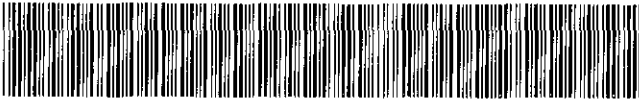




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AFTER RECORDING, RETURN TO: Daniel B. Kinnamon, Erickson & Sederstrom, P.C., 10330 Regency Parkway Drive, Omaha, NE 68114
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**DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS**

THIS DECLARATION, ("Declaration") made on the date hereinafter set forth by Gottsch Land Co., a Nebraska general partnership and The M Group, L.L.C., a Nebraska limited liability company, hereinafter referred to as "Declarant".

PRELIMINARY STATEMENT

Gottsch Land Co. is the present owner of certain real property in Douglas County, Nebraska, which it intends to sell to The M Group, L.L.C., which is more particularly described as:

Lots 2 through 10, inclusive, Arbor Ridge 2nd Addition, a subdivision as surveyed, platted and recorded in Douglas County, Nebraska; and

Lots 15 through 34, inclusive, Arbor Ridge 2nd Addition, a subdivision as surveyed, platted and recorded in Douglas County, Nebraska

The M Group, L.L.C. is the present owner of certain real property in Douglas County, Nebraska, which is described as:

Lot 1, Arbor Ridge 2nd Addition, a subdivision as surveyed, platted and recorded in Douglas County, Nebraska

NOW, THEREFORE, Declarant hereby declare that all the properties described above and any other properties 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, perpetually with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, personal representatives, transferees, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I DEFINITIONS

Section 1. "Association" shall mean and refer to Arbor Ridge II Townhomes & Villas Association, a Nebraska nonprofit 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 any townhome Unit or Lot which is a part of the Properties, but excluding in all cases those having any such interest merely as security for the performance of any obligation. If a townhome Unit or Lot is sold under a recorded contract of sale, the purchaser (rather than the fee owner) will be considered the Owner.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described and such additional real properties as may hereafter be brought within the jurisdiction of the Association in accordance with the provisions of this Declaration.

Section 4. "Lot" shall mean and refer to those plots of land included in the Properties as shown as lots upon any recorded subdivision maps of the Properties and are sometimes referred to collectively herein as the "Lots" and individually as each "Lot".

Section 5. "Declarant" shall mean and refer to Gottsch Land Co. and The M Group, L.L.C. and their respective successors, assigns or appointees.

Section 6. "Unit" shall mean the improvements comprising an individual townhome unit situated on a Lot. Such Units are referred to collectively herein as "Units" and individually as each "Unit".

Section 7. "Architectural Control Committee" shall mean the individual, committee members or entity appointed from time to time by the Declarant. By execution of this Declaration, Declarant has appointed Gottsch Land Co. as the Architectural Control Committee to serve in that capacity so long as it is a Declarant herein or otherwise resigns.

ARTICLE II MEMBERSHIP AND VOTING RIGHTS

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

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 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. Failure 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. It is noted that Nebraska law requires that members holding 1/10th of the votes entitled to be cast represented in person or by proxy shall constitute a quorum. 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 Unit or at such earlier time as shall be specified in the proxy or by operation of law.

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

Class A. The Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one (1) vote for each Unit or Lot owned. When more than one person holds an interest in any Unit or Lot, all such persons shall be members. The vote for such Unit or Lot shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any Unit or Lot.

Class B. Class B member(s) shall be the Declarant and it shall be entitled to four (4) votes for each Lot or Unit 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 the total votes outstanding in the Class B membership: or
- (b) On March 1, 2018: or
- (c) The written direction of Declarant

Section 4. The Association shall have the powers conferred upon not for profit 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, may include but shall not be limited to the following:

A. Grounds and lawn care and maintenance, snow removal, trash collection and the other exterior maintenance as more particularly described in Section 11 of Article III herein.

B. The fixing, levying, collecting, abatement, and enforcement of all charges, dues, or assessments made pursuant to the terms of this Declaration.

