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**DECLARATION OF COVENANTS, CONDITIONS,  
RESTRICTIONS AND EASEMENTS FOR MCGREGOR BRAE**  
(Lots 1 through 6, inclusive, and Outlot "A")

THIS DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS ("Declaration") is made effective on this 2<sup>nd</sup> day of August, 2018, by MII-Bennington, LLC, a Nebraska limited liability company, or its successors and assigns ("Declarant").

RECITALS

A. Declarant is the owner of certain real property situated in the Douglas County, Nebraska, legally described as follows, to-wit:

Lots 1 through 6, inclusive, and Outlot "A", McGregor Brae, a subdivision, as surveyed, platted and recorded in Douglas County, Nebraska (collectively referred to as the "Property").

B. Declarant intends by this Declaration to impose upon the Property covenants, conditions, and restrictions and to create easements to establish a general plan for the improvement, development, maintenance, use and operation of the Property, more commonly known as the "McGregor Brae Subdivision".

C. By virtue of the recording of this Declaration, the Property shall be owned, held, transferred, sold, leased, conveyed, developed, used, occupied, operated, improved and mortgaged or otherwise encumbered subject to the provisions of this Declaration and every grantee of any interest in the Property or any portion thereof, by acceptance of a deed or other conveyance of such interest, and every Owner of the Property or any portion thereof, whether or not such deed or other conveyance of such interest shall be signed by such person and whether or not such person shall otherwise consent in writing, shall own and take subject to the provisions of this Declaration and shall be deemed to have consented to the terms hereof.

D. Declarant desires to form a Nebraska nonprofit corporation to be known as the McGregor Brae Landowners Association, Inc. for the purposes of, among other things, holding title to or otherwise controlling Outlot "A" (the "Outlot"), preserving the values and amenities of the Property in regard to which the Association will be delegated certain powers of administering and maintaining the Outlot and

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enforcing this Declaration, collecting, and disbursing and enforcing the Assessments created herein; subject to the powers, rights and duties reserved by Declarant as set forth in this Declaration.

E. Declarant does hereby specify, agree, designate and direct that this Declaration and all of its provisions shall be and are covenants to run with the Property and shall be binding on the present owners of the Property or any portion thereof and all its successors and assigns and all subsequent owners of the Property and any Improvements (as defined below), together with their grantees successors, heirs, executors, administrators, devisees and assigns.

NOW, THEREFORE, Declarant hereby imposes the following covenants, conditions and restrictions on the Property, which shall run with the equitable and legal title to the land and shall be for the benefit or burden, as the case may be, of the Owners and Occupants of the Property or any portion thereof within McGregor Brae, their respective heirs, legal representatives, successors and assigns, and any mortgagees.

#### ARTICLE I. DEFINITIONS

1.1 Architectural Committee or Committee. “Architectural Committee” or “Committee” shall mean the Architectural and Development Control Committee created pursuant to Article V below.

1.2 Articles. “Articles” shall mean the Articles of Incorporation of the Association, as they may from time to time be amended or restated, which shall be filed with the Nebraska Secretary of State.

1.3 Assessments. “Assessments” shall mean all regular assessments described in Section 10.5, special assessments described in Section 10.6, reimbursement assessments described in Section 10.7, and capital improvement assessments described in Section 10.8 below.

1.4 Association. “Association” shall mean and refer to the Nebraska nonprofit corporation (and its successors and assigns) organized by Declarant to exercise the rights, powers and duties set forth in this Declaration. Declarant intends to name the Association the “McGregor Brae Landowners Association”.

1.5 Board or Board of Directors. “Board” or “Board of Directors” may be used interchangeably herein and shall mean and refer to the Board of Directors of the Association.

1.6 Bylaws. “Bylaws” shall mean the Bylaws of the Association, as they may from time to time be amended or restated.

1.7 City. “City” shall mean the City of Bennington, Nebraska.

1.8 Declaration. “Declaration” shall mean this “Declaration of Covenants, Conditions, Restrictions and Easements for McGregor Brae, as it may be amended or supplemented from time to time.

1.9 Development Guidelines or Guidelines. “Development Guidelines” or “Guidelines” shall mean the design and development guidelines and standards and the review and approval procedures that may be prepared and issued from time to time by the Architectural Committee pursuant to Article V for the purpose of assisting the Lot Owners and Lessees in preparing building, landscaping, site and development plans for all of the Property and Improvements within McGregor Brae.

1.10 Improvements. “Improvements” shall mean all land preparation and excavation, buildings, outbuildings, structures, underground installations, slope and grade alterations, lighting, roads, walkways, curbs, gutters, storm drains, drainageways, utilities, driveways, parking areas, fences, screening walls and barriers, retaining walls, stairs, decks, patio areas, windbreaks, plantings, planted trees and shrubs, sidewalks, poles, flags, signs, storage or display areas, loading areas, docks, water retention areas, fountains, water features, ponds, recreational facilities and all other structures, land development or landscaping improvements of every type and kind, except any and all public improvements installed or to be installed and maintained by the City of Bennington or any sanitary and improvement district formed or to be formed.

1.11 Lessee. “Lessee” shall mean the owner of a leasehold interest (including any subtenancy) or license or other occupancy right in any Lot or a portion thereof.

1.12 Lot or Lots. “Lot” or “Lots” shall mean Lots 1 through 6, inclusive, McGregor Brae, and any subsequent administrative subdivision, replat, revision or amendment thereof. If any Lot is hereafter lawfully subdivided by administrative lot split, lot line adjustment, lot combination or otherwise, the Owner of the effected Lot shall record an instrument, which shall serve as an amendment to this Declaration, with copies attached thereto of the Land Surveyor’s Certificate or Replat (in the event of a replatting approved by the Bennington City Council) recorded in the office of the Douglas County Register of Deeds.

1.13 Member. “Member” shall mean and refer to every person or entity who is a Member of the Association pursuant to Article IV.

1.14 Mortgage. “Mortgage” means any instrument recorded or filed in the office of the Douglas County Register of Deeds encumbering a Lot or any portion thereof 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 any leasehold interest in a Lot or Lots (such as leasehold mortgage).

1.15 Mortgagee. “Mortgagee” shall mean a mortgagee under a Mortgage or a beneficiary under a deed of trust.

1.16 Net Acre. For the purposes of establishing the assessments for each Lot, the term “Net Acre” shall mean and refer to an acre of land which does not include any area dedicated as a right-of-way for public use, but shall include the easements shown on the Plat or otherwise of record against any Lot.

1.17 Owner. “Owner” shall mean the fee simple interest owner of any Lot or Lots, including, without limitation, one who is buying a Lot or Lots under a recorded contract, but excluding Mortgagees and others who hold such title merely as security. Owner shall not include a Lessee of a Lot or Lots.

1.18 Period of Declarant Control. The “Period of Declarant Control” shall commence with the recording of this Declaration and shall continue for as long as Declarant owns at least fifty-one (51%) percent of the membership interests as computed under Section 4.1 below, unless and until Declarant elects, in its discretion, to transfer, relinquish and/or surrender all of its rights and obligations in this Declaration in the manner set forth in Article XVI.

1.19 Permittees. “Permittees” shall mean the officers, directors, members, partners, employees, tenants, agents, contractors, customers, invitees, licensees, vendors, subtenants or

concessionaires of the Declarant, its successors and assigns, the Association, Owners, occupants and mortgages of the Lots, or any portion thereof, and fire, rescue, and other emergency vehicles.

1.20 Person. "Person" shall mean and refer to a natural person, corporation, partnership, limited liability company, a trust or any other legal entity.

1.21 Plat. "Plat" shall mean the final subdivision plat for McGregor Brae recorded on \_\_\_\_\_, 2018, Instrument Number 2018-\_\_\_\_\_, in the official records of Douglas County, Nebraska, and any amendments, administrative subdivisions, minor plats or other modifications thereof.

1.22 Prime Rate. "Prime Rate" shall mean the prime commercial lending rate announced by First National Bank of Omaha (or any successor) as its "prime rate", as the same may be changed from time to time. If for any reason any such institution shall at any time discontinue quoting or charging a prime rate in the manner set forth above, the Association shall, in the exercise of reasonable judgment, substitute another means of determining the annual lending rate of interest charged by major commercial banks in the Omaha metropolitan area on 90-day unsecured commercial loans to their most creditworthy borrowers, and the rate so determined shall thereafter be the Prime Rate as defined herein.

1.23 Site Plan. "Site Plan" shall mean and refer to the plan of development as depicted on Exhibit A that is attached hereto and incorporated herein by this reference.

1.24 McGregor Brae Subdivision. "McGregor Brae Subdivision" shall mean and refer to all of the Property.

1.25 Common Area. shall mean the portion of McGregor Brae Subdivision intended for the nonexclusive use by the Owners and their Permittees, in common with other users as permitted by this Declaration. Common Area shall include, but not be limited to, common utility lines and systems, access roads, driveways, lanes, entrances, walkways, sidewalks, signage, landscaping, any detention or retention ponds, areas and drainage facilities; public lighting, directional signage, security lighting and facilities, if any; provided, however, Common Areas shall not include any facilities in the interior of any building or other Improvement used exclusively by the Owner or tenants of that building.

## ARTICLE II GENERAL PROVISIONS

2.1 Establishment of Restrictions. Declarant hereby declares that the Property and any other property hereafter annexed hereunder is now held, and shall hereafter be held, transferred, sold, leased, conveyed and occupied subject to the restrictions herein set forth, each and all of which is and are for, and shall inure to, the benefit of and pass with each and every portion of the Property and shall apply to and bind the heirs, assignees and successors in interest of any Owner thereof.

2.2 Purpose of Restrictions. The purpose of these covenants and restrictions is to promote proper development and use of the Property, to protect the Owner of each Lot against any improper development and use of any Lot, to prevent the erection on the Property of structures built of improper design and/or materials, to encourage the erection of attractive improvements at appropriate locations, to prevent haphazard and inharmonious improvements, to enhance and protect the value, desirability and attractiveness of all the Property, and in general to provide for high quality improvements on the Property in accordance with a uniform plan of development.

ARTICLE III  
THE ASSOCIATION

3.1 Formation of Association. The Association shall be a nonprofit corporation formed under the laws of the State of Nebraska, charged with the duties and empowered with the rights prescribed by law and set forth herein and in the Bylaws and in the Articles. Upon the incorporation of the Association by Declarant, the Association shall be charged with the duties and vested with the powers set forth in the Articles, the Bylaws and this Declaration.

3.2 Board of Directors and Officers. The affairs of the Association shall be conducted by the Board and such officers as the Board may elect or appoint in accordance with the Articles and the Bylaws. The Board shall adopt Bylaws to govern the affairs of the Board and the Association. Except as otherwise provided herein or in the Articles or Bylaws, all acts of the Association shall be made by a majority of the members of the Board. The Board may also appoint various committees at its discretion and may contract with a Person to serve as a manager, who shall, subject to the direction of the Board, be responsible for the day-to-day operation of the Association. The Board shall determine the compensation to be paid to the manager and any employees of the Association.

