

RULES AND REGULATION OF COMPASS LAKE IN THE HILLS PROPERTY OWNERS ASSOCIATION, INC. AS OF: MARCH 18TH 2013

1. RULES AND REGULATIONS-MEMBERSHIP.

EACH PERSON THAT OWNS A LOT IS A MEMBER OF THE ASSOCIATION.

The terms “owner” and “member” are synonymous except where specifically stated otherwise in these Rules.

A. RECORDED DEED. When a lot ownership changes it is the responsibility of the new owner or owners to notify the Association office of such changes by providing a copy of the recorded deed.

B. RECORDED CONTRACT FOR DEED. A new owner who has acquired the property by a contract for deed must provide a copy to the Association office.

C. VOTING REPRESENTATIVE OF MULTIPLE OWNERS. Where more than one person holds an interest in a lot; one person shall be designated in writing as the voting member. The designated voting member may be changed by filing a new written designation.

D. CORPORATE OWNERSHIP. Where a corporation, partnership, trust, LLC, or other artificial person owns a lot, the officers, directors, and employees designated in writing by the corporation shall be deemed members, up to a maximum of five. Changes in said members shall be made in writing and may only be made semi-annually. A designated voting member for each lot owned by a corporation, partnership, trust, LLC, or other artificial person shall be designated in writing. The designated voting member may be changed by a new written designation filed with the Association.

E. DESIGNATED USER. Ownership entitles the member to a vote at the Annual Meeting and the use of the facilities and amenities. Further, the owners’ family has the right to use the facilities and amenities. If one lot is owned by more than one person or family, or by a corporation, partnership, trust, LLC, or other artificial person, the member designated to use the facilities and amenities shall be determined among the members themselves and may be changed by a new written designation each fiscal year. In the case of a corporation, partnership, trust, LLC, or other artificial person, no more than (5) persons shall be designated to have use and access to the facilities and amenities. In the case of a lot owned by more than one person or one family, the owners shall designate only one family to have use and access to the facilities and amenities. When a residence on a lot is rented, the member may designate the tenant living on the lot as the designated user. Written notification of the designated user must be sent to the Association office and will be kept on record there. When a new designated user is named and the Association receives the written notification, the previous named user will be removed and the new designated user will be recorded that day. A designated user is not a member of the Association.

F. USE OF MEANING OF THE TERM FAMILY. A family member would be a dependent member of the family residing in the members domicile and that member’s children.

2. FACILITIES AND AMENITIES USAGE.

A. AVAILABLE FACILITIES AND AMENITIES. The facilities and amenities at Compass Lake in the Hills are owned by the Compass Lake in the Hills Property Association Inc. The Association has established rules

and regulations governing their use for the benefit of its members. The facilities and amenities are available to Association members and their tenants and guests. Facilities and amenities are exclusive to its members, tenants, and guests except for the cabins, campground, equestrian center, driving range, restaurant, beauty salon, gazebo, docking facility, and disk golf course.

B. Preferential Use. Those facilities open to the public will provide a preference as to rates and usage. Rates for lot owners will be at least 10% less. Further, a member request for usage, when possible, will be honored first.

C. Delinquent Charges. The right of usage of all facilities and amenities, except those leased facilities, are denied to those members, tenants, and guests that are delinquent for more than 30 days in the payment of assessment fees, fines, and or charges due the Association.

D. Pets.

1. Dogs may be allowed only in the campgrounds.
2. The only dogs allowed would be non-aggressive breeds as identified by the Insurance Underwriters Association of America.
3. The owner must register with a credit card and will be informed that any damages caused by the pet will be charged against the credit card.
4. The owner is responsible for their own pet, the pet must be leashed and the owner must clean-up his pet's droppings.

E. Hours of Operation. The hours of operation for the facilities and the amenities are established by the Association and may fluctuate seasonally.

F. Children. Children under 14 years of age shall not be left unattended, and staff members and employees of the Association shall not babysit. Dependent children living in their parents homes are limited to 2 guests only and must be under constant supervision by a responsible adult at all times.

G. Use at Your Own Risk. All persons using the recreational facilities do so at their own risk.

H. Loss or Damage. Any person responsible for the loss or damage to any equipment amenity or facility shall be responsible for the cost of repairs or replacement. Rowdy, risky, or careless activities associated with the damage of property may be grounds for immediate removal and the imposition of a temporary ban on the use of facilities of up to 6 months.