C. The expenditure, commitment and payment of Association funds to accomplish the purposes of the Association including, but not limited to payment for and purchase of liability insurance coverage for the Association, the Board of Directors of the Association and the Members.

D. 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 may be amended from time to time.

E. 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 the affairs of the Association.

F. 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.

G. The employment of and payment of all fees, costs and expenses of professionals, consultants, firms and employees to advise and assist the Officers and Board of Directors of the Association in the performance of their duties and responsibilities for the Association.

H. General administration and management of the Association, and execution of such documents and doing and performance of such acts as may be necessary or appropriate to accomplish such administration or management.

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

ARTICLE III COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Unit or 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 all assessments or charges together with interest thereon, costs and attorney's fees with such assessments to be established

and collected as hereinafter provided. All assessments, together with interest, costs, and attorney's fees shall be a charge on the land and shall be a continuing lien upon the real property against which 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 real property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to such Owners successors in title unless expressly assumed by them, and in that event 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 for the fees, expenses, charges, and costs for the operation of the Association, the enforcement of the provisions of this Declaration, the performance of the powers and responsibilities of the Association described in Section 4 of Article II and the exterior maintenance of the Lots and townhome Units situated thereon as more particularly described herein in this Article III.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot or townhome Unit to an Owner, the maximum annual assessment shall not exceed Twelve Hundred Dollars (\$1,200.00) per Unit or Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot or townhome Unit to an Owner, the maximum annual assessment may be increased each year by the Board of Directors without a vote of the members by a percentage of the prior years' assessment, which percentage shall not exceed the greater of ten percent (10%) of the maximum assessment for the previous year or the percentage increase in the U.S. Department of Labor Consumer Price index (all items) for all Urban Consumers 1993 -94 = 100 ("CPI-U") for the month of October immediately preceding such new calendar year as compared to the CPI-U for the month of October in the prior year. If the CPI-U is discontinued or replaced, then the Board of Directors shall substitute a reasonably equivalent other index which will in their opinion accomplish the same result of reflecting general consumer price changes in the United States economy.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot or townhome Unit to an Owner, the maximum annual assessment may be increased above the percentage increase permitted in subparagraph (a) above, by a vote of two-thirds (2/3) of the total votes of all members entitled to vote who may vote in person or by proxy, at a members' meeting duly called for this purpose.

(c) The Board of Directors may in its discretion fix the annual assessment at an amount not in excess of the maximum prescribed herein.

Section 4. Notice and Quorum for Any Action Authorized Under Section 3. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of members entitled to vote shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. 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 townhome Unit completed and residents living therein will be assessed. Townhome Units under construction or vacant Lots or which Lots townhome Units thereon are used as models and/or unsold to third party purchasers (not the Declarant or its assigns) will not be assessed. All annual assessments may be collected on a monthly basis and shall be fixed at a uniform rate as to all Lots or townhome Units unless otherwise specifically provided herein to the contrary.

Section 6. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots or Units on the first day of the month following the conveyance of the first Lot or townhome Unit to a third party purchaser. 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 shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot or Unit have been paid. A properly executed certificate of the Association as to the status of assessments on a Unit or Lot is binding upon the Association as of the date of its issuance.

Section 7. Special Assessments. The Association may levy special assessments from time to time against a Lot or Unit in any amounts for the purpose of meeting any of the requirements of this Article III for exterior maintenance or for the costs of any construction, reconstruction, repair or replacement of any capital improvements on any Lot or Unit or for the costs of the Association's share of any payments for dues and assessments to Arbor Ridge II Homeowners Association for Common Facilities as provided in Section 1 of Article VI of this Declaration, all of which special assessments may not be equal for each Lot or Unit.

Section 8. Effect of Nonpayment of Assessments; Remedies of the Association. Any installment of an assessment which is not paid when due shall be delinquent. All delinquent assessments of any kind or nature made by the Association shall bear interest from the due date at the rate of sixteen percent (16%) per annum, 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 townhome Unit or Lot, 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 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 abandonment of his Lot or townhome Unit. The mortgagee of any Lot or townhome Unit shall have the right to cure any delinquency of an Owner by payment of all sums due, together with interest, costs and 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.

