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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

This Declaration of Covenants, Conditions and Restrictions is made as of the date hereinafter set forth by THC, INC., a Nebraska nonprofit corporation, and LAKESIDE HILLS ASSOCIATION, INC., a Nebraska nonprofit corporation.

RECITALS:

This Declaration is made with respect to the following facts:

A. Declarants are the sole owners of certain real property situated in the City of Omaha, County of Douglas, State of Nebraska, legally described on Exhibit "A", attached hereto.

B. Declarants desire to establish for their own benefit and for the mutual benefit of all future Owners and Occupants of the Property, or any part thereof, certain easements and rights in, under, over and upon the Property and certain mutually beneficial restrictions and obligations with respect to the use, operation, improvement and maintenance thereof.

C. Declarants desire to provide a general plan for the use, development, maintenance, and improvement of the Property as a quality first class integrated mixed use development. Declarants intend that the Parcel Owners, mortgagees, beneficiaries and trustees under trust deeds, Occupants and all other Persons hereafter acquiring any interest in the Property shall at all times enjoy the benefits of, and shall hold their interests subject to, the rights, easements, privileges and restrictions hereinafter set forth, all of which shall run with the land and be binding upon the Property and all parties having or acquiring any right, title or interest in or to the Property, or any part thereof, and shall inure to the benefit of each Owner thereof, and all of which are declared to be in furtherance of a plan to promote and protect the cooperative use, operation and maintenance of the Property and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness thereof.

DECLARATION

NOW, THEREFORE, Declarants, as the sole owners of the Property and for the purposes set forth above which are incorporated herein by this reference, declare and agree as follows:

1. Definitions. As used herein, unless the context otherwise requires, the following terms shall have the following definitions:

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GEORGE J. DUCLEWICZ
REGISTER OF DEEDS
DOUGLAS COUNTY, NE

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1.1 "Architectural Design Committee" means the Architectural Design Committee established pursuant to the provisions of Section 11 hereof.

1.2 "Assessments" is defined in Section 6.4.

1.3 "Association" means Lakeside Hills Association, Inc., a Nebraska nonprofit corporation, its successors and assigns, and, unless the context otherwise requires, shall mean and include its board of directors, officers and other authorized agents.

1.4 "Association Property" means Outlots 1 through 7, and Lot 42, Lakeside Hills in Douglas County, Nebraska, owned in fee simple title by the Association, together with all Improvements constructed or to be constructed thereon, and appurtenances thereto.

1.5 "Board" means the board of directors of the Association.

1.6 "Building" means an office building, a residential apartment building, a townhome, a parking structure, a retail or commercial building, or any other structure, together with its ancillary improvements, if any (such as transformer vaults, loading docks, and ramps and approaches thereto), that are constructed by the Owner of a Parcel thereon in accordance with the provisions of this Declaration and the Zoning Regulations and are designed and intended for the exclusive use and enjoyment of such Owner and/or such Owner's Occupants. A Building shall include all canopies, overhangs, entryways (including columns or pillars supporting them) surface features, underground rooms, supports and foundations.

1.7 "Common Expenses" is defined in Section 6.1.

1.8 "Common Surface Improvements" means all Improvements (other than a Building), including any additions or replacements thereof, that are constructed or installed from time to time on the surface of the Parcel Common Areas and General Common Areas or that are constructed or installed from time to time beneath the surface of the Parcel Common Areas and General Common Areas in order to serve the Common Surface Improvements located on the surface of the Parcel Common Areas and General Common Areas, including, but not limited to, drainage ways, driveways, private roadways, walkways, skywalks, tunnels, trellises, lakes, dams, water retention systems, water features, landscaping, sprinkler systems, benches, berms, feature walls, signs, lighting poles and fixtures and sculptures. The Association shall own all Common Surface Improvements constructed or installed by the Association on the Parcel Common Areas and/or General Common Areas whether located on the Owner's Parcel or the Association Property subject, however, to the easements, covenants, and restrictions set forth in this Declaration. Each Owner shall own all Common Surface Improvements

constructed or installed by such Owner on that Owner's Parcel subject, however, to the easements, covenants and restrictions set forth in this Declaration.

1.9 "Constituent Documents" means the Articles of Incorporation of the Association which have been filed in the Office of the Secretary of State of the State of Nebraska, as such articles may be amended or restated from time to time, and the bylaws adopted by the Association as such bylaws may be amended or restated from time to time.

1.10 "Controlling Majority" means, with respect to any matter requiring a vote of the Owners or the members of the Association, those Owners holding at least seventy-five percent (75%) of the votes entitled to be cast at that time on that matter.

1.11 "Declarants" means THC, Inc., a Nebraska nonprofit corporation, its successors and assigns, and Lakeside Hills Association, Inc., a Nebraska nonprofit corporation, its successors and assigns.

1.12 "Declaration" means this instrument by which the Property is subjected to a plan of development, as from time to time amended.

1.13 "Developer" shall mean THC, Inc., a Nebraska nonprofit corporation, its successors and assigns.

1.14 "Development Agreement" means that certain Mixed Use District Development Agreement with respect to the Property and Improvements entered into among the City of Omaha, Nebraska, a municipal corporation, and THC, Inc., a Nebraska nonprofit corporation, notice of which is recorded in Miscellaneous Book 1135 at Page 636 of the Records, and any and all subsequent amendments thereto relating to the Property and Improvements.

1.15 "General Common Areas" shall mean all real and personal property now or at any time hereafter owned whether in fee, for a term of years, or pursuant to license or easement by the Association for the common use and enjoyment of the Owners. The initial General Common Areas shall be Outlots 1 through 7, and Lot 42, Lakeside Hills in Douglas County, Nebraska, together with all improvements constructed or to be constructed thereon and appurtenances thereto together with the landscaped areas in the medians in 171st Street, in Frances Street and Cedar Street and any other landscaped areas in public rights of ways adjacent to West Center Road and 168th Street, if the Association elects from time to time to treat such landscaped areas as General Common Areas for purposes of this Declaration.

1.16 "Improvements" means any Building, tunnel, drainage way, driveway, walkway, skywalk, fence, wall, trellis, lake, dam,

water retention system, water feature, landscaping, sprinkler system, sign and any other structure or improvement of every kind and nature whatsoever now or hereafter located on the Property.

1.17 "Mortgage" means any instrument recorded or filed in the Records encumbering all or any portion of the Property as security for the performance of an obligation given in good faith and for valuable consideration which is not a fraudulent conveyance under Nebraska law, including, without limitation, a deed of trust, but does not mean any instrument creating or evidencing solely a security interest arising under the Uniform Commercial Code or an encumbrance affecting only a leasehold interest in the Property (such as leasehold mortgage). "Mortgagee" means the holder of an indebtedness or obligation secured by a Mortgage, including a trustee and beneficiary under a deed of trust and "Mortgagor" means the party executing a Mortgage. "First Mortgage" means a Mortgage which is the first and most senior of all Mortgages upon the same portion of the Property and "First Mortgagee" means the holder of an indebtedness or obligation secured by a First Mortgage.

1.18 "Occupant" means a Person, other than an Owner, rightfully present on, or in rightful possession of, a Building or a Parcel, or any portion thereof, including, but not limited to, tenants of an Owner and the agents, employees, customers, contractors, licensees or invitees of an Owner or its tenant(s).

1.19 "Owner" means the owner of Record, whether one or more Persons, of the fee simple title, whether or not subject to any Mortgage, to any Parcel, and any purchaser of fee simple title under a land contract of Record, but does not mean those Persons having such interest merely as security for the performance of an obligation or a seller under a land contract of Record.

1.20 "Owner's Share" is defined in Section 6.3.

1.21 "Parcel Common Areas" means all portions of each Parcel that are located on or over the surface of the Parcel and are not physically occupied by a Building. The actual footprint of any Building on the Property as constructed shall govern in determining the location of the Parcel Common Areas at the surface of the Property in accordance with the foregoing provisions.

