

**DECLARATION OF RESERVATIONS AND
RESTRICTIVE COVENANTS AND CONDITIONS
FOR RED ROCK SUBDIVISION**

THIS DECLARATION is made on the this 22 day of September, 2000, by Buntrock-Graziano-Ward Development Company, L.L.C., a South Dakota Limited Liability Company, hereinafter referred to as "Declarant" and/or Developer", for itself as successors and assigns.

WHEREAS:

WHEREAS, Declarant is the fee owner of certain property in the County of Pennington and State of South Dakota, which is more particularly described as:

Lots One through Eleven (1-11), Block One (1), and Lots One through Nineteen (1-19), Block Two (2), Lots One through Three (1-3), Block Three (3), and Lot One (1), Block 4, of the Estates at Red Rock, City of Rapid City, Pennington County, South Dakota.

WHEREAS, the Declarant intends to develop and offer for sale lots and tracts (including multi-family and townhouse lots and tracts) to be located within Red Rock Suidivision, to the City of Rapid City (hereinafter sometimes referred to as the "Development") and is desirous of subjecting all of the land located within this Development to certain covenants, easements, restrictions, conditions, and charges as hereinafter set forth (the "Covenants"); and

WHEREAS, the Declarant hopes to develop land within the Development as a golf course and that certain lots and tracts within the Development to be sold by the Developer will be adjacent to portions of the golf course; and

WHEREAS, owners purchasing lots and tracts lying in proximity to the golf course, will undertake and pursuant to these restrictive covenants and conditions, assume certain special risks which will be set forth with more particularity in these Covenants; and

WHEREAS, the Developer reserves for itself, its successors and assigns, easements for public utilities, drainage, storm and sewer, landscaping, and for constructing improvements thereon, which are identified and show on the plat(s) replat(s) of Red Rock Subdivision, to the City of Rapid City, Pennington County, South Dakota, filed or to be filed by the Declarant, to insure the harmonious and systematic development of the property;

NOW, THEREFORE, Declarant hereby declares that all of the properties described above 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 and be binding on all parties having any right, title or interest in the described properties or any part thereafter, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I DEFINITIONS

Section 1: "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract buyers, but excluding those having such interest merely as security for the performance of an obligation.

Section 2: "Properties" shall mean and refer to that certain real property herein before described, and such additions thereto as may hereafter be brought within the jurisdiction of the Declarant in Red Rock Subdivision.

Section 3: "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties.

Section 4: "Association" shall mean the Red Rock Homeowners Association.

Section 5: "Common Area" means all property maintained by the Association, both dedicated and undedicated.

Section 6: "Dedicated Common Area" means all real property owned or which may hereafter be acquired by the Association.

Section 7: "Undedicated Common Area" means all real property not owned by the Association, but maintained by the Association.

Section 8: "Member" shall mean every owner holding membership in the Association.

Section 9: "Declarant" means Buntrock-Graziano-Ward Development Company, L.L.C., and/or its successors or assigns.

Section 10: "Developer" means Buntrock-Graziano-Ward Development Company, L.L.C., and/or its successors or assigns.

Section 11: "Golf Course" means any golf course constructed on land owned by the Declarant, its successors or assigns. Nothing contained herein, however, shall be a warranty or a covenant that a golf course will be built.

Section 12: "Contiguous Lands" means any land that has any common border with any land currently owned by the Declarant.

ARTICLE II ADDITIONAL PLATTING OF RED ROCK SUBDIVISION

Section 1: **Additional Plats.** The Declarant shall have the right, without obtaining the consent of the Owners which consent the Owners waive, to bring within the scheme of Red Rock Subdivision, and this declaration, additional real property which will be

described in additional plats or replats to be recorded and to supplement and revise the declarations. Such supplemental plats or replats and additional, supplemental, or revised declarations may contain modifications and complimentary additions to reflect the different character, if any, of the additional property which will become a part of Red Rock Subdivision.

ARTICLE III RESIDENTIAL AREA COVENANTS

The following Covenants shall apply to the residential areas of Red Rock Subdivision:

Section 1: Use of Lot. Each residential lot shall be used for residential purposes only and not for any business, trade, commercial or industrial purpose whatsoever except that individuals may conduct non-nuisance, inoffensive businesses from their homes.

Section 2: Sales Facilities of Declarant. Notwithstanding any provision in Section 1, Declarant, its agent, employees and contractors shall be permitted to maintain during the period of construction and sale of the buildings in the Project upon such portion of the property as Declarant may choose, such facilities as in the sole opinion of the Declarant may be reasonable required, convenient, or incidental to the construction, sale or rental of Lots and Dwelling Units including, but without limitation, a business office, construction and storage area, signs, model Dwelling Units, sales offices and parking areas.

