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**DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS, AND EASEMENTS
OF KILTERA VILLAS**

THIS DECLARATION, ("Declaration") made on the date hereinafter set forth by Waterford Development, L.L.C., a Nebraska limited liability company, hereinafter referred to as "Declarant."

Preliminary Statement

Declarant owns the real estate in Douglas County, Nebraska, which is more particularly described as follows:

Lots 1 through 39, inclusive, and Outlots A, B, C and D, in
Kiltera Villas, a subdivision as surveyed, platted and recorded in
Douglas County, Nebraska

Declarant desires to provide for the preservation of the values and amenities of the Waterford residential lots, and for the maintenance of the residential character thereof.

NOW, THEREFORE, Declarant hereby declares that all the real estate described above and any other real estate hereinafter made subject to this Declaration shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, all of which are for the purpose of enhancing and protecting the value and desirability of the properties and the enjoyment of the residents and owners thereof, and which shall run with the real estate and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, personal representatives, successors and assigns, and shall inure to the benefit of each owner thereof.

**ARTICLE I
DEFINITIONS**

Section 1. "Association" shall mean and refer to Kiltera Villas Owners Association, a Nebraska not-for-profit corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to a Lot but excluding, however, those persons or entities having any interest in any of such Lots merely as a security for the performance of an obligation. The purchaser of a Lot under a land contract or similar instrument shall be considered the Owner.

James D. Buser
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10250 Regency Circle, Suite 300
Omaha, Nebraska 68114

439835-
Box 35

Section 3. "Association Maintenance Obligation" shall mean and refer to the obligation of the Association to provide and pay for all Exterior Maintenance Services of the Villas, repair and replacement obligations, lawn mowing and landscaping work for the assessable Lots within the Properties and any other operation and maintenance obligations contemplated by this Declaration.

Section 4. "Exterior Maintenance Services" shall mean and refer to those services identified and defined in Article III, Section 10 of this Declaration.

Section 5. "Properties" shall mean and refer to the real property in Douglas County, Nebraska, described as follows:

Lots 1 through 39 inclusive, in Kiltera Villas, a subdivision as surveyed, platted and recorded in Douglas County, Nebraska

Section 6. "Lot" shall mean and refer to the individual platted lots which in total constitute the Properties, as such individual lots may from time to time be reconfigured by a legally completed and recorded replat or administrative subdivision.

Section 7. "Declarant" shall mean and refer to Waterford Development, L.L.C. and its successors, assigns or appointees of its rights under this Declaration.

Section 8. "Villa" shall mean an individual dwelling/townhome unit situated on a Lot.

Section 9. "Architectural Control Committee" shall mean the individual or committee appointed from time to time by the Declarant or in the event Declarant terminates its status as Declarant herein in accordance with the provisions of Article VI, Section 4, then the individual or committee appointed from time to time by the Board of Directors of the Association.

Section 10. "Waterford Declaration of Covenants", "Waterford Covenants" and "Waterford Declaration" shall mean the Declaration of Covenants, Conditions, Restrictions and Easements of Waterford recorded with the Register of Deeds of Douglas County, Nebraska, on August 8, 2005, Instrument No. 2005096397, as amended from time to time. The Waterford Declaration of Covenants are by this reference incorporated herein.

Section 11. "Designated Builder" shall mean any person granted permission of Declarant, in writing, to construct Villas on the Lots, unless such permission is revoked.

Section 12. "Outlots" shall mean Outlots A, B, C and D in Kiltera Villas, a subdivision as surveyed, platted and recorded in Douglas County, Nebraska.