Section 9. Abatement of Assessments. Notwithstanding any other provision of this Declaration, the Board of Directors may in its discretion, abate all or any part of the assessments due in respect of any Lot or Unit. Lots or Units owned by the Declarant shall not be subject to the imposition of dues, assessments or the lien of any assessments.

Section 10. 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 Unit or Lot shall not affect the assessment lien. However, the sale or transfer of any Unit or 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 or Unit from liability for any assessments thereafter becoming due or from the lien thereof.

Section 11. Exterior Maintenance and Services. Exterior maintenance (as defined herein) of each townhome Unit on each Lot shall be provided by the Association and each Owner does hereby consent to and grants and conveys to the Association and its officers, employees, agents, contractors and repairmen, a perpetual and permanent easement over and across such townhome Unit and Lot at any reasonable time to make inspections and to perform such exterior maintenance. "Exterior maintenance" shall mean the painting of exterior wood and metal building surfaces, together with maintenance of the lawns (mowing, fertilization and chemicals), garbage pickup and snow removal. Exterior maintenance shall not include any repairs or maintenance of sanitary sewer, water, gas or electrical lines on any Owners Lot, roof repair or replacement, repair or maintenance of gutters, downspouts, sprinkler systems, or any damage to property of any kind normally covered by homeowners insurance policies with extended coverage including but not limited to such items as glass, garage doors, entrance doors and Owners personal property. There shall be no exterior painting permitted of any townhome Unit by any Owner. All exterior maintenance that is not the responsibility of the Association shall be the responsibility of each Owner of a townhome Unit.

In the event that the need for any exterior maintenance of a townhome Unit or the improvements thereon by the Association is caused through the willful or negligent acts or omissions of its Owner, or through the willful or negligent acts or omissions of the family, guests, invitees or contractors of the Owner of the townhome Unit needing such maintenance the cost of such exterior maintenance by the Association shall be added to and become part of the assessment to which such townhome Unit and Owner of a Lot is subject under this Declaration.

With respect to those maintenance obligations that are not the responsibility of the Association, in the event an Owner of any townhome Unit shall fail to maintain the exterior of

the Owner's townhome Unit and any other improvements situated on the Owners Lot in a manner satisfactory to the Board of Directors, the Association, after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon the Owners Lot and to repair, maintain and restore the townhome Unit and any other improvements erected on the Owners Lot. The cost of such exterior maintenance shall be added to and become an additional part of the assessment to which such townhome Unit or Owner's Lot is subject under this Declaration.

Section 12. Insurance. Each Owner shall provide homeowners insurance with respect to the improvements on each Owner's Lot or Unit in an amount equal to at least eighty percent (80%) of 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 properties. Upon request of the Association from time to time, each Owner shall provide written evidence of this insurance coverage and the payment of any premiums for such insurance.

Section 13. Mandatory Repair and Maintenance of Fences. Any fences that have been originally installed by the Declarant, the Association or others along the exterior or side lot lines of any Lot shall not be repaired and maintained by the Association but each Owner of the townhome Unit or Lot shall be obligated to keep in good maintenance and repair that portion of any such fence on the Owner's Lot in generally good repair and condition. In the event any Owner shall fail to maintain and repair such fence in a generally good and neat condition, the Association, after approval by a majority vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon the Owner's Lot or Unit and repair, maintain and restore the fence and the cost of such repair and maintenance shall be added to and become an additional part of the assessment to which such townhome Unit or Lot is subject under this Declaration.

