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**BY-LAWS  
OF  
TRESTLE BRIDGE RESORT CONDO AT BRIDGES BAY RESORT  
A HORIZONTAL PROPERTY REGIME (CONDOMINIUM)**

The administration of the property submitted to the attached Declaration of Establishment of a Horizontal Property Regime (Condominium) to be known as Trestle Bridge Resort Condo at Bridges Bay Resort shall be governed by the following By-Laws, which are annexed to the Declaration and made a part thereof, as well as the Bridges Bay Resort Master Commons Provisions.

1. The administration of this Horizontal Property Regime shall be conducted by the Executive Board which shall constitute the Board of Administration within the meaning of Chapter 499B of the 2005 Code of Iowa.

2. The council of co-owners known as Trestle Bridge Resort Condo Homeowners Association at Bridges Bay Resort shall be governed as follows:

A. The annual meetings of the Association shall be held on the Saturday nearest July 4th in each year at 10:00 o'clock a.m. for the purpose of electing a President, Vice President and Secretary-Treasurer, and for transacting any other business authorized to be transacted by the Association.

B. Meetings of the Association shall be held at the condominium unit of the President, or such other suitable place convenient to the owners as may be designated by the President.

C. Special meetings of the Association may be called by the President but shall be called by the President upon the written request of at least two of the unit owners. Notice of such special meeting shall be given to all owners by ordinary mail addressed to their last known address not less than ten (10) days nor more than thirty (30) days prior to the date set for such meeting. The notice shall state the time and place of such meeting and the purpose thereof. No business may be conducted at such meeting other than as stated in the written notice unless all owners are personally in attendance (not including proxies). If the President fails or refuses to call a special meeting despite proper request, the Vice President or Secretary-Treasurer shall call the meeting.

D. Notice of a meeting may be waived in writing. Attendance by an owner at any meeting of the Association shall constitute a waiver of notice.

E. A quorum at Association meetings shall consist of a majority of the owners. Action approved by a majority of those present at a meeting at which a quorum is present shall be valid except where approval by a greater number of owners is required by the Declaration of these By-Laws. The joinder of an owner in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of a member for the purpose of determining a quorum.

F. Votes may be cast in person or by proxy. Proxies must be in writing and filed with the Secretary before the time of the meeting. A proxy so filed shall constitute that owner's presence at the meeting except as stated in Paragraph 2.C above.

G. If any Association meeting cannot be held because a quorum is not in attendance the owners who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

H. The order of business at all annual meetings of the Association shall be as follows:

1. Roll call and certification of proxies.
2. Proof of notice of meeting and waivers of notice.
3. Reading the minutes of the preceding meeting.
4. Report of officers.
5. Report of committees.
6. Election of officers and director at large.
7. Unfinished business.
8. New business.
9. Adjournment.

I. The latest edition of Roberts Rules of Order shall govern meetings unless specifically provided otherwise.

3. The board of administration of this Association shall be the Executive Board or Board of Directors established as follows:

A. The Executive Board shall be in charge of the administration of this Horizontal Property Regime and shall consist of three persons who shall be the President, Vice President and Secretary-Treasurer of the Association, elected by the owners at the Association's annual meeting. They shall serve for a period of one (1) year and until their successors are elected, unless otherwise removed pursuant to Paragraph 3K below.

B. The powers and duties of the Executive Board shall include all the powers and duties existing under Chapter 499B of the 2005 Code of Iowa, the Declaration and these By-Laws. These powers and duties shall include but not be limited to the following, subject, however, to the provisions of the Declaration of these By-Laws:

1. To make and collect assessments against members to pay the costs and expenses of the Horizontal Property Regime;
2. To use the proceeds of assessments in the exercise of the powers and

duties;

3. To maintain, repair, furnish, replace and operate the property of the Horizontal Property Regime;

4. To purchase insurance upon the property and insurance for the operation of the Association and its members including but not necessarily limited to casualty and liability insurance. Casualty insurance shall be purchased at replacement cost value of the building for at least the first ten (10) years after which an actual cash value policy may be purchased;

5. To reconstruct improvements after casualty and to further improve the property;

6. To make and amend reasonable regulations, standards and rules of conduct regarding the use and occupancy of the property;

7. To enforce by legal means, if necessary, the provisions of law, the Declaration, the By-Laws and regulations, standards and rules of conduct properly adopted;

8. To contract for the management of the regime and to delegate to a manager such powers and duties of the Association and Board as it may deem appropriate and to terminate such management. The Board shall also have the power to employ attorneys, accountants, and such other professional persons as necessary to assist in said management; and

9. The designation and removal of personnel necessary for the maintenance, repair, replacement and operation of the common areas and facilities.

C. The officers of this Association shall have the following duties and responsibilities:

1. The President shall be the chief executive officer of the Board and the Association. He or she shall have all the general duties and powers which are usually vested in the office of President, including, but not limited to, the power to appoint committees from among the owners from time to time, as he or she decides is appropriate to assist in the conduct of the affairs of the Association or Board;

2. The Vice President shall, in the absence of the President, perform the President's duties. The Vice President shall also perform such other duties and provide assistance to the President as requested or ordered by the

Association, Board or President;

3. **Secretary-Treasurer.** The Secretary-Treasurer shall have the minute book wherein resolutions and other business of the Association shall be recorded, shall have charge of such books and papers as the Association or Board may direct, shall give all notice to members and directors or other notices required by law or this Declaration or By-Laws and shall in general, perform all duties incident to the office of the Secretary;

He or she shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements of the Association and of the Board in books belonging to the Association or to the Board. All expenditures above \$1,000.00 shall not be made without approval of the Board unless this provision is amended by resolution of the Board. In general, the Treasurer shall keep the books in accordance with good accounting practices and perform all other duties incident to the office of Treasurer.

4. All officers shall be owners, spouses of owners or officers or agents of corporate or fiduciary owners but this shall not preclude the appointment and employment of non-owners as assistant secretary or assistant treasurer; and

5. Compensation of all officers including assistant secretary and assistant treasurer shall be fixed by the Association.

D. Meetings of the Executive Board shall be held at the unit of the President or such other suitable place convenient to the directors as may be designated by the President.

E. The annual meeting of the Executive Board shall be held in each year immediately following the adjournment of the annual meeting of the Association. At such meeting, the Board shall determine what time, if any, shall be established for periodic board meetings.

F. Special meetings of the Board may be called by the President and shall be called by the President if requested by the other two board members. Notice of special meetings of the board shall state the time and place of any such meeting and the purpose thereof and shall be mailed by ordinary mail to each board member at least three (3) days but not more than fifteen (15) days prior to such meeting. Such special meeting shall not consider other business other than that set out in the notice unless all board members are in attendance.

G. Board members may waive notice of the meeting in writing and their attendance at a meeting shall constitute a waiver of said notice.

H. A quorum of the board shall be two (2). There shall be no proxies for Board



meetings. A majority of those present shall be necessary for Board action.

I. Ordinary business and decisions and resolutions of the Board may be conducted and put into effect without a formal meeting of the Board provided the full particulars of the item are reduced to writing and signed by all Board members and filed with the Secretary who shall keep said written document with the minutes of the meeting of the Board.

J. If desired by the Association or by the Board a Blanket Fidelity Bond may be secured to cover anyone who may handle Association funds. The premium on such bonds shall be paid from Association funds.

K. Upon an affirmative vote of the majority of the owners any Board member may be removed either with or without cause and a successor elected at a special meeting of the Association. Assistant officers may be removed upon an affirmative vote of the majority of the members of the Board present at a meeting either with or without cause and successors may be elected at any meeting, regular or special.

L. Payment vouchers exceeding the amount established by paragraph 3.C.3. above shall be approved by a majority of the Board with such approval noted in the minutes.

M. The joinder of any director in the action of a meeting of the Board by signing and concurring in the minutes thereof shall constitute the presence of such director for the purpose of determining a quorum.

