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DOUGLAS COUNTY



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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

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

W I T N E S S E T H:

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

Lots 1 through 22, inclusive, and Outlots "A" and "B", of The Ranches, a subdivision located in Douglas County, Nebraska, as surveyed, platted and recorded;

WHEREAS, Declarant desires to make all of the above described property subject to the covenants, conditions and restrictions hereinafter set forth;

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

ARTICLE I  
DEFINITIONS

Section 1. "Association" shall mean and refer to THE RANCHES HOMEOWNERS, INC., a Nebraska nonprofit corporation, its successors and assigns.

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

(a) The record owner, whether on or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, but excluding those having such interest merely as security for the performance of an obligation or as an encumbrance upon the interest of the beneficial owner, and

(b) The purchaser, whether one or more persons or entities, under a recorded contract for the sale and purchase of a Lot, under which the Seller retains title solely as security for the performance of the purchasers obligation under the contract.

Section 3. "Properties" shall mean and refer to:

Lots 1 through 24, inclusive, of The Ranches, a subdivision located in Douglas County, 67-32067

ROBERT PETTEGREW  
220 NO 129th ST  
Omaha NE 68154

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Nebraska, as surveyed, platted and recorded,

together with any such additions thereto as may hereinafter be brought within the jurisdiction of the Association.

Section 4. "Lot" shall mean and refer to any platted Lot shown upon any recorded subdivision map of the Properties.

Section 5. "Improved Lot" shall mean and refer to any Lot included within the Properties upon which shall be erected a dwelling the construction of which shall be at least 80% completed according to the plans and specifications for construction of said dwellings.

Section 6. "Assessable Lot" shall mean and refer to any Improved Lot which the Board of Directors of the Association determines is entitled to the benefits for which assessments are levied by the Associations as provided in this instrument.

Section 7. "Declarant" shall mean and refer to all persons and entities signing this instrument, their successors and assigns.

Section 8. "Common Area" shall mean Outlots "A" and "B" which shall be owned by the Association for the common use and enjoyment of the Owners and which shall be used as a roadway and utility way to provide perpetual, nonexclusive means of vehicular and pedestrian access to the Properties and to provide area for the construction, installation, repair and maintenance of water, gas and sewer mains, power, storm sewer, telephone and other utility services to the Properties.

ARTICLE II  
PROPERTY RIGHTS

Section 1. The Association may suspend the voting rights of an Owner for any period during which any assessment against such Owner's Lot remains unpaid, and for any period not to exceed 60 days for any infraction by any such Owner, or members of such Owners family, or guests or tenants of such Owner, of the published rules and regulations of the Association.

Section 2. Parking Rights. Ownership of any Lot shall entitle the Owner or Owners thereof to such parking rights as shall be available upon such Lots. Off street parking, as delineated on the final plat shall be available to guests of all Owners and visitors to the area, but shall not be used as permanent parking by any Owner for extra vehicles of any type.

ARTICLE III  
MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Each Lot Owner is empowered to enforce the covenants. Membership shall be appurtenant to and shall not be separated from ownership of any Lot which is subject to any assessment.

Section 2. In order to insure that a quorum is present for all meetings of the members, and to allow for orderly management of the Association's affairs, it shall be the duty of each member to attend such meetings or execute and deliver to the Association a continuing proxy prepared by the Association. This continuing proxy shall operate in lieu of the actual attendance at the meeting by the specific member and shall be void if the member personally attends that meeting to exercise the members right to vote. A Lot Owner may provide a superseding proxy to be voted by his duly authorized attorney in fact for one specific meeting only. The proxy shall be subject to the terms of the Nebraska Nonprofit Corporation Act concerning revocability and life span of the proxy. Failure to attend personally or by proxy is a violation of this covenant.

The continuing proxy shall be voted by the President of the Association in his or her own discretion at any meeting. It is noted that Nebraska law requires that members holding 1/10th of the votes entitled to be cast represented in person or by proxy shall constitute a quorum. The continuing proxy shall provide on its face that it is valid on a continuous basis for an indefinite period of time until revoked in writing by the specific Lot Owner. All proxies shall be in writing and filed with the Secretary of the Association. Each proxy shall be freely revocable and shall automatically cease when the member giving such proxy shall cease to be an Owner of a Lot or at such earlier times as shall be specified in the proxy or by operation of law.