Section 14. Landscaping Maintenance. The Association shall provide maintenance and care only of all trees, shrubs, lawns and other exterior landscaping improvements as originally installed by the Declarant or builder or by the Association, except such improvements as may be within the confines of any closed or fenced in area on any Lot or installed at anytime by or at the direction of the Owner, in which case such improvements shall be the sole responsibility of the Owner and not the responsibility of the Association. The Owner understands that the original trees, shrubs or other exterior landscaping as installed by the Declarant or builder is not warranted for any period of time. The Owner is solely responsible for replacement of all dead trees, shrubs and other landscaping improvements as installed by the Declarant or builder and the Owner agrees to allow the Association, in its sole discretion, to from time to time replace such dead trees, shrubs and landscaping improvements at the expense of the Owner of record at the time of replacement and the Owner shall reimburse the Association on demand for such costs.

ARTICLE IV EASEMENTS

Section 1. A perpetual easement is reserved in favor of the Declarant and the Association, its successors and assigns to create, install, repair, reconstruct, paint, maintain and renew any fence, standards and related accessories, if any, located on, over and upon the rear most ten (10) foot wide strip of land abutting the rear boundary lines of all Lots on the perimeters of the Properties.

Section 2. A perpetual license and easement are hereby reserved in favor of and granted to Omaha Public Power District, Qwest Communications and any company which has been granted a franchise to provide a cable television system within the Properties and Sanitary and Improvement District No. 513 of Douglas County, Nebraska, their successors and assigns, to erect and operate, maintain, repair and renew buried or underground 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 all 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 all 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; and a sixteen (16') foot wide strip of land abutting the rear boundary lines of all exterior Lots that are not 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.

Section 3. A perpetual easement is further reserved for the Metropolitan Utilities District of Omaha and Aquila, Inc., 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 for the transmission of gas and water on, through, under and across a five (5') foot wide strip of land abutting all 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 conditions that if any of such utility companies fail to construct such facilities along any of such Lot lines within thirty-six (36) months of the 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 easement ways.

Section 4. Qwest Communications and/or any other telecommunications company may, upon completion of its distribution system, require a connection charge on some or all of the Lots at the time service is requested that will be each Owner's separate obligation to pay.

Section 5. Other easements are provided for in the final plat of Arbor Ridge II, which is filed in the Register of Deeds of Douglas County, Nebraska (Instrument No. 2005089700).

Section 6. No permanent buildings, trees, retaining walls or loose rock walls shall be placed in any of the easement ways created herein but same 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.

**ARTICLE V
RESTRICTIONS, COVENANTS AND ARCHITECTURAL CONTROL**

Section 1. Each Lot and Unit shall be used exclusively for single-family residential purposes and for no other purpose or use.

Section 2. No Owner shall at anytime lease or rent the townhome Unit on any Lot and no lessee, renter, tenant or any other person providing any consideration for such occupancy or use will be permitted to at anytime occupy or use all or any part or parts of any townhome Unit on any Lot without the express written approval of the Declarant during the period of Declarant control or by the Board of Directors thereafter.

Section 3. 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 "discs", solar heating or cooling device, or other external improvement, above or below the ground (herein all referred to as any "Improvement") shall be built, 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 the Architectural Control Committee as follows:

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

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

community, the Architectural Control Committee may refuse approval of the proposed Improvements.

(c) Written Notice of any approval 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 the Architectural Control Committee.

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

Section 4. No townhome Unit shall be created, altered, placed or permitted to remain on any Lot other than one detached single-family dwelling which does not exceed one and one-half stories in height and includes an attached two-car garage. The ground floor finished and enclosed living area of the main townhome Unit structures, exclusive of porches, breezeways, basements and garages, shall be not less than the following minimum sizes:

- | | | |
|-----|---|------------------|
| (a) | One story with attached two-car garage | 1400 square feet |
| (b) | One and one-half story with attached two-car garage | 1800 square feet |

Section 5. The exposed foundation walls and any foundation walls facing any street of all main residential structures must be constructed of or faced with stone, stucco or brick embossed poured concrete or with clay-fired brick or simulated brick or other material approved by the Architectural Control Committee. All exposed side and rear concrete foundation walls not facing a street must be covered with clay-fired brick, stone, stucco or poured concrete using a brick style form and painted or other style approved by the Committee. All driveways must be constructed of concrete. All foundations shall be constructed only of poured concrete, brick or stone. Unless other materials are specifically approved by the Declarant, the roof of all Improvements shall be covered with Heritage 30 year weather wood asphalt shingles or wood cedar shakes or wood shingles. Hardboard, pressed wood, banded wood and like type shingles will not be approved by the Architectural Control Committee for coverage of any roof.

