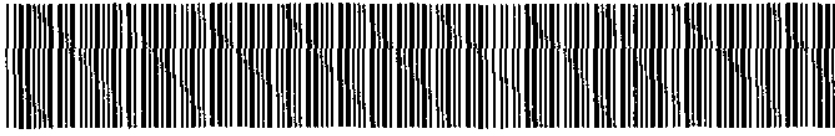


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**DECLARATION OF COVENANTS, CONDITIONS,  
RESTRICTIONS AND EASEMENTS OF QUAIL HOLLOW,  
A SUBDIVISION IN DOUGLAS COUNTY, NEBRASKA**

THIS DECLARATION, made on the date hereunder set forth, is made by Pacesetter Homes, Inc., a Nebraska Corporation, hereinafter referred to as the "Declarant."

**PRELIMINARY STATEMENT**

The Declarant is the owner of certain real property within Douglas County, Nebraska and described as follows:

Lots 143 through 229, inclusive, Quail Hollow, a Subdivision, as surveyed, platted, and recorded in Douglas County, Nebraska.

Such lots are herein referred to collectively as the "Lots" and individually as each "Lot."

The Declarant desires to provide for the preservation of the values and amenities of Quail Hollow, and for the maintenance of the character and residential integrity of Quail Hollow, and for the acquisition, construction and maintenance of Common Facilities for the use and enjoyment of the residents of Quail Hollow.

NOW, THEREFORE, the Declarant hereby declares that each and all of the Lots be held, sold and conveyed subject to the following restrictions, covenants, conditions and easements, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Lots, and the enjoyment of the residents of the Lots. These restrictions, covenants, conditions and easements shall run with such Lots and shall be binding upon all parties having or acquiring any right, title or interest in each Lot.

**ARTICLE I**

1. Each Lot shall be used exclusively for single-family residential purposes, except for such Lots or parts thereof as may hereafter be conveyed or dedicated by Declarant, or its successors or assigns, for use in connection with a Common Facility, or as a church, school, park or for other non-profit use.

2. No residence, building, fence (other than fences constructed by the Declarant), wall, pathway, driveway, patio, patio cover enclosure, deck, rock garden, swimming pool, dog house, pool house, tennis court, flag pole, satellite receiving station or disc, solar heating or cooling device, or other external improvement, above or below the ground (hereinafter collectively referred to as "Improvement") shall be constructed, erected, placed or permitted to remain on any Lot, nor shall any grading, excavation or tree removal for any Improvement be commenced, except for Improvements which have been approved by Declarant, as follows:

a. An owner desiring to erect an Improvement shall deliver two sets of construction plans, landscaping plans and plot plans to Declarant (herein collectively referred to as the "Plans"). Such plans shall include a description of type, quality, color and use of materials proposed for the exterior of such Improvement, and proposed elevations of the driveway and foundation. Concurrent with submission of the Plans, Owner shall notify the Declarant of the Owner's mailing address.

*Pacesetter Homes Inc  
7002 S. 131 Ave  
Omaha Ne  
68138*

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b. Declarant shall review such Plans in relation to the type and exterior of improvements constructed, or approved for construction on neighboring Lots and in the surrounding area, and any general scheme or plans formulated by Declarant. In this regard, Declarant intends that the Lots shall form a residential community with homes constructed of high quality materials. The decision to approve or refuse approval of a proposed Improvement shall be exercised by Declarant to promote development of the Lots and to protect the values, character and residential quality of all Lots. If Declarant determines that the proposed Improvement will not protect and enhance the integrity and character of all the Lots and neighboring Lots as a quality residential community, Declarant may refuse approval the proposed Improvement.

c. Written notice of the approval or disapproval of a proposed Improvement shall be mailed to the Owner at the address specified by the Owner upon submission of the Plans. Such notice shall be mailed, if at all, within thirty (30) days after the date of submission of the Plans. If notice of approval is not mailed within such period, the proposed Improvement shall be deemed disapproved by Declarant.

d. No Lot Owner, or combination of Lot Owners, or other person or persons shall have any right to any action by Declarant, or any right to control, direct or influence the acts of the Declarant with respect to any proposed Improvement. No responsibility, liability or obligation shall be assumed by or imposed upon Declarant by virtue of the authority granted to Declarant in this Section, or as a result of any act or failure to act by Declarant with respect to any proposed Improvement.

