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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THESE DECLARATIONS, made on the date shown on the close of this instrument, by the party or parties hereto who are, at the close of this instrument, described as "Declarant",

W I T N E S S E T H:

WHEREAS, Declarant, whether one or more, is the owner of certain property in Douglas County, Nebraska, more particularly described as follows:

Lots 17 through 30 inclusive, Grand Oaks Subdivision, as surveyed, platted, and recorded in Douglas County, Nebraska and

WHEREAS, Declarant desires to make all of the above said property, together with such additions thereto as may hereafter be brought within the jurisdiction of the Association, subject to the covenants, conditions and restrictions hereinafter set forth,

NOW, THEREFORE, Declarant hereby declares 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 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 the Grand Oaks Townhome Owners Association, Inc., its successors and assigns.

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

1000 JUL 22 AM 11:31 (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, 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 17 through 30, inclusive, Grand Oaks, a Subdivision 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

11987 F. Mace

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erected a dwelling, the construction of which shall be at least 80% completed, according to the plans and specifications for construction of said dwelling. All other Lots, which shall be vacant or upon which shall be erected a dwelling, the construction of which shall be less than 80% completed, according to the plans and specifications for construction of said dwelling, shall be defined as "Unimproved Lots".

Section 6. "Declarant" shall mean and refer to all persons and entities signing this instrument.

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 which is subject to assessment 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, each lot owner, upon purchase of a lot, shall execute and deliver to the Association a continuing proxy prepared by 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 superceding proxy to be voted by his duly authorized attorney in fact for one specific meeting only.

The continuing proxy shall be voted by either the President or the Vice 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 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 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.

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, Apollo Building Corp. and Grand Oaks, Inc., both Nebraska Corporations. 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 Member shall be Apollo Building Corp. which shall be entitled to three votes for each Lot owned. The Class B membership shall terminate and be converted into Class A membership 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, 1991.

ARTICLE IV
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant hereby covenants for each improved Lot which has 100% of the exterior construction completed and owned within the Properties, and each Owner of any other 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, 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 maintenance and other operational expenses as deemed necessary by the association,

as such 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. As the need may arise in the future, the Board of Directors shall have the authority to levy and assess any monthly maintenance assessment and determine the provisions for the payment of any future monthly assessments.

Section 4. Special Assessment for Capital Improvements. In addition to the monthly assessments authorized in Section 3 above, the Association may levy special assessments for the purpose of meeting the requirements of Article V herein for exterior maintenance, and, in addition, may levy in any year, a special assessment applicable to that year only, for the

purpose of defraying, in whole or in part, the costs of any construction, reconstruction, repair or replacement of any capital improvements, including fixtures and personal property related thereto, and for the costs of exterior maintenance, provided that any such assessment shall have the consent to two-thirds (2/3) of the votes of each class of Member 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 Section 3 or under Section 4 shall be sent to all Members not less than 30 days nor more than 60 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. Both special assessments for capital improvements and monthly assessments, with respect to all improved Lots, shall be uniform in amount, and may be collected on a monthly basis by the Association. The Board of Directors of the Association shall fix the amount of the monthly assessment against each improved lot. Written notice of the monthly assessment shall be sent to every owner subject thereto. The dates payments are due shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate sign by an officer of the Association, setting forth whether or not all assessments on a specified improved lot have been paid. A properly executed certificate of the Association as to the status of assessments, on a particularly improved 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 of the assessments provided for herein shall be subordinate to the lien of any first mortgage, and the holder of any first mortgage 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 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 improved Lot which is subject to monthly and special assessments 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 living landscaping improvements, except such as may be within the confines of any fenced in area on any improved lot. 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.

Notwithstanding the foregoing, in the event the need for maintenance or repair of any of the foregoing on any improved Lot shall result from the willful or negligent acts of the Owner of any Lot, or of such Owner's family, guests, invitees, or tenants, the cost of such exterior maintenance shall be added to and become a part of the assessment to which such Lot is subject.

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 therefore, 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, or by an submitted, as hereinabove provided, within thirty (30) days after such plans and specifications shall have been submitted, then the Owner submitting such plans and specifications shall be deemed to have received approval thereof, and such Owner may proceed in accordance with said plans and specifications.