1.22 "Parcels" means any two or more of Lots 1 through 41, inclusive, and Lots 43 through 52, inclusive, and Lot 55 of Lakeside Hills, Douglas County, Nebraska, and "Parcel" means any one of such Parcels. If any Parcel is hereafter lawfully subdivided, by administrative lot split, lot line adjustment, lot combination, or otherwise, the Owner of the affected Parcel shall record an instrument, which shall serve as an amendment to this Declaration, with copies attached thereto of the Land Surveyor's Certificates or Replat (in the event of a replatting approved by the Omaha City Council) recorded in the Records showing such

subdivision. The Owner of the affected Parcel shall also give notice to the Association of the foregoing with a copy of the instrument recorded in the Records. The definition of any such subdivided Parcel for purposes of the Declaration shall be amended to either include or delete, as the case may be, the land added to or taken from such Parcel as a result of such subdivision.

1.23 "Person" means a natural individual, corporation, partnership, trustee or other entity capable of holding title to real property.

1.24 "Plans and Specifications" shall mean the complete plans and specifications for any Building, and any Improvement, including wherever applicable complete site plans, landscaping plans, grading and utility plans, sign and sign allocation plans, floor plans and building elevations, and materials plans.

1.25 "Plat" means the final Plat and Dedication of Lakeside Hills recorded in Deed Book 1990, Page 238 in the Records.

1.26 "Prime Rate" means the rate of interest announced from time to time by Norwest Bank N.A., or its successor, as its prime rate, as the same may fluctuate on a daily basis. In the event that Norwest Bank N.A., or its successor, should cease to announce a prime rate, the prime rate announced by the then largest nationally chartered banking association in Nebraska, based upon deposits, which is announcing a prime rate shall become the Prime Rate.

1.27 "Property" means all of the real property described on Exhibit "A", attached hereto, together with all Improvements constructed or to be constructed thereon, and appurtenances thereto and any real property hereafter added to this Declaration by amendment.

1.28 "Property Value" means the assessed value ascribed to each Parcel and any Improvements thereon by the Office of the Douglas County Assessor, or his successor, that is existing at the time of the Assessments or, in the event that the Douglas County Assessor or his successor fails for any reason to assign any assessed value to a Parcel and any Improvements thereon or any portion thereof, Property Value shall mean the value assigned in accordance with Section 6.3 of this Declaration.

1.29 "Records" means the official records of the Register of Deeds of Douglas County, Nebraska.

1.30 "Special Assessments" is defined in Section 6.2.

1.31 "Zoning Regulations" means the applicable zoning ordinances of the City of Omaha, Nebraska, as the same may be

amended from time to time, the Plat and the Development Agreement and any amendments thereto, and other governmental approvals and agreements with governmental bodies or agencies relating to and controlling or permitting the development of the Property and construction and use of the Improvements thereon.

2. Use Restrictions.

2.1 Zoning Compliance. No Parcel shall be used other than as permitted under the Zoning Regulations, including, but not limited to, the Development Agreement.

2.2 No Interference. No Owner shall keep or maintain anything or shall permit any condition to exist upon such Owner's Parcel or cause any other condition on the Property which materially impairs or materially interferes with any easement or right of the Association or any other Owner or Occupant or otherwise materially impairs or materially interferes with the use and enjoyment of the Association or the other Owners or Occupants of the General Common Areas and Parcel Common Areas. No Owner shall engage in or permit any activity which interferes with the reasonable enjoyment by other Owners of their respective Parcels or the General Common Areas and Parcel Common Areas.

2.3 Exterior Lighting. Except as installed by Declarants or as subsequently approved by the Architectural Design Committee, no spotlights, floodlights or other high intensity lighting shall be placed or utilized upon any Parcel or any Building which in any manner will allow light to be directed or reflected on the Parcel Common Areas, any adjoining Parcel or any part thereof. All exterior lighting to be installed upon the Property, including all street lighting, shall conform to the standards set forth in requirements adopted by the Architectural Design Committee, as authorized in Section 11 hereof. All such exterior lighting shall also comply in all respects with the Zoning Regulations and any other applicable ordinances, rules and regulations of the City of Omaha as the same may be amended from time to time.

2.4 Storage and Loading Areas. No materials, supplies or equipment shall be stored in or allowed to remain in any area on any Parcel except inside a closed Building. Notwithstanding the foregoing, during the construction of any Building on a Parcel, construction materials may be stored on such Parcel provided such storage is lawful and accomplished in a manner reasonably designed to minimize any interference with the use and enjoyment of any existing Building and Common Surface Improvements by any Owners and Occupants thereof.

2.5 Trash; Exterior Cleaning. No Owner shall place or permit any garbage, debris or refuse of any kind or nature to be placed on or to accumulate in any areas on, in or adjacent to any

Parcel or Building that are visible from any other Parcel, Building or the Common Surface Improvements. All garbage, debris and refuse from any Building shall be placed in a dumpster or similar receptacle on or about the loading dock serving such Building, or if no loading dock is in existence, shall be screened behind a visual barrier screening such dumpster or similar receptacle from the view of all adjoining portions of the Property and all adjoining public streets.

2.6 Signage. All exterior signs or graphics of any kind or nature on the Property shall contribute to the overall cohesiveness and attractiveness of the development. To this end, all signs, permanent or temporary, or graphics of any kind or nature which are visible from the exterior of any Building or are located on any Parcel shall in all respects be in conformity with the requirements of the Development Agreement and shall in accordance with Section 11 hereof require the written approval of the Architectural Design Committee as to design, color, size, and location before erection or placement. Any sign or graphic erected without such written approval shall be removed by the Association or its designee at the Owner's expense if the violator fails to do so within fifteen (15) calendar days after written notification that the violator is in violation of the Declaration.

2.7 Utility Lines. All electrical lines, communication lines, pipelines and other utility service lines servicing a Parcel shall be buried underground on such Parcel except temporary above-ground service shall be permitted when necessary, but only during construction of any Improvement on a Parcel.

2.8 Antennae. No radio, television, satellite reception dish or any other device for the reception or transmission of television, radio, microwave or any other form of electromagnetic radiation shall be placed or maintained upon any Parcel, Building or other Improvements which are visible from any other Parcel, Building or the Parcel Common Areas, except as expressly permitted in writing by the Architectural Design Committee.

2.9 The Lake. The lake located on Lot 42, Lakeside Hills, Douglas County, Nebraska, shall not be used for swimming, boating, fishing, or any other recreational sport or activity unless otherwise specifically authorized by the Association. Such lake is a Common Surface Improvement.

2.10 Special Restrictions/Lot 55. Unless otherwise specifically authorized by the Association, no Building or other Improvement of any kind except landscaping, plant materials and an underground sprinkler system shall be allowed at any time to be constructed or remain on Lot 55, Lakeside Hills, Douglas County, Nebraska, EXCEPT for the South 89.00 feet of the North 124.00 feet of the East 91.00 feet of the West 97.00 feet thereof.

2.11 Rules and Regulations; Violations of Restrictions. The Association may restrict and regulate the use of the Parcel Common Areas and General Common Areas by reasonable and non-discriminatory rules and regulations of general application adopted by the Association from time to time. The Association or its authorized agents or representatives may enter any Parcel upon which a violation of such rules and regulations or the restrictions set forth in this Declaration exists and may summarily correct, abate or remove such violation at the expense of the Owner of such Parcel, if such Owner does not correct such violation within fifteen (15) calendar days after the Association sends notice to such Owner specifying the nature of such violation. Any such entry and abatement, correction or removal shall not be deemed a trespass. The costs and expenses of such abatement, removal or correction shall be a lien against the Owners' Parcel and may be foreclosed as provided in Section 6.4 of the Declaration.

