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Register of Deeds

*Shane & Green
Deputy*

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**DECLARATION OF RESERVATIONS, RESTRICTIONS and
COVENANTS OF IRONWOOD ESTATES AT
LEAD COUNTRY CLUB**

**DECLARATION OF RESERVATIONS, RESTRICTIONS and COVENANTS
("Declarations")** of: Ironwood Estates at Lead Country Club Home Owners Association
(IELCCHOA), and/or Ironwood Estates at Lead Country Club Home Owners Association Board
of Directors

KNOW ALL MEN BY THESE PRESENTS:

H.E.S. 125, LLC, a South Dakota limited liability company, of 1435 US Hwy 85, Lead,
SD 57754 is the owner of:

Tract 1A-1,
A Subdivision of Tract 1A,
Being a Portion of H.E.S. 42 and H.E.S. 39,
All located in Sections 25 & 36, T4N, R2E and
Sections 30 & 31, T4N, R3E, B.H.M.,
Lawrence County, South Dakota (92.09 +- acres).

and desires to provide for the continued attractiveness and desirability of the lots in said
subdivision by a general plan of development thereof, does impose upon said lots, as platted, and
has proposed the following reservations and restrictions, and does hereby covenant with the
purchasers of any lots that the provisions hereof will apply to all lots of Ironwood Estates at Lead
Country Club (the Development), and will be so imposed with or without specific reference in
the deed.

Specifically, these Declarations constitute covenants to run with the land, as provided by law. They shall be binding on all parties and all persons claiming ownership or interest in "the Development" as long as these Declarations remain in effect.

These Declarations are made for the purpose of creating and keeping "the Development" desirable, attractive, beneficial, free from nuisance, and suitable in architectural design, materials and appearance, and for the purpose of guarding against fires and unnecessary interference with the natural beauty of "the Development," and for the mutual benefit and protection of all the owners of lots in "the Development."

1. Governance

Homeowners and Water Association:

Each person who purchases a lot or enters into a contract for deed to purchase a lot as described above shall join and thereafter continue to be a member of Ironwood Estates at Lead Country Club Home Owners Association (IELCCHOA) and shall be bound by all Bylaws, rules and regulations as may be promulgated and approved by said Association (IELCCHOA). Each lot owner shall also automatically become a member of Eagle Water Company, Inc., a South Dakota non-profit corporation which has been formed, with an adjoining development, to own, operate, repair and maintain the joint water system. A member of the Lead Country Club shall also serve as a director of the Association.

1.1 Administration: The Ironwood Estates at Lead Country Club Home Owners Association (IELCCHOA) Reservations, Restrictions and Covenants shall be administered by the Ironwood Estates at Lead Country Club Home Owners Association (IELCCHOA) Board of Directors ("the Board"). The Board is empowered and has the right to implement, provide, and perform and to enforce any or all of the following within "the Development":

(a) All of the provisions in this Declaration of Reservations, Restrictions and Covenants "the Declaration", the Articles of Incorporation, and the By-Laws of Ironwood Estates at Lead Country Club Home Owners Association (IELCCHOA), and any rules duly adopted by the Board.

(b) Regulations, maintenance and improvements of all roads within "the Development."

(c) Reasonable rules and regulations, which owners, their families, guests and visitors shall comply with.

(d) Penalties for violation of rules, regulations and failure to pay assessments.

(e) Constructions, improvements, and maintenance to any Association property deemed necessary.

(f) Contract with third parties for necessary services.

(g) Purchase or lease of any equipment necessary for construction, maintenance, or improvements.

(h) The amount, payment period, payment schedule and levy assessments pursuant to these Reservations, Restrictions and Covenants.

(i) Repair, care, maintenance and upgrades, as necessary, of the water system, road system and enforcement of the fire suppression plan;

(j) Adoption and enforcement of such rules as may be necessary to insure that the actions of individual property owners, and the Home Owners Association do not impair the continued operation of the adjoining Lead Country Club;

(k) Develop and enforce such rules for the orderly development within the Development to (i) allow for continued operation of the golf course, without substantial development interference; (ii) insure continuity and prompt completion of construction so as to minimize the aesthetic degradation of the Development and golf course; (iii) provide regulations for landscaping of any improvements to be diligently completed in a manner so as to be suitable to a golf course setting, not otherwise interfering with golf course operations; (iv) coordinate thinning of timber on the Development property to be completed at a time and in a manner suitable to the Development and the country club, and to submit any disagreements to arbitration; and, (v) establish a mechanism for the setting, collection and payment of capital contributions as may be reasonably approved by the Association for the purpose of capital improvements or course improvements for the Lead Country Club;

(l) Indemnify and hold the Lead Country Club harmless from claims of property owners and members of this Association from any risk or damages arising out of the ordinary and reasonable use of the Lead Country Club by its members, guests and invitees; and,

(m) To adopt such additional covenants, rules and restrictions regarding the Development, use and maintenance of developed lots in a manner consistent with a development adjoining a golf course operation, all as more fully set forth in the Assignment and Reconveyance Agreement between the Lead Country Club, Inc. and H.E.S. 125, LLC, dated as of December 21, 2006, and provisions thereof binding upon the parties and their successors, including owners within the Ironwood Estates Development.