3. No single-family residence shall be created, altered, placed or permitted to remain on any Lot other than one detached single-family dwelling which does not exceed two and one-half stories in height. All Improvements on the Lots shall comply with all set back and side yard requirements of the Zoning Code of the Municipal Code of the City of Omaha, Nebraska and any set back or other requirements promulgated by the Declarant.

4. Subject to the specific requirements set forth in this Declaration, all foundations of all Lots shall be constructed of concrete, concrete blocks, brick or stone. All exposed front foundation walls and any exposed foundation walls of all main residential structures facing any street must be constructed of or faced with clay-fired brick or stone or other material approved by Declarant. All exposed side and rear concrete or concrete block foundation walls must be covered with clay-fired brick, stone, siding or shall be painted. All driveways must be constructed of concrete, brick, paving stone, or laid stone. Any fireplace chimney or enclosure of any fireplace flue which is located on the front side of a residence shall be constructed of, or finished with, clay-fired brick or stone or other material approved by Declarant. All fireplace chimneys may be covered with wood or other material if approved in writing by Declarant. Unless other materials are specifically approved by Declarant, the roof of all Improvements shall be covered with asphalt shingles, weathered wood in color, wood cedar shakes or wood shingles.

5. No streamers, posters, banners, balloons, exterior illumination or other rallying devices will be allowed on any Lot in the promotion or sale of any Lot, residential structure or property unless approved in writing by the Declarant. No advertising signs, billboards, unsightly objects or nuisances shall be erected, placed or permitted to remain on any Lot except one sign per Lot consisting of not more than six (6) square feet advertising a Lot as "For Sale." No business activities of any kind whatsoever shall be conducted on any Lot including home occupations as defined in the Zoning Code of the Municipal Code of the City of Omaha, Nebraska; nor shall the premises be used in any way for any purpose which may endanger the health or unreasonably disturb the Owner or Owners of any Lot or any resident thereof. Provided, however, the foregoing paragraph shall not apply to the business activities, signs and billboards or the construction and maintenance of buildings, construction or storage areas, including model homes and general offices, if any, by Declarant, its agents or assigns, during the construction and sale of the Lots.

6. No obnoxious or offensive activity 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, including but not limited to, odors, dust, glare, sound, lighting, smoke vibration and radiation. Exterior lighting installed on any Lot shall either be indirect or of such a controlled focus and intensity as not to disturb the residents of adjacent Lots.

7. No outside radio, television, ham broadcasting, earth station, satellite dish or other electronic antenna or aerial shall be erected or placed on any structure or any Lot, except, with the prior written approval of Declarant, one (1) satellite dish of 18" or less in diameter or diagonal measurement which is screened from view of any street or sidewalk will be permitted per Lot. The foregoing notwithstanding, any earth station, satellite dish or other electronic antenna or aerial specifically exempted from restriction by statute, regulation, binding order of a court or governmental agency shall be maintained in accordance with the strictest interpretation or condition for such use as may be permitted by such order.

8. No tree houses, tool sheds, play houses, windmills or similar structures shall be permitted on any Lot. Basketball backboards will not be approved if mounted to house or other similar structure.

9. No repair of any boats, automobiles, motorcycles, trucks, campers (trailers, van-type, auto-drawn or mounted), snowmobiles, recreational vehicles (RV), other self-propelled vehicles or similar vehicles requiring a continuous time period in excess of forty-eight (48) hours shall be permitted on any Lot at any time, nor shall vehicles or similar chattels offensive to the neighborhood be visibly stored, parked or abandoned on any Lot. No unused building material, junk or rubbish shall be left exposed on the Lot except during actual building operations, and then only in as neat and inconspicuous a manner as possible.