N. Vacancies of the Executive Board shall be filled by the remaining Board members until the next annual election.

4. The fiscal management of this Association shall be subject to the following:

A. The Executive Board shall adopt a budget for each calendar year which shall include the following accounts:

1. Current expense, which shall include all funds and expenditures to be made within the year for which the funds are budgeted, including a reasonable amount for contingencies and working funds. Any balance in this fund at the end of each year may be applied to reduce the assessments for current expense for the succeeding year.
2. Reserve for deferred maintenance which shall include funds for maintenance items which occur less frequently than annually.
3. Reserve for replacement which shall include funds for repair or replacement required because of damage, depreciation or obsolescence.

4 The budgets for 2. and 3. above may be zero as determined by the Board.

B. The budget assessments shall be made pro-rata according to the fraction assigned to the unit in the Declaration as it may be amended and shall be prepared and a copy mailed to each owner prior to the December 15 preceding the year for which the budget is made. Such assessment shall be paid in twelve equal payments due on the first day of each month of the calendar year for which the assessments are made unless the Association provides otherwise. If no budget is prepared and no annual assessment made, the assessment shall be presumed to continue at the same amount as the previous year. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board but only at a special meeting after notice of said intention to amend the budget is given to all property owners.

C. If any owner shall be in default, by more than ten (10) days, in the payment of an installment, the Board may accelerate the remaining installments of the annual assessment upon notice to the unit owner and the entire balance shall be due within ten (10) days of receipt of such notice.

D. Assessments for non-emergency major improvements shall require the affirmative vote of sixty percent (60) of the unit owners. Major improvements shall be defined as those costing more than \$5,000.00.

E. Assessments for common expenses as a result of emergencies which cannot be paid from the annual assessments for common expenses shall be made only after notice of the need thereof to all unit owners. After such notice and upon approval by a simple majority of the owners the assessment shall become effective and shall be due within thirty (30) days of notice thereof.

F. An accounting shall be made of all Association accounts at least annually and a copy provided to each unit owner. The majority of the owners or of the Board may require an audit by an independent party.

G. No notice need be given of the Association's annual meeting nor the Board's annual or regular meetings.

5. When a mortgagee or purchaser of a unit obtains title as a result of foreclosure of a first mortgage, such mortgagee or purchaser shall not be liable for the assessments chargeable to such unit due prior to the acquisition of title. Such unpaid assessment shall thereafter be deemed to be common expenses collectible from all unit owners including the mortgagee or purchaser.

In a voluntary conveyance, the Grantee of an apartment shall be jointly and severally liable with the Grantor for all unpaid assessments on that unit up to the time of the conveyance. The Grantees shall, however, retain the right to recover from the Grantor, any amounts paid by the Grantee therefore. Any Grantee under a voluntary conveyance shall be entitled to a statement from

the Council of Co-Owners or its representatives stating the amount of the unpaid assessments against the Grantor and said Grantee shall not be liable for nor shall be the apartment conveyed be subject to a lien for any unpaid assessments in excess of the amount appearing in said statement.

6. The Board shall, at the request of the owner or mortgagee of a unit, report in writing any unpaid assessments due from the owner or the fact that said assessments are paid.

7. Any instrument affecting an interest in real estate shall be executed by any two officers upon authorization of the Executive Board.

8. In the event the lien of the Association shall be foreclosed as provided in Section 499B.17 of the 2005 Code of Iowa, the unit owner shall be required to pay a reasonable rental for the unit and the Association shall be entitled to the appointment of a receiver to collect the same.

9. No modification of or amendment to the By-Laws shall be valid unless set forth in writing and duly recorded. These By-laws may be amended by the Association at a duly called meeting for such purpose. No amendment shall take effect unless approved by the owners representing at least 75% of the resort condo units and approved by the commercial units.

IN WITNESS WHEREOF, the undersigned has executed this instrument this 7<sup>th</sup> day of December, 2006, at Sioux Falls, Minnehaha County, South Dakota.

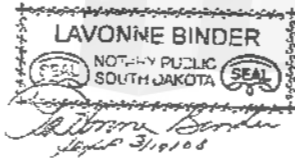
BRIDGES BAY RESORT  
HOMEOWNERS ASSOCIATION

  
By: Jon E. Brock, Member Manager

  
By: Randy Ronsiek, Member Manager

  
By: David R. Sneed, Member Manager

  
By: Gergory L. Schjodt, Member Manager

  
LAVONNE BINDER  
NOTARY PUBLIC  
SOUTH DAKOTA  
*Lavonne Binder*  
April 3, 2008



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MISC BK #27

407

Filed at 1:57 PM

Fee \$27.00

January 15, 2007

INSTR. NO. 07-00306

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JAN BORTSCHELLER  
RECORDER  
DICKINSON COUNTY, IOWA  
FEES \$ 27.00

PREPARED BY: Earl H. Maghs 708 Lake Street Spirit Lake, IA (712) 336-1292

AMENDMENT TO  
DECLARATION OF ESTABLISHMENT  
OF HORIZONTAL PROPERTY REGIME (CONDOMINIUM)  
TO BE KNOWN AS  
TRESTLE BRIDGE RESORT CONDO AT BRIDGES BAY RESORT

The undersigned, Bridges Bay Resort, L.L.C., the owner of all units of Trestle Bridge Resort Condo at Bridges Bay Resort, hereby amends the Declaration of Establishment previously filed herein on December 13, 2006 and recorded in Book 27, Page 287.

The first paragraph on page one is hereby amended to read as follows:

The undersigned, Bridges Bay Resort, L.L.C., hereinafter referred to as Developer, hereby submits the land and buildings hereinafter described to a Horizontal Property Regime pursuant to the provisions of chapter 499B of the 2005 Code of Iowa, thereby establishing a plan for individual ownership of the area or space contained in each unit and establishing the co-ownership of all the remaining real property by the individual owners as tenants in common. This Declaration, the By-Laws and The Bridges Bay Resort provisions shall constitute covenants binding upon the Developer, all subsequent owners and their successors in interest, said Declaration, By-Laws and Covenants to run with the land. As used throughout this Declaration and the By-Laws, "Apartment" and "Unit" shall have the same meaning as "Condominium Unit".

The units in such building and depicted on the building floor plans attached hereto as Exhibit B are submitted to the regime in place of the Exhibit B previously filed.

The entity shown above the signatures on page seven of the Bylaws is amended to be Trestle Bridge Resort Condo at Bridges Bay Resort Homeowners Association instead of Bridges Bay Resort Homeowners Association.

27-407

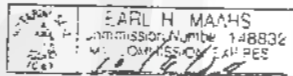
In witness whereof, the undersigned has executed this instrument this 12 day of January, 2007, in Spirit Lake, Dickinson County Iowa.

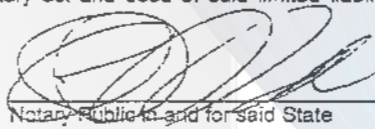
BRIDGES BAY RESORT, L.L.C.

  
Randy J. Ronsiek, Member Manager

STATE OF IOWA, COUNTY OF DICKINSON, ss:

On this 12 day of January, 2007 before me, a Notary Public in and for said State, personally appeared Randy J. Ronsiek to me personally known, who being by me duly sworn did say that they he is a **Member Manager** of said limited liability company, that no seal has been procured by the said limited liability company and that said instrument was signed on behalf of the said limited liability company by authority of its Member Manager and the said Randy J. Ronsiek acknowledged the execution of said instrument to be the voluntary act and deed of said limited liability company by it voluntarily executed.

  
EARL H. MAHNS  
Commission Number 148832  
NOTARY PUBLIC STATE OF IOWA

  
Notary Public in and for said State



#04641

Fee \$37.00

Filed at 9:48 AM  
August 12, 2008

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INSTR. NO \_\_\_\_\_  
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2008 AUG 12 AM 9 48  
JAN BORTSCHELLER  
RECORDER  
DICKINSON COUNTY, IOWA  
FEE \$ 37.00


Prepared by Earl H. Maahs 708 Lake Street Spirit Lake, IA 51360 712-336-1292

CERTIFICATE OF SECOND AMENDMENT OF  
DECLARATION OF HORIZONTAL PROPERTY REGIME (CONDOMINIUM)  
KNOWN AS TRESTLE BRIGE RESORT CONDO AT BRIDGES BAY RESORT.