ARTICLE VII
PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as part of the original construction of any dwelling upon the Properties, and which is placed on the dividing line between any adjoining Lots, shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repairs and maintenance of any party wall shall be shared by the Owners who make use of such party wall in proportion to the length of each lot and party wall.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owner or Owners shall thereafter make use of such party wall, such other Owner or Owners shall contribute to the cost of restoration thereof in proportion to such use, without prejudice, however, to the right of any such Owner or Owners to call for a larger contribution from other Owners under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weather proofing. Notwithstanding any other provision of this Article, an Owner who, by his negligent or willful act, causes the party wall to be exposed to the elements, shall bear the whole cost of furnishing the necessary protection against such elements and repair of damage caused by the elements.

Section 5. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each Owner involved shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and all Owners shall be bound by any decision arrived at by a majority of all such arbitrators.

ARTICLE VIII
STAGED DEVELOPMENTS

Additional land that Grand Oaks, Inc. and Apollo Building Corp. doing business as Grand Oaks/Apollo Joint Venture may determine which is contiguous and appurtenant to Grand Oaks, a Subdivision in Douglas County, Nebraska may be annexed and made subject to this Declaration of Covenants, Conditions and Restrictions, by the Declarant, without the consent of the members, within seven (7) years of the date of this instrument, provided that the FHA and the VA determine that such annexation is in accord with the general plan of development of the area.

ARTICLE IX
GENERAL RESTRICTIONS AND OTHER PROVISIONS

Section 1. Restrictions. Every Owner shall have full rights of ownership and full use and enjoyment of his Lot, subject to the following restrictions:

(a) No fences or enclosures of any type or nature whatsoever shall ever be constructed, erected, placed or maintained on any Lot within the Properties, unless such fences or enclosures shall have first been authorized in writing by the Association. No clothes line or clothes hanger shall be constructed on any Lot or used on any Lot outside of a building located thereon, except in patio areas. No exterior television or radio antenna shall be erected on any Lot within the Properties; provided however, that with the written approval of the Association, one or more master television antenna towers may be erected for the benefit and use of all or part of the Owners of the Properties.

(b) No animals, livestock or poultry of any kind shall be raised or kept on any Lot in the Properties, other than household pets, which shall be limited to one (1) per household. All pets shall be leashed when outside of the residential structure and patio area. No such pet shall be kept, bred or maintained for commercial purposes. No animals, livestock or poultry of any kind shall be raised or kept on any lot in the properties, other than household pets, which shall be limited to one (1) per household and which a household pet shall not exceed twenty pounds (20) in weight. All pets shall be leashed when outside the residential structure and patio area. No pets however, shall be kept, bred, or maintained for commercial purposes. All unpleasantries created by the household pet shall be the responsibility of the owner.

(c) 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.

(d) No advertising signs or billboards shall be permitted on any Lot with the exception of "for sale" or "for rent" signs, which shall not exceed four square feet in size. Nothing herein contained shall prevent the use of any Lot by Grand Oaks Townhome Owners Association as a sales and rental office, or as a model home or both, and while any Lot is so used, it shall have the right, for itself, or its nominee, to place signs on the premises advertising such office or model home, or both.

(e) No trailer, tent, shack, barn or other outbuilding shall at any time be used for human habitation, either temporarily or permanently. This shall not prevent the location of a temporary real estate and/or construction office on any Lot in the Properties for use during the period of construction and sale of the Properties.

(f) The use of private barbecue grills and the outside use or storage of barbecue grills on any Lot may be subject to written regulation, restriction or exclusion by the Association.

(g) 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.

ARTICLE X
INSURANCE

Section 1. The Association shall purchase and provide physical property coverage insurance with respect to the improvements (residential and related structures) in an amount equal to at least ninety percent (90%) of the full replacement value of the original improvements against losses by fire, lightning, wind storm and other perils covered by standard extended coverage endorsements. The full replacement value of the original improvements is defined as the base price of the original structure excluding, but not limited to, custom finished basements and any other improvements over the base original price. Insurance premiums are assessed uniformly based upon the base price of the original structures. Betterments done to the original structure and additional custom improvements shall not be covered by the Association's policy. The intent is to provide only coverage based only upon the basic purchase price excluding any custom betterments.

The Association shall also purchase and provide comprehensive general liability coverage insurance, against any other hazards and 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.