Section 3. The Association shall have two classes of voting members, Class A Members and Class B Members, defined as follows:

CLASS A: Class "A" members shall be all Owners, with the exception of the Declarant, Monterey, Inc., a Nebraska corporation. Each Class "A" member shall be entitled to one vote for each Lot owned. When there shall be more than one person or entity holding an interest in any Lot, all such persons or entities or both, shall be Members; provided however that the vote for such Lot shall be exercised as such persons or entities or both, shall determine, but in no event shall more than ONE vote be cast with respect to any one Lot.

CLASS B: Class "B" Members shall be the Declarant only, Monterey, Inc. or its successors and assigns which shall be entitled to (3) three votes for each Lot owned. The Class "B" membership shall terminate and be converted to Class "A" membership (with Monterey, Inc. or its successors and assigns then entitled to one vote for each Lot owned by the Declarant) upon the occurrence of the first of the following dates:

- (a) The date on which the total votes outstanding in the Class "A" membership shall equal the total votes outstanding in the Class "B" membership, or
- (b) January 1, 1999

ARTICLE IV  
COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant hereby covenants for each Assessable Lot and for Owners of any Assessable Lot, by acceptance of a deed therefore or by entering into a contract for the purchase thereof, whether or not it shall be so expressed in such deed or in such contract, that it is, and shall be, deemed to covenant and agree to pay to the Association.

- (1) Special assessments for capital improvements, and
- (2) Monthly assessments for exterior maintenance and other operational expenses with respect to each Assessable Lot as deemed necessary by the Association, and

as such assessments shall be established and collected as hereinafter provided. The special assessments and monthly assessments together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment shall be made. Each such assessment, together with interest costs and reasonable attorney's fees, shall also be the personal obligation of the Owner of the property at the time when the assessment became due. The personal obligation for delinquent assessments shall not pass to such Owner's successors in title, unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the health, safety, recreation and welfare of the residents in the Properties, for exterior maintenance, construction, reconstruction, repair and maintenance of the Common Area and the roadway serving utilities and improvements within the Common Area, and matters as more fully set out in Article V herein.

Section 3. Monthly Assessments. The Board of Directors shall have the authority to levy and assess from time to time against an Assessable Lot any monthly maintenance assessments for the purpose of meeting the requirements of Section 1 of Article V herein for exterior maintenance.

Section 4. Special Assessments for Capital Improvements. The Association may levy special assessments from time to time against an assessable Lot for the purpose of meeting the requirements of Section 2 of Article V herein for the costs of any construction, reconstruction, repair or replacement of any capital improvements on such Lot, including fixtures and personal property related thereto and within the Common Area, provided that any such assessment shall have the consent of two-thirds (2/3) of the votes of each class of membership, who shall vote in person or by proxy at a meeting duly called for such purpose.

Section 5. Notice and Quorum for any Action Authorized Under Section 1. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 and 4 of this Article IV shall be sent to all Members not less than 10 days nor more than 50 days in advance of such meeting. At the first such meeting called, the presence of Members, in person or by proxy, entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. Any such subsequent meeting shall be held within 60 days following the preceding meeting.

Section 6. Rate of Assessment. The monthly assessments shall be paid pro rata by owners of all Assessable Lots based upon the total number of Assessable Lots; provided, however, the Board of Directors of the Association may equitably adjust such prorations it determines that certain Assessable Lots on which all of the improvements are not yet completed do not receive all of the benefits for which such assessments are levied. The monthly assessments may be collected on a monthly or other periodic basis by the Association. The Board of Directors of the Association shall fix the amount of the monthly or other periodic assessments against each Assessable Lot. Written notice of the assessment shall be sent to every Owner subject thereto. The dates payments are due shall be established by the Board of Directors. The special assessments for capital improvements shall only be assessed against the Assessable Lot for which the costs of such construction, reconstruction, repair or replacement of any capital improvement occurs. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association, setting forth whether or not all assessments on a specified Assessable Lot have been paid. A properly executed certificate of the Association as to the status of assessments, on a particular Assessable Lot shall be binding upon the Association as of the date of its issue by the Association.

Section 7. Effect of Nonpayment of Assessment; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall be deemed delinquent and shall bear interest at the maximum legal rate allowed by law in the State of Nebraska. Should any assessment remain unpaid more than sixty (60) days after the due date, the Association may declare the entire unpaid portion of the said assessment for said year to be immediately due and payable and thereafter delinquent. The Association may bring an action at law against the Owner personally obligated to pay the same, or may foreclose the lien of such assessment against the property through proceedings in any court having jurisdiction of actions for the enforcement of such liens. No Owner may waive or otherwise escape liability for the assessments provided herein by abandonment or title transfer of such Owner's Lot.

