

**DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS  
FOR CALGARY CONDOMINIUMS**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS for the Bear Hollow Village, Phase One is made by Bear Hollow Village, LLC, a Utah limited liability company, hereinafter referred to as "Declarant," pursuant to the provisions of Title 57, Chapter 8 of the Utah Code, the Utah Condominium Ownership Act, for itself, its successors, grantees and assigns.

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ALAN SPRIGGS, SUMMIT CO RECORDER  
2000 JUL 25 12:27 PM FEE \$92.00 BY DMG  
REQUEST: BEAR HOLLOW VILLAGE

Recitals

- A. Declarant holds fee title to that certain land situated in Summit County, Utah, which is more particularly described in Exhibit "A" attached hereto and made a part hereof by this reference.
  
- B. Declarant intends to develop a Village Center on the Property including single-family residential lots, single-family detached homes, townhomes, multiplex condominiums, a destination Lodge, retail and office space, and community social and recreation facilities for the use and benefit of the Owners and their guests. Declarant intends to develop and sell the property under a Specially Planned Area plan subject to certain protective covenants, conditions, and restrictions as set forth in this Declaration and the Master Development for Bear Hollow Village which has been recorded with the Summit County Recorder's Office.
  
- C. Declarant hereby declares that all of the real Property within the Calgary Condominium Project as described on the Record of Survey Map shall be held, sold, conveyed, encumbered, leased, used, occupied, and improved subject to these protective covenants, conditions, and restrictions. It is the intention of the Declarant in imposing these covenants, conditions, and restrictions to create a consistent pattern and quality of property, all for the mutual protection and benefit of the Owners of the property. The covenants, conditions, and restrictions shall run with title to the real property and will be binding upon the Owners, their successors, assigns, heirs, lien holders, and any other person or entity holding any interest in the property. The covenants, conditions, and restrictions shall be binding upon the Declarant, as well as its successors in interest and may be enforced by the Declarant, by the Association, or by any Owner.
  
- D. This document is created in order to insure the efficient preservation of the values and amenities of the Calgary Condominium Project located within Bear Hollow Village. A Board of Trustees for the Calgary Condominium Project is established in this Declaration to which are delegated and assigned the powers for managing, enforcing, and administering the covenants, conditions and restrictions set forth in this Declaration.

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NOW, THEREFORE, for the foregoing purposes, Declarant hereby declares and certifies as follows:

**ARTICLE I**

**DEFINITIONS**

1. The following terms used in these covenants, conditions and restrictions shall be applicable to this Declaration and also to any supplemental declaration recorded pursuant to Article IV hereof and are defined as follows:

1.1 "Association" shall mean and refer to the Calgary Condominiums Homeowners Association, a non-profit corporation incorporated under the laws of the State of Utah, its successors and assigns.

1.2 "Common Area" and "Common Facilities" shall mean all real property owned by the Association for the common use and enjoyment of the members of the Association and shall mean and refer to and include those definitions listed in the Act and those specifically listed within this Declaration.

1.3 "Design Guidelines" means that set of design standards and objectives applicable to the Calgary Condominiums Building pursuant to the Development Agreement between Bear Hollow Village, L.L.C. and Summit County, which defines, among other things, the size, height, style, and siting of improvements allowed within the property and governing the architectural style and materials within all phases of Bear Hollow Village.

1.4 "Limited Common Area" and "Limited Common Facilities" shall mean all real property which is owned and maintained by the Association, but the exclusive use and enjoyment of which is reserved to certain individual members of the Association. Limited Common Areas shall be those areas designated on the Calgary Condominiums Record of Survey Plat.

1.5 "Member" shall mean and refer to any person or entity who holds membership in the Association.

1.6 "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Unit which is a part of the properties, including contract sellers and buyers, but excluding those having such interest merely as security for the performance of an obligation.

1.7 "Declarant" shall mean and refer to Bear Hollow Village, L.L.C., its successors and assigns.

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1.8 "Unit" shall mean and refer to any condominium as shown by the official plat of Calgary Condominiums recorded in the Office of the Recorder of Summit County, Utah.

1.9 "Subdivision" or "Bear Hollow Village Subdivision" shall mean and refer to Bear Hollow Village, according to the official plat thereof recorded in the office of the County Recorder of Summit County, State of Utah, and any subdivision hereafter added pursuant to the terms of this Declaration.

1.10 "Specially Planned Area" shall mean and refer to that development known as Bear Hollow Village as approved by the Board of County Commissioners of Summit County, Utah, under the provisions of the Snyderville Basin General Plan and Development Code governing the establishment of Village Centers within the Snyderville Basin.

1.11 "Act" shall mean the Utah Condominium Ownership Act, Section 57-8-1 et seq. of the Utah Code.

1.12 "Condominium Unit" means and refers to one of the Units intended for independent use as defined in the Act. Mechanical equipment and appurtenances located within any one Unit, such as appliances, electrical receptacles and outlets, air conditioning compressors and other air conditioning apparatus, fixtures and the like, shall be considered part of the Unit, as shall all decorated interiors, all surfaces of interior structural walls, floors and ceiling and windows and window frames, door and door frames, and trim, consisting of, *inter alia* and as appropriate, wallpaper, paint, flooring, carpeting and tile. All pipes, wires, conduits, or other public utility lines or installations constituting a part of the Unit and serving only the Unit, and any structural members of any other property of any kind, including fixtures and appliances within any Unit, which are removable without jeopardizing the soundness, safety, or usefulness of the remainder of the building within which the Unit is situated shall be considered part of the Unit.

1.13 "Board of Trustees" or the "Trustees" shall mean and refer to the Board of Trustees of the Calgary Condominiums Homeowners Association; those members of the Homeowners Association who have been elected to those offices by the Officers of the Homeowners Association or the company retained by those officer to perform the services of management. The officers of the Homeowners Association may be members of the Board of Trustees.

