ORIGINAL

SECOND AMENDED RESTATED AND CONFIRMATORY DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS FOR BEAR HOLLOW VILLAGE

THIS SECOND AMENDED, RESTATED AND CONFIRMATORY DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS FOR BEAR HOLLOW VILLAGE ("Second Amended Declaration") is made this ___ day of _____, 2004.

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ALAN SPRIGGS, SUMMIT CO RECORDER
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REQUEST: U S TITLE OF UTAH

RECITALS:

A. Pursuant to the recommendation of the Board of Trustees of the Bear Hollow Village Homeowners Association, the affirmative vote of more than 51 % of the Members of the Association (as such term is defined herein), and the consent of Bear Hollow Village, L.L.C. (the "Declarant"), the Declaration of Protective Covenants, Conditions and Restrictions for Bear Hollow Village originally recorded in the office of the Summit County Recorder on September 9,1998, as Entry No. 517218, in Book 1180, beginning at Page 701, and as amended pursuant to a First Amendment thereto, recorded in the office of the Summit County Recorder on February 8,1999, as Entry No. 529719, in Book 1227, beginning at Page 0801 was amended and restated in its entirety by that certain Amended and Restated Declaration of Protective Covenants, Conditions and Restrictions for Bear Hollow Village, which was recorded in the office of the Summit County Recorder on February 18, 2000, as Entry No. 00559436, in Book 1307, beginning at Page 1198 ("Amended and Restated Declaration") and that certain Amendment to the Declaration of Protective Covenants, Conditions and Restrictions for Bear Hollow Village dated June 2, 2000, which was recorded in the office of the Summit County Recorder as Entry No. 00567162 ("2000 Amendment") which subjected the land described therein to the effect of the Amended and Restated Declaration.

B. That since the date of the Amended and Restated Declaration and 2000 Amendment, the Property (as such term is defined below), has been acquired by different owners, who have entered into the Amended and Restated Development Agreement (as defined below) affecting the Property.

C. That as a result of the change in ownership of the Property, a revision of some of the intended uses of the Property and the intended structures to be erected thereon as well as to effectuate the provisions of the Amended and Restated Development Agreement, the parties hereto wish to amend and restate the Amended and Restated Declaration and 2000 Amendment, as more particularly described herein.

D. That the undersigned parties also desire to confirm certain provisions of the Amended and Restated Declaration, including the descriptions and provisions contained in Exhibit "A" and Exhibit "B", attached hereto.

E. In accordance with Article VI of the Amended and Restated Declaration, the Amended and Restated Declaration may be amended with the affirmative vote of 51% or more of the Members in good standing, and any other applicable requirements to effectuate the provision of this Second Amended Declaration have been satisfied.

F. All the real property situated in Summit County, Utah, which is more particularly described in Exhibit "A" attached hereto and made a part hereof by this reference (the "Property") shall be subject this to Second Amended Declaration.

G. It is contemplated that the Property will be developed into a mixed-use community on the Property, including, single-family detached homes, town homes, multiplex condominiums, office space, and community recreation facilities (including the Clubhouse, as defined below), for the use and benefit of the Owners and their guests. The Property will be sold under a Specially Planned Area plan subject to certain protective covenants, conditions, and restrictions as set forth in this Second Amended Declaration and the Amended and Restated Development Agreement.

H. Additional property in additional phases may be added to the Village Center in accordance with the Amended and Restated Development Agreement dated October 2, 2003, For the Bear Hollow Village Specially Planned Area (SPA) Plan Snyderville Basin, Summit County, Utah ("Amended and Restated Development Agreement") between BHV Equity Associates, LLC ("BHV"), Pacific Security Financial, Inc.("Pacific"), Pring Corporation ("Pring"), Bear Hollow Restoration, LLC ("BHR") and Swaner Memorial Park Foundation, and Summit County, Utah. Any such subsequent phases will be subject to the terms and conditions set forth in this Second Amended Declaration.

I. Pacific, Pring and BHR (collectively, "Landowners") hereby declare that all of the real property within Bear Hollow Village 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 Landowners in imposing these covenants, conditions, and restrictions to create a consistent pattern and quality of development, and to protect and enhance the property values and aesthetic values of the 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 Property and will be binding upon the Owners, their successors, assigns, heirs, lienholders, and any other person or entity holding any interest in the Property. The covenants, conditions, and restrictions shall be binding upon the Owners and Association (as such term is hereinafter defined), as well as its successors in interest and may be enforced by the Landowners, by the Association, or by any Owner.

ARTICLE I

DEFINITIONS

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

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

1.2. "Association" shall mean and refer to the Bear Hollow Village Homeowners Association, a non-profit corporation incorporated under the laws of the State of Utah, its successors and assigns.

1.3. "Builder" shall mean and refer to Pacific, Pring and BHR and their respective successors and any of its respective assigns which is made pursuant to a written assignment.

1.4. "Clubhouse" shall mean and refer to the community clubhouse facility containing approximately 3,000 square feet, swimming pool, hot tub and other improvements, all of which are to be constructed on the Laurelwood Parcel by BHR and thereafter are intended to be conveyed to the Association.

1.5. "Common Areas" 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 by the public for those particular Common Areas described in Article 4.9.2. of this Second Amended Declaration.

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

1.7. "Design Guidelines" means that set of design standards and objectives applicable to the Property and included in Attachments One through Four, as amended from time to time, which defines, among other things, the size, height, style, and siting of improvements allowed within the Property and governing the architectural styles and materials within all phases of Bear Hollow Village.

1.8. "Development Period" shall begin on the date of this Second Amended Declaration and end on such date when all Units in the Subdivision have been sold to and occupied by Owners or tenants and all other development and sales of the Property have been completed in the Subdivision.

1.9. "Limited Common Area" and "Limited Common Facilities" shall mean the real property shown on the Bear Hollow Village plat as a limited common element

1.10. "Lodge Parcel" shall include the land described on Exhibit "A", attached hereto and incorporated herein by reference.

1.11. "Member" shall mean and refer to any person or entity that holds membership in the Association. "Members in good standing" or "Owners in good standing" shall mean and refer to a Member or Owner who has paid all assessments in full to the Association.

1.12. "Office Building" shall mean and refer to that office building intended to be constructed on Units T97 through and including T101, containing a maximum of 18,000 square feet.

1.13. "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 Property, including contract sellers and buyers, but excluding those having such interest merely as security for the performance of an obligation. The term "Owner" shall include Participating Builder for all purposes hereof.

1.14. "Participating Builder" shall mean and refer to any person or entity who or which owns a Unit (for which no use and occupancy permit has been issued) and shall, in the ordinary course of such person's or entity's business, construct a dwelling on a Unit and sell or lease it to another person to occupy the same as such person's residence. BHR, Pacific and Pring shall not be deemed to be the Declarant nor a Participating Builder for purposes of this Second Amended Declaration.

1.15. "Specially Planned Area" or "SPA" 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.

1.1.6. "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 Second Amended Declaration,

1.17. "Unit" shall mean and refer to any recorded lot, detached single family dwelling, townhome or condominium as shown by the official plat of Bear Hollow Village, Phase One, Phase Two and Phase Three, or as may be shown on subsequent plats of the Subdivision recorded or intended to be recorded in the Office of the Recorder of Summit County, Utah.

ARTICLE II

SUBMISSION TO THE ACT AND ENCUMBRANCE OF SECOND AMENDED DECLARATION

2. By virtue of this Second Amended Declaration, the Property described on Attachment Four as Bear Hollow Village, Units 100 through 103 and 200 through 203 of the Cross Country Condominiums; Units 100 through 104 and 200 through 204 of the Calgary Condominiums; and Units 100 through 104 and 200 through 204 of the Bear Claw Condominiums, a portion of which is described in Exhibit A ("the Condominium Property"), attached hereto and all the improvements to the Condominium Property are hereby subject to the provisions of the Act. All Condominium Property within Bear Hollow Village shall be held, occupied, used, sold, mortgaged, assessed, and otherwise possessed as condominium property subject in all respects to the Act.

2.1. Term of Declaration. This Second Amended Declaration shall remain in full force for as long as the Subdivision shall exist. In addition, all of the Property described in Exhibit "A" is subject to the covenants, conditions and restrictions contained in this Second Amended Declaration, each of which is intended to be for the mutual burden and benefit of the Property, and for each of the Owners within Bear Hollow Village, for the purposes of creating a common pattern of use and development. The covenants, conditions and restrictions are intended to be covenants running with the land, binding on the successors, assigns, lessees, and mortgagees of each Owner.

2.2. Designation of Unit. The Record of Survey Map has designated a Unit number for each Unit, whether it is a vacant building lot, single family detached home, townhome, or condominium within a multi-Unit building. The Unit number shall be the legal description of the Unit and each Unit shall constitute a separate parcel of real property which can be conveyed, mortgaged, taxed, and otherwise identified by the description "Unit Number - Bear Hollow Village as it appears of record in the Office of the Summit County Recorder, together with its appurtenant interest in the Common Area."

2.3. Nature of Ownership. The nature of ownership of each Unit shall be described in attachments to this Second Amended Declaration as follows:

Attachment One, Lots A - G, single family estate Units;
Attachment Two, Lots 1 - 79, single family Units;
Attachment Three, Lots TI – T96 and T102-176 single family town homes and T97-101 Office Building; and
Attachment Four, Units 100-104 and 200-204 in the Bear Claw Condominium; Units 100-104 and 200-204 in the Calgary Condominium and Units 100-103 and 200-203 in the Cross Country Condominium.

ARTICLE III

BEAR HOLLOW VILLAGE HOMEOWNERS ASSOCIATION

3.1. Introduction. It is contemplated Bear Hollow Village will be developed in three designated phases, in accordance with the provisions of the Specially Planned Area plan and the Amended and Restated Development Agreement. Bear Hollow Village is intended to contain seven (7) single family estate Units, seventy-nine (79) single family Units, one hundred seventy-one (171) single family town homes, one eight-plex condominium building, two ten-plex condominium buildings as well as the Clubhouse and Office Building. The installation of all necessary infrastructures in accordance with the Amended and Restated Development Agreement and the construction of all planned improvements. (except the construction of the single family homes described in Attachment One), will be performed by the parties designated in the Amended and Restated Development Agreement.

3.2. Association Described. The Property shall be subject to this Second Amended Declaration and all Units within the Property will have a membership in the Association. Every person or entity who is a record Owner of a fee interest in any Unit, shall be a Member of the Association. The Members shall in addition be subject to the terms and provisions of the Articles of Incorporation and Bylaws of the Association. The foregoing is not intended to include

persons or entities that hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership for each Unit owned; provided, however, the Owner of the Office Building will have five (5) votes, as described on Exhibit "B" under T97-T101. No Unit shall have more than one membership representing all the Owners of the Unit. Membership shall not be separated from ownership of any Unit, and ownership of such Unit shall be the sole qualification for membership.

3.3. Trustees. The Association shall be governed by a Board of Trustees. There shall initially be three (3) Trustees, but the Board of Trustees may, by resolution, increase the Board of Trustees to five (5) or seven (7) Trustees, from time to time. The Trustees shall be elected by majority vote of the Owners in good standing attending the annual meeting. Each Trustee shall serve a two (2) year term, provided that the Trustees 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. As of the date of this Second Amended Declaration, the Trustees are: Terry Mischler, Mark Lords and Howard Butt. Among other things as may be provided in this Second Amended Declaration, Bylaws or Articles of Incorporation for the Association, the Trustees shall promulgate, from time to time, rules and regulations affecting the operation of the Clubhouse, including, without limitation, operating hours and the like.

3.4. Design Review Committee. The Trustees of the Association have appointed or will appoint a Design Review Committee consisting of at least three members, who are responsible for reviewing any requests by Owners to modify the external appearance of any Unit within the Property, to construct any fixture within the Common Areas, or to take any actions which, under the terms of this Second Amended Declaration, require the approval of the Design Review Committee. Effort will be made to appoint members of the Design Review Committee who have knowledge and experience in one or more of the fields of architecture, civil engineering, real estate, or law. Members of the Design Review Committee will serve at the will of the Board of Trustees for such terms as the Board of Trustees deems appropriate.

3.5. 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.

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

3.6.1. Class A. Class A members shall be all Owners, including Participating Builder, with the exception of the Builder. Class A members shall be entitled to one (1) vote for each Unit in which they hold the interest required for membership in Article 3.2. 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 cannot 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.