1.2. Duration and Amendments: The Reservations, Restrictions and Covenants of this Declaration shall run with and binds the land, and shall inure to the benefit of and be enforceable by the Ironwood Estates at Lead Country Club Home Owners Association (IELCCHOA) its legal representatives, successors and assigns. However, this Declaration may be amended at any time, except where permanent easements or other permanent rights or interests are created, or rights or interests are created in third persons, by an instrument signed by owners of a 66% of the lots described within the Property (one vote per lot owned), and placed on record where this Declaration is recorded. No such amendment shall be effective unless written notice of the proposed amendment is sent to every owner thirty (30) days prior to action being taken on the proposed amendment. No change of circumstances or conditions shall amend any of the provisions of this Declaration, which may be amended only in the manner described. None of the provisions of this Declaration shall be construed as a condition subsequent or as creating a possibility of reverter.

1.3. Incorporation by Reference on Resale: No lot(s) shall be sold without transfer, by incorporation, of these Reservations, Restrictions and Covenants. If any owner sells or transfers a lot(s), any deed affecting the transfer shall contain a provision incorporating these Declarations. Failure to do so shall not be deemed to defeat, alter or terminate any of these Declarations.

1.4. Violation of Law: No owner shall permit anything to be done or kept on his or her lot which would be in violation of any local, state or federal law. Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain the violation or to recover damages.

1.5. Notices: Any notice required to be sent to any owner of a lot(s) or any mortgagee, shall be deemed to have been given when mailed by first class mail to the owner or mortgagee at the address appearing on the records of the Association at the time of the mailing. It shall be the duty of each owner to provide written notice of addresses or changes of address to the Association.

1.6. Enforcement:

a. If any person violates any of the provisions of this document it shall be lawful for the Association or any lot owner in "the Development" to initiate proceedings to enforce the provisions of this document, to restrain the person violating them and recover damages, actual and punitive.

b. These Reservations, Restrictions and Covenants ("Declarations") shall be enforced by the Association. Enforcement of these Declarations shall be by legal proceedings against any person violating any Declarations either to restrain or enjoin violation or to recover damages by assessments and penalties, and against the property or any lot to enforce any lien created by violations. The failure of the Association to enforce any Reservations, Restrictions and Covenants shall in no event be deemed a waiver or work as an estoppel of the right to do so.

c. If an assessment is not paid within thirty (30) days after the due date, the Association may bring action against the owner. The Association may also foreclose a lien against the lot in the amount provided by law. In either event, the Association shall recover from the owners or out of the proceeds of a foreclosure, accrued interest and costs of collection, including but not limited to reasonable attorney's fees. No owner may waive or otherwise escape liability for assessments provided for in the Declaration by non-use or abandonment of his or her lot.

d. In a voluntary conveyance of a lot, the grantee of the lot shall be jointly and severally liable with the grantor for all unpaid assessments against the lot.

e. In the event the Board elects to pursue legal or equitable action to enforce the Covenants, bylaws or duly adopted rules of the Association, or to take action to perfect a lien or to enforce any other responsibility of any owner or member or obligation of maintenance or performance by any owner or member, and should the Board be the prevailing party in any such action, then and in that event, the owner or member against whom such action or enforcement proceeding is maintained shall, in addition to the remedy or relief as granted therein, be responsible to reimburse and indemnify the Board for any and all reasonable and necessary attorney's fees, costs, expenses, expert fees, witness fees, investigation and research fees or anything of such nature or similar thereto as the Board shall expend which financial

responsibility of the owner or member to the Board shall be same as if and be collectible and enforceable the same as non payment of annual or special assessments.

1.7. Invalidity and Severability: All of these Declarations are deemed severable. In the event any one or more of these covenants, conditions and restrictions is declared invalid, all remaining Declarations shall remain in effect.

1.8. Binding Effect and Compliance: Each owner, the owner's heirs and assigns or any person acquiring any rights or privileges there from shall be fully bound by and shall comply with the provisions of these Declarations, by the By-Laws and Articles of Incorporation of Ironwood Estates at Lead Country Club Home Owners Association (IELCCHOA), decisions and resolutions of the Board of Directors or their authorized agent of Ironwood Estates at Lead Country Club Home Owners Association (IELCCHOA) and any amendments adopted to these Declarations or By-Laws or Articles of Incorporation. Failure to comply with these provisions, decisions or resolutions shall be grounds for action to recover sums due or for damages or action for injunctive relief.