1.14 "Common Expenses" shall mean all costs necessary for use, maintenance, and repair of the Common Areas inside the condominium building together with the replacement of those common elements that must be replaced on a periodic basis, together with all items, things and sums described in the Act which are lawfully assessed against the Unit Owners in accordance with the Act, this Declaration, the By-Laws, such rules, regulations and other determinations and agreements pertaining to the Condominium Project as the Board of Trustees, or the Association, as hereafter mentioned may time to time adopt.

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## *Article II*

### *Submission to the Act*

2. Declarant hereby submits the Calgary Condominiums located within the Bear Hollow Village and all the improvements to the Condominium Project to the provisions of the Act. The Calgary Condominiums shall be held, occupied, used, sold, mortgaged, assessed, and otherwise possessed as condominium property subject in all respects to the Act.

## *Article III*

### *Calgary Condominiums Homeowner's Association*

3.1 Calgary Condominiums Homeowners Association. All Unit Owners of the Calgary Condominiums shall, upon becoming Unit Owners, automatically become members of the Calgary Homeowners Association. The Association shall own, maintain, and administer certain facilities, maintain the Common Areas of the Condominium Project, and enforce the covenants and restrictions as imposed herein or in the rules and regulations adopted by the Association. Further, the Association shall collect and disburse the assessments and charges referred to herein or otherwise authorized by the Association. Further, all Calgary Condominium Unit Owners shall belong to the Bear Hollow Village Homeowners Association. The Unit Owners shall each have one vote in the Bear Hollow Village Homeowners Association pursuant to the Bear Hollow Village Homeowners Association's Master Declaration of Covenants, Conditions and Restrictions, the By-Laws and Articles of Incorporation. Membership in the Bear Hollow Village Homeowners Association shall entitle the Unit Owners the right to the use of Bear Hollow Village's facilities and Common Areas. The Unit Owners shall be assessed pursuant to the Conditions and Restrictions, the By-Laws and Articles of Incorporation. The assessments levied by the Bear Hollow Village Homeowners Association are for the maintenance and improvements of the property owned by the Bear Hollow Village Homeowners Association for the benefit of its members and other facilities as stated in the Master Declaration of Covenants, Conditions and Restrictions of Bear Hollow Village.

3.2 Transfer of Membership. The membership held by an Owner of a Unit shall not be transferred, pledged, or alienated in any way except upon the sale of such Unit. Any attempt to make a prohibited transfer is void and shall not be reflected on the books of the Association. In the event the Owner of any Unit should fail or refuse to transfer the membership registered in his name to the purchaser of said Unit, the Association shall have the right to record the transfer of membership in the books of the Association.

3.3 Voting and Voting Rights. The Association shall have two classes of voting membership:

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- (a) Class A. Class A members shall be all those Owners as defined above, with the exception of the Declarant. Class A members shall be entitled to one vote for each Unit in which they hold the interest required for membership. When more than one person holds such interest in any Unit, all such persons or entities shall be members. The vote for such a Unit shall be exercised as the multiple Owners among themselves determine, but in no event shall more than one vote be cast with respect to any Unit. In the event the multiple Owners can not agree on how to cast their vote, no vote will be accepted for that Unit although the Owners may be counted for the purpose of establishing a quorum. When one of multiple Owners is present at the meeting, that person shall be deemed to be acting with the authority of all of the Owners of that Unit unless written objection to the contrary has been received.
- (b) Class B. The Class B member shall be the Declarant. The class B member shall be entitled to four votes for each Unit in which it holds the interest required for membership. Class B membership shall cease to exist on the tenth anniversary of the recording of this Declaration or on the sale of the last Unit by the Declarant, whichever occurs first.

3.4 Enforcement Powers. The Association shall have the power to enforce these Covenants by actions in law or equity brought in its own name and the power to retain professional services needed for the enforcement of these Covenants and to incur expenses for that purpose. The officers of the Association shall have the authority to compromise claims and litigation on behalf of the Association resulting from the enforcement of these Covenants or the other exercise of its powers. The Trustees of the Association shall have the exclusive right to initiate enforcement actions in the name of the Association, however this shall not limit the rights of individual Owners to personally enforce these covenants in their own name. The Association Trustees may appear and represent the interests of the Calgary Condominiums Homeowners Association at all public meetings concerning any matter of general application and interest to the members.

3.5 Maintenance of the Common Areas. The Association will own those areas designated on the Plat as the Condominium Project's common areas and limited common areas. The Association, acting through the Board of Trustees, shall provide for such maintenance and operation of the Common Areas as may be necessary to keep them clean, functional, attractive and generally in good condition and repair. In addition, each Owner shall at this own expense keep the Limited Common Areas designed for use in connection with his Unit clean and free of debris at all times as well as in safe condition for themselves or the general public. The term general public refers to any person passerby or not necessarily a Unit Owner.

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3.6 Ownership of Common Areas. The Ownership of the common areas is an appurtenance to the Ownership of the Units and the Owner of each Unit shall own an undivided interest in the Common Areas equal to one-tenth of the entire Condominium Project. The percentage of Common Area Ownership is shown on Exhibit "B."

3.7 Use of Common Areas and Limited Common Areas. Subject to the limitations contained in this Declaration, any Unit Owner shall have the non-exclusive right to use and enjoy the Common Areas and shall have the exclusive right to use and enjoy the Limited Common Areas designated herein and on the Map for the exclusive use by such Unit Owner.