Jon E. Broek and Janet Bonestroo being the duly elected President and Secretary of Trestle Bridge Resort Condo Owners Association do verify that at a meeting of all owners of Units in Trestle Bridge Resort Condo at Bridges Bay Resort with written notice of the proposed amendment and designated time and place of the meeting to consider such proposed amendment, held not less than 30 days nor more than 60 days from the date the notice was given and that at such meeting the amendment was adopted upon approval of 60% of the resort owners and the owner of the commerial unit

The effective date of said Second Amendment is the date of recording the same in the Dickinson County Recorder's office.

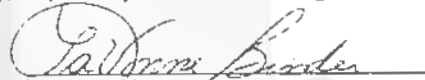
Dated this 31<sup>st</sup> day of July, 2008

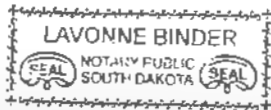
  
\_\_\_\_\_  
Jon E. Broek, President

  
\_\_\_\_\_  
Janet Bonestroo, Secretary

STATE OF SOUTH DAKOTA, COUNTY OF MINNEHAHA, ss:

On this 31<sup>st</sup> day of July, 2008, before me, the undersigned, a Notary Public in and for said State, personally appeared Jon E. Broek and Janet Bonestroo as President and Secretary, respectively, of the Trestle Bridge Resort Condo Owners Association.

  
\_\_\_\_\_  
Notary Public exp 3/27/14



Prepared by Earl H. Maahs 708 Lake Street Spirit Lake, IA 51360 712-336 1292

SECOND AMENDMENT TO  
DECLARATION OF ESTABLISHMENT  
OF HORIZONTAL PROPERTY REGIME (CONDOMINIUM)  
TO BE KNOWN AS  
TRESTLE BRIDGE RESORT CONDO AT BRIDGES BAY RESORT

Pursuant to Paragraph 25B of the Declaration of Horizontal Property Regime of Trestle Bridge Resort Condo at Bridges Bay Resort, said Declaration previously filed on December 13, 2006 and recorded in Book 27, Page 287, and as amended by an Amendment to Declaration dated January 12, 2007 filed January 15 2007 and recorded in Misc. Rec. 27, Page 407, is amended as follows:

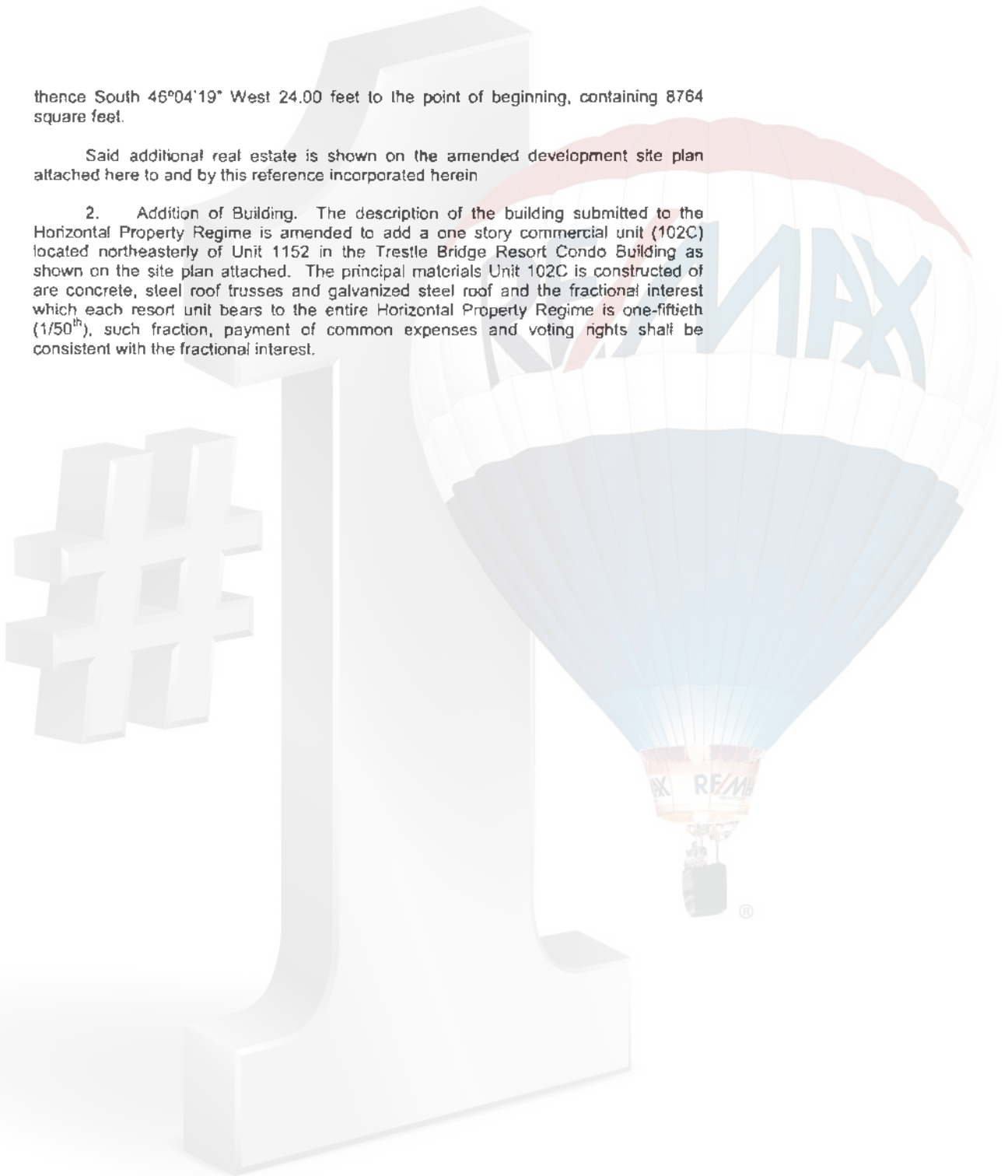
1. Addition of Real Estate The description of the land submitted to the Horizontal Property Regime is amended to add the following described real estate:

That part of Government Lot 1, Section 20, Township 99 North, Range 36, West of the 5<sup>th</sup> P.M., Dickinson County, Iowa, described as follows: Commencing at the Southeast corner of said Section 20, thence North 0°16'57" West 55.66 feet along the Easterly line of said Government Lot 1 to the Northerly right-of-way line of County Road A-31; thence North 89°37'48" West 1208.55 feet along said road right-of-way line, thence Westerly 365.68 feet along said road right-of-way line along a 2043.34 feet radius curve concave Southerly with a long chord bearing South 85°14'00" West 365.19 feet; thence South 89°46'35" West 29.75 feet along said road right-of-way line; thence North 56°12'33" East 100.47 feet; thence North 88°07'48" East 391.59 feet; thence North 62°57'10" East 210.88 feet; thence North 77°40'23" East 231.91 feet; thence North 39°26'10" West 490.71 feet; thence North 80°07'03" East 110.24 feet to the point of beginning, thence North 43°55'41" West 61.31 feet; thence North 46°04'19" East 69.00 feet; thence North 43°55'41" West 5.81 feet; thence Northerly 27.49 feet along a 17.50 feet radius curve concave Easterly with a long chord bearing North 1°04'19" East 24.75 feet; thence North 46°04'19" East 7.71 feet; thence North 43°55'41" West 2.38 feet; thence North 46°04'19" East 8.79 feet; thence South 43°55'41" East 137.50 feet; thence South 46°04'19" West 18.00 feet; thence North 43°55'41" West 37.50 feet; thence South 46°04'19" West 61.00 feet; thence North 43°55'41" West 13.00 feet;

thence South 46°04'19" West 24.00 feet to the point of beginning, containing 8764 square feet.

Said additional real estate is shown on the amended development site plan attached here to and by this reference incorporated herein

2. Addition of Building. The description of the building submitted to the Horizontal Property Regime is amended to add a one story commercial unit (102C) located northeasterly of Unit 1152 in the Trestle Bridge Resort Condo Building as shown on the site plan attached. The principal materials Unit 102C is constructed of are concrete, steel roof trusses and galvanized steel roof and the fractional interest which each resort unit bears to the entire Horizontal Property Regime is one-fiftieth ( $1/50^{\text{th}}$ ), such fraction, payment of common expenses and voting rights shall be consistent with the fractional interest.