1.9. Architectural Committee ("the **Committee**"): Recognizing that because of the difference in the topography location of lots as presently platted, and the lot sizes and shapes, will vary from lot to lot, and in order to effect the general plan of providing for continued attractiveness and desirability of the subdivision as a whole, it is necessary that an Architectural Committee shall have authority on behalf of all property owners in the subdivision to make certain determinations respecting (a) depth and width of said back lines, side and back yards, (b) acceptability of construction plans and specifications as to all workmanship and materials, harmony with existing structures, minimum area of floor space, not less than heretofore set forth in these restrictions, locations of building on lot, size and height, material and design of walls and fences, (c) acceptability of trees and hedges (including lot thinning), hedge plantings, as to location, size, height and variety and specie, (d) and signs as more fully provided herein. That the Architectural Committee shall be composed of three members, but a majority of the Committee may designate a representative to act for it. Neither the members of the Committee nor designated representative shall be entitled to any compensation for services performed pursuant to the covenant. Two members of the Committee shall be appointed by H.E.S. 125, LLC, and one member of the Committee shall be elected by the record titleholders of the lots affected by these restrictions. At any time the record title holders of ninety percent (90%) of the lots, with each lot considered to be on voting unit, shall have the power to change the membership of the Committee or to overrule any of its acts or decisions rendered under its authority as herein defined. The Committee's approval shall not be unreasonably withheld, and the approval or disapproval as required in these covenants shall be in writing, but in the event of the Committee or its designated representative shall fail to approve or disapprove within ninety (90) days after the plans and specifications have been submitted to it, or in any event if no suit to enjoin construction has been commenced prior to the completion thereof approval will not be required and the related covenants shall be deemed to have been fully complied with. Invalidation of any restrictions or reservations, or any specific act of the Architectural Committee hereinbefore

provided for shall in no way affect any of the other provisions which shall remain in full force and effect.

2. Assessments

It is the duty of the Board of Directors of the Ironwood Estates at Lead Country Club Home Owners Association ("the Board") to determine the amount of the general assessment for each lot subject to assessment. General assessments are due and payable on dates specified by the Board. The Board shall make reasonable efforts to determine the amount of the general assessment and to give written notice of the assessment for each lot to the owner with due dates of periodic installments to be paid. The Board shall maintain a roster of the lots and the general assessments due and shall make the roster available for the inspection of a member on request. Assessments may be collected on an annual or pro rated basis payable as stated or at the discretion of the Board. Each owner, whether or not it is expressed in any deed or document of conveyance, agrees to pay to Ironwood Estates at Lead Country Club Home Owners Association (IELCCHOA) general assessments or charges levied on a monthly, quarterly, or annual basis, and special assessments or charges to be fixed, established and collected from time to time. The general and special assessments, together with interest thereon, at the judgment rate from time to time from, and after the date the same becomes due and payable, together with costs of collection, shall be a charge on each lot subject to assessment and shall be continuing lien against which such assessment is made. Each assessment, together with interest thereon, late penalty charge and costs of collection, in addition to becoming a lien against each lot, shall also be a joint and several personal obligation of the person, group of persons, or entity who was the owner of such lot at the time when the assessment became due and payable, or who acquired ownership thereafter.

General or special assessments shall be used to promote welfare and safety, and to protect the investment of the owners and residents of "the Development." Assessments shall be used for, but not be limited to, the following:

- (a) Operating Expenses
- (b) Management and Administration
- (c) Taxes
- (d) Insurance Costs
- (e) Reserves
- (f) Improvements
- (g) Repairs and maintenance of roads, pond, spring & adjacent common areas
- (h) Perimeter fence maintenance – adjacent to National Forest
- (i) Maintenance

2.1. General Assessments:

a. The Board may set the general assessment on lots at a base rate not to exceed \$360.00 for the year beginning January 1, 2008.

b. The amount of the general assessment after January 1, 2008 may be increased by the Board by not more than an additional ten percent (10%) each year without a vote of the owners. The maximum general assessment may be increased by a resolution approved by two-thirds of the votes of the property owners present or represented by proxy at an annual meeting or at a special meeting called for that purpose.

c. The general assessment on all lots shall be effective on the first day of January of each year and is a lien on the property. Failure to make timely payments, as set by the Board of Directors, may result in the filing of a lien on the property with the Lawrence County Register of Deeds.

2.2. Special Assessments: Special assessments, in addition to the general assessments, may be imposed by the Board for capital improvements or capital replacements. Special assessments shall only be levied by a resolution approved by two-thirds of the votes of the property owners present or represented by proxy at an annual meeting or at a special meeting called for that purpose. Any special assessment shall be on a per lot basis only.

