

**DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP
FOR GLENFIDDICH CONDOMINIUMS, A CONDOMINIUM PROJECT**

This declaration (the "Declaration") is made this 31st day of May, 1994 by The Glenfiddich Company, L.C. as "Declarant."

RECITALS:

A. Declarant are the Owners of certain real property located in Summit County, Utah, more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference. Declarant has improved or intends to improve the real property. Such improvements shall be made in the manner hereinafter described. The real property and improvements are hereinafter collectively referred to as the "Project."

B. Declarant has improved, or intends to improve the real property of the Project by constructing thereon condominium units and related common areas, which common areas, and improvements are more particularly described pursuant to Utah Code Ann. § 57-8-10(2) in Exhibit "B" attached hereto and incorporated herein by this reference, and in the survey map attached hereto as Exhibit "C" and incorporated herein by this reference. Declarant intends to establish a Condominium Project under the provisions of the Utah Condominium Ownership Act, such that the provisions of the Utah Condominium Ownership Act shall apply to the Project.

C. The Project will consist of a minimum of twelve (12) individual Units (as hereinafter defined). Each Owner will receive title to a Unit plus an undivided one-twelfth (1/12th) fractional interest as tenant-in-common to the Common Areas located within the Project. Each condominium Unit shall have appurtenant to it a membership in the Association (as hereinafter defined).

D. Declarant desires to provide for the preservation of the values and amenities in said Project and for the maintenance of open spaces, and to this end, desires to subject the real property described in Exhibit "A" to the covenants, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of said property and the subsequent Owners thereof, and, as set forth in Article XIV hereof.

E. Declarant deems it desirable for the efficient preservation of the values and amenities in said Project, to create an Association to which will be delegated and assigned all the powers and duties of maintaining and administering and enforcing the within covenants and disbursing the charges and assessments hereinafter created;

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ALAN SPRIGGS, SUMMIT COUNTY RECORDER
1994 JUN 30 17:00 PM FEE \$94.00 BY DMG
REQUEST: COALITION TITLE

F. Declarant has or prior to occupancy will form Glenfiddich Condominium Owners' Association.

DECLARATION:

ARTICLE I

DEFINITIONS

1.1 Act. Shall mean the Utah Condominium Ownership Act as it may be amended or replaced.

1.2 Association. Shall mean and refer to the Glenfiddich Condominium Owners' Association and its successors and assigns. References to the Association herein shall, when appropriate also refer to and include the Board of Trustees, acting for and on behalf of the Association. The Bylaws of the Association are attached hereto as Exhibit "D."

1.3 Board of Trustees. Shall mean the Governing Board of Trustees of the Association.

1.4 Common Areas/Common Facilities. Shall mean the real property described in Exhibit "A" except for those portions thereof which lie within the description of any Unit. Without limiting the generality of the foregoing, Common Areas shall also include:

(a) All foundations and roofs constituting a portion of or included in the improvements which comprise a part of the Project.

(b) All installations for and all equipment connected with the furnishings of the Project with any and all Utility Services, including but not limited to electricity, gas, water and sewer.

(c) The Project outdoor lighting, fences, landscaping and maintenance systems, sidewalks, curb and gutters, parking areas and road(s) or roadway and driveways, and water drainage system.

1.5 Common Assessment. Shall mean an assessment levied to offset Common Expenses.

1.6 Common Expenses. Shall mean any of the following:

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(a) The expenses of, or reasonable reserves for, the maintenance, management, operation, protection, preservation, repair, replacement for the Common Areas and Exclusive Common Areas, including the cost of unpaid Special Assessments.

(b) The cost of capital improvements to the Common Areas which the Association may from time to time authorize.

(c) The expenses of management and administration of the Association, including compensation paid the Association to managers, accountants, attorneys or other employees or agents.

(d) Any other item or items designated by this Declaration or the Bylaws of the Association to be Common Expenses, and any other expenses reasonably incurred by the Association on behalf of the Owners.

1.7 Declarant. Shall mean The Glenfiddich Company, L.C. and its successors and assigns.

1.8 Development. Shall mean the Project divided or to be divided into Condominiums including all structures and improvements, which is the subject of this Declaration from time to time. The Development is a statutory "Condominium project" as defined in Utah Code Ann. § 57-8-3(7).

1.9 Limited Common Areas. Shall mean those portions of the Common Areas which are limited to and reserved for the exclusive use of individual Owners, specifically the designated parking spaces, carports, patio and/or balcony and storage areas, if any, appurtenant to a Unit. Such limited Common Areas are more particularly described on the Map, and are incorporated herein by this reference.

1.10 Manager. Shall mean the person, firm or company, if any, designated from time to time by the Declarant or the Association, as the case may be, to manage, in whole or in part, the Project.

1.11 Map. Shall mean the survey map or recorded plat, or vicinity map of the Glenfiddich Condominiums prepared pursuant to the Utah Condominium Ownership Act and recorded at the County Recorder's Office, County of Summit, State of Utah, a copy of which is attached hereto as Exhibit "C."

1.12 Mortgagee. Shall mean any mortgagee under a real property mortgage or any beneficiary under a deed of trust, which mortgage or deed of trust encumbers a Unit and constitutes a first lien against the Unit.

1.13 Member. Shall mean a member of the Association.

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1.14 Owner. Shall mean and refer to the Owner of record (in the County Recorder's Office, County of Summit, State of

Utah), whether one or more persons or entities, of a Unit. The term "Owner" shall not mean or include a mortgagee or 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. Limitations or restrictions placed on an Owner, however, for purposes of this Declaration shall similarly apply to any and all persons claiming rights by or through said Owner.

1.15 Rules and Regulations. Shall mean the Rules and Regulations governing the use of the Common Areas and the recreational facilities thereon, duly adopted by the Association.

1.16 Special Assessment. Shall mean an assessment for Special Expenses.

1.17 Special Expenses. Shall mean any of the following:

(a) The expenses incurred by the Association for the repair of damage or loss to the Common Areas or the property of other Owners caused by the act or neglect of an Owner which is not covered by insurance.

(b) The expenses of repair or reconstruction of a building damaged or destroyed by fire or other casualty or damage for which there shall be no insurance coverage and the repair or reconstruction of which will directly benefit less than all of the Owners.

(c) Any other item or items designated by other provisions of the Declaration or the Bylaws of the Association to be Special Expenses.

1.18 Unit. Shall mean the elements of a Condominium that are not owned in common with the other Owners of Condominiums in the Development. For purposes of this Declaration, a Unit is defined as a space in a building, together with all fixtures therein intended for the sole use of such Unit. Such units and their respective elements are more particularly described in the Map. The boundaries of a Unit are shown and described in such Map. Ownership of a Unit includes an undivided one-twelfth (1/12th) interest as tenant-in-common in the Common Areas located within the Project, any and all additional rights or privileges with respect to Limited Common Areas appurtenant to said Unit, and a membership in the Association. Whenever reference is made in this Declaration, in the Map, in any deed or elsewhere to a Unit it shall be assumed that such reference is made to the Unit as a whole, including each of its component elements, and to any and all exclusive easements appurtenant to said Unit over the Common Areas or Limited Common Areas, if any.

ARTICLE II

PROPERTY RIGHTS

2.1 Owners' Easements of Enjoyment. Every Owner shall have a fee simple interest in a Unit, as defined herein, together with a right and easement of enjoyment in and to the Common Areas and Limited Common Area which shall be appurtenant to and shall pass with the title to every Unit, subject to any other rights of the Association, or limitations as set forth in this Declaration.

2.2 Delegation of Use. Any Owner may designate his right of enjoyment to the Common Areas to the members of his family who reside with him in his unit, or to his tenants or contract purchasers who reside in his unit and to the guests or invitees of any of the foregoing. The rights and privileges of such delagee shall be subject to restriction, suspension or limitation in all respects in the same manner and to the same extent as those of the Owner.

