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DECLARATION STATEMENT

BIG SWAN LAKE CAMPGROUND

A PLANNED COMMUNITY

COMMON INTEREST COMMUNITY

PLAT NO . 20

(Above Space Reserved for Recording Data)

COMMON INTEREST COMMUNITY PLAT NO. TWENTY

A PLANNED COMMUNITY

BIG SWAN LAKE CAMPGROUND

DECLARATION

This Declaration is made in the County of Todd, State of Minnesota, on this 4th day of February, 2002, by William J. Haggerty, Jr. and Virginia R. Haggerty, husband and wife; and Thomas R. Pueringer and Jody L. Pueringer, husband and wife (collectively the "Declarant"), PURSUANT TO THE PROVISIONS OF Minnesota Statutes Chapter 515B, known as the Minnesota Common Interest Ownership Act (the "Act"), for the purpose of creating Big Swan Lake Campground as a common interest community under the Act.

WHEREAS, Declarant is the owner of certain real property located in Todd County, Minnesota, legally described in Exhibit "A" attached hereto and Declarant desires to submit said real property and all improvements thereon (collectively the "Property") to the Act, and

WHEREAS, Declarant desires to establish on the Property a plan for a seasonable campground and related residential and recreational facilities to be owned, occupied and operated for the use, health, safety and welfare of its Owners and Occupants as defined herein, and for the purpose of preserving the value and the natural character of the Property, and

WHEREAS, the Property is not subject to a "master association" as defined in the Act, and is not subject to an ordinance governing "conversation property" as defined in the Act.

THEREFORE, Declarant makes the Declaration and submits the Property to the Act as a community under the name "Big Swan Lake Campground" consisting of the Lots referred to in Section 2, declaring that this Declaration shall constitute covenants to run with the Property, and that the Property shall be owned, used, occupied and conveyed subject to the covenants, restrictions, easements, charges and liens set forth herein, all of which shall be binding upon all Persons owning or acquiring rights, title or interest therein, and their heirs, personal representatives, successors and assigns.

SECTION 1

DEFINITIONS

The definitions contained in Section 515B.1-103 of the Act shall apply to the corresponding words and terms used in the Governing Documents, except that certain words and terms used in the Governing Documents shall have the following meanings:

- 1.1 **"Association"** means Big Swan Lake Campground Association, a nonprofit corporation which has been created pursuant to Chapter 317A of the laws of the state of Minnesota and Section 515B.3-101 of the Act, whose members consist of all Owners.
- 1.2 **"Board"** means the Board of Directors of the Association as provided for the Bylaws, attached hereto as Exhibit "C".
- 1.3 **"Building"** means each structure which is or becomes a part of the Property and contains a Lot, together with any garages located within the Lot.
- 1.4 **"Bylaws"** means the Bylaws governing the operation of the Association, as amended from time to time.
- 1.5 **"Common Elements"** means all parts of the Property except Lots One (1) through Thirty-nine (39), including all improvements thereof.
- 1.6 **"Common Expense"** means and include all expenditures made or liabilities incurred by or on behalf of the Association and incident to its operating, including without limitation allocations to reserves and those items specifically identified as Common Expenses in the Declaration or Bylaws.
- 1.7 **"Governing Documents"** means this Declaration, and the Articles of Incorporation and Bylaws of the Association, as amended from time to time, all of which shall govern the use and operation of the Property.
- 1.8 **"Limited Common Elements"** means a portion of the Common Elements allocated by the Declaration or by operation of Section 515B.2-102(d) or (f) of the Act for the exclusive use of one or more, but not all, of the Lots.

- 1.9 **"Member"** means all persons who are members of the Association by virtue of being Owners as defined in this Declaration. The words "Owner" and "Member" may be used interchangeably in the Governing Documents.
- 1.10 **"Occupant"** means any person or persons, other than an Owner, in possession of or residing in a Lot.
- 1.11 **"Owner"** means a Person who owns a Lot, but excluding contract for deed vendors, mortgagees, holders of reversionary interest in life estates and secured parties within the meaning of Section 515B.1-103(29) of the Act. The term "Owner" includes, without limitations, contract for deed vendees and holders of a life estate.
- 1.12 **"Person"** means a natural individual, corporation, limited liability company, partnership, limited liability partnership, trustee, or other legal entity capable of holding title to real property.
- 1.13 **"Plat"** means the recorded plan depicting the Property pursuant to the requirements of Section 515B.2-110(c) of the Act, including any amended or supplemental Plat recorded from time to time in accordance with the Act.
- 1.14 **"Property"** means all of the real property submitted to this Declaration from time to time, including all improvements located thereon now or in the future. The Property is legally described in Exhibit B attached hereto.
- 1.15 **"Rules and Regulations"** means the Rules and Regulations of the Association as approved from time to time pursuant to Section 5.6.
- 1.16 **"Lot"** means a part of the Property designed and intended for separate ownership and use, as described in Section 2 and 7, and shown on the Plat.

SECTION 2

DESCRIPTIONS OF LOTS AND APPURTENANCES

- 2.1 **Lots.** There are 39 residential lots each of which constitute a separate parcel of real estate, subject to the right of Declarant to add Additional Real Estate in accordance with Section 14. No additional Lots may be created by the subdivision or conversion of Lots within the meaning of the Act. The Lot Identifiers and locations of Lots are as shown on the Plat, which is incorporated herein by reference. Lot 40, Block One (1), and Lot One (1), Block Two (2) are designated for common ownership as provided in Section 3. A schedule of the Lots is set forth on Exhibit "B".
- 2.2 **Lot Boundaries.** There are no buildings or other structures defining the Lot boundaries. The Lots are boxes of air space, the size and location of which are shown on the Plat. The upper and lower boundaries of the Lot are the elevations designed on the Plat for the Lot, and the side boundaries are the planes rising vertically from the side boundaries shown on the Plat and extended to the

elevations establishing the upper and lower boundaries of the Lot. Lot Nos 33 thru 39 have permanent residential structures within them, and the other Lots have no permanent residential structures within them.

- 2.3. Access Easements. Each Lot shall be the beneficiary of an appurtenant easement for access to a public street or highway on or across the Common Elements, subject to any restrictions authorized by the Declarations.
- 2.4. Use and Enjoyment Easements. Each Lot shall be the beneficiary of appurtenant easements for use and enjoyment on and across the Common Elements, subject to any restrictions authorized by the Declaration or the Act.
- 2.5. Utility and Maintenance Easements. Each Lot shall be subject to and shall be the beneficiary of appurtenant easements for all services and utilities serving the Lots or the Common Elements and for maintenance, repair and replacement, as described in Section 11.
- 2.6. Encroachment Easements. Each Lot shall be subject to and shall be the beneficiary of appurtenant easements for encroachments as described in Section 11.
- 2.7. Drain Field Easement. Each Lot shall be beneficiary of an appurtenant easement for use, maintenance, repair and replacement of a drain field for the septic system serving such Lots, as described in a recorded declaration of easements.
- 2.8. Access Easement. Each Lot shall be the beneficiary of an appurtenant easement for roadway access to Todd County Road No. 13 as described in a recorded declaration of easements.
- 2.9. Declarant's Easements. Declarant shall have and be the beneficiary of easements for exercising its special declarant rights as described in Section 13.
- 2.10. Recorded Easements. The Property shall be subject to such other easements as may be recorded against it or otherwise shown the Plat.
- 2.11. Easements are Appurtenant. All easements and similar rights burdening or benefitting a Lot or any other party of the Property shall be appurtenant thereto, and shall be subject to termination only in accordance with the Act or the terms of the easement. Any recorded easement benefitting or burdening the Property shall be construed in a manner consistent with, and not in conflict with, the easement created by this Declaration.

