

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR SHANNON ESTATES
BLAIR, WASHINGTON COUNTY, NEBRASKA**

THIS DECLARATION made on the date hereinafter set forth by Frank J. Barrett and John F. Hogan, Hogan Family Partnership, hereinafter referred to as the "Declarants."

WHEREAS: Declarant is the owner and developer of certain real property known as Shannon Estates, legal description is attached, "Exhibit A".

WHEREAS: Declarant intends to develop the real estate described hereinabove for residential purposes and to sell fourteen (14) individual lots therein to third party purchasers for the construction of single family dwellings, and desires hereby to impose upon said real estate mutual and beneficial restrictions, covenants, conditions and charges under a general plan for the benefit of the owners of said real estate and future owners of the same.

NOW, THEREFORE, in consideration of the premises, Declarants, for himself, his successors, assignees and all future grantees, does hereby impose, create and place upon the real estate described hereinabove the reservations, conditions, covenants and restrictions (all of which are hereby termed "Restrictions") contained hereinbelow.

Declarant further declares that said real estate is held and shall be held, conveyed, hypothecated or encumbered, leased, rented, used and occupied subject to provisions of this Declaration, all for which is declared to be in furtherance of a plan for the development, improvement and sale of existing homes within said real estate and are established for the purpose of enhancing the value, desirability and attractiveness thereof.

The provisions of this Declaration are intended to create mutual equitable servitudes upon the real estate; to create reciprocal rights between the respective owners of individual lots therein; to create a privity of contract and estate between the grantees thereof, their heirs and assigns and shall, as to the owners of any interest in said real estate, their heirs, successors and assigns, operate as covenants running with the land for the benefit of each and all other owners of said real estate and this shall be so even if said restrictions are omitted from any deed or instrument of conveyance of said lands, or any part thereof,

The Restrictions contemplated by this Declaration are herewith stated to be as follows:

A. Each of said lots shall be used only for single-family residential purposes.

B. No structures shall be erected, altered, placed or permitted to remain on any "Residential Building" plot or lot, as hereinafter defined, other than one (1) "single-family dwelling" not to exceed two (2) stories in height with either an attached or detached private garage. No larger than 3-car garage is allowed. If the garage is detached, it must be set even with or behind the front of the dwelling. All garages must match the roof design, style and color of building material of the residential dwelling.

These covenants specifically exclude single-wide trailers.

However, the Declarant may allow exceptions to the provisions of this Restriction for the construction of lawn maintenance tool sheds, no larger than 10' x 12'. These structures shall be located in the rear yard and shall match the roof design, color and building material of the residential dwelling. Another exception would be the erection of a totally enclosed "Morton building" style structure, not to exceed 15' (fifteen feet) in height, and size not to exceed 40 feet by 25 feet.

C. No lot as originally platted shall be used as a building plot if it has been reduced below its original platted width; provided that parts of two or more platted lots may be combined into one larger lot.

D. No noxious or offensive trade or activity shall be carried on upon any plot, nor shall anything be done therein which may be, or become, an annoyance or nuisance to the neighborhood. No posters or advertising signs of any kind except residential "For Sale" signs or "Open House" signs shall be permitted, placed or permitted on any lot.

No outside above-ground trash or garbage piles, burners, receptacles or incinerators shall be erected, placed or permitted on any building lot except where allowed by Washington County. Trash containers shall be screened from view from other lots in the Subdivision except on the day trash is collected. Satellite dishes whether attached to the home or placed upon the lot shall be allowed. Any fuel tank line must be buried beneath ground level.

E. There shall be no trailer or basement used as a dwelling on the premises, nor any shack, garage, barn or other outbuilding erected on said real estate without permits from the city/county building inspector. All garages must match roof design, color and building material of the residential dwelling on each lot.

F. Prior to commencement of construction of any structures, the plans and specifications therefore (including elevations) must be submitted to and approved in writing by the Declarants or their representatives.

The ground floor enclosed living area of main residence, shall be not less than the following minimum sizes:

- (1) A ranch-style home, not less than 1500 square feet;
- (2) A split-entry or raised ranch not less than 1800 square feet;
- (3) A two-story home, not less than 2000 square feet

All residential dwellings shall have a full basement, with the except of split-entry dwellings. Those shall have a minimum 50% basement.

All finished living space shall be on or above grade. Grade shall be defined as "the grade of the front yard". Finished space shall not include "walk-out basement space". Any exposed concrete or concrete block foundation must be covered with brick or rock on the front and painted on the other three sides to match the color of the home.

All exterior finish on new construction shall be either vinyl or steel siding, brick or wood lap siding.

All purchasers must connect their water line to the city water line hookup that is available to each lot at their own expense. Declarants also reserve the right to be able to tap into this water line for possible future development of other property that is adjacent and owned by the Declarants.

All new construction must install their own septic according to county codes.

H. All buildings shall be located in accordance with applicable zoning regulations.

I. Side and rear fences shall not exceed six feet (6') in height. Front fences shall not exceed forty-two inches (42") in height and must be at least 50% open. Chain link fencing is allowed.

J. Customary house pets may be kept limited to one (1) dog and two (2) cats per household. Care shall be taken to keep these pets within the confines of one's own property. Animals other than customary house pets and one horse per lot are specifically prohibited, except where more than three acres are owned. Two (2) horses are allowed on lots of three to ten acres, and three (3) horses shall be allowed on those acreages of 10.01 or more.

K. No semi-trailer, camper, recreational vehicle, boats or similar vehicles shall be stored or maintained on the premises unless enclosed in a garage. No repair of boats, campers, automobiles, trucks, motorcycles or similar vehicles will be permitted outside of the garage on any lot for any longer than forth-eight (48) hours.

L. All lots shall be kept free of rubbish, debris, merchandise and building material; however, building materials may be placed on lots when construction is started on the main residential structure intended for such lot. In addition, vacant lots where capital improvements have not yet been installed shall not be used for dumping of earth or any other waste material. No weeds or grass shall be allowed to reach more than a maximum height of eight inches (8"). No field crops shall be grown upon any lot at any time. Vegetable gardens shall be allowed.

M. All lots shall be built upon within two (2) years after purchase.

N. A dwelling on which construction has begun must be completed within one (1) year from the date the Building Permit was issued for said dwelling.

O. All sewer systems must be installed so as to comply with the existing State/County Health Codes. Such systems must be inspected during installation by an appropriately designated Health Inspector. Where septic tanks are used, they must be maintained in good condition and laterals buried in such a manner that there will be no surface drainage and be so constructed as to comply with the regulations established by the Nebraska Department of Health.