2.3 Allocation of Interests in Common Area. The undivided interest in the Common Areas of each Owner appurtenant to each such Owner's unit shall be equal and undivided and shall be one-twelfth (1/12th) of the total ownership of the Common Areas.

2.4 Owners Rights to Decorate. Each Owner shall have the right, at his sole expense, to maintain, repair, paint, paper, panel, plaster, tile and finish the interior surfaces of the ceilings, floors, window frames, door frames, trim, perimeter walls of the Units and surfaces of the bearing walls and the partitions located within such Unit. Each Owner shall also have the right to substitute new finished surfaces in the place of those existing on the ceilings, floors and walls. The Owner shall have the right to maintain floors and walls. The Owner shall have the right to maintain, repair, paint, finish, alter, substitute and add or remove any fixtures attached to such ceiling, floors and walls. Notwithstanding the foregoing, windows can be covered only by drapes, shades, blinds and shutters and cannot be painted or covered by foil, paper, blankets, sheets or other materials. Except as otherwise provided for herein, an Owner shall not be allowed to modify or decorate any exterior portion of a Unit, including the balcony, patio, fixtures, walls or other exterior portion or portions of any Unit without the prior written approval of the Association.

2.5 Fixtures and Appliances. An Owner shall be the Owner of the light fixtures, plumbing fixtures, refrigerator, stove, oven, dishwasher, cabinets and other fixtures located within his Unit.

2.6 Other Easements. Notwithstanding any of the provisions of this Declaration to the contrary, each Owner shall have an unrestricted right of ingress and egress to such Owner's Unit, which right shall be perpetual and appurtenant to Unit ownership. If any portion of the Common Areas encroaches upon any Unit or any Unit encroaches on the Common Areas or another Unit as the result of the construction, reconstruction, repair, shifting, settlement, or movement of any portion of the improvements, a valid easement for the encroachment and for the maintenance of the same shall exist in favor of the Association and/or the Owner so long as such encroachment exists.

ARTICLE III

PROJECT ADMINISTRATION

3.1 Administration of Project. The Project or Development as it exists at that time shall in all respects be administered by the Association, acting by and through its Board of Trustees, who shall be elected in accordance with the Bylaws of the Association, and whose duties will be governed by the terms of the Act, this Declaration, and the Articles of Incorporation and Bylaws of the Association. The Association may employ a Manager to perform, subject to the supervision of the Board of Trustees, such duties and services as the Board of Trustees shall direct, including, but not limited to, management, repair and maintenance of the Common Areas and Limited Common Areas and the collection of and accounting for assessments made by the Association.

3.2 Rules and Regulations. The Association shall have the power to establish rules and regulations further governing the Units of the Development, and it shall enforce compliance with the Rules and Regulations and may amend the same from time to time. A copy of such Rules and Regulations or amendment thereto shall be delivered or mailed to each Member promptly upon the adoption thereof.

3.3 Common Utilities. The Association shall be responsible for the monthly payment of Common Area utility services that are provided by public utilities. The Association shall prorate those costs to the Unit Owners on an equitable basis.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS; TRANSFERS OF CONTROL

4.1 Membership. Each Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from the Ownership of the Units. Ownership of a Unit shall be the sole qualification for membership. The membership held by an Owner shall not be transferred, pledged, or alienated in any way, except upon the sale or encumbrance of such Unit, and then

only to the purchaser or Mortgagee of such Unit. If more than one person is the Owner of a Unit, such persons shall jointly hold one Association membership.

4.2 Class of Voters. The Association shall have two classes of voting membership.

Class A. Class A members shall all be Owners, with the exception of the Declarant in the capacity as Declarant, and shall be entitled to one vote for each Unit owned.

Class B. Class B member shall be the Declarant who shall be entitled to three (3) votes for each planned but uncompleted Unit or for each completed but unsold Unit within that portion of the real property within the Project which is owned by such Declarant as the Project exists at that time. The Class B membership shall cease to exist and shall be converted to Class A membership no later than the earlier of the first to occur of the following: (a) a period of six (6) years after the first Unit in Phase One of the Project has been conveyed; or (b) after Units to which three-fourths of the undivided interest in the Common Areas and Facilities appertain have been conveyed or after all Additional Land has been added to the Project, whichever last occurs.

4.3 Voting -- Multiple Ownership. The vote attributable to and exercisable in connection with Unit ownership shall be equal to the percentage of undivided Ownership interest in the Common Areas and Facilities which is appurtenant to each 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, however, except as to Class B members, no more than one vote per Unit shall be possible.

4.4 Suspension of Voting Rights. The voting rights of any Member shall automatically be suspended during any period in which he shall be delinquent in the payment of assessments or other amounts, expenses or fees due the Association.

4.5 Transfer of Control. Declarant shall transfer control of the Association to the Unit Owners no later than the earlier of:

(a) After Units to which three-fourths of the undivided interest in the Common Areas and Facilities appertain have been conveyed, or after all Additional Land has been added to the Project; or

(b) Six (6) years following conveyance of the first Unit in the Project.

For purposes of the Declaration, the term "Control" means the right of Declarant to control the Association, the Board of Trustees, the Project, or the Owners in any manner, except for votes allocated to Unit estates Declarant owns and intends to hold which will be treated on the same basis as votes pertaining to sold units.

ARTICLE V

REPAIR AND MAINTENANCE OF PROJECT

5.1 Duties of Association. The Association shall have the exclusive responsibility of maintaining, repairing, replacing and otherwise keeping in excellent condition any and all portions of the Project not required in this Article to be maintained by the Owners, specifically the Utilities, Common Areas and Limited Common Areas. In addition, the Association shall have a reasonable right of entry upon any Unit to make emergency repairs and to do other work reasonably necessary for the proper maintenance or operation of the Project. The Association shall also have the right to grant permits, licenses and easements over the Common Areas for utilities, roads and other purposes necessary for the proper operation of the Project.

5.2 Duties of Owners. Each Owner, at his expense, shall be responsible for the maintenance and repair of the interior of his Unit, the windows of his Unit, the appliances and equipment located in his Unit, and the heating and other systems servicing such Unit and the Fixtures in such Unit. The Association shall be responsible for the maintenance and repair of any of the above-described items if such work would affect the structural integrity or change the appearance of any portion of the Common Areas or if such work involves equipment or facilities used in common by all or any of the Owners; provided, however, that in the event such maintenance or repair is attributable to the extraordinary use or abuse of an Owner or their guests or tenants, or of a few Owners, the cost of such work may be assessed to such Owner or Owners.

(a) Definition of Utilities. Term "Utilities" as used in this Article means the lines, wires, conduits or other systems for electricity, water, gas or sewer, if any, located within the walls, floors, ceilings or other areas of a Building, which are a part of the Common Areas.

(b) Definition of Fixtures. By the term "Fixtures" as used in this Article means the plumbing, heating, wires and equipment within a Unit commencing at a point where they connect with the Utilities.

5.3 Unit Exterior Maintenance. Except as otherwise provided herein, the Association shall have the responsibility for the maintenance and repair of the exterior of all Units.

ARTICLE VI

ASSESSMENTS

6.1 Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Unit owned within the Development, hereby covenants, and each Owner of any Unit by acceptance of a deed therefor whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. Each such person understands and agrees that the annual and special assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made except as otherwise provided in Utah Code Ann. § 57-8-20. Each such assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them. In the event the Association exercises its right to foreclose for nonpayment of amounts due, Owner shall be required to pay a reasonable rental for the Unit during the time Owner is in possession thereof.

6.2 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Development and for the improvement and maintenance of the Common Area, and of the units situated upon properties.

