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SECOND AMENDED RESTRICTIVE COVENANTS

These Restrictive Covenants are made this 18th day of September, 2010, by all of the current owners of the following real property which is subject to the restrictions and covenants contained herein:

Lot 1, Lots 4-15, inclusive, and Lot 1C, all in Roykota Legacy Estates in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ and Govt. Lot 5 of Section 27-T126N-R55W of the 5th P.M., Marshall County, South Dakota, according to the plat thereof of record, and

Lots 2A, 3A, 16A, 17A, and 18A, all in Roykota Legacy Estates First Subdivision in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 27-T126N-R55W of the 5th P.M., Marshall County, South Dakota, according to the plat thereof of record

("the Restricted Property"). Such owners make the following declarations as to limitations, restrictions, and uses to which the Restricted Property may be put. Such declarations constitute covenants running with the land, as provided by law, and are binding upon all parties hereto and all future owners of the Restricted Property. Such declarations benefit and limit all future owners of the Restricted Property. These declarations are designed and intended to keep the Restricted Property desirable and uniform and maintain property values.

Background

- A. The original Restrictive Covenants were dated June 16, 2009, and recorded in the office of the Register of Deeds of Marshall County on July 13, 2009, at 2:45 p.m., in Book TTM of Miscellaneous Records, pages 5-13.
- B. The First Amended Restrictive Covenants were dated August 23, 2010, and recorded in the office of the Register of Deeds of Marshall County on September 14, 2010, at 2:00 p.m., in Book TTM of Miscellaneous Records, pages 509-519. The amendments addressed the following subjects:
 - (1) Amending paragraph 9 to allow existing structures to be moved onto the Restricted Property when the owner obtains written consent from at least two-thirds of the owners of existing lots to waive the construction standards requiring new construction.

(2) Amending paragraph 18 to allow certain lots to construct drainfields on a designated drainfield area because the lots are too low for construction of a drainfield on the affected lots.

C. These Second Amended Restrictive Covenants are made because five lots were replatted and renamed when the drainfield easement area was designated. Such plat was entitled "Roykota Legacy Estates First Subdivision in the SE¹/₄SW¹/₄ of Section 27-T126N-R55W of the 5th P.M., Marshall County, South Dakota", was dated August 26, 2010, and was recorded in the office of the Register of Deeds of Marshall County on August 31, 2010, at 9:30 a.m., in Book 5 of Plats, page 39. Without amendment, the renamed lots may not be covered by the Restrictive Covenants. All parties wish to make clear that the renamed lots are subject to the Restrictive Covenants.

In furtherance of these purposes, the following restrictions are made:

Use of Restricted Property

1. Zoning. Use of the Restricted Property shall comply with the Marshall County zoning ordinances, unless these Restrictive Covenants are more restrictive, in which case the greater restrictions of these Restrictive Covenants shall apply rather than the Marshall County zoning ordinance.

2. Golf Course Exceptions. Lots 10, 13, and 14 are currently used as a golf course. So long as such lots are used as a golf course, such lots shall be exempt from the requirements of the following paragraphs of these Restrictive Covenants:

(a) Paragraph 3 restricting use to residential purposes and prohibiting activities which generate traffic.

(b) Paragraph 4 to the extent it prohibits activities which draw a large number of vehicles or persons.

(c) Paragraph 9 to the extent such paragraph prohibits structures other than single family dwelling houses and such houses must be new construction. The golf course may build, maintain, and operate buildings other than single family dwelling houses, such as golf cart sheds, machinery and equipment sheds, and a clubhouse, and the golf course may move a portion of the former Roykota Resort building onto the golf course property for remodeling into a clubhouse.

(d) Paragraph 13 restricting signage, so long as any signs only advertise and identify the golf course and not any other business or activity, and so long as such signs are reasonable and not excessive.

(e) Paragraph 16 regarding subdivision, so that, should such lots ever cease to be used as a golf course, such lots may be subdivided, but only for residential purposes, with lot sizes to be comparable to the other lots in the Restricted Property and not substantially smaller than the other lots in the Restricted Property. Following subdivision, the golf course lots shall be subject to (i) all the restrictions of these Restrictive Covenants as though this paragraph 2 did not exist, and (ii) any new

covenants imposed by the developer which are more restrictive than these covenants.