Section 6. 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 Architectural Control Committee. 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 church activities or business activities of any kind whatsoever shall be conducted on any Lot including, but not limited to, home occupations as defined in the Zoning Code of the Municipal Code of the City of Omaha, Nebraska; nor shall any Lots 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, if any, by Declarant, its agents or assigns, during the construction and sale of the Lots.

Section 7. 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 8. Exterior television or radio antenna of any sort shall not be permitted on any Lot, except a satellite receiving dish not exceeding 24 inches in diameter and attached directly to the townhome Unit may be permitted provided that the location and size of the proposed satellite receiving dish be first approved by the Architectural Control Committee. 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 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.

Section 10. No boat, camper, trailer, 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 forty-eight (48) hours within a 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 shall be stored, parked, kept or maintained in any yards, driveways or streets. However, this Section 9 shall 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 zoning 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 unless completely screened from view, except 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, rubble or cuttings shall be deposited on any street, road or Lot. No clothes line shall be permitted outside of any dwelling at any time. Produce or vegetable gardens may only be maintained in rear yards of the Lots.

Section 12. No fence shall be permitted to extend beyond the front line of the main residential structure. No hedges or mass planted shrubs shall be permitted more than ten (10) feet in front of the front building line of the main residential structure without prior approval of the Architectural Control Committee. Unless other materials are specifically approved in writing by the Architectural Control Committee, fences shall only be composed of cedar wood, wrought iron or vinyl. No chain line fence of any kind shall be allowed to be placed on any Lot. No walls on any Lot shall exceed a height of four (4') feet unless approved by the Committee in its sole discretion.

Section 13. No swimming pool may extend more than one foot above ground level; provided, however, this shall not include a temporary small swimming pool not exceeding two feet (2') in height and not requiring a City of Omaha permit for the pool or a surrounding fence.

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 or intended drainage of any Lot.

Section 15. A public sidewalk shall be constructed 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 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.

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. Driveways shall be constructed at a minimum width of sixteen (16') feet. 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 dog house; provided always that the construction plans, specifications and the location of the proposed structure have been first approved by the Architectural Control Committee, if required by this Declaration. Dog houses shall only be allowed at the rear of the residence, attached to or immediately adjacent to the residence and concealed from the public view. Dog runs or kennels shall not be permitted. 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 dogs, cats, or other household pets maintained within the residential structure may be kept, provided that they are not kept, bred or maintained for any business or commercial purpose and, provided, that they are kept confined to the Lot of their Owner and are not permitted to run loose outside the Lot of the Owner.

Section 18. Any exterior air conditioner condenser unit shall be placed in the rear yard or any side yards so as not to be visible from public view. Except for the natural habitat areas existing on any Lot as of the time of the original sale of the Lot or Unit to an Owner by the Declarant, no grass, weeds or other vegetation will 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 including grass clippings, and no vegetation on vacant Lots shall be allowed to reach a height in excess of sixteen (16") inches.

Section 19. No townhome Unit shall be constructed on a Lot unless the entire Lot, as originally platted, is owned by one owner of such Lot, except if parts of two or more platted Lots have been combined into one Lot which is at least as wide as the narrowest Lot on the original plat, and is as large in area as the largest Lot in the original plat.

Section 20. No structure of a temporary character, carport, detached garage, trailer, basement, tent, outbuilding or shack shall be erected upon or used on any Lot at any time, either temporarily or permanently. No structure or dwelling of any kind shall be moved from outside the Properties to any Lot without the written approval of the Architectural Control Committee.

Section 21. All utility service lines from each Lot line to a dwelling or other Improvement shall be underground.