3. Grant of Easements.

3.1 Owners' Easements. Declarants hereby grant and create the following described perpetual easements, the benefits of which shall be appurtenant and run with title to the Parcel(s) benefitted thereby and the burdens of which shall run with title as an encumbrance against the Parcel(s) burdened thereby:

(a) Pedestrian Access. A nonexclusive easement over and across those Parcel Common Areas and Common Surface Improvements located on any Parcel that are designated from time to time by the Association for the use and enjoyment of pedestrians, which easement shall be appurtenant to every Parcel, shall be for the benefit of every Parcel Owner, and shall be for the purpose of providing pedestrian ingress to and egress from each Parcel to other portions of the Property and the use and enjoyment by each Parcel Owner of those Common Surface Improvements located on each Parcel designated by the Association from time to time for the use and enjoyment of pedestrians in the manner and at the times prescribed by the reasonable rules and regulations of the Association. Notwithstanding the foregoing, the Association shall have the right to at all times designate, construct, install, and maintain sufficient Common Surface Improvements available for the use under the foregoing easement to provide pedestrian access twenty-four (24) hours per day between each Building, all other Buildings constructed on the Property from time to time, and between each Building and a public right of way.

(b) Vehicular Access. A nonexclusive easement over and across those Common Surface Improvements located on any Parcel that are designated from time to time by the Association for use by motor vehicles, which easement shall be appurtenant to every Parcel, shall be for the benefit of every Parcel Owner, and shall be for the purpose of providing vehicular access over and across those Common Surface Improvements located on any Parcel designated

by the Association from time to time for such purpose in the manner and at the times prescribed by the reasonable rules and regulations of the Association. Notwithstanding the foregoing, the Association shall have the right to at all times designate sufficient Common Surface Improvements available for use under the foregoing easement to provide twenty-four (24) hour per day vehicular ingress to and egress from the Property from and to West Center Road and 168th Street.

(c) Temporary Encroachment for Construction. A temporary easement to use and encroach over and across so much of the Parcel Common Areas on or adjacent to an Owner's Parcel as may be necessary, consistent with sound construction practice, during and in connection with the initial construction or subsequent reconstruction or alteration by such Owner of any Building or other Improvement on its Parcel in accordance with the provisions of this Declaration. The use by any Owner of such temporary construction easement shall be subject to the prior written approval of, and the ongoing regulation by, the Architectural Design Committee. Such approval shall not be unreasonably withheld and such regulation shall be reasonable; provided that the scope and extent of the easement (such as, for example, the location and size of those Parcel Common Areas which may be used exclusively by the constructing Owner for the storage of construction materials or the location of those Parcel Common Areas which may be used exclusively or non-exclusively by the constructing Owner for access to the construction site) shall be designed, and the use of the easement shall be effected, in a manner that minimizes any unreasonable interference with the use and enjoyment of the Parcel Common Areas by the other Owners and their Occupants and provided further that the duration of such easement shall not extend beyond the period of time reasonably required to effect the construction, subject to delays for causes beyond the constructing Owner's reasonable control. Any damage to the Common Surface Improvements or other portions of the Property caused by such construction shall be promptly repaired or restored at the expense of the constructing Owner.

(d) Occupant's Use. Each Owner shall have the right to permit any or all of its Occupants to use or enjoy any or all of such Owner's rights under any or all of the foregoing easements that benefit such Owner.

3.2 Association's General Easements. Declarants hereby grant and create a perpetual nonexclusive easement for the benefit of the Association over and across all of the Parcel Common Areas including, without limitation, the Common Surface Improvements on each Parcel for the purpose of exercising all of the rights of the Association, and performing all of the obligations of the Association, under this Declaration including, without limitation, the administration, operation, management and control of the Parcel Common Areas and the installation, repair, maintenance and

replacement of any Common Surface Improvements on any Parcel if deemed necessary by the Association.

3.3 Encroachment Easement. If any portion of the Common Surface Improvements shall actually encroach upon any portion of a Building, or if any Building constructed upon any Parcel shall actually encroach upon any portion of the Parcel Common Areas, whether such encroachment results from the initial construction or from subsequent repair, reconstruction, settlement or shifting, there shall be deemed to be mutual perpetual easements in favor of the Association and the respective Parcel Owners involved to the extent of such encroachment so long as the same shall exist; provided, however, that such encroachment easement shall not result from any alteration, addition or improvement made by an Owner subsequent to the initial construction of a Building on that Owner's Parcel without the prior written approval of the Association. Notwithstanding anything contained herein to the contrary, the Association shall at all times have the right to maintain any Common Surface Improvements now existing or thereafter constructed regardless of any encroachment or alleged encroachment by any such Common Surface Improvements on any Parcel.

3.4 Association's Special Easement. Declarants hereby grant and create a perpetual nonexclusive access easement for the benefit of the Association over and across Lot 55, Lakeside Hills, Douglas County, Nebraska, EXCEPT for the South 89.00 feet of the North 124.00 feet of the East 91.00 feet of the West 97.00 feet thereof for the purpose of the installation of an underground watering system and related equipment, and the installation, planting, seeding, sodding, mowing, watering, pruning and cutting of all lawns, trees and shrubbery thereon and the repair and maintenance of any of the foregoing at any time deemed necessary by the Association. The Owner of the Parcel subject to the easement shall be prohibited from removing, installing, repairing or maintaining any of the foregoing without first obtaining the written approval and consent of the Association.

3.5 Utility Easements. Declarants do hereby grant perpetual easements to the Omaha Public Power District, to U.S. West Communications, to Metropolitan Utilities District of Omaha, and to any company which has been granted a franchise to provide a cable television system in the area which includes the Property, and to each of their respective successors and assigns, all as more particularly described and delineated on the Plat which is incorporated by this reference.

3.6 Other Easements. The Association shall have the right, power, and authority from time to time to join in any dedication, conveyance or creation of any perpetual or temporary easement affecting any portion of the Property over which the Association has been granted an easement hereunder, in favor of any

public utility, cable company, or governmental subdivision, including, without limitation, the City of Omaha.

4. Construction, Maintenance, and Operation by Owners.

4.1 Repair and Maintenance of Building and Improvements on Parcels. Each Owner at all times shall be solely responsible, at its expense, for the construction, repair, maintenance, operation, insuring, replacement and restoration of any Building and other Improvements on the Owner's Parcel. All Buildings and other Improvements on each Owner's Parcel shall be at all times carefully maintained by the Owner in a good, first class condition and repair consistent with the overall first class condition and quality of the other Improvements within the Property and in accordance with the Zoning Regulations and the requirements of this Declaration. Each Owner's obligations herein for maintaining any Buildings and other Improvements on the Owner's Parcel shall also include but not be limited to the seeding or sodding, regular watering and mowing of all lawns, the regular watering, pruning, cutting and maintenance of all trees and shrubbery, and the regular painting or other appropriate external care of all Buildings and other Improvements thereon, and such other external repairs, maintenance, and restoration that the Association reasonably determines is required to maintain an attractive exterior appearance of the Buildings and other Improvements.

If any Owner should cause or permit such Owner's Parcel or any Building or other Improvement on such Owner's Parcel to be or become in violation of the Zoning Regulations or any other laws, codes, ordinances, judgments, rules, regulations and requirements of governmental bodies, Owner shall bear sole responsibility for the cost of remedying such violation, and neither the Association nor any of the other Owners shall have any liability whatsoever for any violation. Each Owner shall indemnify and hold the other Owners in the Association harmless from and against any and all liability incurred by such other Owners or the Association as a result of any violation of the Zoning Regulations or laws, codes, ordinances, judgments, rules, regulations, and requirements of all governmental bodies caused by the indemnifying Owner. No Owner will seek to change any of the Zoning Regulations in a manner that would adversely affect the Zoning Regulations applicable to the Parcel of any other Owner without such other Owner's prior written consent.

