

**ARTICLES OF INCORPORATION  
OF  
BEAR HOLLOW VILLAGE HOMEOWNER'S ASSOCIATION**

The undersigned natural person over the age of twenty-one years, acting as incorporator of a nonprofit corporation pursuant to the Utah Nonprofit Corporation and Co-Operative Association Act, hereby adopts the following Articles of Incorporation for said corporation:

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**ARTICLE I  
NAME**

ALAN SPRIGGS, SUMMIT COUNTY RECORDER  
1998 SEP 09 15:28 PM FEE \$36.00 BY DMG  
REQUEST: BEAR HOLLOW VILLAGE

The name of the nonprofit corporation is BEAR HOLLOW VILLAGE HOMEOWNER'S ASSOCIATION, hereinafter the "Association."

**ARTICLE II  
DURATION**

The Association shall continue in existence perpetually unless dissolved sooner according to law.

**ARTICLE III  
PURPOSES**

The Association is organized as a nonprofit corporation and shall be operated exclusively for the purpose of maintaining, operating, and governing the Bear Hollow Village Specially Planned Area, located in Summit County, State of Utah. The Association is organized and shall be operated to perform the functions and provide the services contemplated in the Declaration of Protective Covenants, Conditions and Restrictions for the Bear Hollow Village Specially Planned Area, hereinafter the "Declaration," which document has been or will be recorded in the Summit County Recorder's Office, State of Utah. No dividends shall be paid and no part of the net income of the Association, if any, shall be distributed to the members, Trustees, or officers of the Association, except as otherwise provided herein, in the Declaration, or by law.

**ARTICLE IV  
POWERS**

Subject to the purposes declared in Article III above and any limitations herein expressed, the Association shall have and may exercise each and all of the following powers and privileges:

(a) The power to do any and all things that the Association is authorized or required to do under the Declaration, as the same may from time to time be amended, including, without limiting the generality of the foregoing, the specific power to fix, levy, and collect the charges and assessments provided for in the Declaration;

(b) The power to purchase, acquire, own, hold, lease, mortgage, sell, and dispose of any and all kinds and character of real, personal, and mixed property (the foregoing particular enumeration in no sense being used by way of exclusion or limitation), and while the owner of any of the foregoing, to

exercise all rights, powers, and privileges pertaining thereto; and

(c) The power to do any and all things that a nonprofit corporation may now or hereafter do under the laws of the State of Utah.

#### ARTICLE V MEMBERSHIP

The Association shall have members. The members of the Association shall be all record owners (hereinafter "Owners") of one or more Lots (defined in the Declaration of Covenants, Conditions and Restrictions) contained within Bear Hollow Village, as such Owners are shown on the records of Summit County, State of Utah. The term Owner shall not include any mortgagee, trustee, or beneficiary under any mortgage, trust deed, or other security instrument by which a Lot or any part thereof is encumbered (unless such mortgagee, trustee, or beneficiary has acquired title for other than security purposes), nor shall it include persons or entities purchasing a Lot under contract (until such contract is fully performed and legal title conveyed). Each Owner shall be entitled and required to be a member of the Association; membership shall begin immediately and automatically upon becoming an Owner and shall terminate immediately and automatically upon ceasing to be an Owner. If title to a Lot is held by more than one person or entity, the membership appurtenant to that Lot shall be shared by all such persons or entities in the same proportionate interests and by the same type of tenancy in which title to the Lot is held. An Owner shall be entitled to one membership for each Lot owned by him. Each membership shall be appurtenant to the Lot to which it relates and shall be transferred automatically by conveyance of that Lot. Ownership of a Lot within Bear Hollow Village cannot be separated from membership in the Association appurtenant thereto, and any devise, encumbrance, conveyance, or other disposition of a Lot shall be construed to be a devise, encumbrance, conveyance, or other disposition, respectively, of the Owner's membership in the Association and rights appurtenant thereto. No person or entity other than an Owner may be a member of the Association, and membership in the Association may not be transferred except in connection with the transfer of a Lot.