(f) Paragraph 19 requiring rural water hookup. The golf course may dig a well for its golf course watering purposes.

3. **Residential.** Except as otherwise provided herein, the Restricted Property shall be used for residential and summer home purposes only, and not for any business, trade, commercial, or industrial purpose whatsoever. This prohibition is intended to prevent owners of the Restricted Property from operating home-based businesses such as beauty shops if the customers of such business come to the Restricted Property, but would not restrict a home-based business if the business operator travels to the customers' homes or places of business. Any activity which generates more than normal residential motor vehicle traffic shall be considered a commercial activity for purposes of this restriction, but construction of new buildings or improvements to existing dwellings shall not be considered a prohibited activity.

4. **Fairs.** The Restricted Property may not be used for fairs, exhibitions, festivals, shows, or other activities that attract, divert, or collect, or are intended to attract, divert, or collect, a large number of persons.

5. **Animals.** Cattle, hogs, poultry, or other livestock may not be raised, bred, or kept on the Restricted Property. Exotic pets, undomesticated animals such as lions or bears, and dangerous animals may not be kept on the Restricted Property. Household pets may be kept, provided they are not kept, bred, or maintained for any commercial purpose, provided they do not interfere with any lot owner's enjoyment or use of their lots, provided that any pets which are noisy or cause damage to persons or property shall be deemed a nuisance and removed from the Restricted Property, and provided that household pets shall be under the control of the owner at all times and shall be confined strictly to the owner's property.

6. **Mobile Homes.** No tents, campers, motor homes, or recreational vehicles may be used on the Restricted Property for more than fourteen (14) consecutive days.

7. **Nuisances.** No noxious or offensive activities shall be carried on upon the Restricted Property, particularly anything which may constitute a nuisance under state or local law. The Restricted Property shall be maintained and cared for so as to maintain a neat and clean appearance and so that it does not become an eyesore or in any other way detract from the beauty of the lake and surrounding area. Unsightly and unattractive or rundown buildings, fences, junk cars, rubbish piles, and garbage are prohibited. The Restricted Property shall not be used or maintained as a dumping ground for old cars, rubbish, or trash. The burning of garbage or rubbish is prohibited. Each lot in the Restricted Property shall be regularly mowed.

8. **Lake Access.** ROI will leave the existing boat ramp in place at the end of the private lake access easement located on Lot 6 of Roykota Legacy Estates. ROI shall not be responsible for maintenance, repair, or replacement of the boat ramp. The following lots may use the private lake access easement and shall be responsible on a pro rata basis for the maintenance, repair, and improvement of the easement road and boat ramp:

Lots 1, 2A, 3A, 4, 5, 6, 7, 8, 12, 15, 16A, 17A, and 18A. (Thus, the following lots may not use the lake access easement and boat ramp: Lots 1C, 9, 10, 11, 13, and 14.)

Decisions regarding maintenance, repair, and improvements to the easement road and boat ramp or related structures shall be made by majority vote of the lots, not owners (for example, if there were ten lots, the owners of six of the ten lots must agree regarding any expenses to be incurred for maintenance, repair, or improvements), and the failure of any lot owner to pay his or her pro rata share of expenses shall be grounds for enforcement hereof in accordance with paragraph 21. Collectively, the owners of the Restricted Property with access to the private lake access easement may allow others to use the private lake access easement and boat ramp for access to the lake upon such terms and conditions as they deem appropriate, with such decisions made by majority vote of the lots (not owners).

Structures and Setbacks

9. **Construction Standards.** Structures or buildings may not be erected, altered, or permitted to remain on any lot of the Restricted Property other than one detached single family dwelling house, not to exceed two and one-half stories in height. Single family dwellings shall be not less than nine hundred (900) square feet on the main floor. Except as otherwise provided in subparagraph 9(a), all dwellings shall be new construction and built of quality materials and workmanship on permanent foundations. (There is a duplex on Lot 8 which was part of the Roykota Resort complex, and such duplex may remain on Lot 8 even though it is not “new” construction.) Where permanent wood foundations are used, they must meet all latest American Plywood Association standards and practices. No structure may have unpainted sheet, galvanized, or corrugated metal used as an exterior roofing or finishing material, but such prohibition shall not prevent the use of modern metal roofing systems so long as the steel is not corrugated as shown on Exhibit A attached hereto and incorporated herein and is factory pre-painted by the manufacturer.