10. Storage, Parking, Maintenance, and Keeping of any "Vehicle" on any Lot

a. No boat, camper, trailer, auto-drawn or mounted trailer of any kind, mobile home, truck mounted camper, aircraft, camper truck or similar chattel shall be maintained or stored on any part of a Lot (other than in an enclosed structure) for more than three (3) consecutive days and no more than twenty (20) days combined within any calendar year.

b. No grading or excavating equipment, tractors or semi-trailers or other commercial vehicles shall be stored, parked, kept or maintained in any yards, driveways, or streets.

c. Only motor vehicles, other than listed in 10(a) and 10(b), and "light-duty" trucks may be parked or stored outside on any Lot on a regular basis, providing they are driven on a regular basis by the occupants of the dwelling located on such Lot. "Light-duty" truck shall mean any truck having less than a 9200 pound Gross Vehicle Weight reading ("GVW") and having a single rear-wheeled axle.

d. This section 10 does not apply to trucks, tractors or commercial vehicles which are necessary for the construction of residential dwellings during the period of construction. All residential Lots shall provide at least the minimum number of off street parking areas or spaces for private passenger vehicles required by the applicable ordinances of the City of Omaha, Nebraska.

11. No incinerator or trash burner shall be permitted on any Lot. No garbage or trash can or container shall be permitted to be stored outside of any dwelling unless completely screened from view, except on a designated day each week for pickup purposes. No garden, lawn or maintenance equipment of any kind whatsoever shall be stored, permitted to remain outside of any dwelling or suitable storage facility, except when in actual use. No garbage, refuse, rubbish or cuttings shall be deposited on any street, road or Lot. No clothes line or other outside facilities for drying or airing clothes shall be permitted outside of any dwelling at any time. Produce or vegetable gardens may only be maintained in rear yards in an area no larger than eight (8) feet by ten (10) feet.

12. No fence shall be permitted except in the rear yard of a Lot, and shall not extend beyond the rear line of the main residential structure unless written approval is first obtained from Declarant. No hedges or mass planted shrubs shall be permitted more than ten (10) feet in front of the front building line. No chain link fencing

shall be allowed, unless installed by Declarant. Unless other materials are specifically approved in writing by Declarant, fences shall only be composed of wood or wrought iron or vinyl. No fences or walls shall exceed a height of six (6) feet. Any fences, hedges or mass planted shrubs installed by or at the direction of the Declarant shall not be subject to the provisions of this paragraph.

13. No swimming pool may extend more than one foot above ground level.

14. Construction of any Improvement shall be completed within one (1) year from the date of commencement of excavation or construction of the Improvement. No excavation dirt shall be spread across any Lot in such a fashion as to materially change the grade or contour of any Lot.

15. Except as set forth below in this Section 15, each Owner of a Lot shall construct, or cause the construction of, a public sidewalk constructed of concrete four (4) feet wide by four (4) inches thick in front of such Owner's Lot and upon each side street of each corner Lot (where applicable). The sidewalk shall be placed four (4) feet back of the street curb line and shall be constructed by the Owner of the Lot prior to the time of completion of the main structure and before occupancy thereof, provided however, this provision shall vary to comply with any requirements of the City of Omaha. Notwithstanding the foregoing, in connection with certain Lots selected by Declarant, in its sole discretion, Declarant has constructed, or shall construct, curved sidewalks. Such curved sidewalks shall be located in the public right-of-way in front of such Lots (and in the case of corner Lots, in the right-of-way on the street side of such Lots) and on a strip of land at the front of each such Lot (or on the street side of each Lot for corner Lots), which strip of land shall not exceed five (5) feet. All such sidewalks (whether the curved sidewalks constructed by Declarant or the straight sidewalks constructed by Owners) shall be public sidewalks, and Declarant hereby reserves in favor of the public, for public use, a perpetual easement for use of the sidewalks for ordinary pedestrian and similar purposes to the extent that any portion or portions thereof are constructed on the front five (5) feet of any Lot or a strip of land not to exceed five (5) feet on the street side of any corner Lot.

16. Driveway approaches between the sidewalk and curb on each Lot shall be constructed of concrete. Should repair or replacement of such approach be necessary, the repair or replacement shall also be of concrete. No asphalt overlay of driveway approaches will be permitted.