**ARTICLE II
MEMBERSHIP AND VOTING RIGHTS**

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

Section 2. In order to ensure that a quorum is present for all meetings of the members, and to allow for orderly management of the Association's affairs, it shall be the duty of each member other than Declarant to attend such meetings or execute and deliver to the Association a continuing proxy prepared by the officers of the Association. This continuing proxy shall operate in lieu of the actual attendance at the meeting by the specific member and shall be void if the member personally attends that meeting to exercise the member's right to vote. An Owner may provide a superseding proxy to be voted by his duly authorized attorney in fact for one specific meeting only. The proxy shall be subject to the terms of the Nebraska Nonprofit Corporation Act concerning revocability and life span of the proxy. Except for the Declarant, any member who fails to attend personally or by proxy is a violation of this covenant. The continuing proxy shall be voted by the President of the Association in his or her discretion at any meeting. The continuing proxy shall provide on its face that it is valid on a continuous basis for an indefinite period of time (subject to limitations in effect from time to time under the Nebraska Nonprofit Corporation Act) until revoked in writing by the specific Owner. All proxies shall be in writing and filed with the Secretary of the Association. Each proxy shall be freely revocable and shall automatically cease when the member giving such proxy shall cease to be an Owner of a Lot or at such earlier time as shall be specified in the proxy or by operation of law.

Section 3. The Association shall have three classes of voting membership:

Class A. The Class A members shall be all Owners, with the exception of the Declarant and the Designated Builders and shall be entitled to one (1) 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 (1) vote be cast with respect to any Lot.

Class B. Class B member(s) shall be the Declarant and shall be entitled to twenty (20) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

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

(b) On December 31, 2012.

Class C. Class C member(s) shall be the Designated Builders and shall be entitled to ten (10) votes for each Lot owned. The Class C membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class C membership; or

(b) On December 31, 2012.

ARTICLE III COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of 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 to the Association annual assessments or charges, such assessments to be established and collected as hereinafter provided. The annual assessments, together with interest, costs, and attorney's fees, shall be a charge on the Owner's Lot and shall be a continuing lien upon the Lot against when each such assessment is made. Each such assessment, together with interest, costs, and attorney's fees, shall also be the personal obligation of the person(s) who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to such Owner's successors in title unless expressly assumed by them. All successors shall take title subject to the lien for such assessments, and shall be bound to inquire of the Association as to the amount of any unpaid assessments.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners of the Properties, and for the improvement and maintenance of the Villas and buildings situated upon the Properties, including but not limited to the payment of taxes, special assessments for work performed by a governmental or quasi-governmental subdivision, insurance, water charges, utility charges, repair of, replacement of, and additions to, the Properties, and for the cost of labor, equipment, materials, management and supervision, although nothing in this Section 2 is intended to create any obligation of the Association to perform or pay for any service on the Lots.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to a person other than Declarant, the maximum annual assessment shall not exceed Two Thousand ~~Seven~~ Hundred Dollars (\$27.00) per Villa or ~~365~~ Lot, and shall not be less than One Thousand Two Hundred Dollars (\$1,200) per Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased by the

Board of Directors of the Association each year without a vote of the members, provided that the amount of the increase does not exceed twenty five percent (25%) of the total assessment for the previous year.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above the percentage increase permitted in subparagraph (a) above upon recommendation of the Board of Directors of the Association, followed by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of Directors shall fix the annual assessment at an amount not in excess of the maximum.

Section 4. Notice and Quorum for Any Action Authorized Under Section 3. Written notice of any meeting called for the purpose of members taking any action authorized under Article III, Section 3(b) shall be sent to all members not less than ten (10) 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 more than fifty percent (50%) of the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, at which the presence of members or proxies entitled to cast at least ten percent (10%) of the votes of each class of membership shall constitute a quorum. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 5. Rate of Assessment. Annual assessments must be fixed, based on the status of each Lot. All Lots which have a Villa completed shall be assessed, subject to the provisions of Section 8 of this Article.

Section 6. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to the Lots on the date to be determined by the Board of Directors of the Association. All assessments shall be collected in advance on an annual, quarterly or monthly basis as from time to time determined by the Board of Directors of the Association. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot or Unit at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment and the due dates shall be sent to every Owner subject thereto. The Association shall, upon demand and for a reasonable charge (not to exceed \$25), 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 bear interest from the due date at the rate of 15% per annum or the then maximum legal rate for individuals allowable in the State of Nebraska, whichever is less. 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 maintaining his or her own Lot.

