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RICHARD M. TAKESHI  
DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

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## **DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF CATTAIL CREEK TWO TOWNHOMES**

THIS DECLARATION, made on the date hereinafter set forth by Celebrity Townhomes, Inc., a Nebraska corporation, hereinafter referred to as "Declarant."

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in Cattail Creek Replat Two, County of Douglas, State of Nebraska, which is more particularly described as:

Lots 1 through 92, inclusive, CATTAIL CREEK REPLAT TWO, a subdivision as surveyed, platted and recorded 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 Cattail Creek Two Townhome Owners Association, its successors and assigns.

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. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties.

Section 5. "Declarant" shall mean and refer to Celebrity Townhomes, 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 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 determine, but in no event shall more than one vote be cast with respect to any Lot.

FULLENKAMP, DOYLE & JOBEUN  
11440 WEST CENTER ROAD  
OMAHA, NEBRASKA 68144-4482

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 June 1, 2010.

### **ARTICLE III** **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 annual assessments or charges as hereinafter provided, as such assessments to be established and collected as hereinafter provided. The annual 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 exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and of the homes situated upon the Properties, including exterior maintenance as provided hereinafter and maintenance of park area and/or trails owned by or controlled by easement in favor of the Association or with the permission of any owner that is a public entity.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be One Thousand Three Hundred Twenty dollars (\$1,320.00) per Lot. For the purposes of determining the amount of the maximum annual assessment, any assessments or charges levied pursuant to Article III, Section 7 and/or Article IV, Section 2 shall not be included.

a. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than 5% above the maximum assessment for the previous year without a vote of the membership.

b. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above 5% 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.

c. The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Notice and Quorum for Any Action Authorized Under Sections 2 and 3. Written notice of any meeting called for the purpose of taking any action authorized under Sections 2 and 3 shall be sent to all members not less than 30 days nor more than 60 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 (½) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 5. Uniform Rate of Assessment. Except as provided for in Article III, Section 7 and Article IV, Section 2, annual assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly or other periodic basis, as may be established by the Board.

Section 6. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots at the sole discretion of the Board. 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. The assessments may be collected on a monthly or other periodic basis by the Association. 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.

Section 7. Assessments: Apportionment. Assessments shall be paid pro-rata by the owners of all Lots based upon the total number of Lots, however, vacant lots shall not be assessed but shall be maintained by the owners. Assessments may be apportioned against Lots where inordinate wear, tear and/or damage occurs to the items to be maintained by the Association due to the fault or negligence of a Lot owner.

Section 8. Certificate of Payment. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the association or a designated agent of the association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance.

Section 9. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall be deemed delinquent and shall bear the maximum rate of interest allowable by law. Should any assessment remain unpaid more than sixty (60) days after the due date, the Association may declare the entire unpaid portion of said assessment for said year to be immediately due and payable and thereafter delinquent. The Association may bring an action at law against the Owner personally obligated to pay the same, or may foreclose the lien of such assessment against the property through proceedings in any court having jurisdiction of actions for the enforcement of such liens. No Owner may waive or otherwise escape liability for the assessments provided herein by abandonment of title or transfer of such Owner's Lot.

Section 10. Subordination of Assessments. The lien on the assessments provided for herein shall be subordinate to the lien of any first mortgage, and the holder of any first mortgage, on any Lot may rely on this provision without the necessity of the execution of any further subordination agreement by the Association. Sale or transfer of any Lot shall not affect the status or priority of the lien for assessments made as provided herein. The Association, if authorized by its Board of Directors, may release the lien of any delinquent assessments on any Lot as to which the first mortgage thereon is in default, if such Board of Directors determines that such lien has no value to the Association. No mortgagee shall be required to collect any assessments due. The Association shall have sole responsibility to collect all assessments due.

