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GEORGE J. BUGLEWICZ
REGISTER OF DEEDS
DOUGLAS COUNTY, NE

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION is made as of the date shown on the close of this instrument, by Hawthorne Development Co., a Nebraska corporation, and Apollo Building Corp., a Nebraska corporation, collectively referred to as the "Declarants".

W I T N E S S E T H:

WHEREAS, Hawthorne Development Co. is the owner of certain property in Douglas County, Nebraska, more particularly described as follows:

Lots 121 through 158, inclusive, of Hawthorne, a Subdivision located in Douglas County, Nebraska, as surveyed, platted and recorded;

WHEREAS, Hawthorne Development Co., as seller, has entered into an Agreement and Option to Purchase Lots with Apollo Building Corp. pursuant to which Apollo Building Corp. has an option to purchase all or a portion of the property hereinabove described;

WHEREAS, Apollo Building Corp. desires to purchase some or all of such property and construct and sell townhomes thereon;

WHEREAS, Declarants desire to make all of the above described property subject to the covenants, conditions and restrictions hereinafter set forth;

NOW, THEREFORE, Declarants hereby declare that all of the property hereinabove described shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, all of said real property and shall be binding on all parties having any right, title or interest in said properties or any part thereof, their

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heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

Section 1. "Association" shall mean and refer to Villas of Hawthorne Association, Inc., a Nebraska nonprofit corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer to:

- (a) The record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, but excluding those having such interest merely as security for the performance of an obligation or as an encumbrance upon the interest of the beneficial owner, and
- (b) The purchaser, whether one or more persons or entities, under a recorded contract for the sale and purchase of a Lot, under which the Seller retains title solely as security for the performance of the purchasers obligation under the contract.

Section 3. "Properties" shall mean and refer to:

Lots 121 through 158, inclusive, of Hawthorne, a Subdivision located in Douglas County, Nebraska, as surveyed, platted and recorded,

together with any such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Lot" shall mean and refer to any platted Lot shown upon any recorded subdivision map of the Properties or one of two parcels resulting from a Lot split of a duplex zoned Lot.

Section 5. "Improved Lot" shall mean and refer to any Lot included within the Properties upon which shall be erected a dwelling the construction of which shall be at least 80% completed according to the plans and specifications for construction of said dwelling.

Section 6. "Assessable Lot" shall mean and refer to any Improved Lot (other than any Lot owned by one of the Declarants) which the Board of Directors of the Association determines is entitled to the benefits for which assessments are levied by the Association as provided in this instrument.

Section 7. "Declarants" shall mean and refer to the entities signing this instrument, their successors and assigns.

ARTICLE II
PROPERTY RIGHTS

Section 1. The Association may suspend the voting rights of an Owner for any period during which any assessment against such Owner's Lot remains unpaid, and for any period not to exceed 60 days for any infraction by any such Owner, or members of such Owner's family, or guests or tenants of such Owner, of the published rules and regulations of the Association.

Section 2. Parking Rights. Ownership of any Lot shall entitle the Owner or Owners thereof to such parking rights as shall be available upon such Lot.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot shall be a member of the Association. Each Lot Owner is empowered to enforce the covenants. Membership shall be appurtenant to and shall not be separated from ownership of any Lot which is subject to any 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. A Lot 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 Lot Owner. All proxies shall be in writing and filed with the Secretary of the Association. Each proxy shall be freely revocable and shall automatically cease when the member giving such proxy shall cease to be an Owner of a Lot or at such earlier time as shall be specified in the proxy or by operation of law.

Section 3. The Association shall have two classes of voting members, Class A Members and Class B Members, defined as follows:

CLASS A: Class A Members shall be all Owners, with the exception of the Declarants. Each Class A Member shall be entitled to one vote for each Lot owned. When there shall be more than one person or entity holding an interest in any Lot, all such persons or entities or both, shall be Members; provided however that the vote for such Lot shall be exercised as such persons or entities or both, shall determine, but in no event shall more than one vote be cast with respect to any one Lot.

CLASS B. Class B Members shall be the Declarants. The Declarants shall be entitled to nine (9) votes for each Lot owned by any of the Declarants. The Class B membership shall terminate and be converted into Class A membership (with the Declarants then entitled to one vote for each Lot owned by any of the Declarants) upon the occurrence of the first of the following dates:

- (a) The date on which the total votes outstanding in the Class A membership shall equal the total votes outstanding in the Class B membership, or
- (b) January 1, 2006.