**BY-LAWS  
OF  
THE BRIDGES BAY RESORT HOMEOWNER'S ASSOCIATION  
(A Non-Profit Corporation)**

The Bridges Bay Resort Homeowner's Association, a non-profit corporation, hereinafter referred to as "Association", hereby adopts the following By-Laws:

1. The registered office and principal office of Association shall be located at 708 Lake Street, Spirit Lake, Iowa or at such other place as may be established by resolution of the Board of Directors of Association.

2. The corporation shall be governed by a board of three (3) directors until BBR, L.L.C and Bridges Bay Resort, L.L.C., hereinafter Developer, either surrender or lose the right to appoint directors under Article VIII B of the Articles of Incorporation, then the board shall consist of five (5) directors. Whenever there are three (3) directors, at least two (2) directors must be present to constitute a quorum. Whenever there are five (5) directors, at least three (3) directors must be present to constitute a quorum. Action may be taken at any Board of Directors meeting upon majority vote of those present. The initial directors and subsequent directors shall be appointed by Developer until such time as Developer surrenders, voluntarily or otherwise, its right to appoint under Article VIII B of the Articles of Incorporation, whereupon all directors shall be elected by vote of the membership as described below. Upon the death, resignation or removal of any director, that director's position shall be filled by an appointment made by the remaining directors, except that in the case of a director appointed by Developer and not yet elected by the membership, Developer shall fill any vacancy by appointment. Any directors appointed by the Board or Developer pursuant to the preceding sentence shall serve for the remainder of the term of the previous director.

3. The Board of Directors shall have the power to call meetings of the members, to appoint and remove all officers and employees of Association, and to direct the action of said officers and employees.

4. Association Meetings

A. There shall be annual meetings of Association on the second Saturday of July in each year at 10:00 o'clock a.m. for the purpose of electing a President, Vice President and Secretary-Treasurer and after Developer surrenders or loses the right to appoint, two (2) Directors shall be appointed by the owner of the commercial units, subject to Developer's reserved rights and shall constitute the Board of Directors, and for transacting any other business authorized to be transacted by Association.

B. The annual meeting and all other meetings of Association shall be held at the corporation office or such other suitable place convenient to the directors and members as may be designated by the Board. No notice need be given of Association's annual meeting nor the Board's annual meeting.

C Special meetings of Association may be called by the Board by majority vote or upon the written request of a majority of the voting membership. Notice of any special meetings shall be given to all voting members by ordinary mail addressed to their last known address not less than ten (10) days nor more than thirty (30) days prior to the date set for such meeting. The notice shall state the time and place of such meeting and the purpose thereof. No business may be conducted at such meeting other than as stated in the written notice unless all voting members are personally in attendance (not including proxies).

D. Notice of a meeting may be waived in writing. Attendance by a voting member at any meeting of Association shall constitute a waiver of notice.

E A quorum at Association meetings shall consist of twenty-five percent (25%) of the voting membership. Action approved by a majority of those present at a meeting at which a quorum is present shall be valid except where approval by a greater number of voting members is required by these By-Laws or the Master Covenants. The joinder of a voting member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of a member for the purpose of determining a quorum.

F Votes may be cast in person or by proxy. Proxies must be in writing and filed with the Secretary-Treasurer before the time of the meeting. A proxy so filed shall constitute that owner's presence at the meeting except as stated in Paragraph 4 C above.

G If any Association meeting cannot be held because a quorum is not in attendance, the voting members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

H The order of business at all annual meetings of Association shall be as follows.

1. Roll call and certification of proxies;
2. Proof of notice of meeting and waivers of notice;
3. Reading the minutes of the preceding meeting;
4. Report of officers;
5. Report of committees;
6. Election of officers;
7. Unfinished business;
8. New business;
9. Adjournment.

I The latest edition of Roberts Rules of Order shall govern meetings unless specifically provided otherwise.

5 The board of administration of this Association shall be the Executive Board or Board of Directors established as follows.

A. The Executive Board shall be in charge of the administration of this Association. Until such time as Developer surrenders or loses its right to appoint Directors under Article VIII B of the Articles of Incorporation, the Board shall consist of three (3) persons who shall collectively serve as President, Vice President and Secretary-Treasurer as appointed by Developer. After Developer surrenders or loses the right to appoint Directors under Article VIII B of the Articles of Incorporation, the President, Vice President, Secretary-Treasurer shall be elected by the voting members at Association's annual meeting and two (2) Directors appointed by the Owner of the commercial units and the Board shall then consist of five (5) members. In all cases, Directors shall serve for a period of one (1) year and until their successors are appointed or elected, unless otherwise removed.

B. The powers and duties of the executive board shall include all of the powers and duties existing under Chapter 504 of the 2005 Code of Iowa. These powers and duties shall include but not be limited to the following, subject however to the provisions of the Articles of Incorporation and these By-Laws:

1. To make and collect assessments against members to pay the costs and expenses of Bridges Bay Resort,
2. To use the proceeds of assessments in the exercise of the powers and duties of the Board,
3. To maintain, repair, furnish, replace and operate the common areas owned or maintained by Association,
4. To purchase insurance upon the property and insurance for the operation of Association and its members, including but not necessarily limited to casualty and liability insurance,
5. To reconstruct improvements after casualty and to further improve the property,
6. To make and amend reasonable regulations, standards and rules of conduct regarding the use and occupancy of the property,
7. To enforce by legal means, if necessary, the provisions of law, the Master Covenants, Articles of Incorporation and regulations, standards and rules of conduct properly adopted,
8. To contract for the management of the regime and to delegate to a manager such powers and duties of Association and Board as it may deem appropriate and to terminate such management. The Board shall also have the power to employ

attorneys, accountants and such other professional persons as necessary to assist in said management;

9 The designation and removal of personnel necessary for the maintenance, repair, replacement and operation of the common areas and facilities.

C. The officers of this Association shall have the following duties and responsibilities:

1 The President shall be the chief executive officer of the Board and Association. He or she shall have all the general duties and powers which are usually vested in the office of President, including, but not limited to, the power to appoint committees from among the voting members from time to time, as he or she decides is appropriate to assist in the conduct of the affairs of Association or Board;

2. The Vice President shall, in the absence of the President, perform the President's duties. The Vice President shall also perform such other duties and provide assistance to the President as shall be imposed by Association, Board or President,

3. Secretary-Treasurer. The Secretary-Treasurer shall have the minute book wherein resolutions and other business of Association shall be recorded, shall have charge of such books and papers as Association or Board may direct, shall give all notice to members and directors or other notices required by law or these By-Laws and shall in general perform all duties incident to the office of the Secretary-Treasurer. He or she shall also have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements of Association and of the Board in books belonging to Association or to the Board. No expenditure above \$1,000.00 may be made without approval of the Board unless this provision is amended by resolution of the Board. In general, the Secretary-Treasurer shall keep the books in accordance with good accounting practices and perform all other duties incident to the office of Secretary-Treasurer,

4. All officers shall be voting members, spouses of voting members or officers or agents of corporate or fiduciary voting members, but this shall not preclude the appointment and employment of nonvoting members as assistant secretary or assistant treasurer,

5 Compensation of all directors and officers including assistant secretary and assistant treasurer shall be fixed by Association

D. The annual meeting of the Board of Directors shall be held in each year immediately following the adjournment of the annual meeting of Association. At such meeting, the Board shall determine what time, if any, shall be established for periodic board meetings.

E. The qualifications for voting membership and the method of voting shall be governed by Articles VI and VII of Association's Articles of Incorporation

F. Special meetings of the Board may be called by the President and shall be called by the President if requested by two other board members. Notice of special meetings of the board shall state the time and place of any such meeting and the purpose thereof and shall be mailed by ordinary mail to each board member at least three (3) days but not more than fifteen (15) days prior to such meeting. Such special meeting shall not consider business other than that set out in the notice unless all board members are in attendance

G. Board members may waive notice of the meeting in writing and their attendance at a meeting shall constitute a waiver of said notice.

H. There shall be no proxies for Board meetings. A majority of those present shall be necessary for Board action.

I. Ordinary business and decisions and resolutions of the Board may be conducted and put into effect without a formal meeting of the Board provided the full particulars of the item are reduced to writing and signed by all Board members and filed with the Secretary who shall keep said written document with the minutes of the meeting of the Board.