P. Excavation. All excavations, including utility trenches, shall be kept filled, compacted, and maintained by the owner of each lot and in no event shall the undersigned or its agents and associated entities become liable for such work or maintenance or any other claims arising from such excavations. No material other than earth, sand, rock or gravel shall be used as fill or backfill on any lot.

Q. All telephone, electrical power service lines, cable television and gas lines from property line to dwelling shall be underground.

R. All firewood must be cut, stacked and stored within a frame no higher than four feet (4') by four feet (4') and no less than eight inches (8") off the ground. It must be located a minimum of fifty feet (50') from any existing structure.

S. Any pool, whether inground or above ground, shall be located in a fenced area and must be kept locked when not in use.

T. An S.I.D. shall be formed by the Declarants and yearly assessments shall be charged, commencing January, 1996, for the purpose of installing and maintaining city water; inspecting the lift station for the water; to construct and maintain private roads. Fees shall be \$300.00 per year per lot and may be increased only if expenses for maintainance exceed the amounts collected. Overages shall be covered in equal amounts per lot. Declarants shall be named Trustees to serve as a Board of Trustees until successors are elected.

U. Lots 1-14 are subject to an engineered drainage design which accommodates Shannon Estates Subdivision and complies with City regulations. Each lot owner is charged with knowledge of the drainage design and may not alter the same. Each lot owner shall maintain the drainage system located on their individual lot and preserve the integrity of the drainage design. Any lot owner who alters, changes or destroys this design shall be liable for any damages that occur because of said alteration, change or destruction.

V. Exterior lighting and alarms installed on any lot shall either be indirect or of such a controlled focus and intensity as not to disturb the residents of adjacent lots. Any audible alarm system shall be set to sound for no longer than five (5) minutes.

W. Mailboxes shall be mounted on a wooden post or masonry setting and be of a design satisfactory to the U.S. Postal Service and complying with the general statement.

X. DO NOT DISTURB AREAS--Each lot owner shall be prohibited from removing trees within a minimum of 50 feet from the back or sides of their lot line. Said restriction shall **NOT** apply to fallen trees, diseases or damaged trees and tree removal necessary to facilitate sound forestation techniques and principles. The Board of Trustees shall be responsible for enforcement and control of this provision.

In addition to the tree removal provisions specified above, the following lots will be further restricted to tree removal that utilizes sound forestry techniques and principles using the distances from the property lines as outlined below:

Lot 1: 75 feet from west line, 75 feet from south line.

Lot 2: 75 feet from south line

Lot 3: 75 feet from south line

Lot 5: 100 feet from south line

Lot 6: 100 feet from south line

Lot 7: 100 feet from south line, 100 feet from east line

Lot 8: 100 feet from east line, 100 feet from north line

Lot 9: 100 feet from north line

Lot 10: 100 feet from north line

Lot 11: 100 feet from north line

Lot 13: 54 feet from north lot line (neighbors well is 46' from north lot line--there must be no contamination within 100')

EXHIBIT "A"

All of Tax Lot 29 lying in the S1/2 N1/4 of Section 29, Township 18 North, Range 12 East of the 6th Principal Meridian, Washington County, Nebraska and more particularly described as follows: Beginning at the center of said Section 29, T 18 N, R 12 E; thence N 00°19'17" W (Assumed Bearing) along the West line of the NE1/4 of said Section 29 a distance of 1027.49 feet to the NW Corner of Tax Lot 29 in said Section 29; thence along the Northerly line of said Tax Lot 29 as follows:

N 89°41'08" E a distance of 1409.47 feet;
S 82°00'26" E a distance of 725.03 feet;
S 38°12'09" E a distance of 830.80 feet to a point on the East line of said NE1/4; thence S 00°12'42" E along said East line a distance of 280.63 feet to the E1/4 Corner of said Section 29; thence S 89°58'50" W along the South line of said NE1/4 a distance of 2636.51 feet to the Point of Beginning and containing 56.68 Acres more or less.

FILED
US-2 PM 12:39
REGISTERED
WASHINGTON COUNTY
NEBRASKA

**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS**

For the purpose of providing adequate restrictive covenants for the mutual benefit of ourselves and successors in title to the property know as Shannon Estates and located in Washington County, Nebraska, which is more particularly described as:

Lots 1 through 14, all inclusive, in SHANNON ESTATES, a subdivision in Washington County, Nebraska, surveyed, platted and recorded;

we do hereby declare 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, transferees, grantees, successors and assigns, to-wit:

1. Any and all lots shall be known and designated as residential building plots. No structures shall be erected, altered, placed or permitted to remain on any residential building plot other than one detached single-family dwelling not to exceed two and one-half stories in height and other out-buildings incidental to residential use of the plot. Underground dwellings and one-story dwellings will contain not less than 1500 square feet of living area excluding garage. Multi-story and split level dwellings shall contain not less than 1800 square feet of living area excluding garage. Any structure must be completed within one year from the date that the building permit for same is issued. No mobile homes, modular homes, or prefabricated homes shall be permitted at any time.
2. No residential building lot shall be re-subdivided into building plots of a size less than originally purchased, unless first approved by the Developer.
3. No noxious or offensive activity shall be carried on upon any lot.
4. No structure of temporary character, tent, shack, barn or other outbuilding shall be used on any tract at any time, as a residence either temporary or permanent, and no structure previously used shall be moved onto any tract.
5. Lots of 2.99 acres or more in size shall be allowed no animals, other than horses, beef animals, fowl, dogs, cats or other household pets. On lots less than 2.99 acres in size, no animals other than dogs, cats or other household pets may be kept.
6. No trash, junk cars, or other refuse may be thrown or dumped on any lot. Each owner of a vacant lot is required to keep said lot in presentable condition and all refuse must be hauled away for disposal. No trash or garbage containers shall be visible from the roads.
7. Septic tanks must conform to Minimum State Health Department regulations and shall be constructed in accordance with the recommendation called for as a result of a percolation

test. It shall be necessary for the contractor, or contractor-builder, prior to covering any septic system, to notify the County Building Inspector that the septic system is ready for final inspection.

8. The sale of fifty percent (50%) of all of the Lots by Developer will cause the organization of a non-profit property owners corporation ("Association") under the laws of the State of Nebraska, formed for the purpose of providing (i) the maintenance, repair, and improvement of the Streets and Roadways within the Subdivision, and (ii) for the maintenance, repair, and improvement of the surface drainage improvements. Upon the formation of such organization, the Developer shall transfer, convey, and assign all of his interest, in the Streets and Roadways and Surface Drainage Improvements as they appear on the plat of said Subdivision to such Association.

