

Prepared by: Elk Creek Properties, Inc.
2040 West Main Street, Suite 100
Rapid City, SD 57702



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ANGELA M. ROSS
MEADE COUNTY
REGISTER OF DEEDS

007029 AUG-08

GOLDEN VALLEY DECLARATION OF RESTRICTIVE COVENANTS

THIS DECLARATION made by Kenneth E. and Kelli J. McFarland, individually and as officers of ELK CREEK PROPERTIES, INC. and ELK CREEK LAND COMPANY, hereinafter called Declarant.

WHEREAS, the real property affected by this Declaration is more particularly described as Lots 1 through 33 of Golden Valley Subdivision Located in the S 1/2 of the NW 1/4 of the SE 1/4, Section Eleven (11), T3N, R7E, BHM, Meade County, South Dakota.

WHEREAS, Declarant is the owner/developer of a residential area in Meade County, South Dakota, as more specifically set forth above (hereinafter called "Subdivision") and desires to provide for the preservation of the values and amenities of the Subdivision and to provide for maintenance and for the convenience of the covenants, restrictions and easements hereinafter set forth, each and all of which are for the benefit of said property and for each owner thereof and shall inure to the benefit of and pass with said property, and each and every parcel thereof, and shall apply to and bind the successors in interest of any owner thereof:

NOW, THEREFORE, Declarant declares that the real property, Golden Valley, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions and easement (sometimes herein referred to as "covenants") hereinafter set forth. These Restrictions and Covenants shall be for a period of twenty-five (25) years from the date of recordation in the office of the Meade County Register of Deeds, after which time said covenants shall be automatically extended for successive periods of ten (10) years each unless an instrument signed by two-thirds (2/3) of the then owners of the lots, included in the above described property, has been recorded, providing for a change in said covenants, in whole or in part. Invalidation of any of the covenants provided herein by judgment or court order shall in no way or respect affect any of the other covenants which shall remain in full force and effect.

I ->

PURPOSES: The Declarant desires to make the following declarations as to the limitations, restrictions, and uses of the land and the limitations and restrictions of any buildings placed on the land. These declarations shall be binding on all parties and all persons claiming under the undersigned owners, and for the benefit of and limitations and restrictions on all future owners.

II

SUBDIVISION: No lot shall be further subdivided from the initial conveyance, nor shall there be any action by any Owner to create an increase in density. If any lot lines are adjusted, the lot owners shall have sole responsibility to comply with all government requirements to obtain such variations.

III

USE: Each lot, parcel of land, or acreage shall be used for single family residential dwellings only, along with such other supplemental structures and usages as described herein.

IV

EASEMENTS: Easements are hereby reserved to fifteen feet (15') in width adjacent and adjoining each side and rear lot line for minor drainage and for the construction, location, and maintenance of utilities. An easement shall be reserved beneath each public right-of-way for the construction, location, and maintenance of utilities.

V

DOMESTIC ANIMALS: Cats, dogs, and other household pets may be kept, with a total number not to exceed five (5) animals, provided that they are not kept, bred, or maintained for any commercial purpose. No poultry or large livestock are permitted. Owners have the responsibility to confine, control and care for all animals.

VI

COMMERCIAL ACTIVITY: Each lot shall be used for single-family residential purposes only. "Home Business" shall be allowed and is defined as a business conducted from the home primarily by the use of mail, telephone, computer modem, fax, or other communication device which requires no equipment which would otherwise be prohibited by these covenants; its customers or clients do not come to the home as a matter of course; no advertising or signage of any kind is visible on the exterior of the home or yard. If any home on any lot shall be used as a rental, any tenants shall fall within the definition of a "single family" as set out in these covenants. These covenants shall, in such event, be enforceable against both the owner of the property and any tenant of the property.

VII

SETBACK REQUIREMENTS: No improvements or structures shall be constructed within twenty-five feet (25') of the front lot line, thirty-five feet (35') of rear lot lines and fifteen feet (15') of side lot lines. No septic drain fields shall be located closer than one hundred (100) feet of the closest creek bank.

VIII

ARCHITECTURAL CONTROL: Declarant shall retain architectural control by acting as an Architectural Control Committee, (ACC), in the subdivision until all lots are sold and transferred, or until architectural control authority is transferred to an Owners' association. Declarant may appoint other parties to act in the capacity of ACC.

