

DECLARATION OF CONDOMINIUM FOR THE BEAR HOLLOW RIDGE CONDOMINIUMS

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS for the BEAR HOLLOW RIDGE CONDOMINIUMS (the "Declaration") is made and executed by Park City Endeavor, LLC, a Utah limited liability company (the "Declarant") this 11th day of February, 2015, pursuant to the provisions of Title 57, Chapter 8, Utah Code Annotated, as amended.

RECITALS

A. Declarant is the owner of certain real property located in Summit County, Utah, more particularly described on Exhibit A attached hereto and incorporated herein by reference (the "Land").

B. Declarant intends to construct one (1) building on the Land (the "Project") that will include 26 condominium Units, and certain Common Areas and Facilities and Limited Common Areas.

C. The Project is to be known as the Bear Hollow Ridge Condominiums.

D. The Land is subject to the provisions of the Amended and Restated Development Agreement for the Bear Hollow Village Specially Planned Area (SPA) Plan, Snyderville Basin, Summit County, Utah as well as the First Amendment to the Amended and Restated Development Agreement for the Bear Hollow Village Specially Planned Area (SPA) Plan, Snyderville Basin, Summit County, Utah, and all subsequent revisions thereto. (collectively, the "Bear Hollow SPA Development Agreement").

E. The Land is adjacent to real property (known as Bear Hollow Village) that is subject to the provisions of the Second Amended Restated and Confirmatory Declaration of Protective Covenants, Conditions and Restrictions for Bear Hollow Village (the "Bear Hollow Village CC&Rs"), as amended from time to time by the Bear Hollow Village Homeowners Association.

F. The Owners of Units in The Bear Hollow Ridge Condominiums will share the use of certain common amenities with the owners of lots and units in Bear Hollow Village, but will have no ownership interest in the common areas of Bear Hollow Village.

G. This Declaration is made and recorded against the Land, intended to subject the Land to this Declaration and the provisions of the Utah Condominium Ownership Act, Title 57, Chapter 8, Utah Code Annotated, as amended (the "Act"). The Project is not a cooperative.

H. Recorded simultaneously herewith is a legal description of the Land, shown as Exhibit "A," of the portion of the Project to be built on the Land as required by the Act.

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MARY ANN TRUSSELL, SUMMIT COUNTY RECORDER

FEE 116.00 BY PARK CITY ENDEAVOR LLC



ARTICLE I
DEFINITIONS

Unless the context clearly indicates otherwise, certain terms as used in this Declaration shall have the meaning set forth in this Article I.

"Act" shall mean the Utah Condominium Ownership Act, Title 57, Chapter 8, Utah Code Annotated, as amended.

"Association" shall mean The Bear Hollow Ridge Condominiums Association, Inc., a Utah nonprofit corporation, organized for the purposes set forth in this Declaration.

"Bear Hollow SPA Development Agreement" shall mean the Amended and Restated Development Agreement for the Bear Hollow Village Specially Planned Area (SPA) Plan, Snyderville Basin, Summit County, Utah, with an effective date of October 2, 2003, and the First Amendment to the Amended and Restated Development Agreement for the Bear Hollow Village Specially Planned Area (SPA) Plan, Snyderville Basin, Summit County, Utah, with an effective date of January 19, 2005, recorded in the office of the Summit County Recorder, as the same has *been* or may be amended from time to time,

"Bear Hollow Village CC&Rs" shall mean the Second Amended Restated and Confirmatory Declaration of Protective Covenants, Conditions and Restrictions for Bear Hollow Village, recorded against real property adjoining the Land, recorded on March 31, 2004 in book 1608 page 1665, in the office of the Summit County Recorder as the same has been or may be amended from time to time.

"Board of Directors" or "Board" shall mean the persons appointed to manage the affairs of the Association under the provisions of Article XI below. In addition, the Board shall be deemed to be the "Management Committee" as described in the Condominium Ownership Act of Utah.

"Builder" shall mean Smooth Stone Homes, a Utah limited liability company, and any person or entity other than the Declarant, which shall, in the ordinary course of such person's business, construct a dwelling on a Lot and sell or lease it to another person to occupy as such person's residence.

"Bylaws" shall mean the Bylaws of the Association, as stated in Section 11 of this Declaration, as the same may be amended from time to time.

"Common Areas and Facilities" shall mean all parts of the Land, the Buildings and all other improvements included in the Project other than the Units, as set forth in Article V below.

"Condominium(s)" shall mean a Unit and the undivided interest (expressed as a percentage of the entire ownership interest) in the Common Areas and Facilities appurtenant to such Unit, as set forth in Exhibit B attached hereto.

"Declarant" shall mean Park City Endeavor, LLC, a Utah limited liability company or any successor in interest as defined by the Act.

"Declaration" shall mean this Declaration of Condominium, and all amendments, modifications and supplements hereto.

"Land" shall mean the real property described in Exhibit A attached hereto.

"Limited Common Areas" shall mean portions of the Common Areas reserved for the use of certain Owners to the exclusion of other Owners, as provided in Article VI below.

"Map" shall mean the record of survey map for the Project recorded in the office of the Summit County Recorder.

"Member" shall mean an Owner obligated, by virtue of his Ownership, to be a shareholder in the Association and, where the context permits, a representative of the Unit Owners serving on the Board of Directors.

"Owner(s)" shall mean the person or persons, including the Declarant, owning in fee simple, a Condominium in the Project, as such ownership is shown by the records of the County Recorder of Summit County, Utah, and shall be deemed to be a Unit Owner, The then Owner shall not refer to any Mortgagee (unless such Mortgagee has acquired title for other than security purposes) or to any person or persons purchasing a Condominium under contract (until such contract is fully performed and legal title conveyed of record),

"Project" shall mean the Land, the planned condominium building consisting of twenty-six (26) Units to be constructed on the Land and all other improvements to the Land that are submitted to the Act by this Declaration.

"Transition Events" shall mean the events described in Section 11.14.2 below that will cause the Class B Membership to change to Class A Memberships.

"Unit" shall mean a physical portion of the Project designed for separate ownership and occupancy as described in Article IV below. The number and square footage of each Unit is identified on Exhibit B, and on the Plat, attached hereto as Exhibit C.