The Streets and Roadways and Surface Drainage Improvements are presently dedicated to the public and have not been accepted by any governmental subdivision. The Association shall forever have the sole responsibility, and at their cost, to repair and maintain all Streets and Roadways and Surface Drainage Improvements within the Subdivision, and to hold the public, the State of Nebraska, or any of its political subdivisions, harmless from the same.

The Association shall purchase and provide liability insurance for the Association and for its members with respect to the Streets and Roadways and Surface Drainage Improvements only, any such liability insurance for the protection of the Owners of any Lots being the responsibility of each Owner.

The Association shall, on an annual basis, project the cost and expense it anticipates will be incurred to perform the duties and obligations of the Association under these covenants and under its Articles of Incorporation and Bylaws. Such projected costs shall be assessed equally against all Lots in the Subdivision. An invoice for such amount shall be sent to the owner of each lot annually, on or close to the same date each year.

9. There shall be no private well drilled on the property or any part thereof except when the water is to be used for closed loop water circulating heat pumps. No other use shall be permitted or allowed for such wells. The purchaser of any lot must pay to Developer, its successors and assigns, at closing, a \$950.00 per lot hook up fee.
10. In addition to the covenants enumerated herein, the above-described property shall be subject to all applicable zoning and subdivision ordinances, rules and regulations of Washington County, Nebraska, and any other political subdivision having jurisdiction over Shannon Estates.
11. These covenants are to run with the land and shall be binding on all parties and all persons claiming under them until June 1, 2009, at which time said covenants shall be automatically extended for successive periods of ten years, except that, at any time an instrument, signed by a majority of the then owners of said property (majority being determined by number of lots owned) agreeing to change said covenants in whole or in part, has been recorded.

- 12. If the parties hereto, or any of them, or their heirs or assign shall violate any of the covenants herein, it shall be lawful for any person or persons owning any of the above-described property to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any such covenant to either prevent him or them from so doing or recover damages for such violation.
- 13. Invalidation of any one of these covenants by judgment or court order shall in no way affect any of the provisions, which shall remain in full force and effect.

Executed: 8-2-99

McGowan - Fleming Properties, Inc., a
Nebraska Corporation,

By Dean Fleming
Its Vice President

STATE OF NEBRASKA COUNTY OF WASHINGTON) SS 993806
 ENTERED IN NUMERICAL INDEX AND FILED FOR RECORD
 THIS 2nd DAY OF August A.D. 19 99
 AT 12:38 O'CLOCK PM AND RECORDED IN BOOK
305 AT PAGE 703-705
 COUNTY CLERK Charlatie L. Petersen
 Deputy Karen Madson

Recorded ✓
 General ✓
 Numerical ✓
 Photostat ✓
 Proofed ✓

FILED

After recording, return to:
McGowan - Fleming Properties, Inc.
P.O. Box 521
Fort Calhoun, NE 68023

99 SEP -8 AM 9:23

CHARLOTTE L. PETERSEN
WASHINGTON COUNTY CLERK
CLARK, NEBR.

AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

For the purpose of providing adequate restrictive covenants for the mutual benefit of ourselves and successors in title to the property know as Shannon Estates and located in Washington County, Nebraska, which is more particularly described as:

Lots 1 through 14, all inclusive, in SHANNON ESTATES, a subdivision in Washington County, Nebraska, surveyed, platted and recorded;

we do hereby declare 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, transferees, grantees, successors and assigns, to-wit:

1. Any and all lots shall be known and designated as residential building plots. No structures shall be erected, altered, placed or permitted to remain on any residential building plot other than one detached single-family dwelling not to exceed two and one-half stories in height and other out-buildings incidental to residential use of the plot. Underground dwellings and one-story dwellings will contain not less than 1500 square feet of living area excluding garage. Multi-story and split level dwellings shall contain not less than 1800 square feet of living area excluding garage. Any structure must be completed within one year from the date that the building permit for same is issued. No mobile homes, modular homes, or prefabricated homes shall be permitted at any time.
2. No residential building lot shall be re-subdivided into building plots of a size less than originally purchased, unless first approved by the Developer.
3. No noxious or offensive activity shall be carried on upon any lot.
4. No structure of temporary character, tent, shack, barn or other outbuilding shall be used on any tract at any time, as a residence either temporary or permanent, and no structure previously used shall be moved onto any tract.
5. Lots of 2.99 acres or more in size shall be allowed no animals, other than horses, beef animals, fowl, dogs, cats or other household pets. On lots less than 2.99 acres in size, no animals other than dogs, cats or other household pets may be kept.

994434

STATE OF NEBRASKA COUNTY OF WASHINGTON) SS
ENTERED IN NUMERICAL INDEX AND FILED FOR RECORD
THIS 8th DAY OF September A.D. 19 99
AT 9:23 O'CLOCK A.M. AND RECORDED IN BOOK
307 AT PAGE 548-550
COUNTY CLERK Charlotte L. Petersen
DEPUTY Karen Madson

Recorded	<u> </u>
General	<u> </u>
Numerical	<u> </u>
Photostat	<u> </u>
Proofer	<u> </u>

548

6. No trash, junk cars, or other refuse may be thrown or dumped on any lot. Each owner of a vacant lot is required to keep said lot in presentable condition and all refuse must be hauled away for disposal. No trash or garbage containers shall be visible from the roads.
7. Septic tanks must conform to Minimum State Health Department regulations and shall be constructed in accordance with the recommendation called for as a result of a percolation test. It shall be necessary for the contractor, or contractor-builder, prior to covering any septic system, to notify the County Building Inspector that the septic system is ready for final inspection.
8. The sale of fifty percent (50%) of all of the Lots by Developer will cause the organization of a non-profit property owners corporation ("Association") under the laws of the State of Nebraska, formed for the purpose of providing (i) the maintenance, repair, and improvement of the Streets and Roadways within the Subdivision, and (ii) for the maintenance, repair, and improvement of the surface drainage improvements. Upon the formation of such organization, the Developer shall transfer, convey, and assign all of his interest, in the Streets and Roadways and Surface Drainage Improvements as they appear on the plat of said Subdivision to such Association.

The Streets and Roadways and Surface Drainage Improvements are presently dedicated to the public and have not been accepted by any governmental subdivision. The Association shall forever have the sole responsibility, and at their cost, to repair and maintain all Streets and Roadways and Surface Drainage Improvements within the Subdivision, and to hold the public, the State of Nebraska, or any of its political subdivisions, harmless from the same.

The Association shall purchase and provide liability insurance for the Association and for its members with respect to the Streets and Roadways and Surface Drainage Improvements only, any such liability insurance for the protection of the Owners of any Lots being the responsibility of each Owner.

The Association shall, on an annual basis, project the cost and expense it anticipates will be incurred to perform the duties and obligations of the Association under these covenants and under its Articles of Incorporation and Bylaws. Such projected costs shall be assessed equally against all Lots in the Subdivision. An invoice for such amount shall be sent to the owner of each lot annually, on or close to the same date each year.