Section 3: Construction. The minimum size of any dwelling house constructed on the above property shall be 1,700 square feet for a one-level home and 2,200 square feet for a two-story home. These are for finished living areas only which excludes basements, garages, and open or screened porches. All construction shall be original, in that no previously constructed used dwelling, trailer house or mobile home shall be permitted on any such property.

Section 4: Roofing. In order to maintain the high quality of home sites, no dwelling house or structure shall be erected on the property without fire retardant concrete tile shingles or fire retardant shake shingles, dimensional composition shingles, or an approved equal that meets Architectural Standard 80 (thirty year shingle).

Section 5: Exterior Appearance. The exterior of every building shall be composed of one or a combination of the following: natural wood, hardboard, manufactured siding or other rustic material (approved by the Architectural Control Committee), stone or brick or stucco. All siding materials shall be of an earth tone hue all to be approved by the Architectural Control Committee. A minimum of 30 percent of the front elevation must be in stone, brick, or stucco.

Section 6: Approval by Architectural Committee. No building shall be erected, placed or altered on any lot until the construction, plans and specifications, and the plan showing the location of the structure have been approved by the Architectural Control Committee as to quality of workmanship and material, harmony of external design with

existing structures and as to location with respective topography and finished grade elevation. No fence or wall shall be erected, placed or altered on any lot or nearer to any street than the minimum building set back line unless similarly approved.

Section 7: Single Family Dwellings, Townhomes and Multi-Family Buildings. No buildings shall be allowed except for single family dwellings, townhomes and multi-family buildings, all of which shall be constructed in accordance with Section 3 of Article II.

Section 8: Architectural Control Committee. The Architectural Control Committee shall consist of three members appointed by Declarant until such time as 200 lots have been sold in the development and, at that time, the Red Rock Homeowners Association shall elect one member. At such time as 90 percent of the lots in the entire development have been sold, the Red Rock Homeowners Association shall have the right to elect two members. (The total number of lots proposed at the current time is 350, but that plan may be amended and this provision shall apply to the final plans of the entire development.) Declarant may at any time refuse to appoint a member to the Architectural Control Committee and, at that time, the Red Rock Homeowners Association shall appoint any member that the Declarant fails to appoint.

Section 9: Location of Building. Except as hereinafter provided; or with the specific consent of the Architectural Control Committee, no dwelling house or structure shall be erected on the property, the front line of which, meaning the front line of the structure or any projection thereof, is nearer the asphalt shoulder of the street on which the dwelling faces than twenty-five feet (25'); and no dwelling shall be erected on the same property the side lines of which is nearer the side line of the property than twenty feet (20'); and no dwelling shall be erected on the same property within thirty-five feet (35') of the rear property line. Except for a pool house for a swimming pool, no unattached or out buildings shall be erected, unless approved by the Architectural Control Committee.

Section 10: Completion of Construction. Any building commenced on any lot shall be prosecuted diligently to completion and shall be completed within nine (9) months from the commencement of the construction unless such completion is prohibited by inclement weather or disaster.

Section 11: Appearance and Improvements of Lot. All improvements on each lot must be maintained by lot owner to a state of good repair, neat and well kept. It is the responsibility of each lot owner that lot is mowed and raked as necessary, any improvements have been placed on said responsibility of each lot owner to see that any lawns, landscaping or gardens are maintained in a neat and orderly condition. Firewood or other combustible material must be stacked neatly against the rear of the house or garage, or in such other places as are not visible from neighboring residences or from the street.

Section 12: Landscaping. All natural surface areas disturbed by construction shall be returned promptly and as neatly as possible to their natural state. Landscaping shall be completed around each home with 360 days after completion of the home and shall at all times be maintained in good condition and repair. A minimum of three medium-sized

trees (as described in the Rapid City Planning Department Landscaping Manual) shall be planted. However, if the lot already has a minimum of three trees the requirement will be waived. The Architectural Control Committee may adopt additional rules and regulations with regard to preservation of natural resources, grasses, trees and wildlife within the subdivision as it may consider appropriate.

Section 13: On Street Parking. On street parking is restricted to emergencies, deliveries and guests. No automobile shall be parked or left on any portion of a lot other than inside a garage and shall not be visible unless it is in operating condition with current license plates. The outdoor repair of automobiles is prohibited upon any portion of the property as well as any other activities which may be or become an annoyance or nuisance to the neighborhood.

Section 14: Pets. No animals, livestock, or poultry of any kind shall be raised, fed or kept on any lot except dogs, cats or other household pets may be kept provided that they are not kept, bred or maintained for any commercial purpose. All pets must be confined upon the owner's property. No barking or vicious dogs are to be kept on the property. No dog kennels or other pet facilities may be built on the property without approval of the Architectural Control Committee.