ARTICLE IV
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarants hereby covenant for each Assessable Lot and for each Owner (other than Declarants) of any Assessable Lot, by acceptance of a deed therefore or by entering into a contract for the purchase thereof, whether or not it shall be so expressed in such deed or in such contract, that it is, and shall be, deemed to covenant and agree to pay to the Association:

- (1) Special assessments for capital improvements, and
- (2) Monthly assessments for exterior maintenance and other operational expenses with respect to each Assessable Lot as deemed necessary by the Association,

which assessments shall be established and collected as hereinafter provided. The special assessments and monthly assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment shall be made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person, persons, or entity who, or which, was the Owner of the property at the time when the assessment became due. The personal

obligation for delinquent assessments shall not pass to such Owner's successors in title, unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the health, safety, recreation and welfare of the residents in the Properties and for exterior maintenance, and other matters as more fully set out in Article V herein.

Section 3. Monthly Assessments. The Board of Directors shall have the authority to levy and assess against each Assessable Lot an initial monthly maintenance assessment for the purpose of meeting the requirements of Section 1 of Article V herein for exterior maintenance. At the commencement of each calendar year thereafter, the Board of Directors shall have the authority to increase the monthly maintenance assessment against each Assessable Lot by a percentage of the prior assessment, which percentage shall be the greater of five percent (5%) or the percentage increase in the U. S. Department of Labor Consumer Price Index (All Items) for All Urban Consumers, 1982-84=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 accomplish the same result of reflecting general consumer price changes in the United States economy. Any additional increase in the monthly maintenance assessment above that authorized by the Board of Directors must be approved by a majority of the votes cast by the Members at a meeting duly called for such purpose.

Section 4. Special Assessment for Capital Improvements. The Association may levy special assessments from time to time against an Assessable Lot for the purpose of meeting the requirements of Section 2 of Article V herein for the costs of any construction, reconstruction, repair or replacement of any capital improvements on such Lot, including fixtures and personal property related thereto, provided that any such assessment shall be approved by the vote of the members, who shall vote in person or by proxy at a meeting duly called for such purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Section 1. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 or 4 of this Article IV shall be sent to all Members not less than 10 days nor more than 50 days in advance of such meeting. At the first such meeting called, the presence of Members, in person or by proxy, entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum at the

preceding meeting. Any such subsequent meeting shall be held within 60 days following the preceding meeting.

Section 6. Uniform Rate of Assessment. The monthly assessments shall be paid prorata by the Owners of all Assessable Lots based upon the total number of Assessable Lots; provided, however, the Board of Directors of the Association may equitably adjust such prorations if it determines that certain Assessable Lots on which all of the improvements are not yet completed do not receive all of the benefits for which such assessments are levied. The monthly assessments may be collected on a monthly or other periodic basis by the Association. The Board of Directors of the Association shall fix the amount of the monthly or other periodic assessments against each Assessable Lot. Written notice of the assessment shall be sent to every Owner subject thereto. The dates payments are due shall be established by the Board of Directors. The special assessments for capital improvements shall only be assessed against the Assessable Lot for which the costs of such construction, reconstruction, repair or replacement of any capital improvements occurs. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association, setting forth whether or not all assessments on a specified Assessable Lot have been paid. A properly executed certificate of the Association as to the status of assessments, on a particular Assessable Lot shall be binding upon the Association as of the date of its issue by the Association.

Section 7. Effect of Nonpayment of Assessment; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall be deemed delinquent and shall bear interest at the maximum legal rate allowable by law in the State of Nebraska, which at the time of the execution of these Declarations, is sixteen (16) percent per annum. Should any assessment remain unpaid more than sixty (60) days after the due date, the Association may declare the entire unpaid portion of said assessment for said year to be immediately due and payable and thereafter delinquent. The Association may bring an action at law against the Owner personally obligated to pay the same, or may foreclose the lien of such assessment against the property through proceedings in any Court having jurisdiction of actions for the enforcement of such liens. No Owner may waive or otherwise escape liability for the assessments provided herein by abandonment or title transfer of such Owner's Lot.