## **ARTICLE IV** **Exterior Maintenance**

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

Section 1. Assessments levied against each Lot, as defined in Article I, Section 4, may be assessed for, but not limited to, the following:

(a) Maintenance, including mowing, fertilizing and trimming, of trees and shrubs, lawns, and other exterior landscaping or other improvements as originally installed by the builder, except such improvements as may have been installed by or at the direction of an Owner, which improvements shall be the responsibility of the Owner. The Owner is responsible for replacement of all dead landscaping improvements after the one year warranty period expires and the owner agrees to allow the Association to replace such dead landscape improvements at the expense of the Owner at the time of replacement and the Owner shall reimburse the Association on demand.

(b) Operation and maintenance of an underground watering system on each Lot, except that it shall remain the Owner's sole responsibility to provide water to such watering system and not interfere with the Association's operation and maintenance of such watering system. If any Owner interferes with such watering system, the Association's costs resulting from such interference may be assessed against such Owner's Lot. Owner shall remain liable for any damage caused to such system by any act or omission of such Owner or Owner's invitee, licensee or guest;

(c) Painting of the exterior of each dwelling upon each Lot;

(d) Providing trash pickup service for each Lot;

(e) Providing snow removal for driveways, front sidewalks, front stoops and front steps for each Lot;

(f) Maintaining any mailboxes upon the Properties;

(g) Providing such other services or maintenance as may be deemed appropriate by the Board or by a two-thirds (2/3) vote of the Association.

Section 2. With the exception of improvements to Common Area and any duties undertaken pursuant to section 1 of this Article, the Association shall have no duty to repair, replace or maintain any concrete surfaces, buildings, systems, fences or other improvements to the Properties, but may, at its discretion, in the event that any Owner of any Lot in the Properties has not maintained, replaced or kept repaired 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 maintain, repair (including painting), restore and replace the Lot and the exterior of the buildings and any other improvements erected thereon, including, but not limited to any roofs, gutters, concrete, exterior walls, glass surfaces, doors, door openers, and cooling units for air condition systems which have not been so maintained, repaired or replaced. The cost of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject.

## **ARTICLE V** **Architectural Control**

No fence shall be commenced, erected or maintained upon the Properties, except fences erected by the Developer. No exterior painting shall be commenced upon the Properties except such painting as shall

be approved by the Association. No building, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, color and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography, and in relation to other trees, shrubs and plantings, by the Board of Directors of the Association, its successors or assigns, 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 act upon such design and location within thirty (30) days after said plans and specifications have been submitted to it, such failure to act shall be deemed disapproval. The Architectural Control referred to in this paragraph shall not be applicable to initial construction by any builder or Owner, the plans and specifications of which have been approved by the Declarant.

## **ARTICLE VI**

### **Party Walls**

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

Section 2. The cost of reasonable repairs and maintenance of any party wall shall be shared by the owners who make use of such party wall in proportion to the length of each Lot and party wall.

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

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

Section 5. The right of any owner to contribution from any other owner under this Article shall be appurtenant to the land and shall pass to such owner's successors in title.

Section 6. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each owner involved shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and all owners shall be bound by any decision arrived at by a majority of all such arbitrators. Arbitration shall be governed by the terms of the Uniform Arbitration Act, to the extent consistent with the foregoing provisions.

## **ARTICLE VII**

### **General Restrictions and Other Provisions**

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

(a) Other than as carried on by the Declarant or his assigns, agents or successors, in respect to the sale, marketing, construction and improvement of the Lots or any other commercial activity on the Properties, no business, trade, occupation or profession of any

kind shall be conducted, maintained or permitted on any part of the Properties, or, without the prior written authorization of the Association, shall any "For Sale" or "For Rent" signs be displayed by any Person, firm or corporation, bank, savings and loan association, lending institution, or insurance company who as holder of a deed of trust against any Lot acquired ownership thereof through foreclosure (or by deed in lieu of foreclosure), or the agent of any of them. Nothing in this Section is intended to restrict the right of any Lot Owner from keeping his or her personal business or professional records or accounts therein, or handling his or her personal business calls or correspondence therefrom, but all the express restrictions herein contained about use of displays and signs shall nonetheless be and remain in full force and effect and prohibits such activity concerning any personal business or professional records or accounts. In accordance with the foregoing, the Lots shall be and are restricted exclusively to residential use and no trade or business of any kind other than as set forth hereinabove may be conducted in or from a Lot.