Section 15: Signs. No sign of any kind shall be displayed to the public view on any lot except a sign advertising the property for sale or signs used by a builder or owner to advertise the property during the construction and sales period.

Section 16: Trees. No dead trees, either standing or cut, are to be allowed on any lot (unless neatly stacked as firewood).

Section 17: Fences. All fences must be approved in writing by the Architectural Control Committee. There shall be no chain link, barb wire, or fort type fences on any lot. There shall be no front yard fencing.

Section 18: Towers and Antennas. There shall be no satellite dishes (small 18" dishes of the Direct TV type are approved), towers or antennas located on any lot unless specifically approved by the Committee.

Section 19: Trash. None of the property shall be used or maintained as a dumping ground for old cars, rubbish or trash. All garbage or other waste shall be kept in sanitary containers and other equipment for the disposal of garbage and shall be kept in a clean, sanitary, and fire safe condition.

ARTICLE IV NEGATIVE AND AFFIRMATIVE COVENANTS

Section 1: Negative Covenants. The following activities and structures are negative covenants and shall not be permitted on any lot in the subdivision:

- a. Modular homes, mobile homes, tents, shacks, barns, temporary buildings, manufactured houses, structures of a temporary character, free-standing

sheds, storage buildings, treehouses, playhouses, and non-attached garages. Temporary sales offices to be used by the Declarant shall be permitted.

- b. Recreational vehicles (RV's) unless garaged.
- c. Animals, livestock, or poultry of any kind, raised, bred, or kept on any lot, except that dogs or cats may be kept provided that they are kept, bred or maintained for no reason other than as household pets for the owner of the lot and the total number of dogs and/or cats kept on any lot shall not exceed two (2), without the prior approval of the Red Rock Homeowners Association.
- d. Business enterprises, including self-employed businesses, where the public is invited. No profession or home industry shall be conducted in or on any lot without the specific approval of the Declarant.
- e. The operation of motorized road and recreational vehicles.
- f. Illegal, noxious, or offensive trade or activity, as defined by law, and anything done which may become an annoyance or a nuisance as defined by law.
- g. Window or wall heating units and window or wall air conditioning units.
- h. Wind turbines or solar panels.
- i. Mining activities and private water wells or septic or sanitary sewers or systems (except those owned by the Declarant).
- j. Spot lights, flood lights, or other lighting that interferes with the enjoyment of adjoining or neighboring lots.
- k. Above-grade swimming pools.
- l. Moving or relocating existing houses or garages.

Section 2: Affirmative Covenants. In addition to the prohibited activities described above, owners of lots within the development shall do and perform the following affirmative covenants:

- a. Properly dispose of refuse and rubbish. No lot shall be used or maintained as dumping ground for garbage, rubbish or refuse, or storage area for any trash, garbage or other waste. Any such trash, garbage or other waste shall be kept within sanitary containers and shall be stored either under ground or within attached garages or within a screen device for that purpose, as approved by either Declarant or the Homeowners Association. No abandoned, junked, or non-used vehicles or trailers shall

be kept or stored on any lot within the subdivision.

- b. **Property display signs.** No sign of any kind shall be displayed to the public view on any lot, except one sign of not more than six square feet advertising a residence for sale or rent or signs used by the Declarant or contractor to advertise the property during the construction and sales period. Exception: permanent identification signs, markers, or monuments may be constructed by the Declarant at the perimeter of the subdivision, and signs of a temporary nature may be placed by the developer to advertise the Development during the development and sale of the Property.
- c. **Properly construct pools.** In ground pools are permitted. In ground swimming pools may not be constructed in the thirty-five foot (35') rear yard set back or any lot adjacent to the golf course except that the Architectural Review Committee may consider a variance from this restriction providing that any variance does not affect the site lines of the neighboring lot and does not affect safety concerns. Each request for a deviation shall be considered individually and on its own merits. Plans and specifications for a swimming pool must be submitted to the architectural review committee for its review and approval in writing prior to commencement of construction. Swimming pools shall not be constructed in the side yards.

ARTICLE V GOLF CLUB FACILITIES

Section 1: General. The Golf Club Facilities are not Common Areas and are not subject to this Declaration, and no provision of this Declaration gives, or shall be deemed to give, any Owner or occupant of any Lot the right to use the Golf Club Facilities. Rights to use the Golf Club Facilities will be granted only to those persons, and on these terms and conditions, as may be determined from time-to-time by the Golf Club Owner. By way of example, but not limitation, the Golf Club Owner shall have the right to approve users and determine eligibility for use, to reserve use rights, to transfer any or all of the Golf Club Facilities or operation thereof to anyone and on any terms, to limit availability of use privileges, and to require the payment of a purchase price, a membership contribution, an initiation fee, a membership deposit, dues, and/or use charges. Each Owner and occupant of any Lot hereby acknowledges that no right to the use or enjoyment of the Golf Club Facilities arises from ownership or occupancy of a Lot but arises, if at all, only from a membership agreement or other similar agreement with the Golf Club Owner. The Golf Club Owner shall have the right, from time to time in its sole and absolute discretion and without notice, to amend or waive the terms and conditions of use of the Golf Club Facilities including, but not limited to, eligibility for and duration of use rights, categories of use, extent of use privileges, and number of users. The Golf Club Owner shall also have the right, in its sole and absolute discretion and without notice, to reserve use rights and to terminate use rights altogether, subject to the provisions of any outstanding membership documents.