Section 8. Abatement of Assessments. Notwithstanding any other provision of this Declaration, (i) the Board of Directors may, in its discretion, abate all or any part of the assessments due in respect of any Lot; (ii) Lots owned by the Declarant shall not be subject to the imposition of dues, assessments or the lien of any assessments; and (iii) vacant Lots, Lots on which a Villa is under construction, which have a Villa used as a model or a spec home, shall not be assessed so long as such Lots are appropriately maintained by the Owner of such Lot, and if not so maintained, the Association may undertake maintenance of such Lot and assess the maintenance costs to the Owner of the Lot.

Section 9. Subordination of the Lien to Mortgages/Trust Deeds. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or first Deed of Trust. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to a mortgage or trust deed foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which become 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.

Section 10. Exterior Maintenance Services. Exterior Maintenance Services (as defined in this Section 10) of each Villa and Lot shall be provided by the Association. The Declarant does hereby reserve and each Owner does hereby consent and grant to the Association and its officers, employees, agents, contractors and repairmen, a perpetual and permanent easement over and across such Villa and Lot at any reasonable time to make inspections and to perform such Exterior Maintenance Services. "Exterior Maintenance Services" shall mean the regular mowing, fertilization and application of chemicals to lawns, gutter and downspout repair, re-roofing, re-painting, cultured stone repair or replacement, garbage pickup and driveway snow removal. The necessity and frequency of Exterior Maintenance Services shall be determined by the Association, except that the Villas shall be repainted no less often than once every seven (7) years. Exterior Maintenance Services shall at all times be consistent with and comply with the provisions of the Waterford Declaration of Covenants. Exterior Maintenance Services shall not include any repairs or maintenance of concrete, sanitary sewer, water, gas or electrical lines. Exterior Maintenance Services shall include maintenance and repair of sprinkler systems, landscaping, except that damage to property normally covered by homeowners insurance policies with extended coverage including but not limited to such items as glass, garage doors, entrance doors and Owner's personal property shall not be included. All maintenance services that are not the responsibility of the Association shall be the responsibility of each Owner of a Villa and Lot.

In the event that the need for any Exterior Maintenance Services is caused through the negligent acts or omissions of an Owner, or through the or negligent acts or omissions of the family, guests, or invitees of an Owner, the cost of such Exterior Maintenance Services provided by the Association shall be the personal obligation of the Owner of the Lot and shall be in addition to the assessment to which such Lot is subject under this Declaration.

Section 11. Maintenance of Outlots. The Association shall be required to pay the expenses, if any, of the maintenance, insurance, operation, repair and upkeep of the Outlots. The Association may pay for landscaping and/or improvement of the Outlots. The Association shall be required to obtain insurance for the Outlots. The Association is authorized to contract with any third party for the landscaping, improvement, maintenance, insuring, operation, repair and/or upkeep the Outlots, including contracting with any Designated Builder to construct, install, maintain, insure and operate landscaping and improvements on the Outlots at Designated Builder's sole cost and expense

ARTICLE IV COVENANTS FOR INSURANCE

Section 1. Required Insurance. Each Lot Owner shall provide casualty insurance with respect to the improvements (Villas) on each such Owner's Lot in an amount equal to at least the full replacement value of said improvements or in an amount as may be required by any mortgage holder, whichever is higher, against loss by fire, lightning, windstorm, and other perils covered by standard extended coverage endorsement, and insurance against such other hazards in amounts as are normally carried by owners of like units. In January of each year, or upon request of the Association from time to time, each Owner shall provide written evidence of this insurance coverage. The Association shall be an additional named insured on any casualty insurance policy covering any Lot.

Section 2. Failure of Owner to Obtain Insurance. In the event that any Owner fails to maintain the insurance required by this Section, or fails to provide the Association with written evidence thereof, the Association may obtain homeowners insurance for such Owner's Lot and improvements thereon. The homeowners insurance policy on any such Lot shall name both the Association and the Lot Owner as beneficiaries. The cost of obtaining such insurance shall be assessed against the Lot insured by such policy.