The above insurance shall not cover the personal property of any Owner of any lot, it being the Owner's responsibility to provide such insurance coverage for the Owner's protection. In addition the Association may purchase such additional insurance against any addition hazards which may be deemed appropriate by the Board of Directors.

Section 2. The Association is hereby irrevocably appointed as agent for each Owner of each and every Lot in the Properties and for the holder of any Mortgage on any Lot in the Properties, to adjust any and all claims arising under insurance policies purchased by the Association on the improvements on the Properties, and to execute and deliver releases upon payment of claims without joinder by any such Owner or mortgagee. All insurance proceeds shall be applied by the Association toward repairing the damage covered by such insurance, provided that reconstruction or repair shall not be compulsory where the damage exceeds two-thirds (2/3) of the value of all the buildings and improvements on all of the Lots covered by such insurance.

The deductible portion of the applicable master insurance policy shall be borne equally by those lots which have suffered the loss. Should the Owners so elect not to rebuild, the insurance proceeds, along with the insurance indemnity, if any, shall be credited to each Owner in accordance with such Owner's prorata share of the loss as sustained from the casualty for which the proceeds shall be payable. Such sums shall be first applied towards satisfaction of any recorded first mortgage against such Lots, next applied towards satisfaction of junior recorded liens in order of their priority, next toward the cost of razing the improvements or any remnants thereof from said properties, and the filling and leveling of any of said Lots, as needed, and the remainder shall then be paid to such Owner of such razed properties on a prorata basis.

In case the insurance proceeds do not equal the cost of repairs or rebuilding, the excess cost shall be considered a maintenance expense to be assessed and collected by the Association from the Owner of the damaged improvements. In any cases of over insurance, any excess proceeds of insurance received shall be credited towards the working fund of the Association.

Section 3. Each Lot Owner shall obtain such additional insurance for the individual Owner's benefit and at such Owner's own expense as may be deemed necessary by the Lot Owner. Each Lot Owner shall obtain additional insurance to cover specific improvements and betterments in the Owner's unit, personal liability, specific personal property items, the ten percent (10%) co-insurance provision of the full replacement cost of the base price of the original structure, and any exclusions of insurance coverage from the master policy provided by the Association.

ARTICLE XI 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 XII UTILITY METERS AND SERVICE LINES

In order to facilitate the installation and operation, maintenance and repair of an underground watering system, such Lots as shall be designated from time to time by the Association, shall have a dual metering system for water, so as to permit the drawing of water for watering of the lawns, shrubs, trees and other vegetation located upon the Lots. It is understood that the amount of water metered for such purposes shall be paid for by the Association. The water metered for the residential use on any such Lot shall be paid for by the Owner of such Lot.

ARTICLE XIII 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. These Declarations may be amended at any time by 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. 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.

Section 5. FHA/VA Approval. As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration (FHA) or the Veterans Administration (VA):

- (a) Annexation of additional lands to the properties covered by this Declaration;
- (b) Amendment of this Declaration of Covenants, Conditions and Restrictions

IN WITNESS WHEREOF, the undersigned, being the Declarants herein, have executed these Declarations of Covenants, Conditions and Restrictions this 25 day of April, 1988.

| | |
|---|---|
| GRAND OAKS, INC., a Nebraska corporation, Co-Venturer | GRAND OAKS/APOLLO JOINT VENTURE, APOLLO BUILDING CORP., a Nebraska corporation, Co-Venturer |
| By: <u>Leo E. Dahlke</u> Leo E. Dahlke Its President | By: <u>Terrence J. Ficenec</u> Terrence J. Ficenec Its President |
| ATTEST: <u>Secretary</u> Secretary | ATTEST: <u>Karen E. Keener</u> Karen E. Keener Secretary |

STATE OF NEBRASKA)
) ss.
COUNTY OF DOUGLAS)

Before me the undersigned, a notary public, personally came, Terrence J. Ficenec, to me personally known to be the President of Apollo Building Corp., 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 the corporation.

WITNESS my hand and notarial seal the day and year least above written.

Steven M. Watson
Notary Public



STATE OF NEBRASKA)
) ss.
COUNTY OF DOUGLAS)

Before me the undersigned, a notary public, personally came, Leo E. Dahlke, to me personally known to be the President of Grand Oaks, Inc., 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 the corporation.

WITNESS my hand and notarial seal the day and year last above written.

Steven M. Watson
Notary Public

