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FILED
CASS COUNTY, NE.

COMPARED

27259 DON CLARK
REGISTER OF DEEDS
SAUNDERS CO. NEBR.

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BOOK 262 PAGE 700
OF 600 INST# 136

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PATRICIA MEISINGER
REGISTER OF DEEDS

AMENDMENT TO PROTECTIVE COVENANTS

THIS AMENDMENT TO PROTECTIVE COVENANTS is made the date hereinafter set forth by IRON HORSE DEVELOPMENT, L.L.C., a Nebraska limited liability company ("Declarant").

RECITALS

A. On March 13, 2000, a document entitled Declaration of Covenants, Conditions, Restrictions and Easements of Iron Horse, a Subdivision in Cass and Saunders Counties, Nebraska (hereinafter the "Declaration") for Lots One (1) through Nine (9), inclusive, and Lots Eighteen (18) through One Hundred Forty-seven (147), inclusive, in IRON HORSE, a subdivision as surveyed, platted and recorded in Cass and Saunders Counties, Nebraska, were recorded by Declarant, in the office of the Register of Deeds of Cass County, Nebraska at Book 55 Page 362 of the Miscellaneous Records and in the office of the Register of Deeds of Saunders County, Nebraska at Book 242 Page 902 of the General Records and by an amendment and restatement of the Declaration recorded of record at Book 245 Page 791 of the General Records at the Office of the Register of Deeds of Saunders County, Nebraska and at Book 55 Page 709 of the Miscellaneous Records at the Office of the Register of Deeds of Cass County, Nebraska Lots One (1) through Ten (10), inclusive, IRON HORSE REPLAT I, a subdivision as surveyed, platted, and recorded in Cass and Saunders Counties, Nebraska; and Lots One (1) through Nineteen (19), inclusive, in IRON HORSE REPLAT II, a subdivision as surveyed, platted and recorded in Cass and Saunders Counties, Nebraska were added to the Declaration, as amended.

B. Paragraph 3 of Article V of the Declaration provides that for a period of ten (10) years following March 13, 2000, the Declarant shall have the sole, absolute and exclusive right to amend, modify or supplement all or any portion of the Declaration.

NOW, THEREFORE, Declarant hereby declares that the Protective Covenants recorded on March 13, 2000 at Book 55 Page 362 of the Miscellaneous Records of the Register of Deeds of Cass County, Nebraska and at Book 242 Page 902 of the General Records of the Register of Deeds of Saunders County, Nebraska, and all amendments thereto, should be and hereby are amended and restated in the following manner:

- I. By deleting therefrom Paragraph 25 of Article I and adding in its place and stead the following:
 - 25. The lake within the Iron Horse subdivision shall be a limited use lake, no jet-skis, waverunners, gas-powered boats or other similar vessels or chattels shall be allowed in, on, or near said lake. Gas-powered boats or other similar vessels or chattels may be allowed if specifically approved in writing by the Declarant on a case-by-case basis and, if allowed, shall be subject to the rules and regulations promulgated by the Declarant and revocation of approval in Declarant's discretion. All Owners of all Lots, their invitees, licensees, heirs, successors and assigns, shall be bound to comply with reasonable rules and regulations, and any amendments thereto, promulgated by the legal title holder, its lessees, successors or assigns, of the lake within the Iron Horse subdivision.
- II. By deleting therefrom Paragraph 26 of Article I and adding in its place and stead the following:
 - 26. Unless specifically approved in writing by Declarant and in compliance with rules and regulations promulgated by Declarant, no motorized boats or crafts or large sailing vessels of any kind whatsoever shall be stored or utilized in any way on, in, over or across any Lot in the Iron Horse subdivision. No paddle boat, sailing vessel, fishing vessel or equipment or other personal property shall be stored or maintained on any Lot in the Iron Horse subdivision, unless hidden from view.

All other terms of said Declaration shall remain in full force and effect.

7281

633

Dated this 31st day of October 2001.

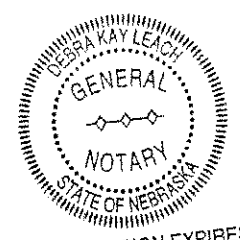
IRONHORSE DEVELOPMENT, L.L.C., a Nebraska limited liability company,

By: *Timothy W. Young*
TIMOTHY W. YOUNG, Managing Member

STATE OF NEBRASKA)
) ss.
COUNTY OF DOUGLAS)

On this 31st day of October 2001, the foregoing instrument was acknowledged before me, a Notary Public, by Timothy W. Young, Managing Member of Iron Horse Development, L.L.C., a Nebraska limited liability company, acting on behalf of said limited liability company.

Debra Kay Leach
Notary Public



MY COMMISSION EXPIRES:
May 28, 2002

Plat and Dedication,
Filed 2-8-00, in Book 53 at Page 186, Instrument No. _____

Grants a perpetual easement in favor of
 Omaha Public Power District,
 ~~U.S. West Communications~~
~~Northwestern Bell Telephone Company~~
 and any cable company granted a cable television franchise system,
and/or

for utility, installation and maintenance
on, over, through, under and across
or

a 5 foot wide strip of land abutting the front and the side boundary lines of all lots;
an 8 foot wide strip of land abutting the rear boundary line of all interior lots;
and a _____ foot wide strip of land abutting the rear boundary line of all exterior lots.

Does it include the following ?? Yes or No (Circle One)
Also grants an easement to Metropolitan Utilities District _____ for utility,
installation and maintenance on, through, under and across a _____ foot wide strip of land abutting
all cul-de-sac streets.
Any additional info.

Declaration of Covenants, Conditions, Restrictions and Easements,
 Restrictive Covenants
 Protective Covenants
or

Dated 3-13-00 Filed 3-13-00, in Book 55 at Page 362, Instrument No. _____

Grants a perpetual easement in favor of
 Omaha Public Power District,
 ~~U.S. West Communications~~
~~Northwestern Bell Telephone Company~~
 and any cable company granted a cable television franchise system,
and/or

Alltel, Peoples Natural Gas Company, SIO NO 9
City of Ashland, Peoples Natural Gas Co. 5 foot Abutting All cul-de-sacs
for utility installation and maintenance) 10 foot EASE Abutting Rear All Golf course lots
on, over, through, under and across) To Declarant
or

a 5 foot wide strip of land abutting the front and the side boundary lines of all lots;
an 8 foot wide strip of land abutting the rear boundary line of all interior lots;
and a 16 foot wide strip of land abutting the rear boundary line of all exterior lots.

Does it include the following ?? Yes or No (Circle One)
Also grants an easement to Metropolitan Utilities District _____ for utility,
installation and maintenance on, through, under and across a _____ foot wide strip of land abutting
all cul-de-sac streets.
Does it include the following ?? Homeowners Association Yes or No. (Circle One)
Does it include the following ?? Possible Telephone Connection Charge Yes or No

Any additional info.