ARTICLE II
SUBMISSION OF THE PROJECT TO THE ACT AND THE BEAR HOLLOW
VILLAGE CC&RS

2.1 The Declarant, as the owner of the Land, hereby submits the Land, the Buildings and all other improvements now or hereafter made in or upon the Land to the provisions of the Act and the terms, covenants and conditions of this Declaration as a condominium project. Each and all of the provisions of this Declaration are declared and agreed to for the benefit of the Project and in furtherance of a plan for improvement of the Project and division thereof into Condominium Units. Each and all of the provisions of this Declaration shall be deemed to run with the Land and shall be burden and a benefit to the Declarant, and to any person acquiring, leasing or owning an interest in the real property and improvements comprising the Project and to its respective personal representatives, heirs, successors and assigns.

2.2 The Project is hereby divided into a Condominium, said Condominium consisting of Units and an appurtenant undivided interest in the Common Areas and Facilities.

2.3 The Declarant also submits the Land, Buildings and all other improvements now or hereafter made in or upon the Land to the provisions of the Bear Hollow Village CC&Rs. Should any contradiction exist between this Declaration and the Bear Hollow Village CC&Rs, the Bear Hollow Village CC&Rs shall rule.

2.3.1 Owners shall have access to certain common areas, amenities and facilities owned and managed by the Bear Hollow Village Homeowners Association. Owners will not be members of the Bear Hollow Village Homeowners Association and shall have no voting rights in the same.

ARTICLE III IMPROVEMENTS

3.1 The Project shall contain a single Building with four (4) levels above ground, with designated parking and twenty six (26) Condominium Units. The principal materials from which the Building will be constructed are concrete footings and foundation; wood framing; steel and concrete; cement fiber board siding; sheetrock interiors and asphalt shingle roof; and such other materials as allowed by current building codes and by the Bear Hollow SPA Development Agreement. The Building will be supplied with electricity, natural gas, water and sewer service. The Project and surrounding area also consists of Common Areas and Facilities, including, but not limited to, roadways, parking, walkways, landscaping and Limited Common Areas.

ARTICLE IV DESCRIPTION OF UNITS

4.1 General Description of Units. The Buildings will contain twenty six (26) Condominium Units, with one or two bedrooms, and with an exterior deck. The Units will vary in approximate size between approximately one thousand eighteen (1,018) square feet and thirteen hundred sixty (1,360) square feet. Exhibit B attached hereto and incorporated herein by reference contains the Unit Number of each Unit and other descriptive information about each Unit. A sample legal description of each Unit is as follows:

Unit _____, Bear Hollow Ridge Condominiums, according to the official plat thereof on file and of record in the Summit County Recorder's Office.

4.2 Boundaries of Units. Each Unit shall be bounded by the interior surfaces of its perimeter and bearing walls, floors, ceilings, windows and window frames, exterior doors and door frames, and trim. The Unit shall include all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of its finished surfaces and the exterior surfaces so described. All other portions of the walls, floors or ceilings shall be a part of the Common Areas and Facilities. In addition, each Unit shall include the following: (i) all spaces, nonbearing interior partitions, interior doors and door frames, and all other fixtures and improvements within the boundaries of the Unit; (ii) all outlets

of utility and communications service lines, including, but not limited to power, light, gas, hot and cold water, heating, refrigeration, cable television and telephone, within the boundaries of the Unit, but shall not include any part of such lines or ducts themselves; and (iii) all fixtures and appliances found within the boundary lines of the Unit and servicing only that Unit.

4.3 Sound. The floors, ceilings, and walls separating the Units, while insulated to maintain temperature, shall not include any sound barriers of soundproofing materials. The Board or Association may adopt a rule, pursuant to Section 10.9, to regulate unreasonable noise caused by any Owner of a Unit or tenant of an Owner residing in a Unit.

ARTICLE V COMMON AREAS AND FACILITIES

5.1 Bear Hollow Ridge Common Areas. Except as otherwise provided in this Declaration, the Common Areas and Facilities shall constitute in general all of the parts of the Land, the Building and all other improvements included in the Project except the Units. All Common Areas and Facilities (excluding any Limited Common Areas) shall be for the exclusive use of Owners, their guests and tenants. Without limiting the generality of the foregoing, the Common Areas and Facilities shall include the following and all repairs and replacements of any of them.

5.1.1 The Land.

5.1.2 All structural parts of the Buildings, including the foundation, columns, girders, beams, supports, exterior and bearing walls, roofs, halls, corridors, stairwells, fire escapes, entrances and exits of the Building, if any.

5.1.3 The roadways, pathways, driveways, fences, grounds, landscaping, lawns, shrubs, trees, gardens, parking areas, storage areas, and recreational facilities, if any.

5.1.4 Installation of all central services such as power, light, gas, hot and cold water, heating, air conditioning and ventilation, and all ducts, wires, conduits and other accessories used therewith,

5.1.5 All other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use, or which have been designated as Common Areas and Facilities on the Map or any Supplemental Map, excepting only things expressly designated in this Declaration as part of Unit or a Limited Common Area.

5.2 Bear Hollow Ridge Owners Access to Bear Hollow Village Common Areas and Facilities. Owners will have access rights to all common areas maintained by the Bear Hollow Village Homeowners Association, including, the Clubhouse, the Village Green, the private roadways in the community, the trail system and pocket parks, and the Bear Hollow park recreational amenities.

5.2.1 Bear Hollow Village Clubhouse facilities may be used by Owners in accordance with the Bear Hollow Village Clubhouse Policy and Procedure Rules. Owners may request an electronic access key card from Bear Hollow Village, which will provide access for up to 6 persons. A second card (maximum 2 cards per unit / Owner) is available for a one-time cost of \$100.00 (fee subject to increase).

5.2.2 Owners, their family members, guests and/or renters will all be expected to be in compliance with all Bear Hollow Village community rules and regulations, same as all other members of the community. All Bear Hollow Village community rules are posted at www.bhvhoa.com for viewing or download.

5.2.3 The Association will cooperate with all ordinary and reasonable requests for information or services made by the Bear Hollow Village Homeowners Association should the enforcement of any community rules against an Owner or Owner's guest or renter become necessary.