(a) Buildings which otherwise comply with these covenants may be moved onto a lot of the Restricted Property if the owner first obtains the consent of the owners of at least two-third of the lots which comprise the Restricted Property (for example, if there are fifteen lots, then the owners of at least ten lots must consent). Such consent shall be in writing, signed by each consenting property owner indicating the lot or lots owned by such consenting property owner, and recorded in the office of the Register of Deeds.

10. **Construction Timeline.** All buildings shall be completed on the exterior within one year from the date of commencement of construction.

11. **Mobile & Modular Homes.** No mobile, modular, or manufactured home shall be permitted on the Restricted Property, nor any homes with steel frames and serial numbers. This provision shall not prohibit the use of metal studs or joists in new on-site construction, nor shall this provision prohibit moving a newly constructed home onto the Restricted Property so long as such home meets all of the following requirements: (a) meets all other construction standards and restrictions set forth in these Restrictive Covenants, (b) is not built on a chassis, (c) is not built so that it can be separated into sections, (d) is not transported to the Restricted Property in sections, and (e) it is permanently affixed to a foundation.

12. **Parking.** Space for parking of vehicles shall be adequately and neatly provided.

13. **Signs.** No signs of any kind shall be displayed to the public view on any lot, except one sign of not more than five feet square advertising a residence for sale or identifying the occupant of the home for the benefit of visitors.

14. **Tanks.** Any propane or fuel tanks to be used on the Restricted Property shall be neatly concealed from sight and installed and maintained in accordance with local, state, and federal safety regulations.

15. **Drainage and Erosion.** Development upon a lot shall be performed so as not to interfere with or alter the natural course of drainage as the same exists on the date of these Restrictive Covenants. Slope control shall be maintained so as to not create erosion or sliding problems, or change the direction or flow of drainage canals, or obstruct or retard the flow of water through each lot. All improvements on each lot of the Restricted Property shall be maintained continuously by the owner of such lot except for those improvements for which a public authority or utility company is responsible. No lot owner shall permit or authorize any obstruction of the natural drainage of such lot. No person or persons claiming under them shall or will at any time raise the grade of any lot or lots above the grade established or to be established.

16. **Subdivision.** Except as otherwise provided herein, no lot may be subdivided or replatted so as to have less lake frontage or road frontage. Lots 15, 16A, 17A, and 18A may not be subdivided so that one or more lots have road frontage on the east and one or more lots have road frontage on the west. Portions of lots may not be conveyed to defeat the purpose of this provision. For example, conveyances of the South Half of Lot 4, or of the south 25' of Lot 4 and the north 25' of Lot 5 to effectively create a new 50' "lot" without technically subdividing the existing lots, are prohibited.

Utilities and Roads

17. **Road.** The plat of the Restricted Property includes areas of dedicated public right-of-way for access to the lots in the Restricted Property.

(a) The dedicated public right-of-way adjacent to Lots 7 and 8 shall be maintained by the owners of the following lots which primarily benefit therefrom:

Lots 1, 2A, 3A, 4, 5, 6, 7, 8, 11, 12, 15, 16A, 17A, and 18A.

(b) The dedicated public right-of way adjacent to Lots 1, 2A-3A, and 4-6 shall be maintained by the owners of the following lots which primarily benefit therefrom:

Lots 1, 2A, 3A, 4, 5, and 6.

(c) The dedicated public right-of way adjacent to Lots 15, 16A, 17A, and 18A shall be maintained by the owners of the following lots which primarily benefit therefrom:

Lots 15, 16A, 17A, and 18A.

Decisions regarding maintenance, repairs, and improvements to the road easements shall be made by

majority vote of the lots (not owners of the lots) responsible for maintenance, repairs, and improvements. For example, if there are ten lots responsible, then the owners of at least six of the ten lots must agree regarding any expenses to be incurred for maintenance, repairs, or improvements. The failure of any lot owner to pay his or her pro rata share of expenses shall be grounds for enforcement hereof in accordance with paragraph 21.