SECTION 3

COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

3.1 Common Elements. The Common Elements and their characteristics are as follows:

- 3.1.1 All of the Property not included within the Lots constitutes Common Elements, and the undivided interests therein are allocated among the Lots based upon the formula set forth in Section 4.2. The Common Elements include, but are not limited to, all the areas and items listed in this Section or designated as Common Elements on the Plat or by the Act. The undivided interest in the Common Elements allocated to a Lot is appurtenant to such Lot and is inseparable from that Lot.
- 3.1.2 The Common Elements shall be subject to appurtenant easements for services, public and private utilities, access, use and enjoyment in favor of each Lot and its Owners and Occupants; subject to (i) the rights of Owners and Occupants in Limited Common Elements appurtenant to their respective Lots and (ii) the right of the Association to establish reasonable Rules and Regulations governing the use of the Property.
- 3.1.3 Subject to Section 5 and 8, all maintenance, repair, replacement, management and operation of the Common Elements shall be assessed and collected from the Owners in accordance with Section 6.
- 3.1.4 Common Expenses for the maintenance, repair, replacement, management and operation of the Common Elements shall be assessed and collected from the Owners in accordance with Section 6.

3.2 Limited Common Elements. The Limited Common Elements are those parts of the Common Elements reserved for the exclusive use of the Owners and Occupants of the Lots to which they are allocated. The rights to the use and enjoyment of the Limited Common Elements are automatically conveyed with the conveyance of such Lots. The Limited Common Elements are described and allocated to the Lots, as follows:

- 3.2.1 Limited Common Elements shown on the Plat are allocated to the Lots as shown on the Plat.
- 3.2.2 Any utilities or septic system piping or other equipment serving only a certain Lot or Lots, and located outside the Lot's boundaries, is allocated to the Lot or Lots which the equipment services.
- 3.2.3 Chutes, flues, ducts, pipes, wires, conduit or other utility installations, bearing walls, bearing columns, or other components or fixtures lying partially within and partially outside the boundaries of a Lot, and serving only that Lot, are allocated to the Lot they serve. Any portion of such installations serving or affecting the function of all Lots or any portion of the Common Elements is a part of the Common Elements.

3.2.4 Improvements such as shutters, awnings, window boxes, doorsteps, stoops, perimeter doors and windows, which are a part of the existing construction and which serve a single Lot, and replacements and modifications thereof authorized pursuant to Section 1.10, if located outside the Lot's boundaries, are Limited Common Elements allocated exclusively to that Lot.

3.3 Dock Area. The dock area has ten community docks which shall become the common property of the Association. The Association may increase the number of docks by resolution of the Board. Owners of Lots may place individual docks if in accordance with the government regulations, and approved by the Board.

3.3.1 The use of the Docks, and the size and type of boats and other watercraft which may be kept at the Docks, are subject to Rules and Regulations as approved from time to time by the Board. The Association shall apply for and maintain any permits required for the Docks.

3.3.2 The Association may charge and assess the respective Owner's Lot fees for Docks and usage, and the fee for services such as installing lifts and servicing boats, as the Board determines.

SECTION 4

ASSOCIATION MEMBERSHIP: RIGHTS AND OBLIGATIONS

Membership in the Association, and the allocation to each Lot of a portion of the votes in the Association and a portion of the Common Expenses of the Association shall be governed by the following provisions:

4.1 Membership. Each owner shall be a member of the Association by reason of Lot Ownership, and the membership shall be transferred with the conveyance of the Owner's interest in the Lot. An Owner's membership shall terminate when the Owner's ownership terminates. When more than one Person is an Owner of a Lot, all such Persons shall be members of the Association but multiple ownership of a Lot shall not increase the voting rights allocated to such Lot or authorize the division of the voting rights.

4.2 Allocation of Interests. Each Lot shall have one vote in the affairs of the Association and shall be allocated one thirty-ninth of the Common Expenses of the Community, subject to the Board's right to levy limited Assessments as described in Section 6.4 of this Declaration. Undivided interests in the Common Elements are allocated among the Lots based upon the relative value of the Lots as established by Declarant, and the percentage interests are set forth in Exhibit A attached hereto.

4.3 Appurtenant Rights and Obligations. The Ownership of a Lot shall include the voting rights, Common Expense obligations and undivided interests in the Common Elements described in Section 4.2. Said rights, obligations and interests, and the title to the Lots, shall not be separated or conveyed separately, and any conveyance, encumbrance, judicial sale or other transfer of any

allocated interest in a Lot, separate from the title to the Lot, shall be void. The allocation of the rights, obligations and interests described in this Section may not be changed, except in accordance with the Governing Documents and the Act.

- 4.4 Authority to Vote. The Owner, or some natural person designated to act as proxy on behalf of the Owners, and who need not be an Owner, may cast the vote allocated to such Lot at meetings of the Association; provided, that if there are multiple Owners of a Lot, only the Owner or other Person designated pursuant to the provision of the Bylaws may cast such vote. The voting rights of Owners are more fully described in Section 3 of the Bylaws.

Amendments to Declaration

1. Replace "Campground" with "Resort Association".
2. Declarants are Tom & Bill. They do not need to have any easement rights. Is that changed now that they have sold? Is the Declarant Statement null and void now that they have sold all the lots?
3. If so, Section 3.3 Dock Area is null and void because we have changed it. See Rules and Regulations, Section on Docks.
4. What do we do about references to the Declaration in the Rules and Regulations if the Declaration Statement is null and void?

BYLAWS

BIG SWAN LAKE RESORT ASSOCIATION A COMMON INTEREST COMMUNITY

Exhibit C
To
Declaration

COMMON INTEREST COMMUNITY PLAT NO. TWENTY

BIG SWAN LAKE RESORT ASSOCIATION

BYLAWS

SECTION 1

GENERAL

- 1.1 The following are the Bylaws of Big Swan Lake Resort Association, a Minnesota nonprofit corporation (the "Association"). The Association is organized pursuant to Minnesota Statutes Chapter 317A, and Section 515B.3-101 of the Minnesota Common Interest Ownership Act (the "Act"), for the purpose of operating and managing Big Swan Lake Resort Association, a Planned Community, created pursuant to the Act. The terms used by these Bylaws shall have the same meaning as they have in the Declaration of Big Swan Lake Resort Association – A Planned Community (the "Declaration") and the Act.