9. There shall be no private well drilled on the property or any part thereof except when the water is to be used for closed loop water circulating heat pumps. No other use shall be permitted or allowed for such wells. The purchaser of any lot must pay to Developer, its successors and assigns, at closing, a \$950.00 per lot hook up fee.
10. In addition to the covenants enumerated herein, the above-described property shall be subject to all applicable zoning and subdivision ordinances, rules and regulations of Washington County, Nebraska, and any other political subdivision having jurisdiction over Shannon Estates.

- 11. These covenants are to run with the land and shall be binding on all parties and all persons claiming under them until June 1, 2009, at which time said covenants shall be automatically extended for successive periods of ten years, except that, at any time an instrument, signed by a majority of the then owners of said property (majority being determined by number of lots owned) agreeing to change said covenants in whole or in part, has been recorded.
- 12. If the parties hereto, or any of them, or their heirs or assign shall violate any of the covenants herein, it shall be lawful for any person or persons owning any of the above-described property to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any such covenant to either prevent him or them from so doing or recover damages for such violation.
- 13. Invalidation of any one of these covenants by judgment or court order shall in no way affect any of the provisions, which shall remain in full force and effect.
- 14. These Amended and Restated Declaration of Covenants, Conditions and Restrictions replace previous Covenants filed March 8th, 1996 in Record Book 250, pages 416-419 and Covenants filed August 2nd, 1999 in Record Book 305, pages 703-705, which shall no longer be of any separate force and effect and are hereby rescinded, except for owners of lots previously sold who did not join in these Amended and Restated Declaration of Covenants, Conditions and Restrictions, but are rescinded to all other lots in said subdivision.

Executed this 7th day of Sept, 1999:

McGowan - Fleming Properties, Inc., a Nebraska Corporation,

By John M. McGowan
John M. McGowan, President

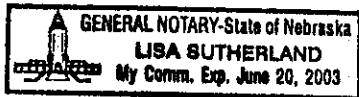
By Dean R. Fleming
Dean R. Fleming, Vice President

STATE OF NEBRASKA)

COUNTY OF WASHINGTON) ss

On this 7 day of September, 1999, before me, a notary public in and for said county, personally appeared John M. McGowan, President and Dean R. Fleming, Vice President of McGowan - Fleming Properties, Inc., who executed the foregoing instrument for the purposes therein contained and acknowledged same to be their voluntary acts and deeds.

IN WITNESS WHEREOF, I hereunto set my hand and official seal



Lisa Sutherland
NOTARY PUBLIC

20002382
STATE OF NEBRASKA COUNTY OF WASHINGTON
ENTERED IN RECORD INDEX AND FILED FOR RECORD
THIS 16th DAY OF June A.D. 2000
AT 2:14 O'CLOCK P.M. AND RECORDED IN BOOK
319 AT PAGE 20-43
COUNTY CLERK Charlotte J. Peterson
DEPUTY Karen Madson

25

00 JUN 16 PM 2:14

RECORDED
INDEXED

**DECLARATION
OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS**

THIS DECLARATION, made on the date hereinafter set forth by McGOWAN-FLEMING PROPERTIES, INC., a Nebraska corporation ("McGOWAN-FLEMING"), SEAN C. KELLY and TERRI L. KELLY, Husband and Wife ("KELLY"), ROGER E. McCULLOUGH and KATHY J. McCULLOUGH, Husband and Wife ("McCULLOUGH"), MARK D. KATS and GALE L. KATS, Husband and Wife ("KATS"), JOHN F. KARLS and ANN M. KARLS, Husband and Wife ("KARLS"), JAMES H. GILBERT, SR. and BONNIE L. GILBERT, Husband and Wife ("GILBERT"), and STEVEN D. CASTO and KIMBERLY A. CASTO, Husband and Wife ("CASTO"), hereinafter collectively referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property (hereinafter the "Property") located in Washington County, Nebraska more particularly described as:

Lots 1 through 14, Shannon Estates, a Subdivision of Tax Lot 29 lying in the South Half of the Northeast Quarter of Section 29, Township 18 North, Range 12 East of the 6th P.M., Washington County, Nebraska (hereinafter "Lot" Individually, and "Lots" collectively); and

Specifically, McGOWAN-FLEMING is the owner of Lot 1, Lot 2, Lot 3, Lot 4, Lot 11, Lot 13, and Lot 14; CASTO is the owner of Lot 5; KELLY is the owner of Lot 6; McCULLOUGH is the owner of lot 7; KATS is the owner of Lot 8 and 9; GILBERT is the owner of Lot 10; and KARLS is the owner of Lot 12; and

WHEREAS the Property has been developed by McGOWAN-FLEMING for residential purposes with the intention of selling the Lots therein to third party purchasers for the construction of single family dwellings, and the Declarant desires to impose upon the Property mutual and beneficial restrictions, covenants, conditions, easements, and charges under a general plan for the benefit of the owners of the Property and future owners of same.

NOW, THEREFORE, in consideration of the premises, Declarant, for itself, its successors and assigns and all future grantees, does hereby impose, create and place upon the Property the reservations, conditions, covenants, restrictions, and easements (all of which are hereby termed "Covenants" and/or "Restrictions") contained hereinbelow.

- 1 -

25

Recorded
General
Numerical
Photostat
Proofed

Declarant further declares that the Property is held and shall be held, conveyed, hypothecated or encumbered, leased, rented, used and occupied subject to provisions of this Declaration, all for which are declared to be in furtherance of a plan for the development, improvement and sale of single-family dwellings within the Property and are established for the purpose of enhancing the value, desirability and attractiveness thereof.

The provisions of this Declaration are intended to create mutual equitable servitudes upon the Property; to create reciprocal rights between the respective owners of individual Tracts therein; to create a privity of contract and estate between the grantees thereof, their heirs, successors, and assigns, and shall, as to the owners of any interest in the Property, their heirs, successors and assigns, operate as covenants running with the land for the benefit of each and all other owners of the Property and this shall be so even if said covenants are omitted from any deed or instrument of conveyance of the Property, or any part thereof.

ARTICLE I. DEFINITIONS

SECTION 1. "Property Owners Association" shall mean and refer to SHANNON ESTATES PROPERTY OWNERS ASSOCIATION, its successors and assigns. Declarant has heretofore caused or will cause to be organized the Property Owners Association as a non-profit corporation under the laws of the State of Nebraska, having as its members each owner of a Lot. The purpose of the Property Owners Association is to provide (i) for the maintenance, repair, and improvement of the Roadways within the Property and (ii) for the maintenance, preservation and control of the dwelling amenities within the Property.