IX

ARCHITECTURAL DESIGN AND STRUCTURES: Plans, designs and locations for any and all homes, structures, fences and landscaping must be submitted to the Architectural Control Committee for evaluation prior to beginning any construction. The ACC shall evaluate the plans and designs and approve or indicate changes required to meet design and structural requirements. The ACC shall evaluate the submitted plans and specifications in an expeditious manner, offering acceptance, rejection or requesting additional information within a period not to exceed two (2) weeks. Rejected plans may be modified upon recommendations of the ACC and resubmitted. In the event that the ACC or its designated representative fails to approve or disapprove the plans within thirty (30) days after submission, it shall be considered that the plans and specifications are acceptable for construction. A maximum of one (1) house and three (3) additional buildings shall be allowed on any individual lot. No structure, other than the house, shall be located in any manner that obstructs the scenic view from the residence on any other property.

Single story homes shall have a minimum 1,200 square feet of living space and two story homes shall have a minimum of 1500 square feet of living space with a minimum of 900 square feet on the ground floor.

Structures of a temporary character shall not be used as residences, storage or placed upon the property. All of the structures shall be new construction, whether the same be for residential use or for an outbuilding, and the placement of said structure on the property shall be in compliance with state, county and local zoning ordinances. No portable storage containers are allowed. Non-residential structures shall be of a design, color and appearance to match or compliment the residence. Rail fences are encouraged to enhance the general appearance of the development.

X

EXTERIOR APPEARANCE: The exterior of every building shall be composed of one or a combination of the following: natural wood, log construction, hardboard, steel, vinyl, stucco type, stone or brick or brick veneers or other materials or a similar or compatible appearance. Brick or brick veneers shall be of an earth tone hue. All exterior surfaces shall be painted or stained an earthtone or neutral pastel color approved by the ACC, or shall be painted using a semi-transparent stain or clear sealer. White siding and trim shall be acceptable. Roof materials may include tile, slate, metal, and shadow line asphalt shingles of architectural shadow line style. Acceptable roof colors shall be equivalent to the following colors, weathered, stone, slate or dark gray, brown or dark tan.

XI

CONSTRUCTION METHODS: All construction shall be original in that no previously constructed dwelling, including manufactured homes, shall be permanently placed on the property as a completed dwelling for residential purposes. This shall not be construed to eliminate usage of panelization or components complying with all local building codes, and other facets of these covenants. Temporary living quarters, mobile homes, motor homes, trailers or temporary housing may not be located on the property, or utilized during or prior to the construction of the residence to be constructed on the properties.

XII

COMPLETION OF CONSTRUCTION: Once construction of any structure, or other improvements, within any lot is commenced, all exterior and interior construction on and within the structure, including landscaping, sidewalks and driveways, shall be prosecuted diligently to completion within twelve (12) months of the commencement of construction.

XIII

MAINTENANCE OF STRUCTURES: Each dwelling and/or structure shall be maintained in a state of good repair and shall be kept looking neat and bright through the regular use of stain, paint or replacement of materials.

XIV

LANDSCAPING: Various landscaping techniques are allowed if resulting in a positive appearance, as determined by the ACC. Ground cover must be adequate to prevent soil from blowing onto adjacent properties. Vegetation, except gardens, flowers, shrubs and trees must be mowed to a height of no more than four inches (4"). A minimum of two trees of a height of at least five feet (5') shall be planted and maintained on each lot. All areas of natural vegetation shall be directly governed by ACC and must be mowed not later than August 1st of each year.

XV

CREEK FRONTAGE: Owners of creek frontage lots shall maintain the creek banks in a manner in keeping with landscape requirements as much as possible. No bridges, culverts, damming, pumping or diversion of the creek shall be allowed.

XVI

FENCES: Plans for fence installation must be submitted to ACC. Fences may be installed for security, privacy or to enhance appearance, as in the case of rail fence. Decorative fencing, such as rail fencing, may be installed at any location on the property if not more than four feet (4') in height. Fencing over four feet (4') in height, and all privacy fences may be installed from the front corners of the house and/or garage toward and around the rear portions of the lot. Rear fences shall have a maximum height of six feet (6') and shall be of either a white or earth tone color. No galvanized or silver colored fencing is allowed. Fencing shall be properly maintained, including both condition and color finish.

XVII

ROADS: Roads within each phase of the development shall be graded and graveled initially, and shall be paved with asphalt upon closing of sales of 75% of the lots in that phase.