3.6.2. Class B. The Class B members shall be the Builder. The Class B member shall be entitled to four (4) votes for each Unit in which it holds the interest required for membership by Article 3.2. Class B membership shall cease to exist on the expiration of the earlier of the Development Period or the date when all Units in Bear Hollow Village have been sold or occupied.

3.7. Enforcement Powers. The Association shall have the power to enforce the provisions of this Second Amended Declaration by actions in law or equity brought in its own name and the power to retain professional services needed for the enforcement of the provisions of this Second Amended Declaration and to incur expenses for that purpose. The Trustees of the Association shall have the authority to compromise claims and litigation on behalf of the Association resulting from the enforcement of the provisions of this Second Amended Declaration 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 Trustees of the Association may appear and represent the interests of the Association at all public meetings concerning any matter of general application and interest to the Members.

3.8. Maintenance Responsibilities. The Association shall be responsible for the maintenance of all Common Areas and Limited Common Elements located outside of the Units, unless otherwise specifically stated in this Second Amended Declaration. Maintenance by the Association of the Common Areas and Limited Common Elements shall include, without limitation, maintenance of the sprinkler system and all landscaping, including replacement of any dead plantings after the expiration of any applicable warranty period. The Association will own or be granted easements over portions of the Specially Planned Area, including those areas designated as Common Areas, as follows.

3.8.1. Common Areas. Common Areas shall include all lands not otherwise designated as private property, or dedicated as public roads. Common Areas will include trails (including approximately a 3,055 foot portion of trail located along Highway 224 and approximately a 3,430 foot portion of the Community Highline Trail, as defined in the Amended and Restated Development Agreement), private roads, Clubhouse, sidewalks, a five acre park ("Park"), the landscaping, sidewalks and unattached lighting for the Office Building, parking areas, and designated open space within the Specially Planned Area and improvements on those lands, facilities, lighting, landscaping, and other improvements made by the Builder, Landowners or by the Association, but shall not include water rights. Also included as Common Areas will be utility lines which serve more than one Unit, including water, power, irrigation lines and gas lines upstream from individual Unit meters and to the extent that these lines are not owned by the utility company, all wires, pipes, conduits, or other utility equipment up until the point at which the utility line enters a Unit, or passes to the Owner's side of a meter, or splits to serve only one Unit. Common Areas are further defined in Attachments 1 through 4 to this Second Amended Declaration and in corresponding attachments to any supplemental declarations of covenants for any subsequent phases of Bear Hollow Village. No fencing or other structure shall be permitted within the Limited Common Areas except as specifically reviewed on a case-by-case basis and

approved in writing by the Design Review Committee of the Association as described in this Second Amended Declaration.

3.9.1. 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 0.3448 percent of the Common Areas. The percentage of Common Areas ownership for each Unit is shown on Exhibit "B" attached hereto.

3.9.2. The use of certain Common Areas will be available to all Owners as well as to the general public, which include the following: all trails within the Subdivision and the Park. The use of the remaining Common Areas (including the Clubhouse) will be only available to the Owners, their guests and invitees, Landowners, Builder and their respective employees and agents, the Lodge Parcel owners and their guests and to the tenants and employees of the Office Building (collectively, "the Common Areas Users"); provided, however, that the employees and tenants of the Office Building may not use the Clubhouse on weekends (Saturday and Sundays) nor on legal holidays. Clients of tenants of the Office Building shall not be permitted to use the Clubhouse and further, if the Office Building is leased to any type of school, students of the school will not be permitted to use the Clubhouse. In addition, BHR reserves the exclusive right unto itself and its assigns to install vending machines in the Clubhouse in such locations determined by BHR and to collect the revenue derived therefrom; provided, however, that any maintenance and repair relating to the vending machines shall be performed solely by BHR; and further, provided, that BHR may, in its sole discretion from time to time, assign such rights to any other party without the necessity of notice or consent from any other party. Access to the Clubhouse will be provided by use of an electronic access card or other similar device. Any Common Areas User who is in default for any assessments due to the Association shall have their access cards deactivated until such time as the default is cured. Landowners will not be allowed to use the Clubhouse after all development and construction in Bear Hollow Village have been completed or at the end of the Development Period, whichever occurs first.

3.9.3. Lodge Parcel. By virtue of that certain Agreement dated September 24, 2003, by and between BHV, Hamlet Development Corporation and BHR, any owner of the Lodge Parcel (excluding any employee housing component) shall be obligated to pay to the Association a fixed flat monthly fee of Fifteen Dollars ($15.00) ("Lodge Assessment"), starting upon the initial settlement of each Unit in the Lodge Parcel, which shall confer upon such owners the right for them and their guests to use the Common Areas, including, without limitation, the trail system, the Clubhouse. The Lodge Assessment shall provide each Lodge Parcel owner and their guests and occupants with a membership to the Clubhouse and maintenance of the Common Areas, which includes snow removal of roads to and from the Lodge Parcel, maintenance and repair of the roads in the Subdivision, infrastructure and landscaping and satisfy any obligations of the Lodge Parcel owner to pay for a sinking fund to replace any furniture, fixtures and equipment related to the Clubhouse. The Lodge Parcel Assessments shall not, however, include the maintenance, snow removal, insurance, replacements or repairs for the parking lots or any other area located on the Lodge Parcel, which shall be the sole responsibility of the owners of the Lodge Parcel.

3.10. Budget. At least thirty (30) days prior to the annual meeting of the Owners, the Trustees of the Association 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 Property. 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 records of the Association, as provided by each Owner at least thirty days prior to the annual Owners' meeting. The budget will also indicate the resulting assessment to be levied on each Unit. The budget proposal will also include notice of the annual meeting. 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.

3.11. Common Areas Assessments. The Trustees of the Association have the power to levy assessments ("Common Areas Assessments") for the operation of the Specially Planned Area. The assessments shall be for building maintenance, operations, reserves, repairs, insurance, utilities, snow removal, common area irrigation lines, maintenance and repairs of walkways, and private roads, trails, Clubhouse, Park, recreation facilities, landscaping, professional services and any other items which may be authorized by this Second Amended Declaration or by an approval vote of fifty-one percent (51%) of the Owners in good standing. 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 maintenance obligations of the Association are described in Section 3.14 below.

Further, the Owners (excluding Landowners) of Lots 1, 2, 4, 5, 6, 7, 14, 22,30, 31, 32, 33, 34, 35, 36 and 37 shall pay Thirty-Seven Dollars and fifty cents ($37.50) per month for each of their respective Lots until such time as a dwelling is completed on the Lot and a certificate of occupancy is issued for such Lot, which amount shall be subject to revision by the Board of Trustees from time to time.

3.11.1. Increases in Common Areas Assessments and Special Assessments.

The Trustees of the Association have the authority to increase Common Areas Assessment by not more than ten percent (10%) of the amount of the Common Areas Assessment from the previous year; provided, however, the increased Common Areas Assessment and/or special assessment shall become effective unless disapproved by at least fifty-one percent (51%) of the Owners at a meeting duly called for such purpose within thirty (30) days after it is adopted by the Board of Trustees. In addition, if the increase to the Common Areas Assessments exceeds the aforesaid ten percent (10%) or the Board of Trustees desires to levy special assessments as necessary to cover shortfalls in the budget, unanticipated expenses or to defray the cost of any construction, reconstruction, repair or replacement of any capital improvement located on any of the Common Areas or Common Facilities, a meeting of Owners will be called, and the purposes and amounts of the increased Common Area Assessments or special assessments, as the case may be, submitted for the approval of a simple majority vote of the Owners present, in person or

by proxy, at such meeting; provided, however, if no quorum is present at such meeting, then the increased Common Area Assessments or special assessments, as the case may be, shall be deemed approved.

3.11.2. Initial Monthly Assessment. The initial monthly assessment for all Unit Owners (except a Builder) shall be paid to the Association and shall become effective upon an Owner's purchase of the Unit which has a use and occupancy permit; provided, however, the assessments due from the Owner of the Office Building shall commence at such time as the Office Building is occupied by tenants; and further, provided, the monthly assessment due from the Owner of the Office Building shall be calculated pro rata based on actual occupancy of the Office Building. The monthly assessment shall be adjusted on an annual basis as otherwise provided for in this Second Amended Declaration, including, but not limited to, any additional amount to be paid by each Unit Owner in return for the right to use and enjoy the amenities and recreational facilities within the Subdivision by the Unit Owners and their guests for no extra charge. Failure to pay this monthly assessment may result in the Association filing a lien against the non-paying Owner's Unit. Moreover, the Association may suspend the right to use and enjoy the amenities and facilities by a non-paying Owner and their guests for any period during which any portion of the monthly assessment of such Owner's Unit remains unpaid. The assessments to be paid to the Association shall be calculated as follows: the Units described in Attachment One with a use and occupancy permit shall pay Sixty Dollars ($60.00) per month plus .0375 cents per square foot of finished living space contained in the Unit per month; Units described in Attachment One which are unimproved shall pay Sixty Dollars ($60.00) per month; Units described in Attachments Two, Three and Four shall be assessed at the rate of .075 cents per square foot of finished living space, per month; and the assessment for the Office Building described in Attachment Three shall be calculated based on five cents per square foot of gross leaseable space which is occupied.

In addition to the foregoing, the Units described in Attachments One and Two shall pay their own irrigation and culinary water usage directly to Summit Water Distribution Company. The Units described on Attachments Three and Four shall pay Ten Dollars ($10.00) per month to the Association (billed quarterly) for their irrigation water usage, as such amount may be increased, from time to time. Further, all Units (as described in Attachments One, Two, Three and Four) shall pay, as a portion of the monthly assessment to the Association, water expenses relating to the Common Areas and Common Facilities. No water usage fees shall be assessed to the Office Building other than the amount which may be included in the regular assessments to cover water used for Common Areas.

The monthly assessment includes a portion to be retained by the Association for reserve funding.

3.11.3. Assessment Exemption for Builder. Any Builder shall be exempt from any type of assessment payment for any Unit until a use and occupancy permit is issued by the appropriate governmental authorities for such Unit.

3.12. Assessments Constitute Lien and Suspension of Voting Rights. 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. However, if the lien is not foreclosed upon, it may be renewed from year to year by 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. This lien 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. In addition to the remedies described herein for nonpayment of an assessment by an Owner, an Owner's voting rights may be suspended by the Board of Trustees in the event the Owner fails to pay any assessment due hereunder.

3.13. Statement of Account. Any Owner may request the Association to provide a statement of an account to any lender or prospective buyer of that Unit showing the assessments to be paid in full, or the amount of any past 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

3.14. Common Services and Expenses. The following items of maintenance and operating expenses will be paid through the Association as Common Areas expenses by all Owners within the Specially Planned Area.

3.14.1. Maintenance and repair of the private roads, trails and walkways within Common Areas, maintenance, repair and operation of Common Areas recreation facilities (including the Clubhouse), and maintenance and repair of any other Association improvements as determined by the Board of Trustees.

3.14.2. Liability insurance on Common Areas, common recreation equipment, and any insurance on officers and Trustees of the Association.

3.14.3. Maintenance and repair of Common Areas and open space to include irrigation, mowing (if any), landscaping, weed control, algae control, picnic or playground equipment maintenance and other maintenance as determined by the Board of Trustees.

3.14.4. Utility charges for lighting, irrigation, or other utilities used in conjunction with Common Areas.

3.14.5. Project administrative costs, including postage, office expenses, bookkeeping, accounting, legal and other professional services.

3.14.6. Any other items of Common Areas expense as required by law. The Board of Trustees is authorized to hire property management service providers and enter into management agreements.

3.15. Individual Owners will be responsible for the upkeep, maintenance, and repair of all 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.

Specifically, Unit Owners (other than Builder) will make no modifications to the interior structure of any Unit having one or more common walls with any other Unit nor change any exterior portion of the Unit, without the express written consent of the Design Review Committee. The following items are the responsibility of the Owner for his or her Unit and will not be paid for as Common Area expenses.

3.15.1. Utility costs for the Unit including electrical, gas, telephone, cable television, irrigation water usage, sewer service, garbage collection fees, and other utility services or similar charges related to the use and occupation of the Unit.

3.15.2. 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.

3.15.3. Other items of maintenance and repair not specifically identified as the responsibility of the Association in this Second Amended Declaration.

