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JAN GOETSCHELLER
RECORDER
DICKINSON COUNTY, IOWA
FEES 117.00

**DECLARATION OF ESTABLISHMENT
of
A HORIZONTAL PROPERTY REGIME (CONDOMINIUM)
to be known as
GOLDEN GATE BRIDGE RESIDENCE CONDO AT BRIDGES BAY RESORT**

The undersigned, BBR of SD, 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"

In compliance with Section 499B.4 of the Code of Iowa, the following declarations are made:

1. The description of the land and improvements hereby submitted to this Horizontal Property Regime (Condominium) is a main building and a detached garage building, Dickinson County, Iowa located upon the property as legally described and as depicted on the Site Plan. The Building located on said Land is hereby submitted to the regime. The Units in such Building, which are shown on the Site Plan (attached hereto as Exhibit A) and depicted on the building floor plans attached hereto as Exhibit B, are hereby submitted to the regime. Exhibits "A" and "B" contain and such contents shall govern, for purposes of this Declaration and for purposes of meeting certain requirements of Sections 499B.4 and 499B.6 of the Code of Iowa, the following:

A. The number identifying the Building and each Unit, the location and number of rooms in each Unit and the immediate common area to which each Unit has access and parking space. Each parking space shall bear markings clearly denoting which unit is entitled to exclusive use.

B. The full and exact copy of the plans of the Building which show graphically all particulars of the Building including, but not limited to, the dimensions, area and location of the common elements affording access to each Unit.

C. The building submitted to this Declaration is a four story, thirty-six unit structure. The principal material of all units constructed is wood with concrete board and cultured stone siding. The basement level of the building and the additional garage building are used as a garage for all units.

2. Ownership of the unit carries with it the ownership of an undivided interest in all general common elements and facilities as defined herein. These general common elements and facilities, which shall be held by the owners as tenants in common, shall be the land on which the building is erected, the foundations, the main sanitary sewer and water lines located in the building, the walls, floors, ceilings and roofs of each unit and of the building (except the interior surfaces and except partition walls within individual units), stairways, walkways, outside electrical lighting units, pipes, wires, fire alarm system, conduit and other public utility lines which are utilized for or serve more than one unit, facilities and personal property required for the use of personnel engaged in performing services for the development and all other devices or installations existing for common use and defined as General Common Elements by Section 499B.2 of the 2005 Code of Iowa.

The owners of a unit shall be deemed to own the cupboards, counters, plumbing fixtures and walls or partitions that are contained wholly within the particular unit and shall be deemed to own the inner decorated and/or finished surfaces of the perimeter walls, floor and ceiling including paint, wallpaper, linoleum, carpeting, etc., which are deemed to be a permanent part of each unit. The owner of each unit shall be solely responsible for the care, maintenance, repair, replacement and restoration of each unit including plumbing and lighting fixtures, heating and air conditioning equipment, refrigerator, dishwasher, disposal, range or other equipment or personal property connected with such unit for its exclusive use, except as otherwise provided. In the event pipes, wires, conduits or other public utility lines run through one unit which are utilized for or serve one or more other units, a valid easement for the maintenance of said pipes, wire, conduits, or other public utility lines shall exist and in the event any part of the building is partially or totally destroyed and later rebuilt, repaired, or restored as hereinafter provided, a valid easement for replacement and maintenance of said pipes, wires, conduits or other public utility lines shall exist.

3. Patios, decks and entrances are for the exclusive use of the respective units, but repair and maintenance shall be a common expense.

4. The fractional interest which each unit bears to the entire Horizontal Property regime is one-thirty sixth (1/36th), such fraction, payment of common expenses and voting rights shall be consistent with the fractional interest.

5. In the event of damage or destruction of all or part of the property covered by this Horizontal Property Regime, a majority of all the unit owners shall be determinative of whether to rebuild, repair, restore or sell the property. In the event the decision is made to rebuild, repair or restore, the insurance proceeds shall be used in payment of such work and any costs in excess of the insurance proceeds shall be paid forthwith upon completion of the work, in equal shares by all unit owners, subject, however, to the individual unit owner's obligations set out in Paragraph 3 above.