3.8 Restrictions on Use of Common Areas. Each Owner's right and easement of use and enjoyment shall be subject to the following:

- (a) The right of the Association to suspend an Owner's right to the use and enjoyment of any amenities included in the Common Areas for any period during which an assessment of such Member's Unit remains unpaid, and for a period not to exceed sixty (60) days for any infraction by such Member of the provisions of this Declaration or of any rules or regulations promulgated by the Association;
- (b) The right of the Association to impose reasonable limitations on the number of guests per Member who at any given time are permitted to use the Common Areas;
- (c) The right of the Association to dedicate or transfer all or any part of the Common Areas to the public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Owners, provided that no such dedication or transfer by the Association shall be effective unless written notice of the proposed agreement and action thereunder is sent to every Owner at least thirty (30) days in advance of any action taken unless an instrument signed by every Owner has been recorded, agreeing to such dedication, transfer, purpose or condition.

3.9 Budget. At least thirty (30) days prior to the annual meeting of the Owners, the Trustees will prepare a proposed operating budget for the ensuing year, and a statement showing actual expenditures for the current year (with projections for the final month). The budget will detail the income and expenses for the Association, showing expenses for building maintenance, operations, reserves, repairs, insurance, utilities, snow removal, landscaping, management fees, professional fees, and, where applicable, capital improvements to the project. The budget will also show income derived from all sources and the amounts of any receivables. The proposed budget will be mailed to each Owner at his or her last known address as shown on the County tax roles at least thirty (30) days prior to the annual Owners' meeting. The budget will also indicate the resulting common

area assessment to be levied on each Unit. The budget proposal will also include notice of the annual meeting.

3.10 Common Area Assessments. The Trustees have the power to levy common area assessments. The assessments shall be for building maintenance, operations, reserves, repairs, insurance, utilities, snow removal, maintenance and repairs of walkways, and private roads, trails, common area recreation facilities, landscaping, professional services and any other items which may be authorized by this Declaration or by an approval vote of 60% of the Owners. The assessment will be levied on an annual basis, in advance. Unless the Trustees vote to require otherwise, assessments will be paid in equal monthly installments. The initial budget will be prepared in an effort to keep the common area assessments as low as possible while retaining a reasonable level of maintenance. This results in the Owners bearing a greater individual responsibility for maintenance of the Units. The initial overall maintenance obligation will be as described in paragraph 3.15.

3.11 Special Assessments. The Trustees have the authority to levy Special Assessments as necessary to cover shortfalls in the budget or unanticipated expenses. So long as the Special Assessment (or the sum of all Special Assessments in the current operating year) is no greater than ten percent (10%) of the currently approved budget, the Trustees may adopt a Special Assessment without a meeting of the Owners. If the Special Assessment (or sum of all prior Special Assessments in the current operating year) exceeds ten percent (10%) of the current budget, a special meeting of Owners will be called, and the purposes and amounts of the Special Assessments submitted to approval.

3.12 Initial Monthly Assessment. The initial monthly assessment for all Unit Owners shall be a monthly fee of ten cents (\$.10) per month per square foot of the Unit. This monthly assessment shall be paid monthly to the Association and shall become effective upon a Unit Owner's purchase of the Unit. Of that monthly assessment, the Association shall pay eight cents (\$.08) per month per square foot to the Bear Hollow Village Homeowners Association for the maintenance of all of the Common Areas included within the SPA and shall pay two cents (\$.02) to the Bear Hollow Village Homeowners Association for its capital reserve account.

3.13 Additional Monthly Expenses. The Owners shall have the power to levy an additional monthly assessment for the payment of common meter utilities, expenses and capital reserves. The Owners shall decide by an approval vote of sixty percent (60%) whether to collect an additional monthly assessment to pay for these additional expenses or to place the responsibility of payment of the expenses on the individual Unit Owner. If the Owners decide to pay for these expenses of the Calgary Condominiums Homeowner's Association, the Owners shall determine the best means for collecting the assessment, including but not limited to, the mailing of a separate bill to each Unit Owner for the costs of the expenses according to the percentage of Common Area Ownership for each Unit as shown on Exhibit "B."

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3.14 Assessments Constitute Lien. Any validly imposed assessment by the Association shall constitute a lien against the Unit. The Association shall have the right to foreclose on that lien when any assessment remains unpaid for a period of more than ninety (90) days from the date the assessment was levied, but if the lien is not foreclosed upon, it may be renewed from year to year recording a new notice of lien, together with accumulated interest. The Association's lien shall have priority from the date of the first notice of interest on a specific Unit is recorded in the office of the Summit County Recorder, and is subordinate to any previously recorded liens or encumbrances filed against that Unit, specifically including any purchase money mortgage or trust deed. Notwithstanding the Association's lien rights, the obligation to pay the assessments is a personal obligation of the Owner of each Unit, and the Association may proceed to collect against the Owner, or the prior Owner of any Lot in the event of a sale. No mortgagee or beneficiary under a trust deed who takes title to a Unit by foreclosure or non-judicial sale shall be held liable for unpaid assessments of the Owner whose Unit was acquired by the mortgagee or beneficiary under a trust deed.

3.15 Statement of Account. Any Owner may request the Association to provide a statement of his account to any lender or prospective buyer of that Unit showing the assessments to be paid in full, or the amount of any past due assessments. The buyer or lender for whom such statement was prepared will be entitled to rely on its accuracy and will not be held liable for any amounts not shown on the statement.

3.16 Common Services and Expenses. The following items of maintenance and operating expenses will be paid through the Association as Common Area Expenses:

- (a) Maintenance and repair of limited common areas inside the building serving more than one Unit and maintenance and repair of any other Association improvements as determined by the Board of Trustees;
- (b) Liability insurance on common areas, common recreation equipment, and any insurance on Officers and Trustees of the Association;
- (c) Project administrative costs, including postage, office expenses, bookkeeping, accounting, legal and other professional services;
- (d) Any other items of common area expense as required by law. The Board of Trustees are authorized to hire property management service providers and enter into management agreements;
- (e) The Association will be responsible for the maintenance and repair of exterior building surfaces for each condominium building and maintenance of all load-bearing walls or other structural components in such buildings;
- (f) Each Unit Owner will be assessed annually for a pro-rated share of the total Association budget. Each type of Unit will be assessed on a

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different scale based on the type of Unit and total floor area within that Unit.