Section 2: Reservation. Declarant hereby reserves unto itself and its successors and assigns, together with the right to grant and transfer the same to the Owner of the Golf Club, a non-exclusive easement over those portions of the Properties adjacent to the Golf Club's Facilities for the flight of golf balls, and for the maintenance and encroachment of golf course irrigation systems, water mains, water pumps and golf cart paths.

Section 3: Golf Course Liabilities. Declarant is considering developing a golf club facility for golfing and related uses. Nothing contained herein, however, shall be a warranty or a covenant that a golf course will be built. By accepting the deed to a Lot, each Owner, for himself and his invitees, personal representatives, assigns, and heirs (collectively, the Owner's Related Parties") hereby acknowledges, accepts and assumes the risk of any of the items set forth in subsections (a) through (h) below (collectively the "Golf Course Hazards"). Each Owner of a Lot (and the Owner's Related Parties) assumes the risk of any property damage, personal injury, creation or maintenance of a trespass or nuisance created by or arising in connection with the Golf Course Hazards (collectively the "Assumed Risks"); and (iii) releases, waives, discharges, covenants not to sue, indemnifies and agrees to hold harmless Declarant (and its partners and affiliates), the Association, the Board of the Association, the sponsor, developer, architect, designer, and contractor for the Golf Club Facilities, the members or authorized users and guests of the Golf Club Facilities, the owner of the Golf Club Facilities, and each of their respective officers, directors, shareholders, affiliates, successors and assigns (collectively, the "Released Parties"), and each of them, from any and all liability to the Owner or Owner's Related Parties for any losses, costs (including, without limitation, attorneys' fees), claims, demands, suits, judgments or other obligations arising out of or connected with any of the Assumed Risks. Notwithstanding the foregoing, however, in no event shall this Section 2 relieve any golfer from any claims or liability under California law for any Golf Course Hazard caused by such golfer. The Golf Course Hazards shall include the following:

- a. **Errant Golf Balls.** Owners of Lots, particularly Lots abutting the Golf Course, acknowledge the inherent risk of errant golf balls and assume and accept such risk. Owners acknowledge and accept the risk that golfers may attempt to retrieve errant golf balls from Lots and each Owner agrees to release and waive any claims Owners may have as a result of such retrieval.
- b. **View Impairment/Privacy.** Owners of Lots, including Owners of Lots abutting the Golf Club Facilities, have no guarantee that their view over and across the Golf Club Facilities will be forever preserved without impairment or that the view from the Golf Club Facilities will not be impaired. The developer or owner of the Golf Club Facilities has no obligation to prune or not prune trees or other landscaping and such owner has reserved the right, at its sole discretion, to add, change or reconfigure the golf course and other related facilities, including any trees, landscapes, tees, bunkers, fairways and greens.
- c. **Treated Wastewater.** The Owner of the Golf Club Facilities may use reclaimed and treated wastewater to irrigate the Golf Course and related landscaping and the Owners of Lots acknowledge, accept the use and assume the risk of such

reclaimed and treated wastewater.

d. Pesticides and Fertilizers. Pesticides, fertilizers and other chemicals will be utilized in connection with the operation of the Golf Course and related landscaping and the Owners of Lots acknowledge, accept the use and assume the risk of such pesticides, fertilizers and chemicals.

e. Over-spray. Owners of Lots, particularly Owners of Lots abutting the Golf Course, may experience "over-spray" from the Golf Course irrigation system, and such Owners acknowledge, accept and assume the risk of such "over-spray".

f. Noise and Light: Tournaments. Owners of Lots, particularly Owners of Lots in proximity to the clubhouse of the Golf Club Facilities may be exposed to lights, noise or activities resulting from use of the golf course for tournaments, from use of the clubhouse for dining and entertainment and use of the parking lot, and such Owners acknowledge, accept and assume the risk of such light, noise or activities. Declarant shall also have the right to sponsor and conduct golf tournaments at the Golf Club Facilities and in connection therewith in erect temporary tents and other structures necessary or convenient to stage and operate such tournaments, and such Owners acknowledge, accept and assume the risk of any noise, inconvenience or other impact of any such golf tournaments.

