

PINEHURST, INC.
AMENDMENTS TO PROTECTIVE COVENANTS

The undersigned are the Owners of at least two-thirds (2/3) of the following described real estate:

Lots 1-4 (formerly known as 3-6), Block 1; Lots 1-52, Block 2; and Lots 1-20, Block 3, Pinehurst Addition, Lincoln, Lancaster County, Nebraska ("Lots"); and

Lots 1 and 2, Block 1; Outlot A, Block 1, Outlot B, Block 2 and Outlot C, Block 3, Pinehurst Addition, Lincoln, Lancaster County, Nebraska ("Commons").

Protective Covenants and Amendments were filed in the office of the Register of Deeds of Lancaster County, Nebraska, as follows:

<u>Date</u>	<u>Instrument No.</u>
October 23, 1975	75-18472
May 7, 1976	76-9518
March 13, 1979	79-5842
February 24, 1981	81-3061
April 20, 1981	81-7150

The undersigned hereby amend the foregoing by deleting all their provisions and substituting the following:

I. DEFINITIONS

1. "Corporation" shall mean and refer to Pinehurst, Inc., a Nebraska nonprofit corporation, and its successors.
2. "Board" shall mean and refer to the Board of Directors of the Corporation.
3. "Property" shall mean and refer to the real estate described above.
4. "Commons" shall mean and refer to that portion of the Property designated above, and shall be held for the common use and enjoyment of all the Members of the Corporation.
5. "Lot" shall mean and refer to those portions of the Property shown as a buildable lot on any recorded subdivision plat of the Property.
6. "Member" shall mean and refer to any person or entity who holds membership in the Association.

7. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of any Lot, but excluding those having an interest merely as security for the performance of an obligation.

II. CORPORATION MEMBERSHIP AND VOTING

1. Members. The Owner of a Lot shall be a Member of the Corporation and only an Owner of a Lot may be a Member of the Corporation. Each Lot shall be entitled to only one vote on those matters requiring a vote of the Corporation Members.
2. Suspension of Voting Rights. The Corporation may suspend the voting rights of any Member whose assessments are more than thirty (30) days delinquent.

III. COMMONS

1. Ownership and Rights in Commons. The Commons shall be owned and maintained by the Corporation for the benefit of its Members. Members of the Corporation shall have a non-exclusive easement for their use and enjoyment of the Commons.
2. Control of Commons. The Corporation shall exercise exclusive control over the Commons. The Members' rights in the Commons are subject to the following powers of the Corporation:
 - a. The Corporation shall have the right to borrow money for purpose of improving the Commons and may mortgage the Commons for that purpose. Any such mortgage shall require the affirmative vote of two-thirds of the Members entitled to vote.
 - b. The right of the Corporation to charge reasonable admission and other fees for the use of the Commons.
 - c. The right of the Corporation to dedicate, sell or transfer all or any part of the Commons to any governmental entity. Any such dedication, sale or transfer shall require the affirmative vote of two-thirds of the Members entitled to vote.
 - d. The right of the Corporation to adopt reasonable restrictions, rules and regulations controlling the use of the Commons by its Members, which shall include, without being separately adopted, the following restrictions:
 - i. No use shall be made of the Commons which will in any manner violate the statutes, rules or regulations of any governmental authority having jurisdiction over the Commons: and

- ii. No Owner shall place, construct or install any improvement or landscaping in or upon the Commons.
 - e. The right of the Corporation to suspend the use of the Commons for a period of up to thirty days for any violation of the rules and regulations adopted by the Corporation controlling the use of the Commons.
 - f. The right of the Corporation to suspend a Member's use of the Commons for unpaid assessments.
3. Common Driveway and Parking. Members of the Corporation shall have a non-exclusive driveway and parking easement over and upon that portion of the Commons which provides access to the Property from the public streets.
4. Covenant to Maintain. The Corporation and each Member (by acceptance of a deed to a Lot) covenants to maintain the Commons. The covenant of the Members shall be satisfied by the payment of the annual and special assessments established by the Board of Directors of the Corporation.

