

**DECLARATION OF RESTRICTIONS AND COVENANTS TO RUN WITH THE LAND
WAUBAY LAKE BY HAMBU, L.L.C.**

To whom it may concern:

Dated July 9, 2001

I, the undersigned, Loren Buser, an authorized member of HAMBU, L.L.C., owner of the following described real property:

Lots 1 through 58 inclusive, Highview subdivision in the NE $\frac{1}{4}$ of Sec. 24, T.123 N., R.55 W. and the NW $\frac{1}{4}$ of Sec. 19, T.123 N., R.54W the 5th P.M., all in Day County, South Dakota,

same being the property now being platted and described in plats recorded in the Office of the Register of Deeds of Day County, South Dakota, hereby make the following declarations as to limitations, restrictions, and uses to which the Lots constituting said Plat may be put, hereby specifying that said declarations shall constitute as covenants to run with all of the land, as provided by law, and shall be binding on all parties and all persons claiming under them, and for the benefit of and limitations upon all future owners of Lots located in said Plats, this Declaration of Restrictions being designed for the purpose of keeping said area desirable, uniform and suitable in architectural design and to insure ecological responsibility in land use as herein specified:

1. All lots shall be used for lake cottages and/or residential purposes except for Lots 1, 2 and 3. No commercial or business endeavors shall be established on any lots. No approved structure shall be erected or placed closer than 80 feet from the established high water mark without the approval of the Developer.
2. No structure, including the overhang of the roofline, shall be located closer than or within 12 feet of the adjoining side property boundary line.
3. All living structures shall contain no less than 900 square feet of first floor living space and be designed for single-family occupancy for lake front lots (Lots 4-32) and 750 square feet of first floor living space for interior (out) lots (Lots 1-3 and 33-58) and be designed for single family occupancy.

4. No construction shall commence on any structure until the plans and specifications thereof showing the description, size, type, design, intended use and site plan of same shall have been submitted to and approved in writing by the developers or their assigns hereinafter referenced. Further, there shall be no outbuildings constructed on any of the Lots, unless approved by the Developers.

5. Each residence must have standard indoor bathroom facilities and all facilities and structures including sanitary waste facilities and drain fields shall be installed in compliance with Day County Planning and Zoning ordinances and/or State of South Dakota rules and regulations.

6. No trailer, tent, shack, garage, barn, or other outbuildings, nor any basement shall be used as a residence, temporarily or permanently, for more than 7 successive days, nor shall any structure of a temporary character be used for a residential purpose.

7. All service lines for utilities shall be placed underground and shall comply with Day County Planning and Zoning Ordinances and State of South Dakota rules and regulations.

8. The parking of vehicles at each site is to be adequately and neatly provided by each lot owner. All vehicles must be operable and all boats must be on trailers.

9. All buildings shall be completed on the exterior, including landscaping, within one year from date of commencement of construction.

10. Each lakefront Lot shall be entitled to construct a dock which extends not more than one-half of the Lot's width into the lake or per South Dakota Department of Fish and Game regulations and/or requirements whichever is less. Further, each Lot owner's dock may not extend beyond the side boundary lines of said Lot.

11. Lake access areas are for out-lot owners only and shall be maintained by them. The out-lot owners may install a dock and boat slips at the lake access area as designated on the Plat which construction, maintenance and installation shall be at the sole expense of the out-lot owners using the facility.

General Provisions:

1. There shall be no commercialization of any nature, such as bait shops, firecracker stands, etc.

2. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose. Dog kennels permitted for not more than two dogs per lot and must be cleaned daily and excessive barking will not be permitted. A horse or other equine animal may be permitted in the sole discretion of the developers and/or Lake Home and Lot Owner's Association on an individual basis.

3. No fences of any type shall be erected on any of the Lots except by approval of the Developers or Lake Home and Lot Owner's Association referenced below.

