

**DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
DAKOTA DUNES COMMERCIAL ASSOCIATION**

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- TABLE OF EXHIBITS -

<u>Exhibit</u>	<u>Subject Matter</u>	<u>Page First Appearing</u>
"A"	Land Initially Submitted	1
"B"	Land Subject to Annexation	3
"C"	Formula for Assessments and Voting Rights for Units	8
"D"	Declaration of Easements and Covenant To Share Costs	42
"E"	By-Laws of Dakota Dunes Commercial Association, Inc.	2

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

DAKOTA DUNES COMMERCIAL ASSOCIATION

This Declaration of Covenants, Conditions, and Restrictions is made this 23rd day of August, 1990, by Dakota Dunes Development Company, an Iowa corporation (hereinafter referred to as "Declarant");

Declarant is the owner of the real property described in Exhibit "A" attached hereto and incorporated herein by reference. Declarant intends by this Declaration to impose upon the Properties (as defined herein) mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of any portion of the nonresidential properties made subject to this Declaration and amendments thereto by the recording of this Declaration. Declarant desires to provide a flexible and reasonable procedure for the overall development of the Properties and to establish a method for the administration, maintenance, preservation, use and enjoyment of such Properties as are now or may hereafter be subjected to this Declaration.

Declarant hereby declares that all of the Properties described in Exhibit "A" and any additional property as is hereafter subjected to this Declaration by Supplemental Declaration (as defined herein) shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions which are for the purpose of protecting the value and desirability of and which shall run with the real property subjected to this Declaration and which shall be binding on all parties having any right, title, or interest in the described Properties or any part thereof, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner thereof. This Declaration does not and is not intended to create a condominium within the meaning of the South Dakota Condominium Act, S.D. Codified Laws Ann. § 43-15A-1, et seq.

STATE OF SOUTH DAKOTA, UNION COUNTY, SS

Recorded this 20th day of Sept. 19 90

at 9:00 o'clock A M, IN BOOK 29

of M.S.C. Page 253

Lath M. Smith Register of Deeds.

\$165.00 / P. Jon Brown
573 So. Main Ave
P.O. Box 1030

SF. SD 57101-1030



Article I
Definitions

Section 1. "Area of Common Responsibility" shall mean and refer to the Common Area, together with those areas, if any, which by the terms of this Declaration or by contract or agreement with any Section, the Community Improvement District, or Union County, South Dakota, become the responsibility of the Association. In addition, the office of any property manager employed by or contracting with the Association, if located on the Properties, or any public rights-of-way within or adjacent to the Properties may be part of the Area of Common Responsibility.

Section 2. "Articles of Incorporation" or "Articles" shall mean and refer to the Articles of Incorporation of Dakota Dunes Commercial Association, Inc. as filed with the Secretary of State of the State of South Dakota.

Section 3. "Association" shall mean and refer to Dakota Dunes Commercial Association, Inc., a South Dakota not-for-profit corporation, and its successors and assigns. The use of the term "association" or "associations" in lower case shall refer to any condominium association or other owners association having jurisdiction over any part of the Properties.

Section 4. "Board of Directors" or "Board" shall mean the elected body which governs the affairs of the Association, being the same body as the board of directors as defined under South Dakota corporate law.

Section 5. "By-Laws" shall mean and refer to the By-Laws of Dakota Dunes Commercial Association, Inc., attached hereto as Exhibit "E" and incorporated herein by reference, as they may be amended from time to time.

Section 6. "Class "B" Control Period" shall mean and refer to the period of time during which the Class "B" member is entitled to appoint a majority of the members of the Board of Directors as specified in Article III, Section 2, of the By-Laws.

Section 7. "Common Area" shall be an inclusive term referring to all General Common Area and all Exclusive Common Area, as defined herein.

Section 8. "Common Assessment" shall mean and refer to assessments levied to fund expenses applicable to all Members of the Association.

Section 9. "Common Expenses" shall mean and include the actual and estimated expenses of operating the Association, both for general and Section purposes, and any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the By-Laws, and the Articles of Incorporation of the Association.

Section 10. "Community Improvement District" shall mean and refer to the Dakota Dunes Community Improvement District, a local unit of special purpose government created in accordance with South Dakota Laws, 1989 SB 320, to provide certain community services to the area in which the Properties are located.

Section 11. "Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing throughout the Properties. Such standard may be more specifically determined by the Board of Directors and the Design Review Committee.

Section 12. "Country Club" shall mean real property adjacent to or in the vicinity of the Properties which is privately owned by Declarant or Dakota Dunes Country Club, Inc. (formerly Sioux City Boat Club), or the successors, successors-in-title, or assigns of either, and which is operated as a country club with recreational facilities which may include a golf course, a club house, pool(s), tennis court(s) and all related and supporting facilities and improvements; provided, in the event that such property is transferred to a successor-in-title, it shall be considered a Country Club hereunder only if so designated in a written, recorded instrument.

Section 13. "Declarant" shall mean and refer to Dakota Dunes Development Company, an Iowa corporation, or its successors, successors-in-title or assigns who take title to any portion of the property described on Exhibits "A" or "B" for the purpose of development and sale, and are designated as the Declarant in a recorded instrument executed by the immediately preceding Declarant.

Section 14. "Design Guidelines" shall mean and refer to the design and development guidelines and application and review procedures promulgated by the Design Review Committee for the Properties, as they may be amended from time to time.

Section 15. "Exclusive Common Area" shall mean and refer to certain portions of the Common Area which are for the exclusive use and benefit of one or more, but less than all, Sections, as more particularly described in Article II of this Declaration.

Section 16. "General Common Area" shall mean all real and personal property which the Association now or hereafter owns or otherwise holds for the common use and enjoyment of all Owners.

Section 17. "Member" shall mean and refer to a Person entitled to membership in the Association, as provided herein.

Section 18. "Mortgage" shall mean and refer to a mortgage, a deed of trust, a deed to secure debt, or any other form of security deed.

Section 19. "Mortgagee" shall mean and refer to a beneficiary or holder of a Mortgage.

Section 20. "Mortgagor" shall mean and refer to any Person who gives a Mortgage.

Section 21. "Owner" shall mean and refer to one or more Persons who hold the record title to any Unit which is part of the Properties, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Unit is sold under a recorded contract of sale, the purchaser (rather than the fee owner) will be considered the Owner, if the contract so provides.

Section 22. "Person" means a natural person, a corporation, a partnership, trustee, or other legal entity.

Section 23. "Properties" shall mean and refer to the real property described in Exhibit "A" attached hereto together with such additional property as is hereafter subjected to this Declaration by Supplemental Declaration.

Section 24. "Section" shall mean and refer to each separately developed and denominated nonresidential area in which Owners may have common interests other than those common to all Association Members, as is more particularly described in Article III, Section 3, of this Declaration. For example, and by way of illustration and not limitation, a hotel, a commercial retail area, an office/research center, or an apartment complex might be designated as separate Sections. In addition, each parcel of vacant land intended for development as any of the above shall constitute a Section, subject to division into more than one (1) Section upon development. Sections may be made up of two (2) or more Units or, in the event a designated Section is owned by one Person, the Section shall be considered to be both a Unit and a Section.

Where the context so permits or requires, the term "Section" shall also refer to the Section Committee (established in accordance with the By-Laws) or Section Association (as defined in Article III, Section 3) having jurisdiction over the property within the Section. Sections may be divided or combined in accordance with Article III, Section 3, of this Declaration.

Section 25. "Section Assessments" shall mean assessments levied against the Units in a particular Section or Sections to fund Section Expenses, as more particularly described in Article X, Section 1, of this Declaration.

Section 26. "Section Expenses" shall mean and include the actual and estimated expenses incurred by the Association for the benefit of Owners of Units within a particular Section or Sections, which may include a reasonable reserve for capital repairs and replacements, all as may be more specifically authorized from time to time by the Board of Directors and as more particularly authorized herein.

Section 27. "Special Assessment" shall mean and refer to assessments levied in accordance with Article X, Section 4 of this Declaration.

Section 28. "Supplemental Declaration" shall mean an amendment or supplement to this Declaration which, by way of example and not limitation, subjects additional property to this Declaration, imposes, expressly or by reference, additional restrictions and obligations on the land described therein, or designates Voting Groups as specified in Article III, Section 3(b) hereof. The term shall also refer to the instrument recorded by the Association pursuant to Article VIII, Section 2 of this Declaration to subject additional property to this Declaration.

Section 29. "Unit" shall mean any contiguous portion of the Properties which is owned by one or more Persons and intended for development, use, and occupancy as, without limitation, a hotel, commercial retail stores, office/research center, other nonresidential uses, and an apartment complex, as well as vacant land intended for development as such, all as may be developed, used, and defined as provided herein or as provided in Supplemental Declarations covering all or a part of the Properties. Where a designated Section is owned by one Person, the Section shall be considered to be both a Unit and a Section.

Section 30. "Voting Group" shall mean one (1) or more Voting Members who vote on a common slate for election of directors to the Board of Directors of the Association, as more

particularly described in Article III, Section 3(b), of this Declaration or, if the context permits, the group of Members whose Units are represented thereby.

Section 31. "Voting Member" shall mean and refer to the representative of each Section who shall be responsible for casting the votes attributable to the Unit(s) which he or she represents for election of directors, amendment of this Declaration or the By-Laws, and other matters provided for in this Declaration and the By-Laws. Each Voting Member shall be entitled to cast all votes attributable to the Unit(s) he or she represents. The Voting Member from each Section shall be the senior elected officer (e.g., Section Committee chairman or Section Association president) from that section; the alternate Voting Member shall be the next most senior officer.

Article II Property Rights

Section 1. General. Every Owner shall have a right and nonexclusive easement of use, access and enjoyment in and to the Common Area, subject to:

(a) this Declaration as it may be amended from time to time and to any restrictions or limitations contained in any deed conveying such property to the Association;

(b) the right of the Association to adopt rules regulating the use and enjoyment of the Common Area;

(c) the right of the Board to suspend the right of an Owner to use any facilities within the Common Area (i) for any period during which any charge against such Owner's Unit remains delinquent, and (ii) for a period not to exceed thirty (30) days for a single violation or for a longer period in the case of any continuing violation, of the Declaration, By-Laws, or rules of the Association after notice and a hearing pursuant to the Article III, Section 22 of the By-Laws;

(d) the right of the Association, acting through the Board, to dedicate or transfer all or any part of the Common Area pursuant to Article XIII, Section 5 hereof;

(e) the right of the Association, acting through the Board, to mortgage, pledge or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred; and

(f) the rights of certain Owners to the exclusive use of portions of the Common Areas, designated Exclusive Common Areas, as more particularly described in Section 2 below.

Any Owner may delegate his or her right of use and enjoyment to its tenants, employees, guests and business invitees, as applicable, subject to reasonable regulation by the Board and in accordance with procedures it may adopt. An Owner who leases its Unit shall be deemed to have delegated all such rights to the Unit's lessee(s).

Section 2. Exclusive Common Areas. Certain portions of the Common Areas may be designated as Exclusive Common Areas and reserved for the exclusive use of Owners and occupants of Units within a particular Section or Sections. All costs associated with maintenance, repair, replacement and insurance of Exclusive Common Areas shall be assessed against the Owners of Units in only those Sections which are benefitted thereby as a Section Assessment, as defined herein.

By way of illustration and not limitation, Exclusive Common Areas may include entry features or private roads intended for the exclusive use of Owners within a particular Section or Sections and supported exclusively by Section Assessments. Initially, any Exclusive Common Areas shall be designated as such and the exclusive use thereof shall be assigned in the deed conveying the Common Area to the Association or on the plat of survey relating to such Common Area. A portion of the Common Area may be assigned as Exclusive Common Area of a particular Section or Sections, upon the vote of a majority of the total Association vote, including a majority of the votes within the Section(s) to which the Exclusive Common Areas are assigned. Exclusive Common Area may be reassigned, upon the vote of a majority of the total Association vote, including a majority of the votes within the Section(s) to which the Exclusive Common Areas are assigned, and those to which the Exclusive Common Areas are to be assigned.

Section 3. Country Club(s). Access to the country club facilities, golf course, and other recreational facilities within or adjacent to the Properties is strictly subject to the terms, conditions, rules and procedures established by the respective owners of the country club, golf course, and other recreational facilities. No Owner or occupant gains any right to enter or to use those facilities by virtue of ownership or occupancy of a Unit.

Article III
Membership and Voting Rights

Section 1. Membership. Every Owner, as defined in Article I, shall be deemed to have a membership in the Association. No Owner, whether one or more Persons, shall have more than one (1) membership per Unit owned. In the event the Owner of a Unit is more than one Person, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges of membership may be exercised by the Owner or, in the case of a corporate owner or partnership, by the individual designated in a written instrument provided to the Secretary, subject to the provisions of this Declaration and the By-Laws.

Section 2. Voting. The Association shall have two (2) classes of membership, Class "A" and Class "B", as follows:

(a) Class "A". Class "A" Members shall be all Owners with the exception of the Class "B" Member, if any.

Class "A" Members shall be entitled on all issues to the number of votes determined in accordance with the formula set out in Exhibit "C." Unless otherwise specified in this Declaration or the By-Laws, the votes for each Unit shall be exercised by the Voting Member as defined in Article I, representing such Member's Unit.

In any situation where a Member is entitled personally to exercise the votes for its Unit and more than one (1) Person holds the interest in any Unit required for membership, the votes for such Unit shall be exercised as those Persons themselves determine and advise the Secretary of the Association prior to any meeting. In the absence of such advice, the Unit's vote shall be suspended in the event more than one Person seeks to exercise it.

(b) Class "B". The Class "B" Member shall be the Declarant. The rights of the Class "B" Member, including the right to approve actions taken under this Declaration and the By-Laws, are specified elsewhere in this Declaration and the By-Laws. In addition, the Class "B" Member shall be entitled to appoint a majority of the Board of Directors during the Class "B" Control Period, as specified in Article III, Section 2 of the By-Laws. After termination of the Class "B" Control Period, the Class "B" Member shall have a veto power over all actions of the Board of Directors and any committee as provided in Article III, Section 3 of the By-Laws for as long as the Class "B" membership exists. The Class "B" membership shall terminate and become converted to Class "A" membership upon the earlier of the following:

(i) two (2) years after the expiration of the Class "B" Control Period pursuant to Article III of the By-Laws; or

(ii) when, in its discretion, the Declarant so determines.

Section 3. Sections and Voting Groups.

(a) Sections. Every Unit shall be located within a Section as defined in Article I. The Units within a particular Section may be subject to additional covenants and/or the Unit Owners may all be members of another owners association ("Section Association") in addition to the Association, but no such Section Association shall be required except in the case of a condominium or otherwise as required by law. Any Section which does not have a Section Association shall elect a Section Committee, as described in Article V, Section 3, of the By-Laws, to represent the interests of Owners of Units in such Section.

Each Section, upon the affirmative vote, written consent, or a combination thereof, of a majority of Owners within the Section, may request that the Association provide a higher level of service or special services for the benefit of Units in such Section. The Association shall provide such services and the cost of such services shall be assessed against the benefitted Units as a Section Assessment pursuant to Article X hereof.

The senior elected officer of each Section Association or Section Committee shall serve as the Voting Member for such Section and shall cast all votes attributable to Units in the Section on all Association matters requiring membership vote, unless otherwise specified in this Declaration or the By-Laws. The next most senior officer shall be the alternate Voting Member and may cast such votes in the absence of the Voting Member. The Voting Member may cast all such votes as it, in its discretion, deems appropriate. Notwithstanding the above, each Voting Member shall cast only one (1) equal vote for election of directors.

Initially, each portion of the Properties which is intended to be developed as one (1) or more Units at the time it is conveyed by the Declarant or which is described on a single plat or series of plats by the same name shall constitute a separate Section. The developer of any such Section may apply to the Board of Directors to divide the parcel constituting the Section into more than one (1) Section or to combine two (2) or more Sections into one (1) Section at any time.

Upon a petition signed by a majority of the Unit Owners in the Section, any Section may also apply to the Board of Directors to divide the property comprising the Section into two (2) or more Sections or to combine two (2) Sections into one (1) Section. Any such application shall be in writing and shall include a plat of survey of the entire parcel which indicates the boundaries of the proposed Section(s) or otherwise identifies the Units included within the proposed Section(s). A Section consolidation shall automatically be deemed granted when the applicant files the required documents with the Board. A Section division requested by the Section or by the Section developer shall automatically be deemed granted unless the Board of Directors denies such application in writing within thirty (30) days of its receipt thereof. The Board may deny an application only upon determination that there is no reasonable basis for distinguishing between the areas proposed to be divided into separate Sections. All applications and copies of any denials shall be filed with the books and records of the Association and shall be maintained as long as this Declaration is in effect.

(b) Voting Groups. In order to guarantee representation on the Board of Directors for various groups having dissimilar interests and to avoid a situation in which the Voting Members representing similar Sections are able, due to the number of Units in such Sections, to elect the entire Board of Directors, excluding representation of others, the Declarant shall establish Voting Groups for election of directors to the Board. The Declarant shall establish Voting Groups not later than the date of expiration of the Class "B" Control Period by filing with the Association and in the public records of Union County, South Dakota, a Supplemental Declaration identifying each Voting Group and designating the Units within each group. Such designation may be amended from time to time by Declarant, acting alone, at any time prior to the expiration of the Class "B" Control Period. Until such time as Voting Groups are established by Declarant, or in the event that Declarant fails to establish Voting Groups, all Units shall be assigned to the same Voting Group. Each Voting Group shall be entitled to elect the number of directors specified in Article III, Section 6 of the By-Laws. Any other members of the Board of Directors shall be elected at large by all Voting Members without regard to Voting Groups.

Article IV Maintenance

Section 1. Association's Responsibility. The Association shall maintain and keep in good repair the Area of Common Responsibility, such maintenance to be funded as

hereinafter provided. This maintenance shall include, but need not be limited to, maintenance, repair, and replacement, subject to any insurance then in effect, of all landscaping and other flora, structures, and improvements situated upon the Common Area, and such portions of any additional property included within the Area of Common Responsibility as may be dictated by this Declaration, or by a contract or agreement for maintenance thereof by the Association. However, the Association, by contract or agreement, may assign its maintenance responsibility for any part of the Area of Common Responsibility to the Community Improvement District.

Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of General Common Areas shall be a Common Expense to be allocated among all Units as part of the Common Assessment. All costs associated with maintenance, repair and replacement of Exclusive Common Areas shall be a Section Expense assessed as a Section Assessment solely against the Units within the Section(s) to which the Exclusive Common Areas are assigned, notwithstanding that the Association may be responsible for performing such maintenance hereunder.

The Association shall also be responsible for maintenance, repair and replacement of property within any Section to the extent designated in any Supplemental Declaration affecting the Section. The Association may also assume maintenance responsibilities with respect to any Section in addition to those that may be designated by any Supplemental Declaration. This assumption of responsibility may take place either by agreement with the Section or because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the Community-Wide Standard of the Properties. All costs of maintenance pursuant to this paragraph shall be assessed as a Section Assessment only against the Units within the Section to which the services are provided. The provision of services in accordance with this section shall not constitute discrimination within a class.

The Association may maintain other property which it does not own, including, without limitation, property dedicated to the public, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

Section 2. Owner's Responsibility. Each Owner shall maintain its Unit and all grounds, structures, parking areas and other improvements comprising the Unit in a manner consistent with the Community-Wide Standard and all applicable covenants, unless, such maintenance responsibility is otherwise

assumed by or assigned to the Association or a Section or Section Association pursuant to any Supplemental Declaration or other declaration of covenants applicable to such Unit. If any Owner fails properly to perform his or her maintenance responsibility, the Association may perform it and assess all costs incurred by the Association against the Unit and the Owner thereof in accordance with Article X, Section 4 of this Declaration; provided, however, except when entry is required due to an emergency situation, the Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry.

Section 3. Section's Responsibility. Upon resolution of the Board of Directors, each Section shall be responsible for paying, through Section Assessments, costs of maintenance of certain portions of the Area of Common Responsibility within or adjacent to such Section, which may include, without limitation, the costs of maintenance of any signage, entry features, right-of-way and greenspace between the Section and adjacent public roads, private streets within the Section, and lakes or ponds within the Section, regardless of ownership and regardless of the fact that such maintenance may be performed by the Association.

Any Section having responsibility for maintenance of all or a portion of the property within a particular Section pursuant to a declaration of covenants affecting the Section shall perform such maintenance responsibility in a manner consistent with the Community-Wide Standard. If any such Section fails to perform its maintenance responsibility as required herein and in any additional declaration, the Association may perform it and assess the costs against all Units within such Section Association as provided in Article X, Section 4 of this Declaration.

Article V

Insurance and Casualty Losses

Section 1. Association Insurance. The Association, acting through its Board of Directors, shall have the authority to and shall obtain blanket "all-risk" insurance, if reasonably available, for all insurable improvements on the Common Area, and on other portions of the Area of Common Responsibility to the extent that the Association is obligated to maintain, repair and replace the improvements thereon. The Association shall have the authority to and interest in insuring any privately or publicly owned property for which the Association has maintenance or repair responsibility. If blanket "all-risk" coverage is not reasonably available, then at a

minimum an insurance policy providing fire and extended coverage, including coverage for vandalism and malicious mischief, shall be obtained. The face amount of such insurance shall be sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any insured peril.

In addition, the Association may, by written agreement with a Section, but shall not under any circumstances be obligated to, obtain and continue in effect adequate blanket "all-risk" property insurance, if reasonably available, in such form as the Board of Directors deems appropriate, on all insurable improvements within that Section, the cost thereof to be paid by Section Assessments pursuant to Article X hereof. In the event such insurance is obtained by the Association, the provisions of this Article applicable to insurance on the Area of Common Responsibility shall also apply to such insurance obtained for the Section. The face amount of such insurance shall be sufficient to cover the full replacement cost of all structures to be insured.

The Board shall also obtain a commercial general liability policy covering the Area of Common Responsibility and any public property for which the Association has maintenance responsibility, insuring the Association, its Members, employees and agents, against all claims for bodily injury or property damage arising out of the negligence of the Association, any of its Members, employees or agents, while acting on behalf of the Association. The policy shall have at least a Three Million (\$3,000,000.00) Dollar combined single limit per occurrence and in the aggregate, if reasonably available.

Insurance policies may contain a reasonable deductible, and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the insurance at least equals the coverage required hereunder. The deductible shall be paid by the party or parties who would be liable for the loss or repair in the absence of insurance and in the event of multiple parties shall be allocated in relation to the amount each party's loss bears to the total.

Cost of insurance coverage obtained by the Association for the Area of Common Responsibility shall be included in the Common Assessment, as defined in Article I, Section 8, hereof, and as more particularly described in Article X, Section 2.

All insurance coverage obtained by the Board of Directors shall be governed by the following provisions:

(a) All policies shall be written with a company licensed to do business in the State of South Dakota.

(b) All policies on the Area of Common Responsibility shall be written in the name of the Association as trustee for the respective benefited parties. All policies on the Area of Common Responsibility shall be for the benefit of the Association; all policies secured at the request of a Section shall be for the benefit of the Owners and the Mortgagees of Units within the Section.

(c) Exclusive authority to adjust losses under policies in force on the Properties obtained by the Association shall be vested in the Association's Board of Directors; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(d) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their Mortgagees.

(e) Any property insurance policy shall have an inflation guard endorsement, if reasonably available, and any policy which contains a co-insurance clause shall have an agreed amount endorsement with an annual review by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction practices in the Union County, South Dakota, area.

(f) The Association's Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

(i) a waiver of subrogation by the insurer or other assurances that the insurer cannot subrogate, as to any claims against the Association's directors, officers, manager, the Owners and occupants of Units and their respective employees, servants, agents, and guests;

(ii) a provision that no policy may be cancelled, invalidated, suspended or subjected to nonrenewal on account of any one or more individual Owners;

(iii) a provision that no policy may be cancelled, invalidated, suspended or subjected to nonrenewal on account of any curable defect without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter to do so;

(iv) a provision that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and

(v) a provision that no policy may be cancelled, substantially modified, or subjected to nonrenewal without at least thirty (30) days' prior written notice to the Association.

The Association shall also obtain a fidelity bond or bonds, if reasonably available, covering all persons responsible for handling Association funds. The amount of fidelity coverage shall be determined in the Board of Directors' best business judgment. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be cancelled or substantially modified without at least thirty (30) days' prior written notice to the Association.

The Board of Directors shall also obtain directors and officers liability insurance coverage in an amount determined in the Board's best business judgment, insuring the Association and its officers and directors (former, present and future) from liability for any actions or decisions on behalf of the Association in their capacities as officers or directors for which the Association would have the duty to indemnify its officers and directors pursuant to Article XIII, Section 3, of this Declaration.

In addition to the other insurance required by law or by this section, the Board shall obtain, as a Common Expense, worker's compensation and employer's liability insurance, if and to the extent required by law, and such other insurance as the Board deems necessary or advisable.

Section 2. Individual Insurance. By virtue of taking title to a Unit subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Association that each Owner shall carry public liability insurance and blanket "all-risk" property insurance on its Unit(s) and structures constructed thereon meeting the same requirements of insurance provided for in Section 1 of this Article, unless the Section Association of which the Unit is a part carries such insurance. Each Owner further covenants and agrees that in the event of damage to or destruction of the Unit, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article XI of this Declaration, or alternatively, the Owner shall clear the Unit of all debris and return the property to substantially the

natural condition in which it existed prior to commencing construction thereon, in which case the Unit shall thereafter be maintained in a neat and clean condition consistent with the Community-Wide Standard.

Additional recorded covenants applicable to any Section may impose more stringent requirements regarding the standards for rebuilding or reconstructing structures on the Units within such Section and the standards for returning the Units to their natural state in the event the structures are not rebuilt.

Section 3. Damage and Destruction.

(a) Immediately after damage or destruction by fire or other peril to all or any part of any property covered by insurance written in the name of the Association, the Board of Directors, or its duly authorized agent, shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this paragraph, means repairing or restoring such property to substantially the same condition in which it existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

(b) Any damage or destruction to property covered by insurance written in the name of the Association shall be repaired or reconstructed unless the Voting Members representing at least seventy-five (75%) percent of the total Class "A" vote in the Association shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) days. No Mortgagee shall have the right to participate in the determination of whether any property damaged or destroyed shall be repaired or reconstructed.

(c) If it is determined in the manner described above that the damage or destruction shall not be repaired or reconstructed and no alternative improvements are authorized, then the affected portion of the Properties shall be restored to its natural state and maintained by the Association or Section Association, as applicable, in a neat and attractive, landscaped condition consistent with the Community-Wide Standard.

Section 4. Disbursement of Proceeds. Proceeds of insurance policies shall be disbursed as follows: If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repair or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repair or reconstruction or, proceeds remaining in the event no repair or reconstruction is made, shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of any Mortgagee of a Unit and may be enforced by such Mortgagee.

Section 5. Repair and Reconstruction. If the damage or destruction for which insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of Voting Member approval, levy a Special Assessment against all Units on the same basis as provided for Common Assessments. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

Article VI No Partition

Except as is permitted in the Declaration or amendments thereto, there shall be no physical partition of the Common Area or any part thereof, nor shall any Person acquiring any interest in the Properties or any part thereof seek any judicial partition unless the Properties have been removed from the provisions of this Declaration. This Article shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

Article VII Condemnation

Whenever all or any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Voting Members representing at least two-thirds (2/3) of the total Class "A" vote in the Association and of the Declarant, so long as the Declarant owns any property described on Exhibits "A" or "B") by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof. The

award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking the Declarant, so long as the Declarant owns any property described on Exhibits "A" or "B" of this Declaration, and Voting Members representing at least seventy-five (75%) percent of the total Class "A" vote of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefore, in accordance with plans approved by the Board of Directors of the Association. If such improvements are to be repaired or restored, the award, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction. If such award is not sufficient to defray the cost of repair or reconstruction, the Board of Directors shall, without the necessity of a vote of the Voting Members, levy a special assessment against all Owners on the same basis as provided for Common Assessments; provided, if the damage or destruction involves the common property of a Section Association, only the Owners of Units in the affected Section shall be subject to assessment therefor. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

If the taking does not involve any improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board of Directors of the Association shall determine.

Article VIII Annexation of Additional Property

Section 1. Annexation Without Approval of Class "A" Membership. As the owner thereof, or if not the owner, with the consent of the owner thereof, Declarant shall have the unilateral right, privilege, and option, from time to time at any time until all the real property described in Exhibit "B" has been subjected to this Declaration or December 31, 2009, whichever first occurs, to subject to the provisions of this Declaration and the jurisdiction of the Association all or any portion of the real property described in Exhibit "B", attached hereto and by reference made a part hereof by filing in the

public records of Union County, South Dakota, an amendment annexing such Properties. Such Supplemental Declaration to this Declaration shall not require the vote of Members. Any such annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein. Declarant shall have the unilateral right to transfer to any other Person the said right, privilege, and option to annex additional property which is herein reserved to Declarant, provided that such transferee or assignee shall be the developer of at least a portion of said real property described in Exhibits "A" or "B" and that such transfer is memorialized in a written, recorded instrument executed by the Declarant.

Section 2. Annexation With Approval of Class "A" Membership. Subject to the consent of the owner thereof, the Association may annex real property other than that shown on Exhibit "B", and following the expiration of the right in Section 1, any property described on Exhibit "B", to the provisions of this Declaration and the jurisdiction of the Association. Such annexation shall require the affirmative vote of Voting Members or alternates representing a majority of the Class "A" votes of the Association (other than those held by Declarant) present at a meeting duly called for such purpose and of the Declarant, so long as Declarant owns property subject to this Declaration or which may become subject in accordance with Section 1 of this Article.

Annexation of additional property shall be accomplished by filing of record in the public records of Union County, South Dakota, a Supplemental Declaration describing the property being annexed. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Association, and the owner of the properties being annexed, and any such annexation shall be effective upon filing unless otherwise provided therein. The relevant provisions of the By-Laws dealing with regular or special meetings, as the case may be, shall apply to determine the time required for and the proper form of notice of any meeting called for the purpose of considering annexation of property pursuant to this Section 2 and to ascertain the presence of a quorum at such meeting.

Section 3. Acquisition of Additional Common Area. Declarant may convey to the Association additional real estate, improved or unimproved, located within the properties described in Exhibits "A" and "B" which, upon conveyance or dedication to the Association, shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of all its Members.

Section 4. Withdrawal of Property. Declarant reserves the right to amend this Declaration unilaterally at any time so long as it holds an unexpired option to annex property pursuant to this Article VIII, without prior notice and without the consent of any Person, for the purpose of removing certain portions of the Properties then owned by the Declarant or its affiliates or the Association from the provisions of this Declaration to the extent originally included in error or as a result of any changes whatsoever in the plans for the Properties desired to be effected by the Declarant, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Properties.

Rental apartment buildings subject to this Declaration may subsequently be converted to the condominium form of ownership. In such event, the property subjected to the condominium form of ownership shall be automatically withdrawn from the jurisdiction of this Declaration and the Association and shall be automatically subjected to the terms of that certain Declaration of Covenants, Conditions and Restrictions for Dakota Dunes recorded in the Union County, South Dakota, land records ("Residential Declaration") and to the jurisdiction of the Dakota Dunes Community Association, Inc. ("Residential Association"). The owner of property subjected to the condominium form of ownership shall, at the time the declaration of condominium is filed, cause an amendment to be made to both the Residential Declaration and this Declaration to be recorded in the Union County, South Dakota, land records, withdrawing said property from this Declaration and subjecting it to the Residential Declaration. Such amendment shall not require prior notice to or the prior consent of the boards of directors of either the Association or the Residential Association, or of the members of either, or of any other Person.