- (b) No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any part of the Property, other than non-exotic household pets. All pets shall be leashed when outside of the residential structure and patio area. No such pet shall be kept, bred, or maintained for any commercial purposes. The Board of Directors of the Association shall make reasonable rules and regulations for the accommodation of pets.
- (c) No fences, except those erected by the Developer, or enclosures of any type or nature whatsoever shall ever be constructed, erected, placed or maintained on any Lot within the Properties.
- (d) No vehicle repairs, other than emergency repairs or repairs of a minimal nature needed to be performed to move a vehicle off the properties shall be allowed on the Properties. The Association is expressly authorized to tow away, at an offending owner's expense, any vehicle referred to in this Section which is in violation hereof or in violation of the rules and regulations governing parking as may be adopted by the Board of Directors. No boats, boat trailers, campers, canoes, recreational vehicles, vehicles used primarily for recreational purposes, vehicles primarily used for commercial purposes, or vehicles with commercial writings on their exterior shall be stored, allowed to remain, or parked in the subdivision, except in an area, if any, designated by the Board of Directors or except as otherwise permitted by the Association's Board of Directors or Declarant.
- (e) Except as placed or erected by Declarant or his assigns, agents or successors, in respect to the sale, marketing, construction and improvement of the Lots, no sign, billboards, unsightly objects, or nuisances shall be erected, place, or permitted to remain on the Properties subject to this Declaration, nor shall such Properties be used in any way or for any purpose which may endanger the health or unreasonably disturb the Owner of any Lot thereof.
- (f) No offensive or unsightly appearance shall be maintained or allowed to exist upon the Properties, nor shall any trash, ashes or other refuse be thrown, placed, or dumped upon any Lot, nor shall anything ever be done which may be or become an annoyance or nuisance to the neighborhood. The Association shall have the right to require all owners to place trash and garbage in containers located in areas as may be designated by the

Association. No incinerators shall be kept or maintained on any Lot. All rubbish, trash, and garbage shall be regularly removed from the premises and shall not be allowed to accumulate thereon. Trash cans, garbage cans and other receptacles for trash and/or garbage shall be stored indoors or screened from view of any public street and/or sidewalk except for one day per week specifically for garbage and/or trash collection by a professional garbage and/or trash hauler.

(g) No machinery or equipment of any kind shall be placed, operated or maintained upon the Properties, except such machinery or equipment as is usual and customary in connection with the Declarant's sales, marketing, maintenance or construction of buildings, improvements or structures which are within the permitted uses of such Property, and except that which Declarant or the Association may require or permit for the operation and maintenance of the Common Area.

(h) No outside clothes lines or other outside facilities for drying or airing clothes shall be erected, placed or maintained on any of the Lots.

(i) No television antenna or radio receiver, satellite dish exceeding 18" in diameter, or other similar device shall be attached to or installed on any Lot, unless contained entirely within the interior of a dwelling or other structure, nor shall radio or television signals, nor any other form of electromagnetic radiation, be permitted to originate from any Lot, which may unreasonably interfere with the reception of television or radio signals within the Properties.

(j) No improper, offensive, or unlawful use shall be made on any part of the Properties. All valid laws, zoning ordinances, and regulations of all government bodies having jurisdiction over the subdivision shall be observed. Any violation of such laws, zoning ordinances or regulations shall be a violation of this Declaration.

(k) No salt or de-icing material shall be utilized, at any time, on any driveway, sidewalk, stoop or step within the Properties.

In addition to the restrictions above, the Association shall have the right to make and to enforce reasonable rules and regulations governing the use of the Lots.

## **ARTICLE VIII** Access

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

## **ARTICLE IX** Insurance

Section 1. Townhome Owner's All-Risk Insurance. Each Owner shall procure and maintain all-risk coverage insurance for the Owner's Lot and improvements thereon in amounts satisfactory to the Association. Proof of insurance shall be submitted annually to the Association according to the rules and regulations established by the Association.