SECTION 2. "Water System Association" shall mean and refer to SHANNON PROPERTIES WATER SYSTEM ASSOCIATION, its successors and assigns, Declarant has heretofore caused or will cause to be organized the Water System Association as a non-profit corporation under the laws of the State of Nebraska, having as its members each owner of a Lot and each owner of any of Tracts 1 through 9 as surveyed, platted and recorded, of Tax Tract 27 lying in the Northwest Quarter of the Northeast Quarter of Section 29, Township 18 North, Range 12 East of the 6th P.M., Washington County, Nebraska (hereinafter "Shannon Tracts"). The purpose of the Water System Association is to provide (i) for owning and operating the water supply system, (ii) for maintaining, repairing, replacing, and improving the water supply system, (iii) for collecting and/or holding any charges for connecting to the water supply system, (iv) for billing and collecting for water supplied through the water supply system, as well as charges for electrical use in supplying same, for and to the Lots and for and to Shannon Tracts.

SECTION 3. "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 Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation, but including mortgagees in possession and receivers or trustees in bankruptcy.

SECTION 4. "Property" shall mean and refer to Lots 1 through 14, Shannon Estates, a Subdivision of Tax Lot 29 lying in the South Half of the Northeast Quarter of Section 29, Township 18 North, Range 12 East of the 6th P.M., Washington County, Nebraska, and such additions thereto as many hereafter be brought within the jurisdiction of the Property Owners Association.

SECTION 5. "Roadways" shall mean and refer to Greeley Avenue and O'Neill Circle as shown upon the Shannon Estates Final Plat filed for record in Washington County, a copy of which Final Plat is attached hereto as Exhibit "A" and by this reference incorporated herein.

SECTION 6. "Lot" shall mean and refer to any one of Lots 1 through 14, Shannon Estates, a Subdivision of Tax Lot 29 lying in the South Half of the Northeast Quarter of Section 29, Township 18 North, Range 12 East of the 6th P.M., Washington County, Nebraska.

SECTION 7. "Declarant" shall mean and refer to McGOWAN-FLEMING PROPERTIES, INC., a Nebraska corporation, SEAN C. KELLY and TERRI L. KELLY, Husband and Wife, ROGER E. McCULLOUGH and KATHY J. McCULLOUGH, Husband and Wife, MARK D. KATS AND GALE L. KATS, Husband and Wife, JOHN F. KARLS and ANN M. KARLS, Husband and Wife, JAMES H. GILBERT, SR. and BONNIE L. GILBERT, Husband and Wife, and STEVEN D. CASTO and KIMBERLY A. CASTO, Husband and Wife, its/their successors, assigns and legal representatives.

SECTION 8. "Improved Lot" shall mean and refer to any Lot of the Property upon which shall be erected a dwelling, the construction of which shall be at least 80% complete, according to the plans and specifications for construction of said dwelling. All other Lots which shall be vacant or upon which shall be erected a dwelling, the construction of which shall be less than 80% complete, according to the plans and specifications for construction and said dwelling, shall be defined as "Unimproved Lots".

SECTION 9. "Water Supply System" shall mean and refer to any improvements for the supply of potable water to the Lots and to SHANNON TRACTS in accordance with plans and specifications approved by the State of Nebraska.

ARTICLE II. PROPERTY RIGHTS

SECTION 1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to (I) the Roadways and (ii) Water Supply System which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

A. The right of the Property Owners Association to suspend the voting rights of any Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of the By-Laws and/or the published rules and regulations of the Property Owners Association;

B. The right of the Water System Association to suspend the voting rights of any Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of the By-Laws and/or the published rules and regulations of the Water System Association;

C. The right of the Property Owners Association to dedicate or transfer all or any part of the Roadways 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 (2/3) of each class of members has been recorded.

D. The right of the Water System Association to dedicate or transfer all or any part of the Water Supply System 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 (2/3) of each class of members has been recorded.

E. The Roadways are not public county roads and they are not presently dedicated to the public nor have they been accepted by any governmental subdivision. They shall remain the property of the Declarant or the Association, as the case may be, until such time, if ever, that there will be an annexation of the Property by the City of Blair, and an accompanying dedication and acceptance by the City of Blair. Inclusion of dedication language upon any plat filed with the County Clerk of Washington County, Nebraska, shall not effect a change, estoppel or waiver of the foregoing.

F. The Water Supply System is not presently dedicated to the public nor has it been accepted by any governmental subdivision. It shall remain the property of the Declarant or the Association, as the case may be, until such time, if ever, that there will be an annexation of the Water Supply System by the City of Blair, and an accompanying dedication and acceptance by the City of Blair. Inclusion of dedication language upon any development plat filed with the County Clerk of Washington County, Nebraska, shall not effect a change, estoppel or waiver of the foregoing.

G. The Property Owners Association, as successor to the Declarant, shall forever and until annexation have the sole responsibility, and at its cost, to repair and maintain the Roadways within the Property, and to hold the public, the State of Nebraska, or any of its political subdivisions, harmless from the same.

H. The Water System Association, as successor to the Declarant, shall forever and until annexation have the sole responsibility, and at its cost, to repair and maintain the Water Supply System within and without the Property, and to hold the public, the State of Nebraska, or any of its political subdivisions, harmless from the same.

SECTION 2. Delegation of Use. Any Owner may delegate: (i) in accordance with the By-Laws of the Property Owners Association, his right of enjoyment to the Roadways to the members of his family, his tenants, or contract purchasers who reside on the Lots, and (ii) in accordance with the By-Laws of the Water System Association, his right of enjoyment to the Water Supply System to the members of his family, his tenants, or contract purchasers who reside on the Lots.

ARTICLE III. MEMBERSHIP AND VOTING RIGHTS

SECTION 1. Membership. Every Owner of a Lot which is subject to assessment shall be (i) a member of the Property Owners Association and (ii) a member of the Water System Association. Membership in both the Property Owners Association and the Water System Association shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

SECTION 2. Voting Rights. Members of the Property Owners Association and the Water System Association 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, however, there shall be only one vote per Lot, and in no event shall more than one vote for either Property Owners Association or Water Supply Association matters be cast with respect to any Lot. Accordingly, if two or more persons are members from a Lot, their acts with respect to voting shall have the following effect: (i) if only one votes, such act binds all; and (ii) if more than one votes, the vote shall be divided on a pro rata basis.

ARTICLE IV. COVENANT FOR ROADWAYS MAINTENANCE ASSESSMENTS.

SECTION 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Property, hereby covenants and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so

expressed in such deed, is deemed to covenant and agree to pay to the Property Owners Association:

- A. Annual assessments or charges; and
- B. Special assessments for improvements, such assessments to be established and collected as hereinafter provided.