Section 8. Subordination of the Lien to Mortgages. The lien on the assessments provided for herein shall be subordinate to the lien of any first mortgage, first deed of trust, or other initial purchase money security device, and the holder of any of these 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 the Board of Directors, may release the lien of any delinquent assessments on any Lot as to which the first mortgage, first deed of trust, or initial purchase money security device 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. The Association shall have the sole responsibility to collect all assessments due.

ARTICLE V  
EXTERIOR & COMMON AREA MAINTENANCE

The Association may provide exterior maintenance upon each Assessable Lot as set forth hereinafter and shall provide for the Maintenance, repair, snow removal and reconstruction to and for the roadway and utility improvements within the Common Area.

Section 1. Monthly assessments may be assessed for, but not limited to, the following:

- (a) Maintenance of trees and shrubs, lawns, and other exterior landscaping improvements as originally installed by the builder, except such improvements as may be within the confines of any fenced-in area on any Assessable Lot or installed by or at the direction of the Owner, which improvements shall be the responsibility of the Owner. The Owner understands that the original landscape as installed by the builder is warranted for a period of one (1) year from the time of planting. The Owner is responsible after the one (1) year period for replacement of all dead landscaping improvements and the Owner agrees to allow the Association to replace such dead landscaping improvements at the expense of the Owner of record at the time of replacement and the Owner shall reimburse the Association on demand. The Association shall have no duty to repair, replace or maintain any exterior concrete surfaces.
- (b) Operation and maintenance of an underground watering system.
- (c) Snow removal as to be determined by the guidelines set forth by the Board of Directors.
- (d) Optional exterior window cleaning as deemed necessary by the Board of Directors.
- (e) Maintenance, repair, snow removal and reconstruction for the roadway and utility improvements within the Common Areas.

Section 2. Special assessments may be assessed for, but are not limited to, the following:

- (a) Maintain, repair, and replace roofs.
- (b) Maintain, repair, including painting, of all exterior walls, with the exception that the Association shall not assume the duty to repair or replace any window or door glass. The Association shall not assume the duty to repair or replace any doors, door openers, or outside a/c condensing or heat pump units. However, the Association shall assume the duty to paint the exterior surfaces of exterior doors when done in conjunction with scheduled painting .
- (c) Maintain, repair, clean and replace gutters and downspouts.
- (b) Maintenance, repair, snow removal and reconstruction for the roadway and utility improvements within the Common Areas.

ARTICLE VI  
ARCHITECTURAL CONTROL

No building, fence, wall, or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition or change or alteration therein be made, nor shall any trees, shrubs, or plantings be planted or maintained upon the Properties, until the plans and specifications therefor, 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. Failure of the Board to act on such plans as submitted within 30 days from submission day shall be deemed to be approval, and the owner may proceed with their plan.

ARTICLE VII  
PARTY WALLS

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

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

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

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

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

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

ARTICLE VIII  
GENERAL RESTRICTIONS AND OTHER PROVISIONS

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

- (a) No fences or enclosures of any type or nature whatsoever shall be constructed, erected, placed or maintained on any Lot within the Properties, unless such fences or enclosures enclosures shall have first been authorized in writing by the Association. No clothes line or clothes hangers shall be constructed on any Lot or used on any Lot outside of a building located thereon. No exterior television or radio antenna shall be erected on any Lot within the Properties; provided however, that with the written approval of the Association, one or more master television antenna towers may be erected for the benefit and use of all or part of the Owners of the Properties.
- (b) No animals, livestock or poultry of any kind shall be raised or kept on any Lot in the Properties, other than non-exotic household pets, which shall be limited to one (1) per household. All pets shall be leashed when outside of the residential dwelling or patio area. No such pet shall be kept, bred or maintained for commercial purposes. No animals, livestock or poultry of any kind shall be raised or kept on any Lot in the Properties, other than household pets, which shall be limited to one (1) per household and which a household pet shall not exceed twenty (20) pounds in weight. All reptiles are classified as exotic pets. All unpleasantities created by the household pet shall be the responsibility of the Owner, and they shall be obligated to clean up after the animal.
- (c) No noxious, offensive, or illegal activity shall be carried on upon the Properties, nor shall any trash, ashes or other refuse be thrown, placed, or dumped upon any Lot, nor shall anything ever be done which may be or become an annoyance or nuisance to the neighborhood. No outside above-ground trash receptacle or incinerators shall be permitted on any Lot.
- (d) No advertising signs or billboards shall be permitted on any Lot with the exception of "for sale" signs, which shall not exceed four square feet in size. Nothing herein contained shall prevent the use of any Lot by the Declarant, its agents, and the Association as a sales and rental office, or as a model home or both, and while any Lot is so used, they shall have the right, for themselves, or their nominees, to place signs on the premises advertising such office or model home, or both.
- (e) No trailer, tent, shack, barn or other outbuilding shall at any time be used for human habitation, either temporarily or permanently. This shall not prevent the location of a temporary real estate and/ or construction office on any Lot in the Properties for use during the period of construction and sale of the properties.
- (f) The use of private barbecue grills and the outside use or storage of barbecue grills on any Lot may be subject to written regulations, restrictions or exclusions by the Association.
- (g) No awnings or sun screens of any type shall be affixed to any building or structure on any Lot without the written consent of the Association