3.16. Each Owner covenants with the Association and with other Owners that he or she will maintain his or her Unit. In the event that a Owner fails to maintain his or her Unit, 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 days to commence repairs or maintenance. If the Owner has not commenced repair: or maintenance, or fails to pursue repairs or maintenance with reasonable diligence, the Association may enter and complete repair or perform the maintenance deemed necessary or abate the nuisance at the Owner's expense. In the alternative, the Association or any other Owner may bring an action to cause the Unit Owner to perform all necessary maintenance and repairs and the Association or any other Owner may recover any judgments for any maintenance or repairs performed and may execute any lien or judgment against the Unit and or Unit Owner.

3.17. The Association may, by the affirmative vote of a simple majority of the Owners in good standing, decide to have some of the enumerated obligations of the Owners, or other services, taken over by the Association as Common Areas 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 Property.

3.18. Easements. The Trustees shall have the right to grant easements to appropriate parties for utilities and use any of the Common Areas for public or quasi-public purposes.

3.19. 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. At a minimum, the Association will meet the following criteria.

3.19.1. Hazard Insurance. The Association will maintain multi-peril type insurance covering any Common Areas and common recreation facilities (including the Clubhouse). 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.

3.19.2. Insured Party. The named insured will be the Association, or its authorized representative, for the use and benefit of the individual Owners as their interests might appear.

3.19.3. 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 days written notice to the mortgagees in the event of a cancellation, reduction in coverage, or non-renewal.

3.19.4. 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.

3.19.5. Liability Insurance. The Association will maintain a comprehensive public liability insurance policy covering all Common Areas and Common 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.

3.19.6. 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.

3.20. Property and Casualty Insurance. The Owners are solely responsible for property and casualty insurance on the contents of their Units and any improvements to their Units. Additionally, Owners of both attached and 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. Unit Owners covenant to hold the Association harmless for any such claims.

ARTICLE IV

RESTRICTIONS ON THE USE OF UNITS AND COMMON AREAS

4.1 The use and occupancy of the Units is expressly subject to the covenants, conditions and restrictions expressed in this Second Amended Declaration and the restrictions enumerated below.

(a) Zoning Regulations. The zoning regulations of Summit County as modified by the Amended and Restated Development Agreement, and any building, fire, and health codes are in full force and effect within the SPA and no Unit may be occupied or used in a manner which is inconsistent with these regulations or with any statute, law, ordinance, covenant, or conditional use permit.

(b) No Mining Uses. The property within the SPA shall be used for residential, resort lodging, and neighborhood office use only and no surface occupation for mining, drilling, or quarrying activity will be permitted at any time.

(c) Commercial Uses. Lots T97 through 101, inclusive, may have customary commercial office use. For those Units located on Lots T102 through T109, inclusive, those Unit Owners may use the ground floor of his or her Unit for live/work compatible neighborhood commercial uses ("Live/Work Unit"), which means a commercial use that is intended to support the Village, or intended to provide a service to the Village, but is not intended to become a destination commercial area for customers from outside the Village; provided, however, such Owners have obtained the prior written consent from the Board of Trustees for such use; and further, provided, in the event a dispute arises between the Owner and the Board of Trustees on the use matter, then the Owner may appeal the Board's decision to Summit County, Utah. No other Units may be used for commercial uses. In addition, no materials, machinery, equipment, or inventory associated with Units located on Lots T102 through T109 involving a commercial use may be stored outside of such Unit or on any Common Areas. Notwithstanding the foregoing provisions, the Builder may maintain sales offices, model homes and trailers during the Development Period on the Property. As of the date of this Second Amended Declaration, Builder has determined that there will be three (3) model homes located on Lots T64, T65 and T66. Builder, however, reserves the right to relocate these model homes on any other portion of the Property owned by Builder and also reserves the right to maintain no more than two (2) sales trailers at any one (1) time on any undeveloped Lots or Common Areas during the Development Period.

(d) Restrictions on Signs. No signs will be permitted on any Unit not zoned and designated for commercial uses, except for signs warning of some immediate danger, which signs shall comply with county regulations and will not exceed six (6) square feet in size. Further, all signage will comply with the requirements of those specific design conditions and guidelines set forth in the Bear Hollow SPA Plan Book of Exhibits. Signs within the area(s) zoned and designated for commercial uses will be of a size and a type to be approved on an

individual basis by the Builder or the Design Review Committee. One sign, no more than 2'x 2' may be displayed in the window of a Unit for the purpose of advertising that Unit for resale, nor shall any signs advertising a Unit for resale be placed anywhere within the Subdivision, except that vacant lots may be permitted to display a 2'x 2' sign on a 4"x 4" post advertising the property for sale. Nevertheless, the above restrictions shall not apply to the Builder during the Development Period nor shall this provision apply to the Office Building.

(e) Completion Required Before Occupancy. No Unit may be occupied prior to its completion and the issuance of a certificate of occupancy by Summit County.

(f) Underground Utilities. All gas, electrical, telephone, television, and any other utility lines in the SPA are to be underground. No propane tanks or oil tanks may be installed within the SPA except for temporary heat during construction.

(g) Maintenance of Property. All Units shall be maintained in a clean, sanitary, attractive and marketable condition at all times by the Owner. No Owner shall permit his Unit to fall into disrepair.

(h) No Noxious or Offensive Activities. No noxious or offensive activity shall be carried out in any Unit or on any portion of the SPA including the creation of loud or offensive noises or odors that detract form the reasonable enjoyment of neighboring or other Units; provided, however, in the event the Office Building is being used for its intended use, then this provision shall not be deemed violated by the Office Building, its Owner and occupants.

(i) No Hazardous Activity. No hazardous activity may be conducted within any Unit or within the SPA that is or would be considered by a reasonable person to be dangerous or hazardous to others, or which would cause the cancellation of conventional property casualty insurance. This includes, but is not limited to, the storage of caustic, toxic, flammable, explosive or hazardous materials in excess of those reasonable and customary for household uses, the discharge of firearms or fireworks, and setting of open fires (other than properly supervised and contained barbecues). No Owner or Member will occupy any Unit in a manner that is in violation of any federal, state or local law or regulation concerning the storage, disposal, or use of hazardous or toxic materials. Notwithstanding the foregoing, if the Office Building is being used for its intended use, then this provision shall not be deemed violated by the Office Building, its Owner and occupants.

(j) No Open Burning. No open burning of yard trimmings, construction wastes, or other materials will be permitted within the SPA without specific prior written consent of the Board of Trustees.

(k) Vehicles Restricted to Roadways; Parking. No motor vehicles may be operated on the Property except on improved roadways and driveways, except during periods of construction by construction vehicles. No snowmobiles, unregistered motorcycles, golf carts, all-terrain vehicles or other such off-road vehicles may be operated within the SPA except during periods of actual loading or unloading for transport to or from a Unit. Such vehicles will not be repaired, maintained, kept or stored outside of a Unit or on the Common Areas. The Board of Trustees shall have the right, from time to time, to promulgate reasonable parking restrictions

and regulations affecting the Common Areas as well as to assess fines against any violator and/or have any such vehicle removed if in violation of a posted rule and regulation, all at the expense of the violating Owner or occupant on the Property, which amount may be collected in the same manner as Common Areas Assessments hereunder. Further, the Board of Trustees, on behalf of the Association, may seek enforcement of any applicable State and local law pertaining to motor vehicles and parking within the Property which are in violation thereof. Surrounding the Office Building, Clubhouse and Live/Work Units, on-street parking shall be permitted only in designated parking areas. No overnight parking shall be permitted in any of these parking areas.

This Section 4.1.(k) shall not apply to the Builder during the Development Period.

(l) No Automobile Repair. No automobile repair or restoration work may be made within the SPA. No inoperative automobiles may be stored outside of any Unit.

(m) Pets. No kennel or dog run may be placed anywhere within the SPA other than in an area on the platted lot appurtenant to a Unit in a building specifically approved for the keeping of pets. Unit Owners in such designated buildings may keep a maximum of two dogs or two cats per Unit. Tenants of an Owner may not keep cats or dogs in rented Units at any time. The Association may require an Owner to remove nuisance pets due to noise, running at large, sanitary violations or other violations of such rules as may be established by the Association. This provision shall not apply to the use of dogs to assist disabled individuals in the Office Building by the Owner or any occupant in the Office Building.

(n) Firearms or Weapons. No firearms or weapons of any kind including BB Guns, pellet guns, pistols, rifles, etc. may be discharged within the SPA at any time. No archery ranges or other weapons target areas or use is permitted.

(o) Antennas. No radio aerial, antenna or satellite or other signal receiving dish, or other aerial or antenna for reception or transmission, shall be placed or kept on or about the Unit (including on the patio or balcony of such Unit), except on the following terms:

(i) An Owner may install, maintain and use on or about its Unit or patio or balcony, one (or, if approved, more than one) Small Antenna (as hereinafter defined) in an inconspicuous location, where the Small Antenna is screened from view from other Units in such a manner as is approved by the Design Review Committee of the Association in accordance with the provisions herein. Notwithstanding the foregoing terms of this subsection, (a) if the requirement that a Small Antenna installed on or about a Unit or patio/balcony be placed in an inconspicuous location would impair such Small Antenna's installation, maintenance or use, then it may be installed, maintained and used at another approved location for said Unit where such installation, maintenance or use would not be impaired, and (b) if the prohibition against installing, maintaining and using more than one (1) Small Antenna on or about a Unit would result in any such impairment, then such Owner may install additional Small Antennae as are needed to prevent such impairment (but such installation shall otherwise be made in accordance with this subsection).

(ii) In determining whether to grant any approval pursuant to this Section 4.1. (o)(i), the Design Review Committee shall not withhold such approval, or grant it

subject to any condition, if and to the extent that doing so would result in an impairment.

(iii) As used herein, (a) "impair" has the meaning given it in 47 Code of Federal Regulations Part 1, section 1.4000, as hereafter amended; and (b) "Small Antenna" means any antenna (and accompanying mast, if any) of a type, the impairment of the installation, maintenance or use of which is the subject of such regulation. Such antennae are currently defined thereunder as, generally, being one (1) meter or less in diameter or diagonal measurement and designed to receive certain types of broadcast or other distribution services or programming.

The provisions contained in this Section 4.1. (o) shall not apply to the tenants in the Office Building and there is no restriction for the Office Building to install radio aerial, antenna or satellite or other signal receiving dish, or other aerial or antenna for reception or transmission on or about the Office Building, provided, however, such no such device may be installed if not related to the tenants in the Office Building.

(p) Additions and Alterations. No Unit Owner may construct additions to finished Units (including, without limitation, spas or hot tubs, storage sheds, and other external features), nor alter the external appearance of any Unit without the prior written approval of the Design Review Committee. Any such external features must be located and visually screened in a manner approved in advance by the Design Review Committee which utilizes berming, excavation, placement, vegetation, natural stone and/or other landscaping or visual screening methods, so that the external features and any modifications of the external appearance are in harmony with the overall landscaping and appearance of the SPA. Notwithstanding the foregoing, no approval from the Design Review Committee shall be required for any addition or alterations to the Office Building and any such additions or alterations shall only be subject to the approval from Summit County, Utah.

(q) No Unsightliness. No unsightliness is permitted on any Unit or anywhere within the SPA. This shall include, without limitation: the open storage of any building materials, except during the construction of any dwelling or improvements; the open storage or parking of farm or construction equipment, inoperable motor vehicles, boats, campers, trailers, snowmobiles, ATV's or other recreational vehicles, and trucks larger than pick-up trucks, except during periods of actual loading and unloading; accumulations or storage of construction debris or waste; accumulations or storage of household refuse or garbage, except as stored in tight containers in an enclosure such as a garbage can which is placed at the curb the evening prior to scheduled pickup and removed from the curb within a reasonable time period (not to exceed, however, 24 hours) after pickup is complete; the open storage of lawn or garden furniture, except during season of use; and the storage or accumulation of any other material, vehicle, or equipment on the Unit or anywhere within the SPA in a manner that is visible from the public view or from another Unit. Any violation of this Section 4.1 (q) shall entitle the Association to levy fines for non-compliance, which may be collected in the same manner as Common Areas Assessments.

This Section 4.1.(q) shall not apply to the Office Building, its Owner or any occupant in the Office Building; provided, however, any trash from the Office Building shall be stored in a receptacle servicing such Office Building.