J. If desired by Association or by the Board, a Blanket Fidelity Bond may be secured to cover anyone who may handle Association funds. The premium on such bonds shall be paid from Association funds.

K. After Developer has relinquished or lost its right to appoint Directors under Article VIII B of the Articles of Incorporation, upon an affirmative vote of the majority of the voting members any Board member may be removed either with or without cause and a successor elected at a regular or special meeting of Association. Assistant officers may be removed upon an affirmative vote of the majority of the members of the Board present at a meeting either with or without cause and successors may be elected at any meeting, regular or special.

L. Payment vouchers exceeding the amount established by paragraph 5 C.3. above shall be approved by a majority of the Board with such approval noted in the minutes.

M. The joinder of any director in the action of a meeting of the Board by signing and concurring in the minutes thereof shall constitute the presence of such director for the purpose of determining a quorum.



6 The fiscal management of this Association shall be subject to the following

A For each calendar year, the Board of Directors shall adopt an annual budget which shall include the following accounts:

1. Current expense, which shall include all funds and expenditures to be made within the year for which the funds are budgeted, including a reasonable amount for contingencies and working funds. Any balance in this fund at the end of each year may be applied to reduce the assessments for current expense for the succeeding year;
2. Reserve for deferred maintenance, which shall include funds for maintenance items which occur less frequently than annually;
3. Reserve for replacement, which shall include funds for repair or replacement required because of damage, depreciation or obsolescence;
4. The budgets for 2 and 3 above may be zero as determined by the Board

B. Since the commercial units and garage units cannot be used for residential purposes, they will not be assessed for the portions of the common expenses with regard to budget items related primarily to residential use of units or which otherwise primarily inure to the residential units (for example, by way of qualification and not limitation, costs associated with the indoor water park and docks) The commercial units and garage units will be assessed on the basis of the total square feet of those units as it relates to the total square feet of all buildings within Bridges Bay Resort The balance shall be assessed to all residential units within Bridges Bay Resort on an equitable basis, based on the total budget for that calendar year divided by the number of residential units A copy of the annual budget shall be mailed to each member and shall state the fraction of the budget assessed against that member. Said statement shall be prepared and mailed to each owner prior to the December 1st preceding the year for which the budget is made. If no budget is prepared and no annual assessment made, the assessment shall be presumed to continue at the same amount as the previous year In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board, but only at a special meeting after notice of said intention to amend the budget is given to all voting members

C. The Board shall have the discretion to determine whether the assessments for any given year shall be due monthly, quarterly, semi-annually, in a lump sum payment by a given date, or pursuant to any other format arrived at by the Board. In all cases, the format for payment shall be specifically stated in the notice mailed to each member prior to the December 1st preceding the year for which the budget is made

D Assessments for non-emergency major improvements shall require the affirmative vote of 60% of the members eligible to vote. Major improvements shall be defined as those costing more than \$10,000.00; this figure shall be adjusted annually by reference to the Consumer Price Index for All Urban Consumers on the U S City Average for all items.

E If as a result of emergencies the annual assessments for common expenses are inadequate, additional assessments for common expenses may be made, but only after notice of the need thereof to all voting members. After such notice and upon approval by a simple majority of the voting members, the assessment shall become effective and shall be due within thirty (30) days of notice thereof.

F Non-payment of any assessment when due subjects the non-payor to an interest charge to be established by the Board. Every assessment and any attendant interest are the personal obligation of the owner of the property assessed. Any non-paid and past due assessment shall constitute a lien against all property subject to said assessment as of the time said assessment is past due. Such assessment lien may be foreclosed by Association as permitted by law and Association shall be entitled to recover from the property owner the assessment, interest and all costs including reasonable attorney's fees.

G An accounting shall be made of all Association accounts at least annually and a copy provided to each unit owner. A majority of the voting members, or of the Board, may require an audit by an independent party.

7 In a voluntary conveyance of a unit the grantee shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for the grantor's share of the common expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefore. However, any such grantee shall be entitled to a statement from Association, setting forth the amount of the unpaid assessments against the grantor and such grantee shall not be liable for, nor shall the unit conveyed be subject to a lien for, any unpaid assessments against the grantor in excess of the amount therein set forth.

8 Upon authorization of the Executive Board any two officers may execute an instrument affecting an interest in real estate.

9 No modification of or amendment to the By-Laws shall be valid unless set forth in writing and duly recorded. These By-laws may be amended by Association at a meeting duly called for such purpose. No amendment shall take effect unless approved by the voting members representing 60% of the units. However, Section 6B may not be amended unless consented to by all of the owners of the commercial units and garage units.

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ARTICLES OF INCORPORATION  
OF BRIDGES BAY RESORT HOMEOWNER'S ASSOCIATION  
(A Non-Profit Corporation)

TO The Secretary of State  
State of Iowa

I, the undersigned, acting as incorporator of a corporation under the Iowa Non-Profit Corporation Act, Chapter 504 of the 2005 Code of Iowa, adopt the following Articles of Incorporation for such corporation

i The name of this corporation shall be Bridges Bay Resort Homeowner's Association, hereinafter referred to as "Association".

ii The purposes of the Association are as follows

- A To hold title to, maintain and manage the use of the common areas of that property to be known as Bridges Bay Resort, a development located in Dickinson County, Iowa
- B To administer and enforce the Master Provisions applying to Bridges Bay Resort
- C To take such action as is consistent with the promotion of the health, safety and general welfare of the owners of the property in Bridges Bay Resort
- D To operate without profit and for the sole benefit of owners of property in Bridges Bay Resort
- E All other purposes allowed by Iowa law, which supplement and facilitate the foregoing purposes

iii The address of the Corporation's initial registered office shall be 708 Lake St., Spirit Lake, Dickinson County, Iowa. The initial registered agent at said address is Earl H. Maas.

iv The number of directors constituting the initial Board of Directors of the Corporation is three (3). The names and addresses of the persons who are to serve as initial directors are as follows:

Jon E. Brock 4208 West 38th Street Sioux Falls, SD 57106	Randy B. Ronsiek 4208 West 38th Street Sioux Falls, SD 57106	Marybeth Ronsiek 4208 West 38th Street Sioux Falls, SD 57106
--	--	--

v The incorporators are the same persons as the initial board of directors, whose names and addresses appear above.

vi The membership of the Association shall consist of all property owners of units within the property described on attached Exhibit "A". This property consists of developments known as Bridges Bay Resort. Ownership of a Resort Condo unit, Residence Condo unit, Residence unit and Commercial unit in Bridges Bay Resort shall

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carry with it one membership in the Corporation. Membership in the Association and all attendant rights and obligation are appurtenant to ownership of property in Bridges Bay Resort, and cannot be separated from property ownership.

VII. Each member of the Association shall have one vote for each share owned by that member, provided however that in case of multiple ownership of a single parcel or unit the owners of that parcel or unit and the appurtenant share shall have, as a group, one vote for each share.

VIII (A) The business of the Association shall be managed by a Board initially consisting of three (3) directors. The number of Directors on succeeding Boards shall be five (5), unless altered through the Corporation By-Laws, but in no event shall the number be less than five (5) nor more than nine (9).

(B) All directors shall be appointed by and serve at the pleasure of BBR, LLC, a South Dakota Limited Liability Company, which shall appoint two (2) directors and Bridges Bay Resort, L L C, a South Dakota Limited Liability Company, which shall appoint one (1) director, their successors or assigns, hereinafter referred to as "Developer", until the Developer no longer holds for sale property located within Bridges Bay Resort, or any earlier date on which Developer voluntarily relinquishes its right to appoint the Directors. When the Developer voluntarily relinquishes the right to appoint, or no longer holds property in Bridges Bay Resort for sale, Directors shall be elected by the members by plurality vote. When the Developer voluntarily relinquishes the right to appoint, or no longer holds property in Bridges Bay Resort for sale, Directors shall be elected by the members by plurality vote, however, the owner of the commercial units shall have the right, without the need for the consent, vote or other action of any other residential unit owner or the Association's Board, to designate, name and appoint to the Board forty percent (40%) of the total number of Board members, unless the owner of the commercial unit relinquishes the right to appoint.

