

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made on the date hereinafter set forth by SOUTHWEST CORPORATION, a Nebraska corporation, hereinafter referred to as "Declarant",

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in Douglas County, Nebraska, which is more particularly described as:

Lots Five (5) through Nine (9), inclusive, Joslyn Castle Townhomes, an Addition to the City of Omaha, being part of a replat of Lots Nineteen (19) and Twenty (20), Block Two (2), Kilby Place, an Addition to the City of Omaha, Douglas County, Nebraska (hereinafter called the "Properties" unless otherwise designated).

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 JOSLYN CASTLE TOWNHOMES ASSOCIATION, a Nebraska nonprofit corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the 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 and refer to (including the improvements thereto) all real property owned and held by the Association for the common use, benefit 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 Nine (9), Joslyn Castle Townhomes, an Addition to the City of Omaha, Douglas County, Nebraska, being part of a replat of said Lots Nineteen (19) and Twenty (20), Block Two (2), Kilby Place, an Addition to the City of Omaha.

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 SOUTHWEST CORPORATION, a Nebraska corporation, 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' Easement of Enjoyment. Every member of the Association 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 suspend the voting rights and right to use of the Common Area 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;

b) 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 agreeing to such dedication or transfer signed by two-thirds of each class of members 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 to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner as defined in Article I, Section 2, of this Declaration 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 January 1, 1988.

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, if any, and 2) special assessments for capital improvements, if any, 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. 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 for the following purposes:

- a) To promote the recreation, health, safety, and welfare of the residents in the Properties.
- b) For the improvement, maintenance and insurance of the Common Area, and such recreational facilities, if any, as may be located thereon.
- c) For the maintenance of the lots comprising the Properties, the exterior of the dwelling units situated thereon or other structures used in connection therewith, as more particularly defined and limited in Section 3, below, of this Article IV.
- d) For maintenance and repair, including snow removal, on all non-dedicated vehicular trafficways and pedestrian walkways.

Section 3. Exterior Maintenance.

- a) In addition to maintenance upon the Common Area, and maintenance and operation of any recreational facilities located thereon, the Association shall provide exterior maintenance upon each Lot which is subject to assessment

hereunder, as follows: paint, repair and care for roofs, gutters, downspouts and exterior building surfaces; maintain the underground lawn sprinkler system, trees, shrubs, grass, walks, and other exterior improvements. Such exterior maintenance shall not include solar panels, glass or screen surfaces, patios, plazas, or garden areas within patio or plaza walls, or air conditioning compressors, or any damage covered by Article IX, all of which shall be the Owner's responsibility. In the event an Owner shall fail to perform his portion of the maintenance of the premises and the improvements situated thereon in a manner satisfactory to the Board of Directors, the Association, after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon said parcel and to repair, maintain, and restore the Lot and the exterior of the buildings and any other improvements erected thereon. The cost of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject.

b) The Association shall be responsible for the maintenance and repair of all master water, gas and sewer lines in non-dedicated vehicular trafficways and all service lines for water, gas and sanitary sewer service to the dwelling units which normally devolves upon the owners of the lots under the rules and regulations of the Metropolitan Utilities District or otherwise.

c) 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.

a) Regular Annual Assessments. Before each fiscal year, the Board of Directors of the Association shall adopt and fix in reasonably itemized detail an annual Budget of the Working Fund for the then anticipated fiscal affairs and general operations of the Association for that year, and shall levy and collect monthly assessments from each Lot on the Properties which, considering the revenue derived from Regular Annual Assessments on Unimproved Lots and other sources of income, if any, shall be sufficient to fund the budget for said fiscal year. The Budget and assessments shall be approved and ratified by the directors at the annual meeting prior to any other business to be undertaken at said annual meeting.

b) Maximum Regular Annual Assessment. Until July 1, 1984, the maximum annual assessment for each of said four Lots (but not included in said maximum amount, however, is the premium cost for fire and extended coverage insurance for each Lot, as hereinafter described in Article IX hereof) shall be the amount shown opposite each of said Lot Numbers set forth on EXHIBIT "A" attached hereto and by this reference incorporated herein and made a part hereof.