2.3. Connection Fee for Tapping Water Line: A fee of two thousand dollars will be charged for connecting into the main water line. This amount will be due and payable to the H.E.S. 125, LLC upon connection to the community water system, owned and operated by Eagle Water Company, Inc. After payment of the tap fee, all further costs associated with the water system will be provided by lot owners, through membership in Eagle Water Company, Inc.

2.4. Reserves: The Board may establish a reserve fund for replacements and for general operating expenses by the allocation and payment monthly or other term of an amount to be designated. Such fund or funds shall be deemed to be a common expense of the Association and shall be deposited in F.D.I.C. insured accounts as the Board deems appropriate. The reserve for replacements may be used only for improvements on the property or replacement of improvements or for operating contingencies of non-recurring nature. The proportionate interest of any lot owner in any reserve shall be considered an appurtenance of the lot and shall not be separately withdrawn, assigned or transferred or otherwise separated from the lot which it appertains and shall be deemed to be transferred with the lot.

2.5. Notice of Payment Status: The Board shall, upon request at any reasonable time, furnish to any lot owner liable for assessment a certificate signed by an officer or other authorized agent of the Board stating whether such assessment is paid or unpaid. This certificate shall be conclusive evidence that payment has been received. A charge may be levied for each certificate issued.

2.6. Breach of Payment: Any general or special assessment not paid on the date due shall be deemed delinquent and shall accrue with interest daily at the rate of judgment and cost of collection plus a \$25 per month rebilling and administrative charge, becoming a continuing lien on the lot. The assessment shall be binding upon the lot owner, his heirs, devisees, personal

representatives and assigns. The obligation of an owner to pay an assessment shall also remain his or her personal, joint and several obligation. (See Enforcement.)

3. Lots, Usage & Easements

3.1. **Residential Use:** Each Lot shall be used only for single family residential purposes. However, owners may use a portion of their home for limited business purposes. Businesses requiring regularly scheduled appointments shall not be allowed. No extraordinary traffic is allowed

3.2. **Usage & Subdivision.** Only one residence may be constructed on any lot, and no lot shall be subdivided without the express written consent of the 75% of the Board and approval of Lawrence County. No lot as platted shall be subdivided in such a manner as to permit construction of more than one residence structure on any lot as originally platted, except with the written consent of the 75% of the Board and approval of Lawrence County. This shall not prohibit the subdivision of a lot for the purpose of granting any easement, right of way or dividing lots for the purpose of attaching portions thereof to abutting lots, so long as the Architectural Committee shall determine that such division shall not defeat the plans with the requirements of depth and width of back lines and side and back yards.

3.3. **Easements:** Easements will be placed where necessary for installation and maintenance of utilities, public or private, including but not limited to water, sewer, electrical, and telephone services. Future easements are reserved with a ten (10) foot strip adjacent to all roads and/or lot lines, whichever is most applicable unless variances to these restrictions are agreed to between the Homeowners Association and the land owners involved.

3.4. **Utilities:** Water, electrical and telephone services are clustered in utility easements located near a property corner. The extension of services from these locations to a residence is the responsibility of the owner. No utility extensions shall be undertaken without notification and written approval by the Board.

3.5. **Approval and Conformity:** All dwellings and buildings to be erected shall have construction plans and placement thereof on the lot submitted to and approved by the Architectural Committee before any construction shall begin. No building, fence, storage shed, pool, spa, or other structure or improvement of any type shall be commenced, erected or maintained upon the property, nor shall there be any additions or changes to the exterior of any residence or other structure except in compliance with plans and specifications approved in writing by the Board of Directors or its representative. All construction must be in accordance with external design and location in relation to surrounding structures and topography and approved by the Architectural Committee. All structures must blend into the landscape and surroundings.

3.6. **Changes in Construction:** All exterior plans or additions to the approved plans before, during or after construction shall be approved in writing by the Board of Directors or its representative prior to the changes or additions being implemented.

3.7. **Continuity of Construction:** The exterior of all structures started in "the Development" shall be completed within twelve (12) months of commencement of construction unless completion is prevented by inclement weather or an extension is authorized by the Board of Directors. No residence may be occupied until the exterior of the residence is completely finished, including one coat of exterior staining or painting, and the construction debris is removed.

3.8. **Pets:** No pets shall be permitted to become a nuisance, wander onto adjoining property, or otherwise interfere with the peaceful and quiet enjoyment of the Development. It is unlawful for any owner or keeper of any dog to permit such dog, by loud and persistent habitual barking, howling or yelping, to disturb any person or neighborhood, and the same is declared to be a public nuisance, subject to a fine of \$25 per violation.