Architectural Control, Certain Restrictions
On Golf Course lots

Easement Right of Way 1st, 2nd 3rd or _____ Amendment to 55-362
Dated 6-9-00 Filed 6-15-00, in Book 55 at Page 709, Instrument No. _____

Iron Horse

File #1452
Pt. Released 4-12-00 + 7-20
(10-19)

This STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code:

This STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code:

3. Maturity date (if any):

For Filing Officer (Date, Time and Filing Office)

1. Debtor(s) (Last Name First) and address(es)
Iron Horse Development, L.L.C.
17809 Pacific Street
Omaha, NE 68103

2. Secured Party(ies) and address(es)
PINNACLE BANK PAPILLION
1200 Golden Gate Drive
Papillion, Nebraska 68046

PARTIAL RELEASE: 05/10/00
2:03 P.M. DOC #215 \$6.00
FILE #1452 CASS COUNTY, NE
PATRICIA MEISINGER
REGISTER OF DEEDS

Social Security No. 47-0820254

Federal I.D. No. 47-0098450

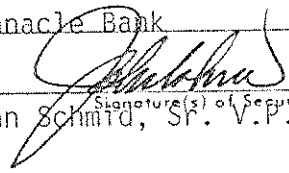
4. This statement refers to original Financing Statement bearing File No. #1452 Doc #12
Filed with Cass County Date Filed June 1 19 99

- 5. Continuation. The original financing statement between the foregoing Debtor and Secured Party, bearing file number shown above, is still effective.
- 6. Termination. Secured party no longer claims a security interest under the financing statement bearing file number shown above.
- 7. Assignment. The secured party's right under the financing statement bearing file number shown above to the property described in Item 10 have been assigned to the assignee whose name and address appears in Item 10.
- 8. Amendment. Financing Statement bearing file number shown above is amended as set forth in Item 10.
- 9. Release. Secured Party releases the collateral described in Item 10 from the financing statement bearing file number shown above.

10. Partial Release: Lot 115, Iron Horse, as platted and recorded in Cass County and Saunders County, Nebraska.

No. of additional Sheets presented:

by: _____
Signature(s) of Debtor(s) (necessary only if Item 8 is applicable).
(1) FILING OFFICER COPY - ALPHABETICAL

Pinnacle Bank
by: 
John Schmidt, Sr. V.P.
Signature(s) of Secured Party(ies)

work in process, finished goods, and materials used or consumed in the manufacture or production thereof, (ii) goods in which the Debtor has an interest in mass or a joint or other interest or right of any kind, and (iii) goods which are returned to or repossessed by the Debtor, and all accessions thereto and products thereof (any and all such inventory, accessions and products being hereinafter referred to as the "Inventory");

(c) Each and every right of Debtor to the payment of money, whether such right to payment now exists or hereafter arises, whether such right to payment arises out of a sale, lease or other disposition of goods or other property, out of a rendering of services, out of a loan, out of the overpayment of taxes or other liabilities, or out of any other transaction or event, whether such right to payment is created, generated or earned by Debtor or by some other person who subsequently transfers an interest to Debtor, whether such right to payment is or is not already earned by performance, and howsoever such right to payment may be evidenced, together with all other rights and interests (including all security agreements, leases and other contracts securing or otherwise relating to such right to payment) which Debtor may at any time have by law or agreement against any account debtor or other person obligated to make any such payment to Debtor, or against any property of such account debtor or other person; including, but not limited to, all present and future accounts, contract rights, chattel paper, bonds, notes and other debt instruments, rights to payment in the nature of general intangibles, and rights to the performance of services on behalf of and for the benefit of Debtor or any of Debtor's property (any and all such accounts, contract

**EXHIBIT "A" TO
FINANCING STATEMENT
DESCRIPTION OF COLLATERAL**

This Financing Statement covers the following types (or items) of Property; all of Debtor's right, title and interest in and to any of the following, whether now owned and/or existing or hereafter acquired and/or arising:

(a) All of Debtor's equipment (including but not limited to all motor vehicles, trucks, trailers, truck-tractors, semi trailers and all other titled vehicles) together with all other machinery, equipment, furniture and fixtures in all of its forms, wherever located, and all parts thereof and all accessions thereto (any and all such equipment, machinery, furniture, parts and accessions being hereinafter referred to as "Equipment");

(b) All of Debtor's inventory in all of its forms, wherever located (including, but not limited to, (i) all goods held for sale or lease or to be furnished under contracts of service or which have been furnished, and all raw materials and work in process, finished goods, and materials used or consumed in the manufacture or production thereof, (ii) goods in which the Debtor has an interest in mass or a joint or other interest or right of any kind, and (iii) goods which are returned to or repossessed by the Debtor), and all accessions thereto and products thereof (any and all such inventory, accessions and products being hereinafter referred to as the "Inventory");

(c) Each and every right of Debtor to the payment of money, whether such right to payment now exists or hereafter arises, whether such right to payment arises out of a sale, lease or other disposition of goods or other property, out of a rendering of services, out of a loan, out of the overpayment of taxes or other liabilities, or out of any other transaction or event, whether such right to payment is created, generated or earned by Debtor or by some other person who subsequently transfers an interest to Debtor, whether such right to payment is or is not already earned by performance, and howsoever such right to payment may be evidenced, together with all other rights and interests (including all security agreements, leases and other contracts securing or otherwise relating to such right to payment) which Debtor may at any time have by law or agreement against any account debtor or other person obligated to make any such payment to Debtor, or against any property of such account debtor or other person; including, but not limited to, all present and future accounts, contract rights, chattel paper, bonds, notes and other debt instruments, rights to payment in the nature of general intangibles, and rights to the performance of services on behalf of and for the benefit of Debtor or any of Debtor's property (any and all such accounts, contract

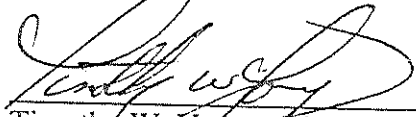
rights, chattel paper, instruments, general intangibles, rights to payment and obligations being hereinafter referred to as the "Receivables", and any and all such leases, security agreements and other contracts evidencing the Receivables or any services to be performed for the benefit of Debtor, being hereinafter referred to as the "Related Contracts"); and

[The Equipment, Inventory, Receivables, and Related Contracts, are hereinafter collectively referred to as the "Collateral"].

(d) All proceeds of any and all of the foregoing Collateral and, to the extent not otherwise included, all payments under insurance (whether or not the Secured Party is the loss payee thereof), and all payments under any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Collateral.


Iron Horse Development, L.L.C., Debtor

By:


Timothy W. Young, Managing
Member

Pinnacle Bank, Secured Party

By:


Authorized Representative

353/351

**FIRST AMENDMENT TO DEED OF TRUST WITH FUTURE ADVANCES
AND CONSTRUCTION SECURITY AGREEMENT**

This First Amendment to Deed of Trust With Future Advances and Construction Security Agreement (the "First Amendment"), is executed and delivered this 22 day of MAY, 2000 by:

Iron Horse Development, LLC, a Nebraska limited liability company, whose mailing address is 17809 Pacific Street, Omaha, Nebraska 68130 ("IHD"), and Iron Horse Golf Club, L.L.C., a Nebraska limited liability company, whose mailing address is 17809 Pacific Street, Omaha, Nebraska 68130 ("IHGC") [IHD and IHGC being hereinafter collectively referred to as the "Trustors"]; in favor of Pinnacle Bank, a state banking corporation, organized and existing under the laws of the State of Nebraska, whose mailing address is 1200 Golden Gate Drive, Papillion, Nebraska 68046 (hereinafter the "Trustee");

For the benefit of Pinnacle Bank, a state banking corporation, organized and existing under the laws of the State of Nebraska, whose mailing address is 1200 Golden Gate Drive, Papillion, Nebraska 68046 (hereinafter "Lender").

