

CONDITIONAL APPROVAL AGREEMENT

THIS CONDITIONAL APPROVAL AGREEMENT (the “*Agreement*”), is made and entered into as of the ___ day of _____, 2026, by and between THE MASTER RESORT ASSOCIATION OF THE RESERVE AT BEAR LAKE, INC., an Idaho non-profit corporation (the “*Association*”), and _____, (the “*Owner*”).

RECITALS

A. The Association is a nonprofit corporation formed to own certain amenities including a lodge, swimming pool, hot tub, and exercise facility, together with beach access to Bear Lake, and equipment and other assets relating to the forgoing (the “*Amenities*”), which the Association owns on behalf of the owners of lots (the “*Reserve Owners*”) in the Bear Lake Reserve Development (the “*Reserve Development*”). The purpose of the Association is to maintain the Amenities and other Association Property and to further, by regulations and restrictions, the common interests of all Reserve Owners, including the enforcement of certain standards and levels of maintenance for all property within the Reserve Development.

B. Owner is one of the Reserve Owners, and owns a residential home located within the Reserve Development (each, a “*Homestead*”), and as such, the Owner is a member of the Association.

C. The Association and its members are governed by that certain Declaration of Covenants, Conditions and Restrictions for The Reserve at Bear Lake, dated March 6, 2007 and recorded in the official records of the Bear Lake County Recorder on March 8, 2007 as Instrument #197566 (the “*Declaration*”).

D. The Declaration expressly limits the use of all Homesteads located within the Reserve Development to single family usage, and Section 7.1 of the Declaration expressly states that any renting of any Homestead within the Reserve Development must be approved in advance by the Board of the Association.

E. The Owner has requested that the Board of the Association approve the Owner’s renting of its Homestead to third party renters; and the Board is only willing to approve such rental arrangement upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Approval. The Association hereby grants its consent (the “*Consent*”) to the Owner’s rental of its Homestead to third parties (the “*Renters*”), pursuant to such terms and conditions and rates as the Owner may agree with such Renters. Upon the Owner’s signature of this document below, the Association will be deemed to have provided the Consent required by Section 7.1 of the Declaration.

2. Conditional Approval. The Association’s Consent is expressly conditioned upon the Owner’s compliance with each and every requirement set forth in this Consent.

3. Regular Dues and Assessments. The Owner hereby agrees to pay all Annual Dues and Assessments set by the Association based upon the overall operating and maintenance costs of the Amenities and related expenses. Owner and Association hereby agree that the annual HOA DUES for 2026 will be One Thousand Five Hundred Dollars (\$1,500.00) for Owner and shall be payable by Owner to the Association by the deadline set by the Association for payments of Annual Association HOA Dues by all Reserve Owners.

4. Special Assessments. The Owner further agrees that it shall timely pay any and all Special Assessments assessed by the Association against the Reserve Owners. There are currently no Special Assessments outstanding that have been assessed by the Association.

5. Access Fee. The Owner recognizes and agrees that its rental of its Homestead to the Renters will increase the use of the Amenities by the occupants of the Homestead, and that therefore, the Association has assessed an “*Access Fee*” in the applicable amounts set forth below for the year 2026:

<u>Guest Capacity Advertised by Owner for Homestead</u>	<u>Management Fee</u>	<u>Access Fee</u>	<u>Total Fee</u>
Up to 20 guests	\$500	\$850	\$1350
21 to 30 guests	\$500	\$1350	\$1850
31 to 40 guests	\$500	\$1550	\$2050
41 to 50 guests	\$500	\$1850	\$2350
51 to 60 guests	\$500	\$2500	\$3000
60 to 70 guests	\$500	\$3000	\$3500
More than 70	\$500	\$3500	\$4000

By its signature below, the Owner hereby agrees to pay the applicable Access Fee to the Association concurrent with its execution of this Agreement.

6. Management Fee. In addition to the Access Fee, the Owner recognizes and agrees that its rental of its Homestead to Renters will increase the administrative costs of the Association and agrees that those Reserve Owners who are responsible for such cost increases should bear the same. Therefore, the Owner hereby agrees to pay to the Association a “*Management Fee*” for calendar year 2026 as a condition to receiving the Association’s Consent. By its signature below, the Owner hereby agrees to pay the Management Fee to the Association concurrent with its execution of this Agreement.