4.2 Damage or Destruction of Building(s) or Improvements. If any part of any Building or Improvements is damaged or destroyed, and the Owner on whose Parcel said Building or Improvements is located shall elect to repair and/or restore the portion so damaged or destroyed, then such Owner shall promptly commence restoration and diligently complete same thereafter to completion. Prior to commencing and during such restoration, the Owner shall comply with the requirements set forth in Section 11 of this Declaration. If

the Owner elects not to repair or restore the portion so damaged or destroyed, then such Owner shall promptly (i) raze such part thereof that has been damaged or destroyed and pave such area as a vehicle parking area or seed or sod such area as a landscaped green area and clear and keep the area maintained free of all debris; and (ii) restore the balance of the Owner's Building or other Improvements to a structurally sound single architectural unit.

4.3 Failure to Perform. If an Owner shall fail to perform any of its duties or obligations provided for in this Section 4, the Association may at any time give a written notice to the defaulting Owner setting forth the specific failure or failures to comply with this Section 4. If such failure or failures are not corrected within thirty (30) days after receipt of such notice, or if failures are such that they cannot be corrected within that time period and the defaulting Owner fails to commence the correction of such failures within the thirty (30) day period, and diligently prosecute the cure without interruption to completion thereafter, then, in either such event, the Association shall have the right to correct the failures (including paying any sum of money or doing any act that requires the payment of money) including the right and easement to enter upon any Parcel to correct the failures, and the defaulting Owner receiving the notice shall reimburse the Association for all costs, expenses, and charges, including reasonable attorney fees, incurred in connection with the correction of the Owner's failures herein, plus interest at the Prime Rate, such right of payment and reimbursement shall be secured by a lien and may be foreclosed the same as an unpaid Assessment under Section 6.4 of this Declaration. Notwithstanding anything hereinabove contained to the contrary, (i) in the event of an emergency situation which poses an immediate threat to the safety of persons or property, the Association may, without notice, correct any such failure and, thereafter, shall be entitled to all the benefits of this Section 4.3; and (ii) the Association shall not have the right, whether under this Section or otherwise, to enter in or upon the Building of any Owner to make any repairs or perform any maintenance; and (iii) the rights granted herein shall not create any obligation on the part of the Association to at any time exercise such rights or perform any Owner's obligations hereunder.

5. Construction, Maintenance and Operation by Association and Developer.

5.1 By the Developer. Developer shall be solely responsible, at its expense, for the initial construction and installation on certain portions of the Association Property of certain Common Surface Improvements consisting of a lake, a dam and related equipment, water retention system, signage, landscaping, sprinkler systems, private roadways, lighting poles, berms, fixtures, sculptures, and landscaping in the medians in 171st Street, in Frances Street and Cedar Street. After the initial

construction and installation, Developer shall have no continuing liability or obligation for any repair, maintenance, operation, insuring, replacement or restoration of any of the foregoing Common Surface Improvements, all of which shall be the continuing obligation and liability of the Association in accordance with the provisions of this Declaration. For purposes of this Declaration, the foregoing Common Surface Improvements shall be deemed to have been constructed or installed by the Association.

Developer shall be solely responsible, at its expense, for the initial construction and installation on Lot 55, Lakeside Hills, Douglas County, Nebraska, EXCEPT for the South 89.00 feet of the North 124.00 feet of the East 91.00 feet of the West 97.00 feet thereof of an underground watering system and related equipment and the installation thereon of sod or seeding for lawns, trees and shrubbery. After the initial construction and installation thereon, Developer shall have no continuing obligation or liability for any repair, maintenance, replacement or restoration of any of the foregoing improvements, all of which repairs, maintenance, replacements or restorations of the improvements shall be the continuing obligation and liability of the Association in accordance with the provisions of this Declaration. For purposes of Section 6 of this Declaration, the foregoing improvements shall be considered the same as Common Surface Improvements installed or constructed by the Association.

5.2 By the Association. The Association shall administer, insure, operate, manage, control, maintain, repair, rebuild and restore all of the General Common Areas, including all Common Surface Improvements constructed by the Association on the General Common Areas and Parcel Common Areas, for the benefit of the Association and the benefit of the Owners and so that the General Common Areas and the Common Surface Improvements constructed by the Association on the General Common Areas and Parcel Common Areas stay clean, safe, in good repair and operating order, and consistent with the overall quality of the Property. The Association shall have the authority to provide special services affecting portions of the General Common Areas and Parcel Common Areas consistent with the overall character and use of the Property, or to grant licenses or concessions for the provision of such services, and to charge reasonable fees for such services, licenses or concessions. Any amounts received by the Association from fees, licenses, concessions and other sources shall be held and used by the Association for the benefit of the Owners pursuant to such rules, resolutions or regulations as the Association may adopt.

6. Association Expenses and Assessments.

6.1 Common Expenses. Each Parcel shall be subject to an assessment for, and each Owner shall be obligated to pay its Owner's Share (defined in Section 6.3) of, the expenses of the

administration, operation, management, maintenance, repair, rebuilding and restoration of the General Common Areas and the Common Surface Improvements installed or constructed by the Association including, but not limited to, premiums for insurance, the cost of maintenance, restoration and repair of the Common Surface Improvements, reasonable reserves for contingencies, replacements or other proper purposes, and for uncollectible Assessments, reasonable Association administration, operation and overhead expenses, all as determined by the Association (collectively, the "Common Expenses"). The Association shall maintain a reasonable reserve for insurance premiums and deductibles for policies of insurance covering the General Common Areas and/or Common Surface Improvements installed or constructed by the Association, repair and replacement of such Common Surface Improvements and such other reserves as the Association may deem appropriate, all of which reserves shall be deemed Common Expenses. The Association shall use its best efforts to cause all Common Expenses incurred by it to be reasonable in view of the type, quantity and quality of the services or materials obtained by the Association for such Common Expenses and the cost of similar services or materials at the time in the community in which the Property is located.

6.2 Special Assessments. In addition to the assessments for Common Expenses, the Association may levy special assessments ("Special Assessments") for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any Common Surface Improvements or personal property in the General Common Areas or Parcel Common Areas.

6.3 Owner's Shares and Property Value. Each of the Parcel Owners shall be obligated to pay its "Owner's Share" of the Common Expenses and Special Assessments. As used in this Declaration, "Owner's Share" shall mean that percentage assigned to each Owner by the Association from time to time and shall be that portion or percentage of the whole which the Property Value of each Owner's Parcel and Improvements thereon bears to the aggregate of the Property Value of all Parcels and Improvements thereon.

In the event the Douglas County Assessor fails for any reason to assign an assessed value to a Parcel and any Improvements thereon, or to any portion thereof, the Association shall determine the Property Value by engaging an independent appraiser, who shall be a member in good standing of a recognized American organization of real estate appraisers, to establish as of December 31st of the year preceding any Assessments the Property Value of the Tract(s). If the Owner feels the Property Value assigned by the Association's appraiser is incorrect he may, at his own expense, engage his own appraiser who shall be a member in good standing of a recognized American organization of real estate appraisers to determine the Property Value of his Parcel(s) and any Improvements thereon. If the Owner's appraiser and the Association's appraiser cannot

mutually agree on a Property Value, they shall select a third appraiser who shall be a member in good standing of a recognized American organization of real estate appraisers to make a final determination which shall then establish the Property Value and be binding upon both the Owner and the Association. Expenses of the third appraiser, if needed, shall be paid by the Association and be reimbursed to the Association by the Owner concerned. In any event, the initial Assessment levied by the Association shall be valid and binding upon each Owner and due and payable by the Owner as provided herein while the above procedure for resolution of disputed Property Value is in process. Should this procedure result in a lower Assessment against the Parcel(s), the Association shall make a prompt adjustment with the Owner. If the method or formula used by the Office of the Douglas County Assessor to determine assessed values is materially changed, suspended or amended from that used on November 1, 1993, then, in order to determine the Assessments pursuant to this Section, the Association shall be empowered to either: adopt the changed or amended method of determining the Property Value, which changed or amended method shall be binding upon all Owners; determine the Property Value of the Parcel(s) and Improvements thereon as provided above; or change the method used to levy Assessments under this Declaration by filing an amendment or supplement to the Declaration as provided in Section 13, so as to perpetuate the general intent of this Section, which changed or amended method shall be binding upon all Owners.