XVIII

DRIVEWAYS: Owners shall install and maintain driveways with consideration given to drainage of driveway and related areas. Owner shall be responsible for installation of a culvert where driveway junctions with development roadway. Driveways may be gravel, asphalt or concrete and Owner shall be responsible for minimizing any dust arising from the roadway or adjacent ditches.

XIX

WELLS: No private wells shall be allowed on the property other than for the use of irrigation or geothermal heating.

XX

MAINTENANCE OF PROPERTY: All natural areas disturbed by construction or any other activity shall be returned promptly and as nearly as possible to their natural state or landscaped in an attractive manner within a period not to exceed twelve months. The entire area within each lot shall be kept neat, clean, tidy and under reasonable weed control. Control of noxious weeds shall be the explicit responsibility of each owner. Failure by Owner to maintain weed control, or other property maintenance, may result in the Association taking actions necessary to remedy the problem and charging the Owner for all expenses involved in the remedy.

XXI

TRASH: No trash, junk, ashes, or other refuse shall be thrown, dumped, stored or buried on any land within the area. There shall be no burning of trash or refuse upon the property. Each property owner shall provide suitable receptacles for temporary storage and collection of refuse and all such receptacles shall be screened from public view and protected from disturbance. Each owner shall be responsible for removal of his or her own trash and/or garbage at reasonable intervals to prevent the unnecessary accumulations thereof. Composting shall be allowed so long as no offensive odors are noticeable on adjacent lots.

XXII

FIRES: No exposed flames and burning shall be allowed outside of structures on the property, with the exception of that which is related to recreation such as barbeque, grills, torches and candles. An exception to this rule may be the use of a welder upon occasion of construction or repair.

XXIII

VEHICLES: Only motor vehicles in normal running condition with a current state license plate may be kept in designated parking in public view. All other vehicles, motorized or otherwise, shall be maintained in garages, shop buildings or privacy screened areas. Repair and restoration of such vehicles shall be accomplished entirely out of public view and in a manner that does not create a neighborhood nuisance.

XXIV

SIGNS, BILLBOARDS, ETC.: One or more large signs may be initially installed identifying and offering lots in Golden Valley, with information concerning the development and contact parties. No other sign, billboard or other sales or advertising structures of any kind shall be constructed, erected, or maintained on any lot, parcel, or acreage for any purpose, except for identification of residents, and except those used in any subsequent sale of the lot, parcel or acreage. Such other signs shall have a maximum size of six square feet.

XXV

SEPTIC TANK: Each dwelling shall have and subsequently maintain an individual septic tank or other waste facility approved by the South Dakota Health Department and shall be in conformity with federal and county statutes and ordinances.

XXVI

MISCELLANEOUS REQUIREMENTS AND DECLARATIONS:

- A. No hunting shall be permitted or conducted on the lots in this subdivision, nor shall any firearms be discharged on any lot.
- B. Vehicles may not be parked in or upon the public road right-of-way. All parking must be off-street parking on private land.
- C. All animals must be confined to the owner's lot except when on a leash and must not create a nuisance. No animal shall be permitted to run at large nor shall any animal habitually creating loud noises, including chronic barking dogs, be kept on any property.
- D. No noxious or offensive activity, including loud noise, shall be carried on upon any lot nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.
- E. Recreation and sport vehicles including, but not limited to, motorcycles, all terrain vehicles, snowmobiles and go-carts may only be operated in a manner restricting noise, speed and intrusion upon development roads, rights-of-way and common areas. Racing of such vehicles, either on or off Owner's property is expressly prohibited.
- F. Precautions shall be taken to ascertain that ground cover is sufficient to prevent excessive dust from blowing onto adjacent property.
- G. Said premises shall not be used or maintained as a dumping ground for old cars, rubbish or trash, and all garbage or similar waste shall be kept in sanitary containers and all equipment for the disposal of garbage shall be kept in a clean, sanitary and fire-safe condition.
- H. Satellite dishes must be of 24" or less in diameter.
- I. All outdoor electrical wiring must be underground.
- J. No determination or validation has been made as to the soil conditions pursuant to septic systems, water tables, foundations or other pertinent circumstances.
- K. All properties shall be considered sacrosanct and no Owner or Occupant shall intrude upon another Owner's property without expressed permission.