4. **Dwelling**

4.1. **Building Setbacks:** No building or structure of any kind can be built or erected within sixty (60) feet of the property boundary of Lead Country Club, without specific approval of the Architectural Committee. All other setbacks shall comply with county ordinances or as otherwise provided by the Planned Unit Development authorized for the Development. The Architectural Committee shall have authority to grant a setback variance, if the site conditions require.

4.2. **Temporary Structures:** No trailer, basement, tent, shack, garage, barn, or other outbuildings shall be built on any lot for use as a residence, either temporarily or permanently. No camper, tent or recreational vehicle shall be placed on the property for a period greater than 7 days.

4.3. **Exterior Colors:** The color combinations of exterior materials must be subtle and tasteful to blend with the environment. Earthen tones are required. Extreme contrast in color of paints, stains, and masonry are discouraged. Roofing materials must be of darker tones. All color schemes must be approved in writing by the Board of Directors or its representative.

4.4. **Antennae and Satellite Dishes:** Television and radio antennae and satellite dishes are to be located as inconspicuously as possible. They shall be located at the side or rear of the home.

4.5. **Structure:** The residential structure must have a minimum of 1200 square feet of living space, except for townhomes which shall have a minimum requirement of 900 square feet. The minimum square footage is exclusive of any garage. The residential structure shall have a maximum of 3,000 square feet per floor. The maximum height of any structure shall be 30 feet or 2 stories, whichever is less. All plans for construction must be submitted for written approval to the Board of Directors or its representative.

All buildings shall be of new materials, new construction, and set on a permanent foundation. No houses shall be moved on to any lot from any other location. Homes constructed of pre-fabricated wall and roof sections are not allowed. Mobile single or double-wide homes are not permitted.

All structures must comply with the latest editions of the local, state and national building codes, rules and regulations including but not limited to the following:

U.B.C. Standards of the Uniform Building Code
U.S.F.A. United States Fire Administration
N.E.C.A. National Electrical Code Association
South Dakota State Plumbing Code

4.6. Sewage Disposal Systems: Only engineered sewage disposal systems shall be permitted. All septic tanks must be pumped when indicated or not less frequently than once every five years. The owner of the premises shall maintain a septic tank for the sanitary disposal of sewage when permanent residence is completed, which shall be in conformity with the minimum requirements of the County of Lawrence and the State of South Dakota Health Requirements and the Environmental Protection Agency, both of the State of South Dakota and of the United States of America. Commercial portable sanitary disposal systems will be used during construction.

4.7. Connecting into Water Line: A fee of two thousand dollars will be charged for connecting into the main water line. This amount will be due and payable to H.E.S. 125, LLC upon connection to the community water system.

4.8. Outdoor Storage: Any material(s), automobile(s), trailer(s), recreational vehicle(s), automotive accessory(ies), equipment, or other item(s) must be kept or stored within an approved structure. Firewood must be neatly stacked and cannot be stored between the road and the front of the dwelling.

5. Surrounding Terrain.

5.1. Landscaping: All ground disturbed by construction shall be returned to a natural condition or landscaped within six months of occupancy or first coat of exterior paint or stain, whichever comes first. Lots will be kept neat and free of debris and/or noxious weeds. Mowing will be confined to that area immediately adjacent to the residence. Outside watering of lawn or garden areas is allowed only as consistent with maintaining a natural forest landscape.

5.2. Fences: The construction of any type of fence must have written approval of the Board of Directors. The Board of Directors may install or require the installation of appropriate fences bordering the driving range, tee boxes, or other areas where necessary for safety purposes.

5.3. Tanks: No elevated tanks of any kind shall be erected, placed or permitted on any part of the lot; any tanks for use in connection with any residential construction on the premises, including tanks for the storage of fuel must be buried or walled sufficiently to conceal them from the view of neighboring lots, roads and streets.

5.4. Access Drives: Each lot shall be accessed by a private driveway constructed with proper drainage and culverts.

5.5. Roads: All roads within "the Development" are for owners and their guests. No parking is allowed on the roads or utility accesses.

5.6. Garbage and Trash: All lots must be kept in a neat and clean condition. No garbage or trash shall be maintained on any lot. All garbage and trash will be placed in tight garbage cans of the type in normal use in this locality, and shall be disposed of at least every seven (7) days. No refuse pile, garbage or unsightly objects are allowed on any Lot. All occupants shall maintain an adequate amount of sanitary and properly enclosed containers for the disposal of trash, garbage and other waste, the same to be stored either inside or in an enclosure free from access by dogs or other animals. All trash must be kept in plastic bags. All equipment for storage or disposal of such materials shall be kept in a clean and sanitary condition, and shall be screened from view from either neighbors or roadways passing the property. No fires are allowed to burn garbage.