(r) No Annoying Lights. Any outdoor lighting shall be subject to approval by the Association, and no outdoor lighting shall be permitted except for lighting that is designed to aim downward and limit the field of light to the confines of the Unit on which it is installed. This shall not apply to any street lighting maintained by Summit County. This Section 4.1.(r) shall also not be applicable to the Office Building; provided, however, any outside lighting for the Office Building may not shine on adjacent residential Units.

(s) No Annoying Sounds. No speakers or other noise making devices may be used or maintained on any Unit which create noise that might reasonably be expected to be unreasonably or annoyingly loud from adjoining Units, except for security or fire alarms.

(t) No Hunting. The hunting, trapping, and harassment of wildlife by firearms or any other means is expressly prohibited within Bear Hollow Village.

(u) Wood Blinds. The window treatments in all windows of a Unit which face outside of the Unit shall be comprised of wood blinds and/or wood shutters, in a color consistent with the interior wood finishes of a Unit, unless expressly approved in advance in writing by the Design Review Committee.

ARTICLE V

AMENDMENT

5. This Second Amended Declaration may be amended from time to time by the affirmative vote of fifty-one percent (51%) or more of the Members in good standing subject to the following limitations.

5.1. Builder Rights. No amendment shall have the effect of eliminating or changing the rights of the Builder without its consent.

5.2. Mortgagee Consent. No amendment that 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.

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

5.4. No Repeal. This Second Amended Declaration may not be repealed by amendment.

5.5. Duration. This Second Amended Declaration shall run with the Property and shall be binding for a period of thirty (30) years from the date this Declaration is recorded, after which time this Declaration shall automatically be extended for successive periods of ten (10) years each unless and until an instrument has been recorded, by which this Declaration, in whole or in part, is amended or modified pursuant to the provisions hereof.

ARTICLE VI

MORTGAGEE PROTECTION

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

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

6.2. 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 Areas assessments. The Association may charge a fee of Twenty-Five Dollars ($25.00) 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.

6.3. No Release of Prior Owner. The obligation to pay Common Areas 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 VII

DESTRUCTION OR TERMINATION OF PROJECT

7. In the event of damage or destruction of the Property, or if the Landowners elect to terminate the development of the Property, the following provisions shall apply.

7.1. Damage. In the event of damage to the Common Areas of the Property, the Association will make proof of loss with the insurance carrier, and supervise the application of insurance proceeds to the repair of the damage.

7.2. Destruction. If the damage to the Property is such that the costs of repair exceed more than seventy-five percent (75%) of its market value, or the damage has caused material and substantial damage to more than fifty percent (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 Property. 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 and repair and reconstruct the Property and improvements thereon, or (ii)

terminate the development of the Property pursuant to this Declaration. Unless either alternative is approved by a vote of seventy-five percent (75%) of the undivided Common Areas ownership (excluding any un-constructed Units owned by Builder), 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 Property will be repaired unless the vote is at least seventy-five percent (75%) in favor of termination.

7.3. 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 development of the Property pursuant to this Second Amended Declaration as to those Units and Common Areas that were destroyed, and leaves the portion of the Property that was undamaged, or not substantially damaged subject to this Second Amended Declaration

7.4. Effect of Termination. Upon a vote of the Owners to terminate the development and maintenance of the Property pursuant to this Second Amended Declaration, 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 Property 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 the development of less than all of the Property pursuant to this Second Amended Declaration is terminated, Owners in the remaining portion of the Property will have no right to any of the insurance proceeds or process from the liquidation of the land.

7.5. 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 Areas 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 Areas 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 VIII

ENFORCEMENT

8. This Second Amended 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.

8.1 Notice of past due assessments will be sent to the Unit Owner at the last known address as shown on the Association records 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 Second Amended 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 an injunction compelling compliance with the provisions of this Second Amended Declaration.

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

8.3. 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 Second Amended 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 attorneys' fees incurred whether the action is based on legal or equitable principles or both.

ARTICLE IX

EASEMENTS RESERVED TO THE LANDOWNERS AND BUILDERS AND ENCROACHMENTS

9.1. Easement to Facilitate Development. Builder hereby reserves to itself and its respective designees a non-exclusive blanket easement over and through the Property for all purposes reasonably related to the development and completion of improvements on the Property, including without limitation: (a) temporary slope and construction easements; (b) drainage, erosion control and storm and sanitary sewer easements including the right to cut or remove trees, bushes or shrubbery, to regrade the soil and to take any similar actions reasonably necessary; provided, however, that thereafter the Landowners and Builders shall restore the affected area as near as practicable to its original condition; and (c) easements for the construction, installation and upkeep of improvements (e.g., buildings, landscaping, street lights, signage, etc.) on the Property or reasonably necessary to serve the Property.

(a) Easement to Facilitate Sales. The Landowners hereby reserve to the Builder and its designees the right to: (a) use any portion of the Property with the written consent of the Owner, if applicable, as models, management offices, customer service offices or sales office parking areas; (b) place and maintain in any location on the Common Areas and the storm water management area, and on any Lot, street and directional signs, temporary promotional signs, temporary construction and sales offices, plantings, street lights, entrance features, "theme area" signs, lighting, stone, wood or masonry walls or fences and other related signs and landscaping features; provided however, that all signs shall comply with applicable governmental regulations and the Builder shall obtain the consent of the Owner of any affected Lot or of the Design Review Committee if the Owner does not consent; and (c) relocate or remove all or any of the above from time to time in the Builder's sole discretion.

(b) Storm Water Management Easement. The Landowners and Builders hereby reserve to themselves and their respective successors and assigns an easement and the right to grant and reserve easements over and through the Property for the construction and upkeep of storm water management facilities, including storm water retention areas. The Landowners and Builders shall also have the right to allow adjacent properties to tie their storm water management facilities into the storm water management facilities for the Property; provided, however, that the Owners of such adjacent properties agree to bear a portion of the expense of upkeep for the storm water management facilities for the Property in such amount as may be deemed appropriate by the Landowners and Builders.

(c) Completion Easements and Rights of Builder. Landowner reserves unto Builder and its successors and assigns, the right, notwithstanding any other provision of this Second Amended Declaration, to use any and all portions of the Property, including any Common Areas which may have previously been conveyed to the Association, for all purposes necessary or appropriate to the full and final completion of construction of the Subdivision. Specifically, none of the provisions concerning architectural control or use restrictions shall in any way apply to any aspect of the Builder's development or construction activities and notwithstanding any provisions of this Declaration, none of the Builder's construction activities or any other activities associated with the development, marketing, construction, sales management or administration of the Association shall be deemed noxious, offensive or a nuisance. Landowner reserves to Builder the right for itself and its successors and assigns, to store materials, construction debris and trash during the construction period on the Property without keeping same in containers.

(d) Grading Easements. Landowners and Builders expressly reserves unto themselves the right at or after the time of grading of any street or to such other Lot or any part thereof for any purpose, to enter upon any abutting Lot and grade a portion of such Lot adjacent to such street, provided such grading does not materially interfere with the use or occupancy of a dwelling built or to be built on such Lot, but said Landowners and Builders shall not be under any obligation or duty to do such grading or to maintain any slope.

(e) Common Areas Easements.

i. Utilities. The Landowners and Builders hereby expressly reserves unto themselves and hereby grants to any utility company, to whom the Landowners and Builders may grant, convey, transfer, set over and assign the same, or any part thereof, the right to discharge surface water on and to lay, install, construct, and maintain, on, over, under or in those strips across land designated on the plats for the Property as an easement area, or on, over, under, or in any portion of any Common Areas, pipes, drains, mains, conduits, lines, and other facilities for water, storm sewer, sanitary sewer, gas, electric, telephone, and other public utilities or quasi-public utilities deemed necessary or advisable to provide adequate service to any Lot now or hereafter laid out or established on the Property, or the area in which the same is located, together with the right and privilege of entering upon the Common Areas for such purposes and making openings and excavations therein, provided that same be corrected and the ground be restored and left in good condition.

ii. Sediment Control Ponds/Facilities. The Landowners and Builders hereby expressly reserves unto itself the right to continue to use and maintain any sediment control ponds or facilities located on any Common Areas.

(f) Maintenance Easements. Each Owner hereby grants an easement to the Association and its agents over, upon and through their Lot in order for the Association to perform any and all repair and maintenance of Lots which the Association is either required to perform hereunder or elects to perform pursuant to the provisions of this Second Amended Declaration.

(g) Any and all conveyances made by the Landowners and Builders to the Association or any Owner shall be conclusively deemed to incorporate these reservations of rights and easements, whether or not set forth in such grants. Upon written request of the Landowners and Builders, the Association and each Owner shall from time to time execute, acknowledge and deliver to the Landowners and Builders such further assurances of these reservations of rights and easements as may be requested.

(h) Duration and Assignment of Development Rights. The Landowners and Builders may assign its rights under this Section to, or share such rights with, one or more other persons, exclusively, simultaneously or consecutively. The rights and easements reserved by or granted to the Landowners and Builders pursuant to this shall continue for so long as the Landowners and Builders or its designees are engaged in development or sales, or activities related thereto, anywhere on the Property, unless specifically stated.

(i) Association Power to Make Dedications and Grant Easements. The Landowners and Builders, on behalf of itself and its successors and assigns, hereby also grants to the Association the rights, powers and easements reserved to the Landowners and Builders hereunder. These rights, powers and easements may be exercised by the Association, subject to any other provisions herein; provided, however, that the limitations on duration applicable to the Landowners and Builders shall not apply to the Association. If the Landowners and Builders or any Owner requests the Association to exercise its powers under this Section, the Association's

cooperation shall not be unreasonably withheld, conditioned or delayed.

9.2. Easement for Upkeep. Landowners and Builders hereby reserve unto themselves and hereby grants to the Association, the managing agent and any other persons authorized by the Board of Trustees, in the exercise and discharge of their respective powers and responsibilities, the right of access over and through any portion of the Property for purposes of upkeep of the Property, including, without limitation, the right to make inspections, correct any condition originating in a Lot or in the Common Areas threatening another Lot or the Common Areas, correct drainage, perform installations or upkeep of utilities, landscaping, retaining walls or other improvements located on the Property for which the Association is responsible for upkeep, or correct any condition which violates this Declaration. The agents, contractors, officers and directors of the Association may also enter any portion of the Property (excluding any improvement) in order to utilize or provide for the upkeep of the areas subject to easements granted in this Article to the Association. Each Owner shall be liable to the Association for the cost of all upkeep performed by the Association and rendered necessary by any act, neglect, carelessness or failure to comply with this Declaration for which such Owner is responsible pursuant to this Declaration, and the costs incurred by the Association shall be assessed against such Owner's Lot in accordance with the provisions herein.

9.3. The Landowners and Builders, on behalf of itself and its successors and assigns, hereby reserves unto itself and grants an easement to: (a) all police, fire, ambulance and other rescue personnel over and through all or any portion of the Property for the lawful performance of their functions during emergencies; and (b) the Association, over and through all Lots, if emergency measures are required in any Lot to reduce a hazard thereto or to any other portion of the Property. The Association is hereby authorized but not obligated to take any such measures.

9.4. The Landowners and Builders hereby reserves unto themselves, for so long as the Landowners and Builders are engaged in development or sales, or activities related thereto anywhere on the Property or the Landowners and Builders are an Owner and to each Owner and each person lawfully occupying a Lot, a non-exclusive right and easement of use and enjoyment in common with others of the Common Areas, provided, however, that the Landowners and Builders shall have the same right and easement of use as the other Owners. Such right and easement of use and enjoyment shall be appurtenant to each Lot, whether or not mentioned in the deed thereto. Any purported conveyance or other transfer of such rights and easements apart from the Lot to which such rights and easements are appurtenant shall be void.

9.5. Vehicle and Pedestrian Access. The Landowners and Builders hereby reserves to themselves, for so long as Landowners and Builders are engaged in development or sales, or activities related thereto anywhere on the Property, and hereby grants to each other Owner and each person lawfully occupying a Lot a non-exclusive easement over all streets, walks and paths on the Common Areas for the purpose of vehicular or pedestrian access, ingress and egress, as appropriate, to any portion of the Property to which such person has the right to go. Any purported conveyance or other transfer of such rights and easements apart from the Lot to which such right and easement are appurtenant shall be void.

9.6. The rights and easements of enjoyment created hereby shall be subject to all rights and powers of the Landowners and Builders and the Association, including without limitation the Association's right to regulate the use of the Common Areas, to grant easements across the Common Areas, to dedicate portions of the Common Areas and to mortgage the Common Areas subject to the provisions of this Declaration.