XXVII

ENFORCEMENT: In the event of violation of any of these covenants, The Golden Valley Owner's Association or any person or persons owning and/or residing at any of the real property described above may give written notice to the violator specifying the nature of the violations and shall give the violator a time period within which to correct the violation. If the violation has not been corrected within the time period specified, then the person or persons giving the notice may bring proceedings at law for equity against the violator and said proceedings shall be to restrain a violation and/or recover damages, together with reasonable attorney's fees and costs.

XXVIII

INVALIDATION: Invalidation of any one or more of these covenants by judgement or court order shall in no way affect any of the other provisions which shall remain in full force and effect.

XXIX

OWNER'S ASSOCIATION: A Golden Valley Owner's Association shall be formed and organized, and all Owners shall become members upon purchasing a lot in Golden Valley. The Association shall be governed by Declarant until fifty per cent (50%) of the first phase of the development is occupied, at which time Owners shall elect a governing body to administer the Association. The Administrators of the Association may initiate no covenants, restrictions or activities which may adversely affect the objectives of the Developer in developing and expanding Golden Valley Subdivision. The Association shall create and administer a Water Supply System and Road Maintenance Agreement for mutual benefit of the Owners. Fees to provide for water services, road maintenance, Association management and other pertinent expenses shall be levied and collected by the Association. Failure to pay such fees in a timely manner may result in termination of water service, additional fines, legal proceedings and liens placed upon the property. Water hook-up fees shall be due and payable with the purchase of each lot

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 17th day of August, 2004.

DECLARANT:

ELK CREEK PROPERTIES, INC.

By: Kenneth E. Fitzgerald
- Its: President

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

On this the 17th day of August, 2004, before me, the undersigned officer, personally appeared Kenneth C. McFarland who acknowledged himself to be the President of Elk Creek Properties, Inc., a corporation, and that he, as such President being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as President.

BY WITNESS WHEREOF I hereunto set my hand and official seal.



Margie Fae Nilson
Notary Public, South Dakota

My Commission Expires: 8-16-06

BOOK 666 PAGE 812

010657 DEC-08

Prepared by: James W. Olson
Wilson, Olson & Nash, P.C.
P.O. Box 1552
Rapid City, SD 57709-1552
(605) 342-7090
metc



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TIME 2:09 PM
ANGELA M. ROSS
MEADE COUNTY
REGISTER OF DEEDS

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
WATER SYSTEM AND ROADS FOR
GOLDEN VALLEY VILLAGE SUBDIVISION

THIS DECLARATION, made on the date hereinafter set forth by Elk Creek Properties, Inc., a South Dakota corporation of Rapid City, Pennington County, South Dakota, hereinafter referred to as "Declarant."

WITNESSETH:

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

Lots One (1) through Thirty-three (33) and Well Lot of Golden Valley Subdivision according to the recorded plat thereof filed at Book Twenty-one (21) of Plats on Pages Twenty-eight (28) and twenty-nine (29) in the Office of the Meade County Register of Deeds, all located in Meade County, South Dakota; and all future plats of Golden Valley Subdivision, if any; and

WHEREAS, Declarant is the owner of certain common area lot described as follows:

Well Lot containing Water Supply and Storage Lot:

WHEREAS, a Declaration of Covenants, Conditions and Restrictions was filed and recorded at Book 666, Pages 236-243 of Miscellaneous Records in the Office of the Meade County Register of Deeds, recorded August 18, 2004; and

NOW, THEREFORE, Declarant hereby declares that all of the above-described properties will 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, providing for water and roads for, 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 thereof, their heirs, successors and assigns and shall inure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

Section 1. "Association" shall mean and refer to Golden Valley Homeowners Association, its successors and assigns.

Section 2. "Declarant" shall mean and refer to Elk Creek Properties, Inc., a South Dakota Corporation and its successors and assigns.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described including Golden Valley Subdivision and such additions thereto as may be platted as Golden Valley Subdivision.

Section 4. "Water Company" shall mean and refer to the Declarant or its assignees.

ARTICLE II
MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2: The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to two (2) votes for each Lot owned. For the purposes of these Covenants, "Lot" shall be defined to include all proposed lots within the area identified by Declarant as Golden Valley Subdivision. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership,
or

(b) On January 1, 2015.

So long as there are any Class B members of the Association, the Declarant may replat portions of the property consistent with the development objectives of the Declarant and may provide additional easements for utilities.