WHEREAS, IHD previously executed and delivered to Trustee for the benefit of Lender, a Deed of Trust With Future Advances and Construction Security Agreement dated May 26, 1999, and filed on June 1, 1999 in Book 334 at Page 823 of the Mortgage Records of Cass County, Nebraska; and also filed June 2, 1999 in Book 234 at Page 376 of the Mortgage Records of Saunders County, Nebraska (the "Original IHD Deed of Trust"); pursuant to which IHD conveyed to Trustee, for the benefit of Lender, the real estate more particularly described on **Exhibit "A"** which is attached hereto and incorporated herein by this reference as if fully set forth (the "Original IHD Property"); and

WHEREAS, IHGC previously executed and delivered to Trustee for the benefit of Lender, a Deed of Trust With Future Advances and Construction Security Agreement dated May 26, 1999, and filed on February 22, 2000 in Book 348 at Page 137 of the Mortgage Records of Cass County, Nebraska; and also filed February 28, 2000 in Book 242 at Page 347 of the Mortgage Records of Saunders County, Nebraska (the "Original IHGC Deed of Trust"); pursuant to which IHGC conveyed to Trustee, for the benefit of Lender, the real estate more particularly described on **Exhibit "B"** which is attached hereto and incorporated herein by this reference as if fully set forth (the "Original IHGC Property"); and

WHEREAS, the Trustee has reconveyed a portion of the Original IHD Property secured by the Original IHD Deed of Trust; and

WHEREAS, IHD and IHGC are affiliated companies, have acquired additional property relating to the Original IHD Property and the Original IHGC Property, and have final platted a portion of the Original IHD Property and/or the Original IHGC Property; and

36727A

WHEREAS, the parties to the Original IHD Deed of Trust and the Original IHGC Deed of Trust desire to amend and modify the Original IHD Deed of Trust and Original IHGC Deed of Trust, in order to accurately reflect the legal descriptions of the Property described in the IHD Deed of Trust and/or the IHGC Deed of Trust.

NOW, THEREFORE, the Trustors, the Trustee and the Lender hereby acknowledge and agree that both the Original IHD Deed of Trust and the Original IHGC Deed of Trust shall be and hereby are amended as follows:

1. The legal description of the Property as described in the Original IHD Deed of Trust, is hereby amended and modified to include all Property more particularly described on **Exhibit "C"** which is attached hereto and incorporated herein by this reference as if fully set forth (the "IHD Property"), the same as if the IHD Property described on **Exhibit "C"** hereto was described on **Exhibit "A"** to the Original IHD Deed of Trust.

2. The legal description of the Property as described in the Original IHGC Deed of Trust, is hereby amended and modified to include all Property more particularly described on **Exhibit "D"** which is attached hereto and incorporated herein by this reference as if fully set forth (the "IHGC Property"), the same as if the IHGC Property described on **Exhibit "B"** hereto was described on **Exhibit "D"** to the Original IHGC Deed of Trust.

3. The address for both Trustors is hereby changed to 5334 So. 136th Street, Omaha, NE 68137.

4. Trustee and Lender acknowledge and agree that Lots 23, 69, 144, 127 and 115 Iron Horse, a Subdivision, as surveyed, platted and recorded in Cass and Saunders Counties, Nebraska, as evidenced by Plat and Dedication filed February 8, 2000 in Book 53, at Page 186 of the records of Cass County, Nebraska, and by Plat and Dedication filed February 25, 2000 in Book 4, at Page 139 of the records of Saunders County, Nebraska (said Lots being hereinafter collectively referred to as the "Reconveyed Property"): (i) have been released from the terms and provisions of the Original IHD Deed of Trust and from the terms and provisions of the Original IHGC Deed of Trust via the execution and delivery by Lender and Trustee of appropriate Deeds of Reconveyance; and (ii) are not, and shall not be deemed to be included within the legal descriptions of the IHD Property nor the IHGC Property described on **Exhibits "C" and "D"** hereto.

5. Except to the extent that: (i) the legal descriptions of the Property described in the Original IHD Deed of Trust and/or the Original IHGC Deed of Trust have been modified and/or amended, as set forth above; (ii) and the address for both Trustors has been updated; and (iii) the Reconveyed Property is no longer subject to the terms and provisions of the Original IHD Deed of Trust nor the Original IHGC Deed of Trust, all of the remaining terms and provisions of the Original IHD Deed of Trust and the Original IHGC Deed of Trust shall remain in full force and effect.

IN WITNESS WHEREOF, the Trustors, the Trustee, and the Lender have executed this First Amendment as of the date and year first above written.

[Signature]
Witness

Iron Horse Golf Club, L.L.C., a Nebraska limited liability company, Trustor & Borrower

By: [Signature]
Timothy W. Young,
Managing Member

[Signature]
Witness

Iron Horse Development, L.L.C., A Nebraska limited liability company, Trustor & Borrower

By: [Signature]
Timothy W. Young,
Managing Member

Pinnacle Bank, Estate Banking Corporation, Trustee and Lender

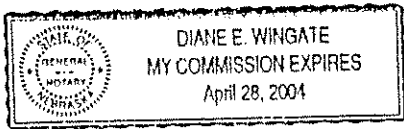
[Signature]
Witness

By: [Signature]
Authorized Representative

STATE OF NEBRASKA)
) ss.
COUNTY OF Douglas)

Before me, a notary public qualified for said county, personally came Timothy W. Young, Managing Member of Iron Horse Golf Club, L.L.C., known to me to be the identical person who signed the foregoing instrument on behalf of Iron Horse Golf Club, L.L.C., and he acknowledged the execution thereof to be his voluntary act and deed and the voluntary act and deed of Iron Horse Golf Club, L.L.C.

WITNESS my hand and notarial seal this 22 day of May, 2000.

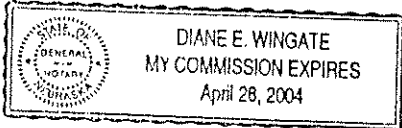


[Signature]
Notary Public

STATE OF NEBRASKA)
) ss.
COUNTY OF Douglas)

Before me, a notary public qualified for said county, personally came Timothy W. Young, Managing Member of Iron Horse Development, L.L.C., known to me to be the identical person who signed the foregoing instrument on behalf of Iron Horse Development, L.L.C., and he acknowledged the execution thereof to be his voluntary act and deed and the voluntary act and deed of Iron Horse Development, L.L.C.

WITNESS my hand and notarial seal this 22 day of May, 2000.

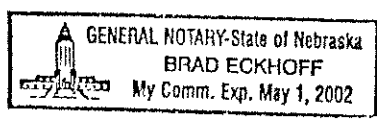


Diane E. Wingate
Notary Public

STATE OF NEBRASKA)
) ss.
COUNTY OF SARASOTA)

Before me, a notary public qualified for said county, personally came JOHN SCHMID, Authorized Representative of Pinnacle Bank, known to me to be the identical person who signed the foregoing instrument on behalf of Pinnacle Bank, and he acknowledged the execution thereof to be his voluntary act and deed and the voluntary act and deed of Pinnacle Bank.

WITNESS my hand and notarial seal this 26th day of May, 2000.



Brad Eckhoff
Notary Public

Golf Course

#398

FILED FOR RECORD 02-23-00 AT 1:00 P.M.
IN BOOK 348 OF Mtg. PAGE 137
REGISTER OF DEEDS, CASS CO., NE *Patricia Manning*
Doc # 398 \$143.00

COMPA

DEED OF TRUST WITH FUTURE ADVANCES
AND
CONSTRUCTION SECURITY AGREEMENT

THIS DEED OF TRUST WITH FUTURE ADVANCES AND
CONSTRUCTION SECURITY AGREEMENT (hereinafter "Deed of Trust") is executed and
delivered this 26 day of MAY, 1999, by:

Iron Horse Golf Club, L.L.C., a Nebraska limited liability company, the Trustor, (hereafter
"Trustor") whose mailing address is: 17809 Pacific Street, Omaha, NE 68130;

in favor of Pinnacle Bank, a State Banking Corporation, organized and existing under the laws of
the State of Nebraska, (hereinafter "Trustee"), whose mailing address is 1200 Golden Gate
Drive, Papillion, NE 68046;

for the benefit of Pinnacle Bank, a State Banking Corporation, organized and existing under the
laws of the State of Nebraska, whose mailing address is 1200 Golden Gate Drive, Papillion, NE
68046 (hereinafter "Lender").