Section 5. Amendment. This Article shall not be amended without the written consent of Declarant, so long as the Declarant owns any property described in Exhibits "A" or "B" of this Declaration.

Article IX Rights and Obligations of the Association

Section 1. Common Area. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area and all improvements thereon (including, without limitation, furnishings and equipment related thereto and

common landscaped areas), and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof and consistent with the Community-Wide Standard.

Section 2. Personal Property and Real Property for Common Use. The Association, through action of its Board of Directors, may acquire, lease, hold, grant licenses for the use of, and dispose of, tangible and intangible personal property and real property. The Board, acting on behalf of the Association, will accept any real or personal property, leasehold, or other property interests within the Properties conveyed to it by the Declarant.

Section 3. Rules and Regulations. The Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Properties, which rules and regulations shall be consistent with the rights and duties established by this Declaration and the By-Laws. Sanctions may include reasonable monetary fines and suspension of the right to vote and the right to use the Common Area except as necessary for ingress and egress to and from the Unit. The Board shall, in addition, have the power to seek relief in any court for violations or to abate nuisances. Imposition of sanctions shall be as provided in the By-Laws of the Association. In addition, the Association, through the Board, by contract or other agreement, shall have the right to enforce city or county ordinances and to permit Union County to enforce ordinances on the Properties for the benefit of the Association and its Members.

Section 4. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the By-Laws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it in the foregoing documents or reasonably necessary to effectuate any such right or privilege.

Section 5. Governmental Interests. For so long as the Declarant owns any property shown on Exhibits "A" or "B", the Association shall permit the Declarant to designate sites within the Properties, which may include Common Area, for fire, police, water, sewer, or natural gas facilities.

Article X Assessments

Section 1. Creation of Assessments. There are hereby created assessments for Association expenses as may from time to time specifically be authorized by the Board of Directors to

be commenced at the time and in the manner set forth in Section 7 of this Article. There shall be three (3) types of assessments: (a) Common Assessments, to fund Common Expenses for the benefit of all Members of the Association; (b) Section Assessments, for expenses benefitting only Units within a particular Section; and (c) Special Assessments, as described in Section 4 below. Each Owner, by acceptance of a deed or recorded contract of sale for any portion of the Properties, is deemed to covenant and agree to pay these assessments.

Common Assessments shall be allocated for all Units according to the formula set forth in Exhibit "C." Section Assessments shall be levied equally on all Units within the Section for whose benefit Common Expenses are incurred which benefit less than the Association as a whole. Special Assessments shall be levied as provided in Section 3 below.

All assessments, together with interest (at a rate not to exceed the highest rate allowed by South Dakota law) as computed from the date the delinquency first occurs, late charges, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Unit against which each assessment is made until paid. Each such assessment, together with interest, late charges, costs, and reasonable attorney's fees, shall also be the personal obligation of the Person who was the Owner of such Unit at the time the assessment arose, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance, except no first Mortgagee who obtains title to a Unit pursuant to the remedies provided in the Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title.

The Association shall, upon demand at any time, furnish to any Owner liable for any type of assessment a certificate in writing signed by an officer of the Association setting forth whether such assessment has been paid as to any particular Unit. Such certificate shall be conclusive evidence of payment of such assessment to the Association therein stated to have been paid. The Association may require the advance payment of a processing fee not to exceed Fifty (\$50.00) Dollars for the issuance of each such certificate.

Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors. Unless the Board otherwise provides, the Common Assessment and any Section Assessment may be paid in monthly installments. Each Owner, by acceptance of a deed to his or her Unit, acknowledges that all Common Assessments and Section Assessments levied hereunder are annual assessments due and payable in advance on the first day

of the fiscal year; provided, the Board may permit any assessment to be paid in installments. If any Owner is delinquent in paying any assessment or other charge levied on his Unit, the Board may revoke the privilege of paying in installments and require annual assessments to be paid in full immediately.

No Owner may waive or otherwise exempt himself from liability for the assessments provided for herein, including, by way of illustration and not limitation, by non-use of Common Areas or abandonment of the Unit. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration, or the making of repairs or improvements which are the responsibility of the Association, or the taking of any action to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

Until the termination of the Class "B" Control Period, in lieu of paying regular assessments on its unsold Units, the Declarant shall be obligated for the difference between the amount of assessments levied on all Units subject to assessment and the amount of actual expenditures required to operate the Association during the fiscal year. This obligation may be satisfied in the form of a cash subsidy or by "in kind" contributions of services or materials, or a combination of these.

The Association is specifically authorized to enter into subsidy contracts, or contracts for the "in kind" contribution of services or materials or a combination of services and materials, with Declarant for the payment of some portion of the Common Expenses.

Section 2. Computation of Common Assessment. It shall be the duty of the Board, at least sixty (60) days before the beginning of each fiscal year, to prepare a budget covering the estimated Common Expenses of the Association during the coming year. The budget shall include a capital contribution establishing a reserve fund in accordance with a budget separately prepared as provided in Section 6 of this Article.

The Common Assessment to be levied against each Unit for the coming year shall be set at a level which is reasonably expected to produce total income to the Association equal to the total budgeted Common Expenses, including reserves. In

determining the amount of the Common Assessment, the Board, in its discretion, may consider other sources of funds available to the Association, including funds payable to the Association under any covenant to share costs executed by Declarant or the Association, or their successors or assigns. In addition, the Board shall take into account the number of Units subject to assessment under Section 7 hereof on the first day of the fiscal year for which the budget is prepared and the number of Units reasonably anticipated to become subject to assessment during the fiscal year.

So long as the Declarant has the right unilaterally to annex additional property pursuant to Article VIII hereof, the Declarant may elect on an annual basis, but shall not be obligated, to reduce the resulting assessment for any fiscal year by payment of a subsidy (in addition to any amounts paid by Declarant under Section 1 above); provided, any such subsidy shall be conspicuously disclosed as a line item in the income portion of the Common Expense budget and shall be made known to the membership. The payment of such subsidy in any year shall under no circumstances obligate the Declarant to continue payment of such subsidy in future years.

The Board shall cause a copy of the Common Expense budget and notice of the amount of the Common Assessment to be levied against each Unit for the following year to be delivered to each Owner at least thirty (30) days prior to the beginning of the fiscal year. Such budget and assessment shall become effective unless disapproved at a meeting of the Voting Members by Voting Members or their alternates representing at least a majority of the total Class "A" vote in the Association, and by the Class "B" Member, if such exists. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the Voting Members as provided for special meetings in Article II, Section 4, of the By-Laws, which petition must be presented to the Board within ten (10) days of delivery of the notice of assessments.

Notwithstanding the foregoing, however, in the event the proposed budget is disapproved or the Board fails for any reason so to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

Section 3. Computation of Section Assessments. It shall be the duty of the Board, at least sixty (60) days before the beginning of each fiscal year, to prepare a separate budget covering the estimated Section Expenses to be incurred by the Association for each Section on whose behalf Section Expenses

are expected to be incurred during the coming year. The Board shall be entitled to set such budget only to the extent that this Declaration or the By-Laws specifically authorizes the Board to assess certain costs as a Section Assessment. Any Section may request that additional services or a higher level of services be provided by the Association, and in such case, any additional costs shall be added to such budget. Such budget may include a capital contribution establishing a reserve fund for repair and replacement of capital items within the Section, as appropriate. Section Expenses shall be allocated equally among all Units within the Section benefitted thereby and levied as a Section Assessment.

The Board shall cause a copy of such budget and notice of the amount of the Section Assessment to be levied on each Unit in the Section for the coming year to be delivered to each Owner of a Unit in the Section at least thirty (30) days prior to the beginning of the fiscal year. Such budget and assessment shall become effective unless disapproved by a majority of the Owners of Units in the Section which the Section Assessment applies; provided, there shall be no obligation to call a meeting for the purpose of considering the budget except on petition of Owners of at least ten (10%) percent of the Units in such Section; and provided, further, the right to disapprove shall only apply to those line items in the Section budget which are attributable to services requested by the Section.

In the event the proposed budget for any Section is disapproved or the Board fails for any reason so to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

Section 4. Special Assessments. The Association may levy a Special Assessment or Special Assessments, provided such assessment shall have the affirmative vote or written consent of Voting Members or their alternates representing a majority of the total Class "A" votes in the Association and, the affirmative vote or written consent of the Class "B" Member, if such then exists. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved, if the Board so determines.

The Association may also levy a Special Assessment against any Member to reimburse the Association for costs incurred in bringing a Member and its Unit into compliance with

the provisions of the Declaration, any amendments thereto, the Articles, the By-Laws, and the Association rules and regulations, which Special Assessment may be levied upon the vote of the Board after notice to the Member and an opportunity for a hearing. The Association may also levy a Special Assessment against any Section to reimburse the Association for costs incurred in bringing the Section into compliance with the provisions of the Declaration, any amendments thereto, the Articles, the By-Laws, and the Association rules and regulations, which Special Assessment may be levied upon the vote of the Board after notice to the senior officer thereof and an opportunity for a hearing.

Section 5. Lien for Assessments. Upon recording of a notice of lien, there shall exist a perfected lien for unpaid assessments on the respective Unit prior and superior to all other liens, except (a) all taxes, bonds, assessments, and other levies which by law would be superior thereto, and (b) the lien or charge of any first mortgage of record (meaning any recorded mortgage or deed of trust with first priority over other mortgages or deeds of trust) made in good faith and for value.

Such lien, when delinquent, may be enforced by suit, judgment, and foreclosure.

The Association, acting on behalf of the Owners, shall have the power to bid for the Unit at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period in which a Unit is owned by the Association following foreclosure: (a) No right to vote shall be exercised on its behalf; (b) no assessment shall be assessed or levied on it; and (c) each other Unit shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been charged such Unit had it not been acquired by the Association as a result of foreclosure. Suit to recover a money judgment for unpaid common expenses and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the same. After notice and hearing, the Board may temporarily suspend the vote of a Member who is in default in payment of any assessment.

Section 6. Reserve Budget and Capital Contribution. The Board of Directors shall annually prepare a reserve budget which takes into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board may set the required capital contribution in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the reserve budget, with respect both to amount and timing by

annual assessments over the period of the budget. The capital contribution required, if any, shall be fixed by the Board and included within and distributed with the applicable budget and notice of assessments, as provided in Sections 2 and 3 of this Article.

Section 7. Date of Commencement of Annual Assessments.

The annual assessments provided for herein shall commence as to a Unit on the first day of the month following the date that a certificate of occupancy is issued by the appropriate governmental authority for the Unit or a portion of the Unit. Assessments shall be due and payable in a manner and on a schedule as the Board of Directors may provide. The first annual assessment shall be prorated for that fiscal year.

Section 8. Subordination of the Lien to First Mortgages. The lien of assessments, including interest, late charges (subject to the limitations of South Dakota law), and costs (including attorney's fees) provided for herein, shall be subordinate to the lien of any first Mortgage upon any Unit. The sale or transfer of any Unit shall not affect the assessment lien. However, the sale or transfer of any Unit pursuant to judicial or nonjudicial foreclosure of a first Mortgage shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Unit from lien rights for any assessments thereafter becoming due. Where the Mortgagee of a first Mortgage of record obtains title, neither it nor its successors and assigns shall be liable for the share of the Common Expenses or assessments by the Association chargeable to such Unit which became due prior to the acquisition of title to such Unit by such acquirer. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible from all of the Units, including such acquirer, its successors and assigns.

Section 9. Capitalization of Association. Upon acquisition of record title to a Unit by the first purchaser thereof other than the Declarant, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equal to one-sixth (1/6) of the annual Common Assessment per Unit for that year as determined by the Board. This amount shall be in addition to, not in lieu of, the annual Common Assessment levied on the Unit and shall not be considered an advance payment of any portion thereof. This amount shall be deposited into the purchase and sales escrow and disbursed therefrom to the Association for use in covering operating expenses and other expenses incurred by the Association pursuant to the terms of this Declaration and the By-Laws.

Section 10. Failure to Assess. The omission or failure of the Board to fix the assessment amounts or rates or to deliver or mail to each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay annual assessments on the same basis as for the last year for which an assessment was made, if any, until a new assessment is made, at which time any shortfalls in collections may be assessed retroactively by the Association.

Section 11. Exempt Property. Notwithstanding anything to the contrary herein, the following property shall be exempt from payment of Common Assessments, Section Assessments, and Special Assessments:

- (a) all Common Areas; and
- (b) all property dedicated to and accepted by any governmental authority or public utility, including, without limitation, public schools, public streets, and public parks, if any.

Article XI Architectural Standards

No construction, which term shall include within its definition staking, clearing, excavation, grading, and other site work, and no plantings or removal of plants, trees, or shrubs shall take place except in strict compliance with this Article, until the requirements thereof have been fully met, and until the approval of the appropriate committee has been obtained pursuant to Sections 1 and 2 below. The Board of Directors may establish reasonable fees to be charged by the committees on behalf of the Association for review of applications hereunder and may require such fees to be paid in full prior to review of any application.

All structures constructed on any portion of the Properties shall be designed by and built in accordance with the plans and specifications of a licensed architect.

This Article shall not apply to the activities of the Declarant, nor to construction of improvements or modifications to the Common Area by or on behalf of the Association.

The Board of Directors shall have the authority and standing, on behalf of the Association, to enforce in courts of competent jurisdiction decisions of the committees established

in Sections 1 and 2 of this Article XI. This Article may not be amended without the Declarant's written consent so long as the Declarant owns any land subject to this Declaration or subject to annexation to this Declaration.

Section 1. Design Review Committee. The Design Review Committee (DRC) shall consist of at least three (3), but not more than five (5), persons and shall have exclusive jurisdiction over all original construction on any portion of the Properties. Until one hundred (100%) percent of the Properties have been developed and conveyed to purchasers in the normal course of development and sale, the Declarant retains the right to appoint all members of the DRC who shall serve at the discretion of the Declarant. There shall be no surrender of this right prior to that time except in a written instrument in recordable form executed by Declarant. Upon the expiration of such right, the Board of Directors shall appoint the members of the DRC, who shall serve and may be removed at the discretion of the Board of Directors. The members of the DRC may include architects, engineers and other persons who are not members of the Association.

The DRC shall prepare and, on behalf of the Board of Directors, shall promulgate the Design Guidelines. Copies shall be available from the DRC for review. The Design Guidelines shall be those of the Association, and the DRC shall have sole and full authority to prepare and to amend the Design Guidelines. The DRC shall make the Design Guidelines available to Owners, builders, and developers who seek to engage in development of or construction upon all or any portion of the Properties and such Owners, builders and developers shall conduct their operations strictly in accordance therewith. In the event that the DRC fails to approve or disapprove plans submitted to it, or to request additional information reasonably required, within forty-five (45) days after submission thereof, the plans shall be deemed approved.

Section 2. Modifications Committee. The Board of Directors may establish a Modifications Committee (MC) to consist of at least three (3) and no more than five (5) persons, all of whom shall be appointed by, and shall serve at the discretion of, the Board of Directors. Members of the MC may include architects or similar professionals who are not Members of the Association. The MC, if established, shall have exclusive jurisdiction over modifications, additions, or alterations made on or to existing Units or structures containing Units and the open space, if any, appurtenant thereto; provided, however, the MC may delegate this authority to the appropriate board or committee of any Section Association subsequently created or subsequently subjected to

this Declaration so long as the MC has determined that such board or committee has in force review and enforcement practices, procedures, and appropriate standards at least equal to those of the MC. Such delegation may be revoked and jurisdiction reassumed at any time by written notice. Notwithstanding the above, the MC shall not take any action or approve any plans inconsistent with the guidelines promulgated by the DRC.

The Modifications Committee shall promulgate detailed standards and procedures governing its areas of responsibility and practice, consistent with those of the DRC. In addition thereto, the following shall apply. Plans and specifications showing the nature, kind, shape, color, size, materials, and location of such modifications, additions, or alterations, shall be submitted to the MC for approval as to quality of workmanship and design and as to harmony of external design with existing structures, location in relation to surrounding structures, topography, and finish grade elevation. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his Unit, or to paint the interior of his Unit any color desired; provided, modifications or alterations to the interior of screened porches, patios and similar portions of a Unit visible from outside the Unit shall be subject to approval hereunder. In the event that the MC fails to approve or to disapprove such plans or to request additional information reasonably required within forty-five (45) days after submission, the plans shall be deemed approved.

Section 3. Right to Inspect. Any member of the DRC or the MC or their representatives shall have the right, during reasonable hours and after reasonable notice, to enter upon any Unit or the Common Area to inspect for the purpose of ascertaining whether or not these restrictive covenants have been or are being complied with. Such Person or Persons shall not be deemed guilty of trespass by reason of such entry. In addition to any other remedies available to the Association, in the event of noncompliance with this section, the Board may record in the appropriate land records a notice of violation naming the violating Owner.

Section 4. No Waiver of Future Approvals. The approval of either the DRC or MC of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of such Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matters whatever subsequently or additionally submitted for approval or consent.

Section 5. Variance. The DRC and MC may authorize variances from compliance with any of the provisions of the Design Guidelines when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations require, but only in accordance with its duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (i) be effective unless in writing, (ii) be contrary to the restrictions set forth in the body of this Declaration, or (iii) estop the DRC or MC from denying a variance in other circumstances. For purposes of this section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

Section 6. Compliance With Guidelines. Any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of the guidelines and procedures promulgated by the Declarant, the DRC or MC may be excluded by the Board from the Properties without liability to any person, subject to the notice and hearing procedures contained in Article III, Section 22 of the By-Laws.

Section 7. No Liability. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and neither committee shall bear any responsibility of ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes, land use regulations or any other governmental regulations and requirements. Neither the Declarant, the Association, the Board of Directors, any committee, or member of any of the foregoing shall be held liable for any injury, damages or loss arising out of the manner or quality of approved construction on or modifications to any Unit.

Article XII Use Restrictions

The Properties shall be used only for nonresidential and related purposes (which may include, without limitation, an apartment complex and offices for any property manager retained by the Association or business offices for the Declarant) as may more particularly be set forth in this Declaration and amendments hereto. The Association, acting through its Board of Directors, shall have authority to make and to enforce standards and restrictions governing the use of the Properties, in addition to those contained herein, and to impose reasonable

user fees for facilities. Such regulations and use restrictions shall be binding upon all Owners and occupants until and unless overruled, cancelled or modified in a regular or special meeting of the Association by Voting Member representing a Majority of the total Class "A" votes in the Association and by the vote of the Class "B" member, so long as such membership shall exist.

The Declaration or other creating document for any nonresidential association may impose stricter standards than those contained in this Article. The Association, acting through its Board of Directors, shall have standing and the power to enforce such standards.

Section 1. Signs. No sign of any kind shall be erected by an Owner within the Properties without the written consent of the DRC or MC, as appropriate. The Board of Directors or Declarant shall have the right to erect signs without obtaining the approval of the DRC or MC.

Section 2. Occupants Bound. All provisions of the Declaration and of any rules and regulations or use restrictions promulgated pursuant thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all employees, occupants, tenants, and invitees of any Unit. All leases for any portion of the Properties shall provide that lessees shall be bound by the terms and provisions of this Declaration, the By-Laws, and the rules and regulations of the Association.

Section 3. Parking. Vehicles shall be parked only in the appropriate space or designated area in which parking may or may not be assigned and then subject to such rules and regulations as the Board of Directors may adopt. Additional requirements and restrictions regarding parking may be contained in the Design Guidelines. Parking on the common property of a Section shall be regulated by the Section Association or Section Committee subject to any rules and regulations of the Board of Directors and to the Design Guidelines, except that the Section Association or Section Committee may impose stricter, but not lesser, standards regarding parking than those contained in such rules and regulations and in the Design Guidelines.

Section 4. Animals. No animals or livestock of any kind shall be raised, bred, or kept on any portion of the Properties, except that a reasonable number of security dogs or other animals used for security purposes may be permitted on a Unit with the prior written consent of the Board. However, animals which are permitted to roam free, or, in the sole

discretion of the Association, endanger the health, make objectionable noise, or constitute a nuisance or inconvenience to the Owners of other Units or the owner of any portion of the Properties shall be removed upon request of the Board; if the Owner fails to honor such request, the animal may be removed by the Board.

No animals shall be kept, bred, or maintained for any commercial purpose; provided, however, an animal kennel or small animal hospital may be permitted on the Properties with the prior written approval of the Declarant and the Board.

Section 5. Nuisance. It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her Unit. No Unit shall be used, in whole or in part, for the storage of any property or thing that will cause such Unit to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept upon any Unit that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on upon any Unit, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any property adjacent to the Unit. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of Properties.

Section 6. Unsightly or Unkempt Conditions. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Properties.

Section 7. Antennas. No exterior antennas of any kind shall be placed, allowed, or maintained upon any portion of the Properties without the prior written consent of the DRC for as long as it is in existence and after that time the Board or its designee. However, the Board reserves the right to (but shall not be obligated to) erect a master antenna, satellite dish, or other similar master system for the benefit of one or more Units or for the benefit of the Properties. Each Owner and occupant acknowledges that this provision benefits all Owners and occupants and each Owner and occupant agrees to

comply with this provision despite the fact that the erection of an outdoor antenna or similar device would be the most cost-effective way to transmit or receive the signals sought to be transmitted or received.

Section 8. Mechanical Equipment, Garbage Cans, Trash Containers, Tanks, Etc. All mechanical equipment servicing buildings, garbage cans, trash containers, above-ground tanks, all loading docks, and other similar items shall be located or screened so as to be concealed from view of neighboring Units, streets, and property located adjacent to the Unit. All rubbish, trash, and garbage shall be stored in appropriate containers and screened so as to be concealed from view of neighboring Units, streets and adjacent property until pick-up. All rubbish, trash, and garbage shall be regularly removed from the Unit and shall not be allowed to accumulate thereon.

Section 9. Subdivision of Unit. No Unit shall be subdivided or its boundary lines changed except with the prior written approval of the Board of Directors of the Association. Declarant, however, hereby expressly reserves the right to replat any Unit or Units owned by Declarant. Any such division, boundary line change, or replatting shall not be in violation of the applicable subdivision and zoning regulations.

Section 10. Firearms. The discharge of firearms within the Properties is prohibited. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size. Notwithstanding anything to the contrary contained herein or in the By-Laws, the Association shall not be obligated to take action to enforce this Section.

Section 11. Irrigation. No sprinkler or irrigation systems of any type which draw upon water from creeks, streams, rivers, lakes, ponds, canals or other waterways within the Properties shall be installed, constructed or operated within the Properties unless prior written approval has been received from the DRC or Declarant. All sprinkler and irrigation systems shall be subject to approval in accordance with Article XI of this Declaration. Private irrigation wells are prohibited on the Properties.

Section 12. Tents, Trailers and Temporary Structures. Except as may be permitted during construction in accordance with the Design Guidelines promulgated for the Properties by the Declarant or the Association, no tent, utility shed, shack, trailer or other structure of a temporary nature shall be placed upon a Unit or any part of the Properties.

Section 13. Drainage and Septic Systems. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Owner or occupant may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains. Declarant hereby reserves a perpetual easement across the Properties for the purpose of altering drainage and water flow. Septic systems are prohibited on the Properties.

Section 14. Tree Removal. No trees shall be removed, except for diseased or dead trees and trees needing to be removed to promote the growth of other trees or for safety reasons, unless approved in accordance with Article XI of this Declaration. In the event of an intentional or unintentional violation of this Section, the violator may be required, by the committee having jurisdiction, to replace the removed tree with one (1) or more trees of such size and number, and in such locations, as such committee may determine in its sole discretion.

Section 15. Sight Distance at Intersections. All property located at street intersections shall be landscaped so as to permit safe sight across the street corners. No fence, wall, hedge, or shrub planting shall be placed or permitted to remain where this would create a traffic or sight problem.

Section 16. Utility Lines. No overhead utility lines, including lines for cable television, shall be permitted within the Properties, except for temporary lines as required during construction and high voltage lines if required by law or for safety purposes.

Section 17. Lighting. All exterior lighting must be approved as provided in Article XI.

Section 18. Other Prohibited Uses. The following uses and activities are prohibited within the Properties:

(a) trailer courts, mobile home parks, and recreation vehicle campgrounds;

(b) oil drilling, water drilling, oil refining, quarrying, or mining operations and all construction incident thereto;

(c) junk yards, sanitary landfills, and recycling facilities;

(d) commercial excavation of building or construction materials, except in the usual course of construction of improvements;

(e) facilities for dumping, disposal, incineration, treatment, processing, or reduction of garbage, sewage, offal, dead animals or refuse;

(f) outdoor storage of building or construction materials;

(g) funeral homes;

(h) sawmills; and

* (i) community fairs or flea markets.

The enumeration of the above prohibited uses shall not be construed in any way as a limitation on the Board's power to prohibit other uses within the Properties.

Section 19. Laws and Ordinances. Every Owner and occupant of any Unit, their guests and invitees, shall comply with all laws, statutes, ordinances and rules of federal, state and municipal governments applicable to the Properties and any violation thereof may be considered a violation of this Declaration; provided, the Board shall have no obligation to take action to enforce such laws, statutes, ordinances and rules.

Article XIII General Provisions

Section 1. Term. The covenants and restrictions of this Declaration shall run with and bind the Properties, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any Properties subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by a majority of the then Owners, has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated as specified therein.

* (j) See First Ammendment on page 1A.

Section 2. Amendment. Prior to the sale of the first Unit, Declarant may amend this Declaration. After such sale, the Declarant may unilaterally amend this Declaration so long as it still owns property described in Exhibit "B" for development as part of the Properties and so long as the amendment has no adverse effect upon any right of any Owner; thereafter and otherwise, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Voting Members representing seventy-five (75%) percent of the total votes of the Association, including seventy-five (75%) percent of Members other than the Declarant. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment must be recorded in the public records of Union County, South Dakota.

No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege.

Section 3. Indemnification. The Association shall indemnify every officer, director, and committee member against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer or director. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 4. Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment as between each Unit and such portion or portions of the Common Area

adjacent thereto or as between adjacent Units due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three (3) feet, as measured from any point on the common boundary between each Unit and the adjacent portion of the Common Area or as between said adjacent Units, as the case may be, along a line perpendicular to such boundary at such point; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of an Owner, tenant, or the Association.

Section 5. Easements for Utilities, Etc. There is hereby reserved unto Declarant, so long as the Declarant owns any property described on Exhibits "A" or "B", the Association, the Community Improvement District, and the designees of each (which may include, without limitation, Union County, South Dakota, and any utility) blanket easements upon, across, over, and under all of the Common Area and to the extent shown on any plat over the Units for ingress, egress, installation, replacing, repairing, and maintaining cable television systems, master television antenna systems, roads, walkways, lakes, ponds, wetlands, drainage systems, street lights, signage, and all utilities, including, but not limited to, water, sewers, meter boxes, telephones, gas, and electricity.

Without limiting the generality of the foregoing, there are hereby reserved for the local water supplier, easements across all Units on the Properties for ingress, egress, installation, reading, replacing, repairing, and maintaining water meter boxes. Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on said Properties, except as may be approved by the Association's Board of Directors or as provided by Declarant.

Should any entity furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, the Board of Directors shall have the right to grant such easement on said Properties without conflicting with the terms hereof. The easements provided for in this Article shall in no way adversely affect any other recorded easement on the Properties.

The Board shall have, by a two-thirds (2/3) vote, the power to dedicate portions of the Common Area to Union County, South Dakota, the Community Improvement District, or to any other local, state, or federal governmental entity.

Section 6. Easements to Serve Additional Property. The Declarant and its duly authorized agents, representatives, and employees, as well as its successors, assigns, licensees and mortgagees, shall have and there is hereby reserved an easement over the Common Area for the purposes of enjoyment, use, access and development of the additional property described in Exhibit "B" attached hereto and by this reference incorporated herein (the "Additional Property"), whether or not such Additional Property is made subject to a right of ingress and egress over the Common Area for construction of roads and for tying in and installation of utilities on the Additional Property. Declarant agrees that it, its successors or assigns, shall be responsible for any damage caused to the Common Area as a result of vehicular traffic connected with development of the Additional Property. Declarant further agrees that if the easement is exercised for permanent access to the Additional Property and such Additional Property or any portion thereof is not made subject to this Declaration, the Declarant, its successors, or assigns shall enter into a reasonable agreement with the Association to share the cost of maintenance of any access roadway serving the Additional Property. Such agreement shall provide for sharing of costs based on the ratio which the number of Units on that portion of the Additional Property which is served by the easement and is not made subject to this Declaration bears to the total number of Units within the Properties and on such portion of the Additional Property.

Section 7. Severability. Invalidity of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 8. Right of Entry. The Association shall have the right, but shall not be obligated, to enter into any portion of the Properties for maintenance, inspection to determine compliance or non-compliance with a covenant restriction, rule or regulation, emergency, security, and safety, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner or Section, as appropriate. This right of entry shall include the right of the Association to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner or Section fails or refuses to cure the condition upon request by the Board.

Properties. The Owners of nonresidential property subject to this Declaration shall be subject to assessment therefor by said association in accordance with the provisions of a covenant to share costs which is attached hereto as Exhibit "D". The owners of the residential properties shall not be subject to the restrictions contained in this Declaration.

Article XIV Declarant's Rights

Any or all of the special rights and obligations of the Declarant may be transferred to other persons or entities, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein, and provided further, no such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the public records of Union County, South Dakota. Nothing in this Declaration shall be construed to require Declarant or any successor to develop any of the property set forth in Exhibit "B" in any manner whatsoever.

Notwithstanding any provisions contained in the Declaration to the contrary, so long as construction and initial sale of Units shall continue, it shall be expressly permissible for Declarant, and any builder approved by Declarant, to maintain and to carry on upon portions of the Common Areas such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient, or incidental to the construction or sale of such Units, including, but not limited to, business offices, signs, model units, and sales offices, and the Declarant, and any builder approved by Declarant, shall have an easement for access to such facilities. The right to maintain and carry on such facilities and activities shall include specifically, without limitation, the right to use Units or portions of Units owned by the Declarant or the builder as models and sales offices.

So long as Declarant continues to have rights under this paragraph, no person or entity shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Properties without Declarant's review and written consent thereto, and any attempted recordation without compliance herewith shall result in such declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument being void and of no force and effect unless subsequently approved by recorded consent signed by the Declarant.

This Article may not be amended without the express written consent of the Declarant; provided, however, the rights contained in this Article shall terminate upon the earlier of (a) thirty (30) years from the date this Declaration is recorded, or (b) upon recording by Declarant of a written statement that all sales activity has ceased.

Article XV
Country Clubs

Neither membership in the Association nor ownership or occupancy of a Unit shall confer any ownership interest in or right to use any Country Club. Rights to use any Country Club will be granted only to such persons, and on such terms and conditions, as may be determined from time to time by the owners of any Country Clubs. The owners of any Country Clubs shall have the right, from time to time in their sole and absolute discretion and without notice, to amend or waive the terms and conditions of use of the Country Club, including, without limitation, eligibility for and duration of use rights, categories of use and extent of use privileges, and number of users, and shall also have the right to reserve use rights and to terminate use rights altogether. Further, the ownership or operational duties of and as to any Country Club may change at any time and from time to time. No consent of the Association, any Section, or any Owner shall be required to effectuate such transfer.

IN WITNESS WHEREOF, the undersigned Declarant has
executed this Declaration this 23rd day of August,
1990.

DAKOTA DUNES DEVELOPMENT
COMPANY, an Iowa
corporation

By: Robert A. Peterson [SEAL]
Robert A. Peterson

NO CORPORATE SEAL

Its: Vice President

Attest: PJ Little [SEAL]
Its: Corporate Secretary

STATE OF SOUTH DAKOTA

COUNTY OF UNION

On this the 23rd day of August, 1990,
before me, P. Daniel Donohue, the undersigned officer,
personally appeared Robert A. Peterson, who acknowledged
himself to be the Vice President of Dakota Dunes
Development Company, an Iowa corporation, and that he,
as such Vice President, being authorized to do so,
executed the foregoing instrument for the purposes therein
contained, by signing the name of the corporation by himself as
Vice President.