#### ARTICLE VI MEMBERSHIP CERTIFICATES

The Association shall issue certificates of membership to each person entitled to membership in the Association. In the event a particular Lot is owned by more than one persons or entity, the membership certificate shall be issued in the names of all persons and/or entities having an ownership interest therein.

#### ARTICLE VII VOTING RIGHTS

Each Lot is entitled to vote in accordance with the Declaration.

#### ARTICLE VIII ASSESSMENTS

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Members of the Association shall be subject to assessments by the Association from time to time in accordance with the provisions of the Declaration and applicable law and shall be liable to the Association for payment of such assessments. Aside from these assessments, Members of the Association shall not be

individually or personally liable for the debts or obligations of the Association.

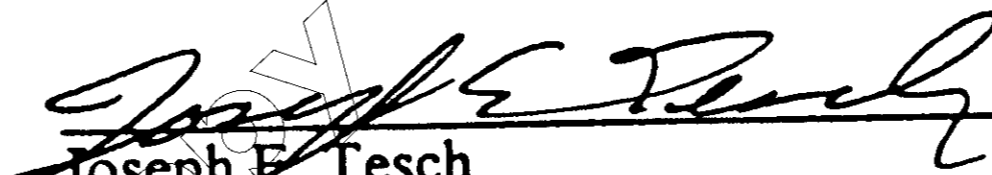
**ARTICLE IX  
PRINCIPAL OFFICE**

The address of the initial principal office of the Association is 3695 Juno Circle, Salt Lake City, Utah, 84124. After August 1, 1998, the principal office address of the Association shall be 5600 North State Highway 224, Park City, Utah 84098.

**ARTICLE X  
REGISTERED AGENT**

The initial registered agent of the Association is Joseph Tesch. The registered agent's address is 314 Main Street Suite 201, P.O. Box 3390, Park City, Utah 84060.

I hereby accept my appointment as registered agent for the Association.

  
Joseph E. Tesch

**ARTICLE XI  
BOARD OF TRUSTEES**

The affairs of the Association shall be managed by a Board of Trustees consisting of not less than three (3) Trustees as prescribed in the Bylaws. Until such time as the responsibility for electing the Trustees of the Association is turned over to the members of the Association in accordance with the Declaration and Utah law, Bear Hollow Village, L.C., a Utah limited liability company, shall have the exclusive right to appoint such Trustees. The number of Trustees constituting the initial Board of Trustees shall be three (3). The names and addresses of the persons who are to serve as Trustees until the first annual meeting of members of the Association held after responsibility for electing Trustees is turned over to the members of the Association and until the successors of such Trustees are elected and shall qualify are as follows:

NAME	ADDRESS
Larry Franciose	3695 Juno Circle Salt Lake City, Utah 84124
John D. MacKay	P.O. Box 681683 Park City, Utah 84068
Lori Franciose	3695 Juno Circle Salt Lake City, Utah 84124

**ARTICLE XII  
MANAGER**

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The Board of Trustees may by written contract delegate to a professional management organization or individual such of its managerial duties, responsibilities, functions, and powers as are properly delegable.

**ARTICLE XIII  
BYLAWS AND RULES AND REGULATIONS**


To the extent that the same are not inconsistent with these Articles of Incorporation or the Declaration, the Board of Trustees may adopt and enforce Bylaws and may adopt, amend, repeal, and enforce reasonable rules and regulations governing the operation of the Association and the operation and use of the Specially Planned Area. SEE EXHIBIT A ATTACHED.

**ARTICLE XIV  
INCORPORATOR**

The name and address of the incorporator of the Association is:

Larry Franciose  
3695 Juno Circle  
Salt Lake City, Utah 84124

DATED this 9 day of September, 1998.