17. No stable or other shelter for any animal, livestock, fowl or poultry shall be erected, altered, placed or permitted to remain on any Lot, except for one (1) dog house constructed for one (1), provided always that the construction plans, specifications and the location of the proposed structure have been first approved by Declarant, or its assigns, as required by this Declaration. Dog house and dog run or kennel shall be permitted only with the written approval of the Declarant or its assigns; provided always that any permitted dog house and dog run or kennel shall be located immediately adjacent to the rear of the residence and hidden from view and that a six (6) foot high solid or board on board fence is constructed around the entire perimeter of the rear yard area containing the dog house and dog run or kennel. No animals, livestock, agricultural-type animals, fowl, or poultry of any kind, including pot-bellied pigs, shall be raised, bred or kept on any Lot, except that subject to the ordinances of the City of Omaha, two (2) dogs or two (2) cats, or two (2) other small household pets maintained within the residential structure may be kept, provided that they are not kept, bred or maintained for any commercial purpose and, provided, that they are not left outside of the residential structure unattended and not permitted to run loose outside the Lot of the Owner.

18. Prior to placement on any Lot, any exterior air conditioning condenser unit shall be first approved by the Declarant according to the requirements set forth in Article I, Section 2, and shall be placed in the rear yard or any side yards so as not to be visible from public view. No grass, weeds or other vegetation shall be grown or otherwise permitted to commence or continue, and no dangerous, diseased or otherwise objectionable shrubs or trees will be maintained on any Lot so as to constitute an actual or potential public nuisance, create a hazard or undesirable proliferation, or detract from a neat and trim appearance. Vacant Lots shall not be used for dumping of earth or any waste materials.

19. No structure of a temporary character, carport, detached garage, trailer, basement, tent, outbuilding or shack or other similar structure shall be erected upon or used on any Lot at any time, either temporarily or permanently. No structure or dwelling shall be moved from outside Quail Hollow to any Lot or modular home constructed on any Lot without the written approval of Declarant.

20. All utility service lines from each Lot line to a dwelling or other Improvement shall be underground.

21. Declarant does hereby reserve unto itself the right to require the installation of siltation fences or erosion control devices and measures in such locations, configurations and designs as it may determine appropriate in its sole and absolute discretion.

22. Declarant has planted, or will plant, trees in the public right-of-way in front of certain Lots, selected by Declarant in its sole discretion. Each Owner of any such Lot shall keep the trees located in the right-of-way located in front of such Owner's Lot trimmed, pruned, and sprayed in such manner as will remove any hazard to life or property and preserve or promote the health and vigor of the trees, and shall water and otherwise care for the trees to maintain them in a healthy, vigorous, growing condition. Should any of such trees be removed, die, or deteriorate into a poor condition, the Owner of the Lot shall, at the Owner's expense, replace such trees with trees of the same or similar type and quality. In the event that any Owner fails to perform the maintenance required of the trees under this Section 22, the Association (as defined in Article II of this Declaration) shall be permitted to perform, or cause to be performed, all such maintenance and shall invoice such Owner for the reasonable costs, fees, and expenses in connection therewith. The amount of any such invoices shall, for all purposes, constitute dues and assessments (as defined in Article II of this Declaration) due from the Owner to the Association.

#### ARTICLE II HOMEOWNERS' ASSOCIATION

1. The Association. Declarant has caused or will cause the incorporation of Quail Hollow Homeowners Association, a Nebraska nonprofit corporation (hereinafter referred to as the "Association"). The Association has as its purpose the promotion of the health, safety, recreation, welfare and enjoyment of the residents of the Lots, including:

a. The acquisition, construction, landscaping, improvement, equipment, maintenance, operation, repair, upkeep and replacement of Common Facilities for the general use, benefit and enjoyment of the Members. Common Facilities may include recreational facilities such as swimming pools, tennis courts, health facilities, playgrounds and parks; dedicated and nondedicated roads, paths, ways and green areas; signs, fences and entrances for Quail Hollow. Common Facilities may be situated on property owned or leased by the Association, on public property, on private property subject to an easement in favor of the Association or on property dedicated to a Sanitary Improvement District.

b. The promulgation, enactment, amendment and enforcement of rules and regulations relating to the use and enjoyment of any Common Facilities, provided always that such rules are uniformly applicable to all Members. The rules and regulations may permit or restrict the use of the Common Facilities by Members, their families, their guests, and/or by other persons, who may be required to pay a fee or other charge in connection with the use or enjoyment of the Common Facility.

c. The exercise, promotion, enhancement and protection of the privileges and interest of the residents of Quail Hollow and the protection and maintenance of the residential character of Quail Hollow.