My term of office expires on September 11, 1990.

P. Daniel Donohue [SEAL]
NOTARY PUBLIC

2136g -- 06/15/89

EXHIBIT "A"

Dakota Dunes Industrial Park First Addition in Dakota Dunes, Union County, South Dakota, according to the recorded plat thereof; which plat was filed on August 21, 1990, at 2:35 o'clock p.m., and recorded in Book 11 of Plats at Page 93.

Two Rivers Business Centre First Addition in Dakota Dunes, Union County, South Dakota, according to the recorded plat thereof; which plat was filed on September 11, 1990, at 3:00 o'clock p.m., and recorded in Book 11 of Plats at Page 98.

EXHIBIT "B"

Land Subject to Annexation

Dakota Dunes in part of Sections 22, 23, 25, 26, 27, 34, 35, and 36, all in Township 89 North, Range 48 West of the Fifth Principal Meridian, Union County, South Dakota, according to the recorded plat thereof; which plat was filed on February 6, 1990, at 2:00 p.m., and recorded in Book 11 of Plats at Page 52; excluding all real property which is now subjected to the Declaration of Covenants, Conditions, and Restrictions for Dakota Dunes by reason of inclusion upon Exhibit "A" thereto and excluding all real property which shall, at any time hereafter, become subjected to the Declaration of Covenants, Conditions, and Restrictions of Dakota Dunes by reason of Supplemental Declaration or otherwise.

EXHIBIT "C"

Formula for Assessments and Voting Rights

Assessments and votes are computed as follows: Each Unit, whether or not shown upon a recorded plat, shall be assigned one (1) point for each acre of land within the boundaries of that Unit, excluding streets and Common Areas (rounded to the nearest acre) and one (1) point for each one thousand (1,000) square feet of gross floor area in a structure which is part of the Unit, including everything within the outer perimeter shell of the building or buildings thereon (rounded to the nearest one thousand (1,000) square feet). Each Unit shall be assigned at least one (1) point.

The percentage of the total assessment to be levied on a particular Unit and the percentage vote attributable to the Unit shall be computed by dividing the total points assigned to that Unit by the total points for all Units subject to assessment. The point totals for all Units, the percentage of the total assessment for each Unit subject to assessment, and the percentage vote attributable to each Unit shall be computed annually by the Board of Directors, and notice of the percentages for each Unit (including a summary of the computations) shall be sent to each Owner together with the annual notice of any assessment.

Upon annexation of additional property, assessments and votes shall be recomputed under the above formula, and all Owners shall be notified within thirty (30) days of the recording of a Supplemental Declaration annexing property to the Declaration of their new assessment obligations and voting rights. All votes attributable to Units are weighted as computed by use of the formula herein, and voting shall not be construed to be on an equal or per capita basis.

EXHIBIT "D"

Declaration of Easements and Covenant to Share Costs

THIS DECLARATION is made this 23rd day of August, 1990, by DAKOTA DUNES DEVELOPMENT COMPANY, an Iowa corporation ("Declarant").

BACKGROUND STATEMENT

Declarant is the owner of property which is subject to the Declaration of Covenants, Conditions and Restrictions for Dakota Dunes, recorded in Misc. Book 29, Page 149, of the public records of Union County, South Dakota (such Declaration is herein referred to as the "Residential Declaration" and all property subject thereto, together with any property which may from time to time be added by amendment, is herein referred to as the "Residential Property"). Declarant is also the owner of all that property subject to the Declaration of Covenants, Conditions and Restrictions for Dakota Dunes Commercial Association, recorded in Misc. Book 29, Page 253, of the public records of Union County, South Dakota (such Declaration is herein referred to as the "Commercial Declaration," all property subject thereto, together with any property which may from time to time be added by amendment, is herein referred to as the "Commercial Property," and the owners association created thereunder is herein referred to as the "Commercial Association"). Acknowledging that the future owners and occupants of the Commercial Property will benefit from the performance by Dakota Dunes Community Association, Inc. ("Association") of certain of its maintenance responsibilities under the Residential Declaration and hereunder, Declarant desires to provide for an equitable allocation of the costs of such maintenance between the Association and the owners of the Commercial Property.

NOW, THEREFORE, Declarant hereby declares that all of the Residential Property and all of the Commercial Property shall be held, sold, and conveyed subject to the covenants, conditions, and easements contained herein, which are made for the express benefit of the Association and the present and future owners of the Residential Property and the Commercial Property, and which shall run with the title to the Residential Property and the Commercial Property and shall bind all parties having any right, title, or interest in the Residential Property or the Commercial Property or any part thereof, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of the Association and each owner of any part of the Residential Property or Commercial Property.

Article I
Easements

Section 1. Easements for Maintenance. There are hereby reserved to the Association blanket easements over, under and across the Commercial Property for access, ingress and egress, maintenance and repair to the extent reasonably necessary for the Association to perform its maintenance responsibilities under the Residential Declaration and hereunder.

Article II
Obligation To Share Costs

Section 1. Responsibility and Obligation for Assessments. Each and every owner of any portion of the Commercial Property, by acceptance of a deed therefor, whether or not it shall be expressed in such deed, covenants and agrees to pay an annual assessment to the Association to cover a portion of the costs incurred by the Association in maintaining, repairing, replacing, and insuring the Maintenance Property, if any, as defined below. The obligation of each owner to pay this assessment shall be a separate and independent covenant on the part of each owner, and no diminution or abatement of the assessment or setoff shall be claimed or allowed by reason of any alleged failure of the Association to adequately perform such maintenance responsibilities, if any, the sole remedy of each owner for failure of the Association to perform being suit at law or in equity.

Section 2. Maintenance Property. The Maintenance Property, as such term is used herein, shall refer to, without limitation, all grass, landscaping, landscaped medians, and rights-of-way, including any improvements thereon, surrounding major entry features and signage indicating the entrance to the planned unit development known as Dakota Dunes, and any other property which is used by or benefits jointly the owners of Commercial Property and the owners of Residential Property, which the Association is obligated to maintain or insure under the Residential Declaration.

Section 3. Computation of Assessments. On an annual basis, the Association shall determine an estimated budget for maintaining, repairing, replacing, and insuring the Maintenance Property, if any, in a manner consistent with, and to the level of, the Community-Wide Standard established under the Residential Declaration during the upcoming year, including an appropriate amount to be placed in a reserve fund for capital repairs and replacements. Such budget shall be adjusted to reflect any excess or deficiency in the budget assessed for the immediately preceding year as compared to actual expenses for that period.

The Association shall use fifty percent (50%) of such annual budget, as adjusted, plus any unreimbursed costs incurred by the Association during the previous fiscal year to collect amounts due hereunder (hereinafter "Commercial Basis"), as the basis for computing the total annual assessment obligation for the Commercial Property. The total annual assessment payable by each owner of any portion of the Commercial Property shall be determined by the following formula:

Total Points Assigned to Unit owned by <u>Commercial Owner</u>	x	Commercial Basis	=	Assessment
Total Points for all Units within Commercial Property		(Dollars)		

"Points" for each Unit within the Commercial Property shall be computed according to the formula set forth in Exhibit "C" to the Commercial Declaration.

Section 4. Payment of Assessments. Within thirty (30) days of receipt of notice of an annual assessment, each owner of any portion of the Commercial Property shall pay to the Association the entire amount due. Any assessment delinquent for a period of more than thirty (30) days shall incur a late charge in such amount as the Association may from time to time reasonably determine. If the assessment is not paid when due, a lien, as herein provided, shall attach to the property of the delinquent owner within the Commercial Property, as applicable. In addition, the lien shall include interest (not to exceed the maximum lawful rate) on the principal amount due and all late charges from the date first due and payable, all costs of collection, reasonable attorney's fees actually incurred, and any other amounts provided or permitted by law. In the event that the assessment remains unpaid after ninety (90) days, the Association may institute suit to collect such amounts and to foreclose its lien. The lien provided for in this Article shall be in favor of the Association and shall be for the benefit of all its members. The Association, acting through its Board and on behalf of its members, shall have the power to bid at any foreclosure sale or to acquire, hold, lease, mortgage, or convey foreclosed property.

All payments shall be applied first to costs and attorney's fees, then to late charges, then to interest and then to delinquent assessments.

Article III
General

Section 1. Notice. Any notice provided for in this Declaration shall be served personally or shall be mailed by registered or certified mail, if to the Association, to the president or secretary of the Association or, if to the owner of any portion of the Commercial Property, to the owner of the property within the Commercial Property at the address of such property or such other address as is registered with the Association. All such notices shall, for all purposes, be deemed delivered (a) upon personal delivery to the party or address specified above; or (b) on the third (3rd) day after mailing when mailed by registered or certified mail, postage prepaid, and properly addressed.

Section 2. Amendment. This Declaration may be amended unilaterally at any time and from time to time by Declarant if such amendment is (a) necessary to bring any provision hereof into compliance with any applicable governmental statutes, rule or regulation or judicial determination; (b) necessary to enable any reputable title insurance company to issue title insurance coverage with respect to any portion of the Commercial Property subject to this Declaration; (c) required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on any portion of the Commercial Property; or (d) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on any portion of the Commercial Property; provided, however, any such amendment shall not adversely affect the title to any property subject to the Commercial Declaration unless the owner thereof shall consent thereto in writing. Further, so long as the Declarant has an option unilaterally to subject additional property to the Residential Declaration as provided in that instrument, Declarant may unilaterally amend this Declaration for any other purpose; provided, however, any such amendment shall not materially adversely affect the substantive rights of any owner or occupant subject to the Commercial Declaration, nor shall it adversely affect title to the property of any owner subject to the Commercial Declaration without the consent of the affected owner or occupant.

In addition to the above, this Declaration may be amended upon the affirmative vote or written consent, or any combination thereof, of at least a majority of the directors of the Association and at least a majority of the directors of the Commercial Association, and, so long as the Declarant has an option unilaterally to subject additional property to the Residential Declaration as provided in that instrument, the

consent of the Declarant. Amendments to this Declaration shall become effective upon recordation, unless a later effective date is specified therein.

Any procedural challenge to an amendment must be made within six (6) months of its recordation. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

Section 3. Duration. The provisions of this Declaration shall run with and bind the land and shall be and remain in effect for a period of thirty (30) years after the date that this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless such extension is disapproved by at least a majority of the directors of the the Association and at least a majority of the directors of the Commercial Association, and, so long as the Declarant has an option unilaterally to subject additional property to the Residential Declaration as provided in that instrument, the consent of Declarant. Every purchaser or grantee of any interest in any portion of the Residential Property or the Commercial Property, by acceptance of a deed or other conveyance therefor, agrees that the provisions of this Declaration may be extended and renewed as provided in this Section.

Section 4. Binding Effect. This Declaration shall be binding upon and shall inure to the benefit of every owner of any portion of the Residential Property on the Commercial Property, and shall also inure to the benefit of the Association.

Section 5. Interpretation. This Declaration shall be governed by and construed under the laws of the State of South Dakota.

Section 7. Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

Section 8. Gender and Grammar. The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the use of the masculine pronoun shall include the neuter and feminine.

Section 9. Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and, to this end, the provisions of this Declaration are declared to be severable.

Section 10. Captions. The captions of each Article and Section hereof, as to the contents of each Article and Section, are inserted only for convenience and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this 23rd day of August, 1990.

DAKOTA DUNES DEVELOPMENT
COMPANY, an Iowa corporation

NO CORPORATE SEAL

By: [Signature]
Robert A. Peterson
Its: Vice President

Attest: [Signature]
Its: Corporate Secretary

STATE OF SOUTH DAKOTA

COUNTY OF UNION

On this the 23rd day of August, 1990, before me, P. Daniel Donohue, the undersigned officer, personally appeared Robert A. Peterson, who acknowledged himself to be the Vice President of Dakota Dunes Development Company, an Iowa corporation, and that he, as such Vice President, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as Vice President.

My term of office expires on September 11, 1990

[Signature]
NOTARY PUBLIC

EXHIBIT "E"

BY-LAWS
OF
DAKOTA DUNES COMMERCIAL ASSOCIATION, INC.

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BY-LAWS
OF
DAKOTA DUNES COMMERCIAL ASSOCIATION, INC.

Article I
Name, Principal Office, and Definitions

Section 1. Name. The name of the Association shall be Dakota Dunes Commercial Association, Inc. (hereinafter sometimes referred to as the "Association").

Section 2. Principal Office. The initial principal office of the Association in the State of South Dakota shall be located in Union County at R.R. #1, Box 93B, Dakota Dunes, South Dakota 57049. The Association may have such other offices, either within or outside the State of South Dakota, as the Board of Directors may determine or as the affairs of the Association may require.

Section 3. Definitions. The words used in these By-Laws shall have the same meaning as set forth in that Declaration of Covenants, Conditions, and Restrictions for Dakota Dunes Commercial Association (said Declaration, as amended, renewed, or extended from time to time, is hereinafter sometimes referred to as the "Declaration"), unless the context shall prohibit.

Article II
Association: Membership, Meetings, Quorum, Voting, Proxies

Section 1. Membership. The Association shall have two (2) classes of membership, Class "A" and Class "B", as more fully set forth in the Declaration, the terms of which pertaining to membership are specifically incorporated herein by reference.

Section 2. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board of Directors either within the Properties or as convenient thereto as possible and practical.

Section 3. Annual Meetings. The first meeting of the Association, whether a regular or special meeting, shall be held within one (1) year from the date of incorporation of the Association. Meetings shall be of the Voting Members or their

alternates. Subsequent regular annual meetings shall be set by the Board so as to occur at least ninety (90) but not more than one hundred twenty (120) days before the close of the Association's fiscal year on a date and at a time set by the Board of Directors.

Section 4. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of a quorum of the Board of Directors or upon a petition signed by Voting Members representing at least ten (10%) percent of the total Class "A" votes of the Association. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of the Voting Members shall be delivered, either personally or by mail, to each Voting Member entitled to vote at such meeting, not less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting.

In the case of a special meeting or when required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Voting Member at his address as it appears on the records of the Association, with postage thereon prepaid.

Section 6. Waiver of Notice. Waiver of notice of a meeting of the Voting Members shall be deemed the equivalent of proper notice. Any Voting Member may, in writing, waive notice of any meeting of the Voting Members, either before or after such meeting. Attendance at a meeting by a Voting Member or alternate shall be deemed waiver by such Voting Member of notice of the time, date, and place thereof, unless such Voting Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

Section 7. Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, a majority of the Voting Members who are present at such meeting, either in person or by alternate, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Voting Members in the manner prescribed for regular meetings.

The Voting Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Voting Members to leave less than a quorum, provided that Voting Members or their alternates representing at least twenty-five (25%) percent of the total Class "A" votes of the Association remain in attendance, and provided further that any action taken is approved by at least a majority of the Members required to constitute a quorum.

Section 8. Voting. The voting rights of the Members shall be as set forth in the Declaration, and such voting rights provisions are specifically incorporated herein.

Section 9. Proxies. Voting Members may not vote by proxy but only in person or through their designated alternates.

Section 10. Majority. As used in these By-Laws, the term "majority" shall mean those votes, owners, or other group as the context may indicate totaling more than fifty (50%) percent of the total number.

Section 11. Quorum. Except as otherwise provided in these By-Laws or in the Declaration, the presence in person or by alternate of the Voting Members representing a majority of the total vote of the Association shall constitute a quorum at all meetings of the Association. Any provision in the Declaration concerning quorums is specifically incorporated herein.

Section 12. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

Section 13. Action Without A Meeting. Any action required by law to be taken at a meeting of the Voting Members, or any action which may be taken at a meeting of the Voting Members, may be taken without a meeting if written consent setting forth the action so taken is signed by all of the Voting Members entitled to vote with respect to the subject matter thereof, and any such consent shall have the same force and effect as a unanimous vote of the Voting Members.

Article III

Board of Directors: Number, Powers, Meetings

A. Composition and Selection.

Section 1. Governing Body: Composition. The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one (1) vote. Except with respect to directors appointed by the Class "B" Member, the directors shall be Members or, in the case of an Owner which is a corporation or partnership, the person designated in writing to the secretary of the Association as the representative of such corporation or partnership shall be eligible to serve as a director.

Section 2. Directors During Class "B" Control Period. Subject to the provisions of Section 6 below, the directors shall be selected by the Class "B" Member acting in its sole discretion and shall serve at the pleasure of the Class "B" Member until the first to occur of the following:

(a) when ninety (90%) percent of the total acreage described on Exhibits "A" and "B" of the Declaration have certificates of occupancy issued thereon and have been conveyed to Persons other than the Declarant or builders holding title solely for purposes of development and sale;

(b) December 31, 2009; or

(c) when, in its discretion, the Class "B" Member so determines.

Section 3. Right To Disapprove Actions. This Section 3 may not be amended without the express, written consent of the Class "B" Member as long as the Class "B" membership exists.

So long as the Class "B" membership exists, the Class "B" Member shall have a right to disapprove actions of the Board and any committee, as is more fully provided in this Section. This right shall be exercisable only by the Class "B"

Member, its successors, and assigns who specifically take this power in a recorded instrument. The right to disapprove shall be as follows:

No action authorized by the Board of Directors or any committee shall become effective, nor shall any action, policy, or program be implemented until and unless:

(a) The Class "B" Member shall have been given written notice of all meetings and proposed actions approved at meetings of the Board or any committee thereof by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Association, as it may change from time to time, which notice complies as to the Board of Directors meetings with Article III, Sections 8, 9, and 10, of these By-Laws and which notice shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth in reasonable particularity the agenda to be followed at said meeting; and

(b) The Class "B" Member shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program to be implemented by the Board, any committee thereof, or the Association. The Class "B" Member, its representatives or agents shall make its concerns, thoughts, and suggestions known to the members of the subject committee and/or the Board. The Class "B" Member shall have and is hereby granted a right to disapprove any such action, policy, or program authorized by the Board of Directors or any committee thereof and to be taken by the Board, such committee, the Association, or any individual member of the Association, if Board, committee, or Association approval is necessary for such action. This right may be exercised by the Class "B" Member, its representatives, or agents at any time within ten (10) days following the meeting held pursuant to the terms and provisions hereof. This right to disapprove may be used to block proposed actions but shall not extend to the requiring of any action or counteraction on behalf of any committee, or the Board or the Association. The Class "B" Member shall not use its right to disapprove to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

Section 4. Number of Directors. The number of directors in the Association shall be not less than three (3) nor more than seven (7), as provided in Section 6 below. The initial Board shall consist of three (3) members as identified in the Articles of Incorporation.

Section 5. Nomination of Directors. Except with respect to directors selected by the Class "B" Member, nominations for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and three (3) or more Members of the Association, with at least one (1) representative from each Voting Group. The Nominating Committee shall be appointed by the Board of Directors not less than thirty (30) days prior to each annual meeting of the Voting Members to serve a term of one (1) year or until their successors are appointed, and such appointment shall be announced at each such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but in no event less than the number of positions to be filled. The Nominating Committee shall nominate separate slates for the directors to be elected at large by all Voting Members, and for the director(s) to be elected by and from each Voting Group. Nominations for each slate shall also be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to the Voting Members and to solicit votes.

Section 6. Election and Term of Office.
Notwithstanding any other provision contained herein:

(a) Within thirty (30) days after the time Class "A" Members, other than the Declarant or a builder holding title solely for purposes of development and sale, own at least thirty (30%) percent of the total acreage described in Exhibits "A" and "B", or whenever the Class "B" Member earlier determines, the Association shall call a special meeting at which Voting Members representing the Class "A" Members shall elect one (1) of the three (3) directors, who shall be an at-large director. The remaining two (2) directors shall be appointees of the Class "B" Member. The director elected by the Voting Members shall not be subject to removal by the Class "B" Member acting alone and shall be elected for a term of two (2) years or until the happening of the event described in subsection (b) below, whichever is shorter. If such director's term expires prior to the happening of the event described in subsection (b) below, a successor shall be elected for a like term.

(b) Within thirty (30) days after the time Class "A" Members, other than the Declarant or a builder holding title solely for purposes of development and sale, own at least sixty (60%) percent of the total acreage described in Exhibits "A" and "B", or whenever the Class "B" Member earlier determines, the Board shall be increased to five (5) directors. The

Association shall call a special meeting at which Voting Members representing the Class "A" Members shall elect two (2) of the five (5) directors, who shall serve as at-large directors. The remaining three (3) directors shall be appointees of the Class "B" Member. The directors elected by the Voting Members shall not be subject to removal by the Class "B" Member acting alone and shall be elected for a term of two (2) years or until the happening of the event described in subsection (c) below, whichever is shorter. If such directors' terms expire prior to the happening of the event described in subsection (c) below, successors shall be elected for a like term.

(c) Within thirty (30) days after termination of the Class "B" Control Period, the Association shall call a special meeting at which Voting Members representing the Class "A" Members shall elect three (3) of the five (5) directors, who shall serve as at-large directors. The remaining two (2) directors shall be appointees of the Class "B" Member. The directors elected by the Voting Members shall not be subject to removal by the Class "B" Member acting alone and shall serve until the first annual meeting following the termination of the Class "B" Control Period. If such annual meeting occurs within thirty (30) days after termination of the Class "B" Control Period, this subsection shall not apply and directors shall be elected in accordance with subsection (d) below.

(d) At the first annual meeting of the membership after the termination of the Class "B" Control Period, all directors shall be elected by the Voting Members representing the Class "A" Members, with an equal number of directors elected from each Voting Group and any remaining directorships filled at large by the vote of all such Voting Members. Three (3) directors shall be elected for a term of two (2) years and two (2) directors shall be elected for a term of one (1) year. Setting the initial term of each director shall be at the sole discretion of the Nominating Committee. At the expiration of the initial term of office of each member of the Board of Directors and at each annual meeting thereafter, a successor shall be elected to serve for a term of two (2) years.

Each Voting Member shall be entitled to cast one (1) vote with respect to each vacancy to be filled from each slate on which such Voting Member is entitled to vote. There shall be no cumulative voting. The candidate(s) receiving the most votes shall be elected. The directors elected by the Voting Members shall hold office until their respective successors have been elected by the Association. Directors may be elected to serve any number of consecutive terms.

Section 7. Removal of Directors and Vacancies. Any director elected by the Voting Members may be removed, with or without cause, by the vote of Voting Members holding a majority of the votes entitled to be cast for the election of such director. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. A director who was elected at large solely by the votes of Voting Members other than the Declarant may be removed from office prior to the expiration of his or her term only by the votes of a majority of Voting Members other than the Declarant. Upon removal of a director, a successor shall then and there be elected by the Voting Members entitled to elect the director so removed to fill the vacancy for the remainder of the term of such director.

Any director elected by the Voting Members who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of any assessment or other charge due the Association for more than thirty (30) days may be removed by a majority of the directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board to fill the vacancy for the remainder of the term. In the event of the death, disability, or resignation of a director, a vacancy may be declared by the Board, and it may appoint a successor. Any director appointed by the Board shall be selected from the Voting Group represented by the director who vacated the position and shall serve for the remainder of the term of such director.

B. Meetings.

Section 8. Organizational Meetings. The first meeting of the Board of Directors following each annual meeting of the membership shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board.

Section 9. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter. Notice of the time and place of the meeting shall be communicated to directors not less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

Section 10. Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President of the Association or by any three (3) directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (d) by telegram, charges prepaid. All such notices shall be given at the director's telephone number or sent to the director's address as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least seventy-two (72) hours before the time set for the meeting.

Section 11. Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 12. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the directors who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 13. Compensation. No director shall receive any compensation from the Association for acting as such unless approved by Voting Members representing a majority of the total Class "A" vote of the Association at a regular or special meeting of the Association; provided any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors.

Section 14. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book of meetings of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings.

Section 15. Open Meetings. Subject to the provisions of Section 16 of this Article, all meetings of the Board shall be open to all Voting Members, but Voting Members other than directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the President may limit the time any Voting Member may speak. Notwithstanding the above, the President may adjourn any meeting of the Board of Directors and reconvene in executive session, excluding Voting Members, to discuss matters of a sensitive nature, such as pending or threatened litigation, personnel matters, etc.

Section 16. Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

Section 17. Powers. The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do or cause to be done all acts and things as are not by the Declaration, Articles, or these By-Laws directed to be done and exercised exclusively by the Voting Members or the membership generally.

The Board of Directors shall delegate to one of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board of Directors.

In addition to the duties imposed by these By-Laws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to establish policies relating to, and shall be responsible for performing or causing to be performed, the following, in way of explanation, but not limitation:

(a) preparation and adoption, in accordance with Article X of the Declaration, of annual budgets in which there shall be established the contribution of each Owner to the Common Expenses and Section Expenses;

(b) making assessments to defray the Common Expenses and Section Expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment; provided, unless otherwise determined by the Board of Directors, the annual assessment for each Unit's proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for said month;

(c) providing for the operation, care, upkeep, and maintenance of all of the Area of Common Responsibility;

(d) designating, hiring, and dismissing the personnel necessary for the operation of the Association and the maintenance, operation, repair, and replacement of its property and the Area of Common Responsibility and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to operate the Association; provided, any reserve fund may be deposited, in the directors' best business judgment, in depositories other than banks;

(f) making and amending rules and regulations;

(g) opening of bank accounts on behalf of the Association and designating the signatories required;

(h) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the other provisions of the Declaration and these By-Laws after damage or destruction by fire or other casualty;

(i) enforcing by legal means the provisions of the Declaration, these By-Laws, and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

(j) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

(k) paying the cost of all services rendered to the Association or its Members and not chargeable directly to specific Owners;

(l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred;

(m) making available to any prospective purchaser of a Unit, any Owner of a Unit, any first Mortgagee, and the holders, insurers, and guarantors of a first Mortgage on any Unit, current copies of the Declaration, the Articles of Incorporation, the By-Laws, rules governing the Unit and any Section, and all other books, records, and financial statements of the Association;

(n) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties; and

(o) contracting and cooperating with the Community Improvement District to ensure that their respective responsibilities are properly discharged. The Board is authorized to act on behalf of the members to ensure that the level of services provided by the Community Improvement District is consistent with the Community-Wide Standard.

Section 18. Management. The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these By-Laws, other than the powers set forth in subparagraphs (a), (b), (f), (g), and (i) of Section 17 of this Article. The Declarant, or an affiliate of the Declarant, may be employed as managing agent or manager.

Section 19. Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

(a) accrual accounting, as defined by generally accepted accounting principles, shall be employed;

(b) accounting and controls should conform to generally accepted accounting principles;

(c) cash accounts of the Association shall not be commingled with any other accounts;

(d) no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any thing of value received shall benefit the Association;

(e) any financial or other interest which the managing agent or any Member may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors;

(f) commencing at the end of the month in which the first Unit is sold and closed, financial reports shall be prepared for the Association at least quarterly containing:

(i) an income statement reflecting all income and expense activity for the preceding period on an accrual basis;

(ii) a statement reflecting all cash receipts and disbursements for the preceding period;

(iii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;

(iv) a balance sheet as of the last day of the preceding period; and

(v) a delinquency report listing all Owners who are delinquent in paying any assessments at the time of the report and describing the status of any action to collect such assessments which remain delinquent (Any assessment or installment thereof shall be considered to be delinquent on the fifteenth (15th) day following the due date unless otherwise determined by the Board of Directors); and

(g) an annual report consisting of at least the following shall be distributed to all Members within one hundred twenty (120) days after the close of the fiscal year: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year. The annual report referred to above shall be prepared on an audited or reviewed basis, as determined by the Board, by an independent public accountant; provided, upon written request of any holder, guarantor or insurer of any first Mortgage on a Unit, the Association shall provide an audited financial statement. After the Class "B" Control Period, the annual report shall include certified financial statements.

Section 20. Borrowing. The Board of Directors shall have the power to borrow money for the purpose of maintenance, repair or restoration of the Area of Common Responsibility without the approval of the Voting Members of the Association. The Board shall also have the power to borrow money for other purposes; provided, the Board shall obtain Voting Member approval in the same manner provided in Article X, Section 4, of the Declaration for special assessments in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities and the total amount of such borrowing exceeds or would exceed five (5%) percent of the budgeted gross expenses of the Association for that fiscal year.

Section 21. Rights of the Association. With respect to the Area of Common Responsibility, and in accordance with the Articles of Incorporation and the Declaration, the Association shall have the right to contract with any person for the performance of various duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or Section and other owners or community associations, both within and without the Properties. Such agreements shall require the consent of two-thirds (2/3) of all directors of the Association.

Section 22. Enforcement. The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the property of the violating Owner, and to suspend an Owner's right to vote or any person's right to use the Common Area for violation of any duty imposed under the Declaration, these By-Laws, or any rules and regulations duly adopted hereunder; provided, however, nothing herein shall authorize the Association or the Board of Directors to limit ingress and egress to or from a Unit. In the event that any occupant of a Unit violates the Declaration, By-Laws, or a rule or regulation and a fine is imposed, the fine shall first be assessed against the occupant; provided, however, if the fine is not paid by the

occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Association. The failure of the Board to enforce any provision of the Declaration, By-Laws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

(a) Notice. Prior to imposition of any sanction hereunder, the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than ten (10) days within which the alleged violator may present a written request to the Covenants Committee, if any, or Board of Directors for a hearing; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within ten (10) days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed.

(b) Hearing. If a hearing is requested within the allotted ten (10) day period, the hearing shall be held in executive session affording the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board of Directors or the Covenants Committee may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the ten (10) day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person.

(c) Appeal. Following a hearing before the Covenants Committee, the violator shall have the right to appeal the decision to the Board of Directors. To perfect this right, a written notice of appeal must be received by the manager, President, or Secretary of the Association within thirty (30) days after the hearing date.

(d) Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Association, acting through the Board of Directors, may elect to enforce any provision of the Declaration, these By-Laws, or the rules and regulations of the Association by self-help (specifically including, but not limited to, the towing of vehicles that are

in violation of parking rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

Article IV Officers

Section 1. Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer, to be elected from among the members of the Board. The Board of Directors may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

Section 2. Election, Term of Office, and Vacancies. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Voting Members, as herein set forth in Article III. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby.

Section 4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time specifically be conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

Section 5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take

effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Board of Directors.

Article V Committees

Section 1. General. Committees are hereby authorized to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Each committee shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

Section 2. Covenants Committee. In addition to any other committees which may be established by the Board pursuant to Section 1 of this Article, the Board of Directors may appoint a Covenants Committee consisting of at least five (5) and no more than seven (7) members. Acting in accordance with the provisions of the Declaration, these By-Laws, and resolutions the Board may adopt, the Covenants Committee, if established, shall be the hearing tribunal of the Association and shall conduct all hearings held pursuant to Article III, Section 22 of these By-Laws.

Section 3. Section Committees. In addition to any other committees appointed as provided above, there shall be a Section Committee for each Section which has no formal organizational structure or association. Such Section Committee shall consist of three (3) members; provided, however, by vote of at least fifty-one (51%) percent of the Owners within the Section, this number may be increased to five (5).

The members of each Section Committee shall be elected by the vote of Owners of Units within that Section at an annual meeting of such Owners. The first annual meeting shall be called within sixty (60) days after conveyance of fifty-one (51%) percent of the Units in the Section to persons other than a builder or developer. The Owners of Units within the Section holding at least one-third (1/3) of the total votes of Units in

the Section, represented in person or by proxy, shall constitute a quorum at any meeting of the Section. The Owners of Units within a Section shall have the number of votes assigned to their Units in the Declaration. Committee members shall be elected for a term of one (1) year or until their successors are elected. Any director elected to the Board of Directors from a Section shall be an ex officio member of the Committee. It shall be the responsibility of the Section Committee to determine the nature and extent of services, if any, to be provided to the Section by the Association in addition to those provided to all Members of the Association in accordance with the Declaration. A Section Committee may advise the Board on any other issue, but shall not have the authority to bind the Board of Directors.