SECTION 2

MEMBERSHIP

- 2.1 Owners Defined. All persons described as Owners in Section 4 of the Declaration shall be members of the Association. No person shall be a member solely by virtue of holding a security interest in a Lot. A Person shall cease to be a member at such time as that Person is no longer an Owner.
- 2.2 Registration of Owners and Occupants. Upon request of the Association, an Owner shall register with the Secretary of the Association, in writing, (i) the name and address of the Owners and any Occupants of the Lot, (ii) the nature of such Owner's interest or estate in each Lot owned; (iii) the address at which the Owner desires to receive notice of any meeting of the Owners, if other than the Lot address; and (iv) the name and address of the secured party holding the first mortgage on the Lot, if any. Each Owner shall have a continuing obligation to advise the Association in writing of any changes in the foregoing information. If an Owner chooses to list their Lot for sale, they must make available to potential buyers their copy of the Bylaws of the Association. If the Owner loses their copy of the Bylaws of the Association, they must contact the Secretary to purchase another copy. If the Owner obtains a Real Estate agent, the Owner shall notify the Secretary immediately with the agent's name and telephone number. The Owner shall provide the Real Estate agent the Owners key for the gate lock, which shall be recorded with the Secretary. Upon completion of the sale, the key shall be transferred to the new Owner.
- 2.3 Transfers. The interests, rights and obligations of an Owner in the Association may be assigned, pledged, encumbered or transferred, but only along with and as a part of the title to the Owner's Lot or as otherwise specifically authorized by the Governing Documents or by law.

SECTION 3

VOTING

3.1 Entitlement. Votes shall be allocated to each Lot as provided in the Declaration. However, no vote shall be exercised as to a Lot while the Lot is owned by the Association.

3.2 Authority to Cast Vote. At any meeting of the Owners, an Owner included on the voting register presented by the Secretary in accordance with Section 4.6, or the holder of such Owner's proxy, shall be entitled to cast the vote which is allocated to the Lot owned by the Owner. If there is more than one Owner of a Lot, only one of the Owners may cast the vote. If the Owners of a Lot fail to agree as to who shall cast the vote, or fail to register pursuant to Section 2.2, the vote shall not be cast.

3.3 Voting by Proxy. An Owner may cast the vote which is allocated to the Owner's Lot and be counted as present at any meeting of the Owners by executing a written proxy naming another Person entitled to act on that Owner's behalf, and delivering the same to the Secretary before the commencement of any such meeting. All proxies granted by an Owner shall be effective until the earliest of the following events: (i) revocation by the granting Owner by written notice or by personally attending and voting at the meeting for which the proxy is effective, (ii) the date specified in the proxy, but in no case later than three years from date of execution, (iii) eleven months after execution if no date is specified on the proxy, or (iv) the time at which the granting Owner is no longer an Owner.

3.4 Voting by Mail Ballot. Any action that may be taken at an annual or special meeting of the Owners may be determined by mailed ballots, subject to the following requirements:

3.4.1 The notice of the vote shall (i) clearly state the proposed action, (ii) indicate the number of responses needed to meet the quorum requirements, (iii) state the percentage of approvals necessary to approve each matter other than election of directors and (iv) specify the time by which a ballot must be received by the Association in order to be counted.

3.4.2 The ballot shall: (i) set forth each proposed action and (ii) provide an opportunity to vote for or against each proposed action.

3.4.3 The Board shall set the time for the return of ballots, which shall not be less than seven nor more than fifteen days after the date of mailing of the ballots to the Owners. The Board shall provide notice of the results of the vote to the Owners within ten days after the expiration of the voting period.

3.4.4 Approval by written ballot under this Section is valid only if (i) the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and (ii) the number of approval votes equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

- 3.5 Vote Required. A majority of the votes cast at any properly constituted meeting of the Owners, or cast by mail in accordance with Section 3, 4, shall decide all matters properly brought before the Owners, except where a different vote or voting procedure is required by the Governing Documents or the Act. The term "majority" as used herein shall mean in excess of fifty percent of the votes cast at a meeting, in person or by proxy, or voting by mail, in accordance with the allocation of voting power set forth in the Declaration. Cumulative voting shall not be permitted.

SECTION 4

MEETING OF OWNERS

- 4.1 Place. All meetings of the Owners shall be held at the office of the Association or at such other place in the state of Minnesota reasonably accessible to the Owners as may be designated by the Board in any notice of a meeting of the Owners.
- 4.2 Annual Meetings. An annual meeting of the Owners shall be held in each fiscal year on a date, and at a reasonable time and place, designated by the Board. At each annual meeting of the Owners, (i) the Persons who are to constitute the Board shall be elected pursuant to Section 6, (ii) a report shall be made to the Owners on the activities and financial condition of the Association, and (iii) any other matter which is included in the notice of the annual meeting, and is a proper subject for discussion or decision by the Owners, shall be considered and acted upon at the meeting.
- 4.3 Special Meetings. Special meetings of the Owners may be called by the President as a matter of discretion. Special meetings of the Owners shall be called by the President or Board Members within thirty days following receipt of the written request from an Owner. The meeting shall be held within sixty days following receipt of the request. The request shall state the purpose of the meeting, and the business transacted at the special meeting shall be confined to the purposes stated in the notice. The purpose for which the meeting is requested and held must be lawful and consistent with the Association's purposes and authority under the Governing Documents.
- 4.4 Notice of Meetings. There will be an Owners meeting at the Community Room on the Saturday on the first weekend in May at 9:00 a.m. and another Owners' meeting on the Saturday of the last weekend of August at 9:00 a.m. For any special meetings of the Owners, the Secretary shall send to all persons who are Owners as of the date of sending the notice, notice of the time, place and agenda of the meeting, by US mail, by e-mail or by hand delivery, at the Owner's Lot address or to such other address as the Owner may have designated in writing to the Secretary. The notice shall also be sent to the Eligible Mortgagee, upon request, at the address provided by the Eligible Mortgagee. Any Eligible Mortgagee shall, upon request, be entitled to designate a representative to be present at any meeting. Notice of meetings to vote upon amendments to the Association's Articles of Incorporation shall also be given separately to each officer and director of the Association.

- 4.5 Quorum/Adjournment. The presence of Owners in person or by proxy, who have the authority to cast the votes in the Association shall be necessary to constitute a quorum at all meetings of the Owners of the transaction of any business, except that of adjourning the meeting to reconvene at a subsequent time. A quorum is deemed to be established by the presence of the Owners attending. If every member of the Board is present, the Quorum is deemed to be established. A quorum, having once been established at a meeting or a reconvened meeting, shall continue to exist for that meeting notwithstanding the departure of any Owner previously in attendance in person or by proxy. Any meeting may be adjourned from time to time, but until no longer than fifteen days later, without notice other than announcement at the meeting as initially called. If a quorum is present at the reconvened meeting, any business may be transacted which might have been transacted at the meeting as initially called had a quorum then been present.
- 4.6 Voting Register. The Secretary shall have available at the meeting a list of the Lot numbers, the names of the Owners, the vote attributable to each Lot and the name of the Person (in case of multiple Owners) authorized to cast the vote.
- 4.7 Agenda. The agenda for meetings of the Owners shall be established by the Board, consistent with the Governing Documents, and shall be sent to all Owners along with the notice of the meeting.