THIS DEED IS A CONSTRUCTION SECURITY AGREEMENT UNDER THE
NEBRASKA CONSTRUCTION LIEN ACT. IT SECURES AN OBLIGATION WHICH
BORROWER HAS INCURRED CONTEMPORANEOUSLY HEREWITH FOR THE
PURPOSE OF ACQUIRING AND MAKING AN IMPROVEMENT ON THE REAL ESTATE
DESCRIBED BELOW. THIS TRUST DEED CREATES, GRANTS AND CONSTITUTES A
CONSTRUCTION SECURITY INTEREST IN THE REAL ESTATE DESCRIBED BELOW.

For VALUABLE CONSIDERATION, including the indebtedness identified
herein and the trust herein created, the receipt of which is hereby acknowledged, Trustor hereby
irrevocably grants, transfers, conveys and assigns to Trustee, IN TRUST, WITH POWER OF
SALE, for the benefit and security of Lender, under and subject to the terms and conditions
hereinafter set forth, the real property, more particularly described on Exhibit "A" which is
attached hereto and incorporated herein by this reference as if fully set forth, together with all
buildings, improvements, fixtures, streets, alleys, passageways, easements, rights, privileges and
appurtenances now or hereafter located thereon or in anyway pertaining thereto, and all rents,
issues and profits, reversions and remainders thereof; and all proceeds of the conversion thereof,
whether voluntary or involuntary, into cash or liquidated claims, including, without limitation,
proceeds of insurance and condemnation awards; together with such personal property that is
attached to any buildings or improvements, now or hereafter located thereon, which may

12-10

1. Payment of Principal and Interest. Each of the Borrowers shall promptly pay when due the principal of and interest on their respective Notes, together with any late fees or charges provided in, their respective Notes or in their respective Loan Documents as defined in each Borrower's respective Loan Agreement.

2. Title. Trustor is the owner of the Property, has the right and authority to convey the Property, and warrants that the lien created hereby is a first and prior lien on the Property, excepts as may otherwise be set forth herein, and that the execution and delivery of this Deed of Trust does not violate any contract or other obligation to which Trustor is subject. Trustor will forever warrant and defend the title to the Property against the claims and demands of all persons whosoever; and will, at its expense, maintain and preserve the lien of this Deed of Trust as a first paramount lien upon the Property.

3. Taxes & SID Payments. Trustor shall pay each installment of all taxes, special assessments and SID obligations of every kind, now or hereafter levied against the Property or any part thereof, before delinquency, without notice or demand, and shall, before the delinquent date relating thereto, provide Lender with evidence of the payment of same.

Trustor shall pay all such taxes, assessments and SID obligations which may be levied upon Trustor's interest in the Property or upon this Deed of Trust, or the debt secured hereby, without regard to any law that may be enacted imposing payment of the whole or any part thereof upon the Lender.

4. Insurance.

A. Trustor shall keep the Property insured with an all risk policy insuring against loss or damage by fire with extended coverage and against any other risks or hazards, including liability, which in the reasonable opinion of Lender, should be insured against, in amounts and with a company or companies and in such form and with such endorsements as may be reasonably required by Lender, including if applicable, boiler explosion coverage and sprinkler leakage coverage, with loss payable to Lender. In case of loss under such policies, the Lender is authorized to adjust, collect and compromise, all claims thereunder and, unless otherwise agreed to by Lender, is specifically authorized to apply all such insurance proceeds to the payment of any of the obligations secured hereby, in such order as Lender may determine. Any application of the proceeds of such insurance to the obligations secured hereby shall not extend or postpone the due date of any payment under the Notes, or cure any default hereunder.

B. Lender shall be provided with evidence that Trustor has obtained comprehensive general public liability insurance for an amount not less than \$3,000,000.00.

C. Borrower shall continually maintain in full force and effect insurance against flood if required by the Federal Flood Disaster Protection Act of 1973 and regulations issued thereunder.

D. All hazard and flood insurance policies shall provide that all proceeds shall be payable to Lender under a standard noncontributory mortgagee clause in favor of and in form acceptable to Lender, that the policies may not be canceled, modified, or not renewed except upon the giving of at least thirty (30) days' prior written notice to Lender, and shall also provide that any losses shall be payable to Lender notwithstanding (i) any act, failure to act, or negligence by any named insured, (ii) the occupation or use of the Property for purposes more hazardous than permitted by the terms thereof, (iii) any foreclosure or other action or proceeding taken by Lender, or foreclosure pursuant to any provision of this Trust Deed, or (iv) any change in title or ownership of the Property. All such policies shall otherwise be in such form and substance as shall be acceptable to Lender. All of the above mentioned insurance policies or binders of such insurance policies satisfactory to Lender, together with receipts for the payment of premiums thereon, shall be delivered to and be held by Lender, which delivery shall constitute an assignment to Lender of all return premiums to be held as additional security hereunder. All renewal and replacement policies shall be delivered to Lender at least thirty (30) days before the expiration of the expiring policies. Lender shall not, by the fact of approving, disapproving, accepting, preventing, obtaining or failing to obtain any insurance, incur any liability for or with respect to the amount of insurance carried, the form or legal sufficiency of the insurance contracts, the solvency of the insurance companies, or the payment or defense of lawsuits, and Trustor hereby expressly assumes full responsibility therefor and all liability, if any, with respect thereto.

5. Escrow for Taxes, Premiums, Assessments & SID Obligations. For the purpose of providing a fund for the payment of real estate taxes, special assessments, insurance premiums, and any SID obligations Trustor shall upon Lender's written request, deposit with Lender, on the dates that quarterly payments are due on the Trustor's Note, an amount equal to one-fourth (1/4) of the taxes, special assessments, SID obligations, and hazard and mortgage insurance premiums due during the next 12 months for the Property (all as estimated by the Lender). Said funds will be held by the Lender in a non-interest bearing account for the purposes set forth above. If the amount of these deposits are not sufficient to pay real estate taxes, special assessments, SID obligations, and insurance premiums for the Property as they become due, then Trustor shall upon Lender's request, pay Lender the amount necessary to make up the deficiency.

6. Maintenance, Repairs and Compliance with Laws.

A. Trustor shall keep the Property in good condition and repair; shall promptly repair, or replace any buildings or improvements hereafter constructed or located on the Property in accordance with the Plat (as defined in Trustor's Loan Agreement), which may be damaged or destroyed; shall not commit or permit any waste or deterioration of the Property; shall not remove, demolish, or substantially alter any of the buildings or other improvements hereafter

constructed on the Property pursuant to the Plat; shall not commit, suffer or permit any act to be done in or upon the Property in violation of any law, ordinance or regulation; and shall pay and promptly discharge at Trustor's cost and expense all liens, encumbrances and charges levied, imposed and assessed against the Property or any part thereof which may attain priority over the lien created by this Trust Deed.

B. Promptly pursue the development of the Property, and the construction of all streets, storm sewers, sanitary sewers, water lines, electric lines, gas lines, and other improvements on the Property all in accordance with the terms and provisions of the Plat, as defined in Trustor's Loan Agreement.