ARTICLE VI LIMITED COMMON AREAS

6.1 Limited Common Areas are portions of the Common Areas and Facilities reserved for the use of certain Owners to the exclusion of other Owners. Unit Owners shall be entitled to the exclusive use and occupancy of the Limited Common Areas directly associated with their specific Units. The Limited Common Areas include those areas designated as such on the Map, and, whether or not so designated on the Map, the decks and patios for each Unit, and assigned parking spaces associated with each Unit. The right to use the Limited Common Areas shall be appurtenant to and contingent upon ownership of the Unit or Units associated therewith, and even though not specifically mentioned in an instrument of transfer, shall automatically pass to the grantee or transferee of such Unit or Units. Such right of use shall not be revocable, nor may it be voluntarily or involuntarily relinquished, waived or abandoned.

ARTICLE VII OWNERSHIP OF COMMON AREAS AND FACILITIES, ALLOCATION OF VOTING RIGHTS AND COMMON EXPENSES/COMMON PROFITS

7.1 Each Unit will be entitled to an equal undivided ownership interest in the Common Areas and Facilities, as described in Exhibit B. Each Unit's interest in the Common Areas and Facilities shall be inseparable from the Unit and any conveyance, encumbrance, judicial sale, or other transfer, voluntary or involuntary, of an undivided interest in the Common Areas and Facilities and Limited Common Areas shall be void unless the Unit to which that interest is allocated is also transferred.

7.2 The undivided interest in the Common Areas and Facilities appurtenant to each Unit in the Project shall be as set forth in Exhibit B attached hereto and incorporated herein by reference.

7.3 Except as otherwise provided in this Declaration, the undivided interest appurtenant to each Unit shall have a permanent character, and shall not be altered.

7.4 Except as otherwise provided in this Declaration, any Owner shall have the exclusive right to use and enjoy any Limited Common Areas that may be specifically designated for exclusive use by such Owner.

7.5 The Board of Directors, on behalf of the Association, may enter into leases, management agreements or operating agreements with other parties with respect to the Common Areas and Facilities on such terms as it may elect that are not otherwise inconsistent with the provisions of this Declaration.

7.6 Allocation of Voting Rights. Each Unit Owner shall be entitled to vote in the affairs of the Association and for the purposes of this Declaration and the Bylaws described in Section 11.14 herein.

7.7 Allocation of Common Expenses/Common Profits. The Common Expenses and any Common Profits of the Project shall be allocated to the Owner of each constructed and completed Unit according to the allocation of undivided interest of such Unit in the Common Areas and Facilities.

ARTICLE VIII TITLE TO CONDOMINIUM UNITS

8.1 Manner of Holding Title to Units. Title to a Unit within the Project may be held or owned by any person or entity, or any combination thereof, and in any manner in which title to any other real property may be held or owned in the State of Utah

8.2 Inseparability. Title to a part of a Unit within the Project may not be separated from any other part thereof during the period of ownership, and each Unit, and the undivided interest in the Common Areas and Facilities appurtenant to each, shall always be conveyed, devised, encumbered and otherwise affected only as a complete Unit, together with all appurtenant rights created by law or by this Declaration, including the appurtenant membership in the Association.

8.3 Units May Not Be Divided. Title to any part of a Unit may not be divided or subdivided or a fractional portion thereof sold or conveyed so as to be held in divided ownership. Under no circumstances shall interested in a Unit be divided into, leased, sold, conveyed or used as time period of intervals or sold or conveyed to owners or holders for use on a time share basis. No Unit shall be owned by a partnership or corporation or unincorporated association for the purposes of creating a fraction or divided ownership arrangement or facilitating a time share arrangement among three or more unrelated individuals.

8.4 No Partition. The Common Areas and Facilities shall be owned in common by all of the Owners, and no Owner may bring any action for partition thereof.

8.5 Separate Mortgages by Owners. Each Owner shall have the right to encumber his interest in a Unit with a Mortgage. However, no Owner shall attempt to or shall have the right to mortgage or otherwise encumber the Common Areas and Facilities or any part thereof, except the undivided interest therein appurtenant to his Unit. Any Mortgage of any Unit within the Project shall be subordinate to all of the provisions of this Declaration, and, in the event of foreclosure, the provisions of this Declaration shall be binding upon any Owner whose title is derived through foreclosure, by private power of sale, judicial foreclosure, or otherwise.

8.6 Separate Taxation. Each Condominium Unit within the Project, including each Unit and appurtenant undivided interest in the Common Areas and Facilities, shall be deemed to be a parcel for tax purposes, and shall be assessed separately for all taxes, assessments and other charges of the State of Utah or of any political subdivision thereof or of any special improvement district or of any other taxing or assessing authority. For purposes of such assessment, the valuation of the Common Areas and Facilities shall be apportioned among the Units in proportion to the undivided interests in the Common Areas and Facilities appurtenant to such Units. All such taxes, assessments and other charges on each respective Condominium shall be separately levied against the Owner thereof. No forfeiture or sale of any Condominium for delinquent taxes, assessments, or other governmental charges shall divest or in any way affect the title to any other Condominium.

8.7 Mechanics Liens. No labor performed or services or materials furnished with the consent of or at the request of an Owner may be the basis for the filing of a lien against the Unit of any other Owner, or against any part thereof, or against any other property of any other Owner, unless the other Owner has expressly consented to or requested the performance of the such labor or furnishing of such services or materials. Express consent shall be deemed to have been given by the Owner in the case of emergency repairs thereto. Labor performed or services or materials furnished for the Project, if authorized by the Association, and provided for in this Declaration, shall be deemed to be performed or furnished with the express consent of each owner. The Owner may remove his Unit from a lien against two or more Units or any part thereof by payment to the holder of the lien of the fraction of the total sums secured by such lien which is attributable to his Unit.

8.8 Description of Condominium Units. Every contract for the sale of Condominium Unit and every other instrument affecting title to Condominium Unit within the Project may describe a Unit by the name of the Project, the recording date for this Declaration, the county wherein the Project is located and its Unit Number as indicated in this Declaration or as shown on the Map. Such description shall be construed to describe the Condominium Unit, together with the appurtenant undivided interest in Common Areas and Facilities and to incorporate all the rights incident to ownership of a Condominium. Unit within the Project and all of the limitations on such ownership as described in this Declaration.