SECTION 5

ANNUAL REPORT

The Board shall prepare an annual report, a copy of which shall be provided to each Owner at or prior to annual meeting. The report shall contain, at a minimum:

- 5.1 Capital Expenditures. A statement of any capital expenditures in excess of two percent of the Associations' current budget or five thousand dollars, whichever is greater, approved by the Association for the current year or succeeding two fiscal years.
- 5.2 Reserve Funds. A statement of the balance in any reserve or replacement fund and any portion of the refund designated for any specified project by the Board.
- 5.3 Financial Statements. A copy of the statement of revenues and expenses for the Association's last fiscal year, and the balance sheet as of the end of said fiscal year.
- 5.4 Litigation and Judgments. A statement of the status of any pending litigation or judgments to which the Association is a party.
- 5.5 Insurance. A detailed description of the insurance coverage provided by the Association, including a statement as to which, if any, of the items referred to in section 515B.3-113(b) of the Act are covered.

SECTION 6

BOARD OF DIRECTORS

- 6.1 Number and Qualifications. The affairs of the Association shall be governed by a Board of Directors (the "Board"). The first Board shall consist of the person designated by Declarant as directors in the Articles of Incorporation of the Association or appointed by Declarant to replace them, subject to the rights of Owners to elected directors as set forth in Section 6.2.
- 6.2 Terms of Office. The terms of office of the members of the Board shall be as follows:
- 6.2.1 Subject to Section 6.2.2, the term of all directors appointed by Declarant as authorized by the Declaration shall terminate upon the earliest of (i) voluntary surrender of control by Declarant (ii) an Association meeting which shall be held within sixty days after conveyance to Owners other than Declarant of seventy-five percent of the total number of Lots authorized to be included in the common interest community or (iii) the date five years following the date of the first conveyance of a Lot to an Owner other than Declarant.
- 6.2.2 Notwithstanding the provisions of Subsection 6.1.2, the Owners other than Declarant shall have the right to nominate and elect not less than thirty-three and one-third percent of the directors at a meeting of the Owners held within sixty days following the conveyance by Declarant of fifty percent of the total number of Lots authorized to be included in the common interest community. The term of office of any director elected pursuant to this Subsection shall terminate at the same time as the directors appointed by Declarant.
- 6.2.3 The first terms of office of the directors elected by the Owners immediately following the termination of the terms provided for in Section 6.2.1 shall be one year for two of the directors and two years for three of the directors. Each term of office thereafter shall be two years and shall expire upon the election of a successor at the appropriate annual meeting of the Owners; provided, that a director shall continue in office until a successor is elected. A number of nominees equal to the number of vacancies, and receiving the greatest number of votes, shall be elected, notwithstanding that one or more of them does not receive a majority of the votes cast. At the first election, the nominees or nominees receiving the greatest number of votes shall fill the longer terms. A Director appointed or elected to fill an uncompleted term shall serve until the natural termination of that term, unless removed in accordance with these Bylaws. There shall be no cumulative voting for directors.
- 6.3 Nominations. Except for directors appointed by Declarant, and upon expiration of the terms of the members of the first Board, nominations for election to the Board at each subsequent annual meeting shall be made by a nominating committee of at least three persons appointed by the Board, and shall be based upon nominations made by the committee and submitted by the Owners (including nominations submitted by the Board). The nominating committee shall consist of Owners who are representative of the general membership of the Association, and shall establish fair and reasonable procedures for the submission of nominations.

6.4 Powers. The Board shall have all powers necessary for the administration of the affairs of the Association, and may exercise for the Association of all powers and authority vested in or delegated to the Association (and not expressly prohibited or reserved to the Owners) by law or by the Governing Documents. The power of the Board shall include, without limitation, the power to:

6.4.1 Adopt, amend and revoke Rules and Regulations not inconsistent with the Governing Documents, as follows: (i) regulating the use of the Common Elements; ii) regulating the use of the Lots, and the conduct of Owners and Occupants, which may jeopardize the health, safety, or welfare of other Owners or Occupants, which involves noise or other disturbing activity, or which may damage the Common Elements or other Lots; (iii) regulating or prohibiting animals; (iv) regulating changes in the appearance of the Common Elements and conduct which may damage the Property, (v) regulating the exterior appearance of the Property, including for example, balconies and patios, and signs and other displays, regardless of whether inside a Lot; (vi) implementing the Governing Documents, and exercising the powers granted by this Section; and (vii) otherwise facilitating the operation of the Property.

6.4.2 Adopt and amend budgets for revenues, expenditures and reserves, levy and collect assessments for Common Expenses, and foreclose assessment liens incidental to its collection efforts;

6.4.3 Hire and discharge managing agents and other employees, agents, and independent contractors.

6.4.4 Institute, defend, or intervene in litigation or administrative proceedings (i) in its own name on behalf of itself or two or more Owners on matters affecting the Common Elements or other matters affecting the Property or the Association, or (ii) with the consent of the Owners of the affected Lots, on matters affecting only those Lots.

6.4.5 Make contracts and incur liabilities.

6.4.6 Regulate the use, maintenance, repair, replacement and modification of the Common Elements and the Lots.

6.4.7 Cause improvements to be made as part of the Common Elements.

6.4.8 Acquire, hold, encumber, and convey in its own name any right, title, or interest to real estate or personal property, subject to the requirements of the Act for the conveyance or encumbrance of the Common Elements.

6.4.9 Grant easements as follows: (i) public utility and cable communications easements through, over or under the Common Elements may be granted by the Board, and (ii) other public or private easements, leases and incenses through, over or under the Common Elements may be granted only by approval of the Board, and by the Owners (other than

Declarant) voting at an Association meeting, unless such easement is expressly authorized by the Declaration.

6.4.10 Impose and receive any payments, fees or charges for services provided to Owners.

6.4.11 Impose charges for late payment of assessments, dues, utilities and, after notice and an opportunity to be heard, levy reasonable fines for violations of the Governing Documents and the Rules and Regulations.

6.4.11.1 Place a lien on the property of the Owner and/or place for collection.

6.4.12 Borrow money, and encumber or pledge the assets of the Association as security therefore; provided that any borrowing in any twelve month period which exceed, in aggregate, ten percent of the Association's current annual budget, shall require approval by a vote of the Owners.

6.4.13 Impose reasonable charges for the review, preparation and recording of amendments to the Declaration or Bylaws, resale disclosure certificates required by Section 515B, 4.107 of the Act, statements of unpaid assessments, or furnishing copies of Association records.

6.4.14 Provide for the indemnification of its officers, directors and committee members, and maintain directors' and officer's liability insurance.

6.4.15 Provide for reasonable procedures governing the conduct of meetings and the election of directors.

6.4.16 Appoints, regulate and dissolve committees.

6.4.17 Exercise any other powers conferred by law or the Governing Documents, or which are necessary and proper for the governance of the Association.

6.5 Meeting and Notices. A bi-annual meeting of the Board shall be held promptly prior to each bi-annual meeting of the Owners. At the last annual meeting, the Board of Directors of the Association shall be elected.