From and after July 1, 1984, the annual assessment may be increased by not more than the greater of either 1) 5%, or 2) the percentage rise in the Consumer Price Index (published by the Department of Labor, Washington, D.C.) for the preceding October over the prior year's October, without a vote of the membership. From and after July 1, 1984, the annual assessment may be increased above said percentage by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

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. Unimproved lots shall be assessed twenty-five percent (25%) of the amount assessed against improved lots under this section.

Section 6. Notice and Quorum for Any Action Authorized Under Sections 4 and 5. Written notice of any meeting called for the purpose of taking any action authorized under Section 4 or 5 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 percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at 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. Date of Commencement of Annual Assessments; Due Dates. The regular annual assessments provided for herein shall commence as to all Unimproved Lots on the first day of the month following the recording of this Declaration in the Office of the Register of Deeds for Douglas County, Nebraska. The regular annual assessments provided herein as to all Improved Lots shall commence the first day of the month following the month in which ground is broken for the construction of a dwelling on said lot. As provided in the By-Laws, the first regular 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 certification signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

Section 8. Effect of Nonpayment of Assessments - Remedies of the Association. Any assessment installment which is not paid when due shall be delinquent. If the assessment installment is not paid within thirty (30) days after the due date, the assessment installment shall bear interest from the due date at the rate of nine percent (9%) 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 accordance with law. In either a personal or foreclosure action, the Association shall be entitled to recover as a part of the action, the interest, costs and reasonable attorney's fees with respect to the action. 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. The mortgagee of the subject property shall have the right to cure any delinquency of an Owner by payment of all sums due, together with interest, costs and fees. The Association shall assign to such mortgagee all of its rights with respect to such lien and right of foreclosure to the mortgagee.

Section 9. 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.

Section 10. Exempt Property. The following property, subject to this Declaration shall be exempt from the assessments created herein: All Properties dedicated to and accepted by a local public authority, and any land the fee title to which or any interest in the fee is subsequently acquired by the Association.

ARTICLE V

PARTY WALLS

Section 1. Party Wall Easements. Mutual reciprocal easements are hereby established, declared and granted for all party walls between improvements constructed or to be constructed on Lots, which reciprocal easements shall be for mutual support and shall be governed by this Declaration and more particularly the succeeding sections of this Article. Every deed, whether or not expressly so stating, shall be deemed to convey and to be subject to such reciprocal easements.

Section 2. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Properties and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 3. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 4. Destruction by Fire or other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 5. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 6. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 7. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all arbitrators. No legal action with respect to a party wall dispute shall be commenced or maintained unless and until the provisions of the arbitrators have been met. The appointment of arbitrators hereunder shall be made within twenty (20) days after notice by one party to the other party and to the Association that a dispute exists.

ARTICLE VI

ARCHITECTURAL CONTROL

No building, fence, landscaping or other structure or improvement, including but not limited to, playground equipment, storage sheds, antennae, rock gardens, fountains, statues, trees, shrubs, 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, color of paint, and number and location of the same shall have been submitted to and approved in writing as to number of dwelling units, 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 control committee composed of three (3) or more persons appointed by the Board.

The Board, or its designated committee, shall have the right to disapprove any such plans or specifications or grading or landscaping plans which are not suitable or desirable in the Board or committee's option, for aesthetic or other reasons, and in passing upon such plans, specifications, grading or landscaping plans, the Board or committee shall have the right to take into consideration the suitability of the proposed building or other structure and of the materials of which it is to be built, the color scheme, the site

upon which it is proposed to erect the same, the harmony thereof with the surroundings, the topography of the land and the effect of the building or other structure or landscaping as planned on the outlook from the adjacent or neighboring property, and if it is in accordance with all of the provisions of this Declaration.

The Board or committee may disapprove if the plans and specifications submitted are incomplete, or in the event the Board or committee deems the plans, specifications or details or any part thereof to be contrary to the spirit or intent of these conditions and restrictions. The decisions of the Board or its said committee shall be final.

Neither the undersigned nor any architect or agent of the undersigned nor any member of the Board or its said committee by virtue of his membership thereon, or discharge of his duties required thereby, shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the foregoing, nor for any structural or other defects in any work done according to such plans or specifications. No building or improvements of any kind constructed or placed upon any of said lots thereafter shall be moved without the prior written approval of the Board or its said committee. 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. Neither the members of the Board or its said committee shall be entitled to any compensation for services performed pursuant to this covenant.