6 The administration of this Regime as it may be supplemented from time to time shall be vested in Golden Gate Bridge Homeowners' Association, consisting of all of the owners of the units subject to the provisions herein. This Association shall be the "Council of Co-Owners" within the meaning of Chapter 499B of the 2005 Code of Iowa and have all powers and authority granted to it by said Chapter, including, but not limited to the responsibility for the care, maintenance, repair, replacement and restoration of the structure, common elements and facilities and the making of assessments chargeable to owners. All sums so assessed but unpaid shall constitute a lien on the respective unit prior to all other liens, except: (1) liens for taxes and assessments lawfully imposed by governmental authority against such property; and (2) all sums secured by mortgages of record. Such lien may be foreclosed by suit by Association or its representatives in like manner as a mortgage of real property provided that thirty (30) days written notice of the intention to foreclose shall be mailed, postage prepaid, to the owner as shown by Association's record of ownership as set out below. In the event a lien of Association shall be foreclosed, the unit owner shall be required to pay a reasonable rental for the unit and Association shall be entitled to the appointment of a receiver to collect the same. Association or its representatives shall have the power to bid on such unit at foreclosure sale and to acquire, hold lease, mortgage and convey such unit. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the same.

7. Association may file a lien for unpaid assessments by filing a notice thereof with the Dickinson County Recorder. Such notice shall be signed by an officer of Association.

8. 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 collectable from all unit owners including the mortgagee or purchaser.

9. 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 the apartment conveyed be subject to a lien for any unpaid assessments in excess of the amount appearing in said statement.

10. The term "owner" as used in this Declaration and in the By-Laws shall mean record holder of title to the unit and shall include a contract purchaser in possession. In the event of multiple, corporate or fiduciary ownership, said owner or owners shall designate a person in writing filed with the Secretary of Association, said person to act as owner in connection with the voting rights and administration referred to in this Declaration and the By-Laws. Notices to be given by Association are properly given to the owner or owners of the respective unit if given to the designated person. Each unit shall be entitled to have one vote but not more than one and that vote may not be split. The owner of a unit in Golden Gate Bridge at Bridges Bay Resort shall be a

member of Association and shall remain a member until such time as ownership ceases for any reason.

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

12. All agreements and determinations lawfully made by Association or its Board or officers shall be deemed binding upon all owners, their tenants, guests, successors or assigns. Failure to comply with the Declaration, By-Laws, decisions, rules, resolutions, agreements and determinations of Association or its Board of Directors or officers shall be grounds for an action to recover damages or for injunctive relief.

13. No owner may be exempted from liability for contributions toward common expenses by waiver of the use or enjoyment of the common elements and facilities or by the abandonment of the unit

14. The property shall be used for residential purposes only. No lease shall relieve the owner as against Association and other owners from any responsibility or liability imposed by the condominium documents

15. Voting by an owner may be by written proxy filed with the Secretary of Association.

16. No unit may be sold without also conveying to the same purchaser that unit's interest in the common elements. Likewise, no sale or conveyance of an interest in the common elements and facilities can be made without a sale or conveyance to the same purchaser of the corresponding unit.

17. Incidental damage caused to a unit through maintenance by Association shall be repaired by Association as a common expense.

18. No owner shall make any alteration or improvement to or extension into any common element or facility or remove any portion thereof without approval of Association

19. No owner shall convey, mortgage or lease any unit unless and until all common charges assessed and accrued have been paid.

20. Association may:

- A. Regulate pets and the ownership of and use of motorcycles or other power driven equipment on the premises but may prohibit pets only if such prohibition is approved by 100% of Association's voting members;
- B. Control the erection of For Sale or other signs;