3.3 Powers. The Association shall have all the powers of a nonprofit corporation organized under the laws of the State of Nebraska concerning nonprofit corporations, subject only to such limitations on the exercise of such powers as are set forth in the Articles, Bylaws and this Declaration. It shall have the power to do any lawful acts that may be authorized, required, or permitted to be done by the Association under this Declaration (including any rights, duties and responsibilities assigned by Declarant from time to time pursuant to Article XVI), the Articles and the Bylaws, and to do and perform any act that may be necessary or proper for or incidental to, the exercise of any of the express powers of the Association, including, without limitation, the following:

3.3.1 commence and maintain actions or restrain and enjoin any actual or threatened breach of this Declaration and enforce by mandatory injunction or otherwise any of the provisions of this Declaration;

3.3.2 levy assessments and perfect and enforce liens as hereinafter provided;

3.3.3 adopt, amend and repeal rules and regulations as its deems reasonable; provided, however, any such rules and regulations shall not affect the use of any Lot that has been approved in accordance with the terms and conditions of this Declaration;

3.3.4 enter onto the Lots to enforce the provisions of this Declaration in accordance with the provisions of Article XIV;

3.3.5 enter into contracts with Owners or the City or such other governing authority regarding the maintenance of landscaped areas, parking areas or other areas;

3.3.6 elect to landscape and maintain any areas within or adjoining McGregor Brae;

3.3.7 purchase such insurance as the Board deems necessary or appropriate;

3.3.8 borrow funds to pay costs of operation, secured by Assessments revenues due for succeeding years or by assignment or pledge of rights against delinquent Owners; provided, however, that a majority of the outstanding votes of the Owners, and the vote of Declarant during

the Period of Declarant Control, shall be required to borrow in excess of one year's budgeted expenses of the Association; and

3.3.9 hold title to and otherwise control and maintain the Outlot and enter into a maintenance agreement with the City of Bennington providing for the Associations permanent and continuous ownership and maintenance of the Outlot.

3.4 Rules and Regulations. The Board may adopt, amend and repeal rules concerning all aspects of the Association's rights, activities and duties. Any such adoption, amendment and/or repealing of any rules, for the same to be effective as to and against any portion of the Property, must be agreed to by a vote made in accordance with Article IV hereinbelow (approved by a majority of the outstanding votes of the Members), but not before all Owners and Permittees within the Property receive written notice of the proposed adoption, amendment or repeal. The rules and regulations may govern and restrict the use of any area in McGregor Brae; provided, however, that the same must be reasonable (both on their face and in the method of their enforcement) and also shall not discriminate among Members except to reflect their different rights as provided herein, shall not be inconsistent with this Declaration, the Articles or the Bylaws, and such rules and regulations shall not affect the use of any Lot that has been approved in accordance with the terms and conditions of this Declaration. Upon adoption, the rules and regulations shall have the same force and effect as if set forth herein. Such rules and regulations shall be uniformly enforced against all applicable Persons.

3.5 Disclaimer of Liability. No member of the Board, or of any committee of the Board or Association, nor any member of the Architectural Committee nor any officer or employee of the Association or any manager, or the Declarant, or any agent employee or officer of Declarant, shall be personally liable to any Owner, or to any Lessee, contract purchaser, or other person, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of any such person or entity if such person or entity has, on the basis of such information as may possessed by such person, acted in good faith without willful or intentional misconduct.

3.6 Articles and Bylaws. Neither the Articles nor the Bylaws shall be amended or interpreted in a manner that is inconsistent with this Declaration.

#### ARTICLE IV ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

4.1 Memberships. Each Owner, including the Declarant, shall have one membership for each Lot owned by such Owner; provided, however, that the Owner of Lot 1, McGregor Brae, because of the size of such Lot, shall have two (2) memberships.

4.2 Transfer of Memberships. An Owner shall, upon becoming the record Owner of a Lot, automatically become a Member of the Association and shall remain a Member thereof until such time as his ownership ceases for any reason, at which time his membership in the Association shall automatically cease. Such membership shall be appurtenant to and pass with the ownership of such Lot. The membership shall not be transferred, pledged or alienated in any way, except as appurtenant to a transfer of ownership of a Lot. Any attempt to transfer a membership except as appurtenant to the transfer of ownership of a Lot shall be void.

4.3 Voting; Multiple Owners; Appointment of Agent. Each Owner shall have one vote for each membership owned as provided in Section 4.1 above. All voting pursuant to the terms of this Declaration shall be made in accordance with the provisions of this Section 4.3. Each vote must be cast as a single unit. If an Owner consists of more than one Person, then the votes of such Owners shall be

void unless all persons constituting an Owner of such Lot shall deliver to the Association a written instrument appointing one Person as the agent for all Persons constituting the Owner of such Lot, which agent shall thereupon receive notices of Assessment and other notices, demands, cast votes hereunder, and take any and all actions required or permitted to be taken by an Owner under the terms of this Declaration. An Owner may change its designated agent by written notice to the Association as set forth above, which change shall be effective only upon actual receipt of such notice by the Association. No change in the ownership of a Lot shall be effective for voting purposes until the Board receives written notice of such change together with satisfactory evidence thereof. An Owner may assign all, but not less than all, of its voting rights attributable to a particular Lot to a Lessee or Mortgagee, which shall be effective only upon actual receipt of such notice by the Association and shall terminate with the termination of the Lease or Mortgage. If more than one Person casts or attempts to cast a vote for a particular Lot, all such votes shall be deemed void.

4.4 Initial Board of Directors. The initial Board of Directors of the Association shall consist of not less than three (3) Directors and shall be appointed by the Declarant upon the incorporation of the Association. During the Period of Declarant Control, the Declarant shall have the sole right, in its absolute discretion, to appoint and remove the Directors of the Board; however, the Declarant may temporarily or permanently relinquish its right to appoint or remove some or all of the Directors at any time as provided in Article XVI. If the Declarant relinquishes its appointment rights, the Members (including the Declarant) shall then elect all Directors as provided in the Bylaws.

4.5 Subsequent Board of Directors. After the expiration of the Period of Declarant Control the Members (including the Declarant, if applicable) shall elect the Directors as provided in the Bylaws, and the Bylaws may provide for staggered terms and lengths of terms for Directors chosen by the Association Members which are different than those initially set forth in this Declaration and may provide for a greater number of Directors to be chosen by the Members than is set forth herein; provided, however, that in no event shall there be fewer than three (3) Directors. The Board shall undertake all duties and responsibilities of the Association and the management and conduct of the affairs thereof, except as expressly reserved herein to a vote of the Members.

4.6 Administration and Compliance. If the Articles or Bylaws are in any way inconsistent with the Declaration, then this Declaration shall prevail and control. Each Owner and Lessee of a Lot shall comply with, and shall cause their respective invitees to comply with the provisions of this Declaration, the Articles and Bylaws, Development Guidelines and rules of the Association, as amended from time to time, and failure to so comply shall be grounds for (a) action for damages and/or injunctive relief, and (b) such remedies, by legal proceedings or otherwise, as are available by reason of this Declaration or by law, each of which remedies shall be cumulative and in addition to any other available remedy.

## ARTICLE V ARCHITECTURAL AND DEVELOPMENT CONTROL COMMITTEE

5.1 Committee Composition. An Architectural Committee (the "Committee") shall be organized by the Declarant and shall consist of Declarant until expiration of the Period of Declarant Control, and thereafter shall consist of three persons appointed by the Board of Directors pursuant to Section 5.3, below.

5.2 Alternate Members. There shall also be two alternate members to be designated by the Declarant or the Board of Directors, as applicable to act as a substitute for any member of the Committee in the event of his or her unavailability or disability.

5.3 Appointment Following Expiration of Period of Declarant Control. After the Period of Declarant Control, the Association through the Board of Directors shall, without further act or deed of the Declarant, exercise all rights of Declarant provided herein to appoint and remove three (3) members and two (2) alternate members of the Committee, to enforce and implement the Development Guidelines and to perform Declarant's obligations under this Article; and at such time, all obligations of Declarant under this Article shall automatically terminate, and except as otherwise provided herein, all rights and obligations of Declarant under this Article shall vest in the Board.

5.4 Terms of Office. The term of all Committee members and alternates appointed by the Board shall be three years or until the next election of Committee members, whichever is longer. Any new member appointed to replace a member who has resigned or been removed shall serve such member's unexpired term. Members whose terms have expired may be reappointed or re-elected. Except as set forth in Section 5.3, above, a member of the Committee shall not be required to satisfy any particular qualifications for membership and may be a member of the Board, an officer of the Association, an officer or employee of Declarant or a Person who is not a member or Owner or Lessee or otherwise affiliated with McGregor Brae.

5.5 Resignations; Vacancies. Any member of the Committee may, at any time, resign from the Committee upon written notice to the remaining Committee members and to the Board. Vacancies on the Committee of members appointed by the Association, however, caused, shall be filled by the Board, subject to the restriction set forth in Section 5.3, above.

5.6 Powers and Duties. The Architectural Committee shall have all of the powers and authority conferred upon it by this Declaration and the Articles and Bylaws, and shall have the right to hire and retain services of engineers or other consultants and professionals as they deem necessary to perform the duties of the Committee. It shall be the duty of the Committee to perform the functions required of it by this Declaration; to consider and act upon all Applications and the plans, specifications and other documents submitted to it pursuant to the terms hereof; to adopt Development Guidelines; and to perform all other duties delegated to and imposed upon it by this Declaration. The Board shall determine the compensation, if any, to be paid to the members of the Committee.

5.7 Meetings. The Committee shall meet as often as it, in its sole discretion, shall deem necessary to properly perform its duties hereunder. The vote or written consent of any two members or duly authorized alternates shall constitute an act by the Committee. The Committee shall keep written records of all actions taken by it.

5.8 Development Guidelines. In addition to the architectural and development standards set forth herein, the Declarant or the Committee after the Period of Declarant Control may, from time to time, and in its sole discretion, draft, propose, adopt and amend certain standards and regulations to be known as Development Guidelines. Such Development Guidelines, and any amendments thereto, shall supplement, interpret and implement the provisions hereof by setting forth (a) the standards and procedures for Committee review, and (b) guidelines for Improvements which shall include, but not be limited to, guidelines for architectural design of Improvements, site plans, floor plans, setbacks and building envelopes, exterior elevations for Improvements, height limitations, landscape plans, irrigation plans, color schemes, signage, exterior lighting, finishes and materials for use in McGregor Brae. If and when the Declarant relinquishes its Declarant rights, any amendment to the Development Guidelines must be approved by a majority of the outstanding votes of the Association.