- (g) Individual Unit Owners will be responsible for the upkeep, maintenance, and repair of all limited common areas and exterior Unit surfaces not specifically authorized for maintenance by the Association. All interior maintenance of all Units will be the sole responsibility of the individual Unit Owner. Unit Owners will make no modifications to the interior structure of any Unit having one or more common walls with any other Unit, without the express written consent of the Board of Trustees and the Bear Hollow Village Design Committee.
- (h) The Association may, by majority vote of the Owners, decide to have some of the enumerated obligations of the Owners, or other services, taken over by the Association as Common Area expenses from time to time in order to achieve cost savings, convenience to the Owners, or attainment of a desired level of maintenance within the Condominium Project.
- (i) Each Owner covenants with the Association and with other Owners that he or she will maintain his or her Unit and the appurtenant limited common areas for which the Unit Owner is responsible. In the event that a Unit Owner fails to maintain these areas, and as a result of this failure there is a condition which is dangerous, unsightly, unhealthy, unsanitary, or which constitutes a nuisance, the Association may make necessary repairs or carry out the necessary maintenance and file a lien against the Unit for the reasonable costs of such repairs or maintenance. Prior to exercising this right to maintain, the Association will give the Owner written notice and the Owner will have fifteen (15) days to commence repairs or maintenance. If the Owner has not commenced repairs or maintenance, or fails to pursue repairs or maintenance with reasonable diligence, the Association may enter and complete repairs or perform the maintenance deemed necessary or abate the nuisance at the Owner's expense. In the alternative, the Association or any Member may bring an action to cause the Unit Owner to perform all necessary maintenance and repairs and the Association or any Owner may recover money judgments for any maintenance or repairs performed and may execute any lien or judgment against the Unit and or Unit Owner.

3.17 Easements. The trustees shall have the right to grant easements for utilities, trails, and similar public or quasi-public purposes over the Common Areas and Limited Common Areas of the Condominium Project.

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3.18 Insurance. The Association will maintain such policies of insurance as the trustees deem necessary for the purposes and protection of the Association and the Owners, in such amounts as are customary and commercially reasonable for projects of this type and scale. As a minimum, the Association will meet the following criteria:

- (a) Hazard Insurance. The Association will maintain multi-peril type insurance covering the condominium Ownership Units and any common areas, common recreation facilities or limited common areas. This policy shall be equal to the entire replacement cost of the structure(s) as determined by the trustees and insurance carrier(s). Such policy will cover losses by fire and other such hazards covered by the standard extended coverage endorsement, and debris removal, demolition, damage by vandalism, malicious mischief, windstorm, hail, water damage (excluding flood insurance), and such other risks as are customarily covered in similar projects in this area.
- (b) Insured Party. The named insured will be the Calgary Condominiums Homeowners Association, or its authorized representative, for the use and benefit of the individual Owners as their interests might appear.
- (c) Mortgagee Clause. Each such policy will include a standard mortgagee clause, without contribution, which shall be either endorsed to provide that any proceeds are payable to the Association for the use and benefit of the mortgagees, as their interests may appear, or shall be endorsed to fully protect the interests of the mortgagees. Further, the policy shall require thirty (30) days written notice to the mortgagees in the event of a cancellation, reduction in coverage, or non-renewal.
- (d) Right to Restore. Each policy shall contain a provision that notwithstanding anything in the policy that gives the carrier the right to restore any damaged structures rather than to make a cash settlement, such right will not be exercised without the express written consent of the Association.
- (e) Liability Insurance. The Association will maintain a comprehensive public liability insurance policy covering all common areas and facilities. Such insurance will maintain a severability of interest endorsement or its equivalent which shall preclude the insurer from denying the claim of one Owner due to the negligence of other Owners, the Association, or trustees. The coverage will include coverage for non-owned automobiles, damage to the property of third parties, and such other liability exposures as are reasonable and customary for projects of

this type. The limits of liability shall be not less than One Million Dollars for all claims arising from a single occurrence.

- (f) **Workers Compensation.** The Association will maintain workers compensation insurance for any employees and if available at reasonable cost, for trustees, and may require or purchase fidelity bonds for persons handling Association funds.
  
- (g) **Property and Casualty Insurance.** The Owners are solely responsible for property and casualty insurance on the contents of their Units, and limited common areas adjacent to their Units, and any improvements to their Units. Additionally, Owners of detached residential Units not sharing one or more common walls with any other Unit shall be responsible for maintaining any multi-peril type hazard insurance on their own Unit. Each Owner is responsible for any claim of liability arising from installation or use of any equipment or improvements installed within the limited common area adjacent & appurtenant to their Unit. Unit Owners covenant to hold the Association harmless for any such claims.

3.19 **Additional Services.** With the approval of a majority of the Owners, the Association may undertake additional services not specifically mandated by this Declaration for the benefit of the Owners, including such things as snow removal from the limited common areas, snow grooming on trails, resurfacing of skating facilities, landscaping of limited common areas, or such other services as may be beneficial to the Owners. Such additional services may be added or discontinued from time to time as the Association sees fit.

3.20 **Owner Maintenance Obligations.** The following items are the responsibility of the Owner for his or her Unit and will not be paid for as Common Area Expenses:

- (a) Utility costs for the Unit including electrical, gas, telephone, cable television, sewer service, garbage collection fees, and other utility services or similar charges related to the use and occupation of the Unit;
  
- (b) Interior maintenance and repairs, including paint, floor coverings, fireplaces and flues, furnaces, water heaters and other mechanical equipment and appliances, non-load bearing walls, all drywall, ceilings, interior doors, glass replacement on exterior windows, garage floor flatwork, garage door operations, automatic garage door openers and damage to garage doors, and any other equipment, devices, or appliances installed by Owners.