9.7. Nothing contained in this Declaration shall be construed to in any way limit the right of Landowners and Builders to use any Lot owned by Landowners and Builders for the purpose of a construction office, sales office, and/or for model and display purposes and for the carrying out of the above activities, and/or storage compound and parking lot for sales, marketing, and construction.

9.8. The Landowners and Builders, for themselves and their respective successors and assigns, reserves the right to alter, amend, and change any Lot lines or subdivision plat prior to transfer of any Lot pursuant to a recorded subdivision plat. In addition, Landowners and Builders reserve the right to alter Lot lines between Lots owned by it at any time.

9.9. The Landowners and Builders hereby expressly reserve unto themselves and hereby grants to any utility company, on, over, under, or in any portion of any Unit, the right to install, maintain and repair pipes, drains, mains, conduits, lines, meters and other facilities for gas, electric, water, telephone, cable, and other public utilities or quasi-public utilities deemed necessary or advisable to provide adequate service to any Lot now or hereafter laid out or established on the Property and making openings and excavations therein or thereon, provided that same be corrected and the area be restored and left in good condition.

9.10. If any structure (including, without limitation, any gables, overhangs, soffits or roof lines), or any part thereof, as a result of the initial construction and/or settlement and/or shifting of such structure, encroaches upon an adjoining Lot, there shall arise, without the necessity of any further or additional act or instrument, an easement for the encroachment in favor of the encroaching Owner, his/her/their heirs, personal representatives, successors and assigns. Such easement shall remain in effect for so long as the encroachment shall exist. The conveyance or other disposition of a Lot shall be deemed to include and convey, or be subject to, any easements arising under the provisions of this Section 9.10. without specific or particular reference to such easement.

ARTICLE X

GENERAL PROVISIONS

10.1. The covenants, conditions and restrictions contained in this Second Amended Declaration may be enforced as follows.

10.1.1. Violation Constitutes Nuisance. The violation of the provisions of this Second Amended 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.

10.1.2. Remedies.

(a) Any single or continuing violation of the covenants contained in this Second Amended Declaration may be enjoined in an action brought by the Builder (for so long as the Builder is the Owner of any Unit or Office Building), 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.

(b) Nothing in this Second Amended 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 Second Amended 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 Second Amended Declaration in the future or against other similar violations.

10.2. Limited Liability. Neither the Builder, the Trustees, nor 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.

10.3. Arbitration. In any dispute between the Association and any Owner arising under the terms of this Second Amended Declaration or the Bylaws 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 Builder that disputes be resolved by arbitration wherever possible, the Association shall not be deemed to have waived its rights to foreclose liens for Common Areas 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. In addition to the foregoing, in the event any dispute arises between the Builder and the Association or any of its Owners, then the Association, or any of its Owners, as the case may be, shall notify Builder in writing of the existence of the dispute the requested remedy. Builder shall have forty-five (45) days to take the actions necessary to resolve the dispute, provided that the Association or any of its Owners, as applicable, cooperate with Builder in such resolution. If the Builder fails or refuses to resolve the dispute, then the parties shall proceed to resolve said dispute under arbitration as described in this Section 10.3.

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

10.5. Notices. All notices under this Second Amended 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. All notices shall be sent to the address shown on the records of the Association.

10.6. Liberal Interpretation and Conflict. The provisions of this Second Amended Declaration shall be interpreted liberally to further the goal of creating a uniform plan for development of Bear Hollow Village. Section 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. In addition, in the event there is any conflict between any provisions of this Second Amended Declaration and any other type of governing document of an association formed by the Owners of single family or condominium Units (i.e., separate condominium association for Cross Country Condominiums, Calgary Condominiums or Bear Claw Condominiums), then the provisions of this Second Amended Declaration shall govern and control.

10.7. Limitation of Restrictions on Builder. Builder is undertaking the work of planning, developing and selling the Property. The completion of the 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 Second Amended Declaration shall be understood and construed to:

(a) Prevent Builder or 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 Builder or its representatives from erecting, constructing and maintaining on any part of the Property such structures as may be reasonably necessary for the completion 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 Builder from conducting on any part of the Property as residential development and the Office Building as a commercial use and of disposing of the Property by sale, lease or disposition thereof.

(d) The exemption in this Section 10.7. shall automatically expire upon the termination of the Development Period.

10.8. The Association and all Owners shall comply in all respects with the Amended and Restated Development Agreement, which is attached hereto and incorporated herein, and agree to fully indemnify the Landowners and Builders for any violation of the Amended and Restated Development Agreement by the Association and/or by any Owners for all costs which Landowners and/or Builders may incur as a result of said breach, including, without limitation, attorneys fees and court costs.

10.9. Throughout the Subdivision and for any Property subject to any affordable housing restrictions, by deed, the Amended and Restated Development Agreement, the Prior Agreement (as defined in the Amended and Restated Development Agreement) or otherwise, the deed restriction for the sales prices of the affordable housing component are as follows:

(a) Single Family Attached Dwellings located on Lots T3, T7, T16, T20, T25, T29, T33, T38, T42, T44, T45, T46, T49, T50, T54, T60, T64, T104, T105, T114, T115, T119, T122, T125, T129, T133, T149, T153, T162, T168, T169 and T174, are designated as affordable units and the sales price for these Units (as of October 2, 2003) will not exceed a base price of $247,750; provided, however, the sales price shall increase on a per diem basis (based on three percent (3%) per year) beginning October 2, 2003 and each year thereafter (i.e., the sales price shall increase by a factor of 0.0000821911 each day from and after October 2, 2003).

(b) Units 102, 103, 202 and 203 in the Cross Country Condominiums are designated as affordable Units and the sales price for these Units (as of October 2, 2003) will not exceed a base price of $189,750; provided, however, the sales price shall increase on a per diem basis (based on three percent (3%) per year) beginning October 2, 2003 and shall continue to increase each day thereafter (i.e., the sales price shall increase by a factor of 0.0000821911 each day from and after October 2, 2003).

(c) Units 100, 101, 200 and 201 in the Cross Country Condominiums are designated as affordable Units and the sales price for these Units (as of October 2, 2003) will not exceed a base price of $120,750; provided, however, the sales price shall increase on a per diem basis (based on three percent (3%) per year) beginning October 2, 2003 shall continue to increase each day thereafter (i.e., the sales price shall increase by a factor of 0.0000821911 each day from and after October 2, 2003).

(d) Units 100, 101, 102, 103, 104, 200, 201, 202, 203 and 204 in the Calgary Condominiums are designated as affordable Units and the five larger Units shall have an initial sales price which will not exceed a base price of $189,750 and the remaining five smaller Units will have an initial sales price of $120,750; provided, however, each of these sales prices shall increase on a per diem basis (based on three percent (3%) per year) beginning October 2, 2003 shall continue to increase each day thereafter (i.e., the sales price shall increase by a factor of 0.0000821911 each day from and after October 2, 2003).

(e) Units 100, 101, 102, 103, 104, 200, 201, 202, 203 and 204 in the Bear Claw Condominiums are affordable Units and the five larger Units shall have an initial sales price which will not exceed $189,750 and the remaining five smaller Units will have an initial sales price of $120,750; provided, however, the sales price shall be increased by three percent (3%) per year beginning October 2, 2003 and shall continue to be increased each day thereafter (i.e., the sales price shall increase by a factor of 0.0000821911 each day from and after October 2, 2003).

All prices set forth in this Section 10.9 shall be exclusive of any costs for options and/or Owner's improvements added after the purchase of the Unit.

10.10. The registered agent of the Association as of the date of this Second Amended Declaration is Terry Mischler, whose address is 5522 North Cross Country Way, P.O. Box 981253, Park City, Utah 84098.

10.11. To the extent there is any conflict between the Amended and Restated Development Agreement and this Second Amended Declaration, the provisions of the Amended and Restated Development Agreement shall control. To the extent there is a conflict between this Second Amended Declaration and the Articles of Incorporation and/or Bylaws, the provisions of this Second Amended Declaration shall control; and if there is a conflict between the Articles of Incorporation and Bylaws, the Articles of Incorporation shall control.

IN WITNESS WHEREOF, the parties have set their respective hands and seals on the date first written above.

PACIFIC SECURITY FINANCIAL, INC., a Washington Corporation

By: David L Guthrie
Name: DAVID L. GUTHRIE
Its: PRESIDENT / CEO

STATE OF Washington)
: ss.
COUNTY OF Spokane)

The foregoing instrument was acknowledged before me this 17th day of March, 2004, by David L. Guthrie, the President of Pacific Security Financial, Inc.

Notary Public
Residing at: Coeur d'Alene, Idaho

My Commission Expires: 1/15/07

NOTARY PUBLIC STATE OF WASHINGTON MONICA L. STANTON COMMISSION EXPIRES JAN 15, 2007

PRING CORPORATION, a Washington corporation

By: _____
Name: Bradley T. Pring
Its: President

STATE OF Washington)
: ss.
COUNTY OF Spokane)

The foregoing instrument was acknowledged before me this 18th day of March, 2004, by Bradley T. Pring the President of Pring Corporation.

_____
Notary Public
Residing at: Spokane, WA

My Commission Expires: July 2, 2005

JOHN T. PETERSON Commission Expires NOTARY PUBLIC JULY 2, 2005 STATE OF WASHINGTON

BEAR HOLLOW RESTORATION, LLC, a Utah limited liability company

By: HAMLET HOMES CORPORATION, a Utah corporation, its managing member

By: _____
Name: Michael Brodsky
Its: Chairman

STATE OF Utah)
: ss.
COUNTY OF Salt Lake)

The foregoing instrument was acknowledge before me this 16th day of March, 2004, by Michael Brodsky, the chairman of Hamlet Homes Corporation, which is the managing member of Bear Hollow Restoration LLC.

_____
Notary Public
Residing at: West Jordan, UT

My Commission Expires: Nov 2, 2005

BK1608 PG1694

NOTARY PUBLIC DEBRA ANDERS 8378 South 3220 West West Jordan Utah 84088 My Commission Expires November 2, 2005 STATE OF UTAH

WITNESS/ATTEST:

BEAR HOLLOW VILLAGE
HOMEOWNERS ASSOCIATION
By its Trustees and President

Howard Butt, Trustee and President

Terry Mischler, Trustee

Mark Lords, Trustee

STATE OF NEW JERSEY)
: ss.
COUNTY OF MERCER)

On the 22 day of MARCH, 2004, personally appeared before me, Howard Butt, whose identity is personally known to me or has been proven on the basis of satisfactory evidence, and being first duly sworn, acknowledged that he was duly authorized to execute the foregoing instrument on behalf of Bear Hollow Village Homeowners Association, and that he did so for his own voluntary act.

Notary Public
Residing at:

ANGELA M. CAPONI
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 10/16/2006

My Commission Expires: 10/16/2006

STATE OF Utah)
: ss.
COUNTY OF Summit)

On the 30 day of March, 2004, personally appeared before me, Terry Mischler, whose identity is personally known to me or has been proven on the basis of satisfactory evidence, and being first duly sworn, acknowledged that he/she was duly authorized to execute the foregoing instrument on behalf of Bear Hollow Village Homeowners Association, and that he/she did so for his/her own voluntary act.

Notary Public
Residing at:

My Commission Expires:

STATE OF Vermont)
: ss.
COUNTY OF Chittenden)

Notary Public
BECKY K. PHILLIPS
1745 Sidewinder Drive
Park City, Utah 84060
My Commission Expires
November 22, 2005
State of Utah

BK1608 PG1695

On the 17th day of MARCH, 2004, personally appeared before me, Mark Lords, whose identity is personally known to me or has been proven on the basis of satisfactory evidence, and being first duly sworn, acknowledged that he was duly authorized to execute the foregoing instrument on behalf of Bear Hollow Village Homeowners Association, and that he did so for his own voluntary act.

Patricia B. Cooney
Notary Public
Residing at: Essex Junction, Vermont

My Commission Expires: 2/10/07

CERTIFICATE OF THE SECRETARY OF
BEAR HOLLOW VILLAGE HOMEOWNERS ASSOCIATION

In accordance with Section 3.06. of the Bylaws, the Secretary, as the person authorized to count votes of the Owners, hereby certifies that the Second Amended, Restated and Confirmatory Declaration of Protective Covenants, Conditions and Restrictions of Bear Hollow Village Homeowners Association, to which this Certificate is attached, was approved by the vote of at least 66 2/3% of the Owners at a meeting held on March 12, 2004 at the Hampton Inn in Summit County, Utah of the Association in which there was a quorum present in person or by proxy.