ARTICLE VI  
RESERVATION OF EASEMENTS



Declarant hereby reserves for its own use and benefit, and for the use and benefit of each Owner, perpetual easements for the location, installation and maintenance of utilities of convenience or necessity as may be requested or required by Declarant, or by an Owner with the prior written approval of Declarant during the Period of Declarant Control, or the Board thereafter. However, any such easement cannot be imposed against any land on which a building has been constructed or has been approved for construction pursuant to Article VII by the Committee. Upon approval of an easement area, the benefited Owner, Declarant during the Period of Declarant Control or Board, whichever is applicable, shall have the right at all reasonable times to enter upon the land covered by said easements and to install, maintain, repair, replace and service utilities thereon for the use and benefit of the benefited Lot or Lots; provided, however, that any such Owner shall comply with any requirements imposed by Declarant or the Board as the case may be, as a condition to its approval, and shall promptly restore said land and any Improvements, at said Owner's expense, in a good and workmanlike manner and free of liens to substantially the same condition as existed prior to such entry. The Owner of any Lot shall have the right to assign the benefit and use of any such easement to any electric company, gas company, telephone company, flood control district, or other utility company for the purpose of installing, operating and maintaining utilities and enforcing the current easement rights. For the purpose hereof, "utilities" or "utility" shall include electricity, gas mains and lines, water distribution lines, storm water sewers, sanitary sewers, cable television lines and cables, telephone cables and lines, and other similar or related facilities commonly regarded as utilities. No conveyance by Declarant of any Lot, or any interest therein, shall be deemed to be or construed as a conveyance or release of the easements herein reserved. Notwithstanding the foregoing, Declarant reserves the right unto itself, by express language to such effect from time to time in any deed or other recorded instrument, to release any Lot or portions thereof from any of the above reserved easements. No utility easement shall unreasonably interfere with the operation and use of any Lot; (ii) no permanent building, structures, trees or other improvements (excluding improvements such as surface parking, sidewalks and drive-lanes) shall be placed over or encroach upon such installations; (iii) relocation of such installations shall be allowed where the work will be at the requesting Owner's sole cost and expense, utility services are not interrupted, and no relocation affecting any Lot or utility services thereto shall be performed without the consent of the Owner of such affected Lot; (iv) once commenced, any construction shall be diligently prosecuted to completion to minimize any interference with the business at a parcel; (v) except in an emergency, the right of entry upon a Lot of another Owner or to prosecute work if the same interferes with utility or other easements, shall be conducted in a manner to minimize interference with the business at any such Lot; (vi) no monetary obligation shall be imposed upon the other Owner, and the Owner undertaking such work shall with due diligence repair at its sole cost any damage caused by such work and restore the affected portion of the Lot; (vii) the Owner undertaking such work shall pay all costs associated therewith and shall indemnify the other Owners from all damages attributable to such work; and (viii) such work shall not be commenced (except normal minor repairs in the ordinary course which do not interfere with the business at such Lot) which is not of an emergency nature during the months of November or December.

ARTICLE VII  
ARCHITECTURAL CONTROL AND REGULATION OF IMPROVEMENTS

7.1 Approval of Plans.

7.1.1 Approval Required. Except for Improvements constructed and installed by Declarant, which Improvements have already been substantially constructed, no Improvement shall be constructed, erected, placed, expanded, added to, maintained or permitted to remain in McGregor Brae, and no alterations or other work which alters the exterior appearance of any Lot or Improvement, until plans and specifications and a statement of proposed use of the Improvements and other documentation required by the Development Guidelines for said Improvements and alterations, which may include

without limitation site plans, floor plans, exterior elevations, grading plans, drainage and water retention plans, materials, colors, landscaping, irrigation plans, signage, exterior lighting and any other information needed to accurately describe the exterior appearance or functional characteristics of said Improvements (the "Application"), have been submitted to and approved in writing by the Committee. Three sets of the Application shall be filed with the Committee. Improvements approved in writing by Declarant prior to the recording of this Declaration shall be deemed to have been approved by the Committee.

7.1.2 Filing Fee. As a means of defraying its expenses, the Committee may institute and require a reasonable filing fee to accompany the Application for each building or other construction project submitted. If resubmission of an Application is necessary, the Committee may require an additional filing fee.

7.1.3 Governmental Regulations. All Applications for Improvements submitted to the Committee hereunder shall comply with any and all laws, rules, regulations or ordinances applicable to McGregor Brae which have been promulgated by any local, state, federal or other governmental agency or authority.

7.1.4 Basis for Approval. The Committee shall have the right to disapprove the Application submitted to it, whether a preliminary or final submittal, if any part of it is:

7.1.4.1 not in accordance with this Declaration or the Development Guidelines or the Plat;

7.1.4.2 incomplete;

7.1.4.3 not in compliance with relevant approval requirements or regulations of local, state, federal or other governmental agencies;

7.1.4.4 deemed by the Committee to be contrary to the best interests of McGregor Brae or the Owners; or

7.1.4.5 incompatible with the architectural style, quality or aesthetics of existing Improvements or development plans for proposed Improvements, based in part on the criteria set forth in subsections (i) through (ix) below in this Subsection 7.1.4.

The Committee shall have the right to withhold its approval of an Application submitted to the Committee in its reasonable discretion. In this connection, the Committee may also base its approval or disapproval on criteria which may include, but are not limited to, the following: (i) the adequacy of the building locations and dimensions on the Lot; (ii) the adequacy of the parking to be provided; (iii) conformity and harmony of external design with neighboring structures; (iv) effect of location and use of proposed Improvements on neighboring Lots and the types of operations and uses thereof; (v) relation of topography, grade and finish ground elevation of the Lot being improved to that of neighboring Lots; (vi) proper facing of main elevations with respect to nearby streets; (vii) adequacy of screening of trash facilities, storage areas, parking areas for service vehicles, mechanical and heating and air-conditioning facilities and rooftop installations; (viii) adequacy of landscaping; and (ix) conformity of the Application to the purpose and general plan and intent of this Declaration. Any decision of the Committee made after the Period of Declarant Control has expired may be appealed to the Board. The decision of the Board

shall be final. As long as the Period of Declarant Control is in effect, any decision of the Committee shall be final.

7.1.5 Time for Decision. The Committee shall approve or disapprove each Application, whether a preliminary or final submittal, within fifteen (15) days from the receipt thereof. If the Committee fails either to approve or disapprove the Application within said 15-day period; then it shall be irrevocably deemed that the Committee has approved the Application. At least one set of the Application shall, with the approval or disapproval endorsed thereon, be returned to the submitting person and one set shall be retained by the Committee for its permanent files. Notwithstanding Section 7.1.1, no application or Notice shall be deemed filed with the Committee until it is actually received by at least one Committee member by certified mail (return receipt requested).

7.1.6 Time for Commencing. Upon receipt of approval from the Committee pursuant to this Section and upon receipt of approvals from the City, the Owner shall, as soon as practicable, satisfy all conditions thereof and diligently proceed with the commencement and completion of all approved construction, refinishing, alterations, excavations and landscaping. In all cases, work shall be commenced within twelve (12) months of the date of such approval, or the approval given or deemed given pursuant to this Article shall be deemed revoked unless the Committee, upon request made prior to the expiration of said 12-month period, extends the time for commencing work by written notice to the Owner, which may be withheld or conditioned in the Committee's discretion.

7.1.7 Completion of Work. All construction, refinishing, alteration or excavation of any Improvements approved under this Section 7.1 shall be undertaken and pursued diligently to completion, but in any event shall be completed within two years after the date of approval by the Committee. However, the time for completion shall be extended for any period such completion is rendered impossible or would result in great hardship due to strikes, fires, national emergencies, natural calamities or other similar supervening forces beyond the control of the Owner or its Lessees. Failure to comply with this subsection 7.1.7 shall constitute a breach of this Declaration and subject the defaulting party or parties to all enforcement procedures set forth herein or any other remedies provided by law or in equity.

7.1.8 Disclaimer of Liability. Neither Declarant, the Committee nor any member thereof, nor any agents, officers or employees of Declarant or of the Committee, shall be liable in any way for any damage, loss or prejudice suffered or claimed by an Owner, Lessee or any other Person who submits an Application. Any person or entity who submits an Application shall forever defend, indemnify and hold the Declarant, the Committee, the members thereof, and the employees, officers and agents of each, harmless from all damage, loss or liability (including reasonable attorneys' fees) suffered or claimed by any third party on account of (i) any defects in any plans, drawings, specifications or other documentation submitted in any Application, or revised or approved in accordance with the foregoing provisions, or for any structural or other defects in any work done according to such plans, drawings, specifications or other documentation; (ii) the approval or disapproval of any Application, whether or not defective; (iii) the construction or performance of any work, whether or not pursuant to an approved Application; or (iv) the development of any Lot within McGregor Brae.

7.1.9 No Representations or Warranties. In no event shall an approval by the Committee of any Application, or any written or oral statements made by the Board or any officer or employee of the Association, Declarant or any employee or officer or agent of Declarant, or the Committee or any member, agent or employee thereof, be deemed to constitute in any way any representations or warranties of any kind, express or implied, with regard to the Application and any plans, drawings, specifications or other documentation constituting a part of the Application, including without limitation representations or warranties regarding compliance with zoning, subdivision and land use laws, or compliance with any other applicable codes, regulations and laws, or with regard to fitness for a particular purpose.

7.1.10 Presumption of Compliance; Estoppel Certificate. The foregoing notwithstanding, after the expiration of one (1) year from the date the Committee receives from an Owner either (i) a copy of the certificate of occupancy issued by the applicable governmental authority for any Improvement, or (ii) after an Improvement has been completed by an Owner and said Owner has delivered a valid notice of completion with respect to such Improvement to the Committee, then said Improvement shall, in favor of purchasers and encumbrances in good faith and for value, be deemed to be in compliance with the provisions of this Article VII unless a notice of non-compliance or non-completion with respect thereto has been executed by Declarant or the Committee and recorded in the office of the Register of Deeds of Douglas County, Nebraska or unless legal proceedings shall have been instituted to enforce compliance or completion with respect to said Improvement. The Declarant during the Period of Declarant Control and the Board thereafter shall execute and deliver, within twenty (20) days after the request of such request, an estoppel certificate in form and substance acceptable to the party issuing such certificate, which shall indicate whether the Improvements are in compliance with the provisions of this Article VII.

7.1.11 Approval Cannot be Assigned. Any approvals given pursuant to this Article VII shall be personal to the Owner submitting the Application and cannot be assigned or transferred by such Owner without the prior written consent of the Board, which shall not be unreasonably withheld. Without such consent, any subsequent Owner of a Lot for which a previous Owner has obtained approval of an Application shall submit a new Application pursuant to this Section 7.1 for review and approval as though no prior approvals had been received from the Committee with respect to such Lot.

7.2 Variances. The Architectural Committee is hereby authorized and empowered to grant variances for Improvements or uses within McGregor Brae prohibited or regulated by this Declaration or the Development Guidelines and further to grant reasonable requests for relief from the provisions of this Declaration, or any portion hereof, in order to overcome practical difficulties and to prevent unnecessary hardship in the application of the provisions contained herein. Notwithstanding the foregoing, the Committee shall not grant such a variance to any Owner unless:

7.2.1 such Owner has obtained all necessary governmental approvals,

7.2.2 the construction of Improvements or the uses which are called for under the request for the variance shall be consistent in design, character, appearance and quality of construction with the other Improvements and uses in McGregor Brae,

7.2.3 the variances do not materially injure, in the judgment of the Committee, any of the Lots or Improvements in McGregor Brae,

7.2.4 the variances do not violate any exclusive use rights granted to any other Owner within McGregor Brae; and

7.2.5 the construction of Improvements and/or the uses called for under the request for variance are otherwise subject to and conform with all applicable laws, ordinances, rules and regulations, including, but not limited to, zoning regulations of any governmental agency or political entity having jurisdiction over the McGregor Brae Subdivision.