ARTICLE VII

USE RESTRICTIONS

A. The use of the Common Area shall be subject to the restrictions set forth in Article II, Section 1, and to those restrictions hereinafter set forth.

B. No use shall be made of the Common Area which will in any manner violate the statutes, rules or regulations of any governmental authority having jurisdiction over the Common Area.

C. No Owner shall place any structure whatsoever upon the Common Area, except and unless Owner shall have first obtained a permanent easement therefor from the Association, nor shall any Owner engage in any activity which will temporarily or permanently deny free access to any part of the Common Area to all Members, except in accordance with and pursuant to the terms, conditions and purposes of said permanent easement.

D. The use of the Common Area shall be subject to such rules and regulations as may be adopted from time to time by the Board of Directors of the Association.

E. The Properties are hereby restricted to residential dwellings for residential use and structures and uses related to the convenience and enjoyment of such residential use, including but not limited to, park and recreational facilities, such as tennis courts and swimming pools. At no time shall any residential unit located

on the Properties be occupied and used by more than one person, unless such persons are limited as to numbers and otherwise meet the definition of either a "related family" or a "nonrelated family" as set forth in Section 55-7 "F" definitions of the Omaha Municipal Code.

F. No animals, livestock or poultry of any kind shall be raised, bred, or kept on any Lot, except that dogs, cats, or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial 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. Included within such regulations, but not by way of limitation thereof, shall be a prohibition against dogs, cats, and other household animals being allowed to run at large within the Properties and Common Area, and a requirement that same at all times be on a leash or other immediate control of their owner. It shall be the duty of the Association to keep the common property free from litter and feces caused by and left by pets. The owners of any pets known to be at large shall be properly assessed by the Association for the cleanup expenses incurred.

G. No stable or other shelter for any animal, livestock, fowl or poultry shall be erected, altered, placed or permitted to remain on any Lot.

H. No advertising signs (except one not more than five square feet "For Rent" or "For Sale" sign per lot), billboards, unsightly objects or nuisances shall be erected, placed or permitted to remain on the premises, nor shall the premises be used in any way for any purpose which may endanger the health or unreasonably disturb the Owner of any Lot or any resident thereof. Further, no business activities of any kind whatever shall be conducted in any building or in any portion of the Property. Provided further, however, the foregoing covenants shall not apply to the business activities, signs and billboards, or the construction and maintenance of buildings, if any, of the Declarant, its agents and assigns, during the construction and sale period, and of the Association, its successors and assigns, in furtherance of its powers and purposes as herein-after set forth.

I. The Association, or its duly delegated representative, shall maintain and otherwise manage all property up to the exterior building lines and patio enclosures, including, but not limited to the landscaping, parking areas, non-dedicated trafficways, pedestrian walkways, roofs, common elements and exteriors of the buildings located upon the above-described Properties, except windows of buildings on individual Lots.

J. No exterior television or radio antennas of any sort shall be placed, allowed or maintained upon any portion of the improvements to be located upon the Properties, nor upon any structure situated upon said real property, except as may be approved, in writing, by the Board of Directors of the Association.

K. Automobile parking will be subject to regulation and restriction by the Association.

L. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be, or may become, an annoyance or nuisance to the neighborhood.

M. No repair of automobiles will be permitted outside of garages on any Lot at any time. No vehicle larger than a 3/4 ton pickup may be parked continuously on any Lot or street for a period in excess of three hours. No inoperative vehicle may be visibly stored, parked or abandoned in the neighborhood. No unused building material, junk or rubbish shall be left exposed on any Lot except during actual building operations.

N. No boat, camping trailer, snowmobile, auto-drawn trailer of any kind, mobile home, truck above 3/4-ton pickup, grading or excavating equipment or other heavy machinery or equipment, vehicle undergoing repair, van or aircraft shall be stored outside the garage or in any manner left exposed on any Lot at any time.

O. No incinerator or trash burner shall be permitted on any Lot. No garbage or trash can or container or fuel tank shall be permitted to remain outside of any dwelling. No garden, lawn or maintenance equipment of any kind whatsoever shall be stored or permitted to remain outside of any dwelling except when in actual use. No garage door shall be permitted to remain open except when entry to and exit from the garage are required. No clothes line shall be permitted outside of any dwelling at any time except one umbrella-type clothes line.