ARTICLE IX EASEMENTS

9.1 Easements for Maintenance, Cleaning, and Repair. Some of the Common Areas and Facilities are or may be located within the Units or may be conveniently accessible only through the Units. The Association shall have the irrevocable right to have access to each Unit and to all Common Areas and Facilities from time to time during such reasonable hours as may be necessary for the maintenance, cleaning, repair, or replacement of any Common Areas and Facilities or for making emergency repairs at any time therein necessary to prevent damage to the Common Areas and Facilities or to any Unit. In addition, the Association or its agents may enter any Unit when necessary in connection with any cleaning, maintenance, repair, replacement, landscaping, construction or reconstruction for which the Association is responsible. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Association with funds from the Common Expense Fund,

9.2 Right to Ingress, Egress, and Support. Each Owner shall have the right to ingress and egress over, upon, and across the Common Areas and Facilities as necessary for access to such Owner's Unit and to any Limited Common Areas appurtenant to such Unit, and shall have the right to horizontal, vertical, and lateral support of such Unit, and such rights shall be appurtenant to and pass with title to each Condominium.

9.3 Association's Right to Use Common Areas and Facilities. The Association shall have an easement to make such use of the Common Areas and Facilities as may be necessary or convenient to perform the duties and functions that it is obligated or permitted to perform pursuant to this Declaration, including without limitation the right to construct and maintain in the Common Areas and Facilities (other than Limited Common Areas) facilities for use by Owners generally or by the Association and its agents exclusively.

9.4 Easement for Completion of Project. The Declarant shall have a transferable easement over and on the Common Areas and Facilities for the purpose of completing construction of the Project and making improvements therein as shown on the Map, and for the purpose of doing all things reasonably necessary or appropriate in connection therewith. The duration of this easement shall be eight (8) years from the date of the recording of this Declaration. To the extent that damage is inflicted on any part of the Project by any person utilizing said easement, Declarant and the person causing the damage shall be liable to the Association for the prompt repair of such damage.

9.5 Sales and Management by Declarant. Declarant hereby reserves the right to maintain sales offices, management offices, signs advertising the Project, and models in any of the Units that it owns or is under contract to purchase or on the Common Areas and Facilities of the Project for a period of ten (10) years from the recording of this Declaration. Declarant shall be entitled to utilize, at any one time, up to 2 Units which it owns or is under contract to purchase and some or all of the Common Areas and Facilities as sales offices, management offices, and models anywhere in the Project. Declarant may relocate sales offices, management offices and models to other Units or Common Areas and Facilities at any time.

9.6 Easements for Encroachments. If any part of the Common Areas and Facilities encroaches or shall hereafter encroach upon any Unit, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Unit encroaches or shall hereafter

encroach upon the Common Areas and Facilities, or upon an adjoining Unit, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of the Common Areas and Facilities or any part of a Unit shall hereafter encroach on real property now owned by the Declarant outside the boundaries of the Property, an easement for such encroachment shall and does exist. Such encroachments shall not be considered to be encumbrances either on the Common Areas and Facilities or the Units. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of the Buildings or any improvements constructed or to be constructed within the Project, by error in the Map, by settling, rising, or shifting of the earth, or by changes in position caused by repair or reconstruction of the Project, or any part thereof, in accordance with the provisions of this Declaration.

9.7 Easements Deemed Created. All conveyances of Condominiums within the Project hereafter made, whether by Declarant or otherwise, shall be construed to grant and reserve such reciprocal easements as are provided herein, even though no specific reference to such easements appears in any such conveyance.

9.8 Declarant's Reservation of Easement. Declarant hereby reserves an easement and right of way across, over, under and through the Common Areas and Facilities for purposes of vehicular and pedestrian access to the Additional Land or other real property Declarant may own adjacent to the Project.

ARTICLE X RESTRICTIONS ON USE AND ARCHITECTURAL REVIEW

10.1 No Commercial Use. The Units within the Project shall be used exclusively for residential purposes. No Unit shall be used for business or commercial activity, provided, however, that nothing herein shall be deemed to prevent (a) Declarant or its duly authorized agents from using any Unit, for so long as such Unit is owned by Declarant, as sales models or property management offices, whether or not relating to the Project, or (b) any Owner or his duly authorized agent from freely renting or leasing his Unit from time to time, including nightly rentals.

10.2 No Noxious, Offensive or Illegal Activity. No noxious, offensive or illegal activity shall be carried on in or upon any part of the Project, nor shall anything be done or placed in or upon any part of the Project which is or may become a nuisance or may cause embarrassment, disturbance, or annoyance to Owners. No activities shall be conducted, nor improvements constructed, in or upon any part of the Project which are or may become unsafe or hazardous to any person or property.

10.3 Restrictions on Signs, Satellite Equipment and Window Coverings. No signs, for "sale" or "lease" signs, neon lighting, flags, or advertising devices of any nature, including without limitation commercial, political, informational, or directional signs or devices, shall be erected or maintained on any part of the Project without the prior inspection and written approval of the Declarant until the expiration of the Transition Events and thereafter, by the Board of Directors (or architectural committee), except as may be temporarily necessary to caution or warn of danger or as used by the Declarant in connection with the sales, construction or marketing of any Unit. If the

Declarant (or Board of Directors) consents to the erection of any such signs or devices, the same shall be promptly removed at the request of the Declarant or Board of Directors, as applicable. Within thirty days of an Owner taking title to a Unit, windows must be covered by either natural color wood or natural color faux wood blinds or shutters with slats of at least two inches in width. The restrictions of the Bear Hollow Village CC&Rs shall also apply.

10.3.1 Antenna and Satellite Equipment. No radio aerial, antenna or satellite or other signal receiving dish, or other aerial or antenna for reception or transmission, shall be placed or kept in or on the Common Area and Facilities. Dish antennae may be installed on decks.

10.4 Animals. No animals shall be brought or allowed to remain in or upon any part of the Project by Owners of Units unless and until written authorization is obtained from the Association. The Association, in the sole discretion of its Board of Directors, shall have the right to revoke such authorization at any time. No Owner may keep more than one (1) dog and (1) cat in a Unit. Tenants of an Owner may not keep cats, dogs or other pets in rented Units at any time. The Association may require an Owner to remove nuisance pets due to noise, running at large, sanitary violations or other violations of such rules as may be established by the Association. The restrictions of the Bear Hollow Village CC&Rs and the Summit County leash rules shall also apply.