  
Larry Franciose, Incorporator

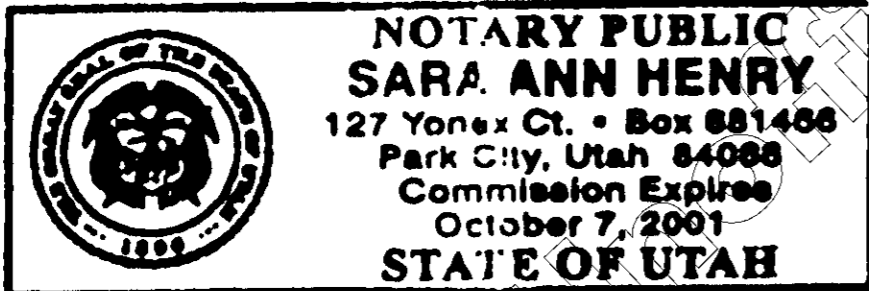
State of Utah )

SS

County of Summit )

On the 9<sup>th</sup> day of September, 1998, the foregoing instrument was acknowledged and verified before me by Larry Franciose, who personally appeared before me, and being by me duly sworn declared under penalty of perjury that he is the incorporator of the Bear Hollow Village Homeowner's Association, Inc., and that he signed the foregoing Articles of Incorporation.

  
Notary Public



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BYLAWS

OF

BEAR HOLLOW VILLAGE HOMEOWNER'S ASSOCIATION

A Nonprofit Corporation of the State of Utah

Pursuant to the provisions of the Utah Nonprofit Corporation and Co-operative Association Act, the Board of Trustees of Bear Hollow Village Homeowner's Association hereby adopts the following Bylaws of Bear Hollow Village Homeowner's Association.

ARTICLE I

NAME AND PRINCIPAL OFFICE

1.01. Name. The name of the nonprofit corporation is "Bear Hollow Village Homeowner's Association;" hereinafter referred to as the "Association."

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

ARTICLE II

DEFINITIONS

2.01. Definitions. Except as otherwise provided herein or required by the context hereof, all terms defined in Article I of the Declaration of Covenants, Conditions and Restrictions for Bear Hollow Village, a Specially Planned Area, hereinafter referred to as the "Declaration," shall have such defined meanings when used in these Bylaws.

ARTICLE III

MEMBERS

3.01. Annual Meetings. The annual meeting of members of the Association (hereinafter referred to as "Members" or, in the singular as "Member") shall be held on the 1st Monday in December at 7:00 o'clock p.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.

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3.02. 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 fifty percent (50%) of the total votes of the Association, such written request to state the purpose or purposes of the meeting and to be delivered to the Board of Trustees or the President.

3.03. Place of Meetings. The Board of Trustees may designate any place in Summit County, State of Utah, as the place of meeting for any annual meeting or for any special meeting called by the Board. A waiver of notice signed by all 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 Project.

3.04. Notice of Meetings. Written or printed notice of all meetings shall be delivered, not more than fifty (50) 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 United States mail addressed to the Member at his or her registered address, with first class postage thereon pre-paid. 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, Member's Unit address shall be deemed to be his or her registered address for purposes of notice hereunder.

3.05. Members of Record. Upon purchasing a Unit in the Project, each Owner shall promptly furnish to the Association a certified copy of the recorded instrument by which ownership of such Unit 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 to 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) nor less than ten (10) days prior to the meeting, for determining members entitled to notice of or to 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 Units in the Project shall be deemed to be the Members of record entitled to notice of and to vote at the meeting of the Members.

3.06. Quorum. At any meeting of the Members, the presence of Members holding, or holders of proxies entitled to cast, more than fifty percent (50%) 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.

3.07. 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 herself or by his or her 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

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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.

3.08. Votes. With respect to each matter, including the election of Trustees, 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 Unit 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 Utah 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.

3.09. Waiver of Irregularities. All inaccuracies and/or irregularities in calls or notices of meetings and in the manner of voting, form of proxies, and/or 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.