Section 3. Public Liability Insurance. The Association shall provide public liability insurance covering any Properties owned by the Association, in such amounts as may be determined at the discretion of the Association from time to time, as well as any other insurance that the Association may deem appropriate.

Section 4. Fidelity Bonds. The Association may also provide fidelity bonds and workers compensation insurance for employees and fidelity bonds and errors and omissions insurance for officers and directors in such amounts as is determined by the Association to be

necessary from time to time. The Association may, from time to time, provide other forms of insurance as deemed necessary.

ARTICLE V
RESTRICTIONS, EASEMENTS AND MISCELLANEOUS PROVISIONS

Section 1. Each Lot shall be used exclusively for single-family, detached villa 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 park or for other non-profit use.

Section 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, mailbox or other external improvement, above or below the ground (herein collectively referred to as "Improvement") shall be constructed, erected, placed or permitted to remain on any Lot or elsewhere in Waterford, nor shall any grading, excavation or tree removal for any Improvement be commenced, except for Improvements which have been approved by Declarant or the Architectural Control Committee, if appointed 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. Concurrent with submission of the plans, Owner shall notify the Declarant of the Owner's mailing address.

(b) Declarant shall review such plans in relation to the type of exterior of Improvements constructed, or approved for construction, on neighboring Lots and in surrounding the area of Waterford, 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 of the proposed Improvement.

(c) Written notice of any approval of a proposed Improvement shall be mailed or faxed to the Owner, or its designated agent (builder), at the address or fax number specified by the owner or its designated agent 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. Approval by Declarant pursuant to the requirements of the Waterford Declaration of Covenants shall satisfy the requirements of this paragraph.

(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.

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

Section 4. All construction shall be in conformance with the architectural guidelines set forth from time to time by the Declarant and plans for such construction shall be approved by each in accordance with their respective architectural review and approval procedures. Unless other materials are specifically approved in writing by the Declarant, the roof of all improvements shall be covered with asphalt shingles that are weathered wood in color, wood cedar shakes or wood shingles.

Section 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, this Section shall not apply to the business activities, sign and billboards or the construction and maintenance of buildings, including model homes and temporary sales offices, if any, by Declarant or designated builders, agents or assigns, during the construction and sale of the Lots.

Section 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.

Section 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, which shall not be unreasonably withheld, one (1) satellite dish of 24" 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.

Section 8. No tree houses, tool sheds, doll houses, windmills or similar structures shall be permitted on any Lot.

Section 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 manner as possible.

Section 10. No boat, camper, trailer, or auto-drawn or mounted trailer of any kind, mobile home, truck, 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 two (2) consecutive days and no more than twenty (20) days combined within any calendar year. No motor vehicle may be parked or stored outside on any Lot except vehicles driven on a regular basis by the occupants of the dwelling located on such Lot. No grading or excavating equipment, tractors or semitractors/trailers or other commercial vehicles shall be stored, parked, kept or maintained in any yards, driveways, or streets. However, this Section 10 does not apply to trucks, tractors or commercial vehicles which are necessary for the construction or 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.

Section 11. No incinerator or trash burner shall be permitted on any Lot. No garbage or trash can or container or fuel tank 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 or permitted to remain outside of any dwelling or suitable storage facility, except when in actual use. No garbage, refuse, rubbish or cutting shall be deposited on any street, road or Lot. No clothesline 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.

Section 12. No fence shall be permitted except as approved in writing by the Declarant and constructed by a Designated Builder for the private courtyard area of any Villa. No hedges or mass planted shrubs shall be permitted more than ten (10) feet in front of the front building line. Unless other materials are specifically approved in writing by Declarant on case-by-case basis, fences shall only be composed of black fencing material, which may include pre-cast concrete columns or other materials approved in writing by the Declarant. No chain-link fence (including vinyl covered) shall be allowed. 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.

Section 13. No swimming pool shall be constructed or allowed on the Lots, including temporary, inflatable or above-ground pools.