10.5 No Alterations. No Owner shall, without the prior written consent of the Design Review Committee of the Bear Hollow Village Homeowners Association, as described in the Bear Hollow Village CC&Rs, make or permit to be made any structural alteration, improvement or addition in or to his Unit or modification, alteration or improvement of any type to the Common Areas and Facilities or Limited Common Areas. No Owner of a Unit shall install in any windows in the main living area of such Unit any window covering other than the window coverings approved by the Association. No Owner shall install a hot tub on the deck or patio of the Unit. No Owner shall, without the prior written consent of the Association, do any act that would impair the structural soundness or integrity of, or alter the exterior appearance of, the Buildings or the safety of property or impair any easement or hereditament appurtenant to the Project. In any event, no alteration shall be made prior to obtaining approval of the appropriate government jurisdiction.

10.6 No Obstructions. There shall be no obstruction of the Common Areas and Facilities by any Owner. Owners shall neither store nor leave any of their property in the Common Areas and Facilities, except with the prior written consent of the Association.

10.7 Prohibition of Damage and Certain Activities. Except with the prior written consent of the Association, nothing shall be done or kept in any Unit; in the Common Areas and Facilities, or in any other part of the Project which would result in cancellation of the insurance on the Project or any part thereof, nor shall anything be done or kept in any Unit which would increase the rate of insurance on the Project or any part thereof over that which the Association, but for such activity, would pay. Nothing shall be done or kept in any Unit or in the Common Areas and Facilities or any part thereof which would be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental authority. No damage to, or waste of, the Common Areas and Facilities or any part thereof shall be committed by any Owner or guest of any Owner, and each Owner shall indemnify and hold

harmless the Association and the other Owners from and against all loss resulting from any such damage or waste caused by such Owner or his guests, lessees, licensees, or invitees,

10.8 Parking. Each Unit will be assigned one (1) parking space and there will be additional parking outside the Building for overflow parking and temporary parking for guests. Owners shall have the right to use and occupy the parking space and outside parking areas only in connection with the actual occupancy of a Unit. No such areas shall be used for storage of a vehicle while the Unit is not being occupied. The Association shall have the right from time to time to require that vehicles be temporarily removed from any and all parking areas for maintenance or snow removal purposes.

10.8.1 Parking in unassigned spaces on the Land is restricted to Owners, Owners' tenants and guests, as well as the employees and agents of Declarant and signs shall be posted to that effect.

10.8.2 Parking is subject to all applicable state, county and local municipality parking laws, codes, restrictions and regulations.

10.9 Rules and Regulations. No Owner shall violate the rules and regulations for the use of Units and Common Areas and Facilities as adopted from time to time by the Association. The Association shall adopt, amend and repeal such rules and regulations as it deems reasonable. The rules and regulations shall govern such matters in furtherance of the purposes of the Association, including, without limitation, the use of the Common Areas and Facilities, provided, however, that the rules and regulations shall not be inconsistent with this Declaration. A copy of the rules and regulations, as they may from time to time be adopted, amended or repealed, shall be delivered to each Owner in the same manner established in this Declaration for the delivery of notices. Upon such delivery, said rules and regulations shall have the same force and effect as if they were set forth in, and were part of, this Declaration. The rules and regulations as adopted, amended or repealed shall be made available upon request to each Owner at the principal office of the Association, or at such other place as may be designated by the Board. In the event of any conflict between any such rules and regulations and any other provision of this Declaration the provisions of the rules and regulations shall be deemed to be superseded by the provisions of this Declaration, the Articles of Incorporation or the Bylaws to the extent of any such inconsistency.

10.10. Additions, Alterations, Improvements and Decorations.

Except as otherwise provided in the Condominium Declaration, no Unit Owner, except the Declarant, shall make (i) any structural addition, alteration or improvement to his Unit or any Limited Common Area which he has the right to use, or (ii) any non-structural addition, alteration, improvement or decoration to or upon the windows and doors enclosing his Unit, or to or upon any Limited Common Area, which he has the right to use unless and until plans and specifications, in duplicate, showing the nature, kind, shape, height, color, materials, location and approximate cost of such addition, alteration, improvement or decoration shall have been submitted to and approved in writing by the Design Review Committee of the Bear Hollow Village Homeowners Association as specified in the Bear Hollow Village CC&Rs.

For the purposes of the Condominium Declaration, a structural addition, alteration or improvement to a Unit shall include but is not limited to, without limitation, any addition, alteration or improvement involving any portion of the Unit (such as a utility line or vent serving that Unit) located above the top surface of any sheetrock ceiling within the Unit, whether such ceiling is a drop ceiling or is located at the upper boundary of the Unit.

In no event shall the provisions of this Section 10.10 apply to Declarant or any Unit Declarant may own, from time to time.

10.11 No Unsightliness.

No unsightliness is permitted on any Unit or anywhere within the Project. This shall include, without limitation: the open storage of any building materials, except during the construction of any dwelling or improvements; the open storage or parking of farm or construction equipment, inoperable motor vehicles, boats, campers, trailers, snowmobiles, ATV's or other recreational vehicles, and trucks larger than pick-up trucks, except during periods of actual loading and unloading; accumulations or storage of construction debris or waste; accumulations or storage of household refuse or garbage, except as stored in tight containers in an enclosure such as a garbage can which is placed at the curb the evening prior to scheduled pickup and removed from the curb within a reasonable time period (not to exceed, however, 24 hours) after pickup is complete; the open storage of lawn or garden furniture, except during season of use; and the storage or accumulation of any other material, vehicle, or equipment on the Unit or anywhere within the Project in a manner that is visible from the public view or from another Unit. Any violation of this Section 10.11 shall entitle the Association to levy fines for non-compliance, which may be collected in the same manner as Individual Assessments.