6.3 Annual Budget. Not less than thirty (30) days prior to the commencement of each fiscal year, the Board of Trustees shall establish an annual budget for such fiscal year, including therein all anticipated items of Common Expense together with a reasonable reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Areas and those Limited Common Areas which the Association is obligated hereby to maintain. Such funds shall be maintained out of regular assessments as common expenses.

6.4 Annual Common Assessment. By the adoption of the annual budget by the Board of Trustees there shall be established an annual Common Assessment for the payment of which each Owner (excluding Declarant) shall be personally liable in the same percentage as his percentage Ownership in the Common Areas. Each such Owner shall pay their percentage share in even monthly installments of one-twelfth (1/12) thereof on the first day of each month during the fiscal year. The Board of Trustees in its discretion may specify a payment schedule other than monthly. Upon

acquisition of record title to a Unit from Declarant, each such Owner shall contribute to the capital of the Association an amount equal to one-sixth ($1/6$) of the amount of the projected annual assessment for that Unit. This amount shall be deposited by the buyer into the purchase and sale escrow and disbursed from the escrow to the Association. Any amounts paid into this fund by buyers shall not be considered as advance payments of regular assessments.

6.5 Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Unit to an Owner, the maximum annual assessment shall be Two Thousand Five Hundred Dollars (\$2,500) per Unit.

(a) From and after January 1 of the year immediately following the conveyance of the first Unit to an Owner, the maximum annual assessment may be increased each year not more than 15% above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first Unit to an Owner, the maximum annual assessment may be increased above the 15% limitation set forth herein by a vote of two-thirds ($2/3$) of the votes of each class of members who are voting in person or by proxy, at a meeting duly called and attended for this purpose.

(c) The Board of Trustees may fix the annual assessment at an amount not in excess of the maximum except as otherwise provided in paragraph 6.5(b) hereof.

6.6 Special Assessments for Capital Improvement. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of one-half ($1/2$) of the votes of each class of members who are voting in person or by proxy at a meeting duly called and attended for this purpose.

6.7 Notice and Quorum for Any Action Authorized Under Sections 6.5 and 6.6. Written notice of any meeting called for the purpose of taking any action authorized under Sections 6.5 or 6.6 shall be sent to all members not less than 10 days nor more than 30 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast fifty percent (50%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting

shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

6.8 Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Units except as otherwise provided herein and shall be collected on a monthly basis.

6.9 Individual Special Assessments. Special Assessments may be levied by the Board of Trustees against particular Owners for the payment of Special Expenses. Such Individual Special Assessments shall be due and payable to the Association upon demand. However, no Individual Special Assessments shall be levied against an Owner until he shall have been given the opportunity to present evidence on his behalf at a hearing before the Board of Trustees, and no such hearing shall be held until such Owner shall have received at least ten (10) days written notice specifying the reason for the proposed Individual Special Assessment and the exact time and place of the hearing.

6.10 Effect of Nonpayment of Assessments, Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest at the rate of 18% per annum. In addition, the Board of Trustees may impose late fees in addition to interest on past due amounts in amounts not to exceed 20% of the assessment due. The Association may pursue its rights pursuant to Utah law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Unit.

6.11 Subordination of the Lien to Mortgages. The lien of the assessments provided for herein, or other charges the Association has on a Unit will be subordinate to a first mortgage or deed of trust on the Unit, if the mortgage or deed of trust was recorded before the delinquent assessment was due, unless otherwise restricted by Utah law. Sale or transfer of any Unit shall not affect the assessment lien, unless a foreclosure of a first mortgage or deed of trust is involved. Such foreclosure of a first mortgage or deed of trust will extinguish the assessment lien for any assessments that were payable before the foreclosure sale, but will not relieve any subsequent Unit Owner from paying further assessments. No sale or transfer shall relieve such Unit from liability for any assessments thereafter becoming due or from the lien thereof.

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ARTICLE VII

INSURANCE

7.1 Insurance Coverage. The Association shall obtain and pay premiums upon, as a Common Expense, the following insurance policies:

- (a) Hazard insurance;
- (b) Liability insurance; and
- (c) Fidelity bond coverage.

All such insurance policies shall comply in all respects with the FNMA insurance requirements as set forth in Chapter 3, Part 5, (Sections 501-504) of the FNMA Lending Guide, dated January 3, 1983, as amended or supplemented.

ARTICLE VIII

MORTGAGEES

8.1 Notices. Any Owner who executes a real property mortgage or deed of trust and thereby creates a first lien against his Unit, shall furnish the Association the name and address of such Mortgagee, and the Association shall maintain such information in a book entitled "Mortgages of Units."

8.2 Right to Examine. The Mortgagee shall have the right to examine the books and records of the Association upon request and to require annual reports of the financial status of the Association.

ARTICLE IX

ARCHITECTURAL CONTROL

9.1 Creation of Committee. No building, fence, wall or other structure shall be commenced, erected or maintained upon the Project, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Trustees, or by an Architectural Committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be

required and this Article will be deemed to have been fully complied with.

ARTICLE X

RESTRICTIONS

10.1 Residential Use. The Project shall contain twelve (12) Units, which Units may be occupied or used by Owner(s), or by the tenants of any such Owner(s) as a dwelling Unit and occupied by one family per Unit, or four (4) single individuals, provided that to the extent such use is not prohibited by applicable ordinance, rule or regulation, a Unit may be occupied and used by family, or social guests of any such Owner or tenant but no such social guests shall be allowed to remain as social guests at the Unit longer than twenty one (21) days.

10.2 Commercial Use. Except as otherwise provided in this Declaration, including paragraph 10.1 above, and except for Declarant's sales offices which may be located within Units or within Common Areas or Limited Common Areas, no part of the Development shall be used or caused, allowed or authorized to be used in any way, directly or indirectly for any business, commercial, manufacturing, mercantile, storing, vending, mineral extraction or other such nonresidential purpose or purposes.

10.3 Antennas and External Fixtures. No television or radio poles, antennas, flag poles, clothes lines, or other external fixtures other than those originally installed by Declarant or approved by the Association and any replacements, shall be constructed, erected or maintained on or within the Development or any structures within it. No wiring, insulation, air conditioning, or other machinery or equipment other than that originally installed by Declarant or approved by the Association, and their replacements, shall be constructed, erected or maintained on or within the Development, including any structures, within it.

10.4 Fences. No fences, awnings, sunshades or walls of any nature shall be erected or maintained on or around any portion of any structure or elsewhere within the Development except those that are installed in accordance with the original construction of the Development, and their replacements, or as are authorized and approved by the Association. No Owner shall make structural alterations or modifications to his Unit or any of the Common Areas or Limited Common Areas, except as otherwise approved by the Association in writing. The Association shall not approve any alterations, decorations or modifications which would jeopardize or impair the soundness, safety or appearance of the Development.

10.5 Signs. No sign of any kind shall be displayed to the public view on or from any condominium or Unit or any other portions of the Development without the approval of the

Association, except such signs that may be used by the Declarant or its designees for a period of two years from the date of recordation of this Declaration for the purpose of developing, selling and improving Units within the Development. However, one sign of customary and reasonable dimensions advertising a Unit for sale or for rent may be placed within each Unit or within the Common Area immediately adjacent thereto by the Owner of such Unit, the location and size of such shall be subject to approval by the Association.

10.6 Offensive Conduct; Nuisances. No obnoxious or offensive activities, including but not limited to repair of automobiles or other motorized vehicles (other than emergency repairs), shall be carried on within the Development. Nothing shall be done on, about or within the Development that may be or may become an annoyance or nuisances to the residents of the Development, or that in any way interferes with the quiet enjoyment of the occupants of the Units. Unless otherwise permitted by the Association, no Owner shall (i) use power tools or maintain a hobby shop and/or (ii) serve food or beverages, cook, barbecue, or engage in similar activities, except within such Unit or Common Area appurtenant to such unit. No Owner shall store any dangerous explosive or inflammable materials either in his Unit or upon the Common Areas, or permit anything to be done or keep or permit to be kept in his Unit or on the Common Areas anything that will increase the rate of insurance, or increase the possibility of danger or injury to any persons or to the Development.