5.7. Signs: No sign of any kind shall be displayed for public view on any residential lot except such sign or signs shall be approved by the Architectural Committee, provided, however, that any residential lot shall be entitled to one sign of reasonable size as determined by the Committee, identifying the occupants of the residence situated thereon, and at least one temporary sign of such size as shall be determined by the Committee advertising the property for sale or rent, or temporary signs, such number and size shall be approved by the Committee, identifying the builder to advertise the property during the construction or sale period. No other signs, billboards or other advertising devices shall be used on any lot except for identification of a residence, road, speed, direction, or sale. Signs may be directive or informative, and will not be more than four (4) square feet in size. Signs erected by Ironwood Estates at Lead Country Club Partners or Homeowners Association are exempt. Sale signs must be removed the day of the sale.

5.8. Statues, and Seasonal Lighting: No statues or structures of political or religious significance beyond seasonal decorations are allowed. Additionally, seasonal lighting and displays are allowed only on a seasonal basis not extending more than 2 weeks past the celebrated day.

5.9. Gardens: Gardens for domestic consumption only will be permitted. All gardens shall be set back at least thirty (30) feet from any lot line. Gardens without fences cannot extend more than 30 feet into the central meadow space.

5.10. Logging: Removal of more than five trees of 6" or more in diameter or more than 10 trees totally (exclusive of removal required for construction) requires preapproval in writing by the board, except where removal occurs in compliance with a formal program of fire fuel reduction which has been specifically approved by the board. No owners shall permit either dead trees or trees that demonstrate symptoms of death, decline, infection or infestation to remain on any lot, and such trees shall be removed from the subdivision promptly and at the expense of the owner. The board shall notify owners of their obligation to remove such trees. In the event that the owners fail to remove dead, dying or diseased trees within 30 days after written notification by the board, the board may abate the trees as a public nuisance and assess and enforce the costs of removal against the lot owner.

5.11. "Black Hills Bark Beetle": Trees diseased or effected by the "Black Hills Bark Beetle" (*Bendroctonus Bonderose-Hopkins*) or any other insect or insects, are hereby declared to be noxious and unhealthful vegetation, and shall not be permitted to grow or continue within said subdivision, and further are declared to constitute a public nuisance. It shall be the duty of the owner, occupant or person in charge of or in control of any lot or ground in the subdivision to remove all trees infested or diseased with the Black Hills Bark Beetle or any other insect by any date ordered by notice or notification from the District State Forester.

5.12. Mining: No portion of "the Development" shall be used to explore for or remove oil or minerals of any kind excepting normal household water usage.

5.13. Borders and boundaries: All lot lines must be confirmed before any building commences. Perimeter fences bordering the National Forest CANNOT be assumed to be a true and accurate demarcation of property boundaries. National Forest setbacks are assumed to be five feet but such information must be confirmed by the National Forest.

5.14. Eagle Water Company membership for water service. The primary source of water for the Development shall be provided for by contract with the Lead-Deadwood Sanitary District and Eagle Water Company, Inc. a South Dakota non-profit corporation. Eagle Water company was formed as a combined effort with Country Club Estates, and adjoining subdivision. The company was formed to own, operate and maintain the water system for the Development and Country Club Estates. Eagle Water Company, Inc. shall be responsible for the maintenance, installation and repair of such lines, maintenance of treatment facilities, and the maintenance of all other standards required for the continued operation of the system as a public water system, approved and operated in accordance with the laws and regulations of the State of South Dakota, and the Department of Environment and Natural Resources, and rules and regulations duly adopted for community or public water systems.

5.15. Controlled Access. Roads constructed within the Development shall be, to the extent permitted by Lawrence County and the laws of the State of South Dakota, private roads designed to provide controlled access to the development, exclusively for the use of owners, their authorized guests and invitees and authorized users, including law enforcement, fire protection,

emergency medical personnel, and such other uses and users who may be specifically authorized by the Association.

6. Vehicles, ATV's, Snowmobiles & Other Nuisances and Safety

6.1. All-Terrain Vehicles, Snowmobiles, Trail Bikes and Tracked Vehicles: All-terrain vehicles, trail bikes and other "off road" vehicles shall not be operated within "the Development" except on an owner's own lot. Such vehicles may be operated in a direct route on the roadway to exit "the Development" or enter "the Development" to return to lot owner's home. Tracked vehicles shall not be operated on paved roads.

6.2. Vehicles and Golf Carts: No more than one properly licensed motor vehicle, trailer, or other type of motorized or non motorized vehicle not in normal daily use may be kept on any lot. Vehicles other than golf carts are specifically prohibited from using golf cart paths. Golf carts shall not be permitted to be operated within the Development except on specially designated paths. No campers or recreational vehicles shall be maintained, ungaraged, on a lot for more than seven (7) consecutive days.