6.5.1 Regular meetings of the Board shall be held at least on a bi-annual basis, at such times as may be fixed from time to time by a majority of the voting directors. A schedule, or an amended schedule, of the regular meetings shall be provided to the directors, and posted or published for the information of Owners, as provided in Section 6.5.5.

6.5.2 Special meetings of the Board of Directors shall be held when called (i) by the President of the Association, or (ii) by the Secretary within ten days following the written request of a majority of the voting directors. Notice of any special meeting shall be given to each director not less than three days in advance thereof, subject to section 6.5.3. Notice to a director shall be deemed to be given when deposited in the US mail postage prepaid to the

Lot address of such director, or when personally delivered, orally or in writing, by a representative of the Board.

- 6.5.3 Any director may at any time waive notice of any meeting of the Board orally, in writing, or by attendance at the meeting. If all the directors are present at a meeting of the Board, no notice shall be required, and any business may be transacted at such meeting.
- 6.5.4 A conference among directors by a means of communication through which all directors may simultaneously hear each other during the conference is a board meeting, if (i) the same notice is given of the conference as would be required for a meeting, and (ii) the number of directors participating in the conference is a quorum. Participation in a meeting by this means is the same as personal presence at the meeting.
- 6.5.5 Except as otherwise provided in this Section, meetings of the Board must be open to the Owners. To the extent practicable, the Board shall give reasonable notice to the Owners of the date, time, and place of the Board meeting. If the date, time and place of meetings are provided for in the Governing Documents, announced at a previous meeting of the Board, posted in a location accessible to the Owners and designated by the Board from time to time, or if an emergency requires immediate consideration of a matter by the Board, notice is not required. "Notice" has the meaning given in Section 11.1. Notwithstanding the foregoing, meetings may be closed at the discretion of the Board to discuss the following:
 - 6.5.5.1 Personal matters.
 - 6.5.5.2 Pending or potential litigation, arbitration or other potentially adversarial proceedings between Owners, between the Board or Association and Owners, or other matters in which any Owner may have an adversarial interest, if the Board determines that closing the meeting is necessary to discuss strategy or to otherwise protect the position of the Board or Association or the privacy of an Owner or Occupant of a Lot.
 - 6.5.5.3 Criminal activity arising within the common interest community if the Board determines that closing the meeting is necessary to protect the privacy of the victim or that opening the meeting would jeopardize investigation of the activity.

The minutes of and any documentation considered at a close meeting need not be made available for review or copying pursuant to Section 8.5. Nothing in this Section imposes a duty on the Board to provide special facilities for meetings. The failure to give notice as required by this Section shall not invalidate the Board meeting or any action taken at the meeting.

- 6.6 Quorum and Voting. A majority of the directors shall constitute a quorum for the transaction of business at any meeting thereof. A quorum, once established, shall continue to exist, regardless

of the subsequent departure of any directors. Each director shall have one vote. The vote of a majority of the directors present at any meeting at which a quorum is present shall be sufficient to adopt any action. Proxies are prohibited.

- 6.7 Action Taken Without A Meeting. The Board shall have the right to take any action in the absence of a meeting which it could take at a meeting when authorized in a writing signed by all the directors; provided, that a copy of the proposed written acting is given to all directors at least three days prior to its signing.
- 6.8 Vacancies. A vacancy among the directors, other than those under Section 6.2 and 6.9, shall be filled by a person elected within thirty days following the occurrence of the vacancy by a majority vote of the remaining directors, regardless of their number. Each person so elected shall serve out the term vacated.
- 6.9 Removal. A director may be removed from the Board, with or without cause, by a majority vote at any annual or special meeting of the Owners; provided (i) that the notice of the meeting at which removal is to be considered states such purpose (ii) that the director to be removed has a right to be heard at the meeting and (iii) that a new director is elected at the meeting by the owners to fill the vacant position caused by the removal. A director may also be removed by the Board if such director (i) has more than two unexcused absences from Board meetings and/or Owners meetings during any twelve month period or (ii) is more than sixty days past due with respect to payment of assessments or installments thereof on the director's Lot. Such vacancies shall be filled by the vote of the Owners as previously provided in this Section.
- 6.10 Compensation. Except as authorized by a vote of the Owners at a meeting thereof, the directors of the Association shall receive no compensation for their services in such capacity. However, directors may be reimbursed for out-of-pocket expenses incurred in the performance of their duties. Also, a director or an entity in which the director has an interest, may, upon approval by the Board, be reasonably compensated under a contract for goods and services furnished to the Association in a capacity other than as a director; provided (i) that the contract is approved by a majority vote of the Board, excluding the interest director, and (ii) that the director's interest is disclosed to the Board prior to approval.
- 6.11 Fidelity Insurance or Bond. Insurance coverage or a bond for unlawful taking of Association funds shall be obtained and maintained as provided in the Declaration on all directors and officers authorized to handle the Association's funds and other monetary assets.

SECTION 7

OFFICERS

- 7.1 Principal Officers. The principal officers of the Association shall be a President, a Vice President, a Secretary and a treasurer, all of whom shall be elected by the directors. The Board may from time to time elect such other officers and designate their duties as in their judgment may be

necessary to manage the affairs of the Association. A person may hold more than one office simultaneously, except those of President and Vice President. Only the President and Vice President must be members of the Board. No Owners of the same Lot may simultaneously serve as officers.

- 7.2 Election. The officers of the Association shall be elected annually by the Board at its annual meeting and shall hold office at the pleasure of the Board.
- 7.3 Removal. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, with or without cause, and a successor elected, at any regular meeting of the Board or at any special meeting of the Board called for that purpose.
- 7.4 President. The President shall be the chief executive officer of the Association, and shall preside at all meetings of the Board and the Association. The President shall have all of the powers and duties which are customarily vested in the office of president of a corporation, including without limitation the duty to supervise all other officers and to execute all contracts and similar obligations on behalf of the Association. The President shall have such other duties as may from time to time be prescribed by the Board.
- 7.5 Vice President. The Vice President shall take the place of the President and perform the duties of the office whenever the President shall be absent or unable to act. The Vice President shall also perform such other duties as shall from time to time be prescribed by the Board.
- 7.6 Secretary. The Secretary shall be responsible for recording the minutes of all meetings of the Board and Association. The Secretary shall be responsible for keeping the books and records of the Association and shall give all notices required by the Governing Documents or the Act unless directed otherwise by the Board. The Board May delegate the Secretary's administrative functions to a managing agent; provided, that such delegation shall not relieve the Secretary of the ultimate responsibility for the Secretary's duties. Compensation may be determined by the board.
- 7.7 Treasurer. The Treasurer shall have responsibility for all financial assets of the Association, and shall be covered by bond or insurance in such sum and with such companies as the Board may require. The Treasurer shall (i) be responsible for keeping the Association's financial books, assessment rolls and accounts, (ii) cause an annual financial report to be prepared, subject to review, by the Association's accountants, (iii) cause the books of the Association to be kept in accordance with generally accepted accounting practices and shall submit them to the Board for its examination upon request; (iv) cause all moneys and other monetary assets of the Association to be deposited in the name of or to the credit of the Association in depositories designated by the Board; (v) cause the proper obligations of the Association to be paid when due; and (vi) perform all other duties incident to the office of Treasurer. The Board may delegate the Treasurer's administrative functions to a managing agent; provided, that such delegation shall not relieve the Treasurer of the ultimate responsibility for the treasurer's duties. Compensation may be determined by the board.