(C) All Directors, whether appointed or elected, shall serve terms of one year. Appointed Directors may only be removed by action of the Developer. Elected Directors may only be removed by vote of the members.

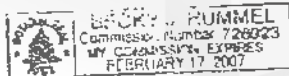
(D) Upon dissolution, the assets shall be distributed to the current members of the Corporation.

Dated this 12th day of September, 2006

Jon E. Brock

STATE OF IOWA )  
                          )ss:  
COUNTY OF DICKINSON )

On this 12th day of September, 2006, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Jon E. Brock, to me known to be the identical persons named in and who executed the foregoing instrument, and who acknowledged that they executed the same as their voluntary act and deed.



*Brock J. Rummel*  
Notary Public in and for said State

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Ladegaard Maahs & Owens

(712)336-1317

P.5

Exhibit "A"

The Southwest Quarter of the Southwest Quarter of Section 21, Township 99 North, Range 36 West of the 5<sup>th</sup> P.M., Dickinson County, Iowa, containing 39.98 acres subject to public roads right-of-ways along the easterly and southerly lines of said Southwest Quarter of the Southwest Quarter by easements of record.

AND

That part of Government Lot 1, Section 20, Township 99 North, Range 36 West of the 5<sup>th</sup> P.M., Dickinson County, Iowa, described as follows:

Beginning at the Southeast corner of said Section 20, thence South 69°45'00" West 1812.80 feet along the southerly line of said Government Lot 1 to the Iowa State Conservation Commission Master Property platted East Okoboji Lake Shoreline, thence North 38°35'10" East 259.47 feet along said shoreline, thence North 39°30'15" East 192.21 feet along said shoreline, thence North 54°14'39" East 510.93 feet along said shoreline; thence North 43°22'25" East 56.87 feet along said shoreline; thence South 39°26'10" East 560.71 feet; thence North 77°40'23" East 116.81 feet; thence North 45°59'45" East 263.24 feet; thence North 13°07'42" West 359.21 feet; thence North 45°10'30" West 50.61 feet, thence North 47°46'50" West 317.73 feet to the said Master Property platted East Okoboji Lake Shoreline; thence North 43°45'30" East 66.82 feet along said shoreline; thence North 33°30'00" East 214.11 feet along said shoreline, thence North 42°38'30" East 617.21 feet along said shoreline, thence North 43°12'02" East 57.43 feet along said shoreline to the easterly line of said Government Lot 1, thence South 0°16'57" East 1927.92 feet along said Government Lot 1 easterly line to the point of beginning, containing 32.08 acres subject to public road right-of-way along the southerly line of said Government Lot 1 by easement of record.

AND

Parcel "D" of that plat of survey in Government Lot 1 of Section 20, Township 99 North, Range 36 West of the 5<sup>th</sup> P.M., Dickinson County, Iowa, recorded as Instrument No. 05-03321 in Survey Book 12, Page 69, in the office of the Dickinson County Recorder, containing 5.38 acres.

FILED  
IOWA  
SECRETARY OF STATE

9-29-2006  
10:24 AM  
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Fee \$37.00

Filed at 9:48 AM  
August 12, 2008

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INSTR. NO. \_\_\_\_\_  
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2008 AUG 12 AM 9 48  
JAN BORTSCHELLER  
RECORDER  
DICKINSON COUNTY, IOWA  
FEE \$ 37.00

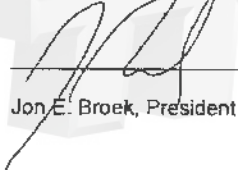
Prepared by: Earl H. Maahs 708 Lake Street Spirit Lake, IA 51360 712-336-1292

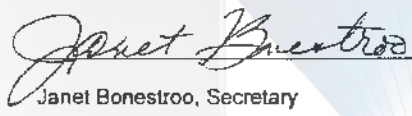
CERTIFICATE OF SECOND AMENDMENT OF  
DECLARATION OF HORIZONTAL PROPERTY REGIME (CONDOMINIUM)  
KNOWN AS TRESTLE BRIGE RESORT CONDO AT BRIDGES BAY RESORT.

Jon E. Broek and Janet Bonestroo being the duly elected President and Secretary of Trestle Bridge Resort Condo Owners Association do verify that at a meeting of all owners of Units in Trestle Bridge Resort Condo at Bridges Bay Resort with written notice of the proposed amendment and designated time and place of the meeting to consider such proposed amendment, held not less than 30 days nor more than 60 days from the date the notice was given and that at such meeting the amendment was adopted upon approval of 60% of the resort owners and the owner of the commerial unit.

The effective date of said Second Amendment is the date of recording the same in the Dickinson County Recorder's office.

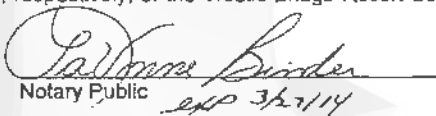
Dated this 31<sup>st</sup> day of July, 2008.

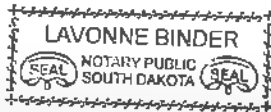
  
\_\_\_\_\_  
Jon E. Broek, President

  
\_\_\_\_\_  
Janet Bonestroo, Secretary

STATE OF SOUTH DAKOTA, COUNTY OF MINNEHAHA, ss:

On this 31<sup>st</sup> day of July, 2008, before me, the undersigned, a Notary Public in and for said State, personally appeared Jon E. Broek and Janet Bonestroo as President and Secretary, respectively, of the Trestle Bridge Resort Condo Owners Association.

  
\_\_\_\_\_  
Notary Public *exp 3/27/14*



Prepared by: Earl H. Maahs 708 Lake Street Spirit Lake, IA 51360 712-336-1292

SECOND AMENDMENT TO  
DECLARATION OF ESTABLISHMENT  
OF HORIZONTAL PROPERTY REGIME (CONDOMINIUM)  
TO BE KNOWN AS  
TRESTLE BRIDGE RESORT CONDO AT BRIDGES BAY RESORT

Pursuant to Paragraph 25B of the Declaration of Horizontal Property Regime of Trestle Bridge Resort Condo at Bridges Bay Resort, said Declaration previously filed on December 13, 2006 and recorded in Book 27, Page 287, and as amended by an Amendment to Declaration dated January 12, 2007, filed January 15, 2007 and recorded in Misc. Rec. 27, Page 407, is amended as follows:

1. Addition of Real Estate. The description of the land submitted to the Horizontal Property Regime is amended to add the following described real estate:

That part of Government Lot 1, Section 20, Township 99 North, Range 36, West of the 5<sup>th</sup> P.M., Dickinson County, Iowa, described as follows: Commencing at the Southeast corner of said Section 20; thence North 0°16'57" West 55.66 feet along the Easterly line of said Government Lot 1 to the Northerly right-of-way line of County Road A-31; thence North 89°37'48" West 1208.55 feet along said road right-of-way line; thence Westerly 365.68 feet along said road right-of-way line along a 2043.34 feet radius curve concave Southerly with a long chord bearing South 85°14'00" West 365.19 feet; thence South 89°46'35" West 29.75 feet along said road right-of-way line; thence North 56°12'33" East 100.47 feet; thence North 88°07'48" East 391.59 feet; thence North 62°57'10" East 210.88 feet; thence North 77°40'23" East 231.91 feet; thence North 39°26'10" West 490.71 feet; thence North 80°07'03" East 110.24 feet to the point of beginning; thence North 43°55'41" West 61.31 feet; thence North 46°04'19" East 69.00 feet; thence North 43°55'41" West 5.81 feet; thence Northerly 27.49 feet along a 17.50 feet radius curve concave Easterly with a long chord bearing North 1°04'19" East 24.75 feet; thence North 46°04'19" East 7.71 feet; thence North 43°55'41" West 2.38 feet; thence North 46°04'19" East 8.79 feet; thence South 43°55'41" East 137.50 feet; thence South 46°04'19" West 18.00 feet; thence North 43°55'41" West 37.50 feet; thence South 46°04'19" West 61.00 feet; thence North 43°55'41" West 13.00 feet;

thence South 46°04'19" West 24.00 feet to the point of beginning, containing 8764 square feet.