In the conduct of its duties and responsibilities, each Section Committee shall abide by the procedures and requirements applicable to the Board of Directors set forth in Article III, Sections 8, 9, 10, 11, 12, 13, 14, 15, and 16, of these By-Laws; provided, however, the term "Voting Member" shall refer to the Owners of Units within the Section, the term "Board of Directors" shall refer to the Section Committee, the term "director" shall refer to the members of the Section Committee, and the term "President" shall refer to the chairman of the Section Committee. Each Section Committee shall elect a chairman from among its members who shall preside at its meetings and who shall be responsible for transmitting any and all communications to the Board of Directors and shall be the Voting Member from that Section. Each Section Committee shall also elect a vice-chairman from among its members to be the alternate Voting Member.

Article VI Miscellaneous

Section 1. Fiscal Year. The fiscal year of the Association shall be set by resolution of the Board of Directors. In the absence of a resolution, the fiscal year shall be the calendar year.

Section 2. Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with South Dakota law, the Articles of Incorporation, the Declaration, or these By-Laws.

Section 3. Conflicts. If there are conflicts between the provisions of South Dakota law, the Articles of Incorporation, the Declaration, and these By-Laws, the provisions of South Dakota law, the Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

Section 4. Books and Records.

(a) Inspection by Members and Mortgagees. The Declaration, By-Laws, and Articles of Incorporation, any amendments to the foregoing, the rules and regulations of the Association, the membership register, books of account, and the minutes of meetings of the Members, the Board, and committees shall be made available for inspection and copying by any holder, insurer or guarantor of a first Mortgage on a Unit, Member of the Association, or by the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in the Unit at the office of the Association or at such other place within the Properties as the Board shall prescribe.

(b) Rules for Inspection. The Board shall establish reasonable rules with respect to:

(i) notice to be given to the custodian of the records;

(ii) hours and days of the week when such an inspection may be made; and

(iii) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and a copy of relevant documents at the expense of the Association.

Section 5. Notices. Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first class postage prepaid:

(a) if to a Member or Voting Member, at the address which the Member or Voting Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Unit of such Member or Voting Member; or

(b) if to the Association, the Board of Directors, or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

Section 6. Amendment. Prior to the conveyance of the first Unit, Declarant may unilaterally amend these By-Laws. So long as it still owns property described in Exhibits "A" or "B" of the Declaration for development as part of the Properties, the Declarant may unilaterally amend these By-Laws for any other purpose, provided the amendment has no material adverse effect upon any right of any Owner. Thereafter and otherwise, these By-Laws may be amended only by the affirmative vote or written consent, or any combination thereof, of Voting Members representing seventy-five (75%) percent of the total Class "A" votes in the Association, including seventy-five (75%) percent of the Class "A" votes held by Members other than the Declarant, and the consent of the Class "B" Member, so long as such membership exists. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment to be effective must be recorded in the public records of Union County, South Dakota.

If an Owner consents to any amendment to the Declaration or these By-Laws, it will be conclusively presumed that such Owner has the authority so to consent and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege.

2152g -- 08/16/90

CERTIFICATION

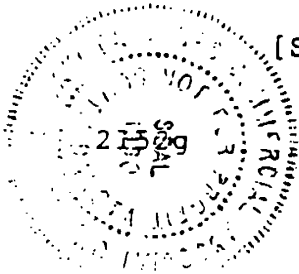
I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Dakota Dunes Commercial Association, Inc., a South Dakota corporation;

That the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof held on the 23rd day of August, 1990.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 23rd day of August, 1990.

[SEAL]



Dennis Melstad
Secretary, Dennis Melstad

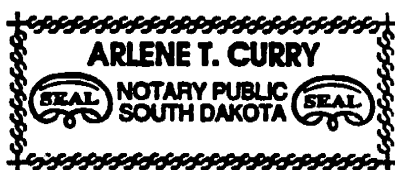
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- II. Second Amendment to the Declaration of Covenants, Conditions and Restrictions for Dakota Dunes Commercial Association 6/24/99
- III. Third Amendment to the Declaration of Covenants, Conditions and Restrictions for Dakota Dunes Commercial Association 4/9/08
- IV. Fourth Amendment to the Declaration of Covenants, Conditions and Restrictions for Dakota Dunes Commercial Association 9/18/17
- V. Fifth Amendment to the Declaration of Covenants, Conditions and Restrictions for Dakota Dunes Commercial Association 1/7/19

STATE OF SOUTH DAKOTA)
 : ss
COUNTY OF UNION)

On this the 17th day of November, 1992, before me, the undersigned officer, personally appeared Allan J. Block, who acknowledged himself to be the Vice President/Project Management of Dakota Dunes Development Company, an Iowa Corporation, and that he, as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as Vice President/Project Management.

IN WITNESS WHEREOF, I hereunto set my official hand and seal.





Notary Public
My Commission Expires: 08/02/98

CONSENT

The undersigned Owners, consisting of all Owners except the Declarant of the Property described in Exhibits "A" or "B" of the Declaration for development as part of the Properties, do hereby consent to the foregoing First Amendment to the Declaration of Covenants, Conditions and Restrictions for the Dakota Dunes Commercial Association.

MIDDLEWOOD, INC., An Iowa Corporation

BY: [Signature]

ITS: Vice President

ATTEST: [Signature]

ITS: Manager - Finance & Accounting

(Corporate Seal)
No Seal

STATE OF ~~SOUTH DAKOTA~~ Iowa
COUNTY OF ~~UNION~~ Woodbury ; ss

On this the 17th day of November, 1992, before me, the undersigned officer, personally appeared Steven H. Griffith, who acknowledged himself or herself to be the Vice President of Middlewood, Inc., an Iowa Corporation, and that he or she, as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself or herself as Vice President.

IN WITNESS WHEREOF, I hereunto set my official hand and seal.

[Signature: Martha D. Keone]

Notary Public

My Commission Expires: 2-19-95

PLAINS STATES DISTRIBUTING COMPANY,
An Iowa Partnership

BY: [Signature: Stanley Boyle]

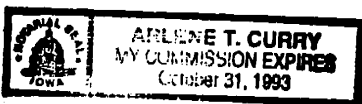
BY: [Signature: Richard Boyle]

PARTNERS

STATE OF SOUTH DAKOTA)
COUNTY OF UNION) : SS

On this 20th day of January, 1993, before me, the undersigned officer, personally appeared Stanley Boyle and Richard Boyle, who acknowledged themselves to be Partners of PLAIN STATES DISTRIBUTING COMPANY, a partnership and that they as such Partners executed the within and foregoing instrument for the purposes therein contained as the voluntary act and deed of said co-partners by them and by said partnership voluntarily executed.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



Arlene T. Curry
Notary Public
My Commission Expires:

BEEF PRODUCTS, INC., A ^{Delaware} ~~Texas~~ Corporation

BY: Regina Roth

ITS: EVP / Secy

ATTEST: Richard Boyle

ITS: _____

(Corporate Seal)

STATE OF SOUTH DAKOTA)
COUNTY OF UNION) : ss

On this the 26 day of July, 1992, before me, the undersigned officer, personally appeared Regina Roth, who acknowledged himself or herself to be the Secretary / Treasurer of Beef Products, Inc., a Texas Corporation, and that he or she, as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself or herself as Secretary / Treasurer.

IN WITNESS WHEREOF, I hereunto set my official hand and seal.

DeEtte R. Peck
Notary Public
My Commission Expires: 5/27/01

SECOND AMENDMENT TO THE
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR DAKOTA DUNES COMMERCIAL ASSOCIATION

This Second Amendment to the Declaration of Covenants, Conditions and Restrictions for Dakota Dunes Commercial Association (the "Declaration"), is made this 24 day of June, 1999, by Dakota Dunes Development Company, an Iowa Corporation (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, on August 23, 1990, the Declarant executed that certain Declaration of Covenants, Conditions and Restrictions for Dakota Dunes Commercial Association (the "Declaration") which was recorded September 20, 1990 in Book 29, Misc., Page 253, et seq., of the Public Records of Union County, South Dakota; and

WHEREAS, Article XIII, Section 2 of the Declaration provides that so long as the Declarant still owns property described in Exhibit "B" of the Declaration for development as part of the Property (as defined in the Declaration) and so long as the amendment has no adverse effect upon any right of any Owner, the Declarant may amend the Declaration; and

WHEREAS, the Declarant still owns property described in Exhibit "B" of the Declaration as part of the Property; and

WHEREAS, this Second Amendment has no adverse effect upon any right of any Owner;

NOW, THEREFORE, the Declarant hereby amends the Declaration as follows:

The last sentence of Article XII, Section 11 shall be amended to read:

Private irrigation wells are prohibited on the Properties unless prior written approval has been received from the Declarant and Community Improvement District.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Second Amendment this 24 day of June, 1999.



DAKOTA DUNES DEVELOPMENT
COMPANY, an Iowa Corporation

By: _____

Dennis H. Melstad, Executive Vice-President

99-003205
STATE OF SOUTH DAKOTA UNION COUNTY
Recorded this 28th day of June 19 99
at 4:45 o'clock P.M. IN BOOK 36
of Miscy Page 214
Jana Toltz Register of Deeds

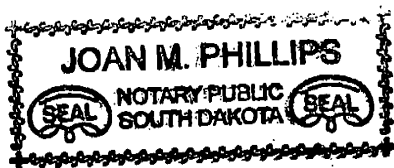
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STATE OF SOUTH DAKOTA)
) ss:
COUNTY OF UNION)

On this the 24 day of June, 1999, before me, the undersigned officer, personally appeared Dennis H. Melstad, who acknowledged himself to be the Executive Vice-President of Dakota Dunes Development Company, an Iowa corporation and that he, as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as the Executive Vice-President.

IN WITNESS WHEREOF, I hereunto set my official hand and seal.



Joan M Phillips
Notary Public
my commission expires: 5-21-2004

Prepared by:

Craig S. Berenstein
Berenstein, Moore, Berenstein,
Heffernan & Moeller, L.L.P.
501 Pierce Street, Suite 300
P.O. Box 3207
Sioux City, Iowa 51102-3207
Phone: (712) 252-0020



UNION COUNTY
SOUTH DAKOTA

Prepared by:

Angie J. Schneiderman

501 Pierce Street, #300

P.O. Box 3207

Sioux City, Iowa 51102-3207

Phone: (712) 252-0020

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STATE OF SOUTH DAKOTA
COUNTY OF UNION

INDEXING NOTE TO CLERK: Please cross-reference to Misc. Book 29, Page 253.

THIRD AMENDMENT TO THE
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR DAKOTA DUNES COMMERCIAL ASSOCIATION

This Third Amendment to the Declaration of Covenants, Conditions and Restrictions for Dakota Dunes Commercial Association (the "Third Amendment"), is made this 9th day of April, 2008, by Dakota Dunes Development Company, an Iowa corporation (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, on August 23, 1990, the Declarant executed the Declaration which as recorded in Book 29, Misc. , Page 253, et seq., of the public records of Union County, South Dakota; and

WHEREAS, Article XIII, Section 2 of the Declaration provides that so long as the Declarant still owns property described in the Exhibit "B" of the Declaration for development as part of the Property (as defined in the Declaration) and so long as the amendment has no adverse effect upon any right of any Owner, the Declarant may amend the Declaration; and

WHEREAS, the Declarant still owns Property described in Exhibit "B" of the Declaration for development as part of the Property; and

WHEREAS, this Third Amendment has no adverse effect upon any right of any Owner;

NOW THEREFORE, the Declarant hereby amends the Declaration as follows:

1. Article I, "Definitions", shall be amended to add the following:

14A. "Email" shall mean electronic mail, a data message used or intended to be used as a mail message between the originator and addressee.

26A. "Sexually Oriented Business" means any place which offers for money or any other form of consideration the sale, exchange, rental, loan, trade, transfer or viewing of any sexually-oriented materials, entertainment, exhibition, performance, dance, accommodations, or merchandise.

2. Article XII, Section 18, "Other Prohibited Uses", shall be amended to read as follows:

Section 18. Other Prohibited Uses. The following uses and activities are prohibited within the Properties:

- (a) trailer courts, mobile home parks, and recreation vehicle campgrounds;
- (b) oil drilling, water drilling, oil refining, quarrying, or mining operations and all construction incident thereto;
- (c) junk yards, sanitary landfills, and recycling facilities;
- (d) commercial excavation of building or construction materials, except in the usual course of construction of improvements;
- (e) facilities for dumping, disposal, incineration, treatment, processing, or reduction of garbage, sewage, offal, dead animals or refuse;
- (f) outdoor storage of building or construction materials;
- (g) cemeteries or crematoriums;
- (h) sawmills;
- (i) community fairs or flea markets; and,
- (j) sexually oriented businesses.

The enumeration of the above prohibited uses shall not be construed in any way as a limitation on the Board's power to prohibit other uses within the Properties.

3. Exhibit "E", By-laws of Dakota Dunes Commercial Association, Inc., Article II, Section 5, "Notice of Meetings", shall be amended to read as follows:

Section 5. Notice of Meeting. Written, printed, or electronic notice stating the place, day, and hour of any meeting of the Voting Members shall be delivered, either personally, by mail, or by email, to each Voting Member entitled to vote at such meeting, not less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the president or the Secretary or the officers or persons calling the meeting.

In the case of a special meeting or when required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Voting Member at his address as it appears on the records of the Association, with postage thereon prepaid.

4. Exhibit "E", By-laws of Dakota Dunes Commercial Association, Inc., Article III, Section 10, "Special Meetings", shall be amended to read as follows:

Section 10. Special Meetings. Special meetings of the Board of Directors shall be held when called by written or electronic notice signed by the President of the Association or by any three (3) directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly or to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; (d) by telegram, charges prepaid; or (e) by email. All such notices shall be given at the director's telephone number or sent to the director's address as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least seventy-two (72) hours before the time set for the meeting.

9th IN WITNESS WHEREOF, the undersigned Declarant has executed this Third Amendment this
day of April, 2008.

DAKOTA DUNES DEVELOPMENT
COMPANY

An Iowa Corporation

By: 

Dennis H. Melstad

Its: President

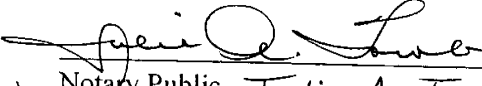
STATE OF SOUTH DAKOTA)

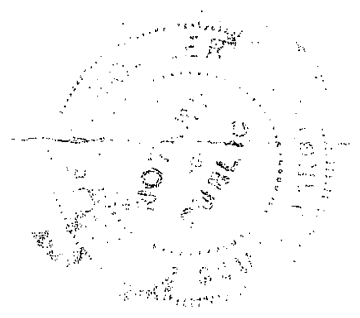
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COUNTY OF UNION)

On this the 9th day of April, 2008, before me, the undersigned officer, personally
appeared Dennis H. Melstad, who acknowledged himself to be the President of Dakota Dunes
Development Company, an Iowa Corporation, and that he, as such officer, being authorized to do so,
executed the foregoing instrument for the purposes therein contained by signing the name of the
corporation by himself as President.

IN WITNESS WHEREOF, I hereunto set my official hand and seal.


Notary Public Julie A. Towler
My Commission Expires: 2/25/2012





Union County, SD
Register of Deeds

2017 SEP 19 PM 3:08

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Book MS4 Page 270

Recorded by Collan Mead
30 Sept 2017
DDOC

Prepared by:
Angie J. Schneiderman
501 Pierce Street, #300
P.O. Box 3207
Sioux City, Iowa 51102-3207
Phone: (712) 252-0020

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STATE OF SOUTH DAKOTA
COUNTY OF UNION

INDEXING NOTE TO CLERK: Please cross-reference to Misc. Book 29, Page 253.

FOURTH AMENDMENT TO THE
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR DAKOTA DUNES COMMERCIAL ASSOCIATION

This Fourth Amendment to the Declaration of Covenants, Conditions and Restrictions for Dakota Dunes Commercial Association (the "Fourth Amendment"), is made this 18th day of September, 2017, by Dakota Dunes Development Company, an Iowa corporation (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, on August 23, 1990, the Declarant executed the Declaration which as recorded in Book 29, Misc. , Page 253, et seq., of the public records of Union County, South Dakota; and

WHEREAS, Article XIII, Section 2 of the Declaration provides that the Declaration may be amended upon the affirmative vote or written consent, or any combination thereof, of Voting Members representing seventy-five (75%) percent of the Members other than the Declarant; and,

WHEREAS, more than seventy-five (75%) percent of the Members other than the Declarant have consented to this 4th Amendment by affirmative vote or written consent;

NOW THEREFORE, Article V, Section 3 of the By-Laws shall be deleted and the following is substituted in its place:

Section 3. Section Committees. In addition to any other committees appointed as provided above, there shall be a Section Committee for each Section which has no formal

organizational structure or association. Such Section Committee shall consist of three (3) members; provided, however, by vote of at least fifty-one (51%) percent of the Owners within the Section, this number may be increased to five (5).

The members of each Section Committee shall be elected by the vote of Owners of Units within that Section at an annual meeting of such Owners. The first annual meeting shall be called within sixty (60) days after conveyance of fifty-one (51%) percent of the Units in the Section to persons other than a builder or developer. The Owners of Units within the Section holding at least one-third ($1/3$) of the total votes of Units in the Section, represented in person or by proxy, shall constitute a quorum at any meeting of the Section. The Owners of Units within a Section shall have the number of votes assigned to their Units in the Declaration. Committee members shall be elected for a term of two (2) years or until their successors are elected. Any director elected to the Board of Directors from a Section shall be an ex officio member of the Committee. It shall be the responsibility of the Section Committee to determine the nature and extent of services, if any, to be provided to the Section by the Association in addition to those provided to all Members of the Association in accordance with the Declaration. A Section Committee may advise the Board on any other issue, but shall not have the authority to bind the Board of Directors.

In the conduct of its duties and responsibilities, each Section Committee shall abide by the procedures and requirements applicable to the Board of Directors set forth in Article III, Sections 8, 9, 10, 11, 12, 13, 14, 15, and 16, of these By-Laws; provided, however, the term "Voting Member" shall refer to the Owners of Units within the Section, the term "Board of Directors" shall refer to the Section Committee, the term "director" shall refer to the members of the Section Committee, and the term "President" shall refer to the chairman of the Section Committee. Each Section Committee shall elect a chairman from among its members who shall preside at its meetings and who shall be responsible for transmitting any and all communications to the Board of Directors and shall be the Voting Member from that Section. Each Section Committee shall also elect a vice-chairman from among its members to be the alternate Voting Member.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Fourth Amendment this 18th day of September, 2017.

DAKOTA DUNES DEVELOPMENT
COMPANY

An Iowa Corporation

By: Don L. Fuxa

Don L. Fuxa

Its: President

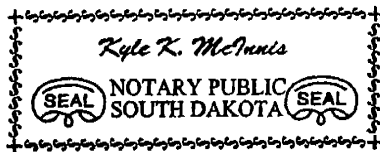
STATE OF SOUTH DAKOTA)

:SS

COUNTY OF UNION)

On this the 18th day of September, 2017, before me, the undersigned officer, personally appeared Don L. Fuxa, who acknowledged himself to be the President of Dakota Dunes Development Company, an Iowa Corporation, and that he, as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as President.

IN WITNESS WHEREOF, I hereunto set my official hand and seal.



Kyle K. McInnis
Notary Public

My Commission Expires: August 28, 2022

Prepared by:
Angie J. Schneiderman
501 Pierce Street, #300
P.O. Box 3207
Sioux City, Iowa 51102-3207
Phone: (712) 252-0020

Union County, SD
Register of Deeds

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Book 1552 Page 11

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STATE OF SOUTH DAKOTA
COUNTY OF UNION

INDEXING NOTE TO CLERK: Please cross-reference to Misc. Book 29, Page 253.

FIFTH AMENDMENT TO THE
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR DAKOTA DUNES COMMERCIAL ASSOCIATION

This Fifth Amendment to the Declaration of Covenants, Conditions and Restrictions for Dakota Dunes Commercial Association (the "Fourth Amendment"), is made this __ day of December, 2018, by Dakota Dunes Development Company, an Iowa corporation (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, on August 23, 1990, the Declarant executed the Declaration which as recorded in Book 29, Misc. , Page 253, et seq., of the public records of Union County, South Dakota; and

WHEREAS, Exhibit "E", By-Laws of Dakota Dunes Commercial Association, Inc. Article VI, Section 6, provides that the By-Laws may be amended upon the affirmative vote or written consent, or any combination thereof, of Voting Members representing seventy-five (75%) percent of the total Class "A" votes in the Association, including seventy-five (75%) of the Class "A" votes held by Members other than the Declarant; and,

WHEREAS, more than seventy-five (75%) percent of the Voting Members other than the Declarant have consented to this 5th Amendment by affirmative vote or written consent;

NOW THEREFORE, Article II, Section 3 of the By-Laws shall be deleted and the following is substituted in its place:

Section 3. Annual Meetings. The first meeting of the Association, whether a regular or special meeting, shall be held within one (1) year from the date of incorporation of the Association. Meetings shall be of the voting Members or their alternates. Subsequent regular annual meetings shall be set by the board so as to occur at least sixty (60) but not more than ninety (90) days before the close of the Association's fiscal year on a date and at a time set by the Board of Directors.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Fourth Amendment this 3rd day of ^{January}~~December~~, 2019.

DAKOTA DUNES DEVELOPMENT
COMPANY

An Iowa Corporation

By: Jon Hauger

Jon Hauger

Its: President

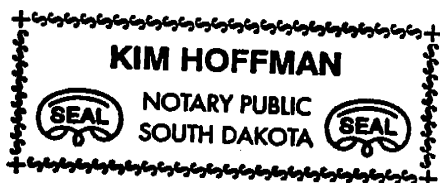
STATE OF SOUTH DAKOTA)

:ss

COUNTY OF UNION)

On this the 3rd day of ^{January}~~December~~, 2019, before me, the undersigned officer, personally appeared Jon Hauger, who acknowledged himself to be the President of Dakota Dunes Development Company, an Iowa Corporation, and that he, as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as President.

IN WITNESS WHEREOF, I hereunto set my official hand and seal.



Kim Hoffman

Notary Public

My Commission Expires: 10/19/24

TABLE OF RESOLUTIONS
COMMERCIAL

- I. Resolution of the Board of Directors of Dakota Dunes Commercial Association, Inc. 3/4/99
- II. Resolution of the Board of Directors of Dakota Dunes Commercial Association, Inc. 2/21/00

**RESOLUTION OF THE BOARD OF DIRECTORS OF
DAKOTA DUNES COMMERCIAL ASSOCIATION, INC.**

WHEREAS, Article XII, Section 7 of the Declaration of Covenants, Conditions and Restrictions for Dakota Dunes Commercial Association ("Declaration") provides that no exterior antennas of any kind may be placed, allowed or maintained upon any portion of the Properties without the prior written consent of the DRC as long as it is in existence and thereafter the Board of Directors or its designee, except that the Association may erect such devices for the benefit of all or a portion of the Properties.

WHEREAS, pursuant to Sections 207 and 303 of the Telecommunications Act of 1996, the Federal Communications Commission has adopted rules which limit to some degree the Board's ability to prohibit or regulate certain types of antennas.

THEREFORE, BE IT RESOLVED, that so long as necessary to comply with the FCC rules, the Board will not require prior approval with respect to: (1) antennas or satellite dishes designed to receive direct broadcast satellite service **which are one meter or less in diameter**; (2) antennas or satellite dishes designed to receive video programming services via multi-point distribution services **which are one meter or less in diameter or diagonal measurement**; or (3) antennas or satellite dishes designed to receive television broadcast signals ("Permitted Devices"), *provided that* any such Permitted Device is:

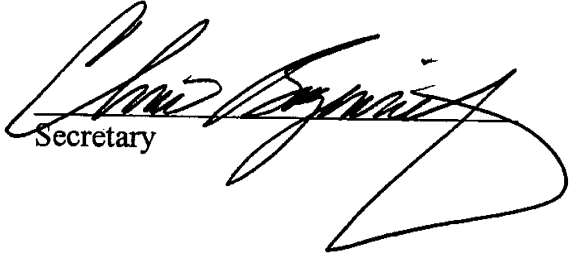
- (1) located in the interior spaces of an approved structure on the Unit so as not to be visible from outside the structure; *or*
- (2) located in the rear of the structure (i.e., the area between the plane formed by the rear facade of the structure and the rear lot line, the rear lot line being the lot line opposite the street toward which the structure faces), setback from all lot lines at least eight (8) feet, and extending no higher than the eaves of that portion of the roof of the structure directly in front of such antenna; *or*
- (3) attached to or mounted on the rear wall of the structure so as to extend no higher than the eaves of the structure at a point directly above the position where attached or mounted to the wall.

Should an Owner reasonably determine that a Permitted Device cannot be located in compliance with the above guidelines without (i) precluding reception of an acceptable quality signal, or (ii) unreasonably increasing the cost of installation, maintenance, or use of the antenna, then the Owner may install the Permitted Device in the least conspicuous alternative location on the Unit where an acceptable quality signal can be obtained.

The Modifications Committee may adopt guidelines establishing a hierarchy of alternative locations for Permitted Devices and requiring screening of all Permitted Devices; however, such guidelines shall not unreasonably increase the cost of installation, maintenance or use of the Permitted Device. Installation of any Permitted Device shall comply with any such guidelines.

Except as specifically provided herein, the provisions of Article XII, Section 7 of the Declaration shall remain in full force and effect. The Board may revise or revoke these guidelines in the future as it deems appropriate, consistent with applicable law.

I hereby certify that the foregoing resolution was adopted by a majority vote of the Board of Directors at a meeting of the Board of Directors held on the 4th day of March, 1999.


Secretary

3741/misc/020999/jps

**RESOLUTION OF THE BOARD OF DIRECTORS OF
DAKOTA DUNES COMMERCIAL ASSOCIATION, INC.**

WHEREAS, Article XII, Section 7 of the Declaration of Covenants, Conditions and Restrictions for Dakota Dunes Commercial Association ("Declaration") provides that no exterior antennas of any kind may be placed, allowed or maintained upon any portion of the Properties without the prior written consent of the DRC as long as it is in existence and thereafter the Board of Directors or its designee, except that the Association may erect such devices for the benefit of all or a portion of the Properties.

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- (1) located in the interior spaces of an approved structure on the Unit so as not to be visible from outside the structure; *or*
- (2) located in the rear of the structure (i.e., the area between the plane formed by the rear facade of the structure and the rear lot line, the rear lot line being the lot line opposite the street toward which the structure faces), setback from all lot lines at least twenty (20) feet, and extending no higher than the eaves of that portion of the roof of the structure directly in front of such antenna; *or*
- (3) attached to or mounted on the rear wall of the structure so as to extend no higher than the eaves of the structure at a point directly above the position where attached or mounted to the wall.

Should an Owner reasonably determine that a Permitted Device cannot be located in compliance with the above guidelines without (i) precluding reception of an acceptable quality signal, or (ii) unreasonably increasing the cost of installation, maintenance, or use of the antenna, then the Owner may install the Permitted Device in the least conspicuous alternative location on the Unit where an acceptable quality signal can be obtained.

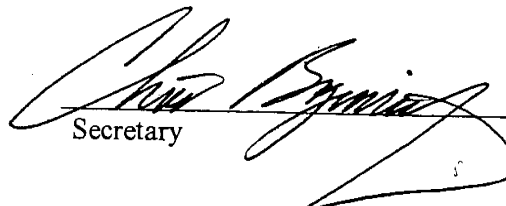
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Except as specifically provided herein, the provisions of Article XII, Section 7 of the

Declaration shall remain in full force and effect. The Board may revise or revoke these guidelines in the future as it deems appropriate, consistent with applicable law.

I hereby certify that the foregoing resolution was adopted by a majority vote of the Board of Directors at a meeting of the Board of Directors held on the 21st day of

February, ~~19~~
2000.


Secretary

Policies, Rules & Regulations



Dakota Dunes Community Association, Inc.

Dakota Dunes, SD 57049

DULY APPROVED BY DAKOTA DUNES COMMUNITY ASSOCIATION, INC., INC. BOARD OF DIRECTORS AUGUST 15, 2014 WITH DULY APPROVED MODIFICATIONS MADE MARCH 9, 2015, November 18, 2016 and February 5, 2018.

Dakota Dunes Community Association, Inc.

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INTRODUCTION

Policies, Rules & Regulations are important in day-to-day community living. When a group of people live in close proximity and share the use of property, which is the case at Dakota Dunes, rules have to be established to define how people use the property, function together to minimize the opportunities for conflict, and expedite the operation of the business of the Association. Besides intending to promote optimizing the enjoyment of the property by all the Owners/Occupants, rules promote and preserve health and safety, and they are essential to preserve property values in the community.

The purpose and focus of the Dakota Dunes Community Association is to:

- Establish covenants and Design Guidelines
- Enforce covenants, Policies, Rules & Regulations and Design Guidelines
- Organize a Board of Directors, Design Review Committee and other committee groups
- Hold Board meetings, neighborhood meetings and provide the membership with updates via minutes and association financials.
- Maintain homeowner communications and database records including names, numbers and email addresses for effective and timely communication to the members
- Enhance the community with landscaping, flowers, monuments and amenities.

The Association DOES NOT have the responsibility for the following areas of the Properties: *(These are the responsibility of the City Improvement District (CID), which is the local Dakota Dunes city government. If you have questions regarding the items the CID is responsible for, please contact the CID at 605-232-4211 to address your questions and concerns.)*

- Streets
- Sidewalks
- Security Patrol
- Parks
- Traffic Policies, Rules & Regulations
- Traffic Signs
- Water
- Sewer
- Snow Removal
- Property Taxes
- Tennis
- Other municipality areas

The Association also DOES NOT have responsibility for these areas:

- Golf Courses
- Schools
- Lots
- Swimming Pool
- Commercial Businesses

Please take the time to familiarize yourself with these *Policies, Rules & Regulations*. This is intended to supplement the CC&R's and the Design Guidelines of the Association.

The Board of Directors of Dakota Dunes Community Association, Inc. is charged under Article IX(3) of the *Declaration* of the Association with the power to "make and enforce reasonable Policies, Rules & Regulations governing the use of the Properties, which Policies, Rules & Regulations shall be consistent with the rights and duties established by this Declaration".

Every Owner is responsible for full compliance with the *Policies, Rules & Regulations* of the Association by all Unit owners, occupants, guests and visitors. The Board of Directors is charged with their enforcement.

The *Policies, Rules & Regulations* contained in the following pages are in addition to those stated in the Declaration and Bylaws of Dakota Dunes Community Association, Inc.

In the event of any conflict among the provisions of the *Policies, Rules and Regulations* and the Governing Documents, the Governing Documents shall control.

These *Policies, Rules and Regulations* will not reverse any previous action taken by the Board of Directors that was proper under the previous *Policies, Rules and Regulations*.

None of the provisions contained in these *Policies, Rules and Regulations* shall be deemed to have been waived by reason of any failure to enforce the same.

The Board has exclusive authority to approve and implement policies, Policies, Rules & Regulations, as it deems necessary, for the purpose of operating and administering the Association and regulating the use of the property. The *Policies, Policies, Rules & Regulations* must be reasonable, lawful, and consistent with the Governing Documents. New or amended *Policies, Policies, Rules & Regulations* shall be effective only after reasonable notice has been given to the Owners.