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- (c) Other maintenance and repair not specifically identified as the responsibility of the Homeowners' Association.

3.21 Duty of Owner to Pay Taxes on Unit Owned. It is understood that under the Act each Unit (and its percentage of interest in the Common Areas) in the Condominium Project is subject to separate assessment and taxation of each taking authority and the special districts for all types of taxes and assessments authorized by law, and as a result no taxes will be levied or assessed against the Condominium Project as such. Accordingly, each Unit Owner will pay and discharge any and all taxes and assessments that may be assessed against him on his Unit.

#### *Article IV*

##### *Board of Trustees*

4.1 Board of Trustees. Except as otherwise provided herein, the Condominium Project shall be managed, operated, and maintained by the Board of Trustees as agent for the Unit Owners. The Board, in connection with its exercise of any of the powers provided to it in this Declaration, the By-Laws or the Articles of Incorporation, shall take such action and execute instruments in the Association's name. The Board of Trustees shall have, and is hereby irrevocably granted, by the Association and the Unit Owners as their agent and on their behalf the following authority and power. There shall initially be three (3) Trustees. The Trustees shall be elected by a majority vote of the Owners pursuant to the Declaration and By-Laws. Each Trustee shall serve for a two (2) year term, provided that the Trustee shall continue to serve until their successors have been elected or replacements appointed. Terms shall be staggered, and the initial Board shall divide itself into terms of one (1) and two (2) years by drawing lots. During the development stage of the Condominium Project, the Trustees shall be named by the Declarant.

4.2 Manage the Property. The Board shall have the authority and responsibility to manage the business, property, and affairs of the Association and enforce the provisions adopted by the Association governing the Condominium Project.

4.3 Granting Easements. The Board shall have the authority without vote to grant or create on such terms as it deems advisable, utility, and similar easements over, under, across and through the Common Areas.

4.4 Record Amendments. The Board shall have the authority to execute and record on behalf of all the Unit Owners, any amendments to the Declaration or the Record Survey Map which have been approved by the vote or consent necessary to authorize such amendment.

4.5 Initiate Litigation. The Board shall have the authority to sue in the name of the Association.

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4.6 Contract. The Board shall have the authority to enter into contracts relating to the Common Areas and other matters over which it has jurisdiction.

4.7 Foreclose Liens. The Board shall have the authority to foreclose any liens placed on the Property.

4.8 Rules and Regulations. The Board shall have the authority to promulgate such reasonable rules, regulations and procedures as may be necessary or desirable to aid the Board in carrying out its functions or to insure the Project is maintained and used in a manner consistent with the interests of the Unit Owners. These powers shall include the power to assess one or more Units for its portion of the Common Area charges or maintenance of the Individual Unit or Limited Common Areas.

4.9 General Authority. The Board shall have the authority to perform any other acts and to enter into any other transactions that may be reasonably necessary for the Board to perform its functions as agent for the Unit Owners. Any instrument executed by the Board relating to the Common Areas of the Project that recites facts which, if true, would establish the Board's power and authority to accomplish through such instrument what is purported to be accomplished, shall conclusively establish said power and authority in favor of any person who in good faith relied upon such instrument.

4.10 Payment for Services. The Board shall use its discretion in the hire of services and payment for those services.

4.11 Personal Property Ownership and Use. The Board, as agent for the Association, may acquire and hold in the name of the Association, for the use and benefit of all of the Owners, tangible and intangible personal property, using any methods legally possible to maintain or dispose of the same all for the interest and benefit of the Association.

4.12 Capital Improvements. The Board shall make no structural alterations, capital additions to, or capital improvements of, the Common Areas requiring an expenditure in excess of Three Thousand Dollars (\$3,000.00) without the prior approval of Unit Owners by a simple majority vote.

4.13 Approval of Assessment and Budget. At the annual Owners meeting, the Owners may approve the budget as proposed, or vote to increase or decrease it. If the Owners take no action, or if the annual meeting fails to achieve a quorum, the budget is deemed approved in the form submitted by the Trustees, and the Common Area Assessments are levied in accordance with the budget.

## *Article V*

### *Restrictions on the Use of the Units and Common Areas*

5.1 General Restrictions. The use and occupancy of the Units is expressly subject to the covenants, conditions and restrictions expressed in this Declaration and the restrictions

contained in the Master Declaration of Covenants, Conditions and Restrictions for Bear Hollow Village.

5.2 Restrictions Regarding Common Areas. There shall be no obstructions of the Common Areas by the Owners, their tenants, guests or invitees without prior written consent of the Board of Trustees. The Board of Trustees, by rules and regulations, may prohibit or limit the use of the Common Areas as may be reasonably necessary for protecting the interests of all the Owners or the Units or the Common Areas. Nothing shall be kept or stored on any part of the Common Areas without the written consent of the Association's Board of Trustees and the Bear Hollow Village Homeowners Association Board of Trustees. Nothing shall be altered on, constructed or removed from the Common Areas except upon the written consent of the Board of Trustees.

5.3 Restrictions on Alterations. No structural alterations to any Unit shall be made by any Owner without prior written consent of the Board of Trustees.

## ***Article VI***

### ***Amendment***

6. This Declaration may be amended from time to time by the affirmative vote of sixty percent (60%) or more of the members. The right to amend this declaration is subject to the following limitations:

6.1 Declarant's rights. Without the written consent of the Declarant, no amendment shall have the effect of eliminating or changing the rights of the Declarant.