ARTICLE IX  
INSURANCE

Section 1. The Association shall purchase and provide physical property insurance coverage with respect to the improvements (residential and related structures) in an amount equal to at least ninety (90%) percent of the full replacement value of the original improvements against losses by fire, lightning, wind storm and other perils covered by standard extended coverage endorsements. The full replacement value

of the original improvements is defined as the base price of the original structure excluding, but not limited to custom finished basements or any other improvements over the base original price. Insurance premiums are assessed uniformly based upon the base price of the original dwelling. Betterments done to the original dwelling and additional custom improvements shall not be covered by the Association's policy. The intent is to provide only coverage based only upon the basic purchase price excluding any custom betterments.

The Association shall also purchase and provide comprehensive general liability coverage insurance against any other hazards and in such amounts as shall be determined from time to time by the Board of Directors of the Association. The Association, in addition to the forgoing, shall provide Directors and Officers liability coverage insurance for the Association, for its Officers, and members of the Board of Directors. Finally, if the Association has any employees of any nature, the Association shall purchase and provide Worker's Compensation Insurance for all employees who may come within the scope of Nebraska Worker's Compensation Laws.

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

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

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

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

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



ARTICLE X  
ACCESS

The Association, its officers, employee 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 XI  
UTILITY METERS AND SERVICE LINES

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

ARTICLE XII  
GENERAL PROVISIONS

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

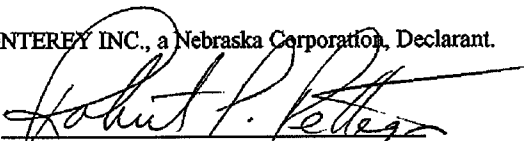
Section 2. Severability. Invalidation of any one or more of these covenants or restrictions, by judgment or court order, shall in no way affect any other provisions, which other provisions shall remain in full force and effect.

Section 3. Amendment. These declarations may be amended at any time during the initial twenty(20) year term referred to in Section 4, hereafter, by an instrument signed by the Owners of not less than ninety (90%) of the Lots then covered by these Declarations, and thereafter by an instrument signed by the Owners of not less than seventy-five percent (75%) of the Lots then covered by these Declarations. The Declarant shall have the right to amend these Declarations during the initial five year term referred to in Section 4 hereof. Any such amendments shall be valid only upon being recorded in the same manner as Deeds shall be recorded at such time.

Section 4. Term. These covenants and restrictions contained in this Declaration shall run with the land, and shall be binding for an initial term of twenty (20) years from the date these Declarations are recorded, after which time they shall be automatically extended for successive periods of ten (10) years each.

IN WITNESS WHEREOF, the undersigned, being the Decadents herein, have executed these Declarations of Covenants, Conditions and Restrictions this 11<sup>th</sup> day of MAY, 1995.

MONTEREY INC., a Nebraska Corporation, Declarant.

BY:   
ROBERT P. PETTEGREW, President

STATE OF NEBRASKA )  
                                  ) SS.  
COUNTY OF DOUGLAS)

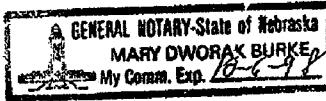
Before me the undersigned, a notary public, personally came Robert P. Pettegrew, to me personally known to be the President of Monterey, Inc., a Nebraska Corporation, and that he acknowledged the execution of the above to be his voluntary act and deed as President and that the execution of this document was duly authorized by the Board of Directors as the voluntary act and deed of such corporation.

