on a leash, or is in the control of and in the immediate presence of the owner. The owner shall indemnify the Management Committee and other Unit Owners and hold them harmless against any loss or liability of any kind or character whatsoever arising from or out of having any animal in the development. No dog or other mammal may be tethered or caged except in the adjoining limited common area of the Unit resided in by the animal's owner. Notwithstanding the foregoing, an animal may be tethered for a reasonable period of time

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in the common area, providing the owner of the animal is physically present in an immediately adjoining area and can promptly respond to and resolve barking or other problems. If a dog, cat, or other animal becomes obnoxious to other Owners by its barking, crying, defecating, or other annoying activity, the owner thereof must cause the problem to be corrected, or if it is not corrected, the Owner, upon the written order of the arbitrators, shall be required to dispose of the animal.

J. Special additional or supplementary rules relating to the use and cleanliness of the pool and other recreational facilities may be adopted and published by the Management Committee.

K. Nothing shall be done to or placed on the exterior of any unit or in the common or limited common area which is or may be unsafe or hazardous or become a nuisance or cause embarrassment, disturbance or annoyance to others. No firearms shall be discharged upon the property. No open fires shall be lighted or permitted on the property except in a contained barbecue unit, and while attended and in use for cooking purposes or within a safe and well-designated interior fireplace, or except such campfires or picnic fires in portions of Common Areas or Limited Common areas designated for such use by the Management.

L. No business activity shall be carried on in any Unit if such business activity creates any inconvenience or deficiency of parking spaces to other Unit Owners or creates a significantly increased visitor or business invitee presence in the community.

M. The Units are designed as residential dwellings. There

shall be no limit in the number of persons occupying a Unit if each person is related by blood or marriage. If not all persons are related by blood or marriage then the following restrictions shall apply: (1) No unit shall be used for living purposes by more than three adults unless two such adults are related by blood or marriage; (2) No minor(s) shall be permitted solely to occupy any unit unless such minor(s) is the child or lawful ward of one of the adults.

N. No unit owner, leasee or any family member of a unit owner shall be allowed to have more than six guests in the swimming pool at one time without the prior written permission of the Committee. The six guest limit is a unit limit.

O. No unit owner shall be allowed to have "boarders" in his/her unit except with the written permission of the Management Committee. In its decision, the Management Committee shall keep in mind the residential and family nature of the Terraces.

P. No over the road vehicle may be dismantled or overhauled in the common area. No over the road vehicle may be stored in the common area unless such vehicle is owned or leased by a unit owner or family member thereof or unless the vehicle is provided for the use of an owner, his leasee or a family member thereof by that person's employer.

Q. No boats may be stored in the common area for more than ten continuous days.

R. No trailers, campers, or the like of the type which is pulled by an over the road vehicle may be stored in the common area for more than ten continuous days.

27. Agent for Service of Process. The agent for service of process shall be that person designated as agent for The Terraces at Mount Olympus Homeowners Association, Inc., as such agent's identification is registered with the State of Utah. As of the date of this instrument, David K. Robinson, Esq., 4775 Naniloa Drive, Salt Lake City, Utah 84117 or Sanford Baum, 4761 Ichabod Place, Salt Lake City, Utah 84117 are agents.

DATED this 25 day of ~~June~~ <sup>July</sup>, 1985.

The Terraces at Mount Olympus Homeowners Association, Inc.

David K. Robinson  
By: David K. Robinson, President

STATE OF UTAH        )  
                                  ) ss  
SALT LAKE COUNTY )

On this 25 day of ~~June~~ <sup>July</sup>, 1985, personally appeared before me David K. Robinson, who being duly sworn did say that he is the President of The Terraces at Mount Olympus Homeowners Association, Inc., a Utah corporation, and that the foregoing declaration was signed on behalf of said corporation, by authority of the resolution of it's Board of Directors, and said David K. Robinson acknowledged to me that said corporation executed the same.

J. Ann Keith  
Notary Public  
Residing in Salt Lake County

My Commission Expires:  
7/11/89

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