ARTICLE III
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, 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 and services to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's 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 for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments.

(a) Lot assessments may be used for services and facilities devoted to and related to the use and enjoyment of the property, as well as to promote the recreation, health, safety and welfare of the residents in the Properties, including but not limited to:

- (1) The cost of furnishing street maintenance and improvements, snow removal, street lights, or mowing and maintenance of right-of-way; and
- (2) All operating expenses of the Association, including any services furnished, such as water in the event that the water system is transferred to the Association; and
- (3) The cost of funding all reserves established by the Association.

(b) Lot Assessment shall be initially established and disclosed by the Declarant based upon the anticipated costs of services and maintenance provided for herein.

(1) Beginning with January 1, 2006, the Board of Directors shall set the first annual assessment based upon actual budgeted costs for services provided for herein.

(2) From and after January 1, 2006, and each January 1 thereafter, the annual general assessment may be increased effective January 1 of each year to the extent approved at the annual meeting of the Association.

Section 3. Special Assessments.

(a) Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the street and right-of-way or water system, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

(b) Services. In addition to the annual assessments authorized above, the Association may levy special assessments to defray the cost of providing services. In the event the Association's Board of Directors, in its sole discretion, shall determine that such are necessary to meet the costs for such services as water system maintenance, mowing, snow removal, or similar items, the same shall be due immediately upon levy by the Board of Directors; provided the same shall not exceed in any month the actual cost incurred by the Association in excess of regular assessment payments.

Section 4. Notice and Quorum for Any Action Authorized Under Section 3. Written notice of any meeting called for the purpose of taking any action authorized under Section 3(a) shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, the meeting shall be continued until a quorum of fifty percent (50%) of the members is present at a subsequent date not less than thirty (30) days after the date of the original notice of meeting.

Section 5. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots of similar type. No assessment shall be made upon Lot W.

Section 6. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of January, 2005, or the first day of the month following occupancy of home constructed on the initial sale of the Lot by Declarant. If the initial sale is of a Lot upon which no home construction is completed, the assessment date shall commence on that date which is the first day of the month not to exceed six (6) months following the said closing. The assessment for the first year shall be \$420.00 to be paid in twelve payments of \$35.00 per month due the first day of each month. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed

certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 7. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall be charged interest at the annual percentage rate specified by law upon unpaid judgments. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his Lot.

Section 8. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE IV WATER SYSTEM

The Developer has constructed a mainline central water system to serve the properties and will convey the same to a Sanitary District upon terms that will reimburse Declarant for capital costs and expenses.

Section 1. Water Supply System. Each lot shall be connected to the water supply system of the Water Company.

Section 2. Water Company Service. The Water Company intends to serve and will continue to serve the properties as long as a reasonable source of water is available to the Water Company at reasonable operating costs and unforeseen circumstances do not prevent service.

Section 3. Service to Others. The developer will retain an agreement with the Water Company to permit sales of water hook-ups to additional property owners located in any properties annexed to Golden Valley Subdivision.

Section 4. Service Requirements. All lot owners will be required to allow installation of a permanent water meter at the point where the water service line enters the residence. The meter will be of a uniform type specified by the Water Company with remote reading capability. Meter placement shall be made according to the directions of the Water Company and no water may be utilized by any lot owner or water-contract customer that is not metered.

All lot owners and water-contract customers will be required to install the service line between the main line curb stop and the house. The curb stop will be located within the street right-of-way, one (1) foot from the front property line unless otherwise specified by the Water Company. The service line shall be installed in a manner and location approved by the Water Company. All costs of installation and maintenance and replacement of the service line, curb stop, main line tap, and meter will be the responsibility of the owner of each lot. Each owner or customer will promptly repair any deficiency in the service line. Failure to do so will cause the service to be terminated until such repairs are made. During construction, inspection will be required by the Water Company to determine compliance with this section to the satisfaction of Water Company. Service to each lot will not commence until such inspection has been completed and written notice of acceptance has been delivered to the owner or customer.

Section 5. Charges for Services. The initial charges for providing water to each lot shall be as follows:

(a) \$650.00 hookup fee due prior to beginning construction upon the lot.

(b) \$35.00 per month for each lot using water service for the first three thousand gallons used each month plus \$1.50 per month for each additional one thousand (1000) gallons consumed.