Section 22. Declarant does hereby reserve unto themselves and grant to the Architectural Control Committee the concurrent right to require the installation of siltation fences or erosion control devices and measures in such location, configurations, and designs as they may determine appropriate in their sole and absolute discretion.

Section 23. Vehicular ingress and egress to and from any Lot upon the public streets shall be limited to the driveway only and no Owner shall construct more than one driveway or other means of vehicular access to the public streets upon any Lot unless specifically approved by the Architectural Control Committee.

Section 24. All portions of any Lot without landscaping shall be sodded with bluegrass and/or fescue, unless otherwise specifically approved by the Architectural Control Committee. All portions of any Lot, exclusive of any structure thereon, shall have installed permanent underground lawn irrigation equipment.

Section 25. In the event an Owner of any townhome Unit shall fail to strictly comply with any of the provisions of this Declaration including, but not limited to, the provisions of this Article V, the Association shall have the right, through its agents, contractors and employees, to enter upon the Owner's Lot and to remove any Improvements not in compliance with the provisions of this Declaration and to charge Owner with the fees, costs and expenses of such removal and at its option to levy and assess any fees, costs and expenses incurred by the Association against Owner's Lot or Unit. If such fees, costs and expenses are levied and

assessed against Owner's Lot or Unit the amount shall constitute a lien against the particular Lot or Unit and may be enforced by foreclosure or other remedy as provided in Section 8 of Article III herein.

ARTICLE VI GENERAL PROVISIONS

Section 1. Common Facilities Assessments. The Association does not and will not own any real property or facilities for the common use and enjoyment of any Owner, sometimes referred to generally as "Common Areas" or "Common Facilities." However, Arbor Ridge II Homeowners Association, a Nebraska nonprofit corporation formed to administer and enforce the Declaration of Covenants, Conditions, Restrictions and Easements of Part of Arbor Ridge II, a subdivision in Douglas County, Nebraska dated February 15, 2006 and recorded with the Register of Deeds Office of Douglas County, Nebraska on February 28, 2006, in the Miscellaneous Records as Instrument No. 2006022496 (herein "Arbor Ridge II Homeowners Covenants") does own and may develop and construct certain Common Facilities within the Arbor Ridge II subdivision as defined in the Arbor Ridge II Homeowners Covenants and is authorized therein to fix and levy dues and assessments against each Lot herein for the costs of any acquisition, construction, reconstruction, repair, maintenance, improvement, or replacement of any Common Facilities, including fixtures and personal property and related facilities (herein "Common Facilities Expenses"). Each Lot Owner herein shall have the rights in common with the owners of lots subject to the Arbor Ridge II Homeowners Covenants to have access to and to use such Common Facilities the same as the owners of lots subject to the Arbor Ridge II Homeowners Covenants provided such dues and assessments levied against each Lot herein for such Common Facilities Expenses has been paid by the Lot Owner.

Section 2. Enforcement. Except for the authority and powers specifically granted to the Declarant herein, the Declarant, the Association, or any Owner of a Lot, 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 either to prevent or restrain any violation or to recover damages or other amounts due for such violation. Failure by the Declarant, Association or an Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Arbor Ridge II Homeowners Association shall have the right to enforce, by any proceeding at law or in equity, the agreement of the Association in Section 1 of this Article VI.

Section 3. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 4. Term; Amendment. The covenants and restrictions of this Declaration shall run with and bind the Properties in perpetuity. Except for the special Declarant rights reserved in Section 5 of this Article and subject to complying with the provisions of Section 6 of this Article, this Declaration may be amended or canceled by an instrument signed by the then Declarant and not less than seventy-five percent (75%) of the Owners of the Lots covered by this Declaration.

Any amendment or extension must be recorded in the real estate records of Douglas County to be effective.