10.7 Restricted Use of Recreational Vehicles. No boat, truck, trailer, camper, recreational vehicle or tent shall be used as a living area while located on or within the Development. However, trailers or temporary structures for use incidental to the initial construction of the Development or any subsequent construction thereto, or the initial sale of Units may be maintained within the Development, but shall be promptly removed on completion of all initial construction and all initial sales.

10.8 Use of Common Areas. The Common Areas shall not be used for storage of supplies or personal property. Stairs, entrances, sidewalks, yards, driveways or parking areas shall not be obstructed in any way, nor shall unauthorized persons use them for other than their intended purposes. In general, no activities shall be carried on nor condition maintained by any Owner either in his Unit or upon the Common Areas which despoils the appearance of the Development.

10.9 Animals. No animals, reptiles, rodents, birds, fish, livestock or poultry shall be kept in any Unit or elsewhere within the Development except that fish in aquariums, birds inside bird cages, and one animal per Unit, which animal may not have a weight in excess of twenty pounds (20 lbs.), may be kept as household pets in any Unit, if (i) they are not kept, bred or

raised for commercial purposes, and (ii) their maintenance is approved by the Association. The Association can prohibit or modify this restriction on the maintenance of pets or any animal in the sole and exclusive opinion of the Association. Each person bringing or keeping a pet on the Development shall be liable pursuant to the laws of the State of Utah to other Owners, their family members, guests, invitees, tenants, and contract purchasers, and their respective family members, guests, and invitees for any damage to persons or property caused by any pet brought on or kept on the Development by such person or by members of his family, his guests or invitees.

10.10 Trash Disposal. Trash, garbage or other waste shall be kept only in sanitary containers or receptacles, which containers or receptacles, unless otherwise directed by Park City, shall be placed at the discretion of the Association. No Owner of a Unit or tenant thereof shall permit or cause any trash or refuse to be kept on any portion of the Development other than in the receptacles customarily used for it, which shall be located only in places specifically designed for such purpose or within the Owner's Unit (except on the scheduled day for trash pick-up).

10.11 Outside Drying and Laundering. No exterior clothes lines shall be erected or maintained and there shall be no exterior drying or laundering of clothes or other items of personal property on balconies, patios, porches, railings or other areas.

10.12 Structural Alterations. No structural alterations to the interior of any Unit shall be made and no plumbing or electrical work within any bearing or common walls shall be made by any Owner or permitted to be made, without the prior written consent of the Association.

10.13 Exterior Alterations. No Owner shall at his expense or otherwise make or permit to be made any alterations for modifications (including painting) to the exterior of the buildings, or to Units, fences, railings, walls or landscaping situated within the Development without the prior written consent of the Association.

10.14 Limited Common Areas. Included in the Development shall be Limited Common Areas as described in paragraph 1.8 hereof. Notwithstanding any provision in this Declaration to the contrary, the Owner of each such Unit shall have an exclusive appurtenant easement to use such appurtenant Limited Common Areas whether or not such is specifically described in the deed for such Unit. Each such area shall be subject to the terms of this Declaration. Each such Owner shall have the right to place furniture and potted plants upon his patio and balcony area, if any. Except as provided in this paragraph, nothing contained herein shall give any Owner the right to paint, decorate, remodel or alter said Limited Common Area without the prior written consent of the Association.

10.15 Parking Restrictions; Use of Parking Area. Unless otherwise permitted by the Association, no automobile, boat, trailer or recreational vehicle, camper, truck or commercial vehicle shall be parked or left on any street or any part of the Development other than in any parking area designated by the Association for the parking and storage of such vehicles, including Limited Common Areas. However, parking by commercial vehicles for the purpose of making deliveries, shall be permitted in accordance with Association rules. Except with the written consent of the Association, no Owner shall park any where in the Development more motor vehicles than there are parking spaces owned by or assigned to such Owner.

10.16 Compliance with Laws. Nothing shall be done or kept in any Unit or in the Development that might increase the rate of, or cause the cancellation of, insurance on the Development, or any portion of the Development, without the prior written consent of the Association. No Owner shall permit anything to be done or kept in his Unit that violates any law, ordinance, statute, rule or regulation of any local, county, state or federal body. No Owner shall allow any furniture, furnishings or other personal property belonging to such Owner to remain within any portion of the Development except in such Owner's Unit or exclusive use area and except as may otherwise may be permitted by the Association.

ARTICLE XI

DEFAULT

11.1 Definition. Failure of an Owner of any Tenant or Agent of any Owner to comply with any of the terms of this Declaration, the Articles of Incorporation or Bylaws of the Association or the duly adopted Rules and Regulations of the Association, shall constitute an event of default and shall be grounds for relief, which may include without limitation an action to recover sums due for damages and injunctive relief, any combination thereof, or any other right allowed by Utah law.

11.2 Remedies. Except as may be limited by law, in addition to all other remedies herein contained or as may be provided by law, the Association may discontinue the furnishing of any utilities or other services to an Owner who is in default of his obligations to the Association or other Owners as set forth herein upon thirty (30) days' written notice to such Owner and to any Mortgagee of such Owner's Unit of its intent to do so.

11.3 Costs. In any proceeding arising because of any alleged default by any Owner, the Association, if successful, shall be entitled to recover all amounts, allowed by law including the costs of the proceedings and reasonable attorneys' fees from such Owner.

11.4 No Waiver. The failure of the Association or of any Owner to enforce any right, provision, covenant or condition which may be granted by the Act, this Declaration, the Articles of Incorporation or Bylaws of the Association, or the Rules and Regulations, shall be deemed to be cumulative and the exercise of any one or more of such rights, remedies and privileges shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other additional rights, remedies or privileges, as may be available to such party at law or in equity.

ARTICLE XII

GENERAL PROVISIONS

12.1 Association as Representative. The Association shall represent Unit owners (1) in any condemnation proceedings or in negotiations, settlements and agreements with any condemning authority for acquisition of the Common Areas or any part thereof; and (2) with respect to any insurance maintained by the Association pursuant to Article VII hereof. Each owner hereby irrevocably names, constitutes and appoints the Association as his true and lawful attorney-in-fact for the purpose of allowing the Association to represent such owner in any such proceedings, negotiations, or insurance matters.

12.2 Limitations in Actions of Association. Except as provided by the Act, and except as provided in Article 14.2 hereof, unless at least two-thirds (2/3) of the Owners (based on one vote for each mortgage owned other than Declarant) of the individual Units have given their prior written approval, the Association may not:

(a) By act or omission seek to abandon or terminate the Project;

(b) Change the pro rata interest or obligations of any Unit in order to levy assessments or charges, allocate distributions of hazard insurance proceeds or condemnation awards, or determine the pro rata share of ownership of each Unit in the Common Area;

(c) Partition or subdivide any Unit;

(d) Seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Area by act or omission. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Area as otherwise provided in this Declaration, shall not be considered a transfer for purposes of this Declaration;

(e) Use hazard insurance proceeds for losses to any Unit or to the Common Area for other than the repair, replacement or restriction of the Unit, or the Common Area.

Notwithstanding the foregoing, in the event of a taking or acquisition of part or all of the Common Areas by the right of eminent domain, or if the Project or a portion thereof is not sold but is instead taken by the right of eminent domain, the award shall be distributed among the Owners and their respective Mortgagees pursuant to Utah Code Ann. § 57-8-32.5.