No variance granted pursuant to the authority granted herein shall constitute a waiver of any provision of this Declaration as applied to any other Person or portion of the Property, and the grant of a variance shall not obligate the Committee to grant other variances. In addition to the variance powers provided herein, the Committee may issue from time to time reasonable interpretations of the intent of the

provisions of this Declaration or the Guidelines, which interpretations shall not constitute variances from the provisions of this Declaration, but shall be designed to further the implementation of this Declaration in a manner consistent with its provisions.

7.3 Interim Landscaping. Prior to the sale of any Lot by Declarant, or after such sale but prior to development of the Lot by the Owner thereof, Declarant may install (or may require the Owner to install) landscaping on all or any portion of the Lot, including any adjacent public right-of-way, as may be necessary to provide for compatible and continuous landscape development of McGregor Brae. The Association shall maintain such landscaping until the Owner commences development of the Lot, after which time the Owner shall maintain such landscaping pursuant to Section 7.4 hereof, unless otherwise provided herein. The Association may charge the Owners for the cost of planting and/or maintenance of the landscaping by the Association through the date such Owner commences development of its Lot and actually performs such planting and/or maintenance, which charge shall be payable by such Owner as a reimbursement assessment in accordance with Section 10.7 hereof.

7.4 Maintenance.

7.4.1 General. Notwithstanding the existence of any insurance covering an Owner, the Association, or both, against loss, damage and destruction, the Association and each Owner shall have the affirmative obligation for maintenance, repair and restoration as set forth in this Article.

7.4.2 Maintenance of Undeveloped Lots. Except as otherwise provided herein, all undeveloped portions of each Lot shall be maintained at all times by the Owner in a well-maintained condition, free of unsightly or unattractive weeds or other growth or the accumulation of rubbish, junk, and debris thereon. Once construction is commenced and Improvements are completed, then the respective provisions of Subsections 7.4.3 and 7.4.4 shall apply with respect to construction activities and completed Improvements, as the case may be.

7.4.3 Maintenance During Construction. All construction activities of any kind on any Lot shall be governed by the provisions of this Subsection and any corresponding provisions in the Development Guidelines. All construction activities shall be carried out in an orderly and timely manner and all partially completed Improvements shall be kept in an orderly condition during construction. Any construction equipment and building materials stored on a Lot may be kept only in areas approved by the Committee, and the Committee may also require screening of such storage areas. All portable toilets shall be located at least fifty (50) feet from the boundary lines of the Lot and shall be emptied as often as necessary to ensure the absence of odors. Dust from all construction sites shall be controlled at all times. If trucks entering and leaving the Lot deposit mud or dust on any streets or walkways, the Owner of the Lot on which or for whose benefit the construction is being performed shall be responsible for maintaining the streets (or causing the same to be maintained) in a clean condition on a daily basis, as determined by the Committee. If the provisions hereof conflict with the provisions of the Development Guidelines with respect to construction activities, the more restrictive provision shall control.

7.4.4 Maintenance of Completed Improvements. Each Owner shall maintain or cause to be maintained, at its expense, its Lot, including any adjacent public right-of-ways, and all Improvements completed thereon and related improvements to be maintained by the Association pursuant to Section 7.5) in a well-maintained, clean, neat

and attractive condition at all times and shall comply with all governmental health, fire, building and safety ordinances, codes, regulations and requirements applicable thereto. Such maintenance requirements shall include, without limitation, the following:

7.4.4.1 maintaining paved surfaces in a level, smooth and evenly-covered condition with the type of surfacing material originally approved by the Committee and then installed, or such substitute as shall in all respects be equal in quality, use and durability to that originally approved and installed;

7.4.4.2 removing all paper, mud and sand, snow and ice, trash, debris, filth and refuse and thoroughly sweeping the area to the extent reasonably necessary to keep the area in a clean and orderly condition;

7.4.4.3 placing, keeping in repair and replacing any necessary or appropriate directional signs, markers and lines;

7.4.4.4 operating, keeping in repair and replacing, where necessary, such artificial lighting facilities (including lighted Signs) as shall be required or permitted during the Application approval process;

7.4.4.5 maintaining all signs and all perimeter walls and exterior building walls (including but not limited to all retaining walls) and other exterior surfaces in a good condition and state of repair in compliance with the approved Application;

7.4.4.6 except as otherwise provided herein, maintaining, mowing, weeding, thinning, trimming, watering, fertilizing, cultivating and pruning all landscaped areas, including any adjacent public right-of-ways, to maintain the same in a neat, well-groomed condition, and replacing as necessary shrubs and other landscaping on a regular basis; dead or dying plants shall be removed and replaced within thirty days; all plants and trees are to be irrigated as often as necessary to maintain healthy growing conditions; Owners shall also adjust tree guys, stakes, etc., on a regular basis to maintain a neat appearance and to prevent damage to trees; and

7.4.4.7 promptly removing all graffiti or other similar markings from all perimeter walls, exterior building walls and other exterior surfaces, paved areas and other portions of any Improvements.

7.4.4.8 maintain any pedestrian, vehicular or other easements granted or reserved pursuant to the terms and conditions of this Declaration.

7.4.5 [Intentionally Omitted].

7.4.6 Lateral Support. Each Owner shall maintain its Lot with sufficient landscaping and plantings to prevent any erosion upon its Lot that will result in damage to that Lot or to any adjacent Lot.

7.5 [Intentionally Omitted].

7.6 Excavation. No excavation shall be permitted except in connection with construction of an Improvement, and upon completion thereof, exposed openings shall be backfilled, and disturbed ground shall be graded and leveled. No Owner shall perform any excavation upon its Lot that will result in damage to any adjacent Lot.

7.7 Damage and Destruction Affecting Lots - Duty to Rebuild. If all or any portion of a Lot or any Improvement on any such Lot is damaged or destroyed by fire or other casualty, it shall be the duty of the Owner of such Lot to do the following:

7.7.1 rebuild, repair or reconstruct the Lot and the Improvements thereon in a manner which will restore them to a condition and appearance approved by the board and the City; or

7.7.2 raze and remove the damaged Improvements, restoring the Lot substantially to its original unimproved condition; or

7.7.3 any combination of the above in a manner satisfactory to the Board.

The Owner of any Lot on which damaged Improvements are located shall be obligated to proceed with all due diligence hereunder, and such Owner shall cause cleanup and removal and/or reconstruction to commence within three (3) months after the damage occurs and to be completed within twelve (12) months after damage occurs, unless prevented by causes beyond its reasonable control, as determined by the Board.

7.8 Insurance Obligation of Owners. Each Owner shall purchase such liability, fire or other casualty insurance as such Owner desires or as may be required by any mortgagee of a Mortgage encumbering its Lot. The Association shall not be obligated to insure any Lot or any portion thereof or any Improvements thereon.

7.9 Leases. Any agreement for the lease of all or any portion of a Lot must be in writing and must provide by its terms that it is subject to this Declaration, the rules of the Association, the Development Guidelines, the Articles and the Bylaws, and that any violation of the Declaration or other documents listed above shall be a default under the lease. Notwithstanding the foregoing, the Owner of the Lot shall remain liable for any violations of this Declaration, the rules of the Association, the Development Guidelines, the Articles and the Bylaws. All notices hereunder shall be sent to the Owner.

## ARTICLE VIII DEVELOPMENT STANDARDS

8.1 Parking. No on-street parking of any nature whatsoever will be permitted on any public or private streets bordering or within McGregor Brae unless parking plans have been approved by the Committee. Paved on-site parking as required herein or in the Development Guidelines and by any applicable rules or regulations of any governmental authority shall be provided by each Owner on its Lot to accommodate all parking needs for employees, visitors, Lessees, invitees and company vehicles for the use and occupancy of the Lot. Notwithstanding prior approvals of parking layouts by the Committee, the Declarant, the City, or any other governmental jurisdiction or authority, if parking requirements increase on any Lot as a result of any change in use or number of employees or invitees, additional on-site parking shall be provided on said Lot to satisfy the intent of this Section and eliminate the need for any on-street parking.

8.2 Refuse Collection Areas. All refuse collection areas in McGregor Brae shall be located in areas approved by the Committee. No refuse collection area shall be permitted between any street and the respective building setback line. All exterior refuse collection areas in McGregor Brae shall be screened by building walls or screen walls as required by the Committee, and all dumpster enclosures shall also meet the requirements of the City. All dumpsters and containers shall remain within said screening walls. The location of all such enclosures shall allow for adequate ingress and egress by collection trucks within the boundaries of the Lot.

8.3 Exterior Storage Areas and Service Yards. No storage shall be permitted between any public street and the respective building setback line of any building in McGregor Brae. Storage areas shall be located in the least visible area of each Lot. All outdoor storage areas and service yards in McGregor Brae shall be visually screened from streets and adjoining property by a continuous screen wall as required by the Committee. No work in progress, stored merchandise, inventory or racks shall extend above the height of such screen wall.

8.4 Equipment. All roof-mounted equipment and ventilators projecting above the roof parapet of any building in McGregor Brae shall be screened by an enclosure designed and painted to be compatible with the building. No wall-mounted equipment shall be permitted on the front or sides of any such building. Any ground-mounted building, electrical or mechanical equipment will be allowed and only in side or rear yards, and the same must be screened from view by walls or dense landscaping. No above-ground storage tanks shall be allowed on any of the Lots without the prior written consent of the Committee.

8.5 Signs. All signs shall comply with the zoning code of the City and must be approved prior to installation by the Committee. No roof signs shall be permitted, and all approved signage shall consist of predominantly individual letter signage. Except as approved by the Committee, no signs of any kind shall be allowed. Temporary signs for marketing, development or construction signs may be placed on the actual property so advertised on or which development work is underway, subject to the Development Guidelines and prior approval by the Committee. All permanent sign concepts and designs shall be approved by the Committee prior to fabrication and installation. All signs in McGregor Brae shall be located within sign areas indicated on plans for Improvements approved by the Committee. All signs affixed to a building shall be designed as an integral part of the building to which it relates and shall be compatible with the exterior architecture of such building with regard to location, scale, color and lettering.

8.6 Utility Lines and Antennas. Except as may be approved by the Committee, no utility lines or wires or other devices in McGregor Brae for the communication or transmission of electric current, gas, power or signals (including telephone, television, microwave or radio signals), shall be constructed, placed, or maintained anywhere in or upon any Lot other than within buildings or structures unless the same shall be contained in conduits or cables constructed, placed, or maintained underground or concealed in or under buildings or other structures in a manner approved by the Committee. Antenna dishes or other services for the transmission or reception of telephone, television, microwaves, or radio signals may be placed on any building or other Improvement on any Lot subject to the Development Guidelines and prior written approval of the Committee as to location, size, and screening. Nothing contained herein shall be deemed to forbid the erection or use of temporary power or telephone facilities incidental to the construction or repair of Improvements on any Lot, subject to approval of the Committee.