IV. EXTERIOR PROJECTS

1. Exterior Control. The Corporation shall exercise reasonable controls over any alteration or addition of improvements by all Owners which may affect the exterior appearance of the improvements located on a Lot. The Corporation shall exercise this control for the purpose of maintaining the existing standards and values for the Property.
2. Plans. Plans and specifications (including but not limited to the elevations locations, dimensions, colors, and materials) for the exterior construction, reconstruction or maintenance of any improvements on a Lot ("Project"), shall be submitted to the Corporation for approval. The Board, or Project Review Committee shall review the proposed Project.
3. Project Review. The Project proposal shall be reviewed by the Board or the Project Review Committee for compliance with the existing standards and values of development in the Property. The review shall also consider the impact and relationship of the exterior design; colors, materials and location of the Project may have on the surrounding improvements and topography.
4. Project Approval. The Board or the Project Review Committee shall approve or reject a proposed Project within thirty (30) days of its submission. In the event a Project is not rejected within thirty (30) days of its submission, approval will be deemed to have been given for the Project.

5. Project Rejection and Appeal. In the event a Project is rejected by the Corporation, a written statement of the reasons for the rejection shall be given to the Owner. Any Owner reasonably affected by a Project shall have the right to appeal the approval or rejection of a Project by the Project Review Committee to the Board within five (5) days of the decision.
6. Project Review Committee. The Board may appoint three or more representatives to serve on the Project Review Committee. Representatives on the Project Review Committee may include Members of the Board, Members of the Corporation, or any other individual selected by the Board.
7. Project Standards. The Project Review Committee may establish specific guidelines and standards to assist owners in preparing an acceptable Project proposal.

V. ASSESSMENTS

1. Assessments. The Members covenant and agree to pay the Corporation the assessments that may be established upon the Lots. The assessments, together with late fees, interest, reasonable attorney fees, and other costs of collection, shall be a lien upon a Lot until paid. Each assessment and other charges shall also become the personal obligation of the Owner at the time any assessment is due.
2. Assessment Purpose. Assessments shall be levied by the Corporation solely to provide for the recreation, health, safety, and welfare of its Members. The specific purposes for which such assessments may be levied shall include, but not be limited to: the administration, construction, operation, maintenance and repair of streets, recreational facilities, guest parking space, parking islands, sidewalks, drives, sprinkler system, open drainage ways and any other improvements or real estate owned or managed by the corporation; all taxes, fees, permits, and other assessments by governmental or public entities which may be incurred by the Corporation; to provide adequate insurance; and to provide such reserves as may be deemed necessary in order to accomplish the objects and purposes of the Corporation.
3. Annual Assessments. The annual assessment shall be estimated by the Directors of the Corporation and shall be payable in equal monthly installments. On or about the first day of October in each year, the Board shall establish the annual assessment rate. The rate established by the Board shall apply to monthly installments beginning as of November 1. Monthly assessments shall be payable on or before the 10th day of each month. Written notice of the annual assessment shall be sent to every Member on or before November 1 of every year.
4. Special Assessment. In addition to the annual assessment, the Corporation may levy special assessments for unexpected repairs or replacements, or other anticipated expenses of the Corporation reasonably necessary to permit the Corporation to fully

perform its obligations. Written notice of the special assessment shall be given to the Members specifying the reason for the special assessment and the date payment is due. The date set for payment must be at least thirty (30) days after the date of the notice.

5. Improvement Assessment. In addition to the annual and special assessments, the Corporation may levy an improvement assessment for any capital improvements to be made to the Commons. Any such improvement assessment shall require the affirmative vote of two-thirds of the Members entitled to vote. Payment of the improvement assessment shall be made on terms established by the Board which terms shall be included in the written notice to the Members advising them of the improvement assessment.
6. Lot Assessment. The Corporation may levy a special lot assessment for the actual cost (plus 10% for an administrative fee) of any exterior maintenance it performs on any improvement on a Lot.
7. Equity of Assessment. All assessments, except lot assessments, are to be equal for all Lots.
8. Late Fees and Interest. Any assessments which are not paid within ten (10) days of the date they are due shall be delinquent and subject to a late fee; and if not paid within thirty (30) days, shall bear interest from the date originally due. The amount of the late fee and interest rate shall be determined by the Board. The late fee shall not exceed 10% of the payment, and the interest rate shall not exceed 18% per year.
9. Lien Priority. The lien of any assessments shall be subordinate to the lien of any mortgage or mortgages executed and delivered before notice of an assessment lien is filed for record by the Corporation.