6.2 Mortgagee Consent. No amendment which materially affects the nature of Ownership of any Unit or eliminates the provision of Article VII below will be effected. No amendment will be binding upon the holder of any mortgage or trust deed on any Unit unless the mortgage or trust deed holder joins in the amendment.

6.3 Amendment in Writing. Any amendment must be in writing and be properly recorded in the office of the Summit County Recorder.

6.4 No Repeal. This Declaration may not be repealed by amendment.

## ***Article VII***

### ***Mortgagee Protection***

7. To facilitate financing for the Units, the following provisions for the protection of mortgagees shall apply:

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7.1 Subordination of Lien. The Association hereby subordinates its lien for Common Area Assessments to the first lien purchase money on any Unit. In the event that a mortgagee takes title to any Unit through trustees sale, foreclosure or deed in lieu of foreclosure or sale, the Association will waive the right to lien for accrued but unpaid common area assessments. The mortgagee will take title free of lien for unpaid common area assessments accrued prior to the date of possession. The mortgagee in possession will, however, be subject to the common area expenses accruing from the date it takes possession.

7.2 Statement of Account. The Association will give any Owner, prospective purchaser, or mortgagee or prospective mortgagee a written statement of account for the Unit in question showing the balance owing if any for common area assessments. The Association may charge a fee of \$25 for each such statement of account to cover its costs of preparation. Prospective purchasers and mortgagees may rely on the accuracy of such a statement and amounts not shown will be deemed to have been waived by the Association as to the new Owner or mortgagee.

7.3 No Release of Prior Owner. The obligation to pay common area assessments is personal and despite subordination or waiver for the benefit of a new Owner or mortgagee, the association may reserve its rights to proceed against the prior Owner to collect any amounts due.

## ***Article VIII***

### ***Destruction or Termination of Project***

8. In the event of damage or destruction of the Project, or if the Owners elect to terminate the Project, the following provisions shall apply:

8.1 Damage. In the event of damage to the common areas of the Project, the Association will make proof of loss with the insurance carrier, and supervise the application of insurance proceeds to the repair of the damage.

8.2 Destruction. If the damage to the Project is such that the costs of repair exceed more than 75% of its market value, or the damage has caused material and substantial damage to more than 50% of the Units, the Association shall convene a special meeting of the Owners as soon as possible for the purpose of determining the future of the Project. At the special meeting, the trustees will present the Owners with the best estimates available of the extent of the damage, the cost of reconstruction, and the market values. Such information may be preliminary in nature. After consultation with the Association, a vote will then be taken to determine whether the trustees shall (i) proceed with the settlement of insurance claims as repair and reconstruct the Project; or (ii) to terminate the Project. Unless either alternative is approved by a vote of 75% of the undivided common area ownership (excluding any unconstructed Units owned by Declarant), the trustees will postpone the decision for a time not to exceed ninety days to provide additional information on the relative costs and values. At that time, an additional vote will be

taken, and the Project will be repaired unless the vote is at least 75% in favor of termination.

8.3 Partial Termination. If the destruction is such that it has been confined to specific areas of the Property, such that some Units and common areas are substantially unaffected, while other areas are substantially destroyed, the trustees may recommend that Owners vote on an amendment to the Declaration and Record of Survey Map that calls for termination of the Project as to those Units and common areas that were destroyed, and leaves the portion of the Project that was undamaged, or not substantially damaged within the Project.

8.4 Effect of Termination. Upon a vote of the Owners to terminate the Project, or portions of the Project, the trustees will prepare and execute such amendments to the Declaration and Record of Survey Map as necessary to carry out the will of the Owners. The Owners of the Units in the terminated portion of the Project will then be tenants in common in the ownership of the land, each in proportion to his or her proportionate undivided interest. No Owner will be entitled to a distribution of land, but rather the trustees will hold the land for the benefit of all of the Owners until it is liquidated. Insurance proceeds will first be applied to clearing the site and removing hazardous conditions, then to paying the costs of liquidation, and finally, distributed to the Owners in proportion to their interests. If less than all of the Project is terminated, Owners in the remaining portion of the Project will have no right to any of the insurance proceeds or process from the liquidation of the land.

8.5 Condemnation. In the event of condemnation of common areas which does not result in the taking of any Unit, the trustees shall have the power to represent the Association in the action, and to litigate or compromise the action on behalf of the Association. The proceeds of any condemnation award will be the property of the Association, and used to fund the common area expenses, or, in the judgment of the trustees, distributed to the Owners in proportion to their undivided ownership interest. In the event of condemnation that involves a taking of both common area and all or part of any Unit, the Owner of the affected Unit may appear on his or her own behalf, and any award applicable to the taking of the Unit is the sole property of the Unit Owners. If such taking results in the reduction in size of any Unit, or if Units are completely eliminated, the trustees will present the Owners with an amended Declaration which revises the number of Units and the undivided interest appurtenant to each.

## *Article IX*

### *Enforcement*

9. This Declaration is enforceable by bringing action in the courts of the State of Utah with jurisdiction and venue in Summit County, Utah. The provisions are enforceable by seeking money judgments, the right to foreclose on liens, or in the case of covenants



concerning the use of property, by injunction or any other appropriate legal or equitable remedy.

9.1 Notices. Notice of past due assessments will be sent to the Unit Owner at the last known address as recorded on the tax roles of Summit County and delivered in person to the Unit. If payment is not then made within ten days of written notice, the Association may record a notice of lien against the Unit and proceed in collection or foreclosure. Notice of non-monetary violations of this Declaration will be given in the same manner, and if the violation is not cured, or the acts constituting the violation are repeated within ten days, the Association may seek injunction compelling compliance with the provisions of this Declaration.

9.2 Severability. If any provision of this Declaration is adjudicated to be unenforceable, the remainder of the Declaration shall remain in full force and effect.