8.7 Landscaping. In addition to the requirements of Section 7.3 above, all landscape areas required and approved for a Lot shall be landscaped prior to the opening of the Owner's business, weather permitting. If an Owner fails to install landscaping as required hereunder, the Board may enter upon the



Lot and install such landscaping as permitted by Section 14.1.1. Every Lot upon which Improvements are constructed shall be landscaped in accordance with the Application submitted to and approved by the Committee pursuant to Section 7.1 hereof. An automatic irrigation system complying with the standards set forth in the Development Guidelines or as otherwise approved by the Committee shall be installed and maintained in good repair in all landscaped areas. These provisions are intended to promote compatible and continuous landscape development designed to enhance and unify McGregor Brae.

8.8 Restriction on Further Subdivision; Property Restrictions and Rezoning.

8.8.1 No Further Subdivision Without Approval. No Lot shall be subdivided or separated into smaller Lots by any Owner by deed, ground lease or otherwise, and no portion less than all of any such Lot, nor any easement or other interest therein, shall be conveyed or transferred by any Owner by deed, ground lease or otherwise, without the prior written approval of Declarant during the Period of Declarant's Control, and thereafter by the Architectural Committee, which approval shall not be unreasonably withheld or delayed.

8.8.2 Plats; Site Plans and Subsidiary Declarations to be Approved. No subdivision plat or further covenants, conditions, restrictions or easements shall be recorded by any Owner or other person against any property in McGregor Brae unless the provisions thereof (including any site plan required by the City) have first been approved in writing by the Declarant during the Period of Declarant's Control, and thereafter by the Architectural Committee, which approval shall not be unreasonably withheld or delayed. All conditions, covenants, restrictions and easements so approved shall constitute Subsidiary Declarations. Any other plat or other covenants, conditions, restrictions or easements recorded, or any site plan filed, without such approval being evidenced thereon shall be null and void.

8.8.3 Rezoning; Variances, and Use Permits to be Approved. No application for rezoning of any area in McGregor Brae, and no applications for variances or use permits, shall be filed with any governmental authority unless the proposed use of the property has been approved by the Declarant during the Period of Declarant's Control and thereafter by the Architectural Committee, which approval shall not be unreasonably withheld or delayed, and unless the proposed use otherwise complies with this Declaration and the general plan of development of McGregor Brae.

8.8.4 Declarant Exempt. Any portion of the Property owned by Declarant is exempt from the restrictions on subdividing, platting, rezoning, the recording of Subsidiary Declarations and other restrictions set forth in this Section 8.8.

8.9 Retention and Drainage. All drainage plans for such Lots shall be reviewed and approved by the Committee, and no change in the drainage pattern or Improvements may be made without the prior written approval of the Committee. An Owner shall not at any time fill, block or obstruct any drainage facilities or drainage structures on its Lot and each Owner shall repair and maintain all drainage facilities and drainage structures located on its Lot. No structure of any kind shall be constructed, and no vegetation shall be planted or allowed to grow within any drainage areas which may impede the flow of water under, over or through said areas.

8.10 Development Guidelines. Each Owner and Lot shall comply with all additional architectural and development standards adopted and set forth in the Development Guidelines from time

to time. In the event of a conflict between this Declaration and the Development Guidelines, the more restrictive provision shall control.

8.11 Effect of Other Limitations. Any limitations on Improvements in McGregor Brae contained herein or in the Development Guidelines are supplemental to any controls established by zoning, subdivision, building, health, fire or other jurisdictional codes and regulations, and the more restrictive controls shall apply in each instance.

## ARTICLE IX USE RESTRICTIONS

9.1 Permitted Uses. Except as otherwise provided herein or in the Development Guidelines, and subject to all other provisions of this Declaration and to all other restrictions and limitations in any subsidiary declaration or other recorded restrictions, or in any ground lease or similar instrument executed by Declarant and any Owner, all permitted and conditional uses allowed by the City's "C-1 Highway Commercial District" zoning shall be allowed on all Lots in McGregor Brae; provided, however, each such use is first expressly approved by the Declarant during the Period of Declarant Control, and thereafter by the Committee, in writing (all references are to the zoning ordinances and regulations of the City); provided, however, that the requirement to obtain written approval of each use shall not apply to any Lot owned by Steven Idelman, or any entity owned or controlled by Steven Idelman. An Owner or occupant shall have the right to request a "compliance letter" from the Declarant during the Period of Declarant Control and thereafter by the Board. Any such compliance letter shall be limited to compliance under the terms of this Declaration and in a form acceptable to the Declarant or Board, whichever is applicable, and shall be in recordable form.

9.2 Prohibited Uses - All Lots. Operations and uses which will not be permitted on any Lot include, without limitation, the following:

9.2.1 Agriculture; Animals. Agricultural uses, including animal husbandry, commercial breeding businesses or feed lots. No animal, livestock, poultry or fowl of any kind shall be maintained on or in any Lot, except for: (a) reasonable numbers of generally recognized domestic pets maintained within a fully-enclosed building in connection with the retail sale to the public of such pets in a pet store (but not in connection with the operation of a commercial breeding business), provided that the same do not make an unreasonable amount of noise or create a nuisance; (b) animals undergoing treatment in a veterinary office or hospital, or being temporarily boarded in such an office or hospital in connection with such treatment, provided that (i) such use is approved by the Committee as provided in Section 9.4 below, (ii) such animals do not make an unreasonable amount of noise or create a nuisance, and (iii) such boarding facilities shall be fully enclosed in a manner approved in advance by the Committee.

9.2.2 Residential/Lodging. Any mobile home parks and trailer courts; recreational vehicle parks; camping or labor camps. In no event shall this provision be deemed to cover hotel/motel or multi-family uses.

9.2.3 Storage Yards; Parking Lots. Storage yards for bulk materials; public or private parking lots, except lots in conjunction with approved projects; truck, bus, or heavy equipment garages; dispatching and weighing stations; bulk storage and distribution of petroleum or other hydrocarbon products or other chemicals; or tent shelters or (except temporary use thereof for promotional events as may be approved in

advance in writing by Declarant or the Committee, either of whom may prescribe requirements and conditions to be met to engage in such temporary use).

9.2.4 Food or Plant Products Processing. Manufacturing or processing of fish products, sauerkraut, vinegar, sugar beets, coffee roasting, chocolate or cocoa products; grain mills, grain storage bins and elevators; feed grain manufacturing and/or processing; seed treatment, processing or extraction of oil; processing of paper or wood pulp.

9.2.5 Animal Products Processing. Fat rendering; stockyards or slaughtering of animals; meat smoking or packing.

9.2.6 Wrecking and Salvaging Operations. Auto wrecking and salvage; junk yards; house movers and related machinery and equipment; storage or wrecking yards; metals crushing or separating for salvage; waste paper or glass recycling or other recycling operations.

9.2.7 Mining/Exploration: Excavation. All surface mining operations, including aggregate or minerals; subsurface mining of any kind; drilling for and/or the removal of gas, oil or hydrocarbons or geothermal steam; any commercial excavation of materials for building and construction.

9.2.8 Heavy Manufacturing; Smelting; Refining. Manufacture of bricks, blocks or large concrete precast items such as pipe and construction shapes, cast stone items; processing of cement, clay, cinders, aggregate or pumice; concrete and asphaltic concrete mixing plants; saw mills or planing mills; plating works; battery manufacturing; refining of petroleum or other hydrocarbon products; manufacturing or distillation of chemicals, including paint, insecticides and herbicides; smelting of metals; rolling or stamping of metal; foundry casting; steel fabrication (plate, structural, reinforcing bar, tanks); sand blasting yards.

9.2.9 Sewage/Garbage. Sewage disposal or treatment plants; equipment yards for septic tanks or cesspool servicing; or the processing of garbage, dead animals, refuse or silage.

9.2.10 Public Facilities. Stadiums; cemeteries; carnivals, circuses, rodeos and the like, except on a special "one-time" temporary basis with written approval of the Committee; animal shelters and hospitals, except with written approval of the Committee; jail or detention facilities.

9.2.11 Used Vehicle Sales and Leasing. Used automobile, used passenger truck and/or used recreational vehicle sales, leasing and services (except in conjunction with a new vehicle franchise or dealership).

9.3 Nuisances: Objectionable Activities. No Owner, Lessee or other Person shall create a nuisance in McGregor Brae or use any Lot for any activity or purpose which is considered by the Board or the Committee, in its sole and absolute discretion, to be objectionable due to sound, odor, visual effect or physical impact and which in the opinion of the Board or the Committee will disturb or tend to disturb other Owners or Lessees in McGregor Brae, or which is deemed by the Board or the Committee to constitute a nuisance. Included among the uses, activities or operations prohibited hereunder because of their detrimental effect upon the general appearance, enjoyment and use of the Property, or other commercial property in the vicinity of McGregor Brae, and their conflict with the reasonable standards of

appearance and maintenance required by this Declaration, including without limitation the uses, activities or operations which produce or are accompanied by the following characteristics:

9.3.1 Any public or private nuisance.

9.3.2 Any vibration, noise, sound or disturbance that is objectionable due to intermittence, beat, frequency, shrillness, loudness or pulsating effect.

9.3.3 Any lighting which is flashing or intermittent or is not focused downward or away from adjacent Lots, unless otherwise approved by the Committee pursuant to Section 7.1.

9.3.4 Any rubbish, trash or debris of any kind placed or permitted to accumulate upon or adjacent to any Lot.

9.3.5 Any electro-mechanical or electromagnetic disturbance or radiation.

9.3.6 Any air pollution or water pollution, including without limitation any dust, dirt or ash in excessive quantities.

9.3.7 Any emission of odor, or noxious, caustic or corrosive gas or matter, whether toxic or non-toxic.

9.3.8 Any explosion or other damaging or dangerous firing, detonation or activity, including the firing or detonation of ammunition or explosives or the storage, display or sale of explosives or fireworks.

9.3.9 Open burning of paper, trash, debris, garbage or construction materials of any kind.

9.4 Special Permitted Uses. Operations and uses which are neither specifically prohibited nor specifically authorized by this Declaration may be permitted in a specific case if approved in writing by the Declarant, and, upon relinquishment of the Declarant's rights, by the Board and the Architectural Committee and permitted by the ordinances, codes, regulations and requirements of the City. Any approval or disapproval shall be in the sole and absolute discretion of the Declarant, and, upon relinquishment of the Declarant's rights, by the Board and the Architectural Committee.

9.5 Additional Restrictions. Prior to the close of a sale of a Lot or Lots by Declarant, Declarant may record additional restrictions on said Lot or Lots. If such restrictions refer to this Declaration and provide, for incorporation by that reference, said restrictions shall be deemed to be part of this Declaration and shall be enforceable as provided herein. Any such restrictions may not be inconsistent with the provisions of this Declaration, except that such restrictions may be more restrictive than the provisions set forth herein.

9.6 Compliance With Laws. No use or operation will be made, conducted or permitted on or with respect to all or any part of the Property which is in violation of any applicable governmental law, regulation, rule, ordinance or code, including without limitation all zoning and other ordinances, regulations and codes of the City.