2. Membership and Voting. Quail Hollow is divided into 226 separate residential Lots, including the 87 Lots covered by this Declaration and 139 lots covered by a Declaration previously filed by Declarant (referred to as the "Lots"). Subsequent phases, if any, of the Quail Hollow development shall be annexed hereto and shall be considered Lots as referred to in this Declaration. The "Owner" of each Lot shall be a Member of the Association. For purposes of this Declaration, the term "Owner" of a Lot means and refers to the record owner, whether one or more persons or entities, of fee simple title to a Lot, but excluding however those parties having any interest in any of such Lots merely as security for the performance of an obligation (such as a contract seller, the trustee or beneficiary of a deed of trust or a mortgagee). The purchaser of a Lot under a land contract or similar instrument shall be considered to be the "Owner" of the Lot for purposes of this Declaration. Membership shall be appurtenant to ownership of each Lot, and may not be separated from ownership of each Lot. With the exception of the Class B membership set forth below, the Owner of each Lot, whether one or more, shall have one vote on all matters properly before the Association. Membership shall be appurtenant to ownership of each Lot, and may not be separated from ownership of each Lot.

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 three (3) votes for each Lot owned. The Class B membership shall cease as to the Lots covered by this Declaration and such Lots shall 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 three-fourths of the total votes outstanding in the Class B membership, or
- b. On June 1, 2010 or sooner at Declarant's discretion.

3. Purposes and Responsibilities. The Association shall have the powers conferred upon nonprofit corporations by the Nebraska Nonprofit Corporation Act, and all powers and duties necessary and appropriate to accomplish the Purposes and administer the affairs of the Association. The powers and duties to be exercised by the Board of Directors, and upon authorization of the Board of Directors by the Officers, shall include but shall not be limited to the following:

- a. The acquisition, development, maintenance, repair, replacement, operation and administration of Common Facilities, and the enforcement of the rules and regulations relating to the Common Facilities.
- b. The landscaping, mowing, watering, repair and replacement of parks and other public property and improvements on parks or public property within or near Quail Hollow.
- c. The fixing, levying, collecting, abatement and enforcement of all charges, dues, or assessments made pursuant to the terms of this Declaration.
- d. The expenditure, commitment and payment of Association funds to accomplish the purposes of the Association including, but not limited to, payment for purchase of insurance covering any Common Facility against property damage and casualty, and purchase of liability insurance coverages for the Association, the Board Directors of the Association and Members serving thereunder.

e. The exercise of all of the powers and privileges and the performance of all of the duties and obligations of the Association as set forth in this Declaration, as the same be amended from time to time.

f. The acquisition by purchase or otherwise, holding or disposition of any right, title or interest in real or personal property, wherever located, in connection with affairs of the Association.

g. The deposit, investment and reinvestment of Association funds in bank accounts, securities, money market funds or accounts, mutual funds, pooled funds, certificates of deposit or the like.

h. The employment of professionals and consultants to advise and assist the Officers and Board of Directors of the Association in the general administration and management of the Association, and execution of such documents and doing and performance of their duties and responsibilities for the Association.

i. The doing and performing of such acts, and the execution of such instruments and documents, as may be necessary or appropriate to accomplish the purposes of the Association.

4. Mandatory Duties of the Association. The Association shall maintain and repair any fence, entrance monuments, traffic circle landscaping, signs and landscaping which have been installed in easement or right of way areas of the Quail Hollow subdivision and center islands dividing dedicated roads, in generally good and neat condition.

5. Covenant for and Imposition of Dues and Assessments. The Declarant, for each Lot owned, 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 dues and assessments as provided for herein: The Association may fix, levy and charge the Owner of each Lot with dues and assessments (herein referred to as "dues and assessments") under the following provisions of this Declaration. Except as otherwise specifically provided, the dues and assessments shall be fixed by the Board of Directors of the Association and shall be payable at the times and in the manner prescribed by the board.