7. Non-Payment of Assessments and Fees. In the event that Owner fails to pay any Annual Assessment when due, or any Access Fee or Management Fee, and such delinquency continues for a period of twenty (20) days after the Association mails a notice of delinquency to the Owner, the Association’s Consent may be revoked by written notice provided by the Association to the Owner. Upon any such revocation of Consent, the Owner’s right to rent its

Homestead to Renters shall immediately terminate effective as of the date of the notice of revocation. Under these circumstances, the Association shall have the right to change locks and access codes, as required, to restrict Renter's access to the Amenities.

8. Compliance with Association Rules. As a condition to use of the Amenities, Owner hereby agrees to comply with the Association rules and regulations governing the Amenities (the "**Rules and Regulations**"). Owner further agrees that its Renters shall also comply with the Rules and Regulations, and that any written rental agreement between the Owner and a Renter shall expressly include language obligating the Renter to comply with the Rules and Regulations. In the event that Owner, its guests, invitees or Renters, fail to comply with the Rules and Regulations of the Association governing the Amenities, the Association shall provide Owner with written notice of such violation. If the Owner receives three (3) written notices of violations in any twelve (12) month period, the access to the Amenities shall be terminated without further notice, and the Association's Consent to allow Renters shall also be revoked. Such remedies and consequences shall be set forth in the third notice of violation, and thereafter, the Owner's access to the Amenities and to rent its Homestead to Renters shall immediately terminate until reinstated in writing by the Association pursuant to the terms of Section 10, below.

9. Modification of Rules and Regulations. The Association shall have the right to modify or amend its Rules and Regulations at any time and Owner and its Renters shall be bound by all such Rules and Regulations as amended by the Association. Association hereby agrees to take reasonable steps to provide notice of any such changes or modifications to the Owner at its address set forth herein.

Reinstatement of Access. In the event that Owner's access to the Amenities and the Consent are terminated based upon non-payment of Assessments or Fees, or non-compliance

10. with Association Rules and Regulations, the Owner shall have the right to petition the Association for reinstatement, and such petition shall be accompanied by the following:

(a) Payment of any delinquent Fees or Assessments, together with a non-refundable reinstatement fee of Three Thousand Dollars (\$3,000) (the "**Reinstatement Fee**") to compensate the Association for its reasonable costs and expenses in dealing with the delinquency and reinstatement request; or

(b) In the event of termination due to failure to comply with Association Rules and Regulations, such petition shall be accompanied by a written affirmation that the Owner and its guests, invitees and Renters will at all times in the future comply with the Association Rules and Regulations, and such petition shall also be accompanied by payment of a non-refundable Reinstatement Fee to cover the Association's costs and expenses in connection with the termination and possible reinstatement of the Owner's access rights and rental rights.

11. Ruling on Petitions for Reinstatement. The Association shall have no duty or obligation to reinstate any Owner who has violated this Agreement by its failure to make required assessment or fee payments, or to comply with the Rules and Regulations of the Association. The Association shall rule upon each petition on a case-by-case basis, and its decision shall be final. The Association shall rule upon a petition within sixty (60) days after receipt thereof and shall

mail its decision to the Owner to the Owner's address set forth in this Agreement. Regardless of the final decision of the Association, the Reinstatement Fee shall be non-refundable to the Owner. The Association may grant or deny a request for reinstatement in the exercise of its absolute and sole discretion.

12. Damages to Amenities. Any Owner or Renter using the Amenities shall be liable to the Association for any damages caused by the Owner, the Renter, or their respective guests or invitees to the Amenities while such Amenities are used by the Owner, the Renter, or their respective guests and invitees. The Association shall procure hazard and property insurance for the Amenities in such amounts as the Association may deem appropriate; however, Owner shall be liable for any and all costs in excess of insurance coverage, payment of any deductibles that apply, or any other costs or expenses incurred by the Association as a direct result of such Owner's (or its Renters', guests' or invitees') acts or neglect in damaging the Amenities. Payment of any amounts due and payable under this Section of the Agreement shall be a condition to such Owner's continued use of the Amenities, and Owner's failure to pay any such amount shall result in termination of such Owner's access rights to the Amenities and shall require a request for reinstatement as set forth in Section 10, above.

13. Assumption of Risk. Owner hereby agrees that its use of the Amenities shall be at its sole risk. Owner recognizes and acknowledges that the Association will not have a lifeguard on staff at the pool or hot tub area, and that Owner's use of these facilities, and all other Amenities, are at its own risk. Owner hereby agrees to indemnify and defend the Association from and against any and all claims, damages, and causes of action asserted against the Association by virtue of any person's use of the Amenities, whose access is provided or caused or allowed by the acts or omissions of Owner, including all Renters. In the event of any such claim, Owner hereby agrees to defend the Association using an attorney selected by the Association, and to pay all costs of defense, together with any adverse rulings or judgments entered against the Association in connection with any such litigation.