WITNESS my hand and notary seal this 11<sup>th</sup> day of MAY, 1995.

*Mary Dworax Burke*  
Notary Public

My Commission Expires:

10-6-98





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RICHARD N. TAKECHI  
REGISTER OF DEEDS  
DOUGLAS COUNTY, NE

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 DEL \_\_\_\_\_ SCAN PW FV \_\_\_\_\_

Jim Long  
 11366 Weneport  
 Omaha, Ne  
 68154

AMENDMENT TO DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS

The undersigned, Monterey, Inc., a Nebraska corporation, hereinafter to as the "Declarant", pursuant to Article XII, Section 3 of the Declaration of Covenants, Conditions and Restrictions dated May 11, 1995 and recorded on December 12, 1996 in Book 1195, Page 562 of the Miscellaneous Records of the Register of Deeds, Douglas County, Nebraska (the "Covenants"), do hereby amend the Covenants as follows:

1. The property subject to the Covenants is described as follows:

*21 RFP*

Lots 1 through ~~24~~, inclusive, and Outlots "A" and "B", The Ranches, a subdivision in Douglas County, Nebraska, as surveyed, platted and recorded, and Lots 1 and 2, The Ranches Replat I, a replatting of Lot 22, The Ranches, a subdivision in Douglas County, Nebraska, as surveyed, platted and recorded.

2. The term "Properties" as set forth in Article I, Section 3, of the Covenants shall mean and refer to:

*21 RFP*

Lots 1 through ~~24~~, inclusive, The Ranches, a subdivision in Douglas County, Nebraska, and Lots 1 and 2, The Ranches Replat I, a replatting of Lot 22, The Ranches, a subdivision in Douglas County, Nebraska, together with any such additions thereto as may hereinafter be brought within the jurisdiction of the Association.

3. Article IX of the Covenants shall be replace in its entirety and amended to read as follows:

ARTICLE IX  
Insurance

Each Owner shall obtain, at their cost, property insurance coverage with respect to their Lot and the improvements on their Lot in an amount equal to at least 90 percent of the full replacement value of the original improvements against losses by fire, lightning, wind, storm and other perils covered by standard extended coverage endorsements. Each owner shall also obtain at their cost comprehensive general liability coverage insurance in such amounts as the Owner deems reasonable. The Association shall not provide property insurance or liability insurance for the Properties or the improvements thereon or insurance for any personal property of any Owner on any Lot, it being the owner's responsibility to provide such coverage for the Owner's protection.

The Association shall purchase and provide physical property insurance coverage with respect to the property and the improvements within the Common Area as

defined in Article I, Section 8, hereof in an amount determined by the Board of Directors of the Association against losses by fire, lightning, wind, storm and other perils covered by standard extended coverage endorsements. The Association shall also purchase and provide comprehensive general liability insurance coverage insuring the Association against claims by third parties and other hazards, including any claims relative to the Common Area, in such amounts as shall be determined from time to time by the Board of Directors of the Association. If the Board of Directors deems it necessary, the Association, in addition to the foregoing, may provide directors and officers liability coverage insurance for the Association, its officers, and members of its 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.

4. Except as otherwise amended herein, the Covenants shall remain in full force and effect as written.

IN WITNESS WHEREOF, the Declarant hereby executes and acknowledges these Amendments to the Declaration of Covenants, Conditions and Restrictions on this 10<sup>th</sup> day of Sept, 1997.

MONTEREY, INC., a Nebraska corporation,  
Declarant,

By: Robert P. Pettegrew  
Robert P. Pettegrew, President

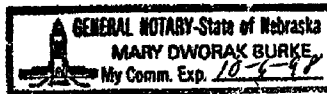
STATE OF NEBRASKA )  
COUNTY OF DOUGLAS ) ss.

Before me the undersigned, a notary public, personally came Robert P. Pettegrew, to me personally known to be the President of Monterey, Inc., a Nebraska corporation, and that he acknowledged the execution of the above to be his voluntary act and deed as President and that the execution of this document was duly authorized by the Board of Directors as the voluntary act and deed of such corporation.

WITNESS my hand and notary seal this 10 day of Sept, 1997.

Mary Burke  
Notary Public

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NOTARIAL SEAL AFFIXED  
REGISTER OF DEEDS