Section 8. Subordination of the Lien to Mortgages. The lien on the assessments provided for herein shall be subordinate to the lien of any first mortgage, first deed of trust, or other initial purchase money security device, and the holder of any first mortgage, first deed of trust, or other initial purchase money security device, on any Lot may rely on this provision without the necessity of the execution of any further subordination agreement by the Association. Sale or transfer of any Lot shall not affect

the status or priority of the lien for assessments made as provided herein. The Association, if authorized by its Board of Directors, may release the lien of any delinquent assessments on any Lot as to which the first mortgage, first deed of trust or initial purchase money security device thereon is in default, if such Board of Directors determines that such lien has no value to the Association. No mortgagee shall be required to collect any assessments due. The Association shall have the sole responsibility to collect all assessments due.

ARTICLE V
EXTERIOR MAINTENANCE

The Association may provide exterior maintenance upon each Assessable Lot as set forth hereinafter.

Section 1. Monthly assessments may be assessed for, but not limited to, the following:

- (a) Maintenance of trees and shrubs, lawns, and other exterior landscaping improvements as originally installed by the builder, except such improvements as may be within the confines of any fenced in area on any Assessable Lot or installed by or at the direction of the Owner, which improvements shall be the responsibility of the Owner. The Owner understands that the original landscape as installed by the builder is warranted for a period of one year from the time of planting. The Owner is responsible for replacement of all dead landscaping improvements after the one year warranty period expires and the Owner agrees to allow the Association to replace such dead landscape improvements at the expense of the Owner of record at the time of replacement and the Owner shall reimburse the Association on demand. The Association shall have no duty to repair, replace or maintain any exterior concrete surfaces.
- (b) Operation and maintenance of an underground watering system.
- (c) Snow removal as to be determined by the guidelines set forth by the Board of Directors.
- (d) Optional exterior window cleaning as deemed necessary by the Board of Directors.

Section 2. Special assessments may be assessed for, but not limited to, the following:

- (a) Maintain, repair, and replace roofs.

(b) Maintain, repair, including painting, of all exterior walls, with the exception that the Association shall not assume the duty to repair or replace any glass surfaces, including, but not limited to, window glass and door glass. The Association shall not assume the duty to repair or replace any doors, door openers, and cooling units for air conditions systems. However, the Association shall assume the duty to paint the exterior surfaces of exterior doors.

(c) Maintain, repair, and replace gutters.
All replacements shall be of like kind if at all possible.

ARTICLE VI ARCHITECTURAL CONTROL

No building, fence, wall, or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition or change or alteration therein be made, nor shall any trees, shrubs, or plantings be planted or maintained upon the Properties, until the plans and specifications therefor, showing the nature, kind, shape, height, materials, color and location of the same shall have been submitted to and approved in writing, as to harmony of external design and location in relation to surrounding structures and topography, and in relation to other trees, shrubs and plantings, by the Board of Directors of the Association. Failure of the Board to act on such plans as submitted within 30 days after the date of submission shall be deemed to be approval of such plans, and the Owner may proceed in accordance with such plans and specifications. Board approval shall be independent of and in addition to the restrictions imposed and approvals required by Article VII of this Declaration.

ARTICLE VII GENERAL RESTRICTIONS AND OTHER PROVISIONS

Every Owner shall have full rights of ownership and full use and enjoyment of his Lot, subject to the following restrictions:

Section 1. Each Lot shall be used exclusively for single-family residential purposes, except for such Lots or parts thereof as may hereafter be conveyed or dedicated by any of the Declarants, or their successors or assigns, for use in connection with a common facility, or as a church, school, park, or for other non-profit use.

Section 2. No residence, building, fence, wall, driveway, patio, patio enclosure, swimming pool, basketball backboard, dog house, pool house, flag pole, or other external improvement, including landscaping, above or below the ground (herein all referred to as any "Improvement") shall be constructed, erected, placed or permitted to remain on any Lot, nor shall any grading or

excavation for any Improvement be commenced, except for Improvements which have been approved as follows:

(a) An Owner desiring to erect an Improvement shall deliver two sets of construction plans, landscaping plans, grading plans and plot plans to Hawthorne Development Co. (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 Hawthorne Development Co. of the Owner's mailing address.