- 7.8 Compensation. Except as authorized by a vote of the Owners at a meeting thereof, officers of the Association shall receive no compensation for their services in such capacity. Officers may be reimbursed for out-of-pocket expenses incurred in the performance of their duties. An officer or an entity in which the officer has an interest may be reasonably compensated under a contract for goods and services furnished by the Association in a capacity other than as an officer; provided (i) that the contract is approved by a majority vote of the Board, excluding the interested party, and (ii) that the officer's interest is disclosed to the Board prior to approval.

SECTION 8

OPERATION OF THE PROPERTY

- 8.1 Assessment Procedures. The first Board shall annually prepare a budget of Common Expenses for the Association, but may elect to defer the levying of the initial Assessment, in which case Declarant shall pay all expenses of the common interest community until the first Assessment is levied. Following the expiration of the terms of the members of the first Board, the Board shall annually prepare a budget of Common Expenses for the Association and assess such Common Expenses against the Lots according to their respective Common Expense obligations as set forth in the Declaration.
- 8.1.1 The Board shall fix the amount of the annual Assessment against each Lot, levy the Assessment and advise the Owners in writing of the Assessment at least thirty days prior to the beginning of the Association's fiscal year when the first Assessment installment shall be due. The failure of the Board to timely levy an annual Assessment shall not relieve the Owners of their obligation to continue paying Assessment installments in the amount currently levied, as well as any increases subsequently levied.
- 8.1.2 Subject to the limitations contained in Section 6 of the Declaration, the Board may amend the budget and Assessments, or levy a special Assessment, at any time. The levy shall be deemed to occur upon the date specified in the resolution which fixes the Assessment.
- 8.1.3 The Board may levy limited allocation Assessments against only certain Lots under section 6.4 of the Declaration. Such Assessments may be included in the annual Assessments levied against the affected Lots or may be levied separately during the year. Such Assessments are not annual or special Assessments within the meaning of the Declaration or of these Bylaws.
- 8.1.4 The annual budget shall include a general operating reserve, and an adequate reserve fund for maintenance, repair and replacement of the Common Elements and any parts of the Lots that must be maintained, repaired or replaced by the Association on a periodic basis.
- 8.1.5 The Association shall furnish copies of each budget on which the assessment is based to an Owner or to an Eligible Mortgagee, upon request of such persons.

8.2 Payment of Assessments. Annual Assessments shall be due and payable in monthly or quarterly installments, as established by the Board, in advance on the first day of each month of the year or other period for which the Assessments are made, and special Assessments shall be due when designated by the Board. All Owners shall be absolutely and unconditionally obligated to pay the Assessment. No Owner or Occupant shall have any right of withholding, offset or deduction against the Association with respect to any Assessments, or late charges or costs of collection, regardless of claims alleged against the Association or its officers or directors. Any rights or claims alleged by an Owner may be pursued only by separate action.

8.3 Default in Payment of Assessments. If any Owner does not make payment on or before the date when any Assessment or installment thereof is due, subject to such grace periods as may be established, the Board may assess and the Owner shall be obligated to pay a late charge as provided in the Declaration for each such unpaid Assessment or installment thereof, together with all expenses, including reasonable attorney's fees incurred by the Board in collecting any such unpaid Assessment.

8.3.1 If there is a default of more than thirty days in payment of any Assessment, the Board may accelerate any remaining installments of the Assessment upon prior written notice thereof to the Owner, as provided in the Declaration, and the entire unpaid balance of the assessment and late charges shall become due and payable upon the date stated in the notice unless all past due amounts including late charges, costs of collection and fines, are paid prior to said date.

8.3.2 The Board shall have the right and duty to attempt to recover all Assessments for Common Expenses, together with any charges, attorney's fees or expenses relating to the collection thereof. In addition, the Board shall have the right and duty to attempt to recover any and all collection or contingency fees or costs charged to the Association by a collection agency or other Person acting on behalf of the Association in collecting any delinquent amounts owed by the Association by an Owner or Occupant.

8.3.3 The rights and remedies referred to herein shall in no way limit the remedies available to the Association under the Declaration or bylaw.

8.4 Foreclosure of Liens for unpaid Assessments. The Association has the right to foreclose a lien against a Lot for Assessments imposed by the Association, as more fully described in the Declaration.

8.5 Records. The Board shall cause to be kept at the Secretary of the Association's place of residence or at such other place as the Board may determine, records of the actions of the Board, minutes of the meetings of the Board, minutes of the meetings of the Owners, names of the Owners and detailed and accurate records of the receipts and expenditures of the Association. With the exception of records that may be privileged (such as personnel records or attorney-client communication) or arise out of closed Board meetings, all Association records shall be available for examination by the Owners upon reasonable notice and during normal business hours.

Separate accounts shall be maintained for each Lot setting forth the amount of the Assessments against the Lot, the date when due, the amount paid thereon and the balance remaining unpaid.

- 8.6 Financial Review. The Board shall cause the financial records of the Association to be "reviewed" by an independent certified public accountant on an annual basis, pursuant to the requirements of Section 515B.3-121, of the Act, and a copy of the review shall be sent to the Owners within one hundred twenty days after the end of the Association's fiscal year. These requirements may be waived, on an annual basis, by the vote of Owners holding at least ten percent of the total votes in the Association. The waiver must be approved prior to sixty days after the end of the Association's fiscal year. The Board may require the review or an audit notwithstanding a waiver vote by the Owners.
- 8.7 Enforcement of Obligations. All Owners and Occupants and their guests are obligated and bound to observe the provisions of the Governing Documents and the Rules and Regulations of the Act. The Association may impose any or all of the charges, sanctions and remedies authorized by the Governing Documents, the Rules and Regulations or bylaw to enforce and implement its rights and to otherwise enable it to manage and operate the Association.

SECTION 9

AMENDMENTS

- 9.1 These Bylaws may be amended, and the amendment shall be effective, upon the satisfaction of the following conditions:
- 9.1.1 Approval. The amendment must be approved by a quorum or in writing or at a duly held meeting of the Owners.
- 9.1.2 Notice. A copy of the proposed amendment and, if a meeting is to be held, notice of such meeting, shall be mailed by US mail, or hand delivered, to all Owners authorized to cast votes; and
- 9.1.3 Effective Date: Recording. The amendment shall be effective on the date of approval by the required vote of the Owners, and need not be recorded.

SECTION 10

INDEMNIFICATION

- 10.1. The Association shall, to the extent the alleged liability is not covered by insurance, indemnify every individual acting in any official capacity on behalf of the Association, pursuant to the provisions of Minnesota Statutes Section 317A.521.