ARTICLE X  
FUNDS AND ASSESSMENTS

10.1 Creation of Lien; Personal Obligation for Assessments. Declarant, for each Lot owned within McGregor Brae, hereby covenants, and each successive Owner, by acceptance of a deed therefor, whether or not expressed in such deed, is deemed to covenant and agree to pay to the Association the Assessments which the Board is authorized to levy pursuant to the provisions of this Declaration. All Assessments, which shall include all late charges, interest, costs and reasonable attorneys' fees due with respect thereto, shall be a charge on the land and shall be secured by a continuing lien upon the Lot against which each Assessment is levied. Each Assessment, including interest, costs and reasonable attorney's fees, shall also be the personal obligation of the Person who was the Owner of such Lot at the time when the Assessment became due and owing. The personal obligation for delinquent Assessments shall not pass to said Person's successors in title, unless expressly assumed by them. If more than one Person was the Owner of a Lot, the personal obligation to pay such Assessment respecting such Lot shall be both joint and several.

10.2 Purpose of Assessments. The Assessments shall be used to enhance, maintain and protect the desirability, attractiveness and safety of McGregor Brae Subdivision; to reimburse the Association for the costs incurred in bringing an Owner into compliance with this Declaration, the Articles, Bylaws, Development Guidelines and/or rules adopted by the Board; to reimburse the Association for amounts which may be paid for the maintenance, repair, modification and/or replacement of any Business Center Identification Signage, if any; and for the common good and benefit of McGregor Brae Subdivision, the Association and the Members, as determined by the Board. As used in this Declaration, "Business Center Identification Signage" shall refer to the identification signs and related utilities and improvements, if any, located or to be located per Declarant's reasonable discretion.

10.3 Budgets and Financial Statements of the Association. The following financial information shall be regularly prepared and distributed by the Board to all Members of the Association:

10.3.1 Within seventy-five (75) days after the end of each fiscal year of the Association, the Board shall prepare, or cause to be prepared, and distribute to all Members of the Association an operating budget for the next fiscal year setting forth the estimated revenues and expenses for said fiscal year and the total cash reserves of the Association currently available for expenditures.

10.3.2 After the close of the Association's fiscal year, the Board shall prepare and distribute to each Member a balance sheet and a statement of actual expenses and income for the preceding fiscal year.

10.4 Accounts. The Association shall also maintain one or more operating accounts into which the Board shall deposit all other funds paid to the Association as Assessments or otherwise received by the Association as provided in this Declaration. All funds shall be held in trust by the Association for the use and benefit of its Members.

10.5 Regular Assessments.

10.5.1 Purpose. Regular assessments shall be used for all expenses incurred by the Association for (i) the administration, operation, maintenance, repair and replacement of any Improvements therein and insurance; (ii) the operation, maintenance, repair and replacement of the Business Center Identification Sign(s); (iii) maintaining the landscaping on all of the Lots as set forth in Section 7.3 herein, (iv) carrying out the duties, rights and obligations of the Association, including the Board and the

Architectural Committee, as provided for in this Declaration; and the operation, maintenance, and repair of the Outlot.

10.5.2 Date of Commencement of Regular Assessments. The regular assessments provided for in this Article X shall commence as to all Lots on the first day of the month following the later of (i) the incorporation of the Association, or (ii) the conveyance of the first Lot to an Owner; provided, however, that Declarant may, at its option, delay the start of regular assessments so long as Declarant elects to perform all maintenance and other obligations of the Association at its sole cost and expense. The first regular assessment shall be adjusted according to the number of months remaining in the fiscal year.

10.5.3 Budget. Within sixty (60) days after the end of each fiscal year of the Association, beginning with the first full fiscal year after regular assessments commence, the Board shall meet for the purpose of establishing the regular assessment for the forthcoming fiscal year. At such meeting, the Board shall review an operating statement showing income and expenses for the preceding fiscal year and a preliminary budget, any written comments received from any Member, and any other information available to it and, after making any adjustments that the Board deems appropriate, without a vote of the Members of the Association, shall establish an operating budget and the regular assessment for the forthcoming year.

10.5.4 Payment of Assessments. Regular assessments shall be due and payable by the Owners to the Association in four equal quarterly installments on or before the first day of April, July, October and January, or in such other manner as the Board shall designate.

10.5.5 Failure to Fix Regular Assessments. Failure by the Board to fix regular assessments hereunder before the expiration of any fiscal year shall not be deemed either a waiver or modification in any respect of the provisions of this Declaration, or a release of the Owner from the obligation to pay the Assessments, or any installment thereof, for that or any subsequent year, but the Assessment fixed for the preceding year shall continue until a new Assessment is fixed.

#### 10.6 Special Assessments.

10.6.1 Purpose. Special assessments may be levied by the Board from time to time during any fiscal year if the Board determines that the estimated total amount of funds necessary to defray the expenses of the Association for a given fiscal year is or will become inadequate to meet expenses due to unanticipated delinquencies or costs and fees incurred to enforce this Declaration, unanticipated costs owed by the Association for the Business Center Identification Sign(s) or if funds are otherwise required for any activity or purpose of the Association permitted under this Declaration.

10.6.2 Budgeting. The Board shall determine the approximate amount necessary to defray the expenses set forth in Subsection 10.6.1 above, and, if the amount is approved by a majority vote of the Board, it shall become a special assessment.

10.6.3 Time and Manner of Payment. The Board may, in its discretion, prorate a special assessment over the remaining months of the fiscal year or levy the assessment immediately against each Lot. Special assessments shall be due and payable within ten

(10) days after a Member receives written notice from the Board specifying the amount of the special assessment, unless the Board specifies in such notice a later date of payment.

10.7 Reimbursement Assessment. The Board may levy a reimbursement assessment against any Owner who fails to comply in any respect with this Declaration, the Articles, Bylaws, the rules promulgated by the Board or the Development Guidelines, or as otherwise permitted elsewhere in this Declaration, in an amount equal to any monies expended by the Association in remedying an Owner's failure to comply under this Declaration or in the amount of a fine or penalty imposed pursuant to this Declaration. All such reimbursement assessments shall be paid to the Association within five (5) days after demand.

10.8 Capital Improvement Assessment.

10.8.1 Purpose. Capital improvement assessments may be levied by the Association for the purpose of defraying, in whole or in part, the cost of construction of any Improvements deemed reasonably necessary by the Board for the benefit of McGregor Brae.

10.8.2 Time and Manner of Payment. Capital improvement assessments shall be due and payable by all Owners in such installments and during such period or periods as the Board shall designate for the payment thereof.

10.9 Rate of Assessment. All Assessments (other than a reimbursement assessment levied against an Owner pursuant to Section 10.7) shall be fixed at a uniform rate and levied based upon the number of Net Acres of each Lot owned by such Owner in proportion to the total number of Net Acres subject to this Declaration at the time the Assessment is levied or imposed, as reflected in the records of the Association. The number of Net Acres in a Lot (and the number of memberships attributable to each Lot) are set forth on Exhibit B attached hereto. In the event of (i) a subdivision or replatting of any Lot or portion thereof, or (ii) the exclusion of property or the annexation of any additional property hereunder, the revised number of Net Acres and the number of memberships attributable thereto will change from that set forth in Exhibit B. By way of example, if Lots 2, 3, and 4 are combined into one (1) lot, Exhibit B shall be amended such that such new lot shall consist of 7.32 acres, shall have three (3) memberships, and shall own 34.85% of the Net Acres subject to this Declaration.

10.10 Estoppel Certificate. The Board, on not less than twenty (20) days prior written request and for a reasonable fee to be established from time to time by the Board, shall execute, acknowledge and deliver to the party making such request a written statement certifying whether or not, to the knowledge of the Association with no duty to investigate or make further inquiry, a particular Owner is in default as to its Lot under the provisions of this Declaration, and further stating the dates to which installments of Assessments have been paid as to such Lot. Any such certificate may be relied on by a prospective purchaser of the Lot or a prospective Mortgagee, but reliance on such certificate shall not extend to any default (except one involving the payment of Assessments) of which the signer had no actual knowledge.

ARTICLE XI  
COLLECTION OF ASSESSMENTS; ASSESSMENT LIENS

11.1. Right to Enforce. The right to collect and enforce Assessments, including all related interest, late charges, costs and fees, is vested in the Board acting for and on behalf of the Association. The Board, or its authorized representative, can enforce the obligations of the Owners to pay Assessments provided for in this Declaration by commencement and maintenance of a suit at law or in equity, or the

Board may enforce the continuing lien against the Owner's Lot by judicial foreclosure proceedings. Any suit to recover a money judgment for unpaid Assessments, together with all other amounts described in this Article XI, may be maintainable with or without foreclosing or waiving the lien rights.

11.2 Notice of Default; Interest; Late Charges; Creation of Lien. Failure to make payment of any Assessment or installment thereof related to any Lot on or before the due date shall constitute a default and all amounts that are delinquent shall bear interest at a rate per annum equal to five percent (5%) more than the Prime Rate on the date of default (and shall fluctuate thereafter as the Prime Rate changes from time to time) and, if not paid within ten (10) days, a late charge of five percent (5%) (or such lower interest and late charges as the Board shall determine in its discretion) shall also be due on the outstanding balance, and all costs and expenses incurred by the Board or its authorized representative in the collection of the amounts, including reasonable attorneys' fees and costs, shall be part of the Assessment past due and the full Assessment shall be a lien against such Lot. The lien created pursuant to this Article shall not be foreclosed until the Board or its authorized representative has delivered written notice to the delinquent Owner or Owners and any first mortgagee that has filed a request for notice with the Declarant or Board not less than fifteen (15) days before commencement of any proceedings to enforce such lien, which shall set forth notice of default and a demand for payment, and unless such delinquency has not been cured in full within said 15-day period, including payment in full of all interest and late charges.

11.3 Notice of Lien; Foreclosure. Upon the giving of notice and failure to cure as provided in Subsection 11.2, the Association may record a notice of assessment lien against the Lot of the defaulting Owner. In addition, the Association may proceed to foreclose the Recorded Assessment Lien provided for in this Article in any manner provided or permitted for the foreclosure of realty mortgages in the State of Nebraska (including the right to recover any deficiency). The Association shall not be obligated to release any Recorded Assessment Lien until all delinquent Assessments, including interest, late charges, attorneys' fees and collection costs, have been paid in full, whether or not all such amounts are set forth in the recorded notice. On becoming delinquent in the payment of any Assessments or installments thereof, each delinquent Owner shall be deemed to have absolutely assigned all rents, issues and profits of his Lot to the Association and shall further be deemed to have consented to the appointment of a receiver (which appointment may, at the election of the Association, be enforced by the Association through specific performance). The Association, acting on behalf of the Owners, shall have the power to bid upon the Lot at foreclosure sale and to acquire, hold, lease, mortgage and convey the Lot.

11.4 No Offsets. All Assessments shall be payable in the amounts covered by the particular Assessment and no offsets against such amount shall be permitted for any reason, including, without limitation, nonuse or abandonment of a Lot or a claim that the Association is not properly exercising its duties of maintenance, operation or enforcement.