14. Notices. Any notice or demand which either party is required or may desire to give or deliver to or make upon the other party shall be in writing and may be personally delivered or given by overnight courier such as Federal Express or by e-mail or made by United States registered or certified mail, return receipt requested addressed as follows:

TO ASSOCIATION:

Gabriel Lleras
The Master Resort Association of the
Reserve at Bear Lake, Inc.
595 South Riverwoods Parkway, Suite 400
Logan, Utah 84321
e-mail: glleras@netwasatch.com

TO OWNER:

e-mail: _____

TO PROPERTY MANAGER (if applicable):

e-mail: _____

Subject to the right of either party to designate a different address for itself by notice similarly given. Any notice or demand so given shall be deemed to be delivered or made on the next business day if sent by overnight courier, on or the same day if sent by e-mail before the close of business, or the next day if sent by e-mail after the close of business, or on the fourth business day after the same is deposited in the United States mail as registered or certified matter, addressed as above provided, with postage thereon fully prepaid.

15. Term of Agreement. The term of this Agreement shall commence the date of this agreement and shall continue for a period of one (1) year, ending one (1) year from the date of this agreement. This Agreement must be renewed annually by the parties entering into a new Agreement for each subsequent calendar year.

16. Defined Terms. Any term that is capitalized in this Agreement but is not defined in this Agreement shall have the meaning given to such term in the Declaration.

17. Governing Law. The provisions of this Agreement shall be governed by the laws of the State of Idaho. Any action brought to interpret, enforce, or construe any provision of this Agreement must be commenced and maintained in Bear Lake County, Idaho.

18. Entire Agreement. This Agreement constitutes the entire Agreement between the parties and supersedes all other negotiations, understandings and representations made by and between the parties and with respect to the subject matter hereof.

19. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original but all of which shall constitute one in the same instrument.

20. Construction of Agreement. This Agreement shall not be construed more strictly against any party merely by virtue of the fact that the same has been prepared by such party or its counsel, it being recognized that each party hereto has contributed substantially and materially to the preparation of this Agreement, and that each party hereto acknowledges and waives any claim contesting the existence and adequacy of the consideration given by the other party hereto and entering into this Agreement.

21. Captions. Section titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend or describe the scope of this Agreement or any provision hereof.

22. Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of

this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

23. No Waiver. No waiver by a party of any breach of this Agreement or of any warranty or representation hereunder by the other party shall be deemed to be a waiver of any other breach by such other party (whether preceding or succeeding and whether or not of the same or similar nature), and no acceptance of payment or performance by a party after any breach by the other party shall be deemed to be a waiver of any breach of this Agreement or of any representation or warranty hereunder by such other party, whether or not the first party knows of such breach at the time it accepts such payment or performance. No failure or delay by a party to exercise any right it may have by reason of the default of the other party shall operate as a waiver of default or modification of this Agreement or shall prevent the exercise of any right by the first party while the other party continues to be so in default.

24. Attorney Fees. In the event either party commences legal proceedings against the other party pursuant to any right to do so under this Agreement, then the prevailing party shall be entitled to recover reasonable attorney fees and costs.

25. Survival of Indemnification. Notwithstanding anything contained in this Agreement to the contrary, all of Owner's indemnity obligations contained in this Agreement shall forever survive the termination of this Agreement.

26. Additional Required Information.

- a. Emergency contact information (must be available 24/7)
 - i. Name:
 - ii. Phone number:
 - iii. Email address:
- b. Phase: _____ Lot number: _____ Physical address: _____
- c. If you are using a property management company to manage your property please attach a one-page summary of all of their contact information including: the name of the company, 24-hour contact phone number and their name, physical address, email address, and, website address.
- d. Attach a site plan drawn to scale with dimensions, including the parking area with each parking space mapped out. (Note: all parking needs to be on Owners property).
- e. Number of occupants you wish to have permitted _____

27. Compliance. By signing this document, I (Owner) and I (Property Manager, if applicable) represent that I have read and am familiar with the Conditional Approval Agreement and the Reserve Development Declaration (CC&R's) including all rules and regulations and that I will conform to all the requirements therein.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the date set forth above.

ASSOCIATION:

THE MASTER RESORT ASSOCIATION OF THE
RESERVE AT BEAR LAKE, INC.
An Idaho Non-profit Corporation

By _____
Gabriel Lleras, President

OWNER:

PROPERTY MANAGER (if applicable):