Said additional real estate is shown on the amended development site plan attached here to and by this reference incorporated herein.

2. Addition of Building. The description of the building submitted to the Horizontal Property Regime is amended to add a one story commercial unit (102C) located northeasterly of Unit 1152 in the Trestle Bridge Resort Condo Building as shown on the site plan attached. The principal materials Unit 102C is constructed of are concrete, steel roof trusses and galvanized steel roof and the fractional interest which each resort unit bears to the entire Horizontal Property Regime is one-fiftieth ( $1/50^{\text{th}}$ ), such fraction, payment of common expenses and voting rights shall be consistent with the fractional interest.



06 JUN -2 PM 4: 30

JAN BORTSCHELLER  
RECORDER  
DICKINSON COUNTY, IOWA  
FEE \$ 52.00

THE BRIDGES BAY RESORT MASTER COMMONS PROVISIONS

\$10.00 NCF

WHEREAS, Bridges Bay Resort, L.L.C., a South Dakota Limited Liability Company and BBR, L.L.C., South Dakota Limited Liability Company, hereinafter referred to as "Developer" owns land located in Dickinson County, Iowa, more particularly described on attached Exhibit "A"; and

WHEREAS, Developer intends to develop, sell and convey said lands for residential/resort use and uses supplemental and accessory to said residential/resort use and to cause said development to be know as "Bridges Bay Resort"; and

WHEREAS, Developer desires to place Commons Provisions upon Bridges Bay Resort and to reserve portions of Bridges Bay Resort for the common use of certain authorized users; and

WHEREAS, Developer has caused to be incorporated a non-profit corporation know as Bridges Bay Resort Homeowner's Association, hereinafter referred to as "Association", for the purposes set forth in its Articles of Incorporation and By-Laws, which include but are not limited to the enforcement of these Master Commons Provisions and the management of common areas for the use and benefit of authorized users.

NOW, THEREFORE, Developer hereby declares that the property described on site plan attached on Exhibit "A" is and shall be know as "Bridges Bay Resort" development and shall be subject to the provisions which follow:

1. MANDATORY COMMONS PROVISIONS. The absence of specific reference to these Covenants in any subsequent transfer of property within Bridges Bay Resort development shall not effect the application of these Commons Provisions, and said lands within Bridges Bay Resort shall continue to be subject to these Master Commons Provisions. No property owner within Bridges Bay Resort may waive the application of these Commons Provisions to said owner's property or otherwise avoid liability for assessments set out below.

2. LANDS SUBJECT TO ASSESSMENT. Bridges Bay Resort is being developed as a residential/resort development. The property in Bridges Bay Resort developed for residential/resort use shall be subject to assessment by Association in accordance with provisions stated below. No part of The Commons or other property not occupied by residential units, commercial units or garage units shall be subject to assessment.

3. GENERAL PLAN OF DEVELOPMENT. Portions of the property described in Exhibit "A" will be developed as an indoor water park and other Commons facilities. Those portions not used for Commons Facilities will be developed into residential/resort uses, which may include one or more Horizontal Property Regimes.

4. THE COMMONS. The Commons or common areas shall include all real and personal property located in Bridges Bay Resort ownership or control of which Developer may transfer to Association, including but not limited to roads, all lakeshore frontage (up to the highwater mark as established by the Iowa Department of Natural Resources), marina area, indoor water park, all signage within water park and sport courts and other leisure areas.

It is anticipated that Developer will construct an indoor water park, walking/biking paths, picnic areas and other recreational facilities on a part of the development and Developer will grant all Association members access thereto subject to conditions and rules and regulations of the Association. These facilities shall be deemed a part of The Commons for all purposes including administration, control and maintenance.

The mowing, trimming, raking, seeding, planting, fertilizing and other similar maintenance of all landscaping throughout including trees, shrubs, hedges and lawn as well as snow removal on all paved areas shall be the responsibility of Association to be accomplished at Association's expense and under Association's control. Association is also responsible for maintenance, repair and replacement of walking/biking paths and all main roads within Bridges Bay Resort.

5. **OWNERSHIP, USE AND MAINTENANCE OF THE COMMONS.** Developer shall maintain ownership and responsibility for maintenance of The Commons until Developer makes The Commons or portions thereof available for general usage by the property owners, at which time Developer shall transfer ownership of The Commons or the appropriate portion thereof to Association and Association shall assume the responsibility of ownership and maintenance thereof. Walking/biking paths and other recreation facilities, although not deeded to Association shall be deemed part of the Commons and Association shall therefore be responsible for administration, control and maintenance. Usage of The Commons shall be subject to the following provisions:

(a) Property owners shall have privileges and rights to boat slips in the marina. Since the size of the marina that is permitted by the Department of Natural Resources may not permit a boat slip for each owner of a unit in Bridges Bay Resort, the granting, allocation and regulation of boat slips will be as follows:

1. Each Residence Condo unit owner that desires a boat slip shall make an application for a boat slip to the Board on or before January 15 of each year.

2. Commercial units shall have access to twelve (12) boat slips per Resort Condo building.

3. As long as there are as many boat slips available as there are Residence Condo unit owners after Commercial access has been determined, each Residence Condo unit owner shall have a right to a boat slip upon payment of a fee of \$500.00 per year due to increased electrical and dock costs.

4. The location of boat slips for each Residence Condo unit owner shall be assigned so as to each owner having a boat slip as closest to owner's Residence Condo unit as possible.

5. As soon as there are more applications than there are boat slips available, the boat slips shall be allocated as follows:

a. The first priority shall be the Residence Condo Buildings adjacent to the lake with priority for the units as follows:



1. The first priority tier shall be the Residence Condo units adjacent to the lake.
2. The second priority tier shall be the Residence Condo units second tier closest to the lake.
3. The third priority tier shall be the Residence Condo units third tier closest to the lake.
4. The fourth priority tier shall be the Residence Condo units fourth tier closest to the lake.

b. The second priority shall be all other Residence Condo Buildings and Residences and in the event there are more applications for this second priority than boat slips, the boat slips shall be allocated upon auctioning the various boat slips to all Residence Condo unit owners and Residence unit owners and the Residence Condo unit owner or Residence unit owner paying the highest priced for each slip shall have that slip for that year. This shall occur each year and the Board shall inform all Residence Condo unit owners and Residence unit owners within the first month of the calendar year, the manner, time and place of the auction.

6. In addition, it is anticipated that dry dock storage and racking may be available to all unit owners as an alternative to the boat slips. When this service is established Rules and Regulations of the Bridges Bay Resort Homeowners Association will be amended to provide for rules and regulations with regard to this dry dock storage and racking.

(b) Association shall have the right to borrow money for the purpose of improving The Commons, and in order to secure any such loan shall have the further right to encumber The Commons.

6. **DEDICATION TO PUBLIC AND GRANTING OF EASEMENTS.** Until Developer conveys title of any given piece of land to Association, Developer retains the absolute right to dedicate to the public any private roads in Bridges Bay Resort and any other common areas deemed appropriate by Developer. Until Developer conveys title of any given piece of land to Association or any private party, Developer retains the absolute right to grant utility or access easements governing that particular piece of land.

7. **DUTIES OF ASSOCIATION.** Association has been organized for the purposes of operating, maintaining, managing and improving the common areas of Bridges Bay Resort and for the purpose of enforcing these Commons Provisions. In the furtherance of such objectives, Association shall have the power and duty to levy the annual maintenance assessment hereinafter referred to and to enforce collection thereof. Association shall also have such other powers and duties as are prescribed by its Articles of Incorporation and By-Laws, as the same may be amended from time to time.