12.3 Act Governs; Acceptance of Governing Rules. The Declarant hereby states that it intends the Development to be subject to all the provisions of the Act. The Association, all present or future Owners, tenants or future tenants, or any other persons using the facilities of the Project are subject to and shall comply with the Act, this Declaration, the Articles of Incorporation and Bylaws of the Association, and the Rules and Regulations, and the acquisition, occupancy or rental of a Unit shall signify that all such documents are accepted and ratified. In the event of a conflict in any of the provisions of any such documents, the documents shall govern or control in the following order or preference: (a) the Act; (b) this Declaration; (c) the Articles of Incorporation of the Association; (d) the Bylaws of the Association; and (e) the Rules and Regulations.

12.4 Enforcement. The Association, or any Owner, shall have the right to enforce, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

In case of any claim or dispute between the Declarant, its builder, general contractor, or broker, or their agents or employees, on the one hand, and any Owner(s), on the other hand, which claim or dispute relates to the rights and/or duties of the parties under the Project Documents, or relates to the design or construction of the Project or any part thereof (except for disputes relating to alleged Common Area deficiencies), the procedure shall be as follows: The aggrieved party or parties shall notify the other party or parties of the grievance, in writing. When such a notice is received by Declarant, it shall promptly respond with an investigation, inspection, meeting, discussion, or other action reasonably appropriate to the circumstances. Appropriate action shall include, without limitation, prompt communication with the aggrieved party or parties, and a proposed course of action to resolve the problem. All parties involved in the matter shall negotiate in a good faith attempt to amicably resolve the problem. If the parties are unable to resolve the problem within a reasonable period of time (not to exceed ninety (90) days after the

first notice of claim or dispute) the matter shall be submitted to binding arbitration pursuant to the rules of the American Arbitration Association, provided that if the dispute or claim involves a sum not in excess of the jurisdictional limit of the Utah Small Claims Court, any party shall have the option of taking the matter to the Utah Small Claims Court in lieu of binding arbitration.

12.5 Delivery of Notices. All notices or other documents required herein to be delivered by the Association or Owners may be delivered either personally or by mail. If delivered personally, same shall be deemed to have been delivered when actually received by the Owner or when left at the front door of his Unit. If mailed, the same shall be deemed delivered when deposited in the United States Mail addressed to the Owner at his address as it appears on the records of the Association with postage thereon prepaid.

12.6 Severability. If any of the provisions of the Declaration or any paragraph, sentence, clause, phrase or work, or the application thereof in any circumstances shall be invalidated, such invalidity shall not affect the validity of the remainder of this Declaration, and the application of any provisions, paragraph, sentence, clause, phrase or work in any other circumstances shall not be affected thereby.

12.7 Covenants and Restrictions. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years.

12.8 Amendment. Owners shall have the right to amend this Declaration, the Articles of Incorporation of Chaparral Condominium Owners Association, and Bylaws of Chaparral Condominium Owners Association (the "Project Documents") as set forth herein. Amendments of a material nature must be agreed to by Owners representing at least two-thirds (2/3rds) of the total votes in the Association. Notwithstanding any provision of this Declaration to the contrary, any amendments adopted in connection with the expansion of the Project as contemplated in Article XIV hereof, shall not require the consent or approval of any Unit owner. For purposes of this paragraph, a change or amendment to or of any of the following shall be considered material:

- (a) Voting Rights;
- (b) Assessments, assessment liens, or subordination of assessment liens;
- (c) Reserves for maintenance, repair and replacement of Common Areas;

- (d) Responsibility for maintenance and repairs;
- (e) Boundaries of any Unit;
- (f) Convertibility of Units into Common Areas;
- (g) Contraction of the Project, or the withdrawal of property from the Project;
- (h) The placing of any restriction on a Unit Owner's right to sale or transfer his or her Unit;
- (i) Restoration or repair of the Project (after a hazard damage or partial condemnation) in a manner other than that specified in the Project documents;
- (j) Any action to terminate the legal status of the Project after substantial destruction or condemnation occurs; or

In addition, an amendment to the Project Documents shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. A Mortgagee who receives a written request to approve additions or amendments and who does not deliver to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request.

Amendments to this Declaration and the Bylaws of the Association which are not material shall be accomplished by majority vote by the Members of the Association in accordance with the terms of the Bylaws, without notice to or approval by any Mortgagee.

12.9 Paragraph Titles. Paragraph titles are used in this Declaration for convenience of reference and are not intended to limit, enlarge or change the meaning of the contents of the various paragraphs.

12.10 Lease; Rental. Any Owner may lease his Unit to any other person or persons on a nightly, weekly, monthly or yearly basis, without the approval of the Board of Trustees; provided that all such tenants agree to comply with all the affirmative and restrictive uses and covenants of the Unit as provided for in this Declaration.

ARTICLE XIII

DECLARANT/RIGHTS AND RESPONSIBILITIES

13.1 Rights of Action. The Declarant, the Association and any aggrieved Owner shall have a right of action against Owners

who fail to comply with the provisions of the Project documents, or decisions or actions made or taken by the Association. Owners shall have the same right(s) of action against the Association.

13.2 Easements; Voting Rights. Declarant is granted hereby an easement over the Common Areas and Limited Common Areas for completion of improvements and for making repairs to improvements and for purposes of marketing unsold Units. Such easement includes the right to establish sales offices at the Development and Declarant may use a Unit or Units for such sales offices. As more fully set forth in Article IV hereof, Declarant shall retain voting rights for any unsold Units at the time and control of the Project is transferred to the Association.

13.3 Prior Contracts. Declarant is hereby given the right to execute professional management contracts for the management of the Project prior to the transfer of control over the Project from Declarant to the Association, except that:

(a) Such professional management contracts may not be for a period exceeding two years;

(b) The Association is hereby given a right of termination of any such professional management contracts, without cause, which right of termination is exercisable without penalty of any kind at any time after transfer of control, upon not more than thirty (30) days prior written notice to the other party thereto.

ARTICLE XIV

AVAILABILITY OF DOCUMENTS AND STATEMENTS

The Association shall at all times maintain current copies of the Declaration, Bylaws and rules concerning the Project as well as its own books, records and financial statements available for inspection by Owners, insurers and guarantors of Units in the Project as authorized by the Owners of such Units. Such documents shall be available during normal business hours, or upon reasonable prior request. In the event the Association chooses to have audited statements prepared, such audit statement shall be made available for inspection by such mortgage holder according to the terms and conditions of this Article XV.

IT WITNESS WHEREOF, Declarant has duly executed this Declaration the day and year first above written.

DECLARANT:

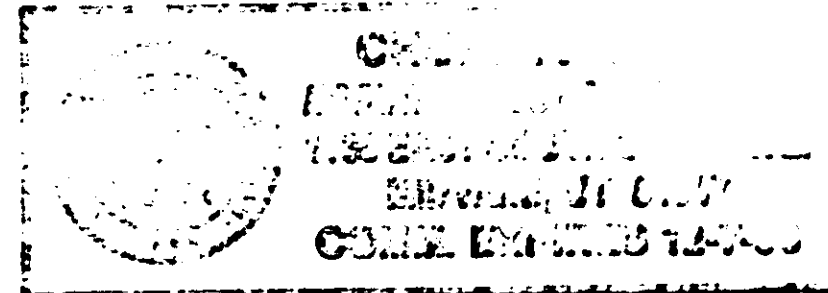
THE GLENFIDDICH COMPANY, L.C.

By Kevin L. Luolow
Its MANAGER

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

On May 21st, 1994, personally appeared before me,
KEVIN L. LUOLOW, the MANAGER of The Glenfiddich
Company, L.C., who acknowledged that said Company executed the
above instrument.

My Commission Expires: Dec. 7, 1994
NOTARY PUBLIC Cheryl P. Varon
Residing at: Salt Lake County



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EXHIBIT "A"

Real Property

Real property located in Section 15, Township 2 South,
Range 4 East, SLB&M, Summit County, Utah, more particularly
described as follows:

All of Lot 2, Deer Valley North Parcel Lot 2
Subdivision according to the official plat
thereof, on file and of record in the office
of the Summit County Recorder, Summit County,
Utah.