(b) Hawthorne Development Co. shall review such plans in light of the conditions and restrictions in Article VII of this Declaration and in relation to the type and exterior of improvements which have been constructed, or approved for construction, on the Lots. In this regard, Hawthorne Development Co. intends that the Lots shall be developed as a residential community with homes constructed of high quality materials. The decision to approve or refuse approval of a proposed Improvement shall be exercised by Hawthorne Development Co. in a reasonable manner to promote conformity and harmony of the external design of the improvements constructed within the Hawthorne Subdivision and to protect the value, character and residential quality of all Lots in a manner consistent with this Declaration. Atypical improvements and home designs such as dome houses, A-frame houses and log cabins will not be approved unless the Hawthorne Development Co. determines that construction of these Improvements will not be materially inconsistent with the scheme of development contemplated by this Declaration. If Hawthorne Development Co. determines that the external design and location of the proposed Improvement does not conform with the standards or requirements of this Declaration, does not conform with the surrounding improvements and topography or will not protect and enhance the integrity and character of all the Lots and neighboring Lots, if any, as a quality residential community, Hawthorne Development Co. may refuse approval of any proposed Improvement.

(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 Hawthorne Development Co.

(d) No Lot Owner, or combination of Lot Owners, or other person or persons shall have any right to any action by Hawthorne Development Co., or to control, direct or influence the acts of Hawthorne Development Co. with respect to any proposed Improvement. No responsibility, liability or obligation shall be assumed by or imposed upon Hawthorne Development Co. by virtue of the authority granted to it in this Section 2, or as a result of any act or failure to act by it with respect to any proposed Improvement.

(e) Hawthorne Development Co., or its successor or assign, may terminate its authority to grant or withhold approval of any Improvement under this Section 2, at any time, by filing a Notice of Termination. Upon such filing, the Association may appoint itself or another entity, association or individual to serve in such capacity, and such appointee shall thereafter have the same authority and powers as Hawthorne Development Co. under this Section 2.

Notwithstanding the provisions of this Section 2, the obligations of Apollo Building Corp. to comply with this Section 2 shall be subject to the provisions of a separate agreement between Apollo Building Corp. and Hawthorne Development Co. dated the same date as the date of this Declaration.

Section 3. No single-family residence shall be created, altered, placed or permitted to remain on any Lot other than one detached single-family dwelling which does not exceed two and one-half stories in height, exclusive of basement level.

Section 4. The exposed front foundation walls and any foundation walls facing any street of all main residential structures must be constructed of or faced with brick or other material approved by the Association. All exposed side and rear concrete or concrete block foundation walls not facing a street must be painted. All driveways must be constructed of concrete, brick, paving stone, or laid stone. All foundations shall be constructed of concrete, concrete blocks, brick or stone. Fireplace chimneys shall be covered with brick, or other material approved in writing by the Association. Unless other materials are specifically approved by the Association, the roof of all Improvements shall be covered with wood shake shingles. Hardboard, pressed wood, bonded wood and woodruff products will not be allowed for roofs.

Section 5. No advertising signs, billboards, unsightly objects or nuisances shall be erected, placed or permitted to remain on any Lot except one sign per Lot consisting of not more than six (6) square feet advertising a Lot as "For Sale". No business activities of any kind whatsoever shall be conducted on

any Lot; nor shall the premises be used in any way for any purpose which may endanger the health or unreasonably disturb the Owner or Owners of any Lot or any resident thereof. Nothing contained in this Section 5 shall apply to the business activities, signs and billboards or the construction and maintenance of buildings, if any, by Declarants, their agents or assigns, during the construction and sale of the Lots.

Section 6. No exterior television or radio antenna or disc of any sort shall be permitted on any Lot. No tree houses, tool sheds, doll houses, windmills, or similar structures shall be permitted on any Lot.

Section 7. No repair of any boats, automobiles, motorcycles, trucks, campers 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 8. 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 twenty (20) days 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 8 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. All garage doors must be closed when not in use.

Section 9. No incinerator, trash burner or fuel tank shall be permitted on any Lot. No garbage or trash can or container shall be stored or be permitted to remain outside 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, rubbish or cutting shall be deposited on any street, road or Lot. No clothes line or clothes hanger (including but not limited to laundry umbrellas or other retractable apparatus) shall be permitted outside of any dwelling at any time. Produce or vegetable gardens may only be maintained in rear yards.

Section 10. 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 11. No fence or mass planted hedges or shrubs or other structures which effectively act as a fence shall be permitted on any Lot; provided, however, invisible sound-barrier fencing to restrain pets is permitted.