P. Notwithstanding any provisions herein contained to the contrary, it shall be expressly permissible for a builder of said buildings, upon receipt of prior written permission from the Association, to maintain during the period of construction and sale of said buildings upon such portion of the premises as such builder may choose, such facilities as in the sole opinion of said builder may be reasonably required, convenient or incidental to the construction and sale of, including but without limitation, a business office, storage area, construction yards, signs, model units and sales office.

Q. A dwelling on which construction has begun must be completed within one (1) year from the date the foundation was dug for said dwelling.

ARTICLE VIII

EASEMENTS AND LICENSES

A. The Association and its agents, contractors and designees shall have an easement and license to go upon any Lot and to enter into or upon any dwelling or structure located 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, and in order to perform all of the exterior maintenance and repair work hereinabove specified in Section 3 of Article IV.

L. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be, or may become, an annoyance or nuisance to the neighborhood.

M. No repair of automobiles will be permitted outside of garages on any Lot at any time. No vehicle larger than a 3/4 ton pickup may be parked continuously on any Lot or street for a period in excess of three hours. No inoperative vehicle may be visibly stored, parked or abandoned in the neighborhood. No unused building material, junk or rubbish shall be left exposed on any Lot except during actual building operations.

N. No boat, camping trailer, snowmobile, auto-drawn trailer of any kind, mobile home, truck above 3/4-ton pickup, grading or excavating equipment or other heavy machinery or equipment, vehicle undergoing repair, van or aircraft shall be stored outside the garage or in any manner left exposed on any Lot at any time.

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P. Notwithstanding any provisions herein contained to the contrary, it shall be expressly permissible for a builder of said buildings, upon receipt of prior written permission from the Association, to maintain during the period of construction and sale of said buildings upon such portion of the premises as such builder may choose, such facilities as in the sole opinion of said builder may be reasonably required, convenient or incidental to the construction and sale of, including but without limitation, a business office, storage area, construction yards, signs, model units and sales office.

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ARTICLE VIII

EASEMENTS AND LICENSES

A. The Association and its agents, contractors and designees shall have an easement and license to go upon any Lot and to enter into or upon any dwelling or structure located 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, and in order to perform all of the exterior maintenance and repair work hereinabove specified in Section 3 of Article IV.

B. Every Owner of a Lot shall have a license and right, as a pedestrian only, for ingress and egress purposes to go on, upon, across, or over any Lot within the Properties, except and excluding all such portions of said Lots upon which buildings of any type have been constructed or upon which any type of landscaping improvements other than sodding have been installed; said license and right, for ingress and egress purposes, shall include, however, all outside stairways constructed upon any Lot for the sole purpose of providing ingress and egress to and from a dwelling unit located upon an abutting Lot.

C. There shall exist over, under, upon and across the Common Area easements for all utility services, including but not limited to, water, sewer, gas, electricity and telephone as the same may be originally installed or relocated. An easement for utility purposes as set forth above with respect to the Common Area shall also exist over, under and across each lot for the utilities to such extent, if any, as same may be installed.

D. The Association and the Declarant, as long as he is a Class B member, reserve the right to grant such further easements and licenses under, upon or over Lots owned by the Declarant as may be necessary or required by utility companies furnishing gas, water, telephone, electrical and television or other utility services to said Properties or the Common Area above described.

E. An easement shall exist over and across any Lot by reason of the encroachment of any improvements thereon which have been constructed upon an adjacent Lot, including Common Area, whether as originally constructed or rebuilt following any destruction.

F. Declarant's Easements. Anything to the contrary herein notwithstanding, Declarant, as long as he is a Class "B" member, hereby reserves an easement and right-of-way over all Common Area, and over all Lots not conveyed for its sole use for the purpose of constructing improvements, utilities and other matters including the right to erect temporary buildings to store any and all materials.