11.5 Priority; Subordination of Lien to First Mortgages.

11.5.1 Priority of Lien. The Assessment lien herein shall be superior to all charges, liens and encumbrances, including without limitation all mortgages and deeds of trust (except as provided in Section 11.5.2 below), federal and state tax liens, judgment liens, and liens for labor or materials, which may be hereafter imposed against any portion of the Property.

11.5.2 Subordinate to First Mortgages. Notwithstanding the foregoing, the Assessment liens provided for herein shall be subordinate and subject to the lien for governmental taxes and assessments which is deemed superior hereto by applicable law and the lien of any first Mortgage encumbering a Lot which is recorded prior to the



Recorded Assessment Lien referred to in Section 11.3, but only as to advances or payments made pursuant to said Mortgage prior to the time the Recorded Assessment Lien is placed of record, and provided further that each such first Mortgage must have been made in good faith and for value and duly recorded in the office of the Douglas County Register of Deeds prior to the recording of the Recorded Assessment Lien. The sale or transfer of any Lot pursuant to judicial or non-judicial foreclosure of a first Mortgage shall extinguish the lien of such Assessments only as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from any obligation to pay any Assessments thereafter becoming due nor from the lien securing any subsequent Assessments. Where the holder of a first Mortgage or other purchaser of a Lot obtains title to the same as a result of foreclosure, such title holder, its successors and assigns, shall not be liable for Assessments by the Association chargeable to such Lot which became due prior to the acquisition of title to such Lot by such acquirer, except for the share of Assessments resulting from a reallocation of Assessments which are made against all Lots. The Assessment lien herein shall not be subordinate to the lien of any Mortgage which is junior to a first Mortgage.

11.6 Transfer of Property. After the sale of any Lot within the McGregor Brae Subdivision, the selling Owner or Owners shall not be personally liable for any Assessment levied on its Lot after the date of such transfer of ownership and written notice of such transfer is delivered to the Association. However, except as provided in Section 11.5 with respect to a transfer of a Lot pursuant to foreclosure proceedings, the transferred Lot shall remain subject to the lien securing payment of all Assessments, including Assessments levied prior to the date of transfer. The selling Owner(s) shall also remain personally responsible for all Assessments and charges levied on his Lot prior to any such transfer.

11.7 Other Enforcement Measures. In addition to the other remedies set forth in this Article, the Board shall have the right to suspend the right of any Owner who is in default on any Assessments to vote pursuant to Section 4.3 above or the Articles and the Bylaws during the period of any default.

11.8 Contracts with Owners. If the Association elects to enter into contracts with Owners for the performance of special maintenance or other services to that Owner's Lot, any fees charged to that Owner for such services shall be due within ten (10) days after billing, shall be an Assessment, shall be secured by the Assessment lien, shall be the Owner's personal responsibility, and shall be enforceable as provided herein with respect to the Assessments.

ARTICLE XII  
[INTENTIONALLY OMITTED]

ARTICLE XIII  
DURATION, MODIFICATION AND TERMINATION

13.1 Duration of Covenants. This Declaration, and all covenants, conditions, and restrictions herein shall continue and remain in full force and effect at all times with respect to McGregor Brae and each part thereof, now or hereafter made subject thereto (subject, however, to the right to amend and terminate as provided in Section 13.2 below) for a period of thirty (30) years, commencing on the date this Declaration is recorded in the Office of the Register of Deeds of Douglas County, Nebraska; provided, however, that the easements referred to in Article VI thereof which are specified as being perpetual shall continue in full force and effect after the termination of this Declaration. From and after said date, this Declaration, as amended from time to time, shall be automatically extended for successive periods of ten (10) years each, unless earlier terminated as provided in Section 13.2 below.

13.2 Termination or Modification. This Declaration or any provisions hereof, may be terminated, modified, or amended with respect to all or any portion of McGregor Brae, by the terms of a recorded document executed by Declarant alone until the expiration of the Period of Declarant Control. Thereafter, this Declaration or any provisions hereof, may be terminated, modified or amended in whole or in part with respect to all or any portion of the McGregor Brae Subdivision by a vote of all Owners holding at least two-thirds (66%) of the memberships in the Association. Provided, however, that no termination or amendment of any provisions of this Declaration regarding the maintenance or ownership of the Outlot, or regarding the maintenance agreement therefor with the City of Bennington, shall be made without the advance written consent of the City, which consent shall only be provided if another proper entity, as approved by the City assumes full responsibility for the required maintenance agreement and in addition assumes ownership of the Outlot within the McGregor Brae Subdivision.

#### ARTICLE XIV ENFORCEMENT

##### 14.1 Enforcement by Board; Right to Perform.

14.1.1 Failure to Maintain Improvements and Lots. Upon a failure to maintain and repair in accordance with Sections 7.4 and 7.5 above, or to perform any other obligations thereunder, the Board shall notify the respective Owner in writing pursuant to Section 17.7 of such default. If such default is not cured by the Owner or its Lessee within thirty (30) days from the date such notice is given to the Owner, the Board, or its designated agent or contractors, shall have the right, in addition to Section 14.2, to enter upon the Lot for the purpose of maintaining, restoring or repairing said Improvement or Lot. The costs incurred by the Board in restoring, maintaining or repairing said Improvement or Lot, together with a charge for the overhead of the Board and the Association in an amount equal to twenty-five percent (25%) of such costs, shall be paid by such Owner as a reimbursement assessment in accordance with Section 10.7 hereof.

14.1.2 Failure to Install Landscaping. If any landscaping has not been installed within the period required in Section 8.7, the Board shall notify the Owner in writing that the landscaping is to be installed within thirty (30) days from the date of such notice. If the landscaping has not been installed within such additional 30-day period, the Board or its designated agent or contractors shall have the right, in addition to Section 14.2, to enter upon the Lot for the purpose of installing the approved landscaping. If a landscape plan has not been approved by the Committee, the Board may cause a plan to be prepared and submitted to the Committee for approval prior to installation. All costs incurred by the Board in preparing a landscape plan and installing such landscaping, together with a charge for the overhead of the Board and the Association in an amount equal to twenty-five percent (25%) of such costs, shall be paid by the Owner as a reimbursement assessment in accordance with Section 10.7 hereof.

14.1.3 Off-Site Parking. Adequate off-street parking shall be provided by each Owner in accordance with Section 8.1 above. If the vehicles of any employee, visitor or business invitee of an Owner or any Lessee or any company vehicles thereof are parked on any street, the Board shall have the right, in addition to Section 14.2, to notify the Owner in writing pursuant to Section 17.7 that on-street parking is occurring. If on-street parking continues to occur five (5) days after the date upon which the Board gives such notice to the Owner, the Board, or its designated agent or contractors, shall have the right (i) to have such vehicles towed at the Owner's expense, and/or (ii) to assess a reasonable fine against said Owner for each day such on-street parking continues to occur five days

after notice is given. All such amounts shall be paid by said Owner to the Board or to such other person or entity designated by the Board and shall be paid as a reimbursement assessment in accordance with Section 10.7 hereof.

14.1.4 Other Covenants. Declarant and/or the Board or their duly authorized agents shall have the right, upon violation or breach of any other covenant, restriction or easement set forth herein, if such violation or breach continues for a period of thirty (30) days after written notice thereof is given to the Owner, to enter upon the Lot where such violation or breach exists, and summarily remove, at the expense of the Owner thereof who shall pay all such expenses within five (5) days after demand, any structure, thing or condition that may be or exist thereon contrary to the intent and meaning of the provisions of this Declaration.

14.1.5 Inspection Rights. Declarant and/or members of the Board and Architectural Committee, or authorized representatives thereof, have the right from time to time, during normal business hours of any business to be inspected and upon reasonable advance notice, to enter upon and inspect any Lot and the Improvements thereon for the purpose of determining whether or not the provisions of this Declaration have been, or are being, complied with, and the exercise of such rights shall not be deemed a trespass upon such Lot, but in doing so, shall not interfere with the operation of business at such Lot.

14.1.6 Other Enforcement Measures. In addition to other remedies set forth herein, the Board shall have the right to suspend a defaulting Owner's right to vote under Section 4.3 and the Articles and Bylaws during the period of any default.

14.2 Additional Remedies; Rights of Other Owners. In addition to the rights and remedies set forth in Article XI and Section 14.1 above, in the event of any breach, default, non-compliance, violation or failure to perform or satisfy any of the covenants, conditions, restrictions and easements contained in this Declaration by an Owner or its Permittees or other Person with respect to the Lot of an Owner (collectively referred to herein as a "default"), and the default is not cured within thirty (30) days after written notice describing the default is given to such Owner pursuant to Subsection 14.1 (or if any such default is not reasonably capable of being cured within such 30-day period, then if such Owner has not commenced to cure the default promptly after such notice is given and does not thereafter diligently continue to prosecute such cure to completion), then Declarant, the Association or any Owner with the right to enforce this Declaration under Section 17.3 below may enforce any one or more of the following rights or remedies in this Section 14.2, or any other rights or remedies available at law or in equity, whether or not set forth in this Declaration. All rights and remedies set forth in this Declaration or available at law or in equity shall be cumulative and not mutually exclusive.

14.2.1 Damages. Declarant, the Association or any such Owner may bring a suit for damages arising from or with respect to any such default.

14.2.2 Declaratory Relief. Declarant, the Association or any such Owner may bring suit for declaratory relief to determine the enforceability of any of the provisions of this Declaration.

14.2.3 Injunctive Relief; Specific Performance. It is recognized that a default hereunder may cause material injury or damage not compensable by an award of money damages and that Declarant, the Association and/or any Owner shall be entitled to bring an action in equity or otherwise for a specific performance to enforce compliance with

this Declaration, or for any injunctive relief to enjoin the continuance of any default or to prevent a default.

14.2.4 Fines. This Subsection may be enforced only by the Association. Upon a default that is defined in this Section 14.2, the Board may assess fines based on a schedule of fines adopted from time to time by the Board for various types of defaults that may arise under this Declaration, or as the Board may assess for defaults not covered by existing schedule of fines, provided that the Board shall assess a fine that is reasonable and appropriate under the circumstances, and provided further that the assessment of a fine shall be in addition to all other rights and remedies available hereunder.

14.2.5 Self-Help. In addition to all other remedies available at law or in equity, upon the failure of a defaulting Owner to cure a breach of the Declaration or this Subsidiary Declaration within thirty (30) days following written notice thereof (unless, with respect to any such breach the nature of which cannot reasonably be cured within such 30-day period, the defaulting Owner commences such cure within such 30-day period and thereafter diligently prosecutes such cure to completion), any Owner shall have the right to perform such obligation contained in this Declaration on behalf of such defaulting Owner and be reimbursed by such defaulting Owner upon demand for the reasonable costs thereof together with interest at the Prime Rate plus two percent (2%) (not to exceed the maximum rate of interest allowed by law). Notwithstanding the foregoing, in the event of (i) an emergency, (ii) blockage or material impairment of the easement rights, and/or (iii) the unauthorized parking of vehicles on a Lot, an Owner may immediately cure the same and be reimbursed by the other Owner upon demand for the reasonable cost thereof together with interest at the Prime Rate, plus two percent (2%), as above described.