Dakota Dunes Community Association, Inc.
Board of Directors

DEFINITIONS

ANTENNA

Any device used for the receipt of video programming services, including direct broadcast satellite (DBS), television broadcast, and multipoint distribution service (MDS). A reception antenna that has limited transmission capability designed for the viewer to select or use video programming is a reception antenna provided that it meets FCC standards for radio frequency emission. A mast, cabling, supports, guy wires, conduits, wiring, fasteners, or other accessories necessary for the proper installation, maintenance, and use of a reception antenna shall be considered part of the antenna.

ASSOCIATION

Dakota Dunes Community Association, Inc.

BOARD

The Board of Directors of the Association, as provided in the Bylaws.

BYLAWS

The Bylaws governing the operation of the Association, as amended from time-to-time.

DECLARANT

Shall refer to Dakota Dunes Development Company or its successors.

DWELLING

A building, or a part of a building if there is more than one Dwelling in a building, designed and intended for occupancy as a single family residence, and located within the boundaries of a Unit. The Dwelling includes, without limitation, the garage, which is included within the boundaries of the Unit within which the Dwelling is located.

DESIGN GUIDELINES

Shall mean and refer to the design and development guidelines and application and review procedures promulgated by the Design Review Committee (DRC) for the Properties, as they may be amended from time to time.

DEFINITIONS

GOVERNING DOCUMENTS

The Declaration, the Articles of Incorporation, and the Bylaws of the Association (collectively, "CC&R's"), all of which govern the use and operation of the Association.

MOTOR VEHICLE

A licensed passenger vehicle less than 9,000 pounds gross vehicle weight such as an automobile, a pickup truck, a panel truck, a van or motorcycle that will fit within a garage without extending into the driveway.

MANAGEMENT AGENT

A person or company hired to act on behalf of the Board of Directors in the day to day management of the Association.

OCCUPANT

Any person or persons, other than the Owner, in possession of or residing in a Unit.

OWNER

Any person who owns a Unit. The term "Owner" includes, without limitation, contract for deed vendees, lessees with a lease in a term of one (1) year or greater which specifically provides the lessee with such rights, and holders of a life estate. All Owners are automatically members of the Association.

PERSON

A natural individual, corporation, limited liability company, partnership, trustee or other legal entity capable of holding title to real property.

PLAT

The plat depicting the Property.

PROPERTIES

All the real property submitted to this Declaration, including the Dwellings, Units, and the Common Elements and all other improvements located thereon.

POLICIES, RULES & REGULATIONS

The Policies, Rules & Regulations of the Association as approved from time-to-time pursuant to the Declaration, Article IX, Section 3.

**RESALE DISCLOSURE
STATEMENT**

Required documentation of current financial standing with the Association. Provided to title company at closing.

UNIT

A portion of the Properties, whether developed or undeveloped, intended for development, use and occupancy as an attached or detached residence for a single family, and shall, unless otherwise specified, include condominium units, townhouse units, cluster homes, patio or zero lot line homes, and single-family detached houses on separately platted lots, as well as vacant land.

ENFORCEMENT

Policies, Rules & Regulations are only successful when the rules are reasonable and when the Owners/Occupants support them by complying with them. The Board of Directors of the Dakota Dunes Community Association, Inc. is responsible for the enforcement of the rules.

Reporting Violations

Owner/Occupants are responsible for knowing and complying with the Association's Policies, Rules & Regulations. An Owner/Occupant seeking enforcement of the rule by the Association must provide a written or an e-mail statement (complaint), along with any available supporting documentation such as a photo, to the Management Agent, indicating the rule that was observed being violated, the identity and address to the alleged rule violator, the location of the violation, its date and the approximate time. Anonymous or untimely complaints will not be acted upon.

The Management Agent may also document the violation of a rule during periodic inspections of the community.

Penalties for Violations (except for unauthorized tree removal- addressed on pg. 24, 6.10)

Except as otherwise stated herein, the penalties for violations of the *Policies, Rules & Regulations* of Dakota Dunes Community Association, Inc. will be administered as follows for violations that pose no immediate hazard to the Dakota Dunes Community Association, Inc. community. The Board reserves the right to take more stringent action when a violation is viewed as presenting an immediate hazard to the community.

Penalties will be assessed and enforced by the Board or its designees.

1st NOTICE	Warning Letter/Email and/or personal call from Association Management Agent. The First Notice shall identify the specific activity or condition, the requested corrective action and a time period for correction. If the property is a rental property, an identical notice will be sent to the tenant (when contact information has been provided). The property owner is responsible for all violations by tenants or guests. See "Appeal Procedures" directly below this section for more information.
2nd NOTICE OR NON-COMPLIANCE WITHIN 10 DAYS OF FIRST LETTER AND/OR PERSONAL CONDUCT WARNING	Second warning notice for violating the same rule within a 12-month period or 10 days continual non-compliance. In the event the matter is not corrected within the time period specified in the First Notice, or

	<p>as otherwise agreed-to, or no response is received from the property owner, a Second Notice of Violation will be sent by the property manager to the property owner by First Class US Mail, to the property owner's address of record.</p> <p>The Second Notice shall describe:</p> <ul style="list-style-type: none"> • The prior First Notice • The specific Violation • Requested corrective action • The time period for correction, and • That absent corrective action a fine of \$25 per violation may be levied after the Third Notice. Also, a Fine of \$25 may be levied for each day of a continuing violation.
3rd NOTICE- ATTORNEY LETTER	<p>If after the Second Notice a property owner fails to comply, then a Third Notice will be sent advising that a fine for continuing noncompliance or for violating the same rule within a 12-month period (this will continue until the issue is resolved up to 30 days) may be charged to their account. The owner has 10 days to appeal the proposed fine by requesting a hearing prior to the sanction being imposed. Unless a challenge is begin within 10 days of the notices, the sanction stated in the notice shall be imposed. The Third Notice will be sent by the Association's Attorney by both First Class US Mail, and by US Mail, Certified Delivery, return receipt requested, to the property owner's address of record.</p>
ALL FINES ARE DUE AND PAYABLE:	<ul style="list-style-type: none"> • By the first of the following month the fine was issued. • Any fines not paid when due are subject to the Collections Policy & Procedures as set forth on page 11.

Continuing Non-compliance

In the case of continuing non-compliance beyond the date when a fine was assessed (3rd Notice), a fine of \$25/\$50/\$100 per day (30/60/90 days) may be assessed for each and every day of non-compliance. "Continuing non-compliance", as opposed to "offense", refers to those instances when a Unit Owner or Occupant has created a condition which is in violation of the *Policies, Rules & Regulations*. These violations are typically architectural in nature; for example, painting an entry door a different color.

Hearing & Appeal Procedures

The Board provides for an appeal process as described below in order to ensure the opportunity for a fair hearing and due process. At the Board's discretion, a review may be held at a regularly scheduled Board meeting in lieu of a hearing, unless otherwise requested.

1. Alleged violator delivers a written request to the Board through the managing agent requesting a hearing within the ten day grace period provided in the violation notice.
2. A hearing will be conducted by the Board at the next Board Meeting* after the written request is received.
3. Proposed sanctions will be delayed until after the hearing and final decision by the Board.
4. Within ten days after the hearing or review, the Board will communicate in writing the decision to all parties involved. Remedies will be effective immediately.
5. Following the hearing, the violator shall have the right to appeal the decision. To perfect this right, a written notice of appeal must be received by the Management Agent, Board President or Board Secretary of the Association within thirty (30) days after the hearing date. (Bylaws reference: Article III, Section 23 (a-d))

Hearings

The following procedures will govern the conduct of hearings:

1. Any Board Member who has direct involvement in the matter shall excuse him/herself from the hearing process.
2. The alleged violator will be informed of the date, time, and place of the hearing with at least ten days* notice.

3. The Board President will normally chair the hearing and the Board Secretary will take complete minutes of the proceedings.
4. Attendance at the hearing will be limited to the following persons: Board Members and any agents of the Board; the complainant(s); the alleged violator; and any other persons who have evidence or testimony to offer. Any of the parties may elect to be represented by legal counsel.
5. The hearing will begin with the introduction of all parties present, including the alleged violator, complainant(s), witnesses and the Board of Directors, followed by a statement from the Board President explaining how the hearing will be conducted.
6. Only one person may speak at a time; there are to be no interruptions, shouting, profanity or name-calling; if a speaker begins to repeat him/herself, they will be asked to conclude their remarks if they do not have anything else to offer. Any persons who refuse to abide by these ground rules will be asked to leave.
7. The parties making the complaint will state their complaint, after which both the Board and alleged violator are free to ask questions.
8. The alleged violator and any witnesses with first-hand knowledge of the situation will be given an opportunity to offer a rebuttal to the complaints and provide additional information, followed by questions from the Board and complainant(s).
9. A final statement will be given by the complainant(s) and then the alleged violator.
10. Upon the conclusion of testimony and statements, all other parties will be excused and the Board and its agents and/or legal representative will deliberate in private.
11. The decision of the Board shall be final and binding on all parties.

*Note: Time limitations may be extended or reduced upon mutual agreement between the alleged violator and the Board. If the violation has created an emergency situation, a shorter notice period may also be utilized.

ARCHITECTURAL STANDARDS POLICY

Those parts of the Unit visible from the exterior are to be kept architecturally attractive and uniform in appearance. Accordingly, no modifications, improvements, repairs or replacement of any type, whether temporary or permanent, structural, aesthetic or otherwise (i.e. alterations) including but not limited to, any structure, building, addition, deck, patio, fence, wall, enclosure, window, exterior door, antenna, or any other type of sending or receiving apparatus, color change, shrubbery or trees, material topographical or landscaping change, or any other improvements to or alterations of any Unit, cannot be commenced, erected or maintained without the approval of the DRC. (Declaration reference: Article XI)

The alteration includes, but is not limited to, are dwelling exterior doors, light fixtures, gutters, skylights, Solartubes, windows and storm windows, garage doors, fireplaces, central air conditioning, landscape lights, patios and decks, landscaping features, antennas, and DBS dishes.

A Modification Form may be obtained from the Management Agent at the Dakota Dunes Community Association Office or online at:

www.dakotadunesca.com.co.

The DRC has forty-five (45) days from the date that the application is received to approve or disapprove the project. After which, the approval shall be deemed to have been granted, provided that the alteration is completed in accordance with the application. Work may not begin until written approval has been received (or the forty-five days has elapsed) and all work must be completed within 30 days from the commencement of work or the delivery of supplies, whichever is earliest, unless the DRC grants a longer time.

Design Guidelines for The Prairie, The Meadows and The Country Club are available by contacting the Management Agent or accessing them via our association website.

QUARTERLY ASSESSMENT POLICY

The Annual Assessment for each Dwelling is payable in 4 quarterly installments.

A statement and invoice shall be mailed to each Owner on or about the 20th of the month prior to the end of the quarter or via annual coupon books; however, you may elect to receive these statements via email instead of regular US Mail. Failure to receive an invoice or statement does not relieve the owner of the obligation to make timely payment.

The address to send payments to is:

Dakota Dunes Community Association, Inc.
PO Box 67
North Sioux City, SD 57049

In an effort to reduce expenses and provide members with a convenient method to make payments, we also have two options for electronic payments:

- Automatic Clearing House (automatic electronic) payments. Owners may fill out the enclosed ACH form to allow the Association to automatically debit their bank account for the quarterly assessment fee, or
- Online bill pay for credit card payments (*fees may apply).

Payments received will be credited to an owner's account in the following sequence:

- a. Late fees and fines
- b. Limited assessments
- c. Special assessments and other charges
- d. Annual assessments, applied to the oldest outstanding amounts first

There will be a \$40 charge for any NSF check received in payment of fees, fines, assessment or any other charges due to the Association.

COLLECTIONS POLICY & PROCEDURES

Article X. Assessments

Assessments and installments thereof not paid within twenty-one (21) days from the date when they are due shall be charged a \$15.00 late fee.

Procedures:

1. All quarterly assessments are due in equal installments, payable in advance on the first (1st) day of January, April, July and October on an annual basis. Payments are considered late if not paid within twenty-one (21) days of the due date. Invoices and/or statements may be sent out as a courtesy reminder to the owners; however, it is the owner's responsibility to ensure timely payment regardless of whether a bill or statement is received.
2. Delinquency Notices will be sent to the last given address as shown on the official records of the association:
 - Thirty (30) days late- First Notice of Late Fee
3. Unit owners who are delinquent in the payment of assessments over 120 days will be sent to the Association's attorney for collection and the attorney will be instructed to file a Claim of Lien against the unit. Once the account has been sent to the Association's attorney for collection, no payment will be accepted by the Association. The unit owner is responsible for the payment of any and all attorney's fees and costs incurred in collecting the delinquent assessments, and such fees and costs will be added to the amount due from the unit owner.
4. If the delinquent account has not been paid after the Claim of Lien is recorded, the Association may instruct its attorneys to bring foreclosure proceedings against the unit. All Lien Filing and Release costs will be billed to the owner and must be collected prior to releasing any lien.
5. In order to maintain consistency in the collections process, the Association will not waive any late fees or collection costs incurred by the Association unless the owner demonstrates that payment of the assessment(s) was timely and that the Association made an error.

INVESTMENT POLICY

Objective:

To establish internal, uniform short-term investment policy guidelines for short-term surplus funds of the Association. Investment objectives are:

- **Safety:** The investment will minimize loss of principal by investing in high quality securities with a minimum of credit risk.
- **Liquidity:** Maturities will be confined to periods of time consistent with the projected cash needs of the Association.
- **Income:** Maximize yield based on the objectives defined above.

Responsibility:

The Treasurer will be responsible for assuring adherence to policy, evaluating achievement of investment objectives and recommending policy changes. Representatives designated by the Treasurer will be responsible for initiating the daily short-term investments.

Scope:

This Policy applies to Dakota Dunes Community Association and sets forth procedures for prudently deploying excess cash balances.

Procedure:

Excess cash balances of the Association will be invested. The Treasurer is responsible for investing excess cash in suitable financial instruments. The suitability of short-term investment instruments is governed primarily by the objectives identified above. The following are considered to be acceptable short-term financial instruments:

- Obligations of the United States Government or agencies of the United States.
- Obligations guaranteed by the United States Government or agencies of the United States.
- Obligations issued and guaranteed by a bank or trust company organized under the laws of the United States.
- Money market mutual funds investing only in financial instruments comparable to the above.
- Certificates of Deposits issued by banks organized under the laws of any state or of the United States rated investment grade.
- The maximum amount to be invested in obligations of any one issuer, other than the United States Government or agencies of the United States, is \$50,000.

Investments in any of the above financial instruments must mature within two years of purchase.

Investments for a time period exceeding seven (7) days must be authorized in advance by the Treasure of the Association.

Monitoring:

The Management Agent accounting will verify the investment confirmations to ensure accuracy.

The Management Agent accounting will maintain records on all short-term investments.

The Management Agent accounting will prepare a summary of short-term investments quarterly and shall provide the summary to the Association Board of Directors.

SALE AND LEASE OF UNITS POLICY

Document Requests for Sale of Property

The Dakota Dunes Community Association, Inc. requires that the seller provide the buyer with a Resale Disclosure Certificate, in addition to the Association's governing documents. The Resale or Sales Disclosure Package can be obtained from the Management Agent. Electronic copies will be provided free of charge or you may request paper copies for a charge of \$50.00 payable in advance to the Association.

To establish their membership privileges and voting rights in the Association, buyers must provide the Management Agent with a copy of the document evidencing transfer of ownership rights within seven (7) days of the transfer. Until such written notice is received by the Management Agent, the transferor shall continue to be jointly and severally responsible for all obligations of the Owner of the Unit hereunder including payment of assessments, notwithstanding the transfer of title to the Unit. (Declaration reference Article XIII Section 16).

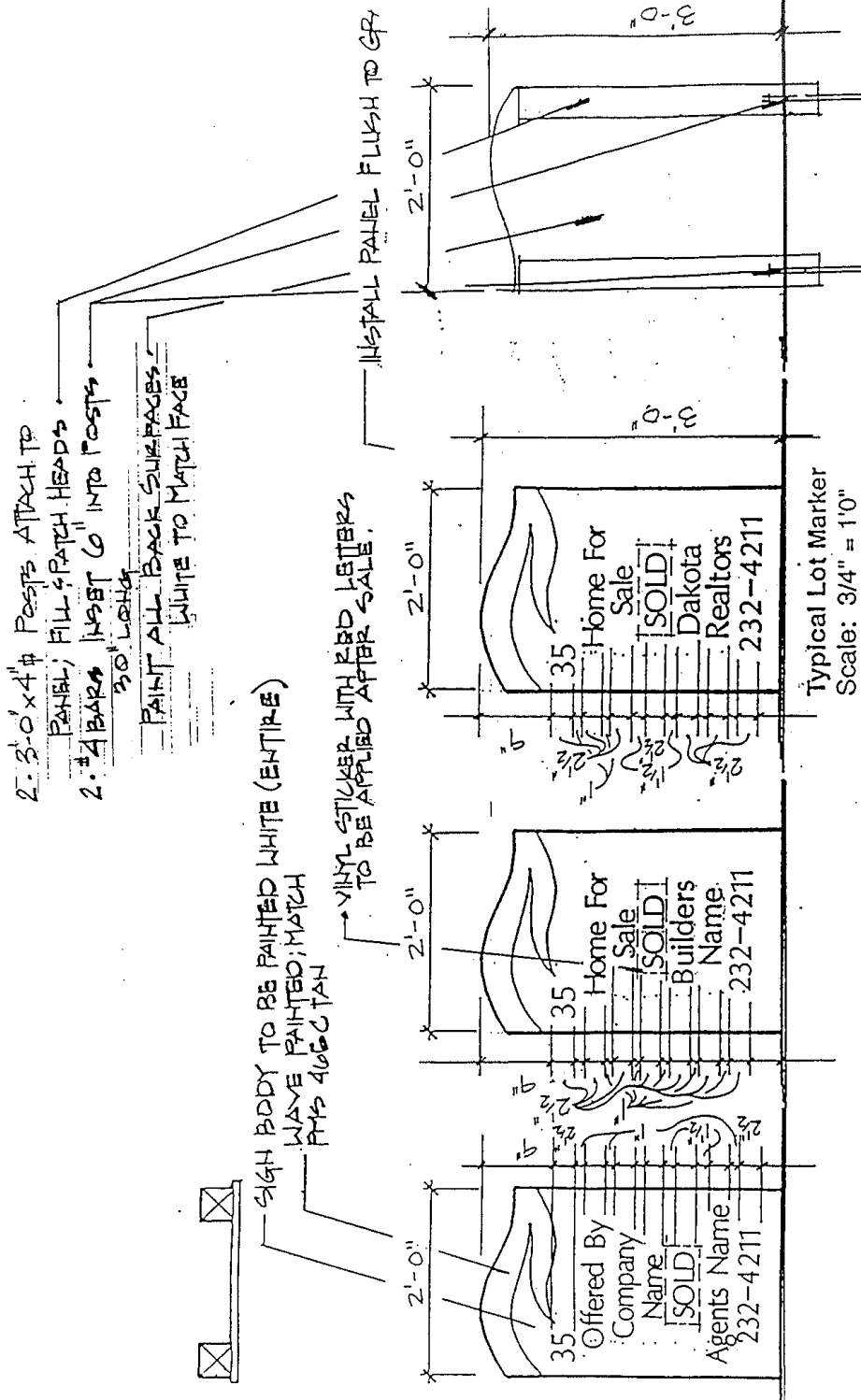
Each owner is expected to provide the Management Agent the following information concerning the occupants of their Unit (whether owner-occupied or rented):

- a. Names of all occupants, including children,
- b. Home and work telephone numbers (Occupant can specify work number as emergency use only), and
- c. Name, address and telephone number of a person to contact in case of an emergency.

For Sale Signs

Houses for sale or resale may be designated with signs meeting design standards set by the Design Review Committee (DCR).

Signs shall be 24" wide and 36" with the "wave" shape and painted in tan across the top. Realtors and builders may add their own name, the name of their firm, and firm telephone number. Wording, letter style, color, size and location on the sign are provided in the detailed description below.



Dakota Dunes

Edward D. Stone, Jr. and Associates

* ALL TYPOGRAPHY TO BE GARAMOND BOOK;
2 1/2" VINYL DIE CUT LETTERS, CENTER LINE ON
SIGN, LETTER COLOR TO MATCH PRATT; LAMBERT No. 12716 VICTORIA
BLUE.

All signs must be removed and lawn restored within two weeks of closing. A fine of \$25 will be assessed against the Unit for every day these rules are violated.

Leases

Leasing of Units shall be allowed, subject to reasonable regulation by the Association, and subject to the following:

- a. No Unit shall be leased for transient or hotel purposes.
- b. No Unit shall be leased for periods of less than thirty (30) days unless approved by the Board.
- c. No Unit shall be subleased.
- d. A Unit must be leased in its entirety (not by room).
- e. All leases shall be in writing and all leases must provide that they are subject to the Governing Documents and the Policies, Rules & Regulations.
- f. Any failure to comply with the Governing Documents and the Policies, Rules & Regulations relating to leasing will be treated as a violation and will be subject to sanctions.

An Owner who elects to lease his/her Unit is to notify the Management Agent in writing within ten days of signing the lease. The notification is to include a copy of the lease.

Absentee owners must also provide:

- a. Owner's mailing address
- b. Owner's home and work telephone numbers (owner may designate work number as emergency use only), and
- c. Name, address and telephone number of a person to contact in case of emergency.

All rules, regulations, and restrictions of the Association apply to all Occupants and Owners. Owners are required to furnish a current copy of the *Policies, Rules & Regulations* to their Renters.

The Owner is responsible for the actions of all Unit occupants, visitors and guests. This includes payment of any fines assessed and the cost of damages repaired by the Association.

Every lease should provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration, Bylaws, and *Policies, Rules & Regulations* and that any failure by the Occupants to comply with the terms of these documents shall be a default under the lease.

The timeshare form of ownership, or any comparable form of a lease, occupancy rights or ownership that has the effect of dividing the ownership or occupancy of a Unit into separate time or use periods, is prohibited (Declaration reference: Article XII Section 9).

Each Owner is required to provide the Management Agent with the following information concerning the occupants of their Unit:

- a. Names of all occupants, including children,
- b. Home and work telephone numbers (Occupant can specify work number as emergency use only), and
- c. Name, address and telephone number of a person to contact in case of an emergency.

Move-ins and Move-outs

Moving vans or other vehicles used for moving in and out, must park without blocking the normal flow of traffic.

RULES & REGULATIONS

1.00 GENERAL

1.01 No use shall be made of the Property that would violate any then existing municipal codes or ordinances, or state or federal laws. No act or use will be permitted that would cause waste to the Property, cause a material increase in insurance rates on the Property, or otherwise cause any unusual liability, health or safety risk or expense, for the Association or any owner or Occupant. (Declaration reference: Article V)

1.02 The Units are to be used by Owners and Occupants and their guests exclusively as a private, single family residential Units, and not for transient, hotel, commercial, business or other non-residential purposes, unless allowed by these Policies, Rules & Regulations. (Declaration reference: Article XII)

1.03 No business, trade, occupation or profession of any kind, whether carried on for profit or otherwise, shall be conducted, maintained or permitted in any Unit or the Common Elements; except for the following:

An Owner or Occupant residing in a Unit may keep and maintain business or professional records in the Unit and handle matters relating to such business by telecommunications or correspondence provided that such uses are incidental to the residential use, do not involve the physical alteration of the Unit, are permitted by and comply with all governmental laws, ordinances and regulations, do not involve any observable business activity (signs, advertising displays, regular deliveries, or frequent visitation to or use of the Unit by customers, employees or vendors, and do not involve disturbing noise, air pollution, safety hazards or increased insurance risk. (Declaration reference: Article XII, Section 25)

1.04 Leasing of Units is allowed subject to regulation by the Association. (See Policy, Lease of Units, pg. 14)

1.05 The Association and other owners are to be held harmless from all fines, penalties, costs, and prosecution arising from any violation thereof by the Owners, by Occupants, by guests or by visitors.

1.06 No occupant will store any explosive or inherently dangerous or hazardous materials in his/her Unit or Garage Space. Up to five (5) gallons of gasoline or solvents are allowed in Garage Spaces provided they are either in the original manufacturer's container or in a container approved by the Fire Department.

1.07 Storage of personal property outside of a Dwelling is prohibited. This includes, but is not limited to, bicycles, trashcans, motorcycles, all of which must be stored

in the Dwelling. Lawn furniture may be stored on decks through the winter months.

- 1.08 Prohibited Vehicles parked in the driveway for more than 12 hours include: Commercial Vehicles, vehicles with commercial writing on their exteriors, vehicles primarily used or designed for commercial purposes.
- 1.09 Tractors, mobile homes, recreational vehicles, trailers (either with or without wheels, campers, camper trailers, boats and other watercraft, and boat trailers shall be parked only in enclosed garages serving the Units, or in screened or fenced areas on the Unit so as to be concealed from view of neighboring Units. (See Article XII Section 2. (b) of the Declaration for further clarification).
- 1.10 Firewood must not be stored outdoors. Homeowners may store firewood indoors or in the garage.
- 1.11 All Owners/Occupants are responsible for observing any posted rules that may be in addition to those contained in these Policies, Rules & Regulations.
- 1.12 Except as specifically provided in these *Policies, Rules & Regulations*, no signs or other emblems or placards shall be placed on the Common Elements or on any Unit so as to be visible from the exterior.
- 1.13 For Sale Signs (See Sale and Lease of Units Policy, pg. 14)
- 1.14 Election Signs are NOT permitted.
- 1.15 Garage Sales are NOT permitted. No garage, rummage or moving sales are allowed on the Properties. Such activities would include advertising and/or having a unit open to the public with specified hours and/or days.
- 1.16 Two neighbors on an abutting lot may purchase and share the lot at a maximum of 60/40 basis with the requirements for landscaping applied accordingly.
- 1.17 Buyers shall pay a \$1,000 refundable deposit for any lot purchased in the Country Club Estates or The Meadows or a \$500 refundable deposit for any lot purchased in The Prairie at the time of closing. Upon completion of the construction of the home, landscaping and all debris removal, the deposit will be refunded to the Buyer on the condition that all items requiring DCR approval have been submitted prior to installation, properly approved by the DRC, and constructed in accordance with the approval of the DRC. Should this process not be followed in a timely manner, the Board has the authority to retain up to 75% of the deposit.
- 1.18 Undeveloped Lots- if you own an undeveloped lot in Dakota Dunes, you are responsible for keeping the lot maintained under the conditions appropriate for

the location as determined by the DRC. The lot must be in good order and repair and free from debris. Natural vegetation must not obstruct sidewalks or streets.

2.00 BEHAVIOR/NOISE

- 2.01** No noxious, illegal, destructive or offensive activity shall be allowed in any Dwelling or Unit, nor shall anything be done thereon which may become an annoyance or nuisance to any other Owner/Occupant. Contact the Union County Sheriff at 605-356-2679 or the Dakota Dunes Security staff from 4:00 pm to 7:00 am at 712-253-3102 for non-emergencies and 911 for emergencies. Please also notify the Management Agent.
- 2.02** Owners/Occupants and their guests have a right to quiet enjoyment in their respective Units and must use the Property in such a way as will not cause a disturbance or nuisance, nor unduly restrict, interfere with or impede the use of Property by other Owners/Occupants and their guests. Occupants must exercise caution in making noise. Consideration must be given at all times to Occupants living on each side of you.
- 2.03** No Vehicle horns shall be blown except as may be necessary for safe operation. Failure to replace a noisy or defective muffler is a violation of these rules.
- 2.04** Musical instruments, radios, stereos, tape decks, television, wind chimes, and the like, shall not be played loud enough to be a disturbance to neighbors.
- 2.05** No outside burning of wood, leaves, trash garbage or household refuse shall be permitted within the property limits.
- 2.06** Wood burning fire pits are permitted only on driveways, patios and decks. They must be removed from your driveway and stored immediately after use. Please take the appropriate precautionary measures to extinguish any fire prior to storage.
- 2.07** Fireworks may only be discharged on the Properties five (5) days prior to the 4th of July holiday (June 29th to July 5th) until 10:30 p.m., except for July 4th, which they are permitted to be discharged until 12:00 midnight.
- 2.08** Curfew hours must be observed per the Ordinance #UC 2011-002 Dakota Dunes CID Curfew. Please refer to the Ordinance for a full description.

3.00 SAFETY/SECURITY

- 3.01 The Owner of any Dwelling with a wood-burning fireplace is responsible for all related maintenance, including keeping the flue clean.
- 3.02 Un-retrieved newspaper and/or packages at the entry to a Dwelling are a sure sign that no one is home. When an Owner/Occupant is gone from home (even for a weekend), he/she should arrange to stop delivery or have a neighbor take in their newspaper or package.
- 3.03 Electric cords are not to be strung across sidewalks, driveways, or lawns unless approved by the Board.

4.00 GROUND

- 4.01 The grounds are to be kept architecturally attractive and uniform in appearance.
- 4.02 Irrigation must be maintained to prevent lawns, trees and plantings from dying.
- 4.03 Lawns must be mowed on a regular basis, edged to remove grass runners from sidewalk, curb and planting beds, weeded (chemically treated or hand removed), cleared of Fall or Spring leaf drop, patched/replaced if lawn sections die.
- 4.04 Plantings beds must be weeded.
- 4.05 Shrubs and trees must be pruned to prevent sidewalk, street and driveway obstruction.
- 4.06 Landscaping that dies must be replaced. Landscape changes must be approved by the DRC.
- 4.07 Yards must be kept free of litter and debris.
- 4.08 Standards apply to both fronts, back and side yards.
- 4.09 No hobbies such as car disassembly or other activities that may cause disorderly, unsightly or unkempt conditions shall be pursued or undertaken on any part of the Properties.

No alternations, changes, improvements, repairs, or replacements are to be made, caused or allowed to be made **without prior, written consent** of the Design Review Committee. **Please see DCR Guidelines for your community, i.e. Prairie, Meadows or Country Club division.*

5.00 PETS

- 5.01** By these Policies, Rules & Regulations, the Board has the exclusive authority to regulate or prohibit the keeping of animals on the Property. Only dogs, cats, small birds, small fish or other animals generally recognized as common domestic pets, are permitted. (Declaration reference: Article XII, Section 4)
- 5.01 All pets must be maintained in accordance with all local government ordinances as to licensing, vaccination, restraints, and handling of pet waste.
- 5.02 The following pets are permitted without Board approval:
- a. Three dogs –or-
 - b. Three cats –or-
 - c. Combination of dogs & cats totaling three (3)
 - d. Fish
 - e. Caged birds
- 5.03 Pets shall be kept solely as common domestic house pets and/or statutorily authorized “service animals” used by handicapped individuals, and not for any other purposes. No animal of any kind shall be raised or bred for business or commercial purpose by any person upon any part of the Property. (Declaration reference: Article XII, Section 4)
- 5.04 Pets shall not be allowed to make an unreasonable amount of noise, to become a nuisance, or a threat to the safety of Owners/Occupants, and their guests. No dog shall be permitted to bark, howl or make other loud noises or create disturbances for such a time as disturbs neighbors’ rest or peaceful enjoyment of their Dwellings or Units.
- 5.05 A female dog in heat shall be kept confined by its owner in such a manner that she will not be in contact with another dog nor attract other animals.
- 5.06 No structure, fence or enclosure for the care, housing or confinement of any pet shall be constructed or maintained on any part of the Property unless prior approval is granted by the Design Review Committee.
- Pets shall be under control and leashed at all times when outside the Unit’s property lines.
- 5.07 No pets shall be left outside while the Owner or Occupant is not at home, unless they are in an approved contained area such as a fenced in yard or kennel as notated in item 5.06.
- 5.08 “Invisible Fencing” or the like is not allowed without prior approval of the Design Review Committee.
- 5.09 Owners are responsible for immediate cleanup and disposal of feces.