SECTION 11

MISCELLANEOUS

- 11.1 Notices. Unless specifically provided otherwise in the Act, the Declaration or these Bylaws, all notices required to be given by or to the Association, the Board, the Association officers or the Owners or Occupants shall be in writing and shall be effective upon hand delivery, or upon mailing if properly addressed with postage prepaid and deposited in the United States mail; except that registrations pursuant to Section 2.2 shall be effective upon receipt by the Association.
- 11.2 Severability. The invalidity or unenforceability of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.
- 11.3 Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way limit or proscribe the scope of these Bylaws or the intent of any provision hereof.
- 11.4 Conflicts in Documents. In the event of any conflict among the provisions of the Act, the Declaration, these Bylaws or the Rules and Regulations the Act shall control unless it permits the documents to control. As among the Declaration, these Bylaws and Rules and Regulations, these Bylaws shall control.
- 11.5 Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violation or breaches thereof which may occur.
- 11.6 No Corporate Seal. The Association shall have no corporate seal.
- 11.7 Fiscal Year. The fiscal year of the Association shall be as determined by the Board.

RULES AND REGULATIONS
BIG SWAN LAKE RESORT ASSOCIATION

Exhibit D

To

Disclosure Statement

RULES AND REGULATIONS

BIG SWAN LAKE RESORT ASSOCIATION

INTRODUCTION

It is important that we preserve the living and architectural style that Big Swan Lake Resort Association represents. The goal of these Rules and Regulations is to provide reasonable, practical guidelines for the operation of Big Swan Lake Resort Association. All residents and guests are obligated to comply with these Rules and Regulations and the Association's Governing Documents. The Board of Directors of the Association may approve Rules and Regulations based upon authority contained in Section 5.6 of the Declaration. References to the Association means the Board acting for and on behalf of the Association. The term used in these Rules and Regulations have the same meaning as set forth in Section 1 of the Declaration.

Most importantly, please be advised that the Owners as a whole are legally and financially responsible for any lawsuits brought against the Association. We need to make sure that our Resort is a safe place for everyone.

GENERAL USE REGULATIONS

1. Owners and Occupants are responsible for the behavior of their families and guests while at Big Swan Lake Resort Association. Owners and Occupants should be aware of children's welfare and safety in the use of the Property, particularly with respect to vehicular traffic.
2. Owners and Occupants are obligated to comply with all applicable laws, ordinances and regulations of any governmental authority. If charged with a violation by a governmental authority, the Owner or Occupant shall indemnify, defend and hold the Association, and other Owners and Occupants, harmless from all fines, penalties, costs, attorney's fees or prosecution resulting from the violation.
3. Please be considerate of others. Conduct which is a material annoyance or nuisance to others is prohibited. Damage to any portion of the Property resulting from misuse shall be paid for by the responsible Owner or Occupant. All Owners are welcome to invite guests. All guests are the sole responsibility of the Owner who invited them. Any damage to any area of the resort (be it privately owned or common ground) caused by the guest(s) is to be paid for by the Owner who invited them. Should there be a problem with the guest, the Board has the right to evict them and refuse to let them return.
4. For health reasons, garbage and refuse must be placed in leak proof trash bags and deposited in the garbage cans provided. There is not garbage pick-up at individual sites; we do not want to

attract animals. A few garbage cans will be strategically placed around the resort on common ground (near the lake, play area, beach and boat-launching site) and will be picked up by the grounds keeper. These are not for garbage from campers/cabins. No ashes from fire pits are permitted to be placed in the garbage cans or dumpsters. When you clean your fire pit, please place the ashes in the pit that is provided for this. It is located well behind the first cabin as you drive in. Fish waste will be deposited in double plastic bags and placed in the freezer provided in the garage below the public restrooms. The trash service will stop and pick up the frozen waste on a weekly basis.

5. Flammable substances may not be kept on the Property except in safe containers. No inherently dangerous items such as explosives may be kept at Big Swan Lake Resort Association at any time. Firearms, air guns and other devices designed to fire a potentially lethal projectile may not be discharged or carried on the Property, except to and from a vehicle for purposes of transporting the device.
6. Paper, refuse or garbage must not be left in fireplaces when the Owners or Occupants leave their Unit for the week, or take other leaves. Paper and other refuse tends to blow around the property or can be disturbed by dogs or the lawn mower.
7. Lawn furniture, picnic tables, grills and other personal property must be stored on the deck, patio or other location within the Unit so as not to interfere with maintenance or other activities on the property. The area under the bathhouse is designated as a storm shelter and storage for the Associations maintenance equipment during the camping season. It may be used by the Owners after the water is shut off for non-flammable and non-hazardous items on a first come, first serve basis. The personal property stored must be out by the water on date or it will be removed and placed outside.
8. Owners and Occupants are personally responsible for their personal property and equipment located on the Association property, and must maintain their own insurance coverage for such property and equipment. Each Owner and Occupant agrees to hold harmless, indemnify and defend the Association from and against any liability arising out of the Owner or Occupant's use of the property.
9. Business or commercial activity may not be conducted at Big Swan Lake Resort Association, except for the limited, incidental activities described in Section 7 of the Declaration.
10. Public safety personnel and other persons authorized by the Board may enter the yard areas of the Units at any time for the purpose of correcting any condition which is reasonably believed to present an imminent danger or serious loss or damage to any portion of the Property, or injury or death to any person. These authorized persons may also enter the yard areas upon reasonable advance notice for purposes of maintaining, repairing and replacing Common Elements.

11. Persons who provide services to the Association are required to take direction only from the Board or Association officers. Comments regarding services or actions of persons performing work for the Association should be directed to an officer or director.

USE OF COMMON ELEMENTS

1. The Common Elements of Big Swan Lake Resort Association are for the joint use of all residents. We ask that you be considerate of the rights of other residents. Residents and guest are required to refrain from disturbing or boisterous activity.
2. Please use your best efforts to prevent the Common Elements from becoming unsightly. Personal property may not be stored, displaced or otherwise left on the Common Elements; except as approved by the Board.
3. Walkways, driveways and portions of the Common Elements used for access to and from the Units, or parking areas, may not be obstructed or used for storage, activities or for any purpose other than access and authorized parking.
4. Residents and their guests should not interfere in any manner with common utilities, equipment, systems or structures on the Property.
5. In order to preserve the aesthetic character and beauty of the Property, all plants, trees, landscaping and topsoil are to be left undisturbed, except for routine maintenance. No one can make physical changes (i.e. cutting down trees) to common ground without consent from the Board. Any physical changes approved by the Board can only be made if the result of not doing it would be hazardous to the owners. Expectation of reimbursement up to \$100.00 for maintaining the Common Elements should there be a hazardous condition may be taken by an Owner. Any other repairs/maintenance issues must be authorized either verbally or written by a majority of the Board members or no reimbursement will be issued.
6. Although fire pits are more permanent, those Owners using the fire pits must keep in mind that other Owners and Occupants have the right to be on the Common Elements adjoining the fire pits. The area along the beach is part of the Common Elements, and cannot be reserved for or used exclusively by any Owner or Occupant.