- C. Adopt, amend and enforce other reasonable restrictions and regulations related to the use and enjoyment of the premises
21. No noise or other activity shall be allowed which unduly interferes with the peaceful possession and proper use of the property by its owners, nor shall any fire hazard or unsightly accumulation of refuse be allowed. All laws, ordinances and regulations of governmental bodies shall be observed by the owners and Association.
22. Each unit owner covenants and agrees to pay the separately metered utility expenses, to maintain a minimum year round temperature of 50° Fahrenheit within the unit and to turn off the water to the unit if the owners expect it to be unoccupied for seven (7) days or more.
23. An owner shall be liable to Association for the expenses of any maintenance, repair, or replacement rendered necessary by his or her act, neglect or carelessness or by that of the owner's family, guests, employees, agents or lessees, which liability shall include any increase in insurance rates resulting therefrom.
24. Notwithstanding any other provision herein or in the By-Laws, Developer is irrevocably empowered to transact on the property any business relating to construction, sale, lease or rental of units, including the right to maintain models, offices, signs, employees, equipment and materials on the premises. This right shall continue until this Development, including additions, has been fully developed and sold.
25. This Declaration may be amended in any of the following manners
- A. By written amendment duly executed by all owners and filed with the Dickinson County Recorder; or
- B. Written notice of a proposed amendment shall be given all owners, such notice shall designate a time and place for a meeting to consider such proposed amendment which time shall be not less than thirty (30) nor more than sixty (60) days from the date such notice is actually given. At such meeting, the amendment shall be adopted upon approval of 60% of the owners.
- C. Notwithstanding the above subparagraphs, Paragraph 29 below cannot be amended,
26. Notwithstanding the above and the provisions of the By-Laws, the Developer shall retain the right to name all Directors of Association until all units have been sold. Such Directors need not be unit owners. Developer shall be required to pay assessments for all units held by it except for reserves.


In Witness Whereof, the undersigned has executed this instrument this 20th day of October, 2006, at Spirit Lake, Dickinson County, Iowa.