VI. GENERAL PROVISIONS

1. Use. Lots within the Property shall be used only for residential purposes.
2. Nuisance Activities. The Board may adopt and publish reasonable rules and regulations controlling those activities upon any Lot which are or may become an annoyance or nuisance to the neighborhood or endanger the health or unreasonably disturb the quiet of the Owners or other occupants.
3. Animals. No animals, livestock, or poultry of any kind shall be raised, bred or kept on any Lot except household pets. Household pets shall not be raised, bred or kept for any commercial purpose.
4. Advertising. No advertising signs, billboards, or other advertising device shall be erected, placed or permitted on any Lot, provided that one sign advertising a single Lot for sale

may be placed upon that Lot by its owner.

5. Recreational Vehicles. No recreational vehicle, as defined by the Lincoln Municipal Code, shall be parked or stored upon any Lot, except within an enclosed structure. Recreational vehicles may be temporarily parked or stored upon a Lot for a period of time not to exceed fourteen (14) days per calendar year.
6. Exterior Wiring. No wiring, antenna, or other device for electrical power, telephone, television, radio, or any other use shall be permitted above ground, except within a building. However, satellite TV dishes may be installed. Satellite dish may be no larger than twenty-four (24) inches. Color should match or co-ordinate as closely as possible to that of the Owner's unit. Satellite dish should be mounted in a location as unobtrusive as possible on the unit and still be maximally functional. Accent lights may be installed in Owner's entryway or patio area, but not along driveways as these are nonexclusive. (Refer to III. Commons #3)
7. Party Wall. Any wall placed or constructed on any common lot line between two adjoining Lots within the Property shall be a party wall. Any expense of structural repair, replacement or reconstruction of a party wall, or the protection of a party wall against the natural elements, shall be borne equally by the Owners of the adjoining Lots. The provisions of this section shall not operate to relieve any Owner from any liability which they may incur by reason of negligent or willful acts or omissions resulting in the damage or destruction of a party wall.
8. Utility Lines. When any utility line is constructed on two or more adjoining Lots, the Owners shall have an easement for the maintenance, repair and replacement of such utility line over and upon the adjoining Lots. Any expense of maintenance, repair or replacement of the utility line shall be borne equally by the Owners of the adjoining Lots. The provisions of this paragraph shall not operate to relieve any Owner from any liability an Owner may incur by reason of negligent or willful acts or omissions resulting in the damage or destruction of the utility line.
9. Insurance. Each Owner covenants to maintain fire and extended coverage insurance on the improvements located on his Lot, in an amount equal to the full insurable value. Any proceeds of such insurance shall be applied to the extent required in the discretion of the Corporation, to the repair or reconstruction of the improvements. If an Owner fails to perform this covenant, the Corporation may, after thirty (30) days written notice to the Owner, maintain such insurance and collect the actual cost plus a 10% administrative fee, as a Lot assessment against the Owner.
10. Exterior Maintenance. The Corporation may, after thirty (30) days written notice to the Owner, maintain the exterior of any improvements on a Lot within the Property, and shall have the right to perform such maintenance. The written notice shall specify the required maintenance and time in which it must be completed. The actual cost of such

maintenance, plus a 10% administrative fee, shall be paid by the Owner or collected as a Lot assessment against the Owner.

11. Binding. These covenants and restrictions shall run with the land and shall be binding upon and enforceable by the Corporation and the Owners and their respective heirs, executors, administrators, successors and assigns. These covenants and restrictions may be terminated or modified, at any time by an instrument executed by the Owners of two-thirds of the Lots within the Property, agreeing to their termination or modification.
12. Enforcement. The enforcement of these covenants and restrictions shall be by proceedings at law or in equity against any person or persons violating any provision. Such proceedings may be to restrain such violation, or to recover damage. The Corporation has the sole right to enforce any lien or obligation created against a Lot.
13. Invalidity. The invalidation of anyone of these covenants and restrictions shall not affect the validity of the remaining provisions which shall remain in full force and effect.