g. No access. The Owner of each Lot abutting any portion of the Golf Club Facilities, by accepting a deed to his Lot or Condominium, acknowledges that the Owner of the Golf Club Facilities does not permit access to any portion of the Golf Club Facilities directly from any other Lot. Such access is permitted only through the clubhouse and such other entry points as the Owner of the Golf Club Facilities may from time to time specifically designate. Accordingly, each Owner of a Lot abutting any portion of the Golf Club Facilities agrees not to access the Golf Club Facilities directly from his Lot and shall not permit any of his family, guests, invitees or any other person to do so. The Association shall have the right to enforce this access restriction directly against any Owner who violates it by any and all means authorized in this Declaration.

h. Maintenance. The Golf Club Facilities, including without limitation, the Golf Course require daily maintenance, including mowing, irrigation and grooming, during early morning and evening hours, including without limitation the use of tractors, blowers; pumps, compressors and utility vehicles. Owners of Lots, particularly Owners of Lots in proximity to the Golf Course, will be exposed to the noise and other effects of such maintenance, and such Owners acknowledge, accept and assume the risk of such noise and other effects.

SECTION VI RED ROCK HOMEOWNERS ASSOCIATION

Section 1: Homeowners Association. There is hereby created an association to be known as Red Rock Homeowners Association.

Section 2: Membership. Membership in the Association shall be appurtenant to and

may not be separated from ownership of a lot or townhouse.

Section 3: Class. The Association shall have two (2) classes of membership:

Class A: Class A members shall be all owners except Declarant. Each Class A member shall be entitled to one vote for each lot/condominium unit owned. If more than one person holds a fee to any lot/condominium unit, all such persons shall be members but they shall cast but a single vote for each lot or condominium unit, all such persons shall be members but they shall cast but a single vote for each lot or condominium unit owned.

Class B: Class B members shall be the Declarant and its assigns. Each Class B member shall be entitled to ten (10) votes for each lot/condominium unit either owned or planned. Currently, the entire development is planned to have 350 individual lots. The Class B membership shall cease and be converted to Class A membership when the total votes outstanding in the Class A Membership exceeds the total votes outstanding in the Class B Memberships.

Section 4: Duties. The Association shall operate and supervise the common areas for the benefit of the members. Members, their families and guests shall be subject to reasonable rules and regulations for the use of the common area promulgated by the Association.

Section 5: Members Rights. Every owner shall, upon the purchase of his lot/condominium unit, automatically become a member of the Association. Membership shall continue until the member no longer holds property in Red Rock Subdivision, or until the member assigns his membership to a new contract purchaser or mortgagee.

Section 6: Penalties. The Association may provide penalties for violation of its duly adopted rules and regulations and for failure to pay assessments due and payable to the Association, including loss of privileges in the common areas and loss of voting rights in the Association.

Section 7: Improvements. The Association shall have the right to permit construction of such buildings as may be necessary for proper protection and maintenance or equipment and utilities, subject to the control, direction and supervision of the Architectural Control Committee with respect to its authority as herein set out.

Section 8: Dedication. The Association shall have the right to dedicate such property as it sees fit to any public agency subject to conditions agreed upon by the members by two-thirds votes of each class of members, who are voting in person or by proxy, at a meeting duly called for this purpose.

Section 9: Rules. The Association will have the right to permit use of common areas to guests or members or others upon terms established by the Board.

Section 10: Borrowing Money. Upon a two-thirds vote of the members, the Association may borrow money to improve the Common Areas and mortgage the

Common Areas, or portions thereof, as security. The rights of Owners and the Association in the Common Areas shall be subordinated to the line of any such mortgage.

Section 11: Agricultural Control. No building, fence, wall or other structure shall be commenced, erected or maintained upon the property nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, color, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by any architectural committee composed of three or more representatives appointed by the Board. In the event said Board or its designated committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this provision shall be deemed to have been fully complied with.

Section 12: Assessments. The Association shall have the right to levy annual assessments upon its members pursuant to the Covenants for assessment hereinafter set forth.

Section 13: Exterior Maintenance. In the event on owner of any Lot subject to these declaration shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Board of Directors, the Association, after approval by two-thirds vote of the Board of Directors, shall have the rights, through its agents and employees, to enter upon said parcel and to repair and maintain the Lot and the exterior of the buildings and any other improvement erected thereon. The cost of such exterior maintenance shall be added to, and become a part of, the assessment to which such Lot is subject.

ARTICLE VII COVENANT FOR ASSESSMENTS

Section 1: Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each lot/condominium unit owned within the property hereby covenants, and each owner of any lot/condominium unit by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be equal in an amount for each lot/condominium unit and to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge and lien upon the land against which each such assessment is made in the same manner and to the same extent as a mortgage lien filed against the property. Each such assessment, together with interest, costs and reasonable attorneys' fees shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. The personal obligation of the delinquent assessments shall not pass to a member's successors in title unless expressly assumed by them.