18. **Septic Systems.** Except for Lots 5, 6, 7, and 8 of the Restricted Property, the owner of each lot must construct a septic tank system and drainfield on his or her lot to meet current local, state, and federal standards of waste disposal. Each owner of Lots 5, 6, 7, and 8 must construct a septic tank system on his or her lot, but may construct a drainfield on the sanitary sewer right-of-way easement located adjacent to the west end of Lot 18A and may bury a force main in the road right of way between such lots and the sanitary sewer right-of-way easement. Each owner of Lots 5, 6, 7, and 8 shall be responsible for all costs associated with his or her force main and drainfield and shall repair any damage caused to the roadway or private driveways caused by any trenching or construction of the sewer systems.

19. **Water System.** The owner of each lot shall arrange for connection to the rural water system and pay all hookup, water, or maintenance fees associated therewith.

20. **Garbage.** Owners of the Restricted Property shall be responsible for proper disposition of garbage. Garbage shall be maintained in secure containers so that animals, such as dogs, cats, racoons, and skunks, cannot obtain access to the garbage. Weeds and rubbish piles shall not be allowed on the Restricted Property. Garbage may not be burned on the Restricted Property.

General

21. **Enforcement.** These Restrictive Covenants may be enforced by any owner of the Restricted Property, by several owners acting jointly, or by ROI. Enforcement action may be taken against any person or persons violating or attempting to violate any covenant or restriction herein or failing to pay his or her pro rata share of expenses for maintenance or improvements to common areas such as the private road and boat ramp. ROI, as developer of the Restricted Property, does not retain exclusive rights to enforce these covenants, nor shall it be obligated to enforce such covenants. The restrictions contained herein shall apply to the Restricted Property as though such restrictions were included on the face of the deed of conveyance to all subsequent owners. Enforcement may be by proceeding at law or in equity. If legal measures or intervention are taken to enforce these Restrictive Covenants or obtain contribution toward properly approved maintenance or improvements, then the violator shall be responsible to pay all costs and attorneys fees incurred in such enforcement.

22. **Effect on Liens.** It is expressly provided that a breach of any of the restrictions and covenants set forth herein shall not defeat or render invalid the lien or any mortgage made in good faith and for value as to any lot of the Restricted Property. However, such restrictions and covenants shall be binding upon and effective against any subsequent owner of the property whose title thereto is acquired after or through foreclosure or otherwise.

23. **Amendments.** These Restrictive Covenants may be amended as follows: (a) during the

first five (5) years following recording of these covenants in the office of the Register of Deeds, these Restrictive Covenants may be amended so long as all of the owners of one hundred percent (100%) of the lots which comprise the Restricted Property agree to such amendments, and (b) after five (5) years from the date of recording of these Restrictive Covenants in the office of the Register of Deeds, these Restrictive Covenants may be amended upon the affirmative vote of the owners of at least eighty percent (80%) of the lots which comprise the Restricted Property (for example, if there are 15 lots, then the owners of at least 12 lots must agree to the amendments). Any amendments shall be reduced to writing, signed by each consenting property owner, indicate which lots such consenting owner owns, and recorded in the office of the Register of Deeds.

24. Severability. The invalidation of any of these covenants by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect. Each of these provisions is hereby declared to be separate and independent from all other provisions.

IN WITNESS WHEREOF, the owners of the Restricted Property have executed these restrictive covenants on the dates indicated below.

KENT L. DUERRE, owner of Lot 1

Kent L. Duerre

STATE OF SOUTH DAKOTA)
 : ss.
COUNTY OF MARSHALL)

On this _____ day of September, 2010, before me, the undersigned officer, personally appeared KENT L. DUERRE, a married person, known to me or satisfactorily proven to be the person described in the foregoing instrument, and acknowledged executing the same in the capacity therein stated for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal.

(SEAL)

Notary Public -- South Dakota
My Commission Expires: _____

IN WITNESS WHEREOF, the owners of the Restricted Property have executed these restrictive covenants on the dates indicated below.

ROI, Inc., owner of Lots 2A, 3A, 4, 5, 6, 7, 12, 15, 16A, 17A, and 18A, and contract-for-deed seller of Lots 10, 13, and 14

By _____
Kent Duerre, Its President

By _____
Tom Opsahl, Its Secretary

STATE OF SOUTH DAKOTA)
 : ss.
COUNTY OF MARSHALL)

On this _____ day of September, 2010, before me, the undersigned officer, personally appeared KENT DUERRE, who acknowledged himself to be the President of ROI, Inc., a corporation, and, as such officer, being authorized so to do, executed the foregoing instrument in the capacity therein stated for the purposes therein contained, by signing the name of the corporation as such officer.