Notwithstanding anything in the foregoing provisions of this Section 6.3 to the contrary, the Association shall have the right at any time if it determines in its discretion that the assessed value assigned to a particular Parcel or Parcels and Improvements thereon by the Douglas County Assessor has not been revalued or reassessed by the Douglas County Assessor for a period of at least three (3) consecutive calendar years to determine the Property Value of that particular Parcel or Parcels and Improvements thereon by engaging an independent appraiser and proceeding in the same manner as set forth in the preceding paragraph of this Section 6.3 as if the Douglas County Assessor had failed to assign an assessed value to the particular Parcel or Parcels and any Improvements thereon. The Property Value determined in accordance with the foregoing provisions shall be final and binding upon the Owner concerned.

6.4 Payment and Collection of Association Assessments.
The Association shall assess each Parcel and Parcel Owner for its Owner's Share of Common Expenses and Special Assessments (the "Assessments"). All Assessments shall be payable at such times and in such manner as may be provided in the Constituent Documents or as otherwise determined from time to time by the Association. If any Owner shall fail or refuse to make any payment of an Assessment when due, the Association, in its sole and absolute discretion, may suspend the voting rights of that Owner for any period during which any Assessment against such Owner's Parcel remains unpaid. If any

Owner shall fail or refuse to make any payment of an Assessment when due, the amount thereof, together with interest thereon at a rate four percent (4%) per annum in excess of the Prime Rate (except to the extent that such rate exceeds the maximum interest rate permitted by law) from the due date of such payment until paid, a late charge not exceeding ten percent (10%) of the amount of such payment as determined by the Board, and costs and reasonable attorneys' fees incurred to collect such Assessment, shall constitute a lien on such Owner's Parcel and on any rents and proceeds therefrom. Such lien may, but shall not be required to be, evidenced by a notice executed by a member of the Board or any authorized agent of the Association and recorded in the Records setting forth the amount of the Assessment and other charges and the legal description of the Parcel subject to the lien. Such lien shall be subordinate to the lien of a First Mortgage against the applicable Parcel, except for the amount of the unpaid Assessments and other charges which accrue from and after the date on which the holder of the First Mortgage (or another purchaser of the applicable Parcel upon the foreclosure of the First Mortgage) acquires title to or comes into possession of the applicable Parcel, and any lien for unpaid Assessments and other charges prior to such date shall upon such date automatically terminate and be extinguished and such First Mortgagee (or such other purchaser) shall not be liable for such unpaid Assessments and other charges; provided, however, that the extinguishment of such lien against the applicable Parcel shall not in any way affect the personal obligation of the Owner of that Parcel for any unpaid Assessments and other charges accruing during that Owner's ownership of the Parcel. Any Assessments which are secured by a lien that has been extinguished pursuant to the foregoing provision and are deemed uncollectible by the Association from the defaulting Owner shall be reallocated by the Association and assessed against all Parcels as a Common Expense; provided, however, that if the Association determines that such unpaid Assessments are of a sufficient amount to require payment in installments, the Association may amortize the reallocation as a Common Expense over a reasonable period of time. Any person acquiring or intending to acquire an interest in any Parcel shall, upon giving written notice to the Association, be entitled to a statement from the Association within thirty (30) days of receipt by the Association of such notice setting forth the amount of unpaid Assessments and other charges, if any, and no lien shall attach to such Parcel in excess of the amount set forth in such statement, except for Assessments and other charges which accrue or become due after the date thereof. The Association shall be entitled to charge a fee to reimburse it for its costs in providing the statement which, if not paid, may be collected in the same manner as Assessments herein. The lien provided for in this Section may be foreclosed by the Association in any manner provided or permitted for the foreclosure of mortgages in the State of Nebraska.

7. Damage to and Repairs or Replacements of the General Common Areas and Improvements. If, due to the acts or omissions of an Owner or one or more of its Occupants, or other Person for whom such Owner or Occupant(s) may be responsible, damage shall be caused to the General Common Areas or any Common Surface Improvements installed or constructed by the Association or maintenance, repairs or replacements shall be required which would otherwise be a Common Expense, then such Owner, immediately upon receipt of a statement from the Association of the estimated cost for such maintenance, repairs and replacements, shall pay such estimated amount to the Association. Such Owner, upon receipt of any additional statement(s), shall pay all amounts reflected therein which exceed the original estimated costs of such maintenance, repairs or replacements immediately upon completion of such maintenance, repairs or replacements. The Association shall refund to such Owner any amount paid by such Owner which exceeds the total cost of such maintenance, repairs or replacements. The amount payable for such maintenance, repairs or replacements, together with interest at a rate of four percent (4%) per annum in excess of the Prime Rate (except to the extent that such rate exceeds the maximum interest rate permitted by law) from the date of Owner's receipt of a statement therefor from the Association, plus collection costs and attorneys' fees, shall be secured by a lien against such Owner's Parcel and may be foreclosed in the same manner as the lien provided in Section 6.4 hereof. Notwithstanding the foregoing, such Owner shall not be obligated to pay the Association for the cost of such maintenance, repairs or replacements to the extent such cost is covered by insurance proceeds received by the Association from any insurance policy maintained by the Association, and the Association shall have no claim against such Owner therefor.

8. Alterations, Additions or Improvements to the Parcel Common Areas. No alterations of any Common Surface Improvements or any additions thereto shall be made without the prior written approval of the Architectural Design Committee. Except for the construction of a Building or an addition or alteration thereto in accordance with the provisions of this Declaration on a portion of a Parcel that was formerly part of the Parcel Common Areas, no construction of any type whatsoever shall be permitted in the Parcel Common Areas, other than that approved by the Architectural Design Committee.

9. Destruction, Condemnation and Restoration of the General Common Areas. In the event of damage or destruction to or the condemnation of any portion of the General Common Areas or Common Surface Improvements constructed or installed by the Association, restoration thereof shall be undertaken by the Association unless a Controlling Majority of Owners vote against such restoration; provided, however, that in any event the Association shall be required to restore the affected areas at least to the extent of removing all evidence of the damage or destruction and causing such

affected areas to be in a safe condition and have an appearance consistent with the overall character of the Property. Such restoration shall be performed substantially in accordance with this Declaration and Plans and Specifications approved in writing by the Architectural Design Committee.

10. Insurance.

10.1 In General. With respect to the General Common Areas and Common Surface Improvements constructed or installed by the Association, the Association shall obtain and maintain in full force and effect at all times certain property, liability and other insurance as hereinafter provided. All such insurance shall be obtained from responsible proprietary stock insurance companies duly authorized to transact insurance business in the State of Nebraska. The Board shall review all such insurance from time to time and shall adjust the amounts thereof as it deems reasonably necessary or appropriate. To the extent available, such insurance shall conform substantially to the following:

(a) Name each Owner and First Mortgagee as an additional insured, as their respective interests may appear;

(b) Permit a waiver of claims among, and provide for a waiver of subrogation by the insurer as to claims against, the Association, its directors, officers, employees and agents, each Owner and mortgagee and any other person for whom the Association or any Owner or Mortgagee may be responsible;

(c) Provide that the policy of insurance shall not be terminated, cancelled or substantially modified without at least thirty (30) days' prior written notice to the Association; and

(d) Contain a "severability of interest" or "cross-liability" endorsement which shall preclude the insurer from denying the claim of any insured party due to the negligent acts or errors or omissions of any other insured party.

Any insurance policy may contain such deductible provisions and provisions for co-insurance as the Association deems consistent with good business practice. The cost and expense of all insurance obtained by the Association, except other insurance obtained at the request of and specifically benefiting any particular Owner, shall be a Common Expense.