Section 2: Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Property and for the improvement and maintenance of the Common Areas.

Section 3: Assessments. The Board of Directors of the Association shall fix monthly assessments. The beginning monthly assessment shall be Ten Dollars (\$10) per Lot, and shall commence to be paid by each lot owner on the first day of the first month following occupancy of the residence built on said lot or, if a house is not immediately constructed, the payment shall commence on the first day of the first month following the one year anniversary of the conveyance of the real property to the owner thereof as determined by the date of the deed not the date of the recording. The monthly assessment may not be increased more than 10 percent for any consecutive 12 month period without a two-thirds vote of the Homeowners Association. **DECLARANT SHALL NOT BE LIABLE FOR ANY ASSESSMENT.** So long as assessments are less than Fifteen Dollars (\$15) per month per lot, the Association may elect to bill for an entire year's assessment during the month of January in each calendar year, and the homeowner shall be responsible for paying the entire year's assessment prior to the last day of February in that year.

Section 4: Special Assessments for Capital Improvements. In addition to the monthly assessments, a special assessment for the purpose of defraying, in whole or in part, the costs of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessments shall have the assent of two-thirds of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose. **DECLARANT SHALL NOT BE RESPONSIBLE FOR ANY SPECIAL ASSESSMENT.**

Section 5: Developer/Declarant Exempt. The Developer/Declarant shall not be responsible for any assessment of any kind or character.

Section 6: Effect of Nonpayment of Assessments. Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at 12 percent simple interest per annum. The association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property in the same manner as foreclosure of a mortgage lien under the laws of South Dakota. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his Lot.

Section 7: Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the line of any first mortgage made to an institutional lender for not more than 95 percent of the appraised value of the Lot with improvement. Sale or transfer of any Lot shall not affect the assessed lien. However, the sale or transfer of any Lot/condominium Unit pursuant to mortgage foreclosure of any proceeding in lieu thereof, shall extinguish the line of such assessments as to payments which become due prior to such sales or transfer. No sale or transfer shall

relieve such Lot/condominium Unit for liability for any assessments thereafter becoming due or from the lien thereof.

Section 8: Exempt Property. All properties dedicated to, and accepted by, a local public authority and all properties owned by a charitable or non-profit organization exempt from taxation by the laws of the state of South Dakota shall be exempt from the assessments created herein, so long as the property is used for a public or charitable purpose rather than for residential use.

ARTICLE VIII GENERAL PROVISIONS

Section 1: Term. These Covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty-five (25) years from the date these Covenants are recorded, after which time said Covenants shall be automatically extended for excessive periods of ten (10) years unless an instrument signed by a majority of the then owners of the lots within the subdivision has been recorded with the Pennington County Register of Deeds Office agreeing to change said covenants in whole or in part.

Section 2: Enforcement. These covenants, conditions, and restrictions are for the mutual benefits of all owners within the subdivision. Consequently, the Declarant or any Owner may bring an action at law or in equity to enforce these covenants, conditions and restrictions, against any person or persons violating or attempting to violate any of the terms or conditions of this document, or any amendment hereto, whether to prohibit violation or to recover money damages.

Section 3: Notices. Any notice required to be sent to any owner under the provisions of this document shall be deemed to have been properly given when mailed postage prepaid to the last known mailing address of the owner or hand delivered to an individual residing on said lot providing said individual is over the age of fourteen(14) years.

Section 4: Severability. The invalidity in whole or in part of any covenant, restriction, section, subdivision, or any other provision of this declaration, shall not affect the validity of the remaining portions thereof.

IN WITNESS WHEREOF, the Developer has executed this declaration the day and year first written above.

BUNTROCK-GRAZIANO-WARD
DEVELOPMENT COMPANY, L.L.C.

By *Kevin Buntrock*
Kevin Buntrock

By *Joseph Graziano*
Joseph Graziano

By *Donald Ward*
Donald Ward

State of South Dakota)
)ss.
County of Pennington)

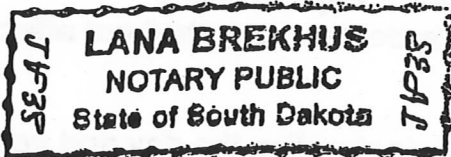
On this the 22 day of September, 2000, before me, the undersigned notary public, personally appeared Kevin Buntrock known to me or satisfactorily proven to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

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

Lana Brekhuis
Notary Public

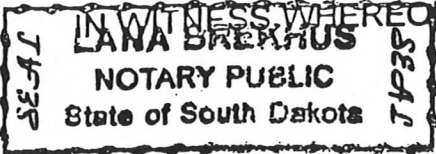
My Commission Expires:
4-20-2004

(SEAL)