Section 12. No swimming pool may extend more than one foot above ground level.

Section 13. Construction of any Improvement shall be completed within one (1) year from the date of commencement of excavation or construction of the Improvement.

Section 14. 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 15. Driveway approaches between the sidewalk and curb on each Lot shall be constructed of concrete. Should repair or replacement of such approach be necessary, the repair or replacement shall also be of concrete. No asphalt overlay of driveway approaches will be permitted.

Section 16. 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 constructed for one (1) dog; provided always that the construction plans, specifications and the location of the proposed structure have been first approved as required by this Declaration. Dog houses shall only be allowed at the rear of the residence, concealed from public view. No dog runs or kennels of any kind shall be allowed in the Hawthorne Subdivision.

Section 17. Any exterior air conditioning condenser unit shall be placed in the rear yard or any side yards. 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, and no vegetation on vacant Lots shall be allowed to reach a height in excess of twelve (12) inches.

Section 18. No Residence 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 19. No temporary structure of any character, and no carport, trailer, open basement, storage or tool shed or shack shall be erected upon or used on any Lot at any time, either temporarily or permanently; provided, however, this shall not prevent the location of a temporary real estate or construction office on any Lot for use during the period of construction or sale of the Lots. An Owner may erect a swing set, playground equipment, pool house, or other non-prohibited structure on a Lot only after securing the prior written approval of the Association. No structure or dwelling shall be moved from outside Hawthorne to any Lot without the written approval of the Association.

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

Section 21. The use of private barbecue grills and the outside use or storage of barbecue grills is allowed on outside decks and patios, but may be subject to written regulation, restriction or exclusion by the Association.

Section 22. No tree situated upon any Lot may be moved, removed, cut or destroyed unless complete plans describing the exact tree or trees to be moved, removed, cut or destroyed, and the reason therefore, shall have been submitted to and approved in accordance with Section 2 of this Article VII. For purposes of this Section, "tree" shall mean and refer to a tree of any type with a diameter larger than one (1) inch at a height of five (5) feet. The front yard of each Assessable Lot must have a minimum of two (2) trees which are classified as deciduous. Subject to the Association's exterior maintenance as provided in this Declaration, each Owner shall repair and maintain in good condition any and all trees, shrubs, and bushes placed in and along the ten (10) foot public sidewalk easement area on their Lot. Should any of such trees, shrubs or bushes be removed, die, or deteriorate into a poor condition, the Owner of the Lot shall, at its expense, replace such trees, bushes or shrubs with trees, bushes or shrubs of the same or similar quality. In the event such replacement does not occur within thirty (30) days following written notice from either the Declarants or the Association, then either Declarants or the Association may cause such replacement to occur and charge the Owner of the Lot for such replacement.

Section 23. The exterior trim and siding on each residence constructed on a Lot must be maintained in good and proper condition and must be fully painted no less frequently than the

earlier of (i) sixty (60) months following completion of initial construction and thereafter no less frequently than sixty (60) months following the previous painting; or (ii) within ninety (90) days following notification from the Association to the Owner that the exterior paint on the Owner's residence has deteriorated to less than a good and proper condition.

Section 24. Any landscape beds that are to be maintained by the Association shall be covered with river rock.

Section 25. The Association does hereby reserve unto itself the right to require the installation of siltation fences or erosion control devices and measures in such locations, configurations, and designs as it may determine appropriate in its sole and absolute discretion.

Section 26. No animals, livestock or poultry of any kind shall be raised or kept on any Lot in the Properties, other than non-exotic household pets which, in the case of dogs, shall be limited to one per household. With respect to other non-exotic household pets, the Board of Directors of the Association may from time to time establish limits as to the size, weight, and quantity per household. All pets shall be leashed when outside of the residential structure unless restrained by fencing (including invisible sound-barrier fencing) authorized as provided in this Declaration. No such pet shall be kept, bred or maintained for commercial purposes. All reptiles and pot-bellied pigs are classified as exotic pets. All unpleasantries created by the household pet shall be the responsibility of the Owner who shall be obligated to clean up after the animal. The Owner also shall prevent any prolonged barking or other noises from the household pets from becoming offensive or annoying to other Owners.

Section 27. No noxious, offensive, or illegal activity shall be carried on upon the Properties, nor shall any trash, ashes or other refuse be thrown, placed, or dumped upon any Lot, nor shall anything ever be done which may be or become an annoyance or nuisance to the neighborhood. No outside above-ground trash receptacles or incinerators shall be permitted on any Lot.

