

DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made on the date hereinafter set forth by HAL GROVE, INC., a Nebraska corporation hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain property, which is more particularly described as:

Lots 1 through 25, inclusive, in The Hilltop of Oak Hills Highlands, a subdivision in Douglas County, Nebraska.

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to The Hilltop Association, Inc., a Nebraska non-profit corporation.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the

owners. The Common Area to be owned by the Association at the time of the conveyance of the first lot is described as follows:

Lot 24 and Lot 25 in The Hilltop of Oak Hills Highlands, a subdivision in Douglas County, Nebraska. Lot 24 shall be developed for recreational uses and Lot 25 shall be maintained as a roadway to provide a perpetual, non-exclusive means of vehicular and pedestrian access to each and all lots.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 6. "Declarant" shall mean and refer to Hal Grove, Inc., its successors and assigns if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

(a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

(b) the right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any assessment against his lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of members agreeing to such dedication or transfer has been recorded.

Section 2. Delegation of Use. Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3. Use Restrictions. All lots shall be used only for private dwelling purposes. Household pets within the Properties and Common Area will be subject to regulation, restriction, exclusion and special assessment as may be determined by the Association from time to time. All garage doors must remain closed at all times except when cars are entering or exiting the garage space. No garbage cans or trash receptacles are to be permitted outside unless fully screened from view in a manner approved in writing by the Association. Private barbecue grills may not be used in the common areas, and outside use or storage of barbecue grills will be subject to regulation, restriction or exclusion by the Association. Automobile parking will be subject to regulation and restriction by the Association. Outdoor parking of boats or recreational vehicles and erection of outdoor radio or television antennas will not be permitted.

Section 4. Easements and Licenses. The Association and its agents, contractors and designees shall have an easement and license to enter any dwelling or structure on any lot at all times necessary in order to accomplish changes, replacements or repairs to plumbing, sewers, gas lines, water lines, telephone lines, electrical lines, meters, vents and other appliances or utilities in order to maintain service to or prevent injury or damage to any persons or dwellings or property located within the Properties or the Common Area above described. The Association and the Declarant reserve the right to grant such further easements and licenses under, upon or over said lots as may be necessary or required by utilities furnishing gas, water, telephone, electrical and television or other utility services to said Properties or the Common Area above described.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

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

Section 2. The Association shall have two classes of voting membership:

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

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- (b) on December 31, 1980.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each lot owned within the Properties, hereby covenants, and each Owner of any lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. All subsequent purchasers shall take title subject to said lien and shall be bound to inquire of the Association as to the amount of any unpaid assessments. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement, maintenance and insurance of the Common Area, and limited exterior maintenance upon each lot.

Section 3. Exterior Maintenance. In addition to maintenance upon the Common Area, the Association shall provide limited exterior maintenance upon each lot which is subject to assessment hereunder, as follows: mowing, fertilizing, watering and planting of trees, shrubs and grass and snow removal on walks and drives.

In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his family, or guests, or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such lot is subject, and such added assessment shall not be subject to the maximum assessment limitations herein contained.

Section 4. Payment of Assessments. The annual assessments shall be payable in twelve equal, monthly installments one month in advance on or before the first day of each month; provided however that the Directors may establish a different method of payment upon notice to the owners. Special assessments shall be payable in the manner, amounts and times specified by the Directors.

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Section 5. Special Assessments for Capital Improvements.

In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 6. Notice and Quorum for Any Action Authorized Under Section 4

Written notice of any meeting called for the purpose of taking any action authorized under Section 4 shall be delivered either personally or by mail to all members not less than 10 days nor more than 50 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty per cent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. ~~No such subsequent meeting shall be held more than 60 days following the preceding meeting.~~

Section 7. Rate of Assessment. The total annual and special assessments shall be levied at the rate of one-twenty-third (1/23) thereof against each lot; provided however that until January 1, 1979 the maximum annual amount that may be levied against any lot upon which there is no completed dwelling as of January 1st shall be \$60.00 such year and the remainder of the total assessment shall be levied equally against the built-upon lots.

Section 8. Date of Commencement of Annual Assessments:

Due Dates. The annual assessments provided for herein shall commence as to all lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid.

Section 9. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of 11 per cent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property in proceedings in the nature of a Mechanics Lien foreclosure. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his lot.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE V

ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior painting, resurfacing, addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, heights, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design, color and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VI

GENERAL PROVISIONS

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

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

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by the owners of not less than ninety per cent (90%) of the lots, and thereafter by an instrument signed by the owners of not less than seventy-five per cent (75%) of the lots. Any amendment must be recorded.

Section 4. Annexation. Additional residential property and Common Area may be annexed to the Properties after December 31, 1976 by the execution and recording of an amendment to this Declaration by all owners of the land to be annexed and by the requisite number of owners of lots as provided in Section 3 of Article VI hereof. Said amendment shall alter Article IV, Section 7, hereof in order to adjust the rate of apportioning annual and special assessments to a basis reflecting the proportionate value of each lot without regard to the value of improvements erected thereon.

Section 5. Sidewalk Easement. A perpetual easement is hereby granted over and upon the following parcel:

A five-foot wide strip of land, the center line of which is the dividing line between Lots 19 and 20 in The Hilltop of Oak Hills Highlands.

Said easement is hereby granted to all present and future owners and occupants of Lots 1 through 23, inclusive in The Hilltop of Oak Hills Highlands. The purpose and scope of said easement are to construct, use, maintain and replace a pedestrian sidewalk providing access to Lot 24 in said subdivision.

Section 6. Special Rights of Mortgagees. Any notice required to be given to an owner must be similarly given to all mortgagees of record covering said lots 1 through 23. In addition to the required consents by owners, it is also required that all such mortgagees of record execute written consents to the dedication, the assessments, the amendments and annexations referred to respectively in Article II Sec. 1(c), Article IV Sec. 5, and Article VI Secs. 3 and 4, above.

EXECUTED this 30th day of December, 1976

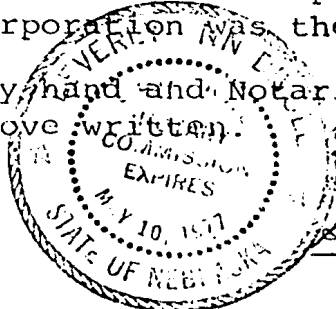
HAL GROVE, INC.

By: Harold E. Grove
 President



STATE OF NEBRASKA) On the date last-above written before me, the
)ss. undersigned, a Notary Public in and for said
 COUNTY OF DOUGLAS) County, personally came HAROLD E. GROVE,
 President of Hal Grove, Inc. (a corporation), to me personally known to be the President and the identical person whose name is affixed to the above conveyance, and acknowledged the execution thereof to be his voluntary act and deed as such officer and the voluntary act and deed of said corporation, and that the Corporate Seal of the said corporation was thereto affixed by its authority.

WITNESS my hand and Notarial Seal at Omaha in said County on the date last-above written.



Levy Ann Duvall
 Notary Public

27.25
 ENTERED IN NUMERICAL INDEX AND RECORDED IN THE REGISTER OF DEEDS OFFICE IN DOUGLAS COUNTY, NEBRASKA
 9.06 P.M. C. HAROLD OSTLER, REGISTER OF DEEDS
 31 DAY OF Dec 1976