(c) \$25.00 per month per lot for each lot not using water service commencing one year from the date of lot sale by Declarant.

The Declarant and Water Company cannot guarantee that the rates will remain unchanged. Adjustments to water rates will be made by the Water Company on an annual basis.

Section 6. Lien for Charges. The Declarant for each lot owned within the properties hereby covenants and each owner of any lot, by acceptance of a deed therefrom, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay all water charges levied by the Water Company as described herein. The water charges together with interest, costs, and attorneys fees incurred for collection thereof, shall be a charge on the land and a continuing lien upon the property for which the respective service is provided and charged. If such charges are not paid in full at the time of transfer of the lot, the unpaid balance shall pass to the successors in title as a lien against the real estate provided, however, that this lien shall be subordinate to the lien of any first mortgage and the sale or transfer of any lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer.

Section 7. Lien Enforcement. The Water Company may give notice of lien by filing a verified statement with the Meade County Register of Deeds, together with a receipt for certified mail disclosing that a copy of the lien statement has been mailed to the lot owner.

Such lien statement shall set forth the name of the lot owner and an itemized statement of the claim. All such unpaid liens shall be charged interest at the annual rate specified by law upon unpaid judgments. Any unpaid lien may, after filing thereof, be foreclosed in the manner provided by the laws of the State of South Dakota for foreclosure of mechanic's liens.

Section 8. Meters and Regulations. The owner of each lot served by the Water Company by acceptance of a deed, whether so stated on the deed or not, further covenants and agrees to comply with all rules and regulations established by the Water Company for operation of the water system, to install water meters as required and to permit entry upon the lot for the purpose of inspection and meter reading.

Section 9. Shut Off. The curb stop shall be shut off if required for repairs or upon written notice to a lot owner for nonpayment of water charges. The curb stop may also be shut off in case of an emergency. In the event of non payment of the water bill for a period in excess of thirty (30) days, the Water Company may, on three (3) days notice in writing personally delivered or five (5) days notice in writing by certified mail, shut off water service and not restore the same until the past due amount is paid in full and a deposit in the amount of one month average use by the said owner is made with the Water Company.

Section 10. Hook Up. No connection to the main water line shall be made by a lot owner. The actual tap to the main line shall be made by the Water Company or a contractor approved by the Water Company. Only one (1) hook up shall be allowed per lot. Tapping fees and meter deposit shall be paid prior to beginning construction on a lot.

Section 11. Restrictions on Use. Each lot owner further covenants and agrees by transfer of a deed, whether so stated on the deed or not, that all water for lawn or garden sprinkling, air cooling systems or other nondomestic use is subject to restriction at any time for any reason by the Water Company and that all water use is subject to restriction or shut off in the event of natural disaster or emergency of any kind. The Water Company may establish rules as to lawn and garden area and usage. No facilities requiring an excessive amount of water shall be permitted to be serviced by this water system without the prior written approval of the water company and if approved shall always remain subject to termination if conservation matters require the same in the sole discretion of the Water Company.

ARTICLE V ROADS

The following covenants shall apply to the Golden Valley Subdivision:

Section 1. The Declarant shall install roads and streets as required by public authorities. After installation, the following are intended to occur:

- (a) The streets and roads shall be maintained by the Association or any subsequent

public authority and each Owner, by acceptance of a deed, covenants and agrees to pay any maintenance assessments assessed by the Association, its successor or assignee or any subsequent public authority such as a road district.

Section 2. Each Owner, by acceptance of a deed, covenants and agrees to the formation of a Road District powers for the purpose of a public authority to eventually acquire, own and operate the streets of the subdivision.

Section 3. Road Charges. Initial road maintenance charges shall be as established in Article III, Section 6 herein.

ARTICLE VI

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended by an instrument signed by not less than sixty-six and two-thirds percent (66-2/3%) of the Lot Owners. Any amendment must be recorded.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 8th day of December, 2004.

DECLARANT:

ELK CREEK PROPERTIES, INC.

BY: Kenneth McJahed
ITS: President

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

On this the 8th day of December, 2004, before me, the undersigned officer, personally appeared Kenneth M. Steadman who acknowledged him self to be the President of Elk Creek Properties, Inc., a corporation, and that he, as such President being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by Kenneth M. Steadman's President.

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



Margie Fae Nilson
Notary Public, South Dakota
My Commission Expires: 8-16-06