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EXHIBIT "B"

1. Description of Real Property. A description of the land or interests in the Project is attached hereto in the form of a survey map, or recorded plat, and incorporated herein by this reference.
2. Buildings. One building type will exist in the project, a two story building. Lower Level Units will have approximately 1545 square feet with two or three bedrooms and two bathrooms. Upper level units will have approximately 2758 square feet with three bedrooms and three bathrooms with a loft area. All Units will be of platform construction and principally constructed of wood framing and covered with wood log cabin siding over concrete footings and walls. All necessary utilities will be provided. Each Unit will include a deck appurtenant to such Unit and a one car garage. Such areas shall be deemed Limited Common Areas of the Owner or occupant of such Unit. The Units will be equipped with refrigerator, range, dishwasher and food disposer.

Other significant improvements include trees, shrubbery, grass, sidewalks, lighting, and general landscaping. The Project will have asphalt roadways with curb and gutter and storm drainage as required.
3. Unit Identification. Units will be numbered by building and by individual Unit. All buildings will be numbered 2305 Queen Esther Drive on the survey map and recorded plat, with corresponding Unit numbers representing addresses such as 2305 Queen Esther Drive, Unit #301, Park City, Utah.
4. Common Areas and Facilities. The term Common Areas and Facilities is defined in paragraph 1.4 hereof, and is incorporated herein by this reference.
5. Limited Common Areas. The term Limited Common Areas and Facilities is defined in paragraph 1.9 hereof, and is incorporated herein by this reference.
6. Service of Process. Pursuant to the provisions of Utah Code Ann. § 57-8-10(2)(h), Kevin L. Ludlow shall be the agent to receive service of process. Mr. Ludlow's place of business is located at 1955 Deer Valley Drive North, Unit #404, Park City, Utah, which place of business is located within the county in which the Project is located.

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EXHIBIT "C"

SURVEY MAP

(ATTACHED)

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EXHIBIT "D"

BYLAWS

(ATTACHED)

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**BYLAWS
OF
GLENFIDDICH CONDOMINIUM OWNERS' ASSOCIATION
A Utah Non-Profit Corporation**

Pursuant to the provisions of the Utah Nonprofit Corporation and Co-operative Association, Act, the Board of Trustees of Glenfiddich Condominium Owners' Association, a Utah nonprofit corporation, hereby adopts the following Bylaws for such nonprofit corporation.

ARTICLE I

NAME AND PRINCIPAL OFFICE

1.1 Name. The name of the nonprofit corporation is Glenfiddich Condominium Owners' Association, hereinafter referred to as the "Association."

1.2 Offices. The principal office of the Association shall be at 1135 East South Union Avenue, Midvale, Utah 84047.

ARTICLE II

DEFINITIONS

2.1 Except as otherwise provided herein or as may be required by the context, all terms defined in Article 1 of the Declaration of Covenants, Conditions and Restrictions Establishing a Plan of Condominium Ownership for Glenfiddich Condominiums, a Condominium Project, hereinafter referred to as the "Declaration," shall have the same defined meanings when used in these Bylaws.

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ARTICLE III

MEMBERS

3.1 Annual Meetings. The annual meeting of Members shall be held on the third Saturday of August of each year at the hour of 10:00 o'clock a.m., beginning with the year following the year in which the Articles of Incorporation are filed, for the purpose of electing Trustees and transacting such other business as may come before the meeting. If the election of Trustees shall not be held on the day designated herein for the annual meeting of the Members, or at any adjournment thereof, the Board of Trustees shall cause the election to be held at a special meeting of the Members to be convened as soon thereafter as may be convenient. The Board of Trustees may from time to time by resolution change the date and time for the annual meeting of the Members.

3.2 Special Meetings. Special meetings of the Members may be called by the Board of Trustees, the President, or upon the written request of Members holding not less than ten percent (10%) the total votes of the Association, and such written request shall state the purpose or purposes of the meeting and be delivered to the Board of Trustees and the President.

3.3 Place of Meetings. Meetings shall take place in such place as the Board of Trustees may designate in Summit County, State of Utah. A waiver of notice signed by all of the Members may designate any place, either within or without the State of Utah, as the place for holding such meeting. If no designation is made, or if a special meeting is otherwise called, the place of the meeting shall be at the principal office of the Association.

3.4 Notice of Meetings. The Board of Trustees shall cause written or printed notice of the time, place, and purpose of all meetings of the Members (whether annual or special) to be delivered, not more than fifty (50) or less than ten (10) days prior to the meeting, to each Member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. mail addressed to the Member at his registered address, with first class postage thereon prepaid. Each member shall register with the Association such Member's current mailing address for purposes of notice hereunder. Such registered address may be changed from time to time by notice in writing to the Association. If no address is registered with the Association, a Member's Unit address shall be deemed to be his registered address for Purposes of notice hereunder.

3.5 Members of Record. Upon purchasing a Condominium in the Project, each Owner shall promptly furnish to the Association a certified copy of the recorded instrument by which ownership of such Condominium has been vested in such Owner, which copy shall be maintained in the records of the Association. For the purpose of determining Members entitled to notice of or vote at any meeting of the members, or any adjournment thereof, the Board of Trustees may designate a record date, which shall not be more than fifty (50) or less than ten (10) days prior to the meeting, for determining Members entitled to notice of or vote at any meeting of the Members. If no record date is designated, the date on which notice of the meeting is mailed shall be deemed to be the record date for determining Members entitled to notice of or to vote at the meeting. The persons or entities appearing in the records of the Association on such record date as the Owners of record of Condominiums in the Project shall be deemed to be the Member of record entitled to

notice of and to vote at the meeting of the Members. The secretary Of the meeting shall enter a record of all such proxies in the minutes of the meeting.

3.6 Quorum. At any meeting of the Members, Members holding, or holders of proxies entitled to cast, fifty percent (50%) or more of the total votes of the Association shall constitute a quorum for the transaction of business. In the event a quorum is not present at a meeting, the Members present (whether represented in person or by proxy), though less than a quorum, may adjourn the meeting to a later date. Notice thereof shall be delivered to the Members as provided above. At the reconvened meeting, the Members and Proxy holders present shall constitute a quorum for the transaction of business.

3.7 Proxies. At each meeting of the Members, each Member entitled to vote shall be entitled to vote in person or by proxy; provided, however, that the right to vote by proxy shall exist only where the instrument authorizing such proxy to act shall have been executed by the Member himself or by his attorney thereunto duly authorized in writing. If a Membership is jointly held, the instrument authorizing a proxy to act must have been executed by all holders of such membership or their attorneys thereunto duly authorized in writing. Such instrument authorizing a proxy to act shall be delivered at the beginning of the meeting to the Secretary of the association or to such other officer or person who may be acting as secretary of the meeting. The secretary of the meeting shall enter a record of all such proxies in the minutes of the meeting.

3.8 Votes. With respect to each matter submitted to a vote of the Members, each Member entitled to vote at the meeting shall have the right to cast, in person or by proxy, the number of votes appertaining to the Condominium of such Member, as shown in the

Declaration. The affirmative vote of a majority of the votes entitled to be cast by the Members present or represented by proxy at a meeting at which a quorum was initially present shall be necessary for the adoption of any matter voted on by the Members, unless a greater proportion is required by the Articles of Incorporation, these Bylaws, the Declaration, or applicable law. The election of Trustees shall be by secret ballot. If a membership is jointly held, all or any holders thereof may attend each meeting of the Members, but such holders must act unanimously to cast the votes relating to their joint Membership.

3.9 Waiver of Irregularities. All inaccuracies and irregularities in calls or notices of meetings and in the manner of voting, form a proxies, and method of ascertaining Members present shall be deemed waived if no objection thereto is made at the meeting.