Section 5. Declarant Amendment. This Declaration may be amended by Declarant, or any person, firm, corporation, partnership, or entity designated in writing by Declarant, in any manner, which Declarant may determine in Declarant's full and absolute discretion for a period of ten (10) years from the date of the recordation of this Declaration. Further, by written consent of the Declarant for a period of ten (10) years from the date hereof, any or all of the covenants, conditions, restrictions and easements as they apply to the Lots may be waived modified, or amended for any Lot or Lots, in any manner, for such a time period, and on such conditions, if any, which the Declarant may determine in Declarant's full and absolute discretion after considering the benefits and detriments which the waiver, modification or amendment will have on the Properties and the Owner(s) requesting the waiver. Declarant's decision on any requested waiver, modification or amendment shall be final and binding and there shall be no right of appeal of Declarant's decision. 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 requested waiver, modification or amendment. Notwithstanding anything contained herein in this Section 5 to the contrary, no amendment of this Declaration or any waiver or modification herein shall be effective during any period in which Gottsch Land Co. is the Owner of any Lot(s) herein unless Gottsch Land Co. has consented to such amendment, waiver or modification in writing.

Section 6. Special Declarant Rights. Declarant or its successors or assigns 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. If there is at that time another Declarant herein, the other Declarant shall continue to serve herein as the sole Declarant. If there is no such Declarant then serving then in that event, the Declarant terminating its status as Declarant shall have the right to appoint the Association or another entity or individual to serve as Declarant, and such appointee shall thereafter serve as Declarant with all the same rights, powers and authority as the original Declarant. Notwithstanding the provisions of Section 4 of this Article, no amendment of this Declaration shall modify in any manner the provisions of this Section 6 unless consented to in writing by the then Declarant.

Section 7. Gottsch Land Co. Declarant Termination. Gottsch Land Co. covenants to terminate its status as a Declarant by executing and delivering to The M Group, L.L.C. in a form suitable for recording in the Register of Deeds Office a Notice of Termination of Status as Declarant at such time as the later of the following events have occurred: (i) all the Lots described on Page 1 of this Declaration owned by Gottsch Land Co. have been sold and conveyed and it is no longer the Owner of any Lots herein; and (ii) all the other lots in the entire Arbor Ridge 2nd Addition owned by Gottsch Land Co. have been sold and conveyed and it is no longer the owner of any lots therein.

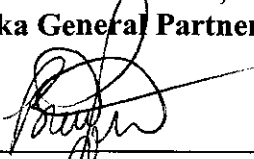
Section 8. FHA/VA Approval. During the period that there is a Class B membership existing and the loan on any Owner's Lot or Unit is made or insured by either the Federal Housing Administration or the Veterans Administration, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration as the case

may be: (i) annexation of additional properties within the jurisdiction of the Association; (ii) any mortgaging or dedication of any common areas of the Association; and (iii) the amendment of this Declaration.


IN WITNESS WHEREOF, the undersigned being the Declarant herein has executed this Declaration this 24th day of March, 2008.

DECLARANT:

**GOTTSCH LAND CO., a
Nebraska General Partnership**


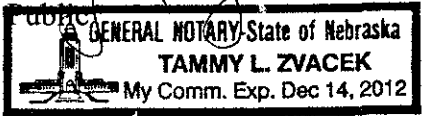
By: 
Brett Gottsch, Partner

**THE M GROUP, L.L.C., a
Nebraska Limited Liability Company**

By:  Member
Ralph D. Marasco, Member

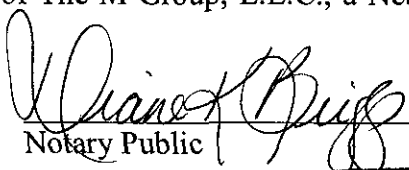
STATE OF NEBRASKA)
) SS.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 24th day of March, 2008, by Brett Gottsch, Partner of and on behalf of Gottsch Land Co., a Nebraska General Partnership.


Notary Public


STATE OF NEBRASKA)
) SS.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 24th day of March, 2008, by Ralph D. Marasco, Member of and on behalf of The M Group, L.L.C., a Nebraska Limited Liability Company.


Notary Public