State of South Dakota)
)ss.
County of Pennington)

On this the 22 day of September, 2000, before me, the undersigned notary public, personally appeared Joseph Graziano known to me or satisfactorily proven to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

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


Lana Brekhuis
Notary Public

My Commission Expires:
4-20-2004

(SEAL)

State of South Dakota)
)ss.
County of Pennington)

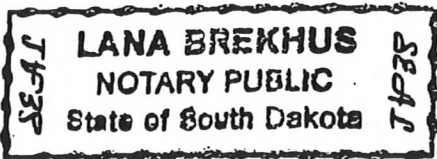
On this the 22 day of September, 2000, before me, the undersigned notary public, personally appeared Donald Ward known to me or satisfactorily proven to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

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

Lana Brekhuis
Notary Public

My Commission Expires:
4-20-2004

(SEAL)



Drafted By:
Richard E. Huffman
Johnson Eiesland Huffman
& Clayborne Law Firm, LLP
P.O. Box 6900
Rapid City, SD 57709-6900

**AMENDMENT TO
DECLARATION OF RESERVATIONS AND RESTRICTIVE COVENANTS
AND CONDITIONS FOR RED ROCK ESTATES
AND SECOND EXTENSION OF THE DECLARATION OF
RESERVATIONS AND RESTRICTIVE COVENANTS AND
CONDITIONS FOR RED ROCK ESTATES AS AMENDED**

This Amendment and Declaration of Extention is made May 7, 2002 by Red Rock Development Company, L.L.C., (formerly known as Buntrock-Graziano-Ward Development Company, L.L.C.), and is made in its capacity as the owner the following described real estate in Red Rock Estates Subdivision and as the Declarant.

WHEREAS, Declarant executed the original Declaration of Reservations and Restrictive Covenants and Conditions for Red Rock Estates Subdivision, on the 22nd day of September, 2000, which Declaration was recorded in the Pennington County Register of Deeds on the 5th day of October, 2000, at 10:29 a.m., in Book 86 at Page 1236; and

WHEREAS, Declarant is the owner of the following described real property:

Lots Seven through Nine (7-9), inclusive, in Block Seven (7); and Lot One (1) in Block (10); and Lots One through Thirty-Seven (1-37), inclusive, in Block Eleven (11); and Lots One through Thirteen (1-13), inclusive, in Block Twelve (12), of Red Rock Estates, City of Rapid City, Pennington County, South Dakota; and

WHEREAS, the Developer is desirous of making several minor changes to the original Declaration of Reservations and Restrictive Covenants and Conditions for Red Rock Estates Subdivision and, whereas, after said amendments have taken place, the Declarant is also desirous, pursuant to Article II, Section 1 of the Declaration of Reservations and Restrictive Covenants and Conditions for Red Rock Estates Subdivision as amended to include within the scheme of said Declaration of Reservations and Restrictive Covenants and Conditions for Red Rock Estates Subdivision and the Red Rock Estates Homeowners Association the above described real property located in the County of Pennington, State of South Dakota.

NOW, WHEREFORE, the Declarant makes the following amendments:

1. Article III, Section 6 shall be amended by changing the last sentence to read as follows: "No fence or wall shall be erected, placed or



AMENDMENT TO

DECLARATION OF RESERVATION AND RESTRICTIVE COVENANTS
AND CONDITIONS FOR RED ROCK ESTATES
AND SECOND EXTENSION OF THE DECLARATION
RESERVATIONS AND RESTRICTIVE COVENANTS AND
CONDITIONS FOR RED ROCK ESTATES AS AMENDED

The Amendment and Declaration of Extension was filed by [Name] on [Date] in the County of [County] and State of [State] and is hereby incorporated by reference into this Amendment and Declaration of Extension. The Declaration of Extension was filed on [Date] in the County of [County] and State of [State] and is hereby incorporated by reference into this Amendment and Declaration of Extension. The Declaration of Extension was filed on [Date] in the County of [County] and State of [State] and is hereby incorporated by reference into this Amendment and Declaration of Extension. The Declaration of Extension was filed on [Date] in the County of [County] and State of [State] and is hereby incorporated by reference into this Amendment and Declaration of Extension.

WHEREAS, the Declaration of Extension was filed on [Date] in the County of [County] and State of [State] and is hereby incorporated by reference into this Amendment and Declaration of Extension. The Declaration of Extension was filed on [Date] in the County of [County] and State of [State] and is hereby incorporated by reference into this Amendment and Declaration of Extension. The Declaration of Extension was filed on [Date] in the County of [County] and State of [State] and is hereby incorporated by reference into this Amendment and Declaration of Extension. The Declaration of Extension was filed on [Date] in the County of [County] and State of [State] and is hereby incorporated by reference into this Amendment and Declaration of Extension. The Declaration of Extension was filed on [Date] in the County of [County] and State of [State] and is hereby incorporated by reference into this Amendment and Declaration of Extension.