3.10 Informal Action by Members. Any action that is required or permitted to be taken at a meeting of the Members may be taken without a meeting, if a consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof.

ARTICLE IV

BOARD OF TRUSTEES

4.1 General Powers. The property, affairs, and business of the Association shall be managed by its Board of Trustees. The Board of Trustees may exercise all of the powers of the Association, whether derived from law or the Articles of Incorporation, except for such powers as are by law, by the Articles of Incorporation, by these Bylaws, or by the Declaration, vested solely in the Members. The Board of Trustees may by written contract

delegate, in whole or in part, to a professional management organization or person(s) such of its duties, responsibilities, functions, and powers as are Properly delegable.

4.2 Number, Tenure, and Qualifications. The number of Trustees of the Association shall be at least three (3), but not more than nine (9). The initial Board of Trustees specified in the Articles of Incorporation shall serve until the Declarant turns over to the Members, in accordance with Utah law, the responsibility for electing Trustees. At the first annual meeting of the Members held after the Declarant turns over to the members responsibility for electing Trustees, the Members shall elect at least three (3) Trustees to serve for a term of one (1) year. At such annual meeting thereafter, the Members shall vote to elect the appropriate number of trustees for the next succeeding term. All Trustees, except Trustees appointed by the Declarant, shall be Members of the Association.

4.3 Regular Meetings. The regular meeting of the Board of Trustees shall be held without other notice than this Bylaw immediately after, and at the same place as, the annual meeting of the Members. The Board of Trustees may provide by resolution for the time and place, within Summit County, State of Utah, for the holding of additional regular meetings without other notice than such resolution.

4.4 Special Meetings. Special meetings of the Board of Trustees may be called by or at the request of any Trustee. The person or persons authorized to call special meetings of the Board of Trustees may fix any place, within Summit County, State of Utah, as the place for holding any special meeting of the Board of Trustees called by such person or persons. Notice of any special meeting shall be given at least five (5) days prior thereto

by written notice delivered personally, or mailed to each Trustee at his registered address, or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. mail so addressed, with first-class postage thereon prepaid. If notice is given by telegram, such notice shall be deemed to have been delivered when the telegram is delivered to the telegraph company. Any trustee may waive notice of a meeting.

4.5 Quorum and Manner of Action. A majority of the then authorized number of Trustees shall constitute a quorum for the transaction of business at any meeting of the Board of Trustees. The act of a majority of the Trustees present at any meeting at which a quorum is present shall be the act of the Board of Trustees. The Trustees shall act only as a Board, and individual Trustees shall have no powers as such.

4.6 Compensation. No Trustee shall receive compensation for any services that he may render to the Association as a Trustee; provided, however, that a Trustee may be reimbursed for expenses incurred in performance of his duties as a Trustee to the extent such expenses are approved by the Board of Trustees and (except as otherwise provided in these Bylaws) may be compensated for services rendered to the Association other than in his capacity as a Trustee. Notwithstanding the foregoing, Declarant's costs incurred in organizing, incorporating and establishing the Association shall be reimbursed by the Association without requiring approval by the Board of Trustees.

4.7 Resignation and Removal. A Trustee may resign at any time by delivering a written resignation to either the President or the Board of Trustees. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any Trustee, except a Trustee appointed by the Declarant, may be removed at any time, for or without cause, by

the affirmative vote of seventy-five percent (75%) of the total votes of the Association at a special meeting of the Members duly called for such purpose.

4.8 Vacancies and Newly Created Trusteeships. If vacancies shall occur in the Board of Trustees by reason of the death, resignation, or disqualification of a Trustee (other than a Trustee appointed by Declarant), or if the authorized number of Trustees shall be increased, the Trustees then in office shall continue to act, and such vacancies or newly created Trusteeships shall be filled by a vote of the Trustees then in office, though less than a quorum, in any way approved by such Trustees at the meeting. Any vacancy in the Board of Trustees occurring by reason of removal of a Trustee by the Members may be filled by election at the meeting at which such Trustee is removed. If vacancies shall occur in the Board of Trustees by reason of death, resignation, or removal of a Trustee appointed by the Declarant, such vacancies shall be filled by appointment to be made by the Declarant. Any Trustee elected or appointed hereunder to fill a vacancy shall serve for the unexpired term of his predecessor or for the term of the newly created Trusteeship, as the case may be.

4.9 Informal Action by Trustees. Any action that is required or permitted to be taken at a meeting of the Board of Trustees, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Trustees.

ARTICLE V

OFFICERS

5.1 Officers. The officers of the Association shall be a President, Vice President, Secretary, Treasurer, and such other officers as may from time to time be appointed by the Board of Trustees.

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5.2 Election, Tenure, and Qualifications. The officers of the Association shall be chosen by the Board of Trustees annually at the regular annual meeting of the Board of Trustees. In the event of failure to choose officers at such regular annual meeting of the Board of Trustees, officers may be chosen at any regular or special meeting of the Board of Trustees. Each such officer (whether chosen at a regular annual meeting of the Board of Trustees or otherwise) shall hold his office until the next ensuing regular annual meeting of the Board of Trustees and until his successor shall have been chosen and qualified, or until his death, resignation, disqualification, or removal in the manner provided in these Bylaws, whichever first occurs. Any one person may hold any two or more of such offices, except that the President may not also be the Secretary. No person holding two or more offices shall act in or execute any instrument in the capacity of more than one office. The President, Vice President, Secretary and Treasurer of the Association must be Members, but need not be Trustees of the Association.

5.3 Subordinate Officers. The Board of Trustees may from time to time appoint such other officers or agents as it may deem advisable, each of whom shall have such title, hold office for such period, have such authority, and perform such duties as the Board of Trustees may from time to time determine. The Board of Trustees may from time to time delegate to any officer or agent the power to appoint any such subordinate officers or agents and to prescribe their respective titles, terms of office, authorities, and duties. Subordinate officers need not be Members or Trustees of the Association.

5.4 Resignation or Removal. Any officer may resign at any time by delivering a written resignation to the President or the Board of Trustees. Unless otherwise specified

therein, such resignation shall take effect upon delivery. Any officer may be removed by the Board of Trustees at any time, for or without cause.

5.5 Vacancies and Newly Created Offices. If any vacancy shall occur in any office by reason of death, resignation, removal, disqualification, or any other cause, or if a new office shall be created, such vacancies or newly created offices may be filled by the Board of Trustees at any regular or special meeting.

5.6 The President. The President shall preside at meetings of the Board of Trustees and at meetings of the Members. He shall sign on behalf of the Association all conveyances, mortgages, documents, instruments and contracts, and shall do and perform all other acts and things that the Board of Trustees may require of him.

5.7 The Vice President. The Vice President shall act, and shall exercise and discharge such other duties as may be required of him by the Board of Trustees.

5.8 The Secretary. The Secretary shall keep the minutes of the Association and shall maintain such books and records as these Bylaws, the Declaration, or any resolution of the Board of Trustees may require him to keep. The Secretary shall also act in the place and stead of the President in the event of the Presidents or Vice President's absence or inability or refusal to act. He shall be the custodian of the seal of the Association, if any, and shall affix such seal, if any, to all papers and instruments requiring the same. He shall perform such other duties as the Board of Trustees may require of him.

5.9 The Treasurer. The Treasurer shall have the custody and control of the funds of the Association, subject to the action of the Board of Trustees, and shall, when requested by the President to do so, report the state of the finances of the Association at each annual

meeting of the Members and at any meeting of the Board of Trustees. He shall perform such other duties as the Board of Trustees may require of him.