7. Eminent Domain. If all or a portion of the Property is taken or damaged by reason of any public or governmental or quasi-governmental condemnation, or in any other manner including deed of lieu of Condemnation ("Condemnation"), or should Trustor receive any notice or other information regarding such proceeding, Trustor shall give prompt written notice thereof to Lender. Lender shall be entitled to all compensation, awards, and other payments. The Lender shall be entitled, at its option, to commence, appear in and prosecute in its own name any Condemnation action or proceedings. Lender shall also be entitled to make any compromise or settlement in connection with any such Condemnation. All Condemnation proceeds or awards received by Lender and retained by Lender shall be credited to the last maturing installments of either of the Notes secured hereby (as determined by Lender in Lender's sole discretion) and shall not extend or postpone the due date of any installment referred to in the Notes, or change the amount of such installments. If the condemnation proceeds pay off all of the obligations secured by this Trust Deed, the excess shall be paid to the Trustor.

8. Performance by Lender. If an Event of Default (as defined herein) has occurred, or if any act is taken or legal proceeding commenced which materially affects Lender's interest in the Property, Lender may in its own discretion, but without obligation to do so, and without notice to or demand upon Trustor and without releasing Trustor from any obligation, do any act which the Trustor has agreed to do, but fails to do, and Lender may also do any other act it deems necessary to protect the security hereof. Trustor shall, immediately upon demand therefore by Lender, pay to Lender all costs and expenses incurred and sums expended by Lender in connection with the exercise by Lender of the foregoing rights, together with interest thereon at the default rate provided in the Trustor's Note, which shall be added to the indebtedness secured hereby. Lender shall not incur any personal liability because of anything it may do or omit to do hereunder.

9. Actions Affecting Trust Estate. Trustor shall appear in and contest any action or proceeding purporting to affect the Property or the rights or powers of Lender or Trustee; and shall fully and completely reimburse Lender for all title insurance premiums or attorney's fees, in any such action or proceeding in which Lender or Trustee may appear. Should Trustor fail to make any payment or to do any act as and in the manner provided in any of the Loan Documents (as identified in the Loan Agreements), or this Trust Deed of Trust, then Lender and/or Trustee,

each in its own discretion, without obligation to do so and without notice to or demand upon Trustor and without releasing Trustor from any obligation, may make or do the same in such manner and to such extent as either may deem necessary to protect the Property or any other security hereof. Trustor shall, immediately upon demand by Lender, pay all costs and expenses incurred by Lender in connection with the exercise by Lender of the foregoing rights, including without limitation costs of evidence of title, court costs, appraisals, surveys and reasonable attorney's fees. Any such costs and expenses incurred by Lender shall draw interest at the default rate provided in the Notes until Lender has been fully reimbursed by Borrowers.

10. Events of Default. The following shall constitute an Event of Default under this Deed of Trust:

A. Failure of either of the Borrowers to pay any installment of principal due to Lender under either of the Notes when due, or interest or any other sum secured hereby when due, or the failure of either of the Borrowers to pay when due any other indebtedness of either of the Borrowers to Lender;

B. A breach of or the occurrence of an Event of Default under any provision contained in either of the Notes or in either of the Loan Agreements, or in any of the other Loan Documents (as defined in the Loan Agreements);

C. The sale, transfer, assignment, entering into a contract to sell, or a lease option contract, or the conveyance or further encumbrance of all or any part of or any interest in the Property (other than the sale of individually platted residential lots in the ordinary course of Trustor's business), either voluntary or involuntary, without the written consent of Lender;

D. The sale, transfer, assignment, entering into contract to sell, or a conveyance, or further encumbrance of all or any of the Membership Interests of Trustor or the Membership Interest of I.H.D. to a third party during the period that the Deed of Trust remains a lien on the Property without the prior written consent of Lender;

E. Any other mortgage or Deed of Trust, even though inferior to this Deed of Trust, is filed against the Property without Lender's prior written consent.

F. Any declared default or breach under any secondary mortgages or Deed of Trust filed against the Property.

G. Abandonment of the Property.

H. Trustor commits waste or allows the Property to deteriorate, or fails to pursue the development of the Property in a timely manner in accordance with the terms and provisions of the Plat (as defined in the Trustor's Loan Agreement), and after written notice to correct the problem has been given to the Trustor by Lender, Trustor fails to take steps to correct the same.

I. Trustor or I.H.D. has been dissolved or fails to maintain their respective limited liability company existence.

J. Trustor fails to keep the Property insured as required herein.

K. Trustor fails to pay, prior to their delinquency, any taxes, special assessments or SID obligations levied or assessed against the Property.

L. The breach or occurrence of an event of default under any provision relating to any Sanitary Improvement District affecting the Property, or the development of the Property pursuant to the Plat.

M. Should it be discovered after the execution and delivery of this Deed of Trust that there is a defect in the title to, or a lien or encumbrance of any nature, on the Property which has priority over the lien granted to the Lender under this Deed of Trust, which is not disclosed in the policy of title insurance to be issued to the Lender pursuant to the Trustor's Loan Agreement insuring the priority of this Deed of Trust, unless such defect is cured within thirty (30) days after written notice of such defect from the Lender to the Trustor.

11. Remedies; Acceleration Upon Default. Time is of the essence as to this Deed of Trust. If an Event of Default (as defined herein) occurs, Lender may give notice of default as required by the Nebraska Trust Deeds Act. If such default is not cured within the time allowed by the Nebraska Trust Deeds Act Lender may:

A. Demand that Trustee exercise the POWER OF SALE granted herein, and Trustee shall thereafter cause Trustor's and Borrowers interest, if any, in the Property to be sold and the proceeds to be distributed, all in the manner provided in the Nebraska Trust Deeds Act;

B. Exercise any and all rights provided for in either of the Loan Agreements, or in either of the Notes, or in any of the other Loan Documents (as identified in the Loan Agreements), or by law upon occurrence of any Event of Default; and

C. Commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof.

No remedy herein conferred upon or reserved to the Trustee or the Lender is intended to be exclusive of any other remedy set forth herein, or in the Notes, the Loan Agreements, the Loan Documents, or which may be provided by law, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or in the Notes, the Loan Agreements, the Loan Documents, or now or hereafter existing at law or in equity or by statute, and may be exercised concurrently, independently or successively.

12. Trustee. The Trustee may resign at any time without cause, and Lender may at any time and without cause appoint a successor or substitute Trustee. Trustee shall not be liable to any party, including without limitation Lender, Trustor, Borrowers, or any purchaser of the Property, for any loss or damage unless the same is due to the gross or willful misconduct of the Trustee. Trustee shall not be required to take any action in connection with the enforcement of this Deed of Trust unless indemnified, in writing, for all costs, compensation or expenses which may be associated therewith. In addition, Trustee may become a purchaser at any sale of the Property (whether by judicial action, or under the power of sale granted herein); postpone the sale of all or any portion of the Property, as provided by law; or sell the Property as a whole, or in separate parcels or lots.

13. Fees and Expenses. In the event Trustee sells the Property by exercise of power of sale, Trustee shall be entitled to apply any sale proceeds first to the payment of all costs and expenses of exercising the power of sale set forth herein, including all reasonable Trustee's fees title insurance premiums, and attorney fees incurred by the Trustee. In the event Trustor exercises any rights provided by law to cure an Even of Default, Lender shall be entitled to recover from Trustor all costs and expenses actually incurred as a result of Trustor's default, including without limitation all Trustee's and attorney's fees, all court costs, and all costs for all title searches.