In witness whereof, I hereunto
set my hand and official seal.

(SEAL)

Notary Public -- South Dakota
My Commission Expires: _____

STATE OF SOUTH DAKOTA)
 : ss.
COUNTY OF MARSHALL)

On this _____ day of September, 2010, before me, the undersigned officer, personally appeared TOM OPSAHL, who acknowledged himself to be the Secretary of ROI, Inc., a corporation, and, as such officer, being authorized so to do, executed the foregoing instrument in the capacity therein stated for the purposes therein contained, by signing the name of the corporation as such officer.

In witness whereof, I hereunto
set my hand and official seal.

(SEAL)

Notary Public -- South Dakota
My Commission Expires: _____

IN WITNESS WHEREOF, the owners of the Restricted Property have executed these restrictive covenants on the dates indicated below.

ROY VIEW LLC, contract-for-deed buyer of Lots 10, 13, and 14

By _____
Tom Opsahl, Its President

STATE OF SOUTH DAKOTA)
 : ss.
COUNTY OF MARSHALL)

On this _____ day of September, 2010, before me, the undersigned officer, personally appeared TOM OPSAHL, who acknowledged himself to be the President of ROY VIEW LLC, a South Dakota limited liability company, and, as such officer, being authorized so to do, executed the foregoing instrument in the capacity therein stated for the purposes therein contained, by signing the name of the corporation as such officer.

In witness whereof, I hereunto set my hand and official seal.

Notary Public -- South Dakota
My Commission Expires: _____

(SEAL)

IN WITNESS WHEREOF, the owners of the Restricted Property have executed these restrictive covenants on the dates indicated below.

EAST BAY ASSOCIATION, owner of Lots 9, 11, and 1C

By _____
Its President

By _____
Its Secretary

STATE OF SOUTH DAKOTA)
 : ss.
COUNTY OF MARSHALL)

On this _____ day of September, 2010, before me, the undersigned officer, personally appeared _____, who acknowledged being the President of EAST BAY ASSOCIATION, a corporation, and, as such officer, being authorized so to do, executed the foregoing instrument in the capacity therein stated for the purposes therein contained, by signing the name of the corporation as such officer.

In witness whereof, I hereunto
set my hand and official seal.

(SEAL)

Notary Public -- South Dakota
My Commission Expires: _____

STATE OF SOUTH DAKOTA)
 : ss.
COUNTY OF MARSHALL)

On this _____ day of September, 2010, before me, the undersigned officer, personally appeared _____, who acknowledged himself to be the Secretary of EAST BAY ASSOCIATION, a corporation, and, as such officer, being authorized so to do, executed the foregoing instrument in the capacity therein stated for the purposes therein contained, by signing the name of the corporation as such officer.

In witness whereof, I hereunto
set my hand and official seal.

(SEAL)

Notary Public -- South Dakota
My Commission Expires: _____

IN WITNESS WHEREOF, the owners of the Restricted Property have executed these restrictive covenants on the dates indicated below.

GERALD HEITMANN and LOUISE HEITMANN, owners of Lot 8

Gerald Heitmann

Louise Heitmann

STATE OF SOUTH DAKOTA)
 : ss.
COUNTY OF MARSHALL)

On this _____ day of September, 2010, before me, the undersigned officer, personally appeared GERALD HEITMANN, known to me or satisfactorily proven to be the person described in the foregoing instrument, and acknowledged executing the same in the capacity therein stated for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal.

(SEAL)

Notary Public -- South Dakota
My Commission Expires: _____

STATE OF SOUTH DAKOTA)
 : ss.
COUNTY OF MARSHALL)

On this _____ day of September, 2010, before me, the undersigned officer, personally appeared LOUISE HEITMANN, known to me or satisfactorily proven to be the person described in the foregoing instrument, and acknowledged executing the same in the capacity therein stated for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal.

(SEAL)

Notary Public -- South Dakota
My Commission Expires: _____

Attachment:
Exhibit A