BEAR HOLLOW VILLAGE
HOMEOWNERS ASSOCIATION

By: _____
Secretary

STATE OF ~~UTAH~~ VERMONT
COUNTY/CITY OF CHITTENDEN

I PATRICIA CORNING, a Notary Public in the above-referenced jurisdiction, personally appeared MARK O. LORDS, known to me, or satisfactorily proven to be, the person named as Secretary of Bear Hollow Village Homeowners Association , and as Secretary, and by virtue of the authority vested in him/her, acknowledged the foregoing Certificate for the purposes therein contained.

GIVEN under my hand and seal this 17th day of MARCH, 2004.

_____
Notary Public

My Commission Expires: 2/10/07

BK1608 PG1697

EXHIBIT A
BEAR HOLLOW VILLAGE BOUNDARY DESCRIPTION

A parcel of land located in the Southwest quarter of Section 19, and in the Northwest quarter of Section 30, Township 1 South, Range 4 East, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at the Northwest corner of said Section 30, thence North 0° 05' 23" West, 1333.27 feet along the West line of said Section 19 to the West corner of the Southwest quarter of said Section 19; thence South 89° 42' 52" East, 1205.38 feet to the West Right-of-Way line of Utah State Highway 224 (SR-224); thence South 0° 27 '00" West, 1030.95 feet; thence South 06° 57' 32" West, 132.32 feet; thence Southerly, 787.02 feet along the arc of a 2764.78-foot radius non-tangent curve to the right to a point of non-tangency (chord bears South 08° 36' 17" West, 784.36 feet); thence South 13° 01' 16" West, 153.37 feet; thence South 16° 45' 35" West, 300.00 feet; thence South 11° 19' 10" East, 6.02 feet; thence North 88° 21' 54" West, 156.46 feet; thence South 15° 34' 05" West, 304.00 feet; thence North 89° 22' 23" West, 669.05 feet; thence North 01° 36' 53" West, 734.64 feet; thence West, 13.43 feet to the West line of said Section 30; thence North 00° 03' 43" West, 599.84 feet along said West line to the Point of Beginning.

Less and excepting the following parcels:

Sports Park Condominiums

Beginning at a point 100.04 feet East and 29.96 feet South from the Northwest corner of Section 30, Township 1 South, Range 4 East, Salt Lake Base and Meridian; thence North 55° 23' 29" East, 174.54 feet; thence South 34° 36' 47" East, 68.92 feet to the Northwesterly Right-of-Way line of Lillehammer Lane; thence South 55° 33' 35" West 93.67 feet along said Right-of-Way line; thence continuing South 55° 33' 35" West 80.88 feet; thence North 34° 36' 32" West 68.40 feet to the Point of Beginning.

Lodge Parcel

Parcel A, Bear Hollow Village Subdivision according to the Official Plat thereof recorded in the Summit County Recorder's Office and as described in the Amended and Restated Development Agreement and comprised of 3.958 acres, more or less.

The total area included in this Description contains 2,734,130.52 square feet or 62.767 acres, more or less.

EXHIBIT B

BEAR HOLLOW VILLAGE - OWNERSHIP INTERESTS

LOT #	LOT AREA (Ac)	PROJECT COMMON AREA OWNERSHIP (%)	BEAR HOLLOW VILLAGE HOMEOWNERS ASSN. VOTES
A	0.430	0.3448	1
B	0.649	0.3448	1
C	0.945	0.3448	1
D	1.341	0.3448	1
E	1.063	0.3448	1
F	0.958	0.3448	1
G	0.401	0.3448	1
1	0.100	0.3448	1
2	0.083	0.3448	1
3	0.085	0.3448	1
4	0.084	0.3448	1
5	0.082	0.3448	1
6	0.081	0.3448	1
7	0.082	0.3448	1
8	0.079	0.3448	1
9	0.078	0.3448	1
10	0.079	0.3448	1
11	0.078	0.3448	1
12	0.078	0.3448	1
13	0.085	0.3448	1
14	0.084	0.3448	1
15	0.085	0.3448	1
16	0.085	0.3448	1
17	0.084	0.3448	1
18	0.082	0.3448	1
19	0.084	0.3448	1
20	0.088	0.3448	1
21	0.082	0.3448	1
22	0.095	0.3448	1
23	0.088	0.3448	1
24	0.091	0.3448	1
25	0.088	0.3448	1
26	0.110	0.3448	1
27	0.141	0.3448	1
28	0.124	0.3448	1
29	0.104	0.3448	1

LOT #	LOT AREA (Ac)	PROJECT COMMON AREA OWNERSHIP (%)	BEAR HOLLOW VILLAGE HOMEOWNERS ASSN. VOTES
30	0.242	0.3448	1
31	0.177	0.3448	1
32	0.151	0.3448	1
33	0.184	0.3448	1
34	0.252	0.3448	1
35	0.296	0.3448	1
36	0.183	0.3448	1
37	0.149	0.3448	1
38	0.114	0.3448	1
39	0.095	0.3448	1
40	0.083	0.3448	1
41	0.077	0.3448	1
42	0.077	0.3448	1
43	0.086	0.3448	1
44	0.083	0.3448	1
45	0.084	0.3448	1
46	0.084	0.3448	1
47	0.082	0.3448	1
48	0.076	0.3448	1
49	0.079	0.3448	1
50	0.080	0.3448	1
51	0.087	0.3448	1
52	0.141	0.3448	1
53	0.080	0.3448	1
54	0.088	0.3448	1
55	0.077	0.3448	1
56	0.077	0.3448	1
57	0.080	0.3448	1
58	0.072	0.3448	1
59	0.073	0.3448	1
60	0.068	0.3448	1
61	0.068	0.3448	1
62	0.072	0.3448	1
63	0.073	0.3448	1
64	0.068	0.3448	1
65	0.072	0.3448	1
66	0.071	0.3448	1
67	0.072	0.3448	1
68	0.074	0.3448	1
69	0.075	0.3448	1

LOT #	LOT AREA (Ac)	PROJECT COMMON AREA OWNERSHIP (%)	BEAR HOLLOW VILLAGE HOMEOWNERS ASSN. VOTES
70	0.075	0.3448	1
71	0.078	0.3448	1
72	0.075	0.3448	1
73	0.077	0.3448	1
74	0.075	0.3448	1
75	0.075	0.3448	1
76	0.075	0.3448	1
77	0.075	0.3448	1
78	0.073	0.3448	1
79	0.104	0.3448	1
T1	0.085	0.3448	1
T2	0.059	0.3448	1
T3	0.052	0.3448	1
T4	0.095	0.3448	1
T5	0.083	0.3448	1
T6	0.056	0.3448	1
T7	0.044	0.3448	1
T8	0.049	0.3448	1
T9	0.067	0.3448	1
T10	0.065	0.3448	1
T11	0.045	0.3448	1
T12	0.046	0.3448	1
T13	0.057	0.3448	1
T14	0.062	0.3448	1
T15	0.053	0.3448	1
T16	0.046	0.3448	1
T17	0.080	0.3448	1
T18	0.079	0.3448	1
T19	0.053	0.3448	1
T20	0.044	0.3448	1
T21	0.051	0.3448	1
T22	0.081	0.3448	1
T23	0.090	0.3448	1
T24	0.055	0.3448	1
T25	0.046	0.3448	1
T26	0.053	0.3448	1
T27	0.061	0.3448	1
T28	0.063	0.3448	1
T29	0.038	0.3448	1
T30	0.045	0.3448	1

LOT #	LOT AREA (Ac)	PROJECT COMMON AREA OWNERSHIP (%)	BEAR HOLLOW VILLAGE HOMEOWNERS ASSN. VOTES
T31	0.057	0.3448	1
T32	0.059	0.3448	1
T33	0.037	0.3448	1
T34	0.044	0.3448	1
T35	0.064	0.3448	1
T36	0.073	0.3448	1
T37	0.048	0.3448	1
T38	0.041	0.3448	1
T39	0.048	0.3448	1
T40	0.058	0.3448	1
T41	0.060	0.3448	1
T42	0.038	0.3448	1
T43	0.063	0.3448	1
T44	0.044	0.3448	1
T45	0.035	0.3448	1
T46	0.048	0.3448	1
T47	0.075	0.3448	1
T48	0.044	0.3448	1
T49	0.038	0.3448	1
T50	0.039	0.3448	1
T51	0.046	0.3448	1
T52	0.056	0.3448	1
T53	0.054	0.3448	1
T54	0.039	0.3448	1
T55	0.063	0.3448	1
T56	0.078	0.3448	1
T57	0.085	0.3448	1
T58	0.071	0.3448	1
T59	0.044	0.3448	1
T60	0.037	0.3448	1
T61	0.053	0.3448	1
T62	0.053	0.3448	1
T63	0.044	0.3448	1
T64	0.037	0.3448	1
T65	0.045	0.3448	1
T66	0.070	0.3448	1
T67	0.066	0.3448	1
T68	0.042	0.3448	1
T69	0.042	0.3448	1
T70	0.055	0.3448	1

LOT #	LOT AREA (Ac)	PROJECT COMMON AREA OWNERSHIP (%)	BEAR HOLLOW VILLAGE HOMEOWNERS ASSN. VOTES
T71	0.055	0.3448	1
T72	0.042	0.3448	1
T73	0.043	0.3448	1
T74	0.050	0.3448	1
T75	0.051	0.3448	1
T76	0.042	0.3448	1
T77	0.042	0.3448	1
T78	0.065	0.3448	1
T79	0.053	0.3448	1
T80	0.045	0.3448	1
T81	0.046	0.3448	1
T82	0.056	0.3448	1
T83	0.053	0.3448	1
T84	0.044	0.3448	1
T85	0.055	0.3448	1
T86	0.054	0.3448	1
T87	0.044	0.3448	1
T88	0.053	0.3448	1
T89	0.054	0.3448	1
T90	0.055	0.3448	1
T91	0.054	0.3448	1
T92	0.047	0.3448	1
T93	0.047	0.3448	1
T94	0.058	0.3448	1
T95	0.062	0.3448	1
T96	0.053	0.3448	1
T97 (Ofc Bldg)	0.063	0.3448	1
T98 (Ofc Bldg)	0.043	0.3448	1
T99 (Ofc Bldg)	0.043	0.3448	1
T100 (Ofc Bldg)	0.043	0.3448	1
T101 (Ofc Bldg)	0.061	0.3448	1
T102 (Live/Work)	0.074	0.3448	1
T103 (Live/Work)	0.051	0.3448	1
T104 (Live/Work)	0.043	0.3448	1
T105 (Live/Work)	0.043	0.3448	1
T106 (Live/Work)	0.051	0.3448	1
T107 (Live/Work)	0.078	0.3448	1
T108 (Live/Work)	0.065	0.3448	1
T109 (Live/Work)	0.061	0.3448	1
T110	0.053	0.3448	1

LOT #	LOT AREA (Ac)	PROJECT COMMON AREA OWNERSHIP (%)	BEAR HOLLOW VILLAGE HOMEOWNERS ASSN. VOTES
T111	0.053	0.3448	1
T112	0.053	0.3448	1
T113	0.045	0.3448	1
T114	0.038	0.3448	1
T115	0.038	0.3448	1
T116	0.044	0.3448	1
T117	0.054	0.3448	1
T118	0.069	0.3448	1
T119	0.041	0.3448	1
T120	0.058	0.3448	1
T121	0.057	0.3448	1
T122	0.041	0.3448	1
T123	0.064	0.3448	1
T124	0.065	0.3448	1
T125	0.045	0.3448	1
T126	0.070	0.3448	1
T127	0.063	0.3448	1
T128	0.052	0.3448	1
T129	0.042	0.3448	1
T130	0.077	0.3448	1
T131	0.067	0.3448	1
T132	0.057	0.3448	1
T133	0.044	0.3448	1
T134	0.049	0.3448	1
T135	0.062	0.3448	1
T136	0.060	0.3448	1
T137	0.062	0.3448	1
T138	0.062	0.3448	1
T139	0.063	0.3448	1
T140	0.063	0.3448	1
T141	0.065	0.3448	1
T142	0.065	0.3448	1
T143	0.062	0.3448	1
T144	0.062	0.3448	1
T145	0.060	0.3448	1
T146	0.061	0.3448	1
T147	0.061	0.3448	1
T148	0.068	0.3448	1
T149	0.041	0.3448	1
T150	0.061	0.3448	1