BBR of SD 441 C

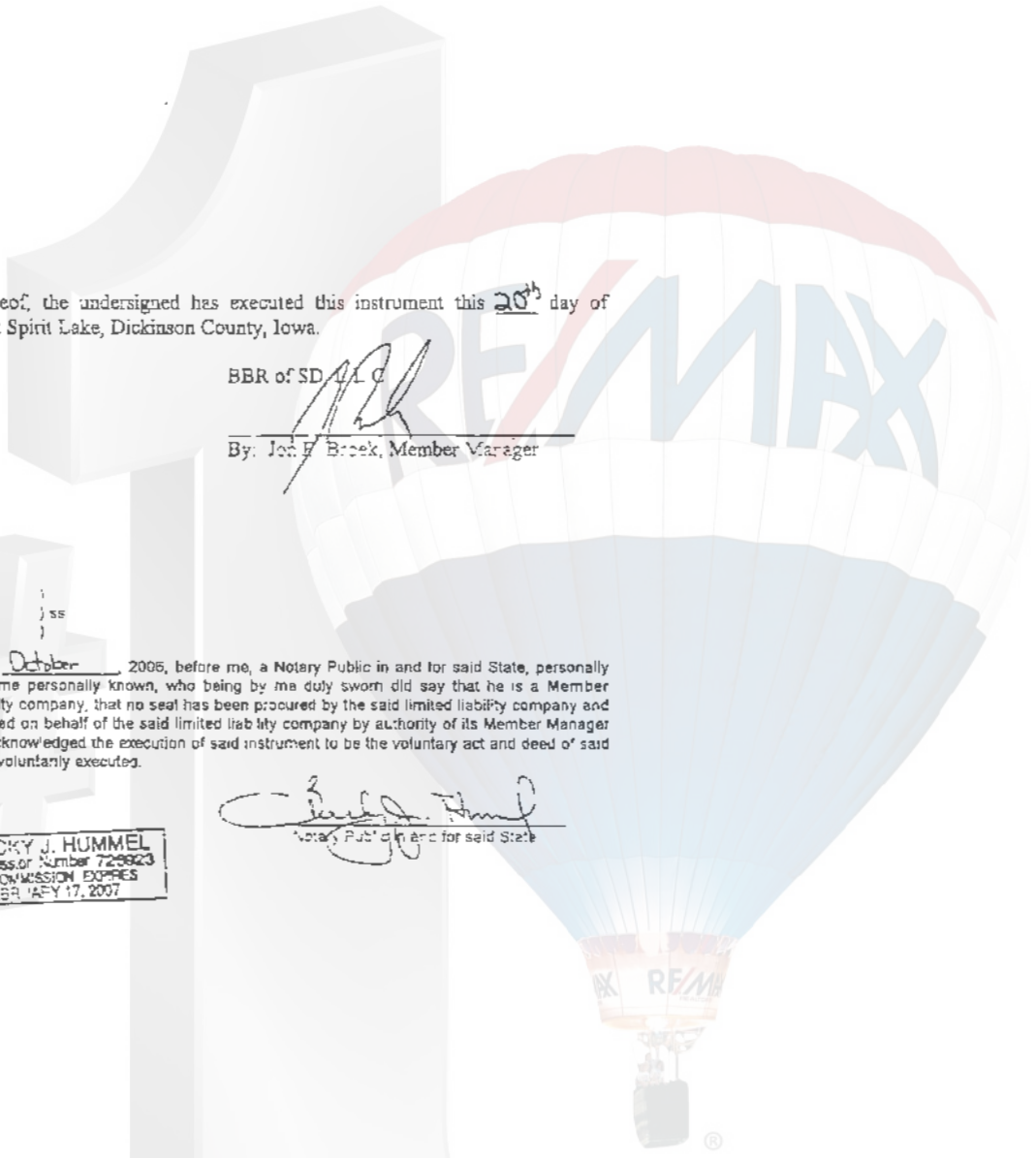
By: Jon E. Broek, Member Manager

STATE OF IOWA)
) ss
COUNTY OF DICKINSON)

On this 20th day of October, 2006, before me, a Notary Public in and for said State, personally appeared Jon E. Broek, to me personally known, who being by me duly sworn did say that 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 Jon E. Broek acknowledged the execution of said instrument to be the voluntary act and deed of said limited liability company by it voluntarily executed.

 BECKY J. HUMMEL
Commission Number 729923
MY COMMISSION EXPIRES
FEBRUARY 17, 2007

Becky J. Hummel
Notary Public in and for said State

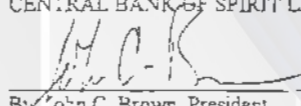


**CONSENT OF MORTGAGEE
TO
SUBMISSION OF PROPERTY
TO
CONDOMINIUM REGIME**

Central Bank of Spirit Lake, Iowa is the holder of a mortgage against the real estate submitted to the Golden Gate Bridge Residence Condo at Bridges Bay Resort by the Declaration of Submission of Property to Horizontal Property Regime for the Golden Gate Bridge Residence Condo at Bridges Bay Resort to which this Consent is attached. By the undersigned execution of this Consent, the undersigned, as duly authorized representative of Central Bank of Spirit Lake, Iowa, hereby consents to the submission of the property covered by such mortgage to the Golden Gate Bridge Residence Condo at Bridges Bay Resort, and agrees that from the time of the filing of said Declaration in the Office of the Dickinson County, Iowa recorder, the lien of such mortgage shall become a lien on the individual units and their undivided percentage interest in the common elements of the Condominium Regime, and such mortgage shall be partially released as to each such unit and its undivided percentage interest in the Condominium Regime upon payment to the undersigned of an amount to be agreed to as to each such unit between the Developer and the undersigned prior to the sale of each unit to a third party.

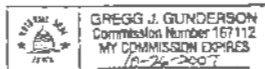
Dated this 5th day of October, 2006

CENTRAL BANK OF SPIRIT LAKE, IOWA


By John C. Brown, President

On this 5 day of October, 2006, before me, the undersigned, a Notary Public in and for said State, personally appeared John C. Brown to me personally known, who, being by me duly sworn, did say that he is the President of said corporation and that said instrument was signed on behalf of said corporation by authority of its Board of Directors and he acknowledged the execution of said instrument to be the voluntary act and deed of the corporation by it and by him voluntarily executed.


Notary Public and for said State



**BY-LAWS
OF
GOLDEN GATE BRIDGE RESIDENCE 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 Golden Gate Bridge Residence 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 Golden Gate Bridge Residence 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.