6. Abatement of Dues and Assessments. Notwithstanding any other provision of the Declaration, the Board of Directors shall abate all dues and assessments due in respect of any Lot during the period such Lot is owned by the Declarant.

7. Liens and Personal Obligations for Dues and Assessments. The assessments and dues, together with interest thereon, costs and reasonable attorneys' fees, shall be the personal obligation of the Owner of each Lot at the time when the dues or assessments first become due and payable. The dues and assessments, together with interest thereon, costs and reasonable attorneys' fees, shall also be a charge and continuing lien upon the Lot in respect of which the dues and assessments are charged. The personal obligation for delinquent assessments shall not pass to a successor in title to the Owner at the time the dues and assessments become delinquent unless such dues and assessments are expressly assumed by the successor, but all successors shall take title subject to the lien for such dues and assessments, and shall be bound to inquire of the Association as to the amount of any unpaid assessments or dues.

8. Purpose of Dues. The dues collected by the Association may be committed and expended to accomplish the purposes of the Association described in Section 1 of this Article, and to perform the Powers and Responsibilities of the Association described in this Article.

9. Maximum Annual Dues. Unless excess dues have been authorized by the Members in accordance with Section 11, below, the aggregate dues which may become due and payable in any year shall not exceed the greater of:

- a. Fifty and no/100 Dollars (\$50.00) per Lot.
- b. In each calendar year beginning on January 1, 2005, one hundred twenty five percent (125%) of the aggregate dues charged in the previous calendar year.

10. Assessments for Extraordinary Costs. In addition to the dues, the Board of Directors may levy an assessment or assessments for the purpose of defraying, in whole or in part, the costs of any acquisition, construction, reconstruction, repair, painting, maintenance, improvement, or replacement of any Common Facility, including fixtures and personal property related thereto and related facilities. The aggregate assessments in each calendar year shall be limited in amount to Two Hundred and no/100 Dollars (\$200.00) per Lot.

11. Excess Dues and Assessments. With the approval of seventy-five percent of the Members of the Association, the Board of Directors may establish dues and assessments in excess of the maximums established in this Declaration.

12. Uniform Rate of Assessment. Assessments and dues shall be set at a uniform rate as to all Lots, but dues may be abated as to individual Lots, as provided in Sections 5 and 6, above.

13. Certificate as to Dues and Assessments. The Association shall, upon written request and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the dues and assessments on a specified Lot have been paid to the date of request, the amount of any delinquent sums, and the due date and amount of the next succeeding dues, assessment or installment thereof. The dues and assessment shall be and become a lien as of the date such amounts first become due and payable.

14. Effect of Nonpayment of Assessments-Remedies of the Association. Any installment of dues or assessments which is not paid when due shall be delinquent. Delinquent dues or assessment shall bear interest from the due date at the rate of sixteen percent (16%) per annum or the legal rate of interest, whichever is less, compounded annually. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot or Lots, and pursue any other legal or equitable remedy. The Association shall be entitled to recover as a part of the action and shall be indemnified against the interest, costs and reasonable attorneys' fees incurred by the Association with respect to such action. No Owner may waive or otherwise escape liability for the charge and lien provided for herein by nonuse of the Common Facilities or abandonment of his Lot. The mortgagee of any Lot shall have the right to cure any delinquency of an Owner by payment of all sums due, together with interest, costs and attorney's fees. The Association shall assign to such mortgagee all of its rights with respect to such lien and right of foreclosure and such mortgagee may thereupon be subrogated to any rights of the Association.

15. Subordination of the Lien to Mortgagee. The lien of dues and assessments provided for herein shall be subordinate to the lien of any mortgage, contract or deed of trust as collateral for a home improvement or purchase money loan. Sale or transfer of any Lot shall not affect or terminate the dues and assessments lien.

16. Additional Lots. Declarant reserves the right, without consent or approval of any Owner or Member, to expand the Association to include additional residential lots in any subdivision which is contiguous to any of the Lots. Such expansion(s) may be effected from time to time by the Declarant or Declarant's assignee by recordation with the Register of Deeds of Douglas County, Nebraska, of a Declaration of Covenant, Conditions, Restrictions and Easements, executed and acknowledged by Declarant or Declarant's assignee, setting for the identity of the additional residential lots (hereinafter the "Subsequent Phase Declaration").