LOT #	LOT AREA (Ac)	PROJECT COMMON AREA OWNERSHIP (%)	BEAR HOLLOW VILLAGE HOMEOWNERS ASSN. VOTES
T151	0.070	0.3448	1
T152	0.055	0.3448	1
T153	0.043	0.3448	1
T154	0.048	0.3448	1
T155	0.068	0.3448	1
T156	0.065	0.3448	1
T157	0.054	0.3448	1
T158	0.056	0.3448	1
T159	0.058	0.3448	1
T160	0.060	0.3448	1
T161	0.049	0.3448	1
T162	0.042	0.3448	1
T163	0.050	0.3448	1
T164	0.062	0.3448	1
T165	0.062	0.3448	1
T166	0.050	0.3448	1
T167	0.049	0.3448	1
T168	0.041	0.3448	1
T169	0.041	0.3448	1
T170	0.048	0.3448	1
T171	0.069	0.3448	1
T172	0.068	0.3448	1
T173	0.050	0.3448	1
T174	0.042	0.3448	1
T175	0.055	0.3448	1
T176	0.063	0.3448	1

UNIT #	UNIT AREA (SF)	PROJECT COMMON AREA OWNERSHIP (%)	CONDOMINIUM BUILDING	BEAR HOLLOW VILLAGE HOMEOWNERS ASSN. VOTES
100	700	0.3448	Cross Country	1
101	700	0.3448		1
102	1000	0.3448		1
103	1000	0.3448		1
200	700	0.3448		1
201	700	0.3448		1
202	1000	0.3448		1
203	1000	0.3448		1
100	700	0.3448	Calgary	1
101	700	0.3448		1
102	1000	0.3448		1
103	1000	0.3448		1
104	1000	0.3448		1
200	700	0.3448		1
201	700	0.3448		1
202	700	0.3448		1
203	1000	0.3448		1
204	1000	0.3448		1
100	700	0.3448	Bear Claw	1
101	700	0.3448		1
102	1000	0.3448		1
103	1000	0.3448		1
104	1000	0.3448		1
200	700	0.3448		1
201	700	0.3448		1
202	700	0.3448		1
203	1000	0.3448		1
204	1000	0.3448		1

Total Condominium	28
Total Single Family	262
TOTAL VOTES	290

ATTACHMENT ONE
TO THE SECOND AMENDED, RESTATED AND CONFIRMATORY
DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS FOR
BEAR HOLLOW VILLAGE

A. General. This Attachment applies to Bear Hollow Village, Lots A through G, single family building Lots.

B. Nature of Ownership. Lots A through G will be single family Lots which will be conveyed by the Builder to the Owner and Member as single family home sites. The nature of ownership will be fee simple title to the land described in the recorded plat for each such Lot, with the Owner and Member subject to the covenants, conditions and restrictions for the Specially Planned Area known as Bear Hollow Village.

C. Participation in Common Areas and Expenses. Owners of Lots A through G will grant easements for public access to and across trails or other Common Areas located on the Lots as depicted in the recorded plat for Bear Hollow Village. Owners of Lots A through G will be granted easements for the use of all Common Areas within the Specially Planned Area and will have the same rights to the use and enjoyment of all common recreation facilities granted to Members and Owners of other Lots and/or Units with the SPA. Owners of Lots A through G whose Lots are unimproved will be required to pay to the Association $60 per Unit per month. After construction of a dwelling on Lots A through G is completed as evidenced by a certificate of occupancy, the Owner's monthly assessment will be increased by an amount equal to $60 per Unit per month plus three and three quarters cents ($0.0375) multiplied by the finished, living square footage of the dwelling. As the Association changes the rate of assessment on other Units within the SPA, this total monthly rate will be changed by an amount equal to the total monthly increase/decrease on the other Units.

D. Architectural Review of Building Design. It is planned that Lots A through G will be Units within the Bear Hollow Village SPA not designed or constructed by the Builder or its successors. As such, for the purpose of ensuring compatibility of design of the residences to be constructed on Lots A through G, the Design Review Committee reserves the right to review and approve the proposed design of all buildings to be constructed on Lots A through G prior to the issuance of a building permit by Summit County.

E. Design Guidelines – General. Architectural designs will be encouraged that reflect the best of the historical styles of the region and that utilize construction materials indigenous to the region. Styles shall reflect the local environment and lifestyle and be compatible with the design style(s) chosen for the other Units with the SPA. Extreme designs for designs including unusual size, mass, or shapes, or using materials not appropriate for the SPAs mountain setting will not be approved. Specific designs that will not be approved include those incorporating gambrel or mansard roofs, curvilinear and domed shapes, A-frames or Quonset roofs.

1. Building Footprints. Structures will generally be sited within the designated buildable area for each Lot as shown on the recorded plat. Considerations unique to each Lot will dictate the possible setbacks for each building in accordance with SPA standards.

2. Outbuildings. A single structure will be approved for each Lot A through G, excepting that a detached garage may be approved providing that the location and design of such a building meets with the overall design objectives of this provision. Structures such as storage sheds or doghouses will only be approved for rear yard areas and only if they can be adequately shielded from view from other Units and from the street. Outbuildings will only be constructed in conjunction with or after the completion of the primary residence on the Lot.

3. Building Size. The primary residence to be constructed on each of Lots A through G will include a minimum of 2,500 square feet of finished living space, exclusive of areas below grade or garages. Exceptions to this requirement may be granted for designs which include a volume of space normally associated with a 2,500 square foot residence but which do not meet the 2,500 square foot requirement due to multi-story open spaces in the structure design. In any event, the building footprint must contain at least 1,400 square feet. Overall building height may not exceed 38 feet from the peak of the highest roof to finished grade directly below or a beam at highest point.

4. Review and Approval Process. Outlined below are the steps in the process to obtain approval for the design of a single family residence on Lots A through G.

(a) Obtain a copy of the restrictive covenants and this Attachment.

(b) Obtain a copy of the plat for the Lot showing the approved buildable area.

(c) Prepare initial concept sketches of the proposed structures and review these with the Design Review Committee.

(d) Incorporate design review suggestions into schematic drawings.

(e) Submit final construction drawings to the Design Review Committee. The Design Review Committee shall have up to 30 days to either approve the design or request further modifications. If the Committee has not acted within 30 days and notified the Owner, the plans will be considered approved. In addition, at the time the drawings are submitted to the Design Review Committee for review, the Owner shall render to the Design Review Committee a payment of $2,500.00, $250.00 of which shall be applied for a non-refundable review fee and the balance of $2,250.00 as security ("Security") to be held by the Association to insure that the Owner does not damage any public or private roads or other infrastructure and improvements as a result of the Owner's construction. The Association shall return the Security to the Owner upon the occurrence of the following two (2) events: (i) the Owner has received a use and occupancy permit and all exterior landscaping for the Unit has been completed and inspected by the Design Review Committee; and (ii) the Design Review Committee has inspected all public and private roads, infrastructure and other improvements which may have been affected by the Owner's construction and determined that no damage has taken place. In the event damage is observed by the Design Review Committee, then the Security (or any portion) may be used to pay for the repairs to the damage and in the further event the cost to repair the damage exceeds the amount of Security, then the Owner shall be liable to pay the Association for such overage within 10 days after notice to the Owner by the Design Review Committee. Any failure by the Owner to pay the overage within the 10 day period shall result in the Association

filing a lien against the Unit in accordance with Section 4.12. of the Second Amended Declaration.

5. Construction to Proceed Without Delay. Once construction has commenced, the Owner shall have a maximum of 200 days to complete the exterior of the residence and an additional 30 days to repair construction damage to the ground surrounding the residence and begin landscaping.

6. Landscaping. Owners shall use, to the maximum extent possible, plants indigenous to the region and to the Bear Hollow Village SPA with only minimal areas to be irrigated for the maintenance of a traditional lawn.

F. Water, Sewer and Utilities. Water rights sufficient for a single family residence must be obtained by the Owner to cover culinary water and irrigation water to serve such residence at the time of building permit. Owners of individual Lots will be responsible for paying a water hookup fee to Summit Water Distribution Company and any hookup or capacity fees required by the Snyderville Basin Sewer Improvement District. In addition, Owners of individual Lots pay directly to Summit Water Distribution Company the costs for culinary water (inside water usage) and irrigation water (exterior water usage) for their own Lot. The foregoing water fees are exclusive of any water expense included in the assessment paid to the Association, which defrays the water expense relating to the Common Areas.

G. Driveways. Basic driveway cuts will be provided and a common gravel driveway will be cut for Lots D, E, F and G. This drive shall be paved as required by Summit County, Utah and/or Bear Hollow Village Homeowners Association. The Owners of Lots D, E, F and G shall share equally in the paving cost. In the event one or more Lot Owners pay in full for the paving of the drive, the paying Lot Owners are entitled to a pro rata reimbursement of the paving expense from the remaining Lot Owners.

H. Each Owner will maintain appropriate property insurance for his/her Unit.

ATTACHMENT TWO
TO THE SECOND AMENDED, RESTATED AND CONFIRMATORY
DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS FOR
BEAR HOLLOW VILLAGE

A. General. This Attachment applies to Bear Hollow Village, Lots 1 through 79, single family homes.

B. Nature of Ownership. The nature of Ownership will be fee simple title to the land described on the official plat of the SPA plus all improvements constructed thereon, with the Owner and Member subject to the covenants, conditions and restrictions for the Specially Planned Area known as Bear Hollow Village.

C. Participation in Common Areas and Expenses. Owners of Units on Lots 1 through 79 will grant easements for public access to and across trails or other Common Areas on the Units as depicted on the recorded plat for Bear Hollow Village. Owners of Lots 1 through 79 will be granted easements for the use of all Common Areas within the SPA and will have the same rights to the use and enjoyment of all common recreation facilities granted to Members and Owners of other Lots and/or Units within the SPA. Owners of Lots 1 through 79 will participate in the expenses of the Association as set forth in Section 4.11 of the Declaration, and specifically, each Owner will pay a monthly assessment equal to the rate of .075 cents per square foot of finished living space. As the Association changes the rate of assessment on other Units within the SPA, this total monthly rate will be changed by an amount equal to the total monthly increase/decrease on the other Units. Further, the Owners (excluding Landowner) of Lots 1, 2, 4, 5, 6, 7, 14, 22,30, 31, 32, 33, 34, 35, 36 and 37 shall pay Thirty-Seven Dollars and fifty cents ($37.50) per month for each of their respective Lots until such time as a dwelling is completed on the Lot and a certificate of occupancy is issued for such Lot, which amount shall be subject to revision by the Board of Trustees from time to time.

D. Architectural Review of Design Guidelines. Initial building design will be in accordance with the criteria established by Summit County, Utah; provided, however, the Design Review Committee's consent shall not be required for the building design on those lots owned by Builder. Other than construction performed by Builder, Owners wishing to make alterations to the exterior dimensions or appearance of any buildings, or to construct any additional permanent structures on the Lot, must submit plans and a request for approval to the Design Review Committee; provided, however, the Design Review Committee may withhold its approval until the Owner procures any necessary building permit(s). If the Committee has not acted within 30 days and notified the Owner, the plans will be considered approved. In addition, at the time the drawings are submitted to the Design Review Committee for review, the Owner shall render to the Design Review Committee a payment of $2,500.00, $250.00 of which shall be applied for a non-refundable review fee and the balance of $2,250.00 as security ("Security") to be held by the Association to insure that the Owner does not damage any public or private roads or other infrastructure and improvements as a result of the Owner's construction. The Association shall return the Security to the Owner upon the occurrence of the following two (2) events: (i) the Owner has received a use and occupancy permit and all exterior landscaping for the Unit has been completed and inspected by the Design Review Committee; and (ii) the Design Review Committee has inspected all public and private roads, infrastructure and other improvements which may have been affected by the Owner's construction and determined that no damage has taken place. In the event damage is observed by the Design Review

Committee, then the Security (or any portion) may be used to pay for the repairs to the damage and in the further event the cost to repair the damage exceeds the amount of Security, then the Owner shall be liable to pay the Association for such overage within 10 days after notice to the Owner by the Design Review Committee. Any failure by the Owner to pay the overage within the 10-day period shall result in the Association filing a lien against the Unit in accordance with Section 4.12. of the Second Amended Declaration.