ARTICLE XI
BYLAWS OF THE ASSOCIATION

11.1 Board of Directors. The Association shall be managed by a Board of Directors which shall initially be comprised of three (3) persons; provided, however, until the expiration of the Transition Events, the Declarant shall have the exclusive and irrevocable right to appoint all of the members of the Board of Directors and their successors or replacements, who need not be Owners. At the first annual Association meeting after the occurrence of the Transition Events, the Members of the Board of Directors shall be elected by the Owners. To provide continuity of management, when the Board is comprised of three (3) persons, one (1) shall be elected for a three (3) year term; one (1) for a two (2) year term and one (1) for a one (1) year term. The Members of the Board of Directors shall also constitute the Board of Directors of the Association.

11.2 Qualification of Board of Directors Members. To qualify, a member of the Board of Directors must be an individual Owner or the representative of Declarant, as provided in Section 11.1 above.

11.3 Vacancies. To qualify, a member of the Board of Directors must be an individual Owner or the representative of Declarant.

11.4 Dismissal of Board of Director Members. Any Board of Director member who fails on three (3) successive occasions to attend Board of Directors meetings (whether regular or special) or who has failed to attend at least twenty-five (25%) of all Board of Director meetings (whether regular or special) held during any twelve (12) month period shall automatically forfeit his seat. In such cases, the remaining members of the Board shall elect a replacement to sit on the Board of Directors until the next meeting of the Association.

11.5 Removal of Board of Directors Members/Declarant's Rights. Except for Board of Directors members appointed by the Declarant before the expiration of the Transition Events, Board of Directors members may be removed at any time by the affirmative vote of a majority of the Members of the Association. A replacement to serve the remainder of the removed member's unexpired term shall be elected at the same meeting.

11.6 Term. Unless he forfeits or otherwise loses his seat as herein provided, a member shall serve on the Board of Directors until his successor qualifies and is properly elected by the Association,

11.7 No Compensation. Board of Directors members shall not be compensated for their services but shall be reimbursed for all expenses reasonably incurred in connection with Board of Directors business and approved by the Board of Directors.

11.8 Board of Directors Officers and Agents. The Board of Directors shall perform its functions through those three (3) members who are elected as officers by the Board of Directors and through such agents or employees as the Board of Directors may appoint. There shall be a President, Vice President and Secretary-Treasurer. Any Board of Directors officer, agent, or employee may at any time be removed, with or without cause, by the vote of a majority of the Board of Directors members, provided, however, if a member of the Board of Directors is removed as an officer, he shall continue to be a member of the Board of Directors,

11.9 Board of Directors Meetings. A regular meeting of the Board of Directors shall be held immediately after the adjournment of each annual Owners meeting or at such other time as the members of the Board of Directors may decide. Other regular meetings shall be held at periodic intervals (no longer than monthly) at such time and place as the Board of Directors may determine. No notice need be given of regular Board of Directors meetings. Special Board of Directors meetings shall be held whenever called by the President or by any three (3) members of the Board of Directors. Reasonable effort shall be made to give either oral or written notice of a special meeting to each Board of Directors member at least twenty-four (24) hours before the time fixed for the meeting. The propriety of holding any meeting which is attended by all Board of Directors members may not be challenged on grounds of inadequate notice. A quorum for the transaction of business at any Board of Directors meeting shall consist of a majority of all the members then in office.

11.10 Status and General Authority of Board of Directors. Any instrument executed by the Board of Directors that recites facts which, if true, would establish the Board of Directors' power and authority to accomplish through such instrument what is purported to be accomplished thereby, shall conclusively establish said power and authority in favor of any person who in good faith and for value relies upon said instrument. The Association shall, in connection with its exercise of any of the powers delineated below, constitute a legal entity capable of dealing in its Board of Directors name. The Board of Directors shall have, and is hereby granted, the following authority and powers:

11.10.1 To Enter. The power and authority to enter into or upon any Unit to make repairs and to do other work reasonably necessary for the proper maintenance and operation of the Project. Except in the case of an emergency, reasonable notice shall be given to the residents.

11.10.2 Grant Easements. The authority, without the vote or consent of the Owners, Mortgagees, insurers or guarantors of any Mortgage, or of any other person, to grant or create, on such terms as it deems advisable, reasonable permits, licenses, and nonexclusive easements over, under, across, and through the Buildings, Units and the Common Areas and Facilities for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance, operation or regulation of the Project.

11.10.3 Execute Documents. The authority to execute and record, on behalf of all Owners, any amendment to the Declaration or Map which has been approved by the vote or consent necessary to authorize such amendment,

11.10.4 Standing. The power to sue and be sued.

11.10.5 Enter Into Contracts. The authority to enter into contracts which in any way concern the Project, so long as any vote or consent necessitated by the subject matter of the agreement has been obtained.

11.10.6 Transfer Interests in Real Property. The power and authority to exchange, convey or transfer any interest in real property, so long as it has been approved by at least seventy-five percent (75%) of the Members in the Association.

11.10.7 To Purchase. The power and authority to purchase, otherwise acquire, and accept title to, any interest in real property, so long as it has been approved by at least seventy-five percent (75%) of the Members in the Association.

11.10.8 Add Property. The power and authority to add any real property, or interest therein, obtained pursuant to subparagraph 11.10.7 above to the Project, so long as it has been approved by at least seventy-five (75%) of the Members in the Association.

11.10.9 Promulgate Rules. The authority to promulgate such reasonable administrative guidelines, rules, regulations, and procedures as may be necessary or desirable to aid the Board of Directors in carrying out any of its functions or to insure that the Project and common areas and facilities are maintained and used in a manner consistent with this Declaration.

11.10.10 Meetings. The authority to establish procedures for the conduct of its meetings, including but not limited to the power to decide what portion of the meeting shall be open or closed to Members of the Association or residents not on the Board of Directors, to retire to executive session, to regulate record keeping, and to allow, control or prohibit the electronic, video or audio reproduction of Board of Directors meetings.

11.10.11 Assignment or Leasing of Common Areas and Facilities. The authority to charge reasonable user fees for Common Areas and Facilities, and to assign or lease available Common Areas and Facilities to Owners as well as to others on an annual basis.