EXTERIOR ALTERATIONS/DISPLAYS

1. Identification, signs or displays of any kind may not be placed anywhere on the Property without prior approval of the Board; except that a customary "for sale" sign of a reasonable size approved by the Board may be temporarily erected on the yard area of the Unit near the street during the period when a Unit is for sale.

2. No persons may modify or remove any part of the Common Elements, nor change the appearance of any portion of the Common Elements or the exterior of Any Unit, except in accordance with the architectural control requirements set forth in Section 8 of the Declaration. However, the Board may pre-approve certain routine maintenance of, or changes to, the exterior of the Units.
3. Additional buildings, animal enclosures, shelters, additions, poles or other structures or physical improvements of any kind, temporary or permanent,, which are visible from the exterior of a Unit are prohibited without the prior written approval of the Board as set forth in Section 8 of the Declaration.
4. No antenna may be installed on the Property except: (i) one antenna one meter or less in diameter for the purpose of receiving direct broadcast/satellite service or video programming services, or (ii) any antenna for receiving television broadcast signals, may be installed on a Unit as permitted or restricted by statutes, rules, regulations and requirements of the governmental authorities having jurisdiction. Antennas should be installed so as to minimize their visibility from the street side of the Unit and otherwise camouflage the antenna's appearance, unless such requirements would unreasonably delay installation, or unreasonably increase the cost of the installation, maintenance or use of the antenna, or preclude reception of an acceptable quality signal. The Board, or a committee of the antenna, or preclude reception of an acceptable quality signal. The Board or a committee appointed by it, shall have authority to impose further, reasonable requirements consistent with law. The Owner shall be responsible for the maintenance of an installed antenna and related equipment, and for any damage to the Property arising of the installation, maintenance or use of the antenna.
5. Owners and Occupants have the responsibility for obtaining approval from the Board prior to the installation of exterior fixtures and accessories. If any such fixture or accessory is installed without approval by the Board, the Association has the right to remove the unapproved items at the expense of the violating Owner.

UTILITIES

1. Each Owner is responsible for the maintenance, repair, replacement and charges relating to public utilities or other similar services metered solely to his/her Unit.
2. As each lot is single-metered for electricity, the cost of such is the owner's responsibility. Each meter will be read by a board elected volunteer and the common ground electrical bill will be divided equally between lots and added to the Owners bill. The bill will be sent or given to each owner and the owner has ten (10) days to pay in full. Any unpaid electrical bills will be assessed a finance charge after thirty (30) days of non-payment. If the bill remains unpaid after sixty (60) days, the Board has the right to call a licensed electrician to disable the meter.

VEHICLES AND PARKING REGULATIONS

1. Only one vehicle may be parked next to each Unit due to the limited parking areas on the Property. Parking may be further limited during periods of maintenance. All other vehicles must be parked in the designated area. This is the gravel by the dumpster and the boat-launching areas. This is to ensure that the common ground will stay in good condition and that the roadways are safe and not blocked. Because of limited parking space on the Property, it is important that residents not park their vehicles in unauthorized parking areas. Only the overflow parking areas may be used for guest parking. Off-season parking or storage of Owners and Occupants' recreational equipment or other personal Property is allowed. The Association reserves the right to tow, and fine the owner of any vehicle parked in an unauthorized area or manner.
2. Inoperative or unlicensed vehicles, trailers or recreational equipment may not be left anywhere at Big Swan Lake Resort Association. All vehicles, trailers or other equipment required by law to be licensed or registered must have current registration and license tags, as applicable.

DOCKS

1. The docks are privately owned by the Owners and the Association is not liable for any damages nor responsible for any repairs to any dock.
2. The Board may regulate the size and types of boats and other watercraft which may be kept on the slips.
3. Safety on the docks is primary consideration. Please be considerate of others using the docks and do everything you can to make it a safe environment.
4. The Association will set a date for the installation and removal of docks and lifts and all owners should have their docks and lifts in/out by those dates. The Association will hire a reputable company who will charge a boat lift fee for putting in and taking out docks and lifts that are not done by that date. Owners who do not wish to pay the fee must remove their lift and dock before the dates set forth from the Association property for the winter, and bring the lift and dock back and put it in the following spring.
5. Trailers and boats must be parked on the north side of the campground in the area designated by the Board. Trailers and boats may not be parked next to the Units.

ANIMALS

1. Small, domesticated common house pets such as dogs, cats, fish or birds ("permitted pets") may be kept by an Owner or Occupant in his/her Dwelling, subject to these Rules and Regulations.

No other animals may be kept anywhere on the Property. Birds, fish and other small household pets, (other than dogs and cats) shall be kept in appropriate cages or tanks in the Unit.

2. A maximum of one (1) dog or two (2) cats may be kept in any Unit.
3. Any permitted pet must be housed and maintain exclusively within the Owner's Unit, except when under the direct control of the Owner. Outdoor pet houses, shelters or enclosures of any type are prohibited. No pet may be left unattended outdoors.
4. Owners are responsible to pay for any damage to the Property caused by their pet, and are obligated to hold harmless and indemnify the Association, and its officers and directors, against any loss, claims or liability arising out of any act of the pet.
5. Permitted pets shall not be allowed to relieve themselves on the Property, except on the Owner's Unit or in areas designated by the Board. Solid waste left on the Property shall be promptly disposed of by the pet's owner.
6. Permitted pets may be walked on the Property only in accordance with local leash laws.
7. Any repeated or prolonged disturbance by a permitted pet, such as noise, odor, waste or threatening or nuisance activity, will be cause for imposition a fine on the pet's Owner and/or the removal of the offending pet from the Property. Decisions concerning the removal of a pet shall, upon written request of the pet's owner, be made by the vote of the Owners at a meeting of the Association; provided, that the pet owner shall pay the cost of calling and holding the meeting.
8. Notwithstanding the foregoing, no rules shall be imposed which restrict the keeping of a qualified "service animal" for a disabled or handicapped person in violation of any applicable state or federal statutes, regulations or rules.

ADMINISTRATION

1. Waivers from the provisions of these Rules and Regulations for specific situations may be granted by the Board for good cause shown if, (i) in the judgment of the Board the waiver will not violate the Governing Documents nor interfere with the rights of other Owners or Occupants, and (ii) the waiver is granted to other Owners and Occupants under the same circumstances. Waivers will not be granted unless an emergency or highly extenuating circumstances exist.
2. The Board has the authority to amend these Rules and Regulations, and make such other Rules and Regulations, from time to time, as it seems necessary for the use, safety, care and cleanliness of Big Swan Lake Resort Association, and for securing the common comfort and convenience of all residents.

VIOLATION/HEARINGS

When there is a violation of these Rules and Regulations or the Governing Documents, the Board is authorized to pursue various remedies. These remedies include, but are not limited to, legal action for damages or equitable relief in any court, imposition of late charges for past due assessments, imposition of reasonable fines for violations, and the correction of any condition in a Unit which violates the Rules and Regulations or Governing Documents. Prior to the Board imposing a fine for any violation, the Board shall, upon written request of the violating Owner, grant the Owner a fair hearing. Please refer to Section 12 of the Declaration for a complete discussion of the rights of an Owner with respect to hearings.