14. Future Advances. Upon request of the Trustor, Lender may, at its option, and in Lender's sole discretion, make additional and future advances and readvances to either or both of the Borrowers. Such advances and readvances, with interest thereon, shall be secured by this Deed of Trust. At no time shall the principal amount of the indebtedness secured by this Deed of Trust, excluding accrued interest, late fees and sums advanced to protect the security of this Deed of Trust, exceed \$9,560,000.00.

15. Assignment of Leases and Rents. As additional security hereunder, Trustor hereby assigns to Lender all of the rents, issues and profits of the Property.

16. Hazardous Materials.

a. Borrowers shall keep the Property in compliance with any and all federal, state and local laws, ordinances and regulations relating to industrial hygiene or to environmental conditions on, under or about the Property, including, but not limited to, soil and groundwater conditions (collectively the "Environmental Laws"). Borrowers shall not use, generate, manufacture, store or dispose of on, under or about the Property or transport to or from the Property any flammable explosive, radioactive materials, hazardous wastes, toxic substances or related materials, including, without limitation, any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials" or "toxic substances" under any applicable laws, ordinances or regulations (collectively referred to hereinafter as "Hazardous Materials"). Borrowers hereby jointly warrant and represent to Lender, that there are no Hazardous Materials on or under the Property, except as disclosed in

writing by Borrowers to Lender. Borrowers hereby jointly and severally agree to indemnify and hold harmless Lender, its directors, officers, employees, and agents, and any successors to Lender's interest in the Property, from and against any and all claims, damages and liabilities arising in connection with the presence, use, storage, disposal or transport of any Hazardous Materials on, under, from or about the Property, including, without limitations, (a) all damages directly or indirectly arising out of the use, generation, storage or disposal of any such Hazardous Materials, and (b) all costs of any required or necessary repair, cleanup or detoxification and the preparation of any closure or other required plans, whether such action is required or necessary prior to or following transfer of title to the Property, to the full extent that such action is attributable, directly or indirectly, to the presence or use, generation, storage release, threatened release or disposal of Hazardous Materials by any person on the Property prior to transfer of title thereto by Lender. THE FOREGOING WARRANTIES AND REPRESENTATIONS, AND BORROWER'S OBLIGATIONS PURSUANT TO THE FOREGOING INDEMNITY, SHALL SURVIVE REPAYMENT OF THE NOTES AND THE RECONVEYANCE OF THE PROPERTY DESCRIBED IN THIS DEED OF TRUST.

b. Upon the occurrence of any factors set forth in subparagraph b(i) and/or b(ii) below, Lender shall have the right to require Borrowers, at the sole cost and expense of Borrowers, to employ a qualified independent environmental auditor, acceptable to Lender, to conduct an environmental audit of the Property to determine whether there is any asbestos or Hazardous Materials above, in, on, under, from or around the Property, in order to ensure that the Property, and/or any activity related to the Property is in compliance with all applicable Environmental Laws. Lender shall instruct such auditor to conduct such audit in such a manner as to minimize interference with the operation of the Property.

(i) at any time that Lender reasonable suspects the presence of any Hazardous Materials subject to regulation under the Environmental Laws, in, on, under, from or around the Property (except with respect to any Hazardous Materials used in the ordinary course of business of the Property, with respect to which use there has been no violation of any of the Environmental Laws); or

(ii) upon and after any Event of Default hereunder.

17. Bankruptcy.

A. Bankruptcy: Assumption And Assignment. The parties agree that Borrowers have substantial duties of performance apart from their mere financial obligations under this Deed of Trust, the Notes and other debt instruments or obligations which this Deed of Trust secures, and that parties other than the Borrowers could not adequately and fully perform the duties to be performed by Borrowers in connection with the development of the Property described in this Deed of Trust. The parties also agree that this Deed of Trust is an agreement for the making of loans and for the extending of debt financing or financial accommodations. No assumption of or assignment of this Deed of Trust shall be allowed in bankruptcy. Should an

assumption of or assignment of this Deed of Trust be permitted in violation of this covenant, the parties agree that Lender will not have adequate assurance of performance unless and until Lender is allowed access to adequate financial and other information to satisfy itself that the trustee in bankruptcy, or the proposed assignee, is fully able to assume the financial and personal covenants of the Borrowers to develop and market the Property in full accordance with the Loan Agreements, and sufficient collateral is pledged and sufficient bonds or letters of credit are posted by the trustee in bankruptcy, or the proposed assignee, to guarantee the full and timely performance of such obligations. The parties further agree that the definition of the term "adequate assurance" as set forth in §365(b)(3) of the Bankruptcy Code of 1978 shall be applicable directly or by analogy to any determination of whether or not Lender has received such adequate assurance in connection with any such assignment of this Deed of Trust.

B. Bankruptcy: Adequate Protection. In the event either of the Borrowers become a debtor in bankruptcy, neither of the Borrowers as debtor in possession, nor the trustee in bankruptcy, shall be permitted to use, sell or lease any of the Property, whether or not in the ordinary course of business, without providing adequate protection to Lender. The parties agree that the language in §361 of the Bankruptcy Code of 1978 shall be the definition of the term "adequate protection" in connection with any such use, sale or lease of the Property. The cash payment referred to in that section shall mean the full payment required under the Notes and all other indebtedness and obligations which this Deed of Trust secures, or; alternatively, payment representing the full replacement value of the Property used, sold or leased; the replacement liens referred to in §361 of the Bankruptcy Code shall mean liens on property the fair market value of which is equal to or greater than the replacement cost of the Property used, sold or leased; and the term "indubitable equivalent" as used in that section shall mean protection afforded by either grants of administrative expense priority, grants to Lender of an ownership interest in a continuing business surviving the bankruptcy, or grants to Lender of protected securities issued by a continuing business surviving the bankruptcy, which completely compensates Lender for the loss of the present value (computed at the then market rate of interest for commercial loans), of its interest in the Property. For purposes of computation, the value of the Property shall be the actual fair market cost of replacement real estate in approximately the same location and condition as the Property.

C. Bankruptcy: Stay of Collection. The parties agree that because of the extreme financial importance to Lender of this transaction, Lender will be irreparably harmed by any stay of its collection efforts, or by any stay of the exercise of its remedies under the Deed of Trust.

D. Bankruptcy: Reorganization of Either of the Borrowers. The parties agree that in the event a plan or reorganization is proposed under Chapter 11 of the Bankruptcy Code of 1978, the plan will be fair and equitable to Lender, as a secured creditor, only if Lender realizes under the plan the indubitable equivalent of its interest in the Property. The term "indubitable equivalent" in such context shall have the same meaning as previously set forth herein.

18. Americans with Disabilities Act.

A. Borrowers jointly and severally warrant and represent to Lender that the Property is not currently in violation of the Americans with Disabilities Act (hereafter "ADA"). Borrowers agree to develop the Property in compliance with the ADA. If the Property is later remodeled or altered while this Deed of Trust is in effect, the Trustor shall have the work performed so that it complies with the ADA. Borrowers shall furnish to Lender, if requested, a written opinion from a licensed architect that any such remodeling or alterations of the Property comply with the ADA.

B. Borrowers hereby jointly and severally warrant and represent to Lender that there are no pending or threatened claims against either of the Borrowers by the Department of Justice or third parties relating to the Property and the ADA.

C. Borrowers hereby jointly and severally agree to indemnify and hold harmless the Lender, its directors, officers, employees and agents, and any successor to Lender's interest in this Deed of Trust, from and against any and all claims, damages, losses and liabilities arising in connection with the violation of the ADA. THE FOREGOING WARRANTIES AND REPRESENTATIONS, AND BORROWERS' OBLIGATIONS PURSUANT TO THE FOREGOING INDEMNITY, SHALL SURVIVE RECONVEYANCE OF THE PROPERTY DESCRIBED IN THIS DEED OF TRUST.