The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. 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 Lot 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 for the maintenance, repair, replacement, and improvement of the Roadways, including, but not limited to, expenses for grading, rock, drainage structures, culverts, snow removal, hard surfacing, etc., as well as insurance coverages associated therewith.

SECTION 3. Maximum Annual Assessment. Until January 1, 2001, the maximum annual assessment shall be Two Hundred Dollars (\$200.00) per Lot.

A. From and after January 1, 2001, the annual assessment may be increased by not more than Ten Dollars (\$10.00) per year over the annual assessment of the preceding year unless otherwise agreed by a vote of two-thirds (2/3) of each group of members who are voting by person or proxy at a meeting duly called for this purpose.

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

SECTION 4. Special Assessments for 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, replacement, or improvement to the Roadways; 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 by person or proxy at a meeting duly called for this purpose.

SECTION 5. Notice and Quorum for any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4

shall be sent to all members not less than thirty (30) days nor more than fifty (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 sixty (60) days following the preceding meeting.

SECTION 6. Uniform Rate of Assessment. Both annual and special assessments, with respect to all improved Lots, shall be uniform in amount. In recognition of the fact that substantially all of the budget for the Association will be as a result of the use of the Roadways by Owners of Improved Lots as opposed to Unimproved Lots, the regular assessment for each Unimproved Lot will be equal to ten percent (10%) of the regular assessment due for each Improved Lot. Said assessment may be collected on a monthly basis.

SECTION 7. Date of Commencement of Annual Assessments: Due Dates. The Annual Assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Roadways to the Property Owners Association. 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 not less than thirty (30) days in advance of the first month in which such Annual Assessment is to take effect. Written notice of the Annual Assessment shall be sent to every Owner subject thereto. The due date of the Annual Assessment shall be established by the Board of Directors. The Property Owners Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Property Owners Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Property Owners Association as to the status of assessments on a Lot is binding upon the Property Owners Association as of the date of its issuance.

SECTION 8. Effect of Non-Payment of Assessments: Remedies of the Property Owners Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum. The Property Owners Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Roadways or abandonment of his Lot.

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 of any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE V. COVENANT FOR WATER SUPPLY SYSTEM CHARGES AND MAINTENANCE ASSESSMENTS.

SECTION 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Property, hereby covenants and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Water System Association:

A. Charges levied and/or assessed for connecting to the water supply system and charges billed for water supplied to each Lot through the water supply system, as well as for charges for electrical use in supplying same;

B. Annual assessments or charges;

C. Special assessments for improvements, such assessments to be established and collected as hereinafter provided.

The charges, and 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 charge and/or assessment is made. Each such charge and/or 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 Lot at the time when the assessment fell due. The personal obligation for delinquent charges and/or 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 for the maintenance, repair, replacement, and improvement of the Water Supply System, including insurance coverages associated therewith.

SECTION 3. Maximum Annual Assessment. Commencing January 1, 2001, the annual assessment shall be Two Hundred Dollars (\$200.00) per Lot.

A. From and after January 1, 2002, the annual assessment may be increased by not more than Ten Dollars (\$10.00) per year over the annual assessment of the preceding year unless otherwise agreed by a vote of two-thirds (2/3) of each group of members who

are voting by person or proxy at a meeting duly called for this purpose.

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

SECTION 4. Special Assessments for 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, replacement, or improvement to the Water Supply System; 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 by person or proxy at a meeting duly called for this purpose.

SECTION 5. Notice and Quorum for any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than thirty (30) days nor more than fifty (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 sixty (60) days following the preceding meeting.

SECTION 6. Uniform Rate of Assessment. Both annual and special assessments (as opposed to water use charges which shall depend on the amount of water used by the Owner), with respect to all improved Lots, shall be uniform in amount. In recognition of the fact that substantially all of the budget for the Association will be as a result of the use of the Water Supply System by Owners of Improved Lots as opposed to Unimproved Lots, the regular assessment for each Unimproved Lot will be equal to ten percent (10%) of the regular assessment due for each Improved Lot. Said assessment may be collected on a monthly basis.

SECTION 7. Date of Commencement of Annual Assessments: Due Dates. The Annual Assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Roadways to the Water System Association. 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 not less than thirty (30) days in advance of the first month in which such Annual Assessment is to take effect. Written notice of the Annual Assessment shall be sent to every Owner subject thereto. The due date of the Annual Assessment shall be established by the Board

of Directors. The Water System Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Water System Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Water System Association as to the status of assessments on a Lot is binding upon the Water System Association as of the date of its issuance.

SECTION 8. Effect of Non-Payment of Charges and/or Assessments: Remedies of the Water System Association. Any charge and/or assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum. The Water System Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the charges and/or assessments provided for herein by non-use of the Water Supply System or abandonment of his Lot.

SECTION 9. Subordination of the Lien to Mortgages. The lien of the charges and/or assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the charges and/or assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure of any proceeding in lieu thereof, shall extinguish the lien of such charges and/or 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 charges and/or assessments thereafter becoming due or from the lien thereof.

ARTICLE VI. INSURANCE

SECTION 1. Property Owners Association Insurance. The Property Owners Association shall purchase and provide liability insurance for the Property Owners Association and for its members with respect to the Roadways only, any such liability insurance for the protection of the Owners of any Lots being the responsibility of each Owner.

SECTION 2. Water System Association Insurance. The Water System Association shall purchase and provide liability insurance for the Water System Association and for its members with respect to the Water Supply System only, any such liability insurance for the protection of the Owners of any Lots being the responsibility of each Owner.

SECTION 3. Annual Review of Policies. All insurance policies shall be reviewed at least annually by the Board of Directors of each respective Association in order to ascertain whether the coverage contained in the policies is sufficient with respect to potential liability.

ARTICLE VII. MAINTENANCE AND REPAIR

SECTION 1. Roadways. In the event that the need for maintenance or repair of the Roadways is caused through the willful or negligent acts of an Owner, or through the willful or negligent acts of the family, guests, or invitees of an Owner, which acts shall include damages caused by vehicles loaded to a weight in excess of the posted weight limits passing over the Roadways, the cost of such maintenance or repair shall be added to and become part of the assessment to which such Owner and his Lot(s) are subject.

SECTION 2. Water Supply System. In the event that the need for maintenance or repair of the Water Supply System is caused through the willful or negligent acts of an Owner, or through the willful or negligent acts of the family, guests, or invitees of an Owner, the cost of such maintenance or repair shall be added to and become part of the assessment to which such Owner and his Lot(s) are subject.