3.11. Waiver of Notice. Any notice required to be given to a Member may be waived by the Member entitled thereto signing a waiver thereof, whether before or after the time states therein, and the signing of such waiver shall, for all purposes, be equivalent to the giving of such notice.

#### ARTICLE IV

##### BOARD OF TRUSTEES

4.01. 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 such powers as are by law, by the Articles of Incorporation of the Association, or 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 or organization or person such of its duties, responsibilities, functions, and powers as are properly delegable.

4.02. Number, Tenure, and Qualifications. The number of Trustees of the Association shall be three (3). Each Trustee shall hold office until the next annual meeting of the Members and until his or her successor shall have been elected and qualified. Trustees need not be residents of the State of Utah.

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

4.04. Special Meetings. Special meetings of the Board of Trustees may be called by or at the request of the President, the Vice President, or by a majority of Trustees. 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 or her registered address, or by Telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with first class postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any Trustee may waive notice of a meeting.

4.05. Quorum and Manner of Acting. A majority of the Trustees in office 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.

4.06. Compensation. No Trustee of the Association shall be compensated as a Trustee; provided, however, that Trustees may be reimbursed for expenses incurred in performance of their duties as Trustees and, except as otherwise provided in these Bylaws, may be compensated for services rendered to the Association other than in their capacities as Trustees.

4.07. 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 may be removed at any time for or without cause, by the affirmative vote of sixty percent (60%) of the total votes of the Association at a special meeting of the Members duly called for such purpose.

4.08. Vacancies and Newly Created Trusteeships. If vacancies shall occur in the Board of Trustees by reason of the death or resignation of a Trustee, 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 vacancies in the Board of Trustees occurring by reason of the Members' removal of a Trustee may be filled by election by the Members at the meeting at which such Trustee is removed. 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.

4.09. 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

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the action so taken, shall be signed by all of the Trustees.

4.10. Waiver of Notice. Any notice required to be given to a Trustee may be waived by the Trustee entitled thereto signing a waiver thereof, whether before or after the time stated therein, and the signing of such waiver shall, for all purposes, be equivalent to the giving of such notice. Attendance of a Trustee at any meeting shall constitute a waiver of notice of such meeting unless such Trustee is attending the meeting for the sole and express purpose of objecting to the transaction of any business at the meeting because the meeting was not lawfully called or convened.

## ARTICLE V

### OFFICERS

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

5.02. 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 or her 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, or until his resignation 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 or the Treasurer. No person holding two or more offices shall act in or execute any instrument in the capacity of more than one office. The President, the Vice President, the Secretary and the Treasurer shall, except when elected by the Trustees specified in the Articles of Incorporation of the Association or by Trustees appointed by the Declarant, be and remain Members of the Association during the entire term of their respective offices and may, but need not be, Trustees. No other officer need be a Trustee or a Member of the Association.

5.03. 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.

5.04. Resignation and 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.

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5.05. 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.

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

5.07. The Vice President. In the event of the President's absence or inability to act, the Vice President shall have the powers of the President. The Vice President shall perform such other duties as the Board of Trustees may impose upon him or her.

5.08. 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 that the Board of Trustees may require him or her to keep. The Secretary 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. The Secretary shall perform such other duties as the Board of Trustees may require of him or her.

5.09. 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. The Treasurer shall perform such other duties as the Board of Trustees may require of him or her.

5.10. Compensation. No officer shall receive compensation for any services that he or she may render to the Association as an officer, except for expenses incurred. Officers may be compensated for services rendered to the Association other than in their capacities as officers.

## ARTICLE VI

### COMMITTEES

6.01. 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 or she may render to the Association as a committee member; provided, however, that committee members may be reimbursed for expenses incurred in performance of their duties as committee members and (except as otherwise provided in these Bylaws) may be compensated for services rendered to the Association other than in their capacities as committee members.