19. Miscellaneous Provisions.

A. Borrowers Not Released. Extension of the time for payment, or modification of amortization of the Notes, or any other sums secured by this Deed of Trust which may hereafter be granted by Lender to the Borrowers or any successor in interest of the either of the Borrowers, shall not release either of the Borrowers, or their respective successors in interest, from any duty or obligation imposed on either or both of the Borrowers pursuant to this Deed of Trust, the Notes, or any of the other Loan Documents. Lender shall not be required to commence proceedings against such successor, or refuse to extend time for payment, or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Borrowers or their successors in interest.

B. Lender's Powers. Without affecting the liability of any other person liable for the payment of any of the obligations secured by this Deed of Trust, and without affecting the lien or charge of this Deed of Trust upon any portion of the Property, Lender may, from time to time and without notice to either of the Borrowers or to any of the Guarantors (as identified in the Loan Agreements): (i) release any person so liable, (ii) extend the maturity or alter any of the terms of any such obligations, (iii) grant other indulgences, (iv) release or reconvey, or cause to be released or reconveyed at any time at Lender's options any parcel, portion or all of the Property, (v) take or release any other or additional security for any obligation secured hereby, or (vi) make compositions or other arrangements with either or both of the Borrowers in relation thereto.

C. Forbearance by Lender Not a Waiver. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of, any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's rights to accelerate the maturity of any of the obligations secured by this Deed of Trust.

D. Successors and Assigns Bound; Joint and Several Liability; Captions. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender, Trustor, and both of the Borrowers where the context admits. All covenants and agreements of the Borrowers shall be joint and several where the context admits. The captions and heading of the paragraphs of this Deed of Trust are for convenience only, and are not to be used to interpret or define the provisions hereof.

E. Request for Notice. Borrowers hereby requests that a copy of any Notice of Default hereunder and a copy of any Notice of Sale hereunder be mailed to the Borrowers at the Trustor's address set forth herein on the first page of this Deed of Trust in the manner prescribed by applicable law. Except for any other notice required under applicable law to be given in another manner, any notice to either of the Borrowers provided for in this Deed of Trust shall be given by mailing such notice, addressed to the Trustor, at the address set forth above, in the manner prescribed by the Nebraska Trust Deeds Act, or if there is no prescribed method set forth in the Nebraska Trust Deeds Act for such notice, then by regular United States first class mail, sufficient postage prepaid.

Any notice provided for in this Deed of Trust shall be effective upon depositing the same in the United States mail in Lincoln, Omaha, or Papillion, Nebraska in the manner designated herein.

F. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Trustor, and any of Trustor's tenants, if any, reasonable notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

G. Reconveyance. Upon payment of all sums secured by this Trust Deed, and the execution and delivery by Borrowers of a written notice to Lender from any further duty or obligation to make any Advances to either of the Borrowers under the terms and provisions of either of the Notes or either of the Loan Agreements, and the written request to Lender to release this Deed of Trust to Lender, Lender shall request Trustee to reconvey the Property described in this Deed of Trust. Trustee shall, within thirty (30) days after receipt of such request, reconvey the Property without warranty to the person or persons legally entitled thereto. Such person or persons shall pay all costs of recordation, if any.

H. Conversion of Security. All right, title and interest of either of the Borrowers in and to all extensions, improvements, betterments, renewals, substitutes and replacements of, and all additions and appurtenances to the Property, hereafter acquired by, or released to either of the Borrowers, or constructed, assembled or placed by either of the Borrowers on the Property, and all conversions of the security constituted thereby, immediately upon such acquisition, release, construction, assembling, placement or conversion, as the case may be, and in each such case, without any further deed of trust, conveyance, assignment or other act by either of the Borrowers, shall become subject to the lien of this Deed of Trust as fully and completely, and with the same effect, as though now owned by Trustor and specifically described in the granting clause hereof. Additionally, if requested by Lender, the Borrowers will execute and deliver to Trustee any and all such further assurances, deeds of trust, conveyances or assignments thereof as Trustee or Lender may reasonably require for the purpose of expressly and specifically subjecting any such additions to the lien of this Deed of Trust.

I. Security Agreement. This Deed of Trust shall be self-operative and constitute a Financing Statement and Security Agreement under the Uniform Commercial Code of the State in which the Property is located, as amended from time to time, with respect to all fixtures and other personal property that is now, or may hereafter be, attached to the Property so as to constitute a fixture including, but not limited to, all heating and cooling equipment; provided, however, Borrowers jointly and severally hereby agree to execute and deliver on demand, and hereby irrevocably constitute and appoint Lender the attorney-in-fact of both Borrowers, to execute, deliver and, if appropriate, to file the same with the appropriate filing officer or office, such security agreements, financing statements or other instruments as Lender may request or require in order to impose or perfect the lien or security interest granted hereby.

J. Governing Law. This Deed of Trust shall be governed by the laws of the State of Nebraska. If any provision or clause in either of the Notes, or this Deed of Trust, or either of the Loan Agreements, or any other Loan Document (as identified in the Loan Agreements) are declared to be unconstitutional or illegal, invalid or unenforceable, such provision shall be deemed to be separate and severable from the rest of the provisions of such document, with the intent that the remaining portions of such document will remain in full force and effect. This instrument may only be amended, modified, waived, changed, discharged or terminated by an instrument in writing signed by the party against whom the enforcement of any such waiver, amendment, modification, change, discharge or termination is sought.

K. Interchangeable Terms. As used herein, Deed of Trust means the same as Trust Deed; Note means the same as Notes or Promissory Note; and said words are used interchangeably herein. The term "Trustor" and "Borrower" shall include both the singular and plural, and when the Trustor and Borrower are the same person(s), those terms as used in this Deed of Trust shall be interchangeable.

L. Other Documents. The Borrowers have also executed and delivered to Lender, simultaneously with the execution of the Notes and this Deed of Trust, the Loan Agreements,

and various other Loan Documents (as identified in the Loan Agreements). Trustor acknowledges and agrees that upon the occurrence of any Event of Default (as defined in either of the Loan Agreements) a default can be declared under the terms of this Deed of Trust.

IN WITNESS WHEREOF, the undersigned has caused this Deed of Trust to be signed and delivered as of the date and year first above written.

Iron Horse Golf Club, L.L.C., a Nebraska limited liability company, Trustor & Borrower

[Signature]
Witness

By: [Signature]
Timothy W. Young,
Managing Member

Iron Horse Development, L.L.C., A Nebraska limited liability company, Borrower

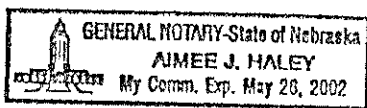
[Signature]
Witness

By: [Signature]
Timothy W. Young,
Managing Member

STATE OF NEBRASKA)
) ss.
COUNTY OF Douglas)

Before me, a notary public qualified for said county, personally came Timothy W. Young, Managing Member of Iron Horse Golf Club, L.L.C., known to me to be the identical person who signed the foregoing instrument on behalf of Iron Horse Golf Club, L.L.C., and he acknowledged the execution thereof to be his voluntary act and deed and the voluntary act and deed of Iron Horse Golf Club, L.L.C.

WITNESS my hand and notarial seal this 26 day of May, 1999.