5.10 Compensation. No officer shall receive compensation for any services that he may render to the Association as an officer; provided, however, that an officer may be reimbursed for expenses incurred in performance of his duties as an officer to the extent such expenses are approved by the Board of Trustees, and (except as otherwise provided in these Bylaws) may be compensated for services rendered to the Association other than in his capacity as an officer. Notwithstanding the foregoing, Declarant's costs incurred in organizing, incorporating and establishing the Association shall be reimbursed by the Association without requiring approval by the Board of Trustees.

ARTICLE VI

COMMITTEES

6.1 Designation of Committees. The Board of Trustees may from time to time by resolution designate such committees as it may deem appropriate in carrying out its duties, responsibilities, functions, and powers. The membership of each such committee designated hereunder shall include at least two (2) Trustees. No committee member shall receive compensation for services that he may render to the Association. Any committee member may resign at any time by delivering a written resignation to the President, the Board of Trustees, or the presiding officer of the committee of which he is a member. Unless otherwise specified therein, such resignation shall take effect upon delivery. The Board of Trustees may at any time, for or without cause, remove any member of any committee designated by it hereunder.

6.2 Vacancies. If any vacancy shall occur in any committee designated by the Board of Trustees hereunder, due to disqualification, death, resignation, removal, or otherwise, the remaining members shall, until the filling of such vacancy by the Board of Trustees, constitute the then total authorized membership of the committee and may continue to act, provided that two or more members are remaining. Such vacancy may be filled at any meeting of the Board of Trustees.

ARTICLE VII

INDEMNIFICATION

7.1 Indemnification Third Party Actions. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was the Declarant, a Trustee or officer of the Association, or is or was serving at the request of the Association as a director, trustee, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by an adverse judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption

that the Person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

7.2 Indemnification Association Actions. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was the Declarant, a Trustee or officer of the Association, or is or was serving at the request of the Association as a trustee, director, officer, employee, or agent of another enterprise, against expenses (including attorney's fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association; provided, however, that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the Performance of his duty to the Association, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

7.3 Determinations. To the extent that a person has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Section 7.1 or 7.2 hereof, or in defense of any claim, issue, or matter therein, he shall be indemnified against

expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith. Any other indemnification under Sections 7.1 or 7.2 hereof shall be made by the Association only upon a determination that indemnification of the person is proper in the circumstances because he has met the applicable standard of conduct set forth respectively in Sections 7.1 or 7.2 hereof. Such determination shall be made either (i) by the Board of Trustees by a majority vote of a disinterested Trustees or (ii) by independent legal counsel in a written opinion, or (iii) by the Members by the affirmative vote of at least fifty percent (50%) of the total votes of the Association at any meeting duly called for such purpose.

7.4 Advances. Expenses incurred in defending a civil or criminal action, suit, or proceeding as contemplated in this Article may be paid by the Association in advance of the final disposition of such action, suit, or proceeding upon a majority vote of a quorum of the Board of Trustees and upon receipt of an undertaking by or on behalf of the person to repay such amount or amounts unless it ultimately be determined that he is entitled to be indemnified by the Association as authorized by this Article or otherwise.

7.5 Source of Indemnification. The indemnification provided for by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any provision in the Association's Articles of Incorporation, Bylaws, agreements, vote of disinterested Members or Trustees, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. The indemnification authorized by this Article shall apply to all present and future Trustees, officers, employees, and agents of the Association and shall continue as to such persons who cease to be Trustees, officers, benefit of the heirs and personal representatives of all such

Persons and shall be in addition to all other rights to which such persons may be entitled as a matter of law.

7.6 Insurance. The Association may purchase and maintain insurance on behalf of any person who was or is a Trustee, officer, employee, or agent of the Association, or who was or is serving at the request of the Association as a trustee, director, officer, employee, or agent of another corporation, entity, or enterprise (whether for profit or not for profit), against any liability asserted against him or incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the laws of the State of Utah, as the same may hereafter be amended or modified.

7.7 Payments and Premiums. All indemnification payments made, and all insurance premiums for insurance maintained, pursuant to this Article shall constitute valid and justified expenses of the Association and shall be paid with funds of the Association.

VIII

FISCAL YEAR AND SEAL

8.1 Fiscal Year. The fiscal year of the Association shall begin on the 1st day of January each year and shall end on the 31st day of December next following, except that the first fiscal year shall begin on the date of incorporation.

8.2 Seal. The Board of Trustees may by resolution provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Association, the state of incorporation and the words "Corporate Seal."

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ARTICLE IX

RULES AND REGULATIONS

9.1 Rules and Regulations. The Board of Trustees may from time to time adopt, amend, repeal, and enforce reasonable rules and regulations governing the use and operation of the Project, to the extent that such rules and regulations are not inconsistent with the right and duties set forth in the Articles of Incorporation, the Declaration, or these Bylaws. The Members shall be provided with copies of all rules and regulations adopted by the Board of Trustees, and with copies of all amendments and revisions thereof.

ARTICLE X

AMENDMENTS

10.1 Amendment. Except as contemplated in connection with the expansion of the Project as described in Article XIV of the Declaration, and as otherwise provided by law, the Articles of Incorporation, the Declaration or by the provisions herein, these Bylaws may be amended, altered, or repealed and new bylaws may be made and adopted by the Members upon the affirmative vote of at least fifty-one percent (51%) of the total votes of the Association; provided, however, that such action shall not be effective unless and until a written instrument setting forth (i) the amended, altered, repealed, or new bylaw, (ii) the number of votes cast in favor of such action, and (iii) the total votes of the Association, shall have been executed and verified by the current President of the Association and recorded in the office of the County Recorder of Summit County, State of Utah.

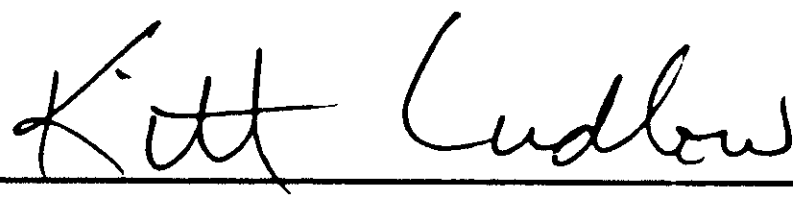
10.2 Abandonment. Unless otherwise provided by law, the prior written approval of at least seventy-five percent (75%) of all institutional holders which have a first mortgage

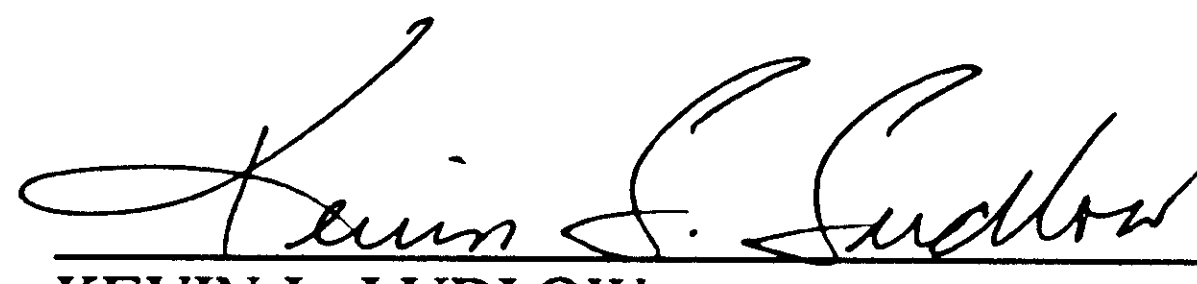
lien on any unit in the Project, based on one vote for each mortgage, shall be required before the Project may be abandoned or terminated as provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain.

IN WITNESS WHEREOF, the undersigned constituting all of the Trustees Glenfiddich Condominium Owners' Association, have executed these Bylaws on the 6th day of JUNE, 1994.

TRUSTEES:


MICHAEL J. MAIER


KITT LUDLOW


KEVIN L. LUDLOW

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