14.3 Rights of Lenders. No default under or violation of any provision of this Declaration shall defeat or render invalid the lien of any Mortgage or similar instruments securing a loan made in good faith and for value with respect to the development or permanent financing, or any refinancing, of any Lot or portion thereof, or any Improvement thereon. However, all of the provisions of this Declaration shall be binding upon and effective against any subsequent Owner of any Lot or any portion thereof whose title is acquired by foreclosure, trustee sale, deed in lieu of foreclosure or otherwise pursuant to the lien rights under any such Mortgage or similar instrument.

14.4 Attorneys' Fees. In any legal or equitable proceeding to determine the rights of the parties and/or to enforce or restrain the violation of this Declaration, the losing party or parties, as determined by the court for this purpose, shall pay the reasonable attorneys' fees, legal costs and expenses of the prevailing party or parties, as fixed by the court in such proceedings.

14.5 Failure to Enforce Not a Waiver of Rights. No delay or failure on the part of an aggrieved party to invoke any available remedy in respect to a violation of any provision of this Declaration shall be held to be a waiver by that party of (or an estoppel of that party to assert) any right available to him upon the recurrence or continuance of said violation or the occurrence of a different violation, nor shall there be construed to be a duty upon Declarant or the Board a duty to take any action to enforce the provisions of this Declaration.

14.6 No Liability Regarding Enforcement. Neither Declarant, the Board or any member thereof, the Committee or any member thereof, nor their successors or assigns (if such Persons have acted in good faith, without willful or intentional misconduct) shall be liable to any Owner or Lessee of any real property subject to this Declaration by reason of any mistake in judgment, negligence, nonfeasance,

action or inaction in regard to the enforcement or failure to enforce the provisions of this Declaration, or any part hereof. Each Owner and Lessee acquiring an interest in McGregor Brae agrees that it will not bring any action or suit against Declarant, the Board or any member thereof, or the Committee or any member thereof, from time to time, or their successors and assigns, to recover any such damages or to seek equitable relief.

14.7 Reasonable Exercise of Rights. The easements and rights provided herein above granted shall be used and enjoyed by Declarant, during the Period of Declarant Control, the Board thereafter and/or the Association, as applicable, each Owner and its Permittees in such a manner so as not to unreasonably interfere with, obstruct or delay the conduct and operations of the business of any other Owner or its Permittees at any time conducted on its Lot, including, without limitation, public access to and from said business and the receipt or delivery of merchandise in connection therewith. Such reasonableness requirement is paramount to the Declaration and shall supercede and control with respect to any conflict with any other provision of this Declaration, including, but not limited to, the provisions contained with Articles 3.3, 5, 7, 10, 11, 14, and 15 hereof.

14.8 Lien Rights. Any claim for reimbursement, including interest as aforesaid, and all costs and expenses including reasonable attorneys' fees awarded to any Owner in enforcing any payment in any suit or proceeding under this Declaration shall be assessed against the defaulting Owner in favor of the prevailing party and shall constitute a lien against the Lot of the defaulting Owner until paid, effective upon the recording of a notice of lien with respect thereto in the Office of the County Recorder of Douglas County, Nebraska; provided, however, that any such lien shall be subject and subordinate to (i) liens for taxes and other public charges which by applicable law are expressly made superior, (ii) all liens recorded in the Office of the County Recorder of Douglas County, Nebraska prior to the date of recordation of said notice of lien, and (iii) all leases entered into, whether or not recorded, prior to the date of recordation of said notice of lien. All liens recorded subsequent to the recordation of the notice of lien described herein shall be junior and subordinate to the lien described in such notice. Upon the timely curing by the defaulting Owner of any default for which a notice of lien was recorded, the party recording same shall record an appropriate release of such notice of lien.

14.9 No Termination For Breach. No breach hereunder shall entitle any Owner to cancel, rescind, or otherwise terminate this Declaration. No breach hereunder shall defeat or render invalid the lien of any mortgage or deed of trust upon any Lot made in good faith for value, but the easements, covenants, conditions and restrictions hereof shall be binding upon and effective against any Owner of such Lot covered hereby whose title thereto is acquired by foreclosure, trustee's sale, or otherwise.

#### ARTICLE XV RESERVED RIGHTS OF DECLARANT

15.1 Right to Complete Development of McGregor Brae. During the Period of Declarant Control, Declarant shall have, and hereby reserves, the right (i) to subdivide or re-subdivide or otherwise split or combine any portion of the Property or otherwise to complete development of Lots; (ii) to construct or alter Improvements on any Lot owned by Declarant; (iii) to maintain an office for construction, sales, promotion or leasing purposes or other similar facilities on any Lot owned by Declarant or by the Association within the Property; and (iv) without the approval of the Association or the Architectural Committee, to excavate, cut, fill or grade any Lot owned by Declarant, or to construct, alter, demolish or replace or renovate any Improvements owned by Declarant or to alter its construction plans or design or to rezone or amend its master plan or any development documents agreed to by Declarant and the City, and to permit any activity, use or improvement by Declarant on any Lot owned by Declarant. Without limiting the generality of the foregoing, the Declarant during the Period of Declarant Control, shall be exempt from the provisions of Section 7.1.

15.2 Declarant's Right to Grant Additional Easements. During the Period of Declarant Control, Declarant shall have, and hereby reserves the right to grant or create, temporary or permanent easements from time to time for construction, access, utilities, drainage and other purposes for the development and sale of the Property in, on, under, over and across any Lots or other portion of the Property owned by Declarant.

15.3 Amending Plat. During the Period of Declarant Control, Declarant shall have, and hereby reserves, the right to record amendments to the Plat from time to time. Each Owner of a Lot (whether conveyed by metes and bounds description prior to the recording of a Plat, or as a platted Lot after the recording thereof) shall promptly upon receipt approve and sign any such Plat or consent to Plat and shall promptly return the same to Declarant, provided that such Plat does not alter the size or configuration of said Owner's Lot or adversely affect ingress or egress to or from such Owner's Lot.

15.4 Reserved Rights Do Not Create Obligations. Anything in this Article XV to the contrary notwithstanding, the foregoing rights in favor of Declarant shall not in any way be construed as creating any obligation on the part of Declarant to exercise any such rights or to perform any of the activities, construct any Improvements, convey any property or grant any easements referred to in this Article.

ARTICLE XVI  
ASSIGNMENT OF DECLARANT'S RIGHTS AND DUTIES

Any and all of the rights, powers and reservations of Declarant herein contained may be assigned by Declarant from time to time, in its discretion, to any Person who will assume the duties of Declarant pertaining to the particular rights, powers and reservations assigned. Upon such assignment, any such Person assuming such duties (and its heirs, successors and assigns) shall have, to the extent of such assignment, the same rights and powers and shall be subject to the same obligations and duties as are given to and assumed by Declarant in this Declaration. Any assignment made under this Article shall be in recordable form and shall be recorded in the Office of the Register of Deeds of Douglas County, Nebraska. Notwithstanding any provision of this Declaration to the contrary, Declarant may, at any time and from time to time without the consent of the Board or other Owners, temporarily or permanently relieve itself of all or a portion of its rights and obligations under this Declaration by filing in the Register of Deeds of Douglas County, Nebraska, a notice stating that Declarant has surrendered the rights and obligations specified therein, and upon the recording of such notice, said powers and obligations so specified shall immediately vest in the Board of Directors unless otherwise specified therein.

ARTICLE XVII  
ADDITIONAL PROVISIONS

17.1 Constructive Notice and Acceptance of Declaration. Every Person who now or hereafter owns or acquires any right, title or interest in or to any portion of McGregor Brae is and shall be conclusively deemed to have consented and agreed to this Declaration, whether or not any reference to this Declaration is contained in the instrument by which such person or entity acquired an interest in said McGregor Brae.

17.2 Governing Law. This Declaration shall be governed by and construed in accordance with the laws of the State of Nebraska. Venue for enforcement hereof shall lie exclusively in Douglas County, Nebraska, and each Person with rights hereunder hereby waives the right to sue or be sued in any other place.

17.3 Mutuality and Reciprocity. This Declaration is made for the direct, mutual and reciprocal benefit of each and every Lot within McGregor Brae; shall create mutual, equitable servitudes upon each Lot within McGregor Brae in favor of every other Lot of McGregor Brae; and shall create reciprocal rights and obligations between the respective Owners and privity of contract and estate between all grantees of real property in McGregor Brae, their heirs, successors and assigns.

17.4 Declarant's Disclaimer. Declarant makes no warranties or representations that the plans presently envisioned for the development of McGregor Brae can or will be carried out, or that any Lot is or will be committed to or developed for any particular use. In addition, while Declarant has no reason to believe that any of the provisions of this Declaration are or may be unenforceable, Declarant makes no representations as to enforceability. Declarant shall have no liability for the development of McGregor Brae or the enforcement of this Declaration.

17.5 Headings. Headings, where used herein, are inserted for convenience only and are not intended to be a part of this Declaration or in any way to define, limit or describe the scope and intent of the particular paragraphs to which they refer.

17.6 Effect of Invalidation. If any provision of this Declaration is held to be invalid by any court, the same shall not affect the validity of the remaining provisions of this Declaration and all remaining provisions shall continue unimpaired and in full force and effect.

17.7 Notices.

17.7.1 To Declarant or Committee. Any and all notices, or other communication made pursuant hereto, shall be in writing and shall be deemed properly delivered, given to or received by Declarant or the Committee, as the case may be (a) when personally delivered against receipted copy, or (b) four (4) business days after being mailed by certified or registered mail, postage prepaid; in either case to the Declarant, Board or the Architectural Committee at the following address:

McGregor Interests  
c/o Geoff McGregor  
11750 Stonegate Circle  
Omaha, Nebraska 68164

Declarant, Board and/or the Architectural Committee may change its address by (i) giving notice to all Owners, or (ii) giving notice to the Board at the principal office of the Association, or (iii) recording a Notice of Change of Address in the Office of the Register of Deeds of Douglas County, Nebraska.

17.7.2 To Owners. A notice to any Owner shall be deemed duly given, delivered and received (a) when personally delivered against receipted copy, or (b) four (4) business days after mailing by certified or registered mail, postage prepaid; in either case to the address of the Owner's Lot or to such other address as the Owner has specified in writing to the Association.

17.8 Exhibits. All Exhibits attached hereto are incorporated herein by this reference and shall constitute a part of this Declaration.

17.9 Requirements of City. The covenants and restrictions contained herein are in addition to the requirements, codes and ordinances imposed by the City on McGregor Brae. In the event of a conflict









**EXHIBIT "B"**

**ASSOCIATION MEMBERSHIP**

<u>Lot</u>	<u>Net Acres</u>	<u>Number of Memberships</u>	<u>Percentage</u>
1	11.11	2	52.91%
2	2.24	1	10.67%
3	2.71	1	12.90%
4	2.37	1	11.28%
5	1.22	1	5.81%
6	1.35	1	6.43%
<b>Total:</b>	<b>21.00</b>	<b>7</b>	<b>100%</b>