- 5.10 Dogs and cats must be discouraged from urinating on the shrubs or other landscape improvements on other homeowner's properties.
- 5.11 The owner of any pet shall indemnify the Association and hold it harmless against and from any loss or liability of any kind whatsoever arising from or growing out of having any pet on the Property.
- 5.12 Any fine or cost for repair or injury imposed upon the Owner for failure to comply with any pet restrictions is an assessment against the Owners' Unit. (Declaration reference: Article XII, Section 4)
- 5.13 The Board shall have authority to determine in its sole and absolute discretion whether a particular pet shall be permanently removed from the Property based upon the pet's behavior or the failure of the pet's owner to comply with these pet Policies, Rules & Regulations, applicable governmental restrictions, law or ordinances, or any additional restrictions approved by the Board; (Declaration reference: Article XII, Section 4) Such action may be taken in addition to, or in lieu of, any fines which may be assessed.

6.00 LAWN, LANDSCAPE BEDS, GARDENS, WETLANDS & NATURAL AREAS

- 6.01 No one shall alter any of the landscaping features, including the grass, trees, shrubs, or perennials, except as authorized by the Design Review Committee (DRC).
- 6.02 Vegetable gardens are prohibited.
- 6.03 The planting of Ash Trees is prohibited due to the devastation ash borer disease can cause.
- 6.04 Individual plant and flowerpots may be placed outside without the approval of the DRC, as long as they do not interfere with grounds care.
- 6.05 Installation of a decorative plant and/or flower landscape beds requires the approval of the DCR. Maintenance of potted plants, flowers, and Owner developed landscape beds is the responsibility of the Owner. The Association reserves the right to restore unmaintained Owner developed landscape beds, at the Owner's expense.
- 6.06 Driving any kind of vehicle (including trailers) on the grass is not permitted.
- 6.07 The Owner/Occupant is responsible for watering the lawn, shrubs and trees on the Unit during the growing season.

- 6.08 Artificial Vegetation, Exterior Sculptures, and Similar items are NOT allowed on the exterior of any portion of the Properties unless approved by the DRC.
- 6.09 Seasonal decorations or holiday lighting are allowed 30 days prior to the holiday and must be removed within two (2) weeks thereafter on those that are ground mounted, and weather permitted for all others.
- 6.10 Tree removal and replacement must be pre-approved by the DRC. A \$750 per tree fine shall be assessed for each unauthorized tree removal. It will be the responsibility of the violator to replace trees to the satisfaction of the Association and DRC.
- 6.11 No sprinkler or irrigation systems of any type which draw upon water from creeks, streams, rivers, lakes, ponds, wetlands, canals or other ground or surface waters within the Properties shall be installed, constructed or operated unless prior approval has been given from the DCR.
- 6.12 All sprinkler or irrigation systems must be approved by the DCR.
- 6.13 Drainage and Septic Systems are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas other than the Declarant.
- 6.14 Decorative items in the landscaping are subject to the requirements outline in the Design Guidelines for your Community.

7.00 RECREATIONAL EQUIPMENT & GOLF CARTS

- 7.01 Use of the property for ball and yard games is allowed. When the Property is used for recreation, removing all recreational equipment when finished or at the end of the day is the responsibility of the sponsoring Owners.
- 7.02 The Owner sponsoring the use of the Property for recreational activity shall indemnify the Association and holds it harmless against and from any loss or liability of any kind whatsoever arising from or growing out of that activity.
- 7.03 An Owner is liable to the Association or CID for the cost of repair of any damage to the Property, or the expenses associated with any personal injury caused by the use of the Property for recreational activity.
- 7.04 Basketball backboards and tennis nets are not allowed unless prior approval is given by the DCR. The Design Guidelines for each community describe in detail the requirements for installation approval.
- 7.05 Portable swimming or wading pools are allowed if located on the grass or a landscaped area, but must be removed and stored inside the Unit or garage on a daily basis.

- 7.06 No above ground swimming pools may be erected, constructed or installed on any Unit.
- 7.07 Jacuzzis, hot tubs, spas or any similar apparatus may be permitted in accordance with the Design Guidelines if prior approval is given by the DRC.
- 7.08 Operation of snowmobiles, go-carts, and other non-street licensed vehicles on the Property is prohibited.
- 7.09 No gasoline-powered golf carts shall be operated within the Properties. All golf carts shall be powered by electricity or by similar non-combustible means.
- 7.10 Pursuant to SDCL 7-8-20(10) the Sherriff will monitor all violations in correlation with all golf cart laws.

8.00 DRIVEWAYS, GARAGES, AND PARKING

- 8.01 The use of garages, driveways, and other parking areas on the Property and the types of vehicles and personal property permitted thereon, shall be subject to regulation by the Association, including without limitation the right of the Association to tow illegally parked vehicles or to remove unauthorized personal property. (Declaration reference Article XII section 2(a)).
- 8.02 Upon written request by the Association, an Occupant must provide the Association with the following information concerning the Motor Vehicle they park on the premises: make, model, year, color, and license number.
- 8.03 Compliance with regulatory signs posted by the CID is expected. Such signs include No Parking, designated Fire Lane, Speed Limit, etc. The Union County Sherriff's Department is charged with enforcement of these regulations.
- 8.04 Garages and other parking areas on the Property are intended for the parking of vehicles owned or leased by the Owner/Occupants and their guests.
- 8.05 Outdoor parking shall be limited to the spots available on the Unit's driveway. Vehicles parked in driveways must be actively used. Any Motor Vehicle remaining in the driveway continuously for a period of 14 days is considered an inactive vehicle.
- 8.06 No boats, snowmobiles, trailers, recreational vehicles, buses, camper tops, "all-terrain" vehicles, tractor/trailers, or trucks of 9,000 pounds or greater gross weight shall be parked or stored anywhere on the Property except in the garage.

Exception: Recreational vehicles may be kept temporarily outside the garage for the purpose of loading or unloading, for a period not to exceed 24 hours in any 30-day period for each vehicle unless prior permission from the Management Agent has been obtained.

- 8.07 No Motor Vehicle in a non-operative condition, not in a good state of repair, not legal for road use, or not bearing current license plates, shall be left standing in the driveways.
- 8.08 Parking on the street must be limited to special occasions, but in no case will be permitted overnight.
- 8.09 All construction employees and equipment parking will be restricted so as not to interfere with the free passage of traffic through and around the site.
- 8.10 Vehicles may not park in a manner that blocks another vehicle, a sidewalk, or prevent ingress or egress from or to an adjacent Unit.
- 8.11 Vehicles may not park in the median or on any portion of grass or landscaping at any time.
- 8.12 Owners/Occupants are responsible for parked Vehicles belonging to their guests or visitors that are parked in violation of these Policies, Rules & Regulations.
- 8.13 Vehicles must be parked on the driveway rather than on sidewalks or lawn areas.
- 8.14 No Overnight Street Parking is allowed within the Dakota Dunes Community Association residential streets. The **Hours of 2:00 AM-6:00 AM** will be considered the hours of violation when handling offending vehicle violations.

The Board and Management Agent are authorized, per the Dakota Dunes CC&R's, to have improperly parked Vehicles towed from the Property at the Vehicle owner's expense **WITHOUT PRIOR WARNING**; however, the Board has elected to work closely with the Dakota Dunes Night Patrol to monitor offenses and communicate, to the extent possible, with the offending vehicle owners prior to taking steps to remove the vehicle from the property.

Violations will be handled in the following manner:

1. First Violation- Plate number, make and model of the vehicle will be recorded by Night Patrol and turned into the Community Association Manager. A written warning will be attached to the driver's side rear window.
2. Second Violation- Plate number, make and model of the vehicle will be recorded by Night Patrol and turned into the Community Association Manager. A warning sticker will be attached to the driver's side rear window indicating the time, date and actions to be taken.

- On the day following the 2nd warning the Night Patrol Officer on duty will attempt to contact the owner of the vehicle. The Officer will advise the offender of the regulations prohibiting overnight parking on the residential streets and future violations may subject the vehicle to towing.
- 3. Third Violation- Plate number, make and model of the vehicle will be recorded by Night Patrol and a FINAL WARNING sticker will be placed on the driver's side rear window.
- 4. If the vehicle remains over 24 hours after the FINAL WARNING has been issued or is parked on any Dakota Dune residential street for the next 12 months, the car will be towed at the owner's expense. Night Patrol will document the Plate, make and model of the car, take a photograph of the car and tag and refer the vehicle for towing to Stockton Towing. (712) 259-2434.
- 5. Exceptions to the parking restrictions include, but are not limited to (with prior Association permission):
 - Contractor's Trailers (active job sites or remodeling)
 - Moving crates
 - Vehicles that are parked on the street due to pavement/home work that restricts access to the owner's driveway.
 - Additional requests with prior approval from the Association.
- 8.15 Garages shall not be used for storage or other purposes that would prevent the parking of automobiles or similar vehicles in the garages.
- 8.16 Garage doors must be kept closed when unattended for safety as well as appearance.
- 8.17 Garages must not be used for business-related activity.
- 8.18 Maintenance and repair of Motor Vehicles may be undertaken in the garage if they are not of a potentially dangerous nature and are not a disturbance to neighbors.

9.00 TRASH AND RECYCLING

- 9.01** Litter, rubbish or debris must not be deposited or left on the Property.
- 9.02** All rubbish, trash, and garbage shall be stored in appropriate containers and screened so as to be **concealed from view of neighboring Units (in DRC approved storage areas)**, streets and adjacent property. All such containers shall not be kept in the front yards of Units except on garbage collection day. (Article XII, Section 8, page 39 of the Declaration)
- 9.03** The trash and recycling receptacles may not be kept outside a Dwelling except after 5:00 p.m. on the afternoon prior to the day of pickup. Trash receptacles are to be returned to the Dwelling's garage **or DRC approved storage area** by **midnight the day of pick-up**.
- 9.04** Homeowners who expect to be absent and unable to meet these restrictions should make prior arrangements.

10.00 EXTERIORS

- 10.01** Those parts of the Unit that are visible from the exterior are to be kept architecturally attractive and uniform in appearance.

No alterations, changes, improvements, repairs, or replacements are to be made, caused or allowed to be **made without prior, written consent** of the DRC.

See Architectural Standards Policy, pg. 9.

11.00 ALLOWED DECORATIVE ATTACHMENTS

- 11.01** Flags, pennants, banners, windsocks, and weather vanes may be displayed in the front yard only, provided that the display is no more than twelve (12) square feet (residential in size), in good condition, and mounted using aluminum hardware attached to the building on a wood surface near the front entry, deck, or patio light. No more than three items are allowed.
- 11.02** One flagpole may also be installed in the front yard with prior approval of the DRC Committee. Flags on flagpoles are limited to the United States Flag. Please refer to your Community Design Guidelines for installation requirements.
- 11.03** Holiday decorations may be placed at the Dwelling's entry door, garage doorframe, windows, deck, patio, or on trees. The Board reserves the right to declare certain decorations to be offensive and demand their removal.
- 11.04** Seasonal decorations or holiday lighting are allowed 30 days prior to the holiday and must be removed within two (2) weeks thereafter on those that are ground mounted, and weather permitted for all others.

12.00 PROHIBITED ATTACHMENTS

12.01 Awnings clotheslines, sheds, solar panels and tents are prohibited (unless approved by the DRC). Retractable clotheslines shall be located so as to be concealed from the street when extended.

12.02 Signage of any type referencing a home business, service or activity.

12.03 Individual residential mail boxes.

12.04 Self-illuminated address numbers.

13.00 PAINTING

13.01 Minor paint touch-up of the exterior of the Dwelling by the homeowner is allowed, providing the paint used is the proper color.

13.02 All other painting projects, including door color, siding, windows, etc. must be approved by the DRC prior to commencement of project.

14.00 DOORS

14.01 Unit entrance doors may not be altered in anyway without prior written approval from the DRC.

14.02 *Storm doors must be painted to match the trim.*

14.03 Insulator kits may not be installed on the outside of the unit doors.

15.00 WINDOWS

15.01 Clothing, laundry, linens, bedding, dust mops, and rugs are not to be hung from windows.

15.02 Window or wall air conditioners are not allowed.

15.03 Window insulator kits may not be installed on the outside of windows.

15.04 Storm windows must be painted to match the trim.

16.00 FRONT ENTRY, DECKS, AND PATIOS

- 16.01** Altering, changing or permanently affixing items to the support posts, deck boards, privacy walls, or railings of the deck is not allowed without specific written approval of the DRC
- 16.02** Only appropriate outdoor furniture is to be used on the deck and patio. If you choose to cover your outdoor furniture during the winter months, the cover must be secured to the furniture only and not fastened to the deck and should be a neutral color (i.e. no bright blue or orange!).
- 16.03** Radios and TVs should not be so loud as to be a disturbance to neighbors.
- 16.04** Laundry, bedding, dust mops, and rugs are not to be hung from decks.
- 16.05** Plants should be placed in heavy containers to prevent their being upset by strong winds.
- 16.06** Plantings should be tended so that all dead material is removed.
- 16.07** Unmaintained plantings may be restored or removed and replaced by the Association at the expense of the Owner if the Owner fails to adhere to the DRC guidelines.

17.00 INTERIOR

- 17.01** Curtains, drapes, blinds and shades are to be used for permanent window coverings and must be in good condition, presenting a well-maintained appearance when viewed from the exterior.
- 17.02** Sheets, blankets, etc. will not be allowed as temporary or permanent window coverings.

18.00 ANTENNA

An antenna may be installed on the Unit subject to the following requirements:

- 18.01** The installation of an antenna is an alteration to the exterior of the Unit and requires compliance with the Design Guidelines for your community in addition to these requirements.
- 18.02** Maximum diameter is one meter (39.4 inches).
- 18.03** The antenna must be a color that blends with the siding color.
- 18.04** Exterior antenna wiring shall be installed so to be minimally visible and all penetrations of the Dwelling exterior must be properly waterproofed and sealed.
- 18.05** Professional installation is recommended. The antennas must be permanently grounded to prevent electrical and fire damage.
- 18.06** An owner may install no more than one antenna for each type of service.
- 18.07** The Board shall have the right to erect an aerial, satellite dish, or other apparatus for a master antenna or cable system for the benefit of all or a portion of the Properties (Article XII, Section 7, and page 38 of the Declaration).

19.00 SOLAR TUBES (Solatubes, Solar Tunnels, Skylights etc.)

- 19.01** The installation of a solar tube is an alteration to the exterior of the Unit and requires the prior, written approval of the DRC. The application must indicate the intended location of the roof penetration for the solar tube.
- 19.02** The Design Guidelines describe permitted and not permitted installation requirements.

DULY APPROVED BY DAKOTA DUNES COMMUNITY ASSOCIATION, INC., INC. BOARD OF DIRECTORS
AUGUST 15, 2014 WITH DULY APPROVED MODIFICATIONS MADE MARCH 9, 2015,
November 18, 2016 and February 5, 2018.

Dakota Dunes Country Club Community

Residential Community
Single-Family Detached
Design Guidelines



Dakota Dunes Country Club Community

Residential Community Single-Family Detached
Design Guidelines

Dakota Dunes
Union County, South Dakota

January 1, 1990
Last Revised: October 2017

Master Developer
Dakota Dunes Development Company
Union County, South Dakota

**Land Planners and
Landscape Architects**
Edward D. Stone, Jr. and Associates
Fort Lauderdale, Florida
Durham, North Carolina

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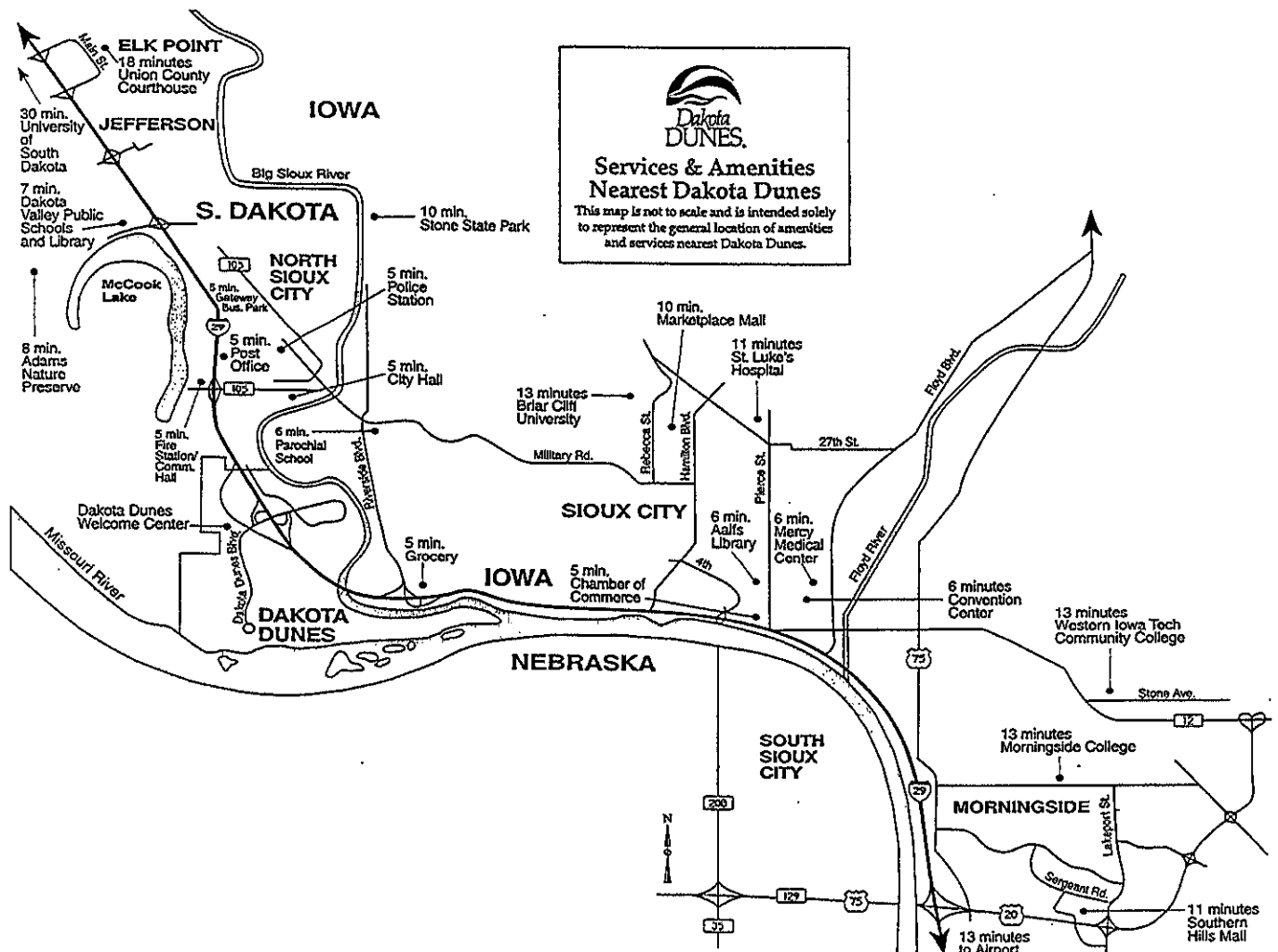
Introduction

Introduction

Dakota Dunes

Dakota Dunes is a family oriented residential community designed for a high standard of living. Dakota Dunes Country Club community offers a variety of housing types located around a championship golf course and country club tennis complex. The Project is located in the southeastern corner of South Dakota

near Sioux City, Iowa. Dakota Dunes benefits from convenient access to local public services and facilities. (Note driving times indicated on the map below.)



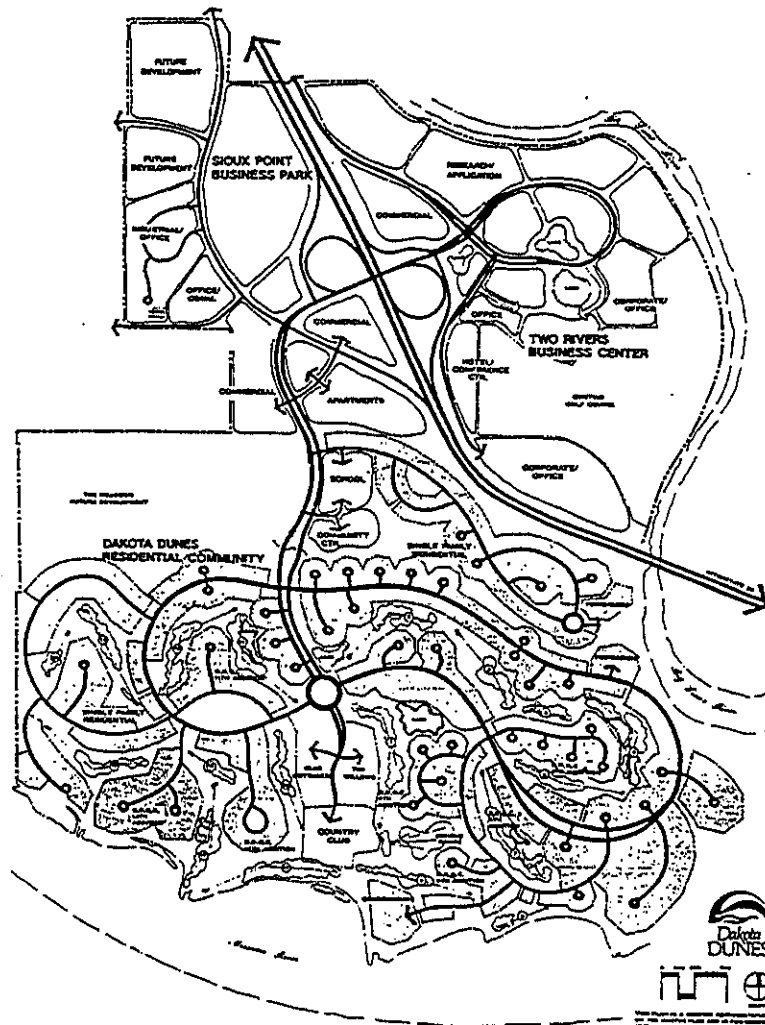
Design Guidelines

The Design Guidelines are established to assure and implement the highest quality of design standards for the community. They will serve as a framework of design concepts and performance and quality standards that will guide the design and construction of a variety of housing types.

They are established to complement the "Declaration of Covenants, Conditions, and Restrictions for Dakota Dunes Community Association" (CCR's) and, accord-

ing to the responsibility assigned to the Design Review Committee, to establish standards by which to review and administer the planning and design of development parcels within the Community.

The Master Developer reserves the right to revise and update the design criteria as well as performance and quality standards within these Design Guidelines to respond to future changes.



Responsibilities Of The Master Developer

The Master Developer will provide design and construction of the infrastructure network necessary to service individual builders. The infrastructure will include the following:

1. Public roadways with street lights.
2. Domestic and fire protection water lines, sanitary sewers, and storm water management designed to accommodate the conventional 10-year storm.
3. Distribution systems for telephone, electric, gas, and TV cable service to the lot.

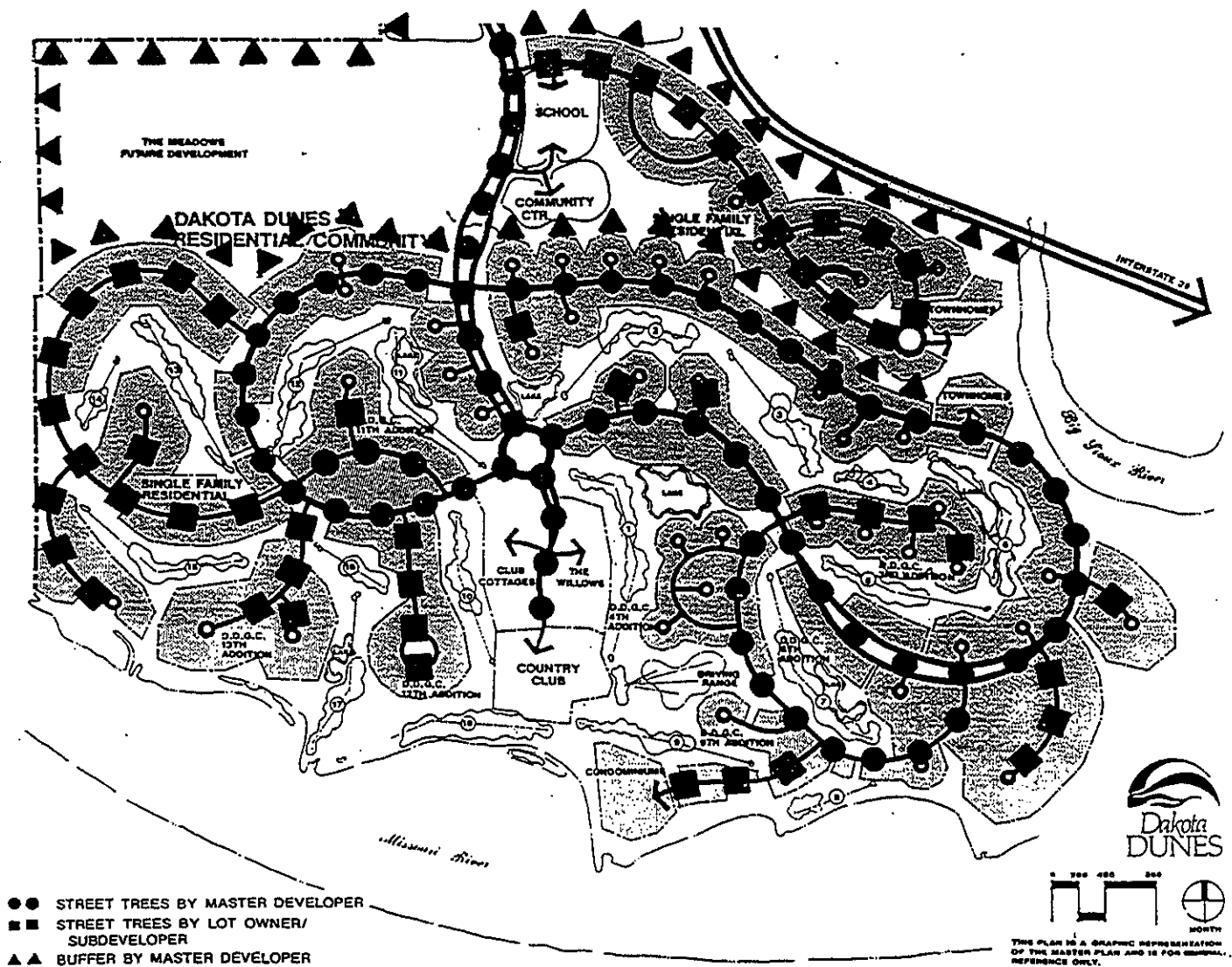
The Master Developer will coordinate the installation of street trees and sidewalks with the builders and homeowners. Refer to maps on pages 4-5.

The Master Developer will coordinate the development of common spaces such as project entrance, landscape easements, and road right of ways. Maintenance costs of these areas will be shared by the residents of Dakota Dunes through the Community Association or the Community Improvement District.

A Community Association, as well as a Community Improvement District, has been established for project control, ownership, and maintenance of all common areas.

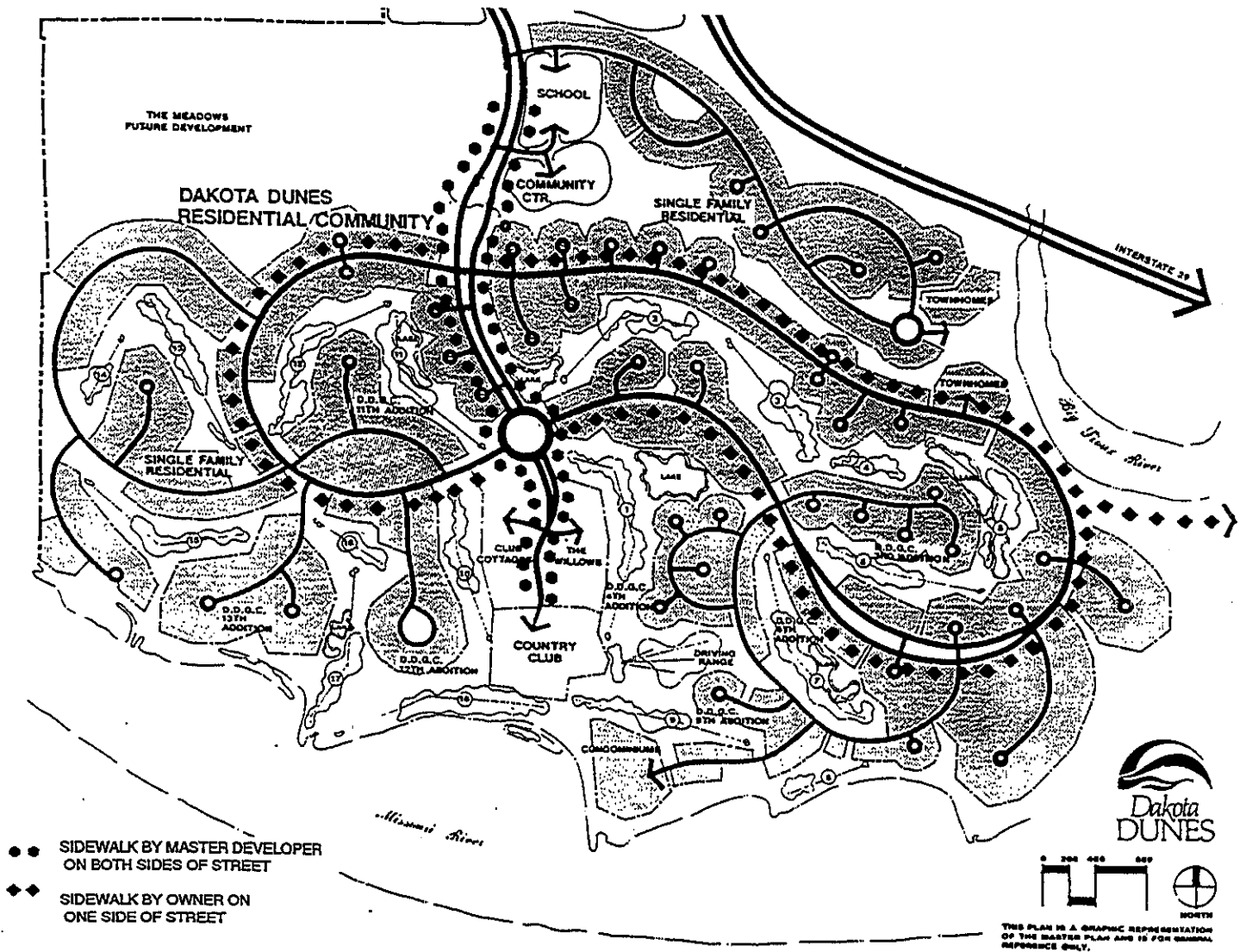
Introduction

STREET TREE MAP



Introduction

SIDEWALK MAP



Section One

Review Process

Review Process

Design Review Committee

The Design Review Committee (DRC) shall consist of the Master Developer and its appointees.

The Design Review Committee may use professional design consultants in Architecture and Landscape Architecture/Land Planning as necessary.

Functions of the Committee

1. The DRC will evaluate each of the housing units submitted by a Builder on adherence to the design criteria and performance and quality standards set forth in the Design Guidelines and compatibility of the design with the adjoining sites and common spaces. The DRC may also evaluate designs based upon criteria that it deems important to the quality image of Dakota Dunes.
2. The DRC will interpret the standards at the request of the Builders. If conflicts arise in meeting these standards, the DRC will review and evaluate the conditions.
3. The DRC has the right to grant variances from the Design Guidelines in accordance with the CCR's.
4. The DRC will monitor and overview the design and construction process in order to insure conformance with the approved documents and the standards set forth in these Design Guidelines. It is, however, the responsibility of the Builder to warrant that what is actually built is consistent with plans approved by the DRC including final landscaping. Any minor noncompliance will be corrected by the Builder. The DRC may obtain a certified survey and first floor elevation. Foundation location and first floor elevations are required to be within +/- 4" of preapproved plans.
5. The DRC shall review each submittal and respond, authorizing the continuation through the next phase of the review process. Unapproved or incomplete submissions shall be revised and resubmitted for review and approval. The response of the DRC shall be given within 15 calendar days of each submittal. Approval will be in writing and shall in no way relieve the builder of his responsibility and liability for adherence to any applicable ordinances and codes.