I. Proper Attire and Conduct. While using Association amenities and facilities appropriate attire and conduct is required at all times. Such conduct shall include, but not be limited to, the use of profanity, excessive drinking, obscene conduct or the wearing of obscene clothes, bathing attire, or irresponsible behavior of any kind.

J. Indoor Smoking Ban. No smoking is permitted in any of the facilities or amenities owned or managed by the Association.

3. GENERAL PROCEDURES & RULES.

A. FEES AND USAGE. From time to time, and when required, Management shall recommend to the Board of Directors of the Association reasonable rules for usage, fees, deposits, and charges for use of the lodge facilities, cabins, campground, swimming pool, equestrian center, tennis courts, driving range, dock area, the main grounds at the main lodge, beach at McCormick Lake, McCormick Lake House, and the Disk Golf Course.

B. When on campus or using any of the amenities and facilities owned or managed by the Association, members, tenants, guests, staff, and the public are required to comply with all rules governing use thereof.

C. Revocation of Privileges. The Association Manager or designee may withdraw the privilege of using the facilities or amenities for up to 6 months for failure to comply with the rules or the abuse of the privilege. An individual that has his or her privileges revoked or suspended has the right to appeal to the Board of Directors. The Board's decision will be final.

D. These Rules & Regulations may be changed, modified, and or supplemented by action of the Board of Directors by a majority vote at a regularly scheduled meeting.

E. When circumstances necessitate or warrant an exception, the Manager has the right to do so.

4. MCCORMICK LAKE COMPLEX.

A. The McCormick Lake complex includes the beach, the lodge, all parking, the pavilions, the beach area, green belt around the lake, and the boat launch.

B. Exclusive Use. The Board of Directors and the membership affirm the exclusive use policy for the McCormick Lake Complex. It is believed that this concept enhances the value of membership and ownership. The McCormick Lake complex is not open to the general public except as provided for in the following. Therefore, the following rules and regulations are designed to best serve the concept of exclusivity.

C. Beach Area Restrictions.

- 1. The beach will only be open from daylight till dusk.*
- 2. Alcoholic beverages are prohibited.*
- 3. No glass containers are allowed.*
- 4. No drink or food allowed within 15 feet of the water's edge.*
- 5. Staying overnight is prohibited.*
- 6. Appropriate attire is required. Complaints of vulgar language or inappropriate attire shall be reported to the management for administrative action.*

D. Guest Passes. Guest passes are for the convenience of the property owners and should be purchased at the main Lodge prior to use. The primary purpose for the Guest Pass is for those that are staying in the home of a tenant or owner. A member may have no more than 10 guest passes at any one time. The cost of the guest pass is \$2.50 per person and shall be good for 7 consecutive days. The pass must be authorized by and signed by the property owner. Guest passes are not required if the guest is accompanied by the property owner. The property owner is responsible for the conduct, actions, and damages of his guests.

E. Vehicle Identification. All vehicles at McCormick Lake shall display the appropriate Compass Lake in the Hills Property Association identification at all times. Such identification can be obtained at the main lodge.

F. Rental Policy.

Pavilion Rentals. Half or all of the large pavilion and or the smaller pavilion may be reserved with a rental fee by members for their tenants. Reservations for the large pavilion may be made in advance. Reservations for the smaller pavilion may be made up to 1 month in advance. The pavilions may not be reserved by the same family or group for any 2 consecutive weekends unless it is available 3 days in advance of the second reservation.

G. McCormick Lake Lodge Rental.

- 1. McCormick Lake Lodge shall be limited to 2 rentals per month by the same individual member or member organization.*
- 2. Reservation and Capacity. Reservations can be made in advance for the McCormick Lake House. The capacity for the facility is 96 persons. The capacity shall not be exceeded.*
- 3. The Lake House is available for rent on a first come first serve basis by members and tenants.*
- 4. Alcoholic drinks may be consumed in the Lake House and the front deck of the Lake House for scheduled events and association activities.*
- 5. Clean up. The person or group using the Lake House is responsible for the complete clean-up of the facility and equipment and for any damages.*
- 6. Property owner functions shall be exempt from rental fees and reservation time-tables.*
- 7. The users of the Lake House or the pavilions shall be responsible for the set-up and the clean-up of the area.*
- 8. No gasoline motors can be operated on McCormick Lake. If a boat has a gasoline motor it must not leak and be in the out-of-water position. The operation of a gasoline motor on McCormick Lake would mandate and require a 1 year loss of all privileges.*