9.3 Attorney Fees. If the Association is required to consult with an attorney for the purposes of collection of past due assessments, or enforcement of other covenants, conditions, or restrictions in this Declaration, the Owner in default or violation agrees to reimburse the Association for its reasonable attorney fees, whether suit is filed or not. If a suit is filed, the prevailing party shall recover all enforcement costs, including all actual attorney's fees incurred whether the action is based on legal or equitable principles or both.

## ***Article X***

### ***General Provisions***

10. The covenants, conditions and restrictions contained in this Declaration may be enforced as follows:

10.1 Violation Constitutes Nuisance. The violation of the provisions of this Declaration is deemed to be a nuisance, and the Owner of the property on which the violation occurs is responsible for the removal or abatement of the nuisance.

10.2 Remedies.

- (a) Any single or continuing violation of the covenants contained in this Declaration may be enjoined in an action brought by the Declarant (for so long as the Declarant is the Owner of any Unit), by any Owner, or by the Association in its own name. In any action brought to enforce these covenants, the prevailing party shall be entitled to recover as part of its judgment all of the reasonable costs of enforcement, including attorneys fees and costs of court.

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- (b) Nothing in this Declaration shall be construed as limiting the rights and remedies that may exist at common law or under applicable federal, state, or local laws and ordinances for the abatement of nuisances, health and safety, or other matters. These covenants are to be construed as being in addition to those remedies available at law.
- (c) The remedies available under this Declaration and at law and equity generally are not to be considered as exclusive, but rather as cumulative.
- (d) The failure to take enforcement action shall not be construed as a waiver of the covenants contained in this Declaration in the future or against other similar violations.

10.3 Limited Liability. Neither the Declarant, the trustees, or the Association or its individual members, nor any other Owner shall have personal liability to any other Owner for actions or inactions taken under these covenants, provided that any such actions or inactions are the result of the good faith exercise of their judgment or authority under these covenants and without malice.

10.4 Arbitration. In any dispute between the Association and any Owner arising under the terms of this Declaration or the By-laws of the Association, the parties will submit the issue to binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. Judgment may be issued on award or determination of the arbitrators in any court having jurisdiction over the Property or the parties to the dispute. All fees for the American Arbitration Association shall be equally divided and paid in advance by the parties, or at such time as required by the Arbitration Rules. While it is the intent of the Declarant that disputes be resolved by arbitration wherever possible, the Association shall not be deemed to have waived its rights to foreclose liens for Common Area Expenses or other charges through judicial foreclosure, nor to have waived the right of the Association to seek injunctive relief in those situations where arbitration does not provide an adequate or complete remedy. The Association will attempt to include arbitration clauses in contracts with third parties providing goods or services to the Association.

10.5 Constructive Notice. Every person who owns, occupies, or acquires any right title or interest in any Unit in the Calgary Condominiums Project is conclusively deemed to have notice of this Declaration and its contents, and to have consented to the application and enforcement of each of the covenants, conditions and restrictions against his Unit, whether or not there is any reference to this Declaration in the instrument by which he acquires his interest in any Unit.

10.6 Notices. All notices under this Declaration are deemed effective forty-eight (48) hours after mailing, whether delivery is proved or not, provided that any mailed notice must have postage pre-paid and be sent to the last known address of the party to receive notice. Notices delivered by hand are effective upon delivery.

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10.7 Liberal Interpretation. The provisions of this Declaration shall be interpreted liberally to further the goal of creating a uniform plan for development of Bear Hollow Village. Paragraph headings are inserted for convenience only and shall not be considered in interpretation of the provisions. Singular will include plural, and gender is intended to include masculine, feminine and neuter as well.

10.8 Limitation of Restrictions on Declarant. Declarant is undertaking the work of planning, developing and selling the Property. The completion of that work and the sale or other disposal of the Units is essential to the establishment and welfare of the Property. In order that such work may be completed as rapidly and efficiently as possible, nothing in this Declaration shall be understood and construed to:

- (a) Prevent Declarant, its contractors or subcontractors from doing on the Property or any part thereof whatever is reasonably necessary or advisable in connection with the completion of such work; or
- (b) Prevent Declarant or its representatives from erecting, constructing and maintaining on any part of the Property such structures as may be reasonably necessary for the conduct of its business of completing said work and establishing Bear Hollow Village as a residential, recreational and commercial community and disposing of the Property by sale, lease or otherwise; or
- (c) Prevent Declarant from conducting on any part of the Property as residential development and of disposing of the Property by sale, lease or disposition thereof.
- (d) The exemption in this Section 10.8 shall automatically expire upon the conveyance to any Owners of the last Unit in the development owned by Declarant.

DATED this 9 day of June, 2000.

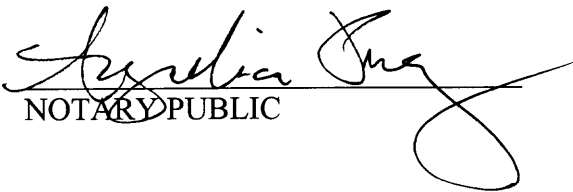
BEAR HOLLOW VILLAGE, L.L.C.,  
a Utah limited liability company

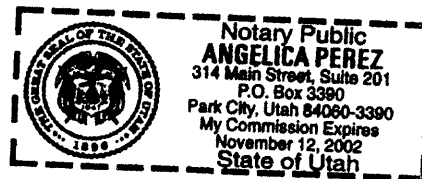
By: Larry Franciose  
Larry Franciose  
Managing Member  
Bear Hollow Village, LLC

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STATE OF UTAH            )  
                                  : ss.  
COUNTY OF SUMMIT    )

On the 9th day of June, 2000, personally appeared before me LARRY FRANCIOSE, known to me as the Managing Member of Bear Hollow Village, L.L.C., the signer of the above instrument, who duly acknowledged to me that he executed the same.