Section 28. No awnings or sun screens of any type shall be affixed to any building or structure on any Lot without the written consent of the Association.

Section 29. No finish or preservative shall be applied to any wooden decks other than a clear wood finish or preservative unless authorized by the Association.

ARTICLE VIII
INSURANCE

Section 1. The Association shall purchase and provide comprehensive general liability coverage insurance for the Properties in such amounts as shall be determined from time to time by the Board of Directors of the Association. The Association, in addition to the foregoing, shall provide Directors and Officers liability coverage insurance for the Association, for its Officers, and members of the Board of Directors. Finally, if the Association has any employees of any nature, the Association shall purchase and provide Worker's Compensation Insurance for all employees who may come within the scope of Nebraska Worker's Compensation laws.

Section 2. Each Owner shall, at its sole cost and expense, procure and maintain in full force and effect a policy or policies of insurance insuring such Owner and the Association, as an additional insured, against loss or damage by fire and such or risks as may be included within an extended coverage endorsement covering the full replacement cost of the buildings and other improvements from time to time erected upon or under such Owner's Lot. All such insurance shall be written by companies which are satisfactory to the Association and which are authorized to do insurance business in the State of Nebraska. Each policy shall contain an agreement by the insurer that it will not cancel or modify such policy except after thirty (30) days prior written notice to the Association and that any loss otherwise payable thereunder shall be payable notwithstanding any act or negligence of the insured. Certificates evidencing the existence of such insurance policies shall be delivered to the Association by the Owner annually and upon the reasonable request of the Association. Each Owner may obtain such additional insurance for such Owner's benefit and at such Owner's own expense as may be deemed necessary by the Owner, including coverage for personal property damage or personal liability.

Section 3. In the event that any building on the Properties shall be damaged or destroyed (partially or totally) by fire, the elements, or any other casualty, the Owner of such building shall, at its expense, promptly and with due diligence repair, rebuild, and restore the same as nearly as practical to the condition existing just prior to such damage or destruction; or alternatively, the Owner of such building shall be required to clear, clean and raze the damaged building and landscape the entire Lot.

ARTICLE IX
ACCESS

The Association, its officers, employees and agents, and contractors and repairmen designated by the Association, shall have the right to go on any Lot for the purpose of performing maintenance and repair, making inspections and performing the duties of the Association hereunder, and the Association is hereby granted a specific easement for such purposes.

ARTICLE X
GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure of the Association or of any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one or more of these covenants or restrictions, by judgment or court Order, shall in no way affect any other provisions, which other provisions shall remain in full force and effect.

Section 3. Amendment. Additional lots owned by Declarants in Hawthorne Subdivision in Douglas County, Nebraska, if any, may be added to the Properties and become subject to these Declarations upon the written direction of all Declarants recorded in the same manner as Deeds shall be recorded at such time. Subject to the preceding sentence, these Declarations may be amended at any time during the initial twenty (20) year term referred to in Section 4, hereafter, by an instrument signed by the Owners of not less than ninety percent (90%) of the Lots then covered by these Declarations, and thereafter by an instrument signed by the Owners of not less than seventy-five percent (75%) of the Lots then covered by these Declarations; provided, however, the definition of Assessable Lot contained in Article I and the provisions of Section 2 of Article VII shall not be amended without the approval of Hawthorne Development Co. and Apollo Building Corp. Any such amendment shall be valid only upon its being recorded in the same manner as Deeds shall be recorded at such time.

Section 4. Term. These covenants and restrictions contained in this Declaration shall run with the land, and shall be binding for an initial term of twenty (20) years from the date these Declarations are recorded, after which time they shall be automatically extended for successive periods of ten (10) years each.

STATE OF NEBRASKA)
) ss.
COUNTY OF DOUGLAS)

Before me the undersigned, a notary public, personally came Terrence J. Ficenech, to me personally known to be the President of Apollo Building Corp., a Nebraska corporation, and that he acknowledged the execution of the above to be his voluntary act and deed as President and that the execution of this document was duly authorized by the Board of Directors as the voluntary act and deed of such corporation.

WITNESS my hand and notarial seal this 7th day of November, 1996.

Patricia S. Devaney
Notary Public

My Commission Expires:

7-5-97

