

BEAR HOLLOW VILLAGE HOMEOWNER'S ASSOCIATION
NOTICE OF VOTE BY WRITTEN BALLOT
Proposed Fifth Amendment to the Declaration — Reinvestment Fee

DATE OF MAILING: October 5th, 2026
TO: All Owners of Units within Bear Hollow Village
FROM: Board of Trustees, Bear Hollow Village Homeowner's Association
BALLOTS DUE: **December 1st, 2026**

1. Purpose of this Notice. The Board of Trustees (the "Board") of Bear Hollow Village Homeowner's Association (the "Association") is submitting to the Owners, for a vote by written ballot and without a meeting, a proposed Fifth Amendment (the "Fifth Amendment") to the Second Amended, Restated and Confirmatory Declaration of Protective Covenants, Conditions and Restrictions for Bear Hollow Village recorded March 31, 2004 as Entry No. 00693542 (as amended, the "Declaration"). This vote is being conducted under Utah Code Ann. § 16-6a-709 of the Utah Revised Nonprofit Corporation Act, Article V of the Declaration, and Utah Code Ann. § 57-1-46. A written ballot is enclosed.

2. What is Being Proposed. Since April 8, 2022, Section 3.11.4 of the Declaration has imposed a reinvestment fee requiring the buyer of a Unit to pay the Association 0.25% of the sales price upon transfer. The Fifth Amendment would amend that existing reinvestment fee covenant to:

- (a) increase the reinvestment fee from 0.25% to 0.50% of the value of the Unit, which is the maximum presently permitted by Utah law;
- (b) provide that the fee automatically decreases if Utah law ever lowers the maximum;
- (c) conform the list of exempt transfers to the current version of Utah Code Ann. § 57-1-46(8); and
- (d) confirm that the fee does not apply to Units designated as Summit County deed-restricted affordable housing units.

The Fifth Amendment does not create a new or additional reinvestment fee. It amends the reinvestment fee that has been in place since 2022. Nothing else in the Declaration changes.

3. Why the Board is Proposing It. The Association's reserve schedule, updated in August 2026, projects approximately \$1.3 million in reserve spending from 2027 through 2032. The largest item is the phased reconstruction of the Bobsled retaining wall, estimated at about \$495,000 over 2027 through 2029 based on current bid pricing; the rest includes pool resurfacing, concrete and asphalt repairs, and clubhouse systems. The reserve fund is projected to end 2026 at approximately \$224,000. Even with the 5% dues increase in the 2027 budget and further increases planned for later years, it is projected to fall to approximately \$55,000 at the end of 2027 and \$32,000 at the end of 2028, which leaves very little cushion for unexpected repairs. At the current 0.25% rate, the reinvestment fee has produced roughly \$28,000 to \$34,000 per year, all of it deposited to reserves, and increasing the fee to 0.50% would approximately double that amount at recent sales levels. The fee is paid by the buyer at closing, not by current Owners, and without this additional revenue the Board expects it would need to rely on larger dues increases, a special assessment, or deferring necessary projects.

4. Documents Enclosed. Enclosed are: (a) the proposed Fifth Amendment, in the form in which it would be recorded; (b) the proposed Amended and Restated Notice of Reinvestment Fee Covenant, which Utah law requires the Association to record separately if the Fifth Amendment passes; and (c) your written ballot.

5. Who May Vote. Each Unit is allocated one (1) vote, except that the Owner of the Office Building (Lots T97 through T101) holds five (5) votes, all as set forth on Exhibit B to the Declaration. The total number of votes in the Association is 277. The Board has fixed September 30th, 2026 as the record date for determining the Owners entitled to notice of and to vote on this matter. If a Unit has more than one Owner, the Owners must agree on a single vote for that Unit; if they cannot agree, no vote will be accepted for that Unit. If a Unit is owned by a trust, corporation, limited

liability company, or other entity, the ballot must be signed by a trustee, officer, manager, or other person authorized to act for that Owner.

6. Vote Required for Approval. Article V of the Declaration requires the affirmative vote of fifty-one percent (51%) or more of the Members in good standing to amend the Declaration. Separately, Utah Code Ann. § 57-1-46(10)(b) requires that a majority of the voting interests in the Association approve the reinvestment fee. To satisfy both requirements, the Fifth Amendment will be adopted only if the Association receives

at least 142 affirmative votes (51% of the 277 total votes in the Association).

Because approval is measured against the total number of votes in the Association, and not against the number of ballots actually returned, a ballot that is not returned has the same practical effect as a vote against the Fifth Amendment.

7. Quorum. Under Utah Code Ann. § 16-6a-709(3)(b), the votes cast by written ballot constitute the quorum for action on this matter. Because approval requires 142 affirmative votes regardless of turnout, at least 142 ballots must be received for the Fifth Amendment to be capable of adoption.

8. Deadline; How to Return Your Ballot. Your completed and signed ballot must be

actually received by the Association no later than 5:00 p.m. Mountain Time on December 1st, 2026.

Return your ballot by mail or hand delivery to Bear Hollow Village Homeowner's Association, c/o K&K Property Management, 345 W 600 S Ste 151, Heber City, UT 84032, or by email to proxy@knkpm.com; ballots may also be filled out through Adobe Sign at [knkhoa.com/bhv-reinvestment](https://www.adobe.com/uk/bhv-reinvestment). Ballots received after the deadline will not be counted.

9. Initial Evaluation and Possible Extension. On the deadline stated above, the Board will conduct an initial evaluation to determine how many Owners have approved and how many have disapproved the Fifth Amendment. If, at that time, fewer than 142 affirmative votes have been received but enough ballots remain outstanding that 142 affirmative votes could still be reached, the Board may extend the deadline one or more times in order to continue seeking approval. Any extension will be given to every Owner in writing. Ballots already returned will remain valid and will be counted, and need not be resubmitted. The Board nevertheless asks that you return your ballot as soon as possible.

10. If the Fifth Amendment Passes. The Board will execute the Fifth Amendment and the Amended and Restated Notice of Reinvestment Fee Covenant and record both instruments with the Summit County Recorder. The amended reinvestment fee will apply to transfers of Units occurring after recording. If the required affirmative votes are not received, the existing 0.25% reinvestment fee remains in effect without change.

11. Questions. Please direct questions to K&K Property Management at 435-200-4713 or owners@knkpm.com. Neither the Board nor the Association's counsel can advise you how to vote.

**BOARD OF TRUSTEES
BEAR HOLLOW VILLAGE HOMEOWNER'S ASSOCIATION**

Enclosures: Proposed Fifth Amendment; proposed Amended and Restated Notice of Reinvestment Fee Covenant; Written Ballot