ARTICLE IX

COVENANTS FOR INSURANCE AND EXTERIOR LIGHTS

The Owner of each Lot is hereby deemed to covenant and agree as follows:

Section 1. Coverage. The Association is herewith authorized, pursuant to its appointment in Article X hereof as attorney-in-fact, to obtain and maintain to the extent reasonably obtainable, the following insurance coverage on said Lot: Fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the buildings on said Lot (including all of the appliances and fixtures therein initially installed by the Declarant but not including furnishings, fixtures or personal property supplied by or installed by the subsequent Lot owner(s)) in an amount equal to the full replacement value, without deduction for depreciation, and with \$100 deductible per loss, and which shall contain a standard non-contributory mortgage clause in favor of each mortgagee of said Lot

which shall provide that the loss, if any, hereunder shall be payable to such mortgagee as its interest may appear; public liability insurance in such limits as the Association may from time to time determine, covering the Association, each member of the Board, the Managing Agent, agents and employees of the Association and each lot owner; and such additional coverage as the Association may from time to time determine is appropriate. Such public liability coverage shall also cover cross liability claims of one insured against the other and shall contain waivers of subrogation.

Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of units at least ten (10) days prior to expiration of the then current policies.

The Association shall determine, at least annually, the replacement value of the buildings on the Lots and, in so doing, may employ such experts as the Association may feel necessary.

The premiums for said insurance for each Lot shall be added to and be collected monthly in the same manner as provided in Article IV, above, for the collection of the regular annual assessments.

Section 2. Provisions. All policies of physical damage insurance shall contain waiver of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days' prior written notice to all of the insureds, including mortgagees.

Section 3. Insurance by Lot Owners. Lot owners shall not be prohibited from carrying other insurance for their own benefit provided that all such policies shall contain waivers of subrogation.

Insurance coverage on furnishings and other items of personal or other property belonging to a Lot owner and public liability coverage within the dwelling unit located on each Lot shall be the sole and direct responsibility of such Lot owner, and the Association shall have no responsibility therefor.

Section 4. Exterior Lights. To pay for a prorated share of the electricity for operation of the security lighting system in the Common Area. The security lights are to be installed by the builder.

ARTICLE X

ASSOCIATION AS ATTORNEY-IN-FACT

These Covenants hereby make mandatory and irrevocable the appointment of the Association as attorney-in-fact to obtain and maintain to the extent reasonably obtainable all of the insurance coverages for each Lot described in Article IX, above, and to do all things reasonably necessary and appropriate therefor, including the collection of the premiums and the purchase of such insurance in a company or companies authorized to do business in the State of Nebraska. Title to any of said Lots is declared and expressly made

subject to the terms and conditions hereof, and acceptance by any grantee of a deed, mortgage or other instrument of conveyance from the Declarant, or from any owner or grantor, shall constitute and appoint the Association his true and lawful attorney in his name, place and stead for the purposes of this Article X. As attorney-in-fact, the Association, by its President and Secretary Assistant Secretary or its other duly authorized officers or agents, shall have full and complete authorization, right and power to make, execute and deliver any application, document or other instrument with respect to the interest of a Lot owner, which is necessary and appropriate to exercise the powers granted in this Article.

ARTICLE X

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure 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 not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be recorded.

Section 4. Annexation. Additional residential property and Common Area may be annexed to the Properties with the consent of two-thirds (2/3) of each class of members; provided, however, that such consent shall not be required for the acquisition of additional common area by the Association by gift, grant or dedication, and provided further, that Declarant, its successors and assigns, may (but shall not be obligated to) annex or cause to be annexed in its sole discretion at any time within eight (8) years from and after date hereof, all or any part of the following described real property only to the Properties and bring same within the jurisdiction of the Association without a vote of the Class A membership and without any further approval of the Federal Housing Administration or the Veterans Administration:

Lots One (1) through Four (4), inclusive, Joslyn Castle Townhomes, an Addition to the City of Omaha, being part of a replat of Lots Nineteen (19) and Twenty (20), Block Two (2), Kilsy Place, an Addition to said City, Douglas County, Nebraska.

EXHIBIT "A"

to
Declaration of Covenants, Conditions and Restrictions

Joslyn Castle Townhomes, an Addition
to the City of Omaha, Douglas County, Nebraska.

<u>Lot Number</u>	<u>Annual Assessment</u>
5	\$40.00
6	\$40.00
7	\$40.00
8	\$40.00

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