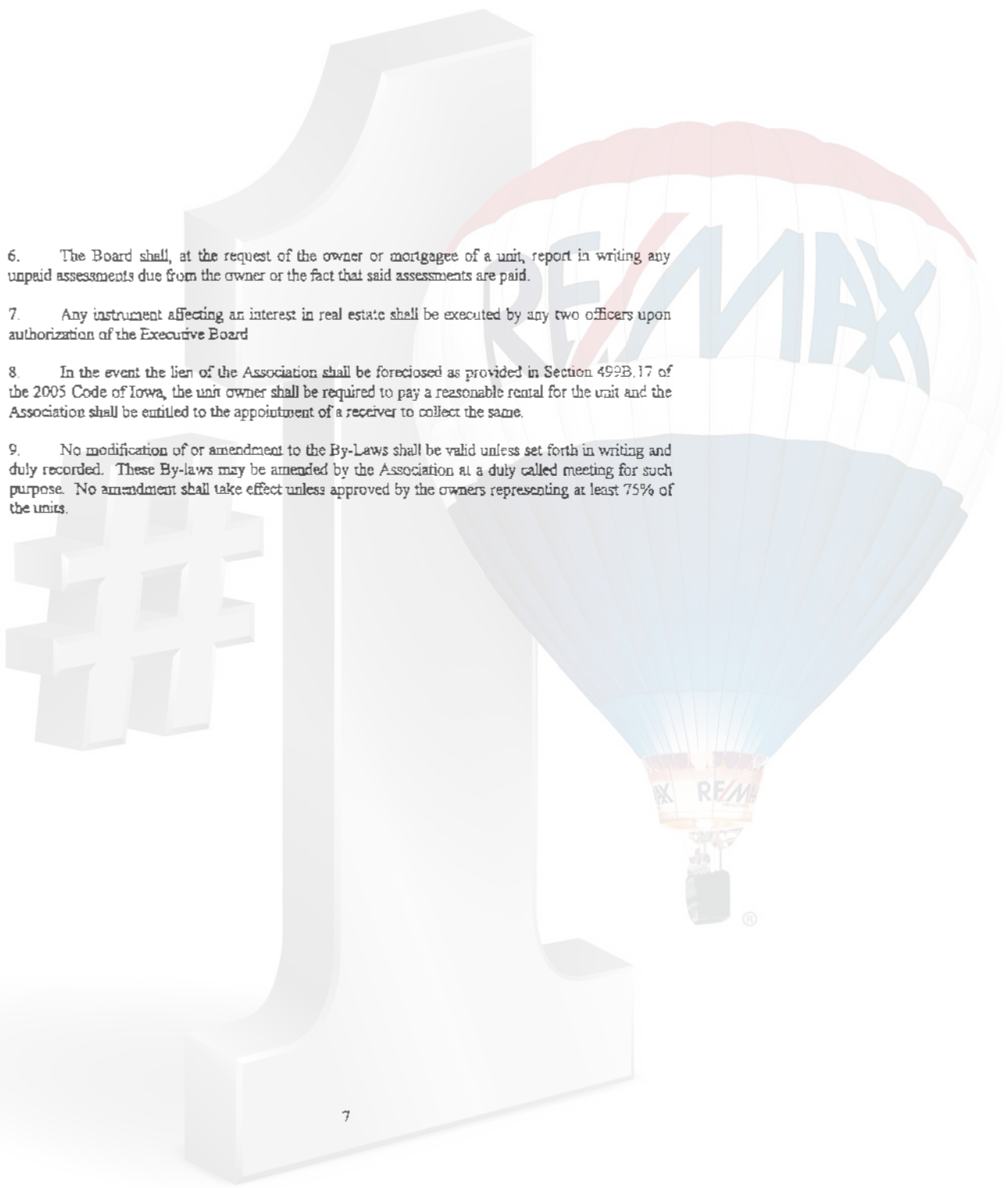
E. Assessments for common expenses as a result of emergencies which cannot be paid from the annual assessments for common expenses shall be made only after notice of the need thereof to all unit owners. After such notice and upon approval by a simple majority of the owners the assessment shall become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

H. 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 the apartment conveyed be subject to a lien for any unpaid assessments in excess of the amount appearing in said statement.

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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 units.

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