Section 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.

Section 15. A public sidewalk shall be construed of concrete four (4') feet wide by four (4") inches thick in front; of each Lot and upon each street side of each corner Lot. The sidewalk shall be placed six (6') 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 by virtue of ordinance or agreement.

Section 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.

Section 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) dog, provided always that the construction plans, specifications and the location of the proposed structure have been first approved by Declarant or it assigns if required by this Declaration. A dog house shall only be allowed at the rear of the residence, attached to or immediately adjacent to the residence. Dog runs and kennels are prohibited. 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. No excessive barking of any dog, or other excessive noise of any kind from any animal, shall be permitted on any Lot. Any dog or other animal that barks or makes other noise outside the

home of any Lot at any time shall wear electronic collars to prevent such barking or other noise.

Section 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 IV, 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 shall 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 water materials, and no vegetation on vacant Lots shall be allowed to reach a height in excess of twelve inches (12").

Section 19. Except for temporary sales offices maintained by Declarant or Designated Builders, agents or assigns, 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 shall be moved from outside the Kiltera Villas to any Lot, and no modular home shall be constructed on any Lot.

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

Section 21. Declarant does hereby reserve unto itself the right to require at Owner's expense the installation of siltation fences or erosion control devices and measures in such location, configurations and designs as it may determine appropriate in its sole and absolute discretion, except that Owner shall remain solely responsible for the effects of such devices and measures or lack thereof.

Section 22. In the event of any catastrophic injury or the destruction of any Villa, the Owner thereof shall be required to, within one (1) year of such injury or destruction, either a) rebuild or repair the Villa to a design and condition substantially similar to that of the Villa prior to the damage or destruction, or b) remove all waste, rubble or debris from the Lot, and backfill any holes on the Lot. In the event that an Owner fails to act as required by this Section, the Association may enter upon the Lot, remove all debris and rubble, backfill all holes and assess the cost thereof against the Lot as a special assessment.

ARTICLE VI GENERAL PROVISIONS

Section 1. Enforcement. The Association, the Declarant or any Owner, shall have the right to enforce, by any proceeding at law or in 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 an Owner to enforce any condition, reservation,

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 of these conditions, reservations, 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. Term; Amendment. The covenants and restrictions of this Declaration shall run with and bind the Properties for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall automatically extend for successive periods of ten (10) years unless a notice of termination is approved by action of not less than seventy-five percent (75%) of the Owners and recorded prior to the date of expiration of the original or a renewal term. Subject to complying with the provisions of Section 4 of this Article VI, for a period of seven (7) years following the date of this Declaration, this Declaration may be amended, modified or dissolved by an instrument signed by the Declarant, in its sole and absolute discretion, and thereafter by consent of at least seventy-five percent (75%) of the member votes of the Association. Any amendment, modification or extension must be recorded in the office of the Register of Deeds to be effective.

Section 4. Special Declarant Rights. Declarant reserves the right to terminate its status as Declarant under this Declaration, at any time, by filing a Notice of Termination of Status as Declarant. Upon such filing, Declarant, or should the Declarant fail to make an appointment, the Association, shall have the right to appoint another entity or individual to serve as Declarant, and such appointee shall thereafter serve as Declarant with all the same powers and authority as the original Declarant. Any successor Declarant appointed pursuant to this Section shall have the right to file a Termination of Status as Declarant and appoint a successor. Notwithstanding the provisions of Section 3 of this Article VI, no amendment of this Declaration shall modify in any manner the provisions of this Section 4 unless consented to in writing by Declarant.

Section 5. Relation to Waterford Declaration. Each Lot shall be subject to the conditions, reservations, covenants and restrictions of this Declaration and the Waterford Declaration. Owners shall be members of both the Association and the Waterford Homeowners Association. It is the intention of the Declarant that Owners comply with both this Declaration and the Waterford Declaration. In the event of any conflict between this Declaration and the Waterford Declaration, the more restrictive of the conflicting provisions shall apply.