1. Design guidelines applicable to Units owned by Builder include the following:

   (a) Building Footprints. Structures will generally be sited within the designated buildable area for each Lot as shown on the recorded plat. Considerations unique to each Lot will dictate the possible setbacks for each building in accordance with SPA standards.

   (b) Outbuildings. A single structure will be approved the Lots, excepting that a detached garage may be approved providing that the location and design of such a building meets with the overall design objectives of this provision. Structures such as storage sheds or doghouses will only be approved for rear yard areas and only if they can be adequately shielded from view from other Units and from the street. Outbuildings will only be constructed in conjunction with or after the completion of the primary residence on the Lot.

   (c) Landscaping. Owners shall use, to the maximum extent possible, plants indigenous to the region and to the Bear Hollow Village SPA with only minimal areas to be irrigated for the maintenance of a traditional lawn.

2. Design guidelines applicable to Units owned by any party other than the Builder include the following:

   (a) Building Footprints. Structures will generally be sited within the designated buildable area for each Lot as shown on the recorded plat. Considerations unique to each Lot will dictate the possible setbacks for each building in accordance with SPA standards.

   (b) Outbuildings. A single structure will be approved for each Lot, excepting that a detached garage may be approved providing that the location and design of such a building meets with the overall design objectives of this provision. Structures such as storage sheds or doghouses will only be approved for rear yard areas and only if they can be adequately shielded from view from other Units and from the street. Outbuildings will only be constructed in conjunction with or after the completion of the primary residence on the Lot.

   (c) Building Size. The primary residence to be constructed on each of the Lots will include a minimum of 1,400 square feet and a maximum of 2,300 square feet of finished living space, exclusive of areas below grade or garages; provided, however, that the minimum square feet of 2,500 and a maximum of 5,000 shall apply to Lots 30 through and including 37. Exceptions to this requirement may be granted for designs which include

a volume of space normally associated with a 2,300 square foot residence but which do not meet the 2,300 square foot requirement due to multi-story open spaces in the structure design. In any event, the building footprint must contain at least 1,400 square feet. Overall building height may not exceed 35 feet from the peak of the highest roof to finished grade directly below or a beam at highest point. The minimum front set back is 8 feet, but for detached garages it is 6 feet. The buildings must be at least 10 feet apart. The home can be built on the lot line.

(d) Review and Approval Process. Outlined below are the steps in the process to obtain approval for the design of a single family residence on the Lots (excluding, however, Lots owned by Builder).

(i) Obtain a copy of the restrictive covenants and this Attachment.

(ii) Obtain a copy of the plat for the Lot showing the approved buildable area.

(iii) Prepare initial concept sketches of the proposed structures and review these with the Design Review Committee.

(iv) Incorporate design review suggestions into schematic drawings.

(v) Submit final construction drawings to the Design Review Committee. The Design Review Committee shall have up to 30 days to either approve the design or request further modifications. If the Committee has not acted within 30 days and notified the Owner, the plans will be considered approved. In addition, at the time the drawings are submitted to the Design Review Committee for review, the Owner shall render to the Design Review Committee a payment of $2,500.00, $250.00 of which shall be applied for a non-refundable review fee and the balance of $2,250.00 as security ("Security") to be held by the Association to insure that the Owner does not damage any public or private roads or other infrastructure and improvements as a result of the Owner's construction. The Association shall return the Security to the Owner upon the occurrence of the following two (2) events: (i) the Owner has received a use and occupancy permit and all exterior landscaping for the Unit has been completed and inspected by the Design Review Committee; and (ii) the Design Review Committee has inspected all public and private roads, infrastructure and other improvements which may have been affected by the Owner's construction and determined that no damage has taken place. In the event damage is observed by the Design Review Committee, then the Security (or any portion) may be used to pay for the repairs to the damage and in the further event the cost to repair the damage exceeds the amount of Security, then the Owner shall be liable to pay the

Association for such overage within 10 days after notice to the Owner by the Design Review Committee. Any failure by the Owner to pay the overage within the 10 day period shall result in the Association filing a lien against the Unit in accordance with Section 4.12. of the Second Amended Declaration.

(d) Construction to Proceed Without Delay. Once construction has commenced, the Owner shall have a maximum of 200 days to complete the exterior of the residence and an additional 30 days to repair construction damage to the ground surrounding the residence and begin landscaping.

(e) Landscaping. Owners shall use, to the maximum extent possible, plants indigenous to the region and to the Bear Hollow Village SPA with only minimal areas to be irrigated for the maintenance of a traditional lawn.

E. Fencing. Excluding fences installed by Builder, Owners of single family detached Units with a free-standing garage may, with prior written approval from the Design Review Committee, install fences between the residence and the garage, such fences not to exceed six (6) feet in height and not to extend beyond the side wall of either the residence or the garage in the direction of the neighboring Lot(s). Fence design and materials must conform with the design guidelines for the SPA and must be made of wood or stone.

F. Water, Sewer and Utilities. Water rights must be obtained by the Owner for culinary water and irrigation water. Owners of individual lots will be responsible for paying a water hookup fee to Summit Water Distribution Company and any hookup or capacity fees required by the Snyderville Basin Sewer Improvement District at time of building permit. In addition, Owners of individual lots pay directly to Summit Water Distribution Company the costs for culinary water (inside water usage) and irrigation water (exterior water usage) for their own Lot. The foregoing water fees are exclusive of any water expense included in the assessment paid to the Association, which defrays the water expense relating to the Common Areas.

G. Each Owner will maintain appropriate property insurance for his/her Unit.

ATTACHMENT THREE
TO THE SECOND AMENDED, RESTATED AND CONFIRMATORY
DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS FOR
BEAR HOLLOW VILLAGE

A. General. This Attachment applies to Bear Hollow Village, Units on Lots T1 through T96, inclusive and T102 through 176, inclusive, single family attached homes (referred to herein as "Townhomes") and T97 through and including T101 (referred to herein as "Office Building").

B. Nature of Ownership. These Townhomes will be sharing one or more common wall(s) with one or more other Unit(s). Ownership will be by fee simple title to the land and the structure built on that land. The Unit will include the land as identified on the official plat (generally including the land from the front of each individual Unit to the edge of the sidewalk and from the rear of the Unit to the service alley) and the structure itself, including structural elements and exterior wall surfaces, roofs, exterior doors and windows, etc. All utility and mechanical systems within each Townhome are part of the Unit, except in the event they serve more than one Townhome. Within each Townhome, the boundary between Units shall be the center of the shared wall.

C. Building Maintenance and Insurance. Unit Owners will carry multi-peril insurance against loss to the basic structures described in this Attachment. Maintenance of the exterior surfaces of these Units will be the responsibility of the Unit Owners. Providing insurance against loss or damage to the contents of the Units and the personal property of the Owners will be the responsibility of the Unit Owner. Maintenance of the interior of the Units will be the responsibility of the Unit Owner. Other than Builder, Unit Owners shall make no alterations to any wall within a Unit without first consulting with and obtaining the written approval of the Design Review Committee. Other than Builder, Unit Owners shall not make any alteration to the exterior appearance of any Unit without the prior written approval of the Design Review Committee. Other than Builder, Unit Owners shall not construct any fence, shed, deck, or other fixture or structure on their Lot without first obtaining the written approval of the Design Review Committee.

D. Architectural Review of Design Guidelines. Initial building design of the Townhomes and Office Building will be in accordance with the criteria established by Summit County, Utah and the Design Review Committee's consent shall not be required for the building design of the Townhomes and Office Building. Other than construction performed by Builder, Owners wishing to make alteration to the exterior dimensions or appearance of any buildings, or to construct any additional permanent structures on the Townhome lot, must submit plans and a request for approval to the Design Review Committee; provided, however, the Design Review Committee may withhold its approval until the necessary building permits are procured by the Owner.

D. Rental Restrictions. Rentals of any Units sold subject to any affordable housing restrictions, by deed, the Amended and Restated Development Agreement, the Prior Agreement (as defined in the Amended and Restated Development Agreement) or otherwise, (collectively, the "Affordable Documents"), shall be governed by and may only be effected in accordance with the provisions of the Affordable Documents, which, among other things, may limit maximum monthly rents which can be charged for such

Units. Rentals of any space in the Office Building shall be allowable provided that any occupant of the Office Building abides with the governing documents of the Association.

E. Participation in Common Areas and Expenses. Unit Owners addressed by this Attachment Three will grant public easements across their platted lot for access to or along any walkways and trails depicted on the plat for the SPA. Unit Owners will be granted easements for the use of all Common Areas with the SPA and will have the same rights to use and enjoyment of all common recreational facilities granted to Members and Owners within the SPA. Owners will participate in the expenses of the Association as set forth in Section 4.11 of the Declaration, and specifically, each Owner of a Townhome will pay a monthly assessment equal to the rate of .075 cents per square foot of finished living space and the assessment for the Office Building described in Attachment Three shall be calculated based on five cents per square foot of gross leaseable space which is occupied. As the Association changes the rate of assessment on other Units within the SPA, this total monthly rate will be changed by an amount equal to the total monthly increase/decrease on the other Units.

F. As noted in the Subdivision Plat, the area between the back of the building and the alley, for buildings on Lots T1 through T176, is designated as a blanket utility easement. Construction, maintenance, repair and eventual replacement of utilities, including private sanitary sewer laterals, is permitted in this blanket easement area.

G The Units shall pay Ten Dollars ($10.00) per month to the Association (billed quarterly) for irrigation water usage for their Units.

ATTACHMENT FOUR
TO THE SECOND AMENDED, RESTATED AND CONFIRMATORY

DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS FOR BEAR HOLLOW VILLAGE

A. General. This Attachment applies to Bear Hollow Village, Units 100 through 103 and 200 through 203 of the Cross Country Condominiums; Units 100 through 104 and 200 through 204 of the Calgary Condominiums; and Units 100 through 104 and 200 through 204 of the Bear Claw Condominiums.

B. Nature of Ownership. This Attachment refers to the condominium buildings within Bear Hollow Village which contain multi-plex condominium Units. A Unit will include the interior surfaces of all walls, floors, and roofs but not the land beneath the structure. Limited Common Areas appurtenant to each Unit will include one designated parking space per Unit in the building's designated parking area, and various hallways, stairways, balconies and/or decks. Unit Owners and Members will be subject to the attached Second Amended Declaration, as well as any declarations for Cross Country Condominiums, Calgary Condominiums, and Bear Claw Condominiums.

C. Building Maintenance and Insurance. Any condominiums association formed by the Cross Country Condominium, Calgary Condominiums and Bear Claw Condominiums will carry multi-peril insurance against loss or damage to the basic structures of the buildings. The Condominiums shall be responsible for maintenance and repair of all exterior surfaces of the building, all structural elements of the building, all walls, floors, and ceilings within the Unit. Maintenance and repair of any interior surfaces within an individual Unit will be the responsibility of the Unit Owner.

D. Architectural Review of Design Guidelines. Building design will be established in accordance with the criteria established by Summit County, Utah. Other than Builder, Owners wishing to make alteration to the exterior dimensions or appearance of any buildings, or to construct any additional permanent structures on the Lot, must submit plans and a request for approval to the Design Review Committee provided, however, the Design Review Committee may withhold its approval until the necessary building permits are procured by the Owner.

E. Rentals. Rentals of any Units sold subject to any affordable housing restrictions, by deed, the Amended and Restated Development Agreement, the Prior Agreement (as defined in the Amended and Restated Development Agreement) or otherwise (collectively, the "Affordable Documents"), shall be governed by and may only be effected in accordance with the provisions of the Affordable Documents, which, among other things, may limit maximum monthly rents which can be charged for such Units.

F. Participation in Common Areas and Expenses. Owners of the condominium Units will be granted easements for the use of all Common Areas with the SPA and will have the same rights to the use and enjoyment of all common recreation facilities within the SPA. Owners of the condominium Units will participate in the expenses of the Association as set forth in paragraph 4.11 of the Second Amended Declaration, and specifically, each Owner will pay a monthly assessment equal to the rate of .075 cents per square foot of

finished living space. As the Association changes the rate of assessment on other Units within the SPA, this total monthly rate will be changed by an amount equal to the total monthly increase/decrease on the other Units. Additionally, Owners of the Units described in this Attachment may be subject to additional assessments pursuant to the sub condominium's declaration and related documents. G. The Units shall pay Ten Dollars ($10.00) per month to the Association (billed quarterly) for irrigation water usage for their Units, subject to increase from time to time.