8. **ANNUAL MAINTENANCE ASSESSMENT.** In the furtherance of its objectives, Association shall have the power to levy and collect an annual maintenance assessment among the residential units, commercial units and if any, garage units. Because the commercial units and garage units cannot be used for residential purposes, they will not be assessed for the percent of the common expenses with regard to budget items related primarily to residential use of units or which otherwise primarily inure to the benefit of the residential units (for example, by way of clarification and not

limitation, costs associated with indoor water park, docks and other leisure recreational areas). The commercial units and garage units shall be assessed on the total square feet of the units as it relates to the total square feet of all buildings within Bridges Bay Resort. After deduction of the amount of the association's annual budget for which the commercial units and garage units are responsible, the owner of each residential unit will be responsible for the balance. Each residential unit, commercial unit and garage unit within Bridges Bay Resort shall be assessed when it is ready for occupancy and has been sold by the Developer. Said assessment shall be levied against each unit of assessable property. Owners of units which become ready for occupancy shall pay an assessment charge, prorated for the portion of the year the unit is occupied or able to be occupied and based on the charge assessed for that year. Prior to December 1 of each year, Association shall adopt a budget for the next fiscal year and levy an assessment against each unit based upon that budget. The budget shall be set at a reasonable amount necessary for Association to carry out its purposes as stated in the Articles of Incorporation; in the interest of forwarding those purposes, the budget of Association may include, but is not limited to, expenditures for the following:

(a) To pay all taxes assessed against the common areas of Bridges Bay Resort owned by Association;

(b) To pay any other taxes assessed against or payable by Association;

(c) To pay all expenses required for the operation, management, repair, maintenance, improvement or replacement of main roads (as distinguished from minor roads and other paved areas in Paragraph 4 above) and other common areas in Bridges Bay Resort, including, without limitation, expenditures for lighting, landscaping, horticultural improvements, drainage and lake front and beach maintenance, and maintenance of the grounds such as lawn care and snow removal;

(d) To pay the salary of any Resident Manager;

(e) To pay all utility charges incurred in connection with the operation of said common areas, including street lighting expense;

(f) To acquire and pay for such casualty, liability and other insurance coverage as Association may deem necessary or desirable;

(g) To provide for engineering and accounting services, legal services and such other professional and employee services as may be deemed appropriate by Association;

(h) To provide, in the discretion of the Board of Directors, a reasonable contingency fund for the ensuing year and to provide a reasonable annual reserve for anticipated major capital repairs, maintenance and improvement, and capital replacements;

(i) To pay the operating expenses of Association, including compensation of officers and directors and/or reimbursement of actual expenses incurred by officers and directors, if authorized by the Board of Directors;

(j) To repay any funds borrowed by Association for any of its lawful purposes, including interest thereon;



(k) To make such other expenditures as may be deemed necessary or desirable by Association's Board of Directors for the purpose of accomplishing the intent, purposes and objectives set forth in these Covenants.

9. **COLLECTION OF ANNUAL MAINTENANCE ASSESSMENT.** The collection of the annual maintenance assessment shall be performed according to the By-Laws.

10. **ASSOCIATION RIGHTS.** Nothing herein shall be construed to prevent Association from permitting persons who are not owners or guests of properties in Bridges Bay Resort from using the Commons and facilities located therein for such fees and under such terms and conditions as Association may impose.

11. **TRANSFER OF TITLE TO ASSOCIATION.** Developer may transfer ownership of common areas or other areas to Association from time to time, and Association is obligated to accept title to such property and maintain the property for the use and benefit of property owners within Bridges Bay Resort, and Association shall accept the responsibility to pay all taxes then due or which may become due on said property.

12. **WAIVER.** Failure of Developer or Association to require strict adherence to any portion of these Commons Provisions shall not be deemed to be a waiver of all or any portion of these Commons Provisions absent a written waiver executed by Developer or Association. The waiver of any portion of these Commons Provisions as to a specific property (or person) shall not be deemed a waiver of the enforcement of these Covenants as against any other property (or person).

13. **INVALIDATION.** In the event any Court shall invalidate any provision of these Commons Provisions, the remaining provisions shall not be affected but instead shall remain in full force and effect.

14. **USAGE.** Whenever used herein, the singular number shall include the plural and the plural the singular, and the use of any gender shall include all genders.

15. **DEVELOPER'S RESERVED RIGHTS.** Developer reserves the right in its sole discretion to withdraw from these Commons Provisions any portion of the property described in Exhibit "A" which has not been developed as Commons or for residential resort uses. No portion, however, may be withdrawn once that portion has been conveyed or dedicated to a Horizontal Property Regime. Developer reserves the right to adopt supplemental provisions and restrictions as long as such supplements do not conflict with the terms and provisions of the Master Commons Provisions. Nothing herein shall be construed to in any way restrict Developer from submitting any portion or all of the above property to Horizontal Property Regimes. Developer reserves the right to grant usage rights to the amenities. These rights do not extend to the marina, unless the available spaces in the marina have not yet been filled by residents of Bridges Bay Resort. In the event an individual or family is granted a usage right to the marina by the Developer, that right must be surrendered if, at any time, additional residents of Bridges Bay Resort wish to obtain a space in the marina and otherwise qualify to obtain such a space. Any usage rights granted by Developer are not transferable or assignable. Developer retains perpetual control over said rights. The fee for these usage rights shall be reasonable and not designed to prevent or discourage use by these members. Developer shall irrevocable and permanently retain the right to maintain an office within Bridges Bay Resort. Such office space may be used

by Developer without charge for such common office expenses as rent, utilities or heat. Until all units within Bridges Bay Resort are sold, any alterations or additions to property within Bridges Bay Resort relating to fencing, landscaping, color or design of structures must first be approved by Developer.

16. **AMENDMENTS.** These Commons Provisions may be amended at any time upon approval of sixty percent (60%) of all Association members entitled to vote, except for any amendment to paragraph 5a shall require an approval of 90% of all Association members entitled to vote. Notwithstanding the aforementioned power to amend, these Master Commons Provisions cannot be amended except upon written approval of the Developer until Developer has determined it has sold all units it expects to develop on the property.

All amendments shall be committed to writing to be executed by the President and Secretary of Association and recorded. Notwithstanding this provision, no amendment shall be effective without Developer's express written consent as to Developer's reserved rights as stated in Paragraph 15.

IN WITNESS WHEREOF, Developer has caused this instrument to be executed in its name this 17 day of April, 2006.

**BBR, L.L.C.**

By: [Signature]  
Jon E. Broek, Member Manager

By: [Signature]  
Randy J. Ronsiek, Member Manager

**BRIDGES BAY RESORT, L.L.C.**

By: [Signature]  
Jon E. Broek, Member Manager

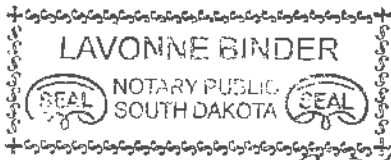
By: [Signature]  
Randy J. Ronsiek, Member Manager

By: [Signature]  
David R. Sweet, Member Manager

By: [Signature]  
Gregory L. Schjodt, Member Manager

STATE OF SOUTH DAKOTA     )  
  ) SS  
COUNTY OF MINNEHAHA     )

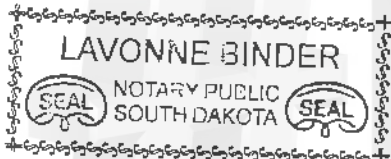
On this 17 day of April, 2006, before me, a Notary Public in and for said State, personally appeared **Jon E. Broek and Randy J. Ronsiek**, to me personally known, who being by me duly sworn did say that they are the **Member Managers** of said limited liability company, that no seal has been procured by the said limited liability company and that said instrument was signed on behalf of the said limited liability company by authority of its Member Managers and the said **Jon E. Broek and Randy J. Ronsiek** acknowledged the execution of said instrument to be the voluntary act and deed of said limited liability company by it voluntarily executed.



*Lavonne Binder*  
Notary Public in and for said State

STATE OF SOUTH DAKOTA     )  
  ) SS  
COUNTY OF MINNEHAHA     )

On this 17 day of apr, 2006, before me, a Notary Public in and for said State, personally appeared **Jon E. Broek, Randy J. Ronsiek, David R. Sweet and Gregory L. Schjodtz**, to me personally known, who being by me duly sworn did say that they are the **Member Managers** of said limited liability company, that no seal has been procured by the said limited liability company and that said instrument was signed on behalf of the said limited liability company by authority of its Member Managers and the said **Jon E. Broek, Randy J. Ronsiek, David R. Sweet and Gregory L. Schjodtz** acknowledged the execution of said instrument to be the voluntary act and deed of said limited liability company by it voluntarily executed.



*Lavonne Binder*  
Notary Public in and for said State