Upon the recording of any Subsequent Phase Declaration which expands the residential lots included in the Association, the additional lots identified in the Subsequent Phase Declaration shall be considered to be and shall be included in the "Lots" for purposes, of this Article II, and the Owners of the additional residential lots shall be Members of the Association with all rights, privileges and obligations accorded or accruing to Members of the Association.



### ARTICLE III EASEMENTS

1. A perpetual license and easement is hereby reserved in favor of and granted to Omaha Public Power District, any telephone system, or any company which has been granted a franchise to provide a cable television system with the Lots, Metropolitan Utilities District, Peoples Natural Gas, and Sanitary and Improvement District No. 437 of Douglas County, Nebraska, their successors and assigns, to erect and operate, maintain, repair and renew buried or underground sewers, water and gas mains and cables, lines or conduits and other electric and telephone utility facilities for the carrying and transmission of electric current for light, heat and power and for all telephone and telegraph and message service and for the transmission of signals and sounds of any kinds including signals provided by a cable television system and the reception on, over, through, under and across a five (5) foot wide strip of land abutting the front and side boundary lines of the Lots, an eight (8) foot wide strip of land abutting the rear boundary lines of all interior Lots and all exterior Lots that are adjacent to presently platted and recorded Lots. The term exterior Lots is herein defined as those Lots forming the outer perimeter of the Lots. The sixteen (16) foot wide easement will be reduced to an eight (8) foot wide strip when such adjacent land is surveyed, platted and recorded.

2. A perpetual easement is further reserved for the Metropolitan Utilities District of Omaha and Peoples Natural Gas, their successors and assigns to erect, install, operate, maintain, repair and renew pipelines, hydrants and other related facilities, and to extend thereon pipes, hydrants and other related facilities, and to extend therein pipes for the transmission of gas and water on, through, under and across a five (5) foot wide strip of land abutting all cul-de-sac streets; this license being granted for the use and benefit of all present and future owners of these Lots: provided, however, that such licenses and easements are granted upon the specific conditionings that if any of such utility companies fail to construct such facilities along any of such Lot lines within thirty-six (36) months of date hereof, or if any such facilities are constructed but are thereafter removed without replacement within sixty (60) days after their removal, then such easement shall automatically terminate and become void as to such unused or abandoned easementways. No permanent buildings, trees, retaining walls or loose rock walls shall be placed in the easementways but some may be used for gardens, shrubs, landscaping and other purposes that do not then or later interfere with the aforementioned uses or rights granted herein.

3. Other easements are provided for in the final plat of Quail Hollow filed or to be filed in the Register of Deeds of Douglas County, Nebraska.

### ARTICLE IV GENERAL PROVISIONS

1. Except for the authority and powers specifically granted only to the Declarant, the Declarant or any owner of a Lot named herein shall have the right to enforce by a proceeding at law or in equity, all reservations, restrictions, conditions and covenants now or hereinafter imposed by the provisions of this Declaration either to prevent or restrain any violation or to recover damages or other dues of such violation. Failure by the Declarant 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.

2. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty-five (25) year periods from the date of this Declaration. Thereafter the covenants, restrictions and other provisions of this Declaration shall automatically renew for successive ten (10) year periods, unless terminated or amended by the owners of not less than seventy-five (75%) percent of said Lots, which termination or amendment shall thereupon become binding upon all Lots. This Declaration may be amended by Pacesetter Homes, Inc., a Nebraska corporation, its successor or assigns or any person, firm, corporation, partnership or entity designated in writing by Pacesetter Homes, Inc., a Nebraska corporation, in any manner which it may determine in its full and absolute discretion for a period of ten (10) years from the date hereof. Thereafter this Declaration, may be amended by an instrument signed by the Owners of not less than seventy-five percent (75%) of the Lots covered by this Declaration.

3. Pacesetter Homes, Inc., a Nebraska corporation, or its successor or assign, may terminate its status as Declarant under this Declaration, as to any Lot or Lots at any time, by filing a Notice of Termination of Status as Declarant. Upon such filing, the rights of the Declarant shall automatically transfer to the and the Association may