ARTICLE VIII. ACCESS

SECTION 1. Property Owners Association Access. The Property Owners Association, its officers, employees and agents, and contractors and repairmen designated by the Property Owners Association, shall have the right to go on any Lot for the purpose of performing maintenance and repair to the Roadways, making inspections and performing the duties of the Property Owners Association hereunder, and the Property Owners Association is hereby granted a specific easement for such purposes.

SECTION 2. Water System Association Access. The Water System Association, its officers, employees and agents, and contractors and repairmen designated by the Water System Association, shall have the right to go on any Lot for the purpose of performing maintenance and repair to the Water Supply System, making inspections and performing the duties of the Water System Association hereunder, and the Water System Association is hereby granted a specific easement for such purposes.

ARTICLE IX. GENERAL RESTRICTIONS

SECTION 1. Building or Uses Other Than for Residential Purposes NOT Permitted. The Properties shall be used only for residential purposes, in accordance with appropriate zoning regulations. No structures shall be erected, altered, placed or permitted to remain on any residential building Lot other than one detached single-family dwelling not to exceed two and one-half stories in height and other out-buildings incidental to residential use of the Lot; no dwelling or other out-building shall be constructed with fifty (50') feet of Roadway easement

lines. Underground dwellings will contain not less than 1500 square feet of living area excluding garage. One story dwellings will contain not less than 1500 square feet of living area excluding garage. Multi-story and split-level dwellings shall contain not less than 1800 square feet of living area excluding garage and basement. No flat or mansard roof shall be permitted on any dwelling. No mobile homes, modular homes, or prefabricated homes shall be permitted at any time. All accessory buildings such as storage sheds, barns, carports, detached garages and other buildings shall be of neat construction and of such character as to enhance the value of the Properties.

No building or structure of any sort may ever be placed, erected or used for business, professional, trade or commercial purpose on any of the property within the Properties. Provided, however, this prohibition shall not apply:

A. To any building or structure that is to be used exclusively by a public utility company in connection with the furnishing or public utility services to the Properties; or

B. To any portion of a building used by Declarant, its licensees or assigns, for a manager's office or a sales office, or by either or both the Property Owners Association or Water System Association for its respective offices.

SECTION 2. Water Service. There shall be no private well drilled on any Lot or any part thereof, except when the water therefrom is to be used for closed loop water circulating heat pump systems located on such Lot. No other use shall be permitted or allowed for such wells.

SECTION 3. Telephone/Electric Service. All telephone and electric power service lines from property line to dwelling shall be underground, however, a single pole and appurtenances may be used temporarily to provide electrical service during the permitted construction period.

SECTION 4. Lot Development Restrictions. No residential building Lot shall be resubdivided.

SECTION 5. Noxious Activity. No noxious or offensive trade or activity shall be carried on upon any Lot, nor shall any trash, junk cars, or other refuse be thrown, placed, or dumped upon any Lot, nor shall anything ever be done which may be, or may become, an annoyance or nuisance to the Property. The Owner of a vacant Lot is required to keep said Lot in presentable condition and non-burnable refuse must be hauled away for disposal. No trash or garbage containers shall be visible from the Roadways.

SECTION 6. Temporary Structure. No trailer, basement, tent,

shack, garage, barn or other outbuilding building whether temporary or permanent in nature, shall be constructed or used at any time as a residence, and no structure previously used shall be moved onto any Lot. PROVIDED, however, nothing contained herein shall restrict Declarant or its assigns from locating, constructing or moving a temporary real estate office on any Lot to be used during the period of the sale of the Property. Declarant or its assigns may also erect and maintain model homes for sales purposes and rental and lease purposes and may operate such office or offices therein for so long as they deem necessary for the purposes of selling, renting or leasing the Property.

SECTION 7. All Lots shall be allowed no animals, other than horses, beef animals, fowl, dogs, cats or other household pets.

SECTION 8. Bill Boards Prohibited. No sign, billboard or other structure for advertising or the display of advertising material of any kind shall be erected, altered, placed or permitted to remain on any Lot except that real estate for-sale or for-rent signs shall be permitted temporarily in the yards of dwellings which are being offered for sale or rent.

SECTION 9. Septic Tanks. Septic tanks must conform to minimum State Health Department regulations and shall be constructed in accordance with the recommendation called for as a result of a percolation test. It shall be necessary for the Owner of the Lot to contact the appropriate governing agency to request and receive approval of the septic system prior to construction and use. In no case may a septic system on any Lot be closer to a Lot property line than applicable Washington County Zoning Regulations or State of Nebraska Department of Health Regulations allow.

SECTION 10. Access to Lots/Residence Markers. Access to each and every Lot shall be from the Roadways only. E-911 residence markers of and for Washington County shall be placed by the driveway entrance from each Lot to the Roadways.

SECTION 11. Additional Restrictions. In addition to the Covenants set forth herein, all above-described Lots shall be subject to all applicable zoning ordinances, rules, and regulations of Washington County, Nebraska, and any other political subdivision, governmental or quasi-governmental entities having jurisdiction over these Lots.

ARTICLE X. EASEMENTS AND LICENSES

SECTION 1. Ingress and Egress. A perpetual non-exclusive

license and easement for ingress and egress is hereby reserved in favor of and granted by the Declarant for itself, its successors and assigns and all future grantees, to enter on the real estate described in Section 6 of this Article at any time for travel to and from each Lot. The license and easement is to be and shall run with the land, and shall be for the benefit and use of all future Owners of all or any portion of the Property or any of the Lots, and the family, guests, and invitees of an Owner.

SECTION 2. Property Owners Association. A perpetual non-exclusive license and easement, with specific rights of ingress and egress, is hereby reserved in favor of and granted by the Declarant for itself and to and for the Property Owners Association, its officers, employees and agents, and contractors and repairmen designated by the Property Owners Association, to enter on the real estate described in Section 6 of this Article at any time that it may see fit to perform maintenance, repair, and improvements to the Roadways, making inspections, and performing the duties of the Property Owners Association hereunder. The license and easement is to be and shall run with the land, and shall be for the benefit and use of the Declarant, the Property Owners Association, its successors and assigns.

SECTION 3. Water System Association. A perpetual license and easement, with specific rights of ingress and egress, is hereby reserved in favor of and granted by the Declarant for itself and to and for the Water System Association, Metropolitan Utilities District, County of Washington, the City of Blair, Washington County, Nebraska, and any other affected governmental body or political subdivision, their successors and assigns, to enter on the real estate described in Section 6 of this Article at any time that it may see fit, for the purpose of installing, constructing, maintaining, altering, repairing, upgrading, extending, replacing, removing, operating, etc. underground pipelines, mains, sewers, and surface manholes for conveying gas, water and/or sewerage through and under the area of the license and easement, together with the right to refill ditches and trenches for the location of such pipelines, mains, sewers, and manholes, and the further right to remove trees, bushes, undergrowth, crops and other obstructions from the surface and subsurface interfering with the location, construction, maintenance, etc. of such pipelines, mains, sewers, and manholes. The license and easement granted herein is to be and shall run with the land, said license and easement being granted for the use and benefit of all present and future Owners of any and all Lots.