6.3. Nuisances: No owner shall permit anything to be done or kept on or within his or her Lot, or on or about "the Development," which will obstruct or interfere with the rights of other owners, occupants, or other authorized persons to use and enjoy "the Development." Use and enjoyment includes unreasonable noise and barking dogs. No owner may permit any nuisance nor commit or allow an illegal act to occur on his or her lot. No noxious or offensive activities shall be carried on upon any lot, or shall anything be done thereon that is or may become an annoyance to the rest of the neighborhood. No vehicles or equipment, except passenger automobiles and pickup trucks, not to exceed one ton, or equipment being used for construction on the site are to be parked overnight on any residential lot or driveway. No materials shall be stored or kept upon or in front of said residential lots except for the purpose of immediate incorporation into the structure erected on said lot.

6.4. Safe Conditions: Without limiting any other provision in this Section, each owner shall maintain his or her lot in a safe, sound, and sanitary condition and repair at all times. Owners shall correct any condition and refrain from any activity which might interfere with other owners.

7. Animals, Firearms, Fires & Hunting

7.1. Animals: Only dogs and cats for household enjoyment and not for commercial purpose shall be allowed. All dogs and cats must be confined to the owner's lot at all times. All animals are to be restrained, kept on a leash or fenced and shall not be permitted to become a nuisance. No horses, burros nor donkeys are allowed. No commercial activity of any kind shall be permitted on any lots or premises. No animal with a history of biting is allowed within the Development.

- 7.2. **Firearms:** No firearms shall be discharged within "the Development."
- 7.3. **Hunting:** No hunting shall be allowed in "the Development."
- 7.4. **Fireplaces (Outdoors) and Fires:** No incinerators, open fire pits, open burning or unscreened outdoor fireplaces shall be allowed. Controlled burning for safety purposes directed by any governmental unit shall be permitted.

8. **Subdivision Fire Protection Plan:**

8.1. **Access:** Primary access to the property is from the east by Hanna Road which continues along the southern boundary of the property. The Hanna Road is paved to all existing entrances to the property. Roads will be constructed prior to any homes being occupied. Since the property is a Golf Course there are many cart paths throughout the property. Some of these paths may be improved to allow fire escape. One area of such improvement will be in Block One where an existing trail will allow escape from Braffie Court. There is an old trail that continues from the northwest end of the property through Frosty Meadows Addition. There is also a trail north of the property that provides access to the top of the hill to the north.

All proposed internal roads will be private access easements allowing controlled local traffic. The majority of the internal roads will be paved with gravel roads servicing the larger lots. Two approaches exist along Hanna Road. These approaches along with one proposed new fire protection and service (limited use) approach will access Hanna Road subject to the County Highway Superintendent approval. Further specifics on this system are provided with the road plans and Planned Unit Development (PUD).

The internal roads will be constructed to meet Lawrence County requirements unless otherwise defined in the PUD and will have gravel or asphalt paved surface. All fire hydrants will be serviced from the internal road network.

8.2. **Designated Cul-De-Sacs.** Designated cul-de-sacs in the subdivision will be built with at 70' diameter Row to allow for fire vehicles to turn around.

8.3. **Driveways.** Lot owners shall construct driveways with a minimum 12' wide gravel surface and a minimum 15' vertical clearance. Gates on driveways will be 30' back from the main road to allow fire equipment room to pull off the road. The individual property owners will also be required to comply with the overall covenants.

8.4. **Fire Protection District.** The subdivision is within the Lead Deadwood Fire Protection District. The subdivision is approximately 3 ½ miles from the Lead Fire station.

8.5. **Water Storage.** A public water system will be constructed to provide potable water and fire protection. Storage will be provided to support the six inch main and fire hydrants located in

all home clusters. This system is being designed in accordance with State and County regulations and is intended to provide fire protection of the existing and new structures. Eagle Water Company, Inc., a separate non-profit corporation has been formed to own, operate and maintain the water system serving the Development, and an adjoining development, Country Club Estates.

8.6. Maintenance and Tree Thinning. Lot owners shall continue to maintain their lots and defensible space in conformance with the Wildfire Safety Guidelines and Firewise Recommendations. All accesses will be maintained to provide firebreaks the maintenance is outlined in the Homeowners Association and Covenants. Lot owners shall maintain an area of defensible space by thinning continuous trees and brush cover to a distance of at least 30 feet on all sides of structures, except that part of the lot adjoining the golf course. Within this 30-foot radius from the structures, individual tree crowns should be at least 10 feet apart, 10 feet from any part of the house, and limbed up so that there are no branches within 10 feet of the ground. Additional maintenance in the primary defensible zone includes: clean roof and gutters of pine needles and leaves, dispose of all slash and debris left from thinning, remove dead limbs, leaves and other ground litter within the defensible space, provide chimneys with spark arresters, locate propane tanks at least 30 feet away from the structure and maintain the defensible space annually by removing debris, shrubs and other vegetation which accumulate during the year.