10.2 Property and/or Inland Marine Insurance. The Association shall obtain and maintain a policy or policies of property and/or inland marine insurance covering the Common Surface

Improvements constructed or installed by the Association, and any fixtures and personal property of the Association situated upon the General Common Areas, or used in the operation or maintenance thereof, insuring against all risks of direct physical damage subject to standard policy exclusions, in such amounts and with such deductible provisions and provisions for co-insurance as the Association deems consistent with good business practice.

10.3 General Liability Insurance. The Association shall obtain and maintain commercial general liability insurance covering liability for bodily injury, death and property damage occurring in, upon or about the General Common Areas and the Common Surface Improvements constructed or installed by the Association. The Association shall be insured with respect to such liability arising out of the maintenance, repair or operation of the General Common Areas and the Common Surface Improvements constructed or installed by the Association. Such liability insurance shall be in such amounts and containing such deductible provisions and other provisions as the Association deems consistent with good business practice.

10.4 Worker's Compensation and Employer's Liability Insurance. The Association shall obtain and maintain such worker's compensation and employer's liability insurance as may be necessary to comply with statutory requirements and as the Association deems consistent with good business practice.

10.5 Automobile Insurance. The Association shall obtain and maintain automobile liability insurance including owned, non-owned, leased and hired car coverage in such amounts and containing such deductible provisions and other provisions as the Association deems consistent with good business practice.

10.6 Directors and Officers Insurance. The Association shall obtain and maintain directors and officers insurance in such amounts and containing such deductible provisions and other provisions as the Association deems consistent with good business practice.

10.7 Other Insurance by the Association. The Association shall also have the power and authority to obtain and maintain other and additional insurance coverage, including, but not limited to, fidelity bonds or insurance covering employees and agents of the Association.

11. Architectural and Landscape Controls.

11.1 Architectural Design Committee. The Association shall maintain an Architectural Design Committee consisting of not less than three (3) nor more than seven (7) Persons as determined from time to time by the Board. Members of the Architectural Design Committee shall be appointed by the Board. The Board shall

have the power to remove any member of the Architectural Design Committee with or without cause at any time and appoint new members in the event of such removal or a resignation from the Architectural Design Committee. Persons appointed to the Architectural Design Committee must be Owners or, subject to such requirements as may be adopted by the Association, authorized agents or representatives of an Owner or Owners. The Architectural Design Committee shall be authorized to employ architects, engineers, and other consultants to assist it in performing any of its review functions herein. The approval by the Architectural Design Committee of any Plans and Specifications submitted for approval in accordance with this Declaration shall not constitute any representation or warranty as to the adequacy, sufficiency, performance, compliance with laws and regulations, or desirability of such Plans and Specifications or any improvements constructed in accordance therewith. The review, approval or disapproval by the Architectural Design Committee of any Plans and Specifications hereunder shall not impose on the Architectural Design Committee, the members thereof, the architects, engineers and other consultants employed by the Committee, the Association or the Declarants any liability for any defect or inadequacy in any improvements constructed in accordance with such Plans and Specifications. Neither the Developer, the Association, the Board, the Architectural Design Committee, any member of the Architectural Design Committee, any member of the Association nor any officer, director, agent or representative thereof, shall be personally liable to any Owner or other person for any action or inaction taken with respect to any matter submitted for approval, for reconsideration, for the adoption of any rules, regulations or guidelines, or for the enforcement of or failure to enforce any restrictions or covenants contained in this Declaration. By accepting a deed for a Parcel, each Owner hereby knowingly and expressly waives and releases any and all causes of action for any matters referenced herein.

11.2 Regulation of Design. The Architectural Design Committee shall establish reasonable rules, regulations, restrictions, architectural standards and design criteria and requirements with respect to the exterior (but not the interior) of all Improvements on the Property, which the Architectural Design Committee may from time to time, in its sole discretion, amend, repeal or augment including, without limitation, requirements for construction and installation of Common Surface Improvements by the Association, the regulation of all landscaping (including, without limitation, absolute prohibition of certain types of landscaping and all plant materials) and regulation of all construction, reconstruction, exterior additions, changes or alterations to or maintenance of any Building or Improvement, including, without limitation, the exterior nature, kind, shape, height, material, color, surface texture and location thereof.

11.3 Construction Restrictions. No excavation, fill, grading or other alterations of the topography or drainage of any Parcel shall be commenced and no Building or Improvement of whatever type other than improvements or alterations to the interior of a Building shall be constructed, erected or maintained upon the Property, nor shall there be any addition or change to the exterior appearance of any Building or Improvement, including, without limitation, the color (other than repainting with the same color of paint as previously existed) of exterior walls, entryways, overhangs, parapets, atriums and fences, except in compliance with the Plans and Specifications therefor, which have been submitted to and approved by the Architectural Design Committee.

11.4 Design Review. The Architectural Design Committee may charge fees, costs and expenses in connection with its review of the Plans and Specifications including, but not limited to, the fees, costs and expenses charged by architects, engineers, and other consultants employed by the Architectural Design Committee to review such Plans and Specifications and make recommendations with respect thereto, and, with respect to any Building or other Improvement or any alteration of an existing Building or other Improvement on a Parcel, may require reasonable evidence of financial ability (such as a construction loan commitment or completion bond) to complete the Building, other Improvement or alteration in compliance with all requirements provided for in this Declaration. The Owner involved in the approval process shall pay the Association upon demand for all fees, costs and expenses charged herein and any failure by an Owner to pay such fees, costs and expenses shall be considered a failure to pay Assessments as provided in Section 6.4 of the Declaration. The Plans and Specifications shall be submitted in triplicate sets unless otherwise directed by the Architectural Design Committee. Except as otherwise provided herein, any decision to be made by the Architectural Design Committee may be made by a majority of its members. The Architectural Design Committee may delegate its responsibility to review the Plans and Specifications to one or more of its members or architects, engineers, and/or consultants retained by the Architectural Design Committee. Upon such delegation, the approval or disapproval of the Plans and Specifications by such member or the architects, engineers and/or consultants shall be deemed to be the approval or disapproval by a majority of members of the Architectural Design Committee. The address of the Architectural Design Committee shall be the address established for giving notice to the Association, unless otherwise specified, and such address shall be the place for the submittal of the Plans and Specifications. The Architectural Design Committee shall approve or disapprove all Plans and Specifications submitted to it within thirty (30) days of the receipt of all Plans and Specifications. In the event the Architectural Design Committee fails to approve or disapprove the Plans and Specifications submitted to it within such thirty (30) day period, such Plans and Specifications shall be deemed to have been disapproved.

11.5 Standards of Review. The Architectural Design Committee shall have the right, in its sole discretion, to refuse to approve any Plans and Specifications which are not suitable or desirable for aesthetic or other reasons. In reviewing all Plans and Specifications, the Architectural Design Committee shall take into consideration the suitability of the proposed Building or Improvement in light of Declarants' development plans as a whole for the Property as a quality first class integrated mixed use development, the harmony of external design and location in relation to surrounding structures and topography and the effect of the Improvements as planned on the views from other Parcels and/or the adjacent public streets. No changes or deviations in or from such Plans and Specifications once approved shall be made without the prior written approval of the Architectural Design Committee.

11.6 Reconstruction. The reconstruction by the Association or an Owner of any Common Surface Improvements after damage thereto or destruction thereof which is accomplished in substantial compliance with "as-built" plans for such Common Surface Improvements shall not require review and approval of Plans and Specifications by the Architectural Design Committee. The Architectural Design Committee shall not withhold its approval of any Plans and Specifications for the reconstruction of a Building or other Improvements by its Owner after damage thereto or destruction thereof if such Plans and Specifications call for the reconstruction of such Building or other Improvement in the same form as it existed prior to such damage or destruction; otherwise, the standard of review shall be as set forth in the other provisions of this Declaration.