NOW, WHEREFORE, the Declarant makes the following statement:
Article II, Section 6 shall be amended by changing the last sentence to read as follows: "No lease or well shall be drilled, placed or

altered on any lot unless required for a swimming pool and approved by the Architectural Control Committee.”

2. Article III, Section 9 shall be amended by changing the last sentence to read as follows: “Except for a pool house for a swimming pool, which must be approved in advance by the Architectural Control Committee, no unattached or any other out-building may be erected.”
3. Article III, Section 13 shall be amended to read as follows: “**On Street Parking.** On street parking is restricted to emergencies, deliveries and guests. No automobile shall be parked or left on any portion of a lot other than inside a garage or on the driveway from the lot line to the garage and no automobile(s) shall not be visible unless they are in good operating condition with current license plates. The outdoor repair of automobiles is prohibited upon any portion of the property as well as any other activity which may be or become an annoyance or nuisance to the neighborhood. It is the intention of this specific residential area covenant to eliminate any outdoor vehicle storage which will contribute to the annoyance or create a nuisance in the development.
4. Article III, Section 17 shall be amended to read as follows: “**Fences.** Except for fences required to surround a swimming pool which must be approved by the Architectural Control Committee in advance, there shall be no fences of any kind or character in the development.
5. Article IV, Section 1 shall be amended to read as follows: “**Negative Covenants.** The following activities and structures are negative covenants and shall not be permitted in the subdivision:”
6. Article IV, Section 1, Subsection e. shall be amended to read as follows: “The operation of motorized road and recreational vehicles including, but not limited to, three wheelers, four wheelers, go-carts, or any other motorized vehicle.”

All of the other conditions of the Declaration of Reservations and Restrictive Covenants and Conditions for Red Rock Estates Subdivision, as amended, shall remain in full force and effect and the same are hereby incorporated herein by reference.

The Declarant does hereby declare that the above described real property is hereby governed by the Declaration of Reservations and Restrictive Covenants and Conditions for Red Rock Estates Subdivision, as amended and



the above described real estate is hereby included in the Red Rock Estates Homeowners Association on the same terms and conditions as contained in the original Declaration.

Dated this 7th day of May, 2002.

RED ROCK DEVELOPMENT COMPANY, L.L.C.

By Kevin Buntrock
Kevin Buntrock

By Patrick R. Vidal
Patrick R. Vidal P.O.A for Joseph Graziano

By Donald Ward
Donald Ward

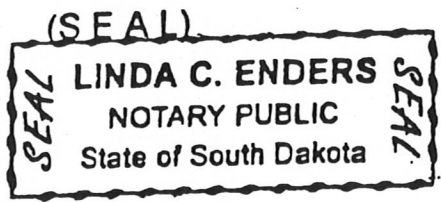
State of South Dakota)
County of Pennington) ss

On this the 7th day of May, 2002, before me, the undersigned notary public, personally appeared Kevin Buntrock, Patrick R., Vidal, Power of Attorney for Joseph Graziano and Donald Ward who acknowledged themselves to be members of Red Rock Development Company, L.L.C., and as such members subscribed to the within instrument and acknowledged that they executed the same for the purposes therein contained.

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

Linda C. Enders
Notary Public

My Commission Expires:
Aug. 25, 2006



PREPARED BY:
Richard E. Huffman
Johnson Eiesland Quinn Huffman & Clayborne
P.O. Box 6900
Rapid City, SD 57709-6900
(605) 348-7300

STATE OF SOUTH CAROLINA
COUNTY OF _____

The above described real estate is hereby included in the Red Rock Estate
Homestead Association on the same terms and conditions as contained in the
original Declaration.

Dated this 17th day of May, 2002.

RED ROCK DEVELOPMENT COMPANY, L.L.C.

By [Signature]
Kevin Bontrick

By [Signature]
Joseph G. Ward

By [Signature]
Donald Ward

State of South Carolina
County of _____

On the 17th day of May, 2002, before me, the undersigned notary
public, my special Kevin Bontrick, Kevin R. Ward, Joseph G. Ward,
for Joseph G. Ward and Donald Ward, a duly authorized member to be
members of Red Rock Development Company, L.L.C., and as such members
submitted to me their signatures and acknowledged that they executed the
same for the purposes hereon contained.

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

[Signature]
Notary Public

My Commission Expires
[Signature]

LYNDA C. SHERRIS
NOTARY PUBLIC
State of South Carolina

PREPARED BY:
Richard E. Hiltman
Johnson Edwards Galt Hiltman & Capshaw
P.O. Box 6286
Rapid City, SD 57706-6286
(605) 342-1200