6.02. Proceedings of Committees. Each committee designated hereunder by the Board of Trustees may appoint its own presiding and recording officers and may meet at such places and times and upon such notice as such committee may from time to time determine. Each such committee shall

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keep record of its proceedings and shall regularly report such proceedings to the Board of Trustees.

6.03. Quorum and Manner of Acting. At each meeting of any committee designated hereunder by the Board of Trustees, the presence of committee members constituting at least two-thirds (2/3) of the authorized membership of such committee shall constitute a quorum for the transaction of business, and the act of a majority of the committee members present at any meeting at which a quorum is present shall be the act of such committee. The members of any committee designated by the Board of Trustees hereunder shall act only as a committee, and the individual members thereof shall have no powers as such.

6.04. Resignation and Removal. Any member of any committee designated hereunder by the Board of Trustees may resign at any time by delivering a written resignation either to the President, the Board of Trustees, or the presiding officer of the committee of which he or she 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.

6.05. 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 committee members shall, until the filling of such vacancy, constitute the then total authorized membership of the committee and, provided that two or more committee members are remaining, may continue to act. Such vacancy may be filled at any meeting of the Board of Trustees.

## ARTICLE VII

### INDEMNIFICATION

7.01. Indemnification Against Third Party Actions. The Association shall have the power to 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 or she is or was a Trustee, officer, employee, or agent 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 attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding, if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, has no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by an adverse Judgment, order, or settlement, 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 or she 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 or her conduct was unlawful.

7.02. Indemnification Against Association Actions. The Association shall have the power to 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

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favor by reason of the fact that he or she is or was a Trustee, officer, employee, or agent 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 attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with the defense or settlement of such action or suit, if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association and except 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 or her 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.

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7.03. Determination. To the extent that a Trustee, officer, employee, or agent of the Association has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Sections 7.01 or 7.02 hereof, he or she shall be indemnified against expenses (including reasonable attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection therewith. Any other indemnification under Section 7.01 or 7.02 hereof shall be made by the Association only upon a determination that indemnification of the Trustee, officer, employee, or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth respectively in Sections 7.01 or 7.02 hereof. Such determination shall be made either (i) by the Board of Trustees by a majority vote of a quorum consisting of Trustees who were not parties to such action, suit, or proceeding, or (ii) by independent legal counsel in a written opinion, or (iii) by the Owners 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, 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 Trustee, officer, employee, or agent 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.

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7.05. Scope 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 or her 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, employees, or agents of the Association and shall inure to the 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.

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7.06. 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 her or incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Association would have the power to indemnify him against such liability under the laws of the

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State of Utah, as the same may hereafter be amended or modified.

7.07. Payments and Premiums. All indemnification payments made, and all insurance premiums for insurance maintained, pursuant to this Article shall constitute expenses of the Association and shall be paid with funds from the Common Expense Fund referred to in the Declaration.

#### ARTICLE VIII

##### FISCAL YEAR AND SEAL

8.01. Fiscal Year. The fiscal year of the Association shall begin on the 1st day of January of 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.

8.02. 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".

#### ARTICLE IX

##### RULES AND REGULATIONS

9.01. 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 rights and duties set forth in the Articles of Incorporation of the Association, 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

10.01. Except as otherwise provided by law, by the Articles of Incorporation of the Association, by the Declaration, or by these Bylaws, these Bylaws may be amended, altered, or repealed and new bylaws may be made and adopted by the Members holding at least sixty-six percent (66%) of the majority of the total votes in the Association consenting and agreeing to such amendment by an instrument or instruments duly recorded in the offices of the County Recorder for Summit County, State of Utah.

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IN WITNESS WHEREOF, these Bylaws of Bear Hollow Village Homeowner's Association  
have been adopted by all of the Trustees of Bear Hollow Village Homeowner's Association as of the  
9th day of September, 1998.

TRUSTEES OF BEAR HOLLOW VILLAGE  
HOMEOWNER'S ASSOCIATION

Jacques Imceur  
Trustee

[Signature]  
Trustee

[Signature]  
Trustee

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