12. The Association.

12.1 In General. The Association has been formed to serve as the governing body for all of the Owners for the protection, improvement, maintenance, repair, replacement, administration and operation of the Parcel Common Areas, General Common Areas, and Common Surface Improvements, the assessment of expenses, payment of losses, disposition of insurance proceeds received by the Association and other matters as provided in this Declaration and the Constituent Documents.

12.2 Membership. Each Owner shall be a member of the Association as soon and so long as he shall be an Owner. Such membership shall automatically terminate when an Owner ceases for any reason to be an Owner and the new Owner shall likewise automatically succeed to such membership in the Association. When an Owner consists of more than one Person, all such Persons shall be members of the Association. The voting for any Parcel, however, shall be exercised by a single representative of the Owner or Owners of the Parcel who has been designated for such purpose in a written notice received by the Board. In the event any Owner, or all of the Owners of any Parcel owned by more than one Owner, fails

to appoint such a representative in the manner provided above, such Owners shall not be entitled to vote on any matter until such a representative is so appointed. Membership in the Association shall not be transferred, assigned, pledged or alienated in any way, except upon the sale of the Parcel to which it is appurtenant (and then only to the purchaser involved in such sale) or by intestate succession, testamentary disposition, foreclosure of a Mortgage or other legal process transferring fee simple title to such Parcel (and then only to the Person to whom such fee simple title is transferred). Any attempt to make a prohibited transfer of a membership shall be void and shall not be recognized by or reflected upon the books and records of the Association. Membership in the Association shall automatically be transferred upon the sale, succession, disposition, foreclosure or other transfer of a Parcel and the Association shall record such a transfer upon the books of the Association upon presentation by the new Owner of evidence of Record of such sale, transfer, succession, disposition, foreclosure or other transfer.

12.3 Voting Rights of Owners. During the period that Developer is the Owner of thirteen (13) acres or more of the Property, Developer shall be the only Owner having member voting rights in connection with all Association business and affairs and during such period all other Owners shall have no member voting rights in the Association for any purpose whatsoever. At any time prior thereto, Developer shall have the right in its sole discretion to relinquish its voting control of the Association by giving notice to all other Owners of its relinquishment of control. At such time as Developer is no longer an Owner of thirteen (13) acres or more of the Property or has given notice of its relinquishment of control, all Owners (including Developer) shall then have member voting rights in connection with all Association business and affairs allocated among each Owner on the basis of one (1) vote for each one (1) acre or less of a Parcel or Parcels owned by each Owner.

12.4 Required Votes. The Developer, during the period set forth in Section 12.3, and thereafter all Parcel Owners, shall be entitled to vote on any matter that requires a vote of the Owners or the members of the Association under this Declaration or the Constituent Documents. Except as otherwise provided herein, the affirmative vote of a Controlling Majority shall be sufficient for the taking of any action by the Owners or the members of the Association.

12.5 Qualifications of Directors. Directors shall be elected by a vote of the voting members of the Association at a meeting duly called for the purpose of electing directors. Each director shall be an Owner or, if an Owner is a corporation, partnership or trust, a director may be an officer, partner, trustee, beneficiary, employee, representative or designee of such Owner. If a director shall cease to meet such qualifications

during his term, he will thereupon cease to be a director and his place on the Board shall be deemed vacant.

12.6 Board's Determination Binding. In the event of any dispute or disagreement between any Owners relating to any question of interpretation or application of the provisions of this Declaration or the Constituent Documents, the determination thereof by the Board shall be final and binding on each and every Owner for all purposes.

12.7 Additional Provisions in Constituent Documents. The Constituent Documents may contain any reasonable and non-discriminatory provision not inconsistent with law or with this Declaration relating to the conduct of the affairs of the Association and the rights and powers of its directors, officers, employees, agents and members.

13. Amendment. The provisions of this Declaration may be amended at any time by the Association in the manner described in Section 6.3. The provisions of this Declaration may also be changed, modified or amended by an instrument in writing setting forth such change, modification or amendment, signed by the Owner or Owners then holding not less than ninety percent (90%) of the votes relative to the general business and affairs of the Association. Any such instrument shall be promptly delivered to the Association and recorded in the Records by the Association.

Any such change, modification or amendment accomplished under any of the provisions of this Section 13 shall be effective upon recording in the Records of the instrument providing therefor, signed and acknowledged as herein provided.

14. Remedies.

14.1 In General. In the event that any Owner or the Association shall fail to comply with the provisions of this Declaration, the Constituent Documents or the rules and regulations of the Association, the Association or any Owner shall have each and all of the rights and remedies arising as a result of such failure under this Declaration, the Constituent Documents or such rules and regulations, and such other rights and remedies as may be available at law or in equity, and may prosecute any action or other proceedings against such Owner or the Association for enforcement of such provisions or foreclosure of any lien it may hold and the appointment of a receiver for the Parcel, or damages, or injunctive relief, or specific performance, or judgment for payment of money and collection thereof, or any combination of such remedies or any other and further relief which may be available at law or in equity. The proceeds of any foreclosure sale shall first be applied to discharge court costs, other litigation costs, including, without limitation, reasonable attorneys' fees and all other expenses of the proceeding and sale. The remainder of such

proceeds shall be applied first to the payment of any unpaid Assessments or other charges, together with interest thereon and any late charges and the satisfaction of any other damages and any balance shall be paid to the party legally entitled thereto. Upon the confirmation of the sale, the purchaser of such Parcel shall be entitled to a deed to the Parcel and to immediate possession of the Parcel and may apply to the court for a writ of assistance for the purpose of acquiring such possession. The purchaser at any such sale shall take the Parcel sold subject to this Declaration. All expenses of the Association in connection with any such action or proceeding, including court costs and reasonable attorneys' fees and other fees and expenses and all damages, liquidated or otherwise, together with interest thereon at a rate of four percent (4%) per annum in excess of the Prime Rate (except to the extent that such rate exceeds the maximum interest rate permitted by law), from the date incurred, until paid, shall be secured by a lien against the Parcel of such defaulting Owner as provided in Section 6.4 hereof. In the event any suit is instituted to construe, interpret or enforce any of the provisions of this Declaration, the prevailing party(ies), as determined by the court, shall be entitled to receive, as part of its (or their) award, its (or their) reasonable attorneys' fees, as determined by such court sitting without a jury, and its (or their) costs.

14.2 Limitation on Personal Liability of Declarants.

Notwithstanding anything contained herein to the contrary, Declarants shall not have any personal liability to the Association, any Owner, any Mortgagee or any other Person arising under, in connection with or resulting from (including, without limitation, resulting from action or failure to act with respect to) this Declaration, except to the extent of its interest in the Property and, in the event of a judgment therefor against a Declarant, no execution or other action shall be sought or brought thereon against any other assets or be a lien upon such other assets of the judgment debtor. The provisions of this Section 14.2 shall not, however, apply to the obligations of Declarants, as Owner of any Parcels owned by Declarants, to pay any Assessments made by the Association in accordance with the provisions hereof, so that Declarants shall have personal liability with respect to any Assessments against any Parcels owned by Declarants in the same manner as any other Owners in accordance with Section 6.4 above.

14.3 Mortgagees.

Notwithstanding any provision of this Declaration to the contrary, any breach of any of the covenants, conditions, restrictions, reservations and servitudes provided for in this Declaration, or any right of reentry by reason thereof, shall not defeat or adversely affect the lien and/or rights of any Mortgagee, except as herein expressly provided, and each and all of such covenants, conditions, restrictions, reservations and servitudes shall be binding upon and effective against any lessee under any lease or against any Owner of any Parcel whose title

thereto is acquired by foreclosure, trustee's sale, deed in lieu of foreclosure or otherwise.