SECTION 4. Utility Company. A perpetual license and easement, with specific rights of ingress and egress, is hereby reserved in favor of and granted by the Declarant for itself and to and for the Omaha Public Power District, the Blair Telephone Company, or any other utility company, their successors and

assigns, to enter on the real estate described in Section 6 of this Article at any time that it may see fit, for the purpose of installing, constructing, maintaining, altering, repairing, upgrading, extending, replacing, removing, operating, etc. cables, wires, conduits, other instrumentalities, etc. for carrying and transmitting electric current for light, heat and power and for all telephone and telegraph and/or message service, together with the right to refill ditches and trenches for the location of such cables, wires, conduits, other instrumentalities, etc., and the further right to remove trees, bushes, undergrowth, crops and other obstructions from the surface and subsurface interfering with the location, construction, maintenance, etc. of such cables, wires, conduits, and other instrumentalities. The license and easement granted herein is to be and shall run with the land, said license and easement being granted for the use and benefit of all present and future Owners of any and all Lots.

SECTION 5. No Construction. No structure, shed or building of a temporary or permanent nature shall be erected or constructed, nor shall any well be drilled or operated, nor shall any obstacle be constructed above ground, in the area of the license and easement described herein, nor shall any obstacle be constructed below ground or underground fixtures of any kind be placed in the area of the license and easement described herein except if same shall be buried below plow depth, nor shall any ground cover over the instrumentalities or the appurtenances thereto be added.

SECTION 6. Description. The license and easement granted under this Article shall cover a strip of land sixty-six feet (66') in width over, under, across and through the Roadways set forth within the Property.

ARTICLE XI. INDEMNIFICATION OF OFFICERS AND DIRECTORS

SECTION 1. Indemnification. The Association shall indemnify every Director and officer, his heirs and personal representatives against all loss, costs and expense, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director or officer of the Association, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Board of Directors may determine that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Director or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director or officer may

be entitled. All liability, loss, damage, costs and expense incurred or suffered by the Association by reason of, arising out of, or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses; provided, however, that nothing in this Article X shall be deemed to obligate the Association to indemnify any member or Owner of a Lot who is or has been a Director or officer of the Association, with respect to any duties or obligations assumed or liabilities incurred by him and by virtue of this Declaration as a member of the Association or Owner of a Lot. In its discretion, the Association may obtain such liability insurance for the Directors as the Association may deem appropriate, which liability insurance shall be treated and handled by the Association as common expenses.

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 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 way 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, and shall be binding on all parties and all persons claiming under them until January 1, 2010, at which time said covenants shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the period ending January 1, 2010, 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 with the Register of Deeds in and for Washington County, Nebraska. Non-renewal of these covenants shall not divest or deprive the public or any political subdivision of the State of Nebraska from any right or remedy acquired hereunder or under any Agreement with the City of Blair, Nebraska, which covenants shall survive non-renewal.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has caused this instrument to be executed and hereby declares that the terms and provisions of this instrument shall repeal and replace in its entirety that certain Declaration of Covenants, Conditions, and Restrictions for Shannon Estates, Blair, Washington County, Nebraska, filed in the real estate

records of Washington County, Nebraska, in Book 250 at Page 416 - 419.

DATED: _____, 2000.

DECLARANT:

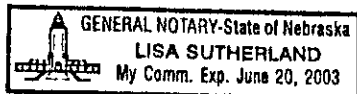
McGOWAN - FLEMING PROPERTIES, INC.,
a Nebraska corporation, Declarant

By John M. McGowan
JOHN M. McGOWAN, President

STATE OF NEBRASKA)

) SS.
COUNTY OF WASH.)

The foregoing instrument was acknowledged before me on MAY 10, 2000,
JOHN M. McGOWAN, President of McGOWAN - FLEMING PROPERTIES, INC., a
Nebraska corporation, with authority and on behalf of the corporation.



Lisa Sutherland
Notary Public

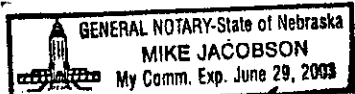
Sean C. Kelly
SEAN C. KELLY

TERRI L. KELLY
TERRI L. KELLY

STATE OF NEBRASKA)

) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me on 5/15, 2000, by SEAN
C. KELLY and TERRI L. KELLY.



Mike Jacobson
Notary Public

Roger E. McCullough
ROGER E. McCULLOUGH

Kathy J. McCullough
KATHY J. McCULLOUGH

STATE OF NEBRASKA)

) SS.
COUNTY OF Washington)

The foregoing instrument was acknowledged before me on June 15, 2000, by
ROGER E. McCULLOUGH and KATHY J. McCULLOUGH.



Michelle M. Klabunde
Notary Public

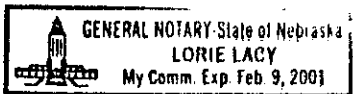
Mark D. Kats
MARK D. KATS

Gale L. Kats
GALE L. KATS

STATE OF NEBRASKA)
) SS.

COUNTY OF Douglas

The foregoing instrument was acknowledged before me on June 13, 2000, by
MARK D. KATS and GALE L. KATS.



Lorie Lacy
Notary Public

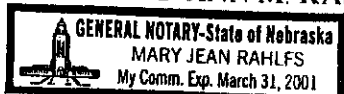
John F. Karls
JOHN F. KARLS

Ann M. Karls
ANN M. KARLS

STATE OF NEBRASKA)
) SS.

COUNTY OF Washington

The foregoing instrument was acknowledged before me on May 23, 2000, by
JOHN F. KARLS and ANN M. KARLS.



Mary Jean Rahlfs
Notary Public

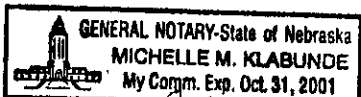
James H. Gilbert, Sr.
JAMES H. GILBERT, SR.

Bonnie L. Gilbert
BONNIE L. GILBERT

STATE OF NEBRASKA)
) SS.

COUNTY OF Washington

The foregoing instrument was acknowledged before me on 10/13, 2000, by
JAMES H. GILBERT, SR. and BONNIE L. GILBERT.



Michelle Klabunde
Notary Public

Steven D. Casto
STEVEN D. CASTO

Kimberly A. Casto
KIMBERLY A. CASTO