Design Review Process

The following is an outline of each phase of the design review process and submittal requirements for each phase. A check list is provided in the Appendix indicating submittal requirements. This check list should be attached to each set of drawings submitted in the review process.

Deposit

At the time of purchase the lot owner shall pay a One Thousand Dollar (\$1,000.00) deposit to the Dakota Dunes Community Association. Upon completion of the construction of the home, landscaping, and debris removal the deposit will be refunded to the lot owner on the condition that all items requiring DRC approval have been submitted prior to installation, properly approved by the DRC and constructed or completed in accordance with the approval of the DRC.

Items requiring DRC approval shall include, but not be limited to, site plan and design, architectural plans, landscaping plans, material selections, tree removal and the installation of the minimum number and sizes of landscape plantings.

The Dakota Dunes Community Association shall retain the right to pursue all other legal remedies

available to them against the lot owner for noncompliance as set forth in the Declaration of Covenants, Conditions and Restrictions.

Pre-Design Conference

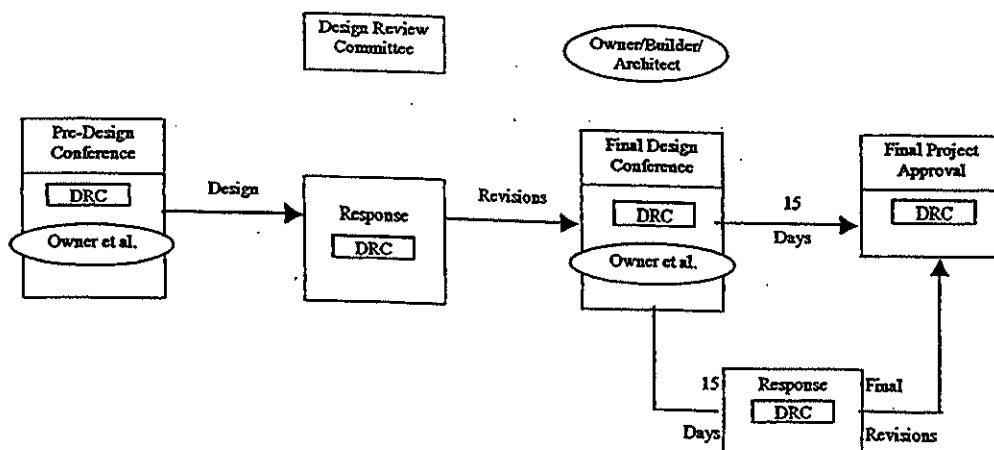
Upon the selection of a lot or lots and prior to the beginning of a preliminary design, a representative of the DRC will meet upon request of and with the lot owner and his representatives to discuss the proposed development. It is understood that all information is confidential.

At this time the lot owner shall make available the following:

1. A general description of the lot.
2. General information, including but not limited to the lot owner's name, address and contact person, landscape architect, architect, engineer, and other consultants.

Submission of any information as available will expedite the review process. The committee chairman will assist in determining the required submittals and review schedules at the pre-design conference.

Dakota Dunes Design Review Process



Final Design Review

Two sets of complete design development drawings and specifications are required for this review. Drawings and other information shall include the following:

1. Site plan at a scale 1"=20' to show property line, building footprint, driveway, and lot utilities. The plan shall show the existing and proposed grading contours, walkways, lighting, easements, rights of ways, and contract limit line. On grading plans show all existing grades 20' outside the property lines into the adjoining property.
2. Utility plan at a scale of 1"=20' to include (can be included on site plan):
 - a. Sanitary sewers, sizes, and materials.
 - b. Water lines
 - c. Telephone, gas, and electric, including meter locations. Also location of A/C units.
3. Grading and drainage plan at a scale of 1" = 20' and to include existing and proposed contours, spot grades, finished floor elevations, and drainage patterns with percentage of slope. (Can be included on site plan.)
4. Landscape plans will show all new planting and any existing trees. The quantities and sizes of plant materials must be noted. Refer to the landscape section for requirements on page 22.
5. Schematic building floor plans, sections, and elevations at a minimum scale of 1/8"=1'-0".
6. Specification cut sheets and color samples.
7. Provide information to be included on lot sign to be coordinated with layout and design as detailed in Addendum .003.

Final Project Approval

Final project approval must be granted by the DRC before making any submissions to Union County or other governmental authority. Any subsequent changes required to comply with applicable codes must be resubmitted for approval. Any changes in material samples shall be submitted. The DRC may request a meeting to discuss modifications of the drawings or in the specifications.

After approval, the DRC will return one set of approved documents to the lot owner.

Note: After completion of construction, any changes to color, structure, fences, landscape, additions to the structure, or, any removal of trees 6" or greater in diameter must be approved by the Modifications Committee.

Modifications Committee

A Modifications Committee (MC) may also be appointed by the Dakota Dunes Community Association Board of Directors. The MC shall consist of at least three (3) and no more than five (5) members. The MC shall have exclusive jurisdiction over modifications, additions, or alterations made on or to existing units or structures in accordance with the CCR's.

Ordinances & Standards

Design Review Committee (DRC) or Modifications Committee (MC) approval does not assure compliance with the requirements of all public agencies having jurisdiction over the project, including Union County and the Dakota Dunes CID. Each Builder or owner must comply with all zoning regulations, building codes, subdivision control standards, and any other regulations applicable at the time of purchase and development. Review and approval of Builder's or owner's designs by the Design Review Committee or Modifications Committee is to ensure compliance with these Design Guidelines and to promote the quality image of Dakota Dunes. Any results from a review of the DRC or MC should not be considered a representation as to compliance with the requirements of any public agencies having jurisdiction over the project.

Where applicable requirements and codes overlap or appear to be in conflict with the requirements of the Design Guidelines, the more stringent provisions shall govern.

Approval of Builder's designs by the DRC does not relieve or supersede other approval requirements by the authorities having jurisdiction.

The DRC is not responsible for review of structural, mechanical or electrical design or any related building or building code issue not explicitly covered in these guidelines.

Building permits shall be issued by the Union County Land Use Administrator to the Dakota Dunes DRC for approval and distribution. No building permit shall be issued without DRC approval of the proposed project.

Variances

The Applicant shall be responsible for all fees related to the filing of variances with Union County.

Section Two

Single Family Detached Standards

Single Family Detached Standards

The objective of the Master Developer in the planning and design implementation of Dakota Dunes has been to preserve the natural character of the site. This entails minimal impacts to existing grades, vegetation, and ecosystems. Comparable care shall also be taken by the participating builder to preserve the natural environment through innovative site planning and architectural design.

Care has been taken in the overall planning to provide single family neighborhoods that would conform to a high standard of living. The lot layout and site standards shall provide a builder direction in preparing each project for development.

Lot Layout

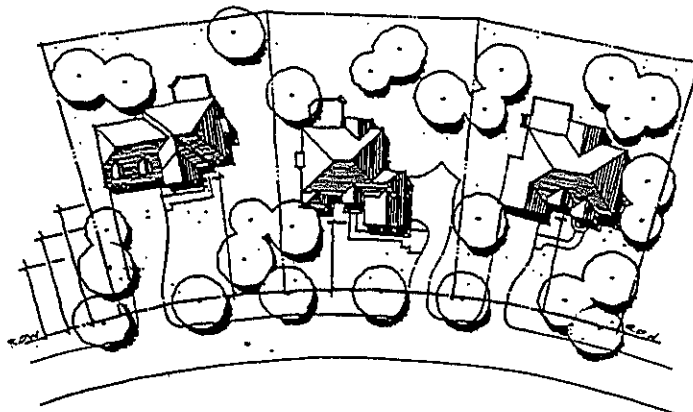
Minimum dimensional requirements shall be in accordance with the local zoning ordinances or the following standards whichever is greater. Setbacks shall be measured from road Right-of-Way to the finished face of the building foundation. Roof overhangs may encroach into the setback.

LOT TYPE

MINIMUM SET BACK	Estate Lots 1 acre	Large Lots 1/2 acre	Standard Lots 1/3 acre	Cottage Lots 1/4 acre	Zero Lot Line
Front Yard*	50'	35'	30'	30'	30'
Side Yard**	20'	12'	7'	7'	7'
Side Yard on corner	30'	25'	20'	15'	15'
Rear Yard	35'	35'	35'	35'	35'
Golf	50'	50'	35'	35'	35'

* Stagger building setbacks from R.O.W. to eliminate monotonous streetscape.

** Side Yard setback to be minimum listed or 10% of lot width on each side, whichever is greater.



Section Two

For some building lots within the community it may be impossible or inadvisable to develop setback requirements according to the preceding table due to natural terrain, lot configuration, and/or proximity to adjacent structures. Therefore, the DRC may approve specific deviations to these setbacks which it believes to be beneficial to a specific homesite or to adjacent homesites.

Landscape Easements have been provided to buffer some adjacent roadways. No buildings, fences, or permanent structures shall occur within these easements.

Housing units shall be sited and oriented to best take advantage of views and open space. Care must be taken to locate each structure, whenever possible, so as not to infringe upon view corridors, adjacent structures, and natural amenities of the area.

Staggering building setbacks from road R.O.W.'s should be utilized to eliminate a regimented and monotonous streetscape. Staggering the facades of individual units can be done to achieve a similar effect.

Minimum House Size

Housing units shall have the following minimum square footage requirements. Building coverage shall be no more than 40% of the lot area. The square footages shown below are exclusive of porches, garage, decks or basements.

MINIMUM SQUARE FOOTAGE	LOT TYPE				
	Estate Lots 1 acre	Large Lots 1/2 acre	Standard Lots 1/3 acre	Cottage Lots 1/5 & 1/4 acre	Zero Lot Line
Minimum House Size (S.F.)	2,400	2,100	1,750	1,350	1,200

Combining Lots

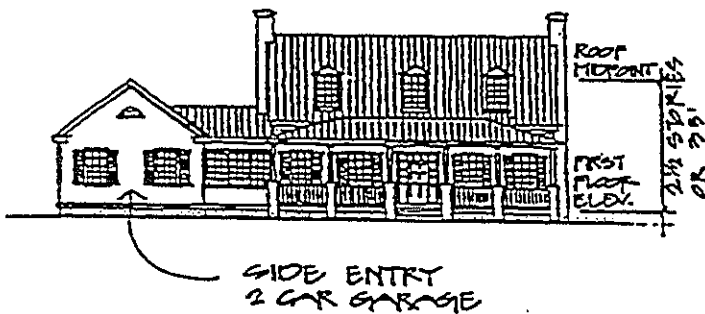
Only one (1) dwelling will be approved for construction on each platted lot. If contiguous platted lots are owned by the same Owner, the DRC may consider approving plans for construction of a single dwelling which straddles the boundary between such lots; however, no additional dwelling will be approved for construction on any platted lot on which all or a portion of an existing dwelling has been constructed or approved for construction. Plans must show that at least a portion of the dwelling be constructed on each lot and plans shall include the proposed landscaping for all lots upon which any portion of the dwelling is to be constructed.

Two (2) property owners may acquire and split an abutting lot between them with a minimum of 40% acquired by one of the property owners. The lot must be landscaped with the minimum planting requirements prorated based on the size of the originally platted lot. Consideration will be given to the preservation of natural areas where it is appropriate with abutting properties.

Building Standards

House Styles

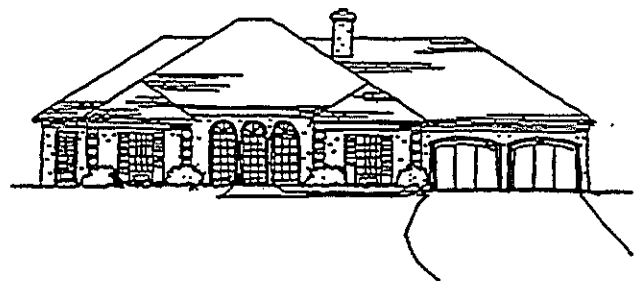
Housing types or styles should not be repetitive from lot to lot along a neighborhood street. Rather, a variety of houses are encouraged. No building shall exceed a height of two and one half (2-1/2) stories or 35 feet to the middle of the roof pitch. Building coverage shall be no more than 40% of the lot area.



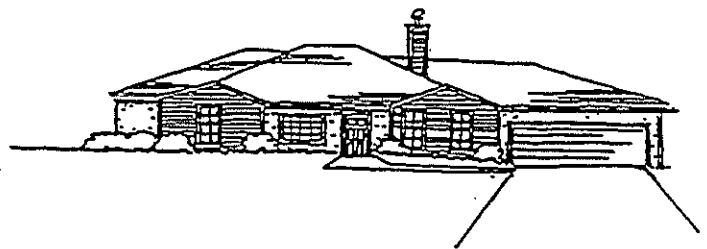
Massing

To create variety and diversity, it is desirable to vary the masses within each home so that uniformity of line and mass is avoided. However, a balanced exterior elevation is encouraged.

THIS



NOT THIS



Section Two

Building Materials

In keeping with the planning and design considerations given to the natural environment, and in keeping with the upscale image of Dakota Dunes, certain building materials are more appropriate than others. Materials not listed below or new building materials, as they are developed or become available, will be given special consideration provided their use harmonizes with the community appearance.

The goal is to use materials that match the natural tones of vegetation and the materials that have been used in construction for generations. Just as the preservation of natural contours and vegetational patterns creates environmental quality, the use of attractive native materials in warm, earth tones creates sympathy with the environment and quality in design.

In the use of these materials, it is important to avoid large, uninterrupted planes in both facades and roof areas. On the contrary, the use of too many different materials or textures can create confusion and distract from otherwise good design.

Building Elements

Windows/Doors/Front Entrances

Assorted window styles will be discouraged on an individual home. Shifts in muntin grid alignments will not be permitted. To give windows and window trim full effect on an elevation, they should be kept well below the soffit, or the trim should be below the soffit.

Bright finished or bright-plated metal exterior doors, windows, window screens, louvers, exterior trim, or structural members shall not be permitted.

All main entrances shall be enhanced by a protected, focused entry in proportion to the house.

Foundations

If more than 12" is exposed, the foundation shall be painted or treated with stucco/EIFS, brick/stone or other materials in an appropriate color approved by the DRC.

Roofs

Roof pitches and overhangs may vary as necessitated by architectural design; however, no flat roofs are allowed as a major structural element. A minimum of 6 in 12 slope is a standard, but steeper slopes are strongly recommended. Roof overhangs are also recommended to protect from the sun. No mansard roofs will be allowed. Metal soffit systems are allowed. Fascias must have a wood texture, not smooth.

All gutters (except copper) shall be painted to match approved roof colors or trim. Roof stacks and plumbing vents shall be placed on rear slopes where possible. Turbine vents are not acceptable.

Roof colors and textures shall be an integral part of the exterior color scheme of the building. All roof colors shall be dark, preferably black, grey or brown on the eastside of Dakota Dunes Boulevard. On the westside, cedar wood shingles or shakes, approved shake style 26 gauge galvanized steel or polyvinyl shakes are required. Ask for a list of approved manufacturers and colors.

Permitted: (East of Dakota Dunes Boulevard)

- Cedar wood shingles or shakes
- Concrete tiles with natural texture and color
- Natural clay tiles
- Standing seam metal of warm colored finish
- Asphalt, fiberglass, hardboard, or asphalt impregnated steel shingles in warm earth tones

Not Permitted:

- Shingles in bright colors
- Rolled asphalt
- Brightly colored metal

Section Two

Gutters

The use of gutters is recommended unless gutters are not in character with the architectural style of the home. Gutters shall be installed at entrances and must extend the full length of the plane of the house at which the entrance occurs. Downspouts shall be designed to be compatible with the building elevations and should not protrude more than 3 feet. If necessary downspout extensions may be used until the landscape is established for one year maximum.

Garages

Each house shall have, as a minimum, an attached, two car garage with either a single door or two overhead doors, which will be highly encouraged. All doors should be compatible with exterior design. They shall be kept closed when not in use.

Front loaded garages will only be allowed in those instances where there is physically not enough space to put in side loaded entries. Furthermore, for all side loaded entries, there must be adequate landscaping materials placed alongside the drive and the garage to shield neighboring properties from headlights, noise, etc. Garage doors that are at a 45° angle or more from the front projection will be considered side loaded.

Siding Materials

Siding materials bear the same consideration as roofing materials. Natural materials such as stone and wood inherently work well with their surroundings, as do man-made materials of natural color and material such as brick. No brick will be required on those homes that have alternative architectural character and features. Masonry veneers should continue around a corner a minimum of 2 feet to reduce a "store front" appearance.

In addition, large expanses of a single material, especially if unbroken by detail or depth, can become overpowering to the rest of the building form and surroundings. On the contrary, the use of too many

different materials or textures can create confusion and distract from an otherwise good design.

Permitted:

- Wood, cement-based, or hardboard lap siding or shingles and 5/16" thick solid color pvc
- Masonry, brick and stone
- Stucco or EFIS
- Architectural finished plywood

Not Permitted:

- Aluminum, vinyl or steel siding
- Plywood (except as panel infill)
- Composition siding
- Plastics
- Simulated brick

Decks and Porches

Detailing of all patios and decks must be architecturally compatible with the home. Patios and decks shall be designed to serve as an extension of the house.

Outdoor carpeting is not allowed on front porches. Brick detailed stoops, porches, and stairs are recommended and encouraged.

Porch screening colors shall complement and blend with the house. No mill-finish aluminum will be allowed as framing for a porch.

Section Two

Colors

Natural, earth tone colors such as beiges and grays are encouraged, as is white. Other colors should be dark in shade. Bright colors such as red, green, blue, and pink are not allowed.

Non-reflective finishes should be used on exterior surfaces with the exception of hardware items.

Fences and walls should be of material and design to match the design of the buildings in structure, materials, and color.

Building Address Identification

Building address numbers are required.

Housing in the Flood Plain

In areas where housing must be significantly elevated above existing grade to meet standards for flood insurance, one foot and greater above flood plain elevation, the following should apply:

1. The existing grade of the site and surrounding vegetation should be preserved as much as possible. Attempts should be made to keep fill away from masses of existing vegetation. Refer to sketches on page 16.
2. The proper first floor elevation should be achieved by elevating the house through the use of solid foundation walls and grading. Unfinished, exposed foundations are not acceptable, as well as slopes greater than 3:1. (Refer to page 13 for finishes.)
3. Use of areas below flood plain elevation shall be in conformance with Federal, State, and Local requirements.
4. Information pertaining to flood plain requirements shall be obtained from the Land Use Administrator of Union County, South Dakota.

Site Standards

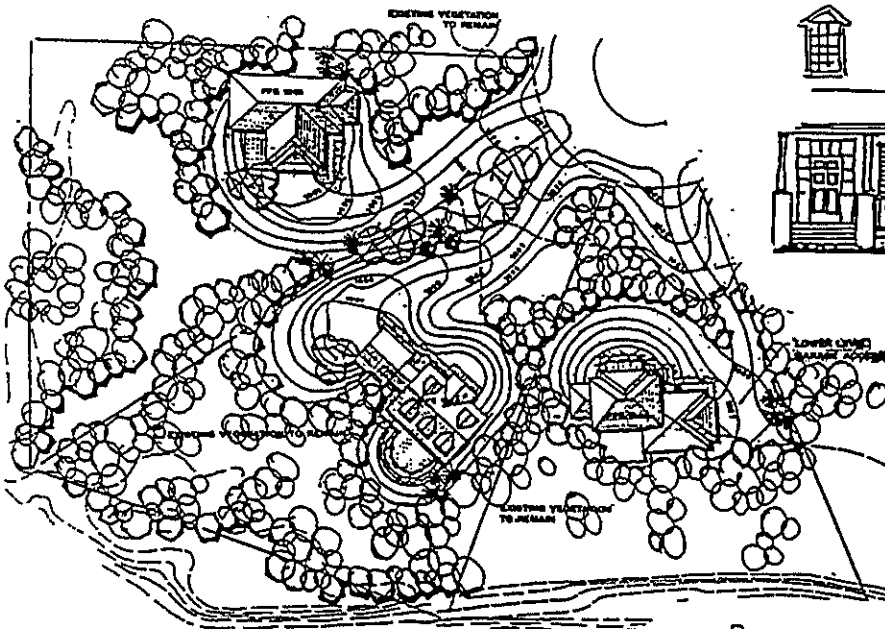
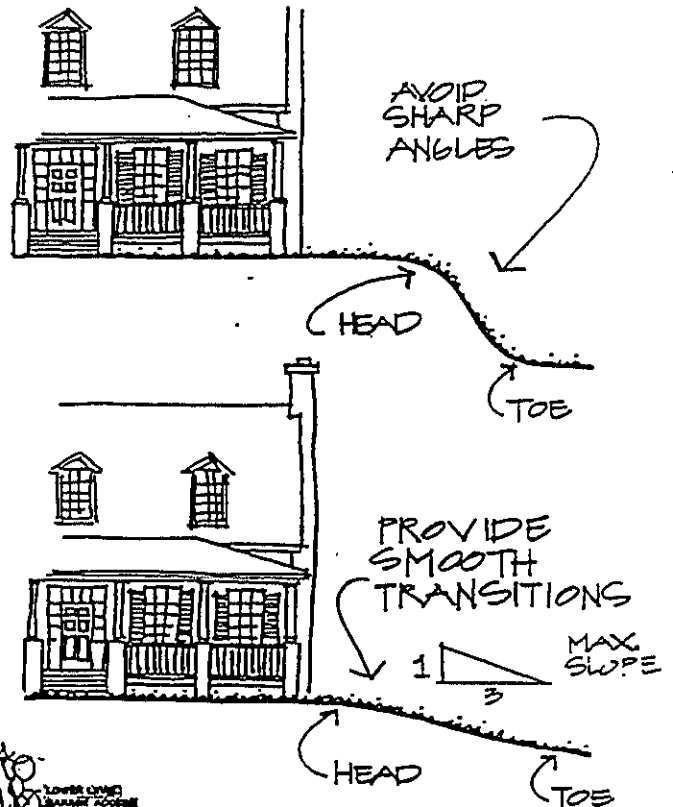
Planning and implementation by the Master Developer has been provided to minimize alteration to the land and impact to the ecosystems. Care shall be taken to preserve vegetation, topography, and the natural drainage systems. This philosophy must be continued at all levels of development.

The DRC shall consider each site independently but shall give extensive consideration to each individual site plans impact upon adjacent homesites and view corridors.

To preserve the development goals, site grading of a specific lot shall be kept to a minimum and alterations to existing drainage systems shall be avoided. Any grading necessary will maintain a natural appearance. Grading should produce graceful contours, not sharp angles. Provide smooth transitions at the head and toe of the slopes.

Retaining Walls

Retaining walls are acceptable where proposed grades must be in excess of 3:1. Where retaining walls are used, they shall be of a material compatible with the building architecture. No railroad ties are allowed but landscape ties are acceptable.



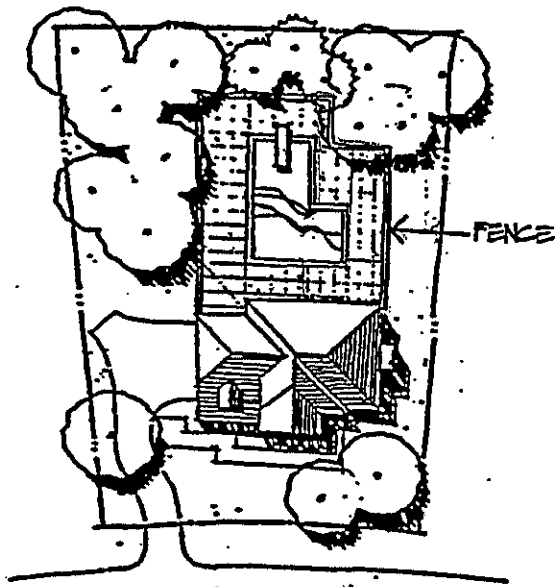
ESTATE LOT TYPE
FINISH FLOOR ELEVATION 7'-6" ABOVE EXISTING GRADE



Section Two

Fences and Walls

All proposed fences and walls must be approved by the DRC prior to installation. Fences and walls shall be an extension of the house. They shall not function as property line markers but define exterior spaces as well as to screen undesirable uses/views. Complete rear yard fencing is not permitted, as the feeling of open space and the unity of the surrounding areas is an important part of the design of Dakota Dunes.



Front yard fences and walls are not allowed unless they are an integral part of the house architecture.

For golf course frontage lots, fences shall be set back a minimum of 20' from the golf course property line, unless for enclosure of pool or patio and with the explicit approval of the DRC. The minimum setback may also be reduced to 10' subject to the amount of natural barrier between the property line and the golf course. The fencing material must be of a wrought iron style no more than 4'6" in height and explicitly approved by the DRC. Fencing material around pools must also be of a wrought iron style with a maximum height of 6', meet current building codes, and be explicitly approved by the DRC.

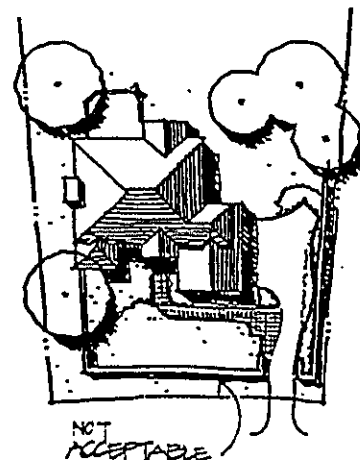
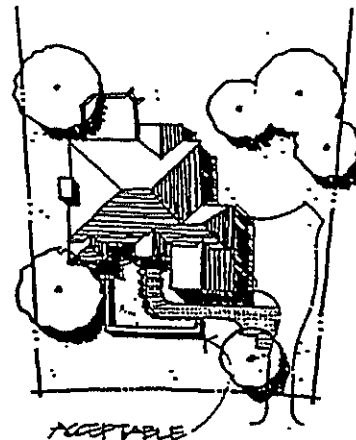
Fencing setbacks abutting common areas or CID property will be determined on a case by case basis.

Any wall and/or fence should be constructed of materials and colors common to the house or materials to compliment the house. (No railroad tie walls are allowed.)

All fencing shall have the framing on the lot side of the fence. Fences shall not be erected in utility, drainage, or landscape easements.

Fences are discouraged in side yards, except small enclosures for mechanical equipment or trash containers, and, when approved, shall not extend beyond the sight line of adjacent houses.

Sprinkler controls and other utilitarian devices are permitted to be fenced, provided they do not extend more than 4 feet into the setback and they are properly screened from view in a manner approved by the DRC.



Section Two

Antennas

Antennas or satellite dishes designed to receive, (1) direct broadcast satellite service which are one meter or less in diameter, (2) video programming services via multi-point distribution services which are one meter or less in diameter or diagonal measurement, or (3) television broadcast signals are allowed provided that any such Permitted Device is:

1. located in the attic, crawl space, garage, or other interior spaces of the dwelling or another approved structure on the Unit so as not to be visible from outside the dwelling or other structure; or
2. located in the rear yard of the dwelling (i.e., the area between the plane formed by the front facade of the dwelling and the rear lot line) and setback from all lot lines at least 4 feet; or
3. attached to or mounted on a deck or patio in the rear of the dwelling and extends no higher than the highest point of that portion of the roof of the dwelling directly in front of such antenna; or
4. attached to or mounted on the rear wall of the dwelling so as to extend no higher than the highest point of that portion of the wall or roof of the dwelling directly in front of such antenna.

Should an Owner reasonably determine that a Permitted Device cannot be located in compliance with the above guidelines without (i) precluding reception of an acceptable quality signal, or (ii) unreasonably increasing the cost of installation, maintenance, or use of the antenna, then the Owner may install the Permitted Device in the least conspicuous alternative location on the Unit where an acceptable quality signal can be obtained.

Any ground mounted installations must be screened on 3 sides with evergreen plant material.

Flags/Flagpoles-Require DRC Approval

Flags can be house-mounted, and be residential in size.

One flagpole may also be installed in the front or rear yard. The flagpole location and material must be approved by the DRC, have an internal or telescoping hoisting apparatus, and not exceed 20 feet in height. The flag may not be larger than 3 feet by 5 feet. Flags on flagpoles are limited to the United States flag. All other seasonal, decorative, and team flags must be house mounted.

Flagpoles must be installed within the setback established by the extension of the front or rear corners of the home and 10 feet from the rear property line. Lighting must be a ground mounted, shielded fixture and positioned courteously in respect to neighboring properties.

Lighting - Require DRC Approval

All proposed exterior lighting shall be detailed on the Final Plans. No exterior lighting shall be permitted, which, in the opinion of the DRC, would create a nuisance to the adjoining property owners. No glare or hot spots will be allowed to be seen from adjacent properties or the golf course. Flood lights shall be shielded fixtures. Exposed lamps are not acceptable.

Pole mounted yard lights shall be permitted in front yards, styles to be reviewed by the DRC. Front yard luminaires shall be an incandescent type light.

Any exterior house lighting, for security or aesthetic purposes, shall be kept close to the house. Lighting fixtures shall be carefully oriented to avoid directing unwanted light toward adjacent property and street.

No color light sources shall be allowed unless seasonal or temporary in nature.

Landscape lighting shall be a white, light source.

Recreational Items-Require DRC Approval

Basketball standards and backboards, if used, shall be located away from the street. Pole mounted are acceptable. They should not be visually obtrusive to the community. (i.e. bright colors, advertising, etc.).

Wood or powder coated steel play equipment and wood gazebos shall be allowed, however required to be located behind and adjacent to the home, not visible from the street. Screening abutting properties may be required. All play equipment shall be restricted to backyards and above ground swimming pools are not allowed.

Decorative Items - See Page 23

Section Two

Recreational Vehicles

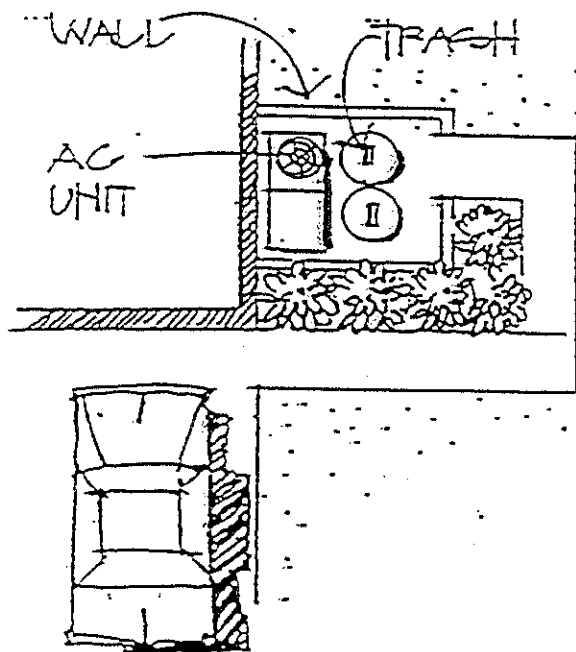
All permanent vehicles, including golf carts, are to be parked within a garage or designated areas. Recreational vehicles, such as boats, motorhomes, and campers, may only be stored on-site a maximum of 24 hours unless fully garaged. Otherwise, they shall be stored off-site.

Walkways

Front walks shall be a minimum of 5 feet wide, but preferably wider on larger homes. The use of special paving material such as brick, concrete pavers, or stone is recommended. Entry walkway surface materials should be the same or compatible with the driveway or structural materials.