8.7. Tree Thinning. This property is currently being logged and fuel mitigation is also underway. The road right-of-ways or construction limits are also being cleared along with selected building sites. These right-of-ways will provide additional fire breaks. Additional thinning must be pre-approved by the Architectural Committee.

8.8. Fuels & Firebreaks. Lot owners shall continue to maintain their lots to keep fuels down and the tree canopy open. Firebreaks will be maintained on the road right of ways and around structures built on lots.

8.9. Designated Emergency Routes. The covenants also require the homeowner's association to maintain all public right of ways and park area including access to designated emergency routes.

8.10. Building Materials. Structures shall be constructed with non-combustible materials, i.e. no wood shingles for the roofs and overhanging eave soffits. Fire resistant or non-flammable shutters, gutters, and other ignition-resistant construction will be used. Exterior walls will be constructed of one-hour minimum fire resistive material. The internal common walls of the town homes will be constructed using typical standards for common walls as outlined in the Uniform Building Codes.

Exterior doors shall be approved noncombustible construction solid core wood not less than $\frac{3}{4}$ inches thick, or have a fire-protection rating of not less than twenty minutes. Vehicle access doors shall be the exception.

Exterior windows, window walls and glazed doors, windows within exterior doors and skylights shall be tempered glass or multi-planed glazed panels, glass block or have fire-protection rating of not less than twenty minutes.

Buildings or structures shall have all under floor areas enclosed to the ground. Unenclosed accessory structures attached to buildings with habitable spaces and projections, such as decks, shall be a minimum of one-hour fire resistive construction, heavy timber construction or constructed with approved noncombustible materials.

8.11. Ignition-Resistant Materials with a Minimum of 1 hour Fire-Resistive Construction.

Lot owners should follow Building Codes recommendations to construct exterior walls of building or structures with ignition-resistant materials with a minimum of 1 hour fire-resistive construction or constructed with approved non-combustible materials. The exception is heavy timber log wall construction. Exterior doors shall be approved non-combustible construction solid core wood not less than 1 ¾ inches thick, or have a fire-protection rating of not less than 20 minutes. Vehicle access doors shall be the exception. Exterior windows, window walls and glazed doors, windows within exterior doors, and skylights shall be tempered glass or multi-layered glazed panels, glass block, or have fire protection rating of not less than 20 minutes.

8.12 Party Walls: Party walls, in any townhouse units shall be constructed to Uniform Building Code standards.

8.13 General. All lot owners will be provided with a copy of the "Wildfire Safety Guidelines" booklet, available free of charge from the South Dakota Department of Agriculture. The initial responsibility for the care and maintenance of the water system, road system and the fire suppression plan elements will be that of H.E.S. 125, LLC. Eventually, as ownership is transferred and Homeowners Association is formed, the responsibility for the roads and other subdivision administration (other than the Water system) will be transferred to the Ironwood Estates at Lead Country Club Homeowners Association. Responsibility for operation, maintenance and repair of the water system will be the obligation of Eagle Water Company, Inc., for which each lot will participate in ownership and responsibility. Transfer of these responsibilities will occur with the creation of the homeowners association and the water company, and such transfer is mandated with these Covenants.

(Signature page follows)

IN TESTIMONY WHEREOF, H.E.S. 125, LLC, a South Dakota limited liability company has caused these presents to be executed by their subscribed hands this 14 day of Feb., 2008.



H.E.S. 125, LLC,

BY:

[Signature]

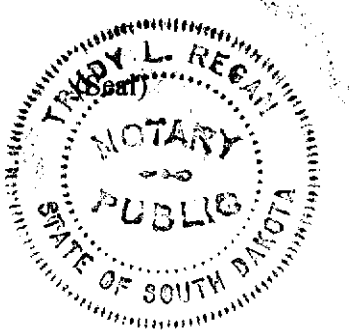
its:

Member

STATE OF SOUTH DAKOTA)
)SS.
COUNTY OF LAWRENCE)

On this, the 14 day of Feb., 2008, before me, the undersigned Notary Public, personally appeared Ralph Krause who acknowledged themselves to be the Manager/Member of H.E.S. 125, LLC, and as such Manager/Member being authorized so to do, executed the foregoing document for the purposes therein contained, by signing the name of H.E.S., 125, LLC as Manager/Member.

In Witness Whereof, I have hereunto set my hand and official seal.



[Signature]
NOTARY PUBLIC

My Commission Expires: 1-26-12