11.10.12 All Other Acts. The power and authority to perform any and all other acts, and to enter into any other transactions which may be reasonably necessary for the Board of Directors to perform its functions on behalf of the Owners,

11.11 Delegation of Management Responsibilities. The Board of Directors may delegate some of its management responsibilities to a professional management company, an experienced on-site or off-site manager, independent contractors, through service contracts, or any combination thereof. The termination provision of any such contract must not require a termination penalty or any advance notice of more than thirty (30) days and no such contract shall be for a term beyond the expiration of the Transition Events, unless approved by the Owners, as provided in Section 57-8-16.5 of the Utah Condominium Ownership Act, as amended from time to time.

11.12 Owners Meetings. The Association Members shall meet as follows:

11.12.1 Annual Meeting. The annual meeting of the Owners shall be held in December of each year. The place of the meeting shall be at the location specified in the notice of meeting. At least ten (10) but not more than thirty (30) days before the date of the annual meeting, a written notice thereof shall be personally delivered or mailed postage prepaid to each person who appears as an Owner, at his last known address; provided, however, that notice may also be delivered by electronic delivery if the party providing notice has taken all steps to ensure that the delivery of such notice is fair, reasonable and will be effective. The notice shall state the location, date, time, place and general purpose of the meeting. It is the responsibility of the Owner to keep the Association informed of Owner's current mailing address. Notices mailed to the most recent address provided by Owner shall be deemed to be received by Owner seventy-two (72) hours after it has been deposited in the United States mail, first class postage prepaid, addressed to the Owner at the address given by the Owner to the Board of Directors for the purpose of service of notice or to the address of the Owner's Unit if no other address has been provided. Any address may be changed from time to time by giving written notice to the Board of Directors.

11.13.2 Special Meetings. Special meetings of the Owners may be called by the President, by the Board of Directors, or by any three (3) members of the Board of Directors, or by Unit Owners holding at least twenty five percent (25%) of the undivided ownership interest in the Common Area. At least ten (10) but not more than thirty (30) days before the date set for a special meeting, written notice thereof shall be given in the manner described in the immediately preceding Paragraph.

11.13.3 Waiver of Notice. No notice of any Owners meeting shall be required if a waiver of such notice is signed by all of the Owners. Whenever all of the Owners meet in person or by proxy such meeting may not be challenged on grounds of inadequate notice.

11.13.4 Quorum The presence of at least thirty-seven and five tenths percent (37.5%) of all votes entitled to be cast shall constitute a quorum for the transaction of business at any Owners meeting.

11.13.4.1 Quorum Not Present. If a quorum is not present at any Owners meeting, whether regular or special, the meeting may be adjourned and rescheduled for a time no earlier than forty-eight (48) hours and no later than thirty (30) days, after the time set for the original meeting.

11.13.4.2 Quorum at Rescheduled Meeting. Those Members present at the rescheduled meeting and entitled to vote shall constitute a quorum at the rescheduled meeting.

11.13.4.3 Percentage Approval Requirement. In any situation in which this Declaration requires the affirmative vote of a certain percentage of the total ownership interest in the Project for authorization or approval of a matter, the affirmative approval of that percentage of all of the Unit Owners, who must either be present at the meeting in person or by proxy, or, in the alternative, who have signed a separate written consent, is required for authorization or approval of the item, regardless of the quorum requirements.

11.13.5 Consent in Lieu of Vote. In any case in which this Declaration requires the vote of an Owner for authorization or approval of an act or a transaction, such requirement may be fully satisfied by the Board of Directors obtaining from Owners who collectively hold the required percentages, with or without a meeting, consents in writing to such transaction, subject to the following conditions:

11.13.5.1 Ninety-Day Limit All necessary consents must be obtained prior to the expiration of ninety (90) days from the time the first written consent is obtained; and

11.13.5.2 Change in Ownership. Any change in Ownership of a Unit which occurs after consent has been obtained from the Owner having an interest therein shall not be considered or taken into account for any purpose.

11.14 Classes of Membership and Voting Allocations. The Association shall have two (2) classes of membership-Class A and Class B, described more particularly as follows:

11.14.1 Class A. The Class A Members shall be all Owners with the exception of the Class B Members, if any. Class A Members shall be entitled to vote on all issues before the Association, subject to the following:

11.14.1.1 One Vote. Each Unit shall have one (1) vote.

11.14.1.2 Subject to Assessment. No vote shall be cast or counted for any Unit not subject to assessment.

11.14.1.3 Multiple Owners. When more than one (1) person or entity holds such interest in a Unit, the vote for such Unit shall be exercised as those persons or entities themselves determine and advise the Secretary of the Association prior to any meeting. In the absence of such advice, the vote of the Unit shall be suspended in the event more than one (1) person or entity seeks to exercise it.

11.14.1.4 Leased Unit. Any Owner of a Unit which has been leased may, in the lease or other written instrument, assign the voting right appurtenant to that Unit to the lessee, provided that a copy of such instrument is furnished to the Secretary prior to any meeting.

11.14.2 Class B. The Class B Member shall be the Declarant and any successor of Declarant who takes title for the purpose of development and sale of Units, and who is designated as such in a recorded instrument executed by Declarant, The Class B Member shall originally be entitled to four (4) votes per Unit owned or to be developed. The Class B membership shall terminate, and Class B membership shall convert to Class A membership upon the happening of the earlier of the following (which are hereinafter referred to as the "Transition Events"):

11.14.2.1 Units Sold. Four (4) months after the sale (meaning the execution and delivery of a deed to a Unit by Declarant) of all 26 Units; or

11.14.2.2 Six Years. Six (6) years from the date following the first conveyance of a Unit in the Building to a Unit purchaser after effective date of this Declaration; or

11.14.2.3 Election. When, in its sole discretion, Declarant so determines.

11.14.2.4 Change to Class A Member. From and after the happening of the Transition Events, whichever occurs earlier, the Class B Member shall be deemed to be a Class A Member entitled to one (1) vote for each Unit owned. At such time, the Declarant shall call a meeting, in the manner described in the Bylaws of the Association for special meetings, to advise the membership of the termination of Class B status and, if it has not already occurred, to schedule transition of the operation and management of the entire Project to the Association.