Garbage Containers and Air Conditioners

Garbage containers shall be kept out of the front yard except on collection day. Storage of garbage containers while in use shall be in the garage or screened from view. All air conditioning units shall be screened architecturally or with landscaping.



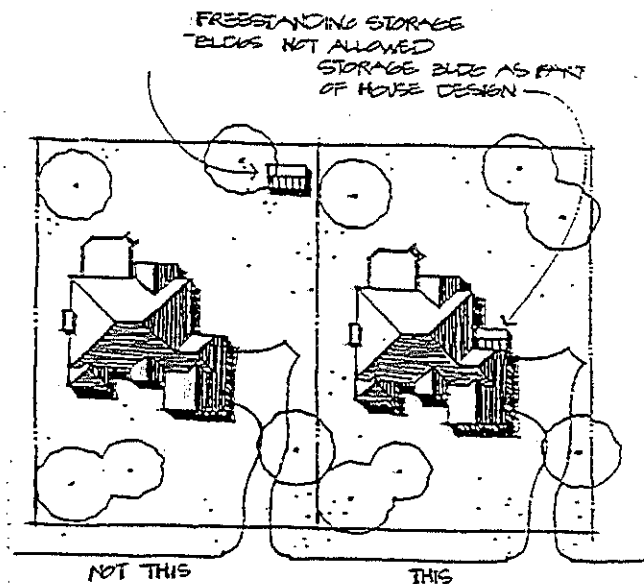
Site Utilities

Site utilities such as pool equipment and gas meters, should be located to minimize their visibility. All exterior utility equipment shall be screened from view of other units, the street, and golf course. Window mounted air conditioners are not permitted.

Sump pump outflow locations shall be coordinated with the storm sewer system and shall be in areas that are screened or not visible from the street. Pump hose lengths shall be kept to a minimum.

Accessory Buildings/Dog Kennels

Accessory buildings for storage require DRC approval and must be an integral part of the house design built of like materials (siding, paint, roofing) as the home. No metal, polyvinyl sheds or their equal shall be allowed. Dog kennels shall have concrete floors and must have a 6' (maximum) tall wood or polyvinyl fence on the outside for screening. Both of these types of structures must be located behind and adjacent to the home, not visible from the street.



Mailboxes

Standard Dakota Dunes mailboxes shall be used. Mailboxes are included with the lot purchase and the responsibility of the property owner thereafter.

Section Two

Clotheslines

Clotheslines must be retractable and in rear yards, fully screened from view from adjacent properties and the golf course.

Outside Storage

No movable articles, goods, materials, fixed machinery or equipment, vehicles, trash, animals, or similar items shall be stored or kept in the open or exposed to view from adjacent sites, parking areas, streets or sidewalks without the prior written approval of the DRC. All such items, if approval is granted, shall be screened from adjacent sites, streets, and sidewalks.

Driveways

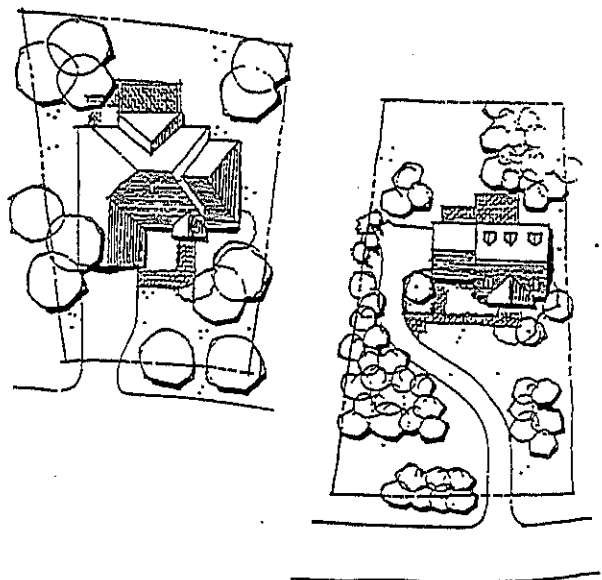
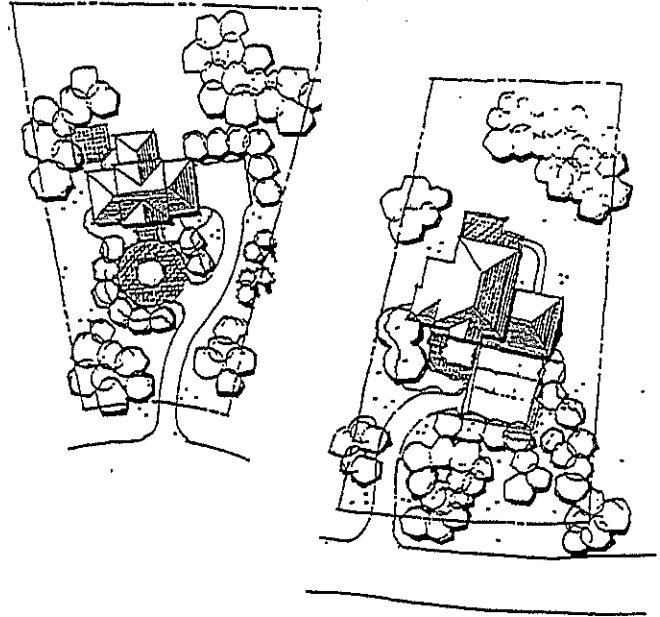
Driveways shall be concrete or special paving; i.e., brick, interlocking concrete paver, stamped concrete, etc. Every driveway shall provide positive drainage away from the house and garage. Driveway aprons must be paved and patterned in the same manner as the driveway. No curb-side parking areas may be created by extending any portion of the street pavement.

Driveway layouts with landscaped courtyards and/or curvilinear alignment are encouraged. As a minimum, driveway widths shall be tapered as they approach the road to lessen the impact of pavement in front of the house. Maximum driveway width at the curb shall be 12 feet for double car garages on 1/3 acre lots and larger and 20 feet for triple car garages on all lots.

Driveways must have an appropriate side yard setback to accommodate reasonable grading, landscaping, and irrigation.

Parking

Minimum parking requirements are two spaces within a garage and two spaces off of the street and on paved area within building setbacks. Parking on street must be limited to special occasions, but in no case will it be permitted over night.



ACCEPTABLE DRIVEWAY LAYOUTS

Section Two

Swimming Pools

Only in-ground pools are allowed. They shall be located in the rear yard and in between an extension of the rear corners of the home, including fencing. Pool, pool apron or pool fencing shall be a minimum of 10 feet from the rear property line unless approved otherwise by the DRC. Pool apron shall not be located on utility, drainage, or landscape easements.

Subject to the amount of natural buffer between the property line and the golf course, pools abutting golf course property must be screened from the golf course with landscaping. Landscaping can include trees, shrubs, berms or a combination thereof. Adequate screening is determined at the sole discretion of the DRC.

Fencing for pools must be of a wrought iron style with a maximum height of 6 feet. Fencing style must be approved by the DRC.

Pool equipment shall be completely screened from adjoining properties and located behind and not along the side of the home.

Inflatable domes over swim spas are allowed in rear yards from October 15th through April 15th with DRC approval. Dome colors must be white, clear or earth-toned. Maximum height is 8 feet and overall size no larger than 350 square feet.

Pools must conform to all applicable building codes and ordinances..

Section Three

Landscape Standards

Landscape Standards

Tree Preservation

One of the primary goals is to minimize the disturbance of existing ecological systems and to preserve existing vegetation. Existing trees are essential to the visual quality of Dakota Dunes and are also important in preventing soil erosion and the protection of wildlife and other natural systems.

Owners and builders may not remove trees or begin clearing operations prior to final approval of plans by the DRC. Trees may be cut after such approval only for clearing for driveways and building pads. All other tree clearing must be approved as part of the Landscape Plan.

NOTE: No clearing of trees may begin until there has been a physical inspection by a representative of the DRC of all marked trees that are to be removed.

The following measures will be undertaken to ensure preservation of existing vegetation.

1. A tree survey shall be completed (in conjunction with other required survey work). Although major trees should be located prior to schematic design, at the time of the schematic design conference a tree survey covering all areas that will be affected by construction will be necessary.
2. A tree survey shall be used as an aid in developing preliminary plans. Tree preservation should be a high priority in siting of buildings, parking, drives, and other site elements as well as development of grading concepts.
3. Final plans must clearly delineate trees to be preserved and limit disturbance lines. This should be cross-referenced with all aspects of the development such as utilities, grading, layout, etc.
4. The limit-of-disturbance lines must be protected with fencing, conspicuous and high enough to be seen by equipment operators. Fencing must be installed far enough from the tree to prevent compaction and puddling over the root system and large enough to include the area within the dripline. No grading shall take place within the

dripline of trees to be preserved. Sensitive root systems fall within this area and must be protected.

5. No equipment storage or parking will be allowed within these preservation areas. Weed and debris removal within these areas must be done with hand tools.
6. Fencing must be installed prior to any clearing and construction and must be maintained in good condition until construction is completed.
7. Penalties for infractions of the above guidelines may be cause of a \$750 fine to the owner or builder per infraction and/or suspension of builder or builder's subcontractor from the project.
8. To control the above, strict construction specifications will be required. Sample specification regarding the above can be provided by the DRC if requested. A penalty clause shall also be included in the specifications.

Landscape Guidelines

To ensure that the overall beauty of the community is preserved and enhanced, the DRC has the authority to approve or disapprove landscape plans for individual residences. The Owner/Builder must submit plans and specifications for construction of improvements. A landscape plan shall also be submitted for approval. A chart is provided in this section which specifies minimum plant material requirements according to lot type and should be referred to when developing planting plans. A recommended plant list is provided in Appendix A.

Section Three

Purpose of the Guidelines

The purpose of these landscape standards is to:

- A. Promote compatible and continuous landscape treatment throughout Dakota Dunes.
- B. Promote the quality image of the development.
- C. Ensure that the plant material proposed is compatible with environmental conditions for year-round landscape beauty.

Minimum Planting Requirements

A minimum plant quantity chart is provided to assist the owner/builder in developing landscape plans. This chart lists plant quantities according to type; i.e., shade tree, ornamental tree, evergreen tree, etc., as

they are required for each lot type; i.e., estate, large, standard, and cottage. These quantities are minimums; additional plants beyond these numbers are encouraged.

The quantities for trees were established for residential lots with no existing vegetation. Those lots with an abundance of existing trees would be given credit for those trees preserved and the minimum requirements would be relative to that lot and decided by the DRC.

This chart does not specify street tree requirements, seed, sod, or irrigation which are also required. All disturbed areas must be revegetated either with natural grasses, turf, ground cover, or shrub masses.

MINIMUM PLANT QUANTITY ACCORDING TO PLANT TYPE

LOT TYPE	SHADE TREE	EVERGREEN TREE	ORNAMENTAL TREE	DECIDUOUS SHRUB	EVERGREEN SHRUB
ESTATE (1 Acre)	4	7	7	100	75
LARGE (1/2 Acre)	3	5	5	75	50
STANDARD (1/3 Acre)	3	4	4	40	30
COTTAGE (Zero-Lot-Line)	2	3	3	30	20

Variations from the requirements of the chart will be permitted upon review and approval from the DRC. For example, based on specific plans presented, credit may be given on a lot by lot basis for preservation of existing vegetation. New plantings may be substituted as follows: 20 shrubs are equal to one tree and 5 perennials are equal to 1 shrub.

MINIMUM PLANT SIZES AT TIME OF INSTALLATION

Shade Tree:	2" - 2-1/2" Caliper
Evergreen Tree:	5' - 8' Height (Heights should vary.)
Ornamental Tree:	1" - 1-1/2" Caliper
Deciduous Shrubs:	24" size
Evergreen Shrubs:	24" size

Section Three

Irrigation

All planted areas shall receive irrigation coverage. The irrigation system shall provide complete coverage to the edge of the road and shall minimize spray on streets, walks, adjacent properties, etc. The irrigation system shall be functional at the time of landscape installation. Irrigation requirements may be waived in areas planted with native species subject to the review and approval of the DRC.

Screening

All mechanical equipment (transformers, gas meters, AC units, etc.) not screened architecturally shall be screened with evergreen plant material.

Side load garages and driveway parking areas facing adjacent lots shall be adequately screened with shrubs and trees near property lines to shield neighboring property owners from headlights, noise, etc.

Landscape screening is recommended at all locations in which living areas of a home are visible to and from other homes. This shall be based upon the discretion of individual property owners.

Front Yard

Landscape treatment shall be concentrated around the front and entrance of the house. Approximately 75% of all required plant materials shall be planted in the front and side yards within view from the street. These plantings shall include foundation plantings, screening at property line near garage, and plantings near driveway entrance.

All front yards shall be sodded to the rear corners of the home, unless a detailed landscape plan is presented for approval, wherein native grasses and plant materials will be installed in lieu of sod, along with a specific program of maintenance and eradication of noxious weeds. The DRC will have the exclusive right to determine what plant materials are or are not noxious weeds.

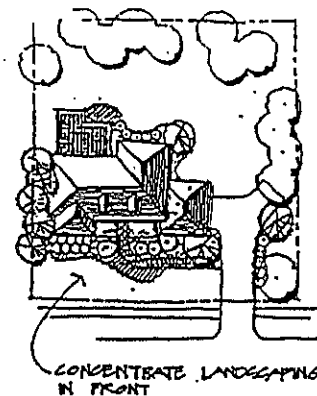
All shrub beds shall receive a minimum 2-inch layer of shredded wood mulch or river rock. Any other mulching material must be submitted to and approved by the DRC. No bare ground is acceptable.

Plant Massing

Simple plantings with a limited variety of plant material shall be used to create a pleasing, well integrated landscape.

Generally, trees should be planted in groupings of one (1) type and with a minimum of three (3) trees per group whenever possible.

Generally, shrubs and ground covers should be planted in masses of one (1) type per mass and in sufficient numbers to create beds or 'drifts' of plants. Minimum bed width shall be 4 feet and shall vary for interest. The purpose of planting beds, particularly in the front yard, is to extend planting out and away from the home. A single row of shrubs planted around the front of the foundation is not acceptable.



Decorative Items

The exterior of the home and landscaping are encouraged to be exclusively designed with natural vegetations (trees, shrubs and flowers). Decorative items are discouraged, however they are allowed in the front yard of the home on stoops or incorporated into landscaped areas, i.e. entry ways, entry features, courtyards, or shrub or mulch beds. They are

Section Three

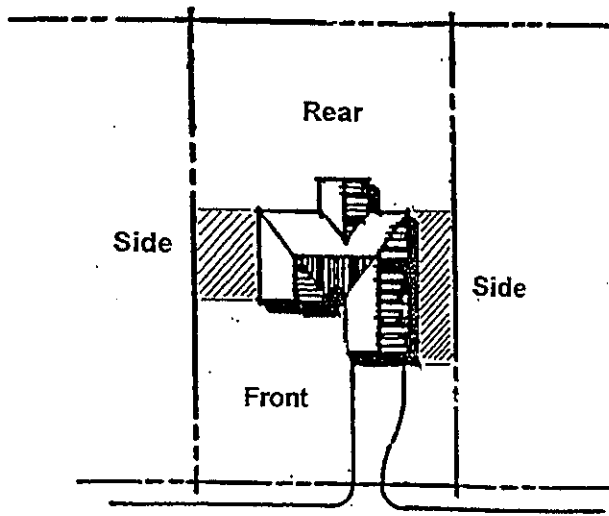
also allowed in rear yards located within 10' of the rear property line and no closer to side property lines than the side walls of the dwelling. Decorative items are not allowed in side yards. The material must be natural colors of concrete, stone, iron, copper, wood or brass. Items with bright colors or made of painted wood, ground mounted flags, gazing balls, gnomes, painted team items, bicycles, plows, and wagon wheels are examples that are not allowed in front yards. This is not intended to be an all inclusive list. All water features must be approved by the DRC. The maximum height and width of an item is 3 feet. Any items beyond these size limitations are subject to specific approval of the DRC.

The numbers of items allowed in the front yards are according to lot size as follows:

Cottage Lots - 3
Standard Lots - 4
Large Lots - 6
Estate Lots - 10

Potted plants on stoops are not subject to these quantity limitations.

Seasonal decorations or holiday lighting are allowed 30 days prior to the holiday and must be removed within 2 weeks thereafter on those that are ground mounted, and weather permitting for all others. Size limitations referred to earlier in the section do not apply to seasonal decorations.



Plant Material

- A. Shade Trees can be of either a large or medium size at maturity to dominate the landscape and provide pockets of shade on or near the house.
- B. Evergreen Trees provide year-round greenery for screening and protection against northerly winter winds. Also, their use as a specimen or accent tree is valuable. A balance of evergreen and deciduous trees (and shrubs) is essential for an attractive landscape year round.
- C. Ornamental Trees of a small to medium size at maturity shall provide interest to the understory landscape through features such as flowers, fall color, form, etc. Their use is effective as single specimens or in groupings of three or more for greater impact.
- D. Deciduous Shrubs provide seasonal change. There are many varieties which provide outstanding features such as fall color, flowers, interesting winter branching, and/or colorful berries.
- E. Evergreen Shrubs provide a permanent green background for foundation plantings, work well in hedge planting for screening of unsightly views and provide a contrast to the deciduous shrub.
- F. Ground covers, whether deciduous or evergreen, provide a low-growing "carpet" effect in the foreground of foundation plantings. Also, their benefit is essential on steep slopes to ease maintenance and control erosion.
- G. Perennials and flowering annuals provide color and seasonal variety to the landscape. Pockets of color near high impact areas such as front doors, courtyards, and patios call attention to these areas.

Section Three

- H. Lawn areas are the critical unifying element in the landscape. Sod is required in highly visible areas such as the front yard to the rear corners of the home, however, seed is acceptable, but only during proper planting seasons (i.e. spring and fall). Silt fencing is required to protect abutting properties.
- I. Natural areas provide a visual link between the golf course buffer areas and residential lots, as well as other common areas. The areas include preserved trees, understory plants and grasses. See page 25, Landscape Maintenance, for explanation about maintenance program and noxious weed eradication.

Street Trees

It is highly desirable to create a cohesive and unifying street landscape. Therefore, a coordinated Street Tree Layout Plan has been included in these guidelines on Page 4 and may be viewed in larger format by request or in conference with the DRC. Their planting shall be coordinated by the Master Developer.

Plant material along the streets shall consist of trees and turf only. Trees shall be a minimum of 2-1/2" - 3" in caliper, 14' - 16' in overall height and a minimum 6' spread. Spacing and location along the entire lot frontage shall be in accordance with the Street Tree Layout Plan.

It will be the responsibility of the owner to water and fertilize the street trees and let it grow to its natural shape and size. The Master Developer will warrant the life of the street tree for 1 year if properly cared for by the owner. After 1 year from the original planting, it will be the responsibility of the property owner to replace dead or damaged street trees.

Landscape Completion

Landscaping must be completed within 2 planting seasons from the time the home is finished and/or occupied. Two planting seasons is to be interpreted as the spring and fall within the same year, or the fall of one year and the spring of the following year.

The builder will be responsible for submitting the landscaping plan to the DRC. They must oversee the installation and warrant that the landscaping will be completed as approved and within the time period specified above.

Landscape Maintenance

Each owner shall keep all units and improvements thereon in good order and repair, free of debris including but not limited to the seeding, watering and mowing of all lawns, the pruning and cutting of all trees and shrubbery in such a manner and with such frequency as is consistent with good property management.

Areas of maintained and attended natural vegetation are acceptable but must blend in with abutting properties and must be incorporated into an overall landscaping plan and kept free of weeds. Failure to comply will result in the enforcement process through the Community Association.

Section Four

Construction Procedures

Construction Procedures

Construction must be conducted so as not to be injurious or offensive to adjacent premises by reason of the emission or creation of noise, vibration, smoke, dust or other particulate matter, toxic or noxious waste materials, odors, fire and explosive hazard, or glare.

All construction sites are to be maintained in a clean and orderly fashion throughout the construction process. Construction materials are to be neatly piled on site; debris and rubbish are to be contained and periodically removed; tall, unsightly weeds are to be routinely cut back, streets adjoining a construction site are to be frequently swept clean of dirt and construction trash. Any debris left by a Contractor on public streets shall be cleaned up by the Contractor. No open burning is allowed unless written permission is given by the Head of Security of Dakota Dunes. Adjacent properties may not be used for the dumping of construction debris, dirt, trash, or such items. There will be no washing of any truck or car on the streets of Dakota Dunes.

Infractions of published Construction Procedures may be cause for a \$500 fine to the owner or builder per infraction and/or suspension of builder or builder's subcontractor from the project.

Parking

All construction shall not interfere with the free passage of traffic through and around the site. Construction traffic must be sensitive to the traffic patterns, speed limits, and needs of the community.

Screening

Where particularly offensive construction activities occur adjacent to a developed property or otherwise sensitive land use, the DRC may require the Builder to erect a proper fence to screen that activity. The design of that fence must be approved by the DRC. Adjacent properties must also be protected from wind-born dust and debris.

Noise

Loud radios or noise will not be allowed within subdivisions. This is distracting and discomforting to property owners and golfers alike. Normal radio levels are acceptable. Do not mount speakers on vehicles or outside homes under construction. Remember that sound travels a long way on a windy day.

Temporary Structures/Signs

The installation and location of all temporary structures such as site trailers and leasing offices must be approved by the DRC. These structures must be promptly removed upon the completion of construction. Building permit boxes shall not be attached to existing trees. No contractor or subcontractor signs are allowed other than those permitted within the Dakota Dunes Signage Guidelines. Refer to the Sign Criteria requirements.

Erosion Control

The Contractor is responsible for an erosion and sediment control plan to be established and implemented to control runoff and contain silt within disturbed areas of the construction site.

Deliveries

No deliveries of equipment or material should be made before 7:30 AM or after 8:00 PM. Operators of vehicles are required to see that they do not spill any damaging materials while within Dakota Dunes. If spillage occurs, operators or their contractors are responsible for clean up. They are also required to contact governing agencies governing these occurrences. Cleanups done by Dakota Dunes will be billed to the responsible party. Please report any spills as soon as they occur.

Section Four

Trash

Dumpsters must be provided at the building site to collect trash and debris generated by construction and sub-contractors and their employees. They shall be emptied regularly to prevent overfilling.

Work Hours

Construction work shall not begin before 7:00 AM nor continue after 8:30 PM, Monday through Saturday. Special permission is necessary to move equipment or make deliveries on Sunday. All attempts should be made to coordinate construction schedules that may cause disruption to adjoining residents.

Protecting Vegetation

Trees and other vegetation that is to be saved according to the approved landscape plan must be flagged and, if necessary, protected by barriers such as chain link fences or other suitable barrier. The Contractor shall not store equipment or materials within the dripline of existing vegetation to remain.

Vacant Property

All vacant property shall be kept neat and cleared of debris and shall be well and continuously maintained in its natural condition until construction commences on the property. Trespassing and/or storing material on vacant lots is not permitted unless permission is given by the Master Developer.

Damage to Structures/ Utilities

Any damage to streets and curbs, drainage inlets, street lights, street markers, mailboxes, walls, or the golf course must be repaired to original condition by the responsible party. Repairs made by Dakota Dunes will be billed to the responsible party.

Any party who cuts any utility line such as water, sewer, electricity, cable TV, or telephone shall be responsible for reporting the accident to Dakota Dunes and the appropriate utility within 30 minutes.

All utility locations shall be identified prior to the beginning of construction. Contact "One Call" services for assistance in locating all utilities: South Dakota/1.800.781.7474.

Golf Course

At no time shall construction equipment or materials associated with construction in any development parcel enter the golf course area boundaries.

Portable Toilets

Portable toilets must be provided by the General Contractor at the site. The use of the golf course rest room is not permitted and is subject to fine.

Open Burning

No open burning is allowed unless written permission is given by the Head of Security of Dakota Dunes.

Appendix



Design Review Committee
Submittal and Approval Checklist
Country Club Community Residential
Single Family

Lot # _____
Addition _____
Owner _____
Builder _____
Architect _____

DRC Meeting
Site Plan Review Date _____
Architecture Review Date _____
Materials Review Date _____
Landscaping Review Date _____

Site Plan:

____ Topo, with Existing Vegetation _____
____ Building Location/Setbacks _____
____ Grading _____
____ Drainage _____
____ Driveway, Walks _____
____ Terrace Layout (if required) _____
____ Elevation _____
____ Utility Plan _____

____ **Site Plan Approved as Noted:**

____ Clearing and Grading May Begin _____
____ Note: Comments _____
____ _____

Architecture:

____ Bldg. Size/Sf: 1st _____ 2nd _____ Total _____
____ Building Height _____
____ Elevation Drawings _____
____ Floor Plan _____
____ Garage Orientation _____
____ Entry Way, Front Door Treatment _____

____ **Architecture Approved as Noted:**

Comments _____



Materials Submittals: (Note type of materials/colors)

____ Brick _____
____ Siding _____
____ Windows _____
____ Doors _____
____ Garage Door _____
____ Soffits, Fascia _____
____ Deck _____
____ Shingles _____
____ Foundation Treatment _____
____ Entry Walk _____
____ Driveways _____
____ Exterior Lighting _____

____ **Materials Approved as Noted:**

Comments _____

____ **Building Construction May Begin as Noted:**

Comments _____

Landscaping:

____ Planting and Grading Plan _____
____ Sprinkler Plan _____
____ Site Lighting _____
____ Deck Details _____
____ Fence Details _____
____ Cost Estimate _____

____ **Landscaping Approved as Noted:**

Comments _____



Information

Owner _____

Lot _____ Addition _____

Home Phone _____ - _____ Business Phone _____ - _____

Mailing Address _____

Builder _____

Contact _____

Business Phone _____ - _____

Address _____

Emergency 24 Hour Phone _____ - _____

Architect _____

Contact _____

Business Phone _____ - _____

Address _____

Residential Community Single Family Detached Landscape Plan Submittal Checklist

Date _____

Owner's Name _____

Lot Number _____

Addition _____

Reviewed By _____

I. General Requirements Plan

- A. _____ Existing vegetation to remain is indicated on plan and/or photographs of site submitted.
- B. _____ Proposed grading is on plan (indicate drainage areas).
- C. _____ Air-conditioning units and other utilities (i.e. transformers, etc.)
- D. _____ Significant views to golf course, lakes, etc.
- E. _____ North/south arrow and scale
- F. _____ Proposed street trees.
- G. _____ Sod versus seeded lawn areas.
- H. _____ Irrigated areas.
- I. _____ Planting details.
- J. _____ Plant list with quantities and sizes.
- K. _____ Show mulched areas and materials.



II. Plant Requirements

Type of Lot (circle one):

Estate (1 Acre)

Large (1/2 Acre)

Standard (1/3 Acre)

Cottage (Zero-Lot-Line)

A. Deciduous Shade Trees

1. Approximate number of existing trees 2-1/2" caliper and greater: _____
2. Proposed number of trees 2"-2-1/2" or greater: _____
3. Minimum number required: _____

B. Evergreen Trees

1. Proposed number of trees 5' - 8' in height: _____
2. Minimum number required: _____

C. Ornamental Trees

1. Proposed number of trees 1-1/2" - 2" caliper: _____
2. Minimum number required: _____

D. Deciduous Shrubs

1. Proposed number of shrubs 24" size or greater: _____
2. Minimum number required: _____

E. Evergreen Shrubs

1. Proposed number of shrubs 24" size or greater: _____
2. Minimum number required: _____

F. Mulch Material: _____

Provide sample if other than shredded wood.

G. Other significant plant materials proposed on plan: _____ _____ _____

Recommended Plant Material List

SHADE OR STREET TREES

- | | | |
|----|-------------------------------------|-------------------|
| 1. | <i>Acer platanoides</i> "Var." | Norway Maple |
| 2. | <i>Gleditsia triacanthos</i> "Var." | Honey Locust |
| 3. | <i>Platanus acerifolia</i> | London Plane Tree |
| 4. | <i>Quercus palustris</i> | North Pin Oak |
| 5. | <i>Quercus borealis</i> | North Red Oak |
| 6. | <i>Quercus macrocarpa</i> | Bur Oak |
| 7. | <i>Quercus alba</i> | White Oak |
| 8. | <i>Tilia cordata</i> "Var." | Littleleaf Linden |
| 9. | <i>Tilia americana</i> | American Linden |

ORNAMENTAL TREES

- | | | |
|----|--------------------------------|-----------------------|
| 1. | <i>Acer ginnala</i> | Amur Maple |
| 2. | <i>Amelanchier laevis</i> | Shadblow Serviceberry |
| 3. | <i>Betula nigra</i> "Var." | River Birch |
| 4. | <i>Crataegus</i> spp. | Hawthorn |
| 5. | <i>Malus</i> spp. | Crabapple |
| 6. | <i>Prunus</i> spp. | Cherry |
| 7. | <i>Pyrus calleryana</i> "Var." | Callery Pear |
| 8. | <i>Syringa reticulata</i> | Japanese Lilac Tree |

DECIDUOUS SHRUBS

- | | | |
|-----|--|---------------------------------|
| 1. | <i>Berberis thunbergii</i> "Var." | Japanese Barberry |
| 2. | <i>Cotoneaster</i> spp. | Cotoneaster |
| 3. | <i>Euonymus alatus</i> "Compacta" | Compact Winged Euonymus |
| 4. | <i>Forsythia x intermedia</i> | Forsythia |
| 5. | <i>Ligustrum</i> spp. | Privet |
| 6. | <i>Lonicera tatarica</i> | Tatarian Honeysuckle |
| 7. | <i>Potentilla fruticosa</i> | Bush Cinquefoil |
| 8. | <i>Prunus besseyi</i> | Sand Cherry |
| 9. | <i>Ribes alpinum</i> | Alpine Currant |
| 10. | <i>Rosa</i> spp. | Rose |
| 11. | <i>Rhus</i> sp. | Sumac |
| 12. | <i>Spiraea bumalda</i> "Anthony Waterer" | Anthony Waterer Spirea |
| 13. | <i>Spiraea japonica</i> "Var." | Japanese Spirea |
| 14. | <i>Syringa</i> spp. | Lilac |
| 15. | <i>Viburnum opulus</i> "Compactum" | Compact Euro. Cranberry Bush |
| 16. | <i>Viburnum trilobum</i> "Compactum" | Compact American Cranberry Bush |
| 17. | <i>Weigela florida</i> "Var." | Weigela |
| 18. | <i>Azalea</i> spp. | Azalea |



EVERGREEN TREES

- | | | |
|----|-----------------------------|--------------------|
| 1. | <i>Abies concolor</i> | White Fir |
| 2. | <i>Juniperus virginiana</i> | Eastern Red Cedar |
| 3. | <i>Picea abies</i> | Norway Spruce |
| 4. | <i>Picea glauca</i> | White Spruce |
| 5. | <i>Picea glauca densata</i> | Black Hills Spruce |
| 6. | <i>Picea pungens</i> | Colorado Spruce |
| 7. | <i>Pinus strobus</i> | White Pine |
| 8. | <i>Pinus sylvestris</i> | Scotch Pine |
| 9. | <i>Tsuga canadensis</i> | Canadian Hemlock |

EVERGREEN SHRUBS

- | | | |
|----|---------------------------------|--------------------|
| 1. | <i>Juniperus</i> spp. | Juniper |
| 2. | <i>Picea abies</i> "nidiformis" | Birds Nest Spruce |
| 3. | <i>Picea glauca conica</i> | Alberta Spruce |
| 4. | <i>Pinus mugo mughus</i> | Dwarf Mugo Pine |
| 5. | <i>Taxus cuspidata</i> "Var." | Japanese Yew |
| 6. | <i>Taxus media</i> "Var." | Anglo-Japanese Yew |
| 7. | <i>Thuja occidentalis</i> | Arborvitae |