15. Miscellaneous.

15.1 Exemptions. Notwithstanding anything contained in this Declaration to the contrary, the Parcel known as Lot 55, Lakeside Hills Subdivision in Douglas County, Nebraska (herein "Exempt Parcel 55") shall not be subject to and shall be exempt from (i) any and all Assessments under Section 6 of the Declaration and (ii) the Owner thereof shall not be subject to any of the provisions of Section 12 of the Declaration and shall not be a member of the Association nor shall the Owner have any voting rights under the Declaration. The Exempt Parcel 55 shall continue to be exempt from the provisions of this Declaration as hereinbefore described for so long as Exempt Parcel 55 remains to be occupied and used for Local Utility Services as that use is presently defined in the Zoning Regulations. Upon termination of the Local Utility Services use on Exempt Parcel 55, Exempt Parcel 55 shall thereafter be subject to all Assessments under Section 6 of the Declaration and the Owner thereof shall immediately become a member of the Association and shall have full voting rights as an Owner.

Notwithstanding anything contained in this Declaration to the contrary, the Parcel known as Lot 40, Lakeside Hills Subdivision in Douglas County, Nebraska (herein "Exempt Parcel 40") shall not be subject to and shall be exempt from (i) any and all Assessments under Section 6 of the Declaration, and (ii) the Owner thereof shall not be subject to any of the provisions of Section 12 of the Declaration and shall not be a member of the Association nor shall the Owner thereof have any voting rights under the Declaration. The Exempt Parcel 40 shall continue to be exempt from the provisions of this Declaration as hereinbefore described for so long as the Exempt Parcel 40 remains to be occupied and used for Park and Recreation Services as that use is presently defined in the Zoning Regulations. Upon termination of the Park and Recreation Services use on the Exempt Parcel 40, the Exempt Parcel 40 shall thereafter be subject to all the provisions of the Declaration and the Owner thereof shall immediately become a member of the Association and shall have full voting rights as an Owner.

15.2 Notices. Any notice or notification provided for in this Declaration and the Constituent Documents shall be in writing and shall be delivered personally or sent prepaid by (i) United States first class certified mail, (ii) an express delivery service which guarantees next-business-day delivery, or (iii) facsimile transmission. Notices delivered personally, mailed or sent by express delivery service to the Association or the Board shall be addressed to the address to which payments of Assessments are then sent. Notices delivered personally, mailed or sent by express delivery service to an Owner shall be addressed to the street

address of such Owner's Parcel. The Association or the Board shall designate a different address or addresses to which notices shall be sent from time to time by giving written notice of such change of address to all Owners. Any Owner may also designate a different address to which notices shall be sent by giving written notice of his change of address to the Association. Notices shall be deemed delivered when delivered in person, on the date of the certification receipt in the case of notice given by certified mail, one (1) business day after delivery to an express delivery service in time for next-business-day delivery, or the facsimile confirmation date, as the case may be. Upon the written request of any Owner or its First Mortgagee, a courtesy copy of all notices sent by the Association to such Owner shall be simultaneously sent to the First Mortgagee at the address set forth in such written request.

15.3 No Public Dedication. Nothing contained in this Declaration shall be deemed to constitute a dedication for public use or to create any rights in the general public. Nothing contained in this Declaration shall be construed as creating an obligation on the part of the City of Omaha or any other governmental authority having jurisdiction over the Property and the Parcel Common Areas and General Common Areas to maintain, repair, or replace any portion of the Property, the Parcel Common Areas and General Common Areas or the appurtenances thereto.

15.4 Severability. If any provision of this Declaration, the Constituent Documents or the rules and regulations of the Association, or any section, clause, sentence, phrase or word, or the application thereof in any circumstance, is held invalid by a court of competent jurisdiction, the validity of the remainder of this Declaration, the Constituent Documents or the rules and regulations of the Association and the application of any such provision, section, sentence, clause, phrase or word in any other circumstance, shall not be affected thereby and the remainder of this Declaration, the Constituent Documents or the rules and regulations shall remain in full force and effect as if such invalid part were never included therein and such invalid part shall be promptly amended as herein provided or reformed by such court so as to implement the intent thereof to the maximum extent permitted by law.

15.5 Term. The provisions of this Declaration, including the covenants, conditions and restrictions contained herein shall continue to be effective and run with and bind the Property for a term of eighty-five (85) years from the date this Declaration is recorded in the Records, provided however, the permanent or perpetual easements granted by this Declaration shall not be affected by such termination but shall continue after the expiration date of this Declaration perpetually.

15.6 Binding Effect; Release on Transfer. Each grantee of a Declarant by the acceptance of a deed of conveyance, each purchaser under any agreement and contract or similar agreement of sale by execution of such agreement for sale and such Mortgagee by the acceptance of any instrument conveying any interest in the Property as security for the performance of an obligation, accepts the same subject to all restrictions, easements, conditions, covenants, reservations, liens and charges and the jurisdiction, rights and powers created or reserved by this Declaration. All rights, benefits and privileges of every character hereby granted, created, reserved or declared and all impositions and obligations hereby imposed shall be deemed and taken to be perpetual covenants running with the land and equitable servitudes and shall be binding upon and shall inure to the benefit of any grantee, purchaser or any person having at any time any interest or estate in the Property in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance, purchase contract or other instrument of transfer. Upon the transfer by an Owner to a new Owner of all or any portion of the fee simple interest in the transferring Owner's Parcel (but not upon any transfer in the nature of a lease, Mortgage, easement or similar instrument that does not create a new Owner), the transferring Owner shall be released from all liabilities and obligations accruing under this Declaration with respect to the transferred property from and after the date of such transfer, but such transferring Owner shall remain fully liable for all liabilities and obligations which accrued hereunder prior to such transfer.

15.7 Waiver. Any right or remedy provided for in this Declaration shall not be deemed to have been waived by any act or omission, including, without limitation, any acceptance of payment or partial performance or any forbearance, except by an instrument in writing specifying such right or remedy and executed by the person against whom enforcement of such waiver is sought.

15.8 Additional Property. Developer shall have the right to bring additional property within the scheme of this Declaration. The addition(s) shall be made by recording a supplement or amendment to this Declaration in the Records which shall extend the scheme of the covenants, conditions and restrictions of this Declaration to such additional property effective on the date of the recording of the supplement or amendment to this Declaration in the Records. Such supplement or amendment may contain such complementary additions and modifications of the covenants, conditions and restrictions contained in the Declaration as Developer deems may be necessary to reflect the different character, if any, of the additional property and as are not inconsistent with the provisions of the Declaration.

15.9 Exhibits. All exhibits attached hereto and incorporated herein are made a part hereof by reference.

IN WITNESS WHEREOF, Declarants have executed this instrument as of this 19th day of DECEMBER, 1994.

THC, INC., A Nebraska Nonprofit Corporation

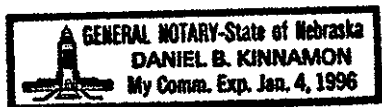
By Alden B. Awerkamp
Alden B. Awerkamp, Its President

LAKESIDE HILLS ASSOCIATION, INC.,
A Nebraska Nonprofit Corporation

By Alden B. Awerkamp
Alden B. Awerkamp, Its President

STATE OF NEBRASKA)
) ss.
COUNTY OF DOUGLAS)

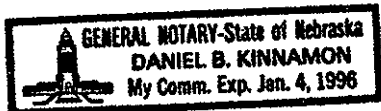
The foregoing instrument was acknowledged before me this 19th day of DECEMBER, 1994, by Alden B. Awerkamp, President of THC, Inc., a Nebraska nonprofit corporation, on behalf of the nonprofit corporation.



Daniel B. Kinnamon
Notary Public

STATE OF NEBRASKA)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 19th day of DECEMBER, 1994, by Alden B. Awerkamp, President of Lakeside Hills Association, Inc., a Nebraska nonprofit corporation, on behalf of the nonprofit corporation.



Daniel B. Kinnamon
Notary Public

Exhibit "A"

Legal Description

Lots 1 through 52, inclusive and Lot 55, Lakeside Hills,
Douglas County, Nebraska.

Outlots 1 through 7, inclusive, Lakeside Hills, Douglas
County, Nebraska.