11.15 Lists of Unit Owners, Eligible Mortgagees, and Eligible Insurers or Guarantors. The Board of Directors shall maintain up-to-date records showing: (a) the name of each person who is an Owner, the address of such person, and the Unit which is owned by him or her; (b) the name of each person or entity who is an Eligible Mortgagee, the address of such person or entity, and the Unit which is encumbered by the Mortgage held by such person or entity; and (c) the name of each person or entity who is an Eligible Insurer or Guarantor, the address of such person or entity, and the Unit which is encumbered by the Mortgage insured or guaranteed by such person or entity. In the event of any transfer of a fee or undivided fee interest in a Unit, either the transferor or transferee shall furnish the Board of Directors with evidence establishing that the transfer has occurred and that the Deed or other instrument accomplishing the transfer is of record in the office of the County Recorder of Summit County, Utah. The Board of Directors may for all purposes act and rely on the information concerning Unit ownership in its records or, at its option, the records of the County Recorder. The address of any Owner shall be deemed to be the address of the Unit owned by such person unless the Board of Directors is otherwise advised in writing. Owners are obligated to provide the Board of Directors the information outlined in this Section 11.15.

11.15.1 If a Unit is rented, Owner shall provide the Board of Directors with a copy of the lease agreement and a signed statement from the tenant in which tenant agrees to abide by the provisions of the Declaration.

11.16 Capital Improvements and Table. The Board of Directors shall prepare a Table of Capital Improvements, which shall contain a list of foreseeable expenditures for Capital Improvements within the Area of Common Responsibility. The Table shall be included in every annual budget, and it shall be reviewed and updated at least annually, and reasonable reserve accounts shall be established by the Board of Directors for the replacement of capital assets as they age. Expenditures by the Association for Capital Improvements to the Project shall be subject to and governed by the following:

11.16.1 Board of Directors Discretion/Expenditure Limit. Capital Improvements to the Project which cost ten percent (10%) or less of the Total Annual Operations Budget and do not materially alter the nature of the Project, may be authorized by the Board of Directors alone.

11.16.2 Owner Approval/Expenditure Limit. Any Capital Improvement, the cost of which will exceed such amount, must prior to the commencement of construction, be authorized by at least a majority of the Owners.

11.16.3 Homeowner Approval/Changing the Nature of the Project. Any Capital Improvement which would materially alter the nature of the Project is forbidden.

11.17. Operation, Maintenance and Alterations. The Units and Common Areas and Facilities shall be maintained by the Unit Owners and the Association as follows:

11.17.1 Area of Common Responsibility. The Association shall maintain, repair and replace, as needed from time to time, the Common Areas and Facilities, including but not limited to the exterior of all Buildings, all roofs, foundations, footings, columns, girders, beams, supports and main walls of any Unit, outside parking areas, all common utility services such as power, light, gas, hot and cold water, sewer, heating, refrigeration and air conditioning systems, fences, fixtures, patios and decks appurtenant to the Building, and all landscaping as set forth with more particularity below.

11.17.2 Area of Personal Responsibility. Each Unit Owner shall maintain, repair and replace, as needed in his Unit, individual utilities, including but not limited to all power, gas, telephone, and television lines servicing only his Unit, patios and decks appurtenant to his Unit, assigned storage areas if any, windows, doors and balconies appurtenant to each Unit. If a specific item is not mentioned expressly in the Area of Common Responsibility and it is located in, on, under or above a Unit, then it shall be the responsibility of the Unit Owner, unless otherwise determined in writing by the Board of Directors.

11.17.3 Landscaping. The Association shall maintain, repair and replace all landscaping throughout the entire Project, including but not limited to all green space, grass, sod, ground cover, flower beds, plant beds, trees, bushes, shrubs, and sprinkling systems, which Owners or residents shall not modify, change, or alter without the express prior written consent of the Board of Directors. All landscaping in the Project shall be maintained and cared for in a manner consistent with Community Standards and the quality of design and construction originally established by Declarant, Specific guidelines and restrictions on landscaping may be established by the Board of Directors from time to time. All landscaping shall be maintained in a neat and

orderly condition. Any weeds or diseased or dead lawn, trees, ground cover or shrubbery shall be removed and replaced. All lawn areas shall be neatly mowed and trees, shrubs and bushes shall be properly pruned and trimmed. The Association may perform such landscaping jointly with the Bear Hollow Village Homeowners Association.

11.17.4 Snow & Ice Accumulations. The Association, by itself or jointly with the Bear Hollow Village Homeowners Association shall remove ice and snow accumulations from certain areas of the Common Areas and Facilities. The patios and decks appurtenant to each Unit shall be the responsibility of the Owner of the Unit. Snow and ice accumulations on the Building shall be the sole responsibility of the Association.

11.17.5 Garbage Storage and Removal. Each Owner shall deposit the garbage, debris and refuse from his Unit into the centrally located trash receptacles or dumpsters throughout the Project, which shall be collected by public agencies.

11.17.6 Limited Common Area. While each Unit Owner shall maintain his Limited Common Area in a clean, safe, tidy, attractive and sanitary condition, the Association shall be responsible to replace and repair the Limited Common Area and all improvements constructed or installed thereon, except as provided in Section 11.17.2.

11.17.7 Utilities. The Association shall provide those utility services not separately metered and billed to the individual Owners by the provider.

11.17.8 Standard of Care/General. The Project shall be maintained in a usable, clean, functional, attractive and good condition, consistent with community standards.

11.17.9 Right of Entry. The Board of Directors, its agents, representatives or employees shall have a right to enter upon or into any Unit or Common Area as necessary in order to maintain and operate the Project, and shall not be liable for trespass for such entry or work.

11.17.10 Changes to Areas of Personal or Common Responsibility. The Board of Directors may, in its sole discretion, add items to or subtract items from the areas of personal or common responsibility described above, upon at least thirty (30) days prior written notice to the Unit Owners.

11.17.11 Alterations to the Common Area. Anything to the contrary notwithstanding and until the occurrence of the Transition Events, the Declarant may make changes to the Common Areas and Facilities without the consent of either the Association, Board of Directors or Owners; provided, however, no Owner or resident may make any structural alterations, modifications, changes or improvements to the Common Areas and Facilities, including but not limited to any additions, extensions, enclosures, fencing, decks, patios, walkways, structures or sheds not shown on the approved plans and specifications, without the prior express written consent of the Board of Directors.

ARTICLE XII

COMMON EXPENSES AND ASSESSMENTS

12.1 Common Expenses. Each Owner, by acceptance of a deed, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association in a timely manner all