  
NOTARY PUBLIC



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## EXHIBIT "A"

### CALGARY CONDOMINIUMS BOUNDARY DESCRIPTION

BEGINNING ON THE NORTHEASTERLY RIGHT-OF-WAY LINE OF LILLEHAMMER LANE AT A POINT 472.45 FEET EAST AND 600.53 FEET SOUTH FROM THE NORTHWEST CORNER OF SECTION 30, TOWNSHIP 1 SOUTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN; THENCE NORTH 58° 20' 38" EAST, 76.16 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF BIATHALON LOOP, SAID POINT ALSO BEING ON A 43.00 FOOT-RADIUS CURVE TO THE LEFT; THENCE ALONG SAID CURVE AND RIGHT-OF-WAY LINE 34.32 FEET (CHORD BEARS SOUTH 86° 44' 37" EAST, 33.41 FEET); THENCE SOUTH 53° 21' 50" EAST, 82.49 FEET TO A POINT ON THE NORTHWESTERLY RIGHT-OF-WAY LINE OF BOBSLED BOULEVARD, SAID POINT ALSO BEING ON A 325.00 FOOT-RADIUS CURVE TO THE RIGHT; THENCE ALONG SAID CURVE AND RIGHT-OF-WAY LINE 81.38 FEET (CHORD BEARS SOUTH 55° 21' 32" WEST, 81.17 FEET); THENCE SOUTH 62° 31' 56" WEST, 36.75 FEET ALONG SAID RIGHT-OF-WAY LINE TO A POINT OF TANGENCY WITH A 15.00 FOOT-RADIUS CURVE TO THE RIGHT; THENCE 22.02 FEET ALONG SAID CURVE (CHORD BEARS NORTH 75° 24' 47" WEST, 20.10 FEET) TO THE NORTHEASTERLY RIGHT-OF-WAY LINE OF LILLEHAMMER LANE; THENCE NORTH 33° 21' 31" WEST, 82.83 FEET TO THE POINT OF BEGINNING.

CONTAINING 11,003.25 SQUARE FEET OR 0.253 ACRES.

**EXHIBIT "B"**

**CALGARY CONDOMINIUMS - OWNERSHIP INTEREST**

<b>UNIT NO.</b>	<b>UNIT SQUARE FEET</b>	<b>CALGARY CONDOMINIUMS COMMON AREA OWNERSHIP (%)</b>	<b>CALGARY CONDOMINIUMS HOMEOWNERS ASSOCIATION VOTES</b>
100	633	10.0	1
101	633	10.0	1
102	633	10.0	1
103	633	10.0	1
104	633	10.0	1
200	997	10.0	1
201	997	10.0	1
202	997	10.0	1
203	997	10.0	1
204	997	10.0	1
<b>TOTAL</b>		<b>100.00%</b>	<b>10</b>

**ARTICLES OF INCORPORATION**  
**OF**  
**CALGARY CONDOMINIUMS 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:

**ARTICLE I**  
**NAME**

The name of the nonprofit corporation is CALGARY CONDOMINIUMS 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 Calgary Condominiums portion of 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 Calgary Condominiums portion of 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.

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**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 of the Calgary Condominiums 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 condominium 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 condominium 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 condominium is held by more than one person or entity, the membership appurtenant to that condominium 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 condominium is held. An Owner shall be entitled to one membership for each condominium owned by him. Each membership shall be appurtenant to the condominium to which it relates and shall be transferred automatically by conveyance of that condominium. Ownership of a condominium within Bear Hollow Village cannot be separated from membership in the Association appurtenant thereto, and any devise, encumbrance, conveyance, or other disposition of a condominium 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 condominium.

**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 condominium 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 condominium is entitled to vote in accordance with the Declaration.

**ARTICLE VIII**  
**ASSESSMENTS**

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.

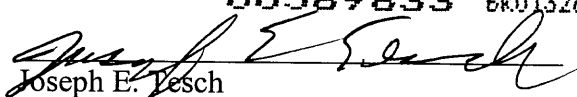
**ARTICLE IX**  
**PRINCIPAL OFFICE**

The principal office address of the Association shall be 5683 North State Highway 224, Park City, Utah 84098.

**ARTICLE X**  
**REGISTERED AGENT**

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

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

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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
James Caruso	1246 South Street Barre, MA 01005
Lori Franciose	3695 Juno Circle Salt Lake City, Utah 84124

**ARTICLE XII**  
**MANAGER**

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.


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**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<sup>th</sup> day of June, 2000.

  
\_\_\_\_\_  
Larry Franciose, Incorporator

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BYLAWS

OF

CALGARY CONDOMINIUMS HOMEOWNER'S ASSOCIATION

A Nonprofit Corporation

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

ARTICLE I

NAME AND PRINCIPAL OFFICE

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

1.02. Offices. The initial principal office of the Association shall be situated in Park City, Summit 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 the Calgary Condominiums portion of 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 \_\_\_\_\_ at 7:00 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.

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The Board of Trustees may from time to time by resolution change the date and time for the annual meeting of the Members.

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 condominium 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 condominium 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

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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 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

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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.

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

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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 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

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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.

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 Trustee may require of him or her.

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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 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.

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## 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 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.

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.

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.

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 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.

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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.

IN WITNESS WHEREOF, these Bylaws of Calgary Condominiums Homeowner's Association have been adopted by all of the Trustees of Calgary Condominiums Homeowner's Association as of the 9<sup>th</sup> day of June, 2000.

TRUSTEES OF CALGARY CONDOMINIUMS  
HOMEOWNER'S ASSOCIATION

  
\_\_\_\_\_  
Trustee

  
\_\_\_\_\_  
Trustee

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*James Elwood*  
Trustee

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