Section 2. Liability Insurance. The Association shall purchase and provide general liability coverage insurance in such amounts as shall be determined from time to time by the Board of Directors of the Association. The Association may provide liability coverage insurance for the Association's Officers, and members of the Board of Directors. In addition, the Association may purchase such additional insurance against other hazards which may be deemed appropriate by the Board of Directors.

Section 3. Annual Review of Policies. All insurance policies shall be reviewed at least annually by the Board of Directors in order to ascertain whether the coverage contained in the policies is sufficient.

## **ARTICLE X** **Utility, Pipeline and Other Easements**

1. A perpetual easement is hereby reserved in favor of and granted to the Omaha Public Power District, Qwest, and any company which has been franchised to provide cable television system in the area to be subdivided, their successors and assigns, to erect, operate, maintain, repair and renew poles, wires, cables, conduits, and other related facilities, and to extend thereon wires or cables for the carrying and transmission of electric current for light, heat, and power and for the transmission of signals and sounds of all kinds including signals provided by a cable television system, and the reception on, over, through, under and across a five-foot (5') wide strip of land abutting all front and side boundary lot lines, except those side boundary lines which are occupied by the common wall between the duplex units; an eight-foot (8') wide strip of land abutting the rear boundary lines of all lots; and a sixteen-foot (16') wide strip of land abutting the rear boundary lines of all exterior lots. The term exterior lots is herein defined as those lots forming the outer perimeter of the above-described addition. Said sixteen-foot (16') wide easement will be reduced to an eight-foot (8') wide strip when the adjacent land is surveyed, platted and recorded, and a perpetual easement is hereby granted to the Metropolitan Utilities District, their successors and assigns, to erect, install, operate, maintain, repair and renew pipelines, hydrants and other related facilities, and to extend thereon pipes for the transmission of gas and water on, through, under and across a five-foot (5') wide strip of land abutting all cul-de-sac streets;

2. A permanent twenty (20') foot sanitary sewer and storm sewer easement has been reserved in favor of Sanitary and Improvement District No. 466 of Douglas County, Nebraska ("SID 466") and the City of Omaha encumbering Lots 24 and 25 of Cattail Creek Replat Two as reflected in the plat;

3. A permanent sanitary sewer easement has been reserved in favor of SID 466 and the City of Omaha encumbering Lots 22, 23 and 24 of Cattail Creek Replat Two as reflected in the plat;

4. A permanent sanitary sewer easement has been reserved encumbering Lots 16 and 17, Cattail Creek Replat Two as reflected in the easement document recorded of record in the office of the Douglas County Register of Deeds at Book 2177, Page 594;

5. A permanent sidewalk easement at all street intersection corner lots has been reserved in favor of SID 466 and the City of Omaha as reflected in the plat of Cattail Creek Replat Two; and

6. Other easements as may be provided for in a plat of any or all of the Properties or recorded of record as a separate document.

No permanent buildings or retaining walls shall be placed in the said easement ways, but the same may be used for gardens, shrubs, landscaping and other purposes that do not then or later interfere with the aforesaid uses or rights herein granted.

## ARTICLE XI

### 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.

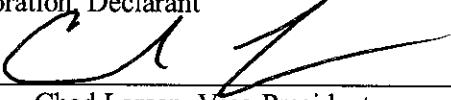
Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

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 the Declarant, in its sole and absolute discretion, or 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 may be annexed to the Properties by the Declarant or with the consent of two-thirds (2/3) of the members of the Association.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 31<sup>st</sup> day of JULY 2003.

CELEBRITY TOWNHOMES, INC., a Nebraska corporation, Declarant

By:   
Chad Larsen, Vice-President

State of Nebraska      )  
                            )  
                            ) ss.  
County of Douglas      )

Before me, a Notary Public, in and for said county and state, personally came Chad Larsen, Vice-President of Celebrity Townhomes, Inc., a Nebraska corporation, known to me to be the identical person who executed the above instrument and acknowledged the execution thereof to be his voluntary act and deed and the voluntary act and deed of said corporation.

  
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Notary Public