4. Each Lot owner shall be responsible for the removal of his own trash, garbage or other waste material. Should any Lot owner fail to comply with this provision, the Developers or the Homeowner's Association may have same done and bill Lot owner for the expense incurred. There shall be no burning of trash and there shall be no refuse pile, noxious plants or unsightly features allowed on any of the Lots. Developer / Lake Home and Lot Owner's Association may provide garbage pickup at a fee to be determined.

5. No noxious or offensive activity, as defined by law, shall be carried out upon any Lot in said tract nor shall anything be done which may be or become an annoyance or nuisance as defined by law to the neighborhood or individual residing or owning property therein.

6. All fish cleaning facilities must be kept clean and maintained in accordance with the intent and spirit of this Declaration including, but not limited to removal and disposal of all waste, prevention of noxious or offensive odors and prevention of unsightly debris.

7. Each Lot owner must keep their Lot neat and clean in appearance and must maintain them by mowing at least twice a year and must maintain grass height of no more than 8 inches. Upon failure to do so after 10 days notice is given the Developers may perform such maintenance as is necessary and bill the Lot owner for the expense incurred.

8. No signs of any kind shall be displayed to the public view on any Lot except, one sign of not more than 5 feet square advertising a residence for sale or rent, or signs used by a builder to advertise the property during the construction and sale. On vacant Lots no sign shall be larger than 3 square feet.

9. A lake home and lot owner's association shall be formed in the future consisting of all those served by the common features and assets of the development. The lake home and lot owners association shall take over the ownership of the facilities including the road system and lake access areas. The Developers and future Lake Home and Lot Owners Association shall determine the annual maintenance fee to be paid by each Lot Owner which shall be set initially set at \$300.00 per year. Only those Lots which are owned by a third party other than the Developer or those which have been completely constructed by the Developer and are available for occupancy shall be assessed the annual maintenance fee and prorated to date of possession.

10. In addition, each lot owner at the time of construction shall pay a water hook-up charge of \$150.00. The initial annual water usage fee shall be \$250.00 for normal household usage, excluding watering of lawns or other excessive water usage. The annual water usage fee may be increased and assessed to the lot owner in the event of a rate increase from the water supplier.

The Developer, HAMBU, L.L.C. hereinbefore referred to as the Developer, will relinquish all authority to these covenants to the Lake Home and Lot Owners Association after

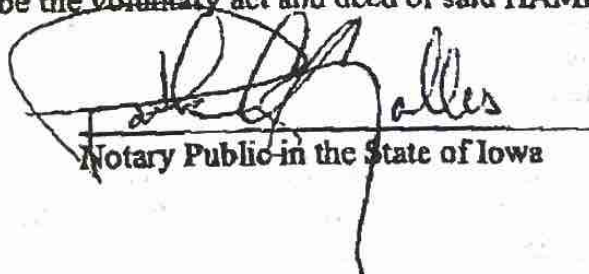
all Lots within this development have been sold. Thereafter, the Lake Home and Lot Owners Association shall take up the governing of these covenants in a manner to further preserve the area. These Articles of Restriction and Protective Covenants to form a part of the Warranty Deed the Developer herein referred to conveys to the purchaser of the Lots included in this Plat by making the Warranty Deed subject to this instrument by reference to the recording of same.

HAMBU, L.L.C.

By: Loren Buser, Member

State of Iowa)
) ss.
County of Black Hawk)

On this 9th day of July, 2001, before me a Notary Public, in and for said county, personally appeared Loren Buser, to me personally known, who being by me duly sworn did say that that person is a Member of said HAMBU, L.L.C. that no seal has been procured by the said limited liability company and that said instrument was signed and sealed on behalf of the said HAMBU, L.L.C. by authority of its manager and the said Loren Buser acknowledged the execution of said instrument to be the voluntary act and deed of said HAMBU, L.L.C. by it voluntarily executed.


Notary Public in the State of Iowa

Prepared by:
Patrick C. Galles
Correll, Sheerer, Benson, Engels, Galles & Demro, P.L.C.
P.O. Box 842, 411 Main Street
Cedar Falls, Iowa 50613
Ph: (319) 277-4102.
Fax: (319) 277-4124