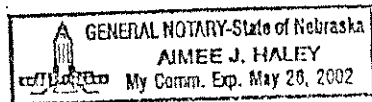


[Signature]
Notary Public

STATE OF NEBRASKA)
) ss.
COUNTY OF Douglas)

Before me, a notary public qualified for said county, personally came Timothy W. Young, Managing Member of Iron Horse Development, L.L.C., known to me to be the identical person who signed the foregoing instrument on behalf of Iron Horse Development, L.L.C., and he acknowledged the execution thereof to be his voluntary act and deed and the voluntary act and deed of Iron Horse Development, L.L.C.

WITNESS my hand and notarial seal this 26 day of May,
1999.



Aimee J. Haley
Notary Public

Part
RELEASE
Book # 344
Page # 820

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5143
DON CLARK
REGISTER OF DEEDS
SAUNDERS CO. NEBR.

99 JUN -2 PM 4:26
BOOK 234 PAGE 376
OF 2 INST# 64

FILED FOR RECORD 6-1-99 AT 10:48 A.M.
BY BOOK 334 OF 1779 PAGE 823
REGISTER OF DEEDS, CASS CO., NE Patricia Munnig
Dec # 11 \$ 90.50

64-1

DEED OF TRUST WITH FUTURE ADVANCES
AND
CONSTRUCTION SECURITY AGREEMENT

THIS DEED OF TRUST WITH FUTURE ADVANCES AND CONSTRUCTION SECURITY AGREEMENT (hereinafter "Deed of Trust") is executed and delivered this 26 day of MAY, 1999, by:

Iron Horse Development, L.L.C., a Nebraska limited liability company, the Trustor, (hereafter "Trustor") whose mailing address is: 17809 Pacific Street, Omaha, NE 68130;

in favor of Pinnacle Bank, a State Banking Corporation, organized and existing under the laws of the State of Nebraska, (hereinafter "Trustee"), whose mailing address is 1200 Golden Gate Drive, Papillion, NE 68046;

for the benefit of Pinnacle Bank, a State Banking Corporation, organized and existing under the laws of the State of Nebraska, whose mailing address is 1200 Golden Gate Drive, Papillion, NE 68046 (hereinafter "Lender").

THIS DEED IS A CONSTRUCTION SECURITY AGREEMENT UNDER THE NEBRASKA CONSTRUCTION LIEN ACT. IT SECURES AN OBLIGATION WHICH BORROWER HAS INCURRED CONTEMPORANEOUSLY HEREWITH FOR THE PURPOSE OF ACQUIRING AND MAKING AN IMPROVEMENT ON THE REAL ESTATE DESCRIBED BELOW. THIS TRUST DEED CREATES, GRANTS AND CONSTITUTES A CONSTRUCTION SECURITY INTEREST IN THE REAL ESTATE DESCRIBED BELOW.

For VALUABLE CONSIDERATION, including the indebtedness identified herein and the trust herein created, the receipt of which is hereby acknowledged, Trustor hereby irrevocably grants, transfers, conveys and assigns to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit and security of Lender, under and subject to the terms and conditions hereinafter set forth, the real property, more particularly described on Exhibit "A" which is attached hereto and incorporated herein by this reference as if fully set forth, together with all buildings, improvements, fixtures, streets, alleys, passageways, easements, rights, privileges and appurtenances now or hereafter located thereon or in anyway pertaining thereto, and all rents, issues and profits, reversions and remainders thereof; and all proceeds of the conversion thereof, whether voluntary or involuntary, into cash or liquidated claims, including, without limitation, proceeds of insurance and condemnation awards; together with such personal property that is attached to any buildings or improvements, now or hereafter located thereon, which may

constitute a fixture, including, but not limited to, all heating and cooling equipment; all of which, including all replacements and additions thereto, are hereby declared to be a part of the real estate secured by the lien of this Deed of Trust (all of the foregoing being collectively referred to herein as the "Property").

FOR THE PURPOSE OF SECURING:

64-2
 A. The payment of all amounts which may now or hereafter become due and owing to Lender from Trustor and/or Iron Horse Golf Club, L.L.C., a Nebraska limited liability company ("Golf Club") [Trustor and Golf Club being hereinafter collectively referred to as the "Borrowers"), under or pursuant to the terms and provisions of: (i) that certain Loan Agreement of even date herewith entered into by and between the Trustor and the Lender of even date herewith (the "Trustor's Loan Agreement"); (ii) that certain Loan Agreement of even date herewith entered into by and between Golf Club and the Lender (the "Golf Club Loan Agreement") [the Trustor's Loan Agreement and the Golf Club Agreement being hereinafter collectively referred to as the "Loan Agreements"]; (iii) the Note executed by Trustor in favor of Lender of even date herewith, which has a total face principal amount of \$6,290,000.00 (the "Trustor's Note"); (iv) the Note executed by Golf Club in favor of Lender of even date herewith, which has a total face principal amount of \$2,400,000.00 (the "Golf Club Note") [the Trustor's Note and the Golf Club Note being hereinafter collectively referred to as the "Notes"], the last maturity date of said Notes being May 31, 2004, unless extended in writing, and (v) any other Loan Document, as defined and identified in either of the Loan Agreements (collectively the "Loan Documents");

B. The full, complete and prompt payment of all accrued interest and late charges which may now or hereafter become due and owing to Lender pursuant to the Notes;

C. The payment of any other sums advanced by Lender to either of the Borrowers from time to time, pursuant to the terms and provisions of either of the Loan Agreements, the Notes, this Trust Deed or any of the other Loan Documents; together with interest thereon at the rate of interest set forth in the Notes;

D. The performance of all covenants and agreements of the Trustor as set forth herein, and the performance of all other covenants and agreements of either of the Borrowers as set forth in the Loan Agreements, or in either of the Notes, or in any of the other Loan Documents; and

E. All present and future indebtedness and obligations of either of the Borrowers to Lender, whether direct, indirect, absolute, or contingent and whether existing by note, guaranty, overdraft or otherwise.

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BORROWERS, OR TRUSTOR ONLY WHERE THE CONTEXT ADMITS, TO PROTECT THE SECURITY OF THIS TRUST DEED, JOINTLY COVENANT AND AGREE WITH LENDER AS FOLLOWS:

64-3
 1. Payment of Principal and Interest. Each of the Borrowers shall promptly pay when due the principal of and interest on their respective Notes, together with any late fees or charges provided in, their respective Notes or in their respective Loan Documents as defined in each Borrower's respective Loan Agreement.

2. Title. Trustor is the owner of the Property, has the right and authority to convey the Property, and warrants that the lien created hereby is a first and prior lien on the Property, excepts as may otherwise be set forth herein, and that the execution and delivery of this Deed of Trust does not violate any contract or other obligation to which Trustor is subject. Trustor will forever warrant and defend the title to the Property against the claims and demands of all persons whosoever; and will, at its expense, maintain and preserve the lien of this Deed of Trust as a first paramount lien upon the Property.

3. Taxes & SID Payments. Trustor shall pay each installment of all taxes, special assessments and SID obligations of every kind, now or hereafter levied against the Property or any part thereof, before delinquency, without notice or demand, and shall, before the delinquent date relating thereto, provide Lender with evidence of the payment of same.

Trustor shall pay all such taxes, assessments and SID obligations which may be levied upon Trustor's interest in the Property or upon this Deed of Trust, or the debt secured hereby, without regard to any law that may be enacted imposing payment of the whole or any part thereof upon the Lender.

4. Insurance.

A. Trustor shall keep the Property insured with an all risk policy insuring against loss or damage by fire with extended coverage and against any other risks or hazards, including liability, which in the reasonable opinion of Lender, should be insured against, in amounts and with a company or companies and in such form and with such endorsements as may be reasonably required by Lender, including if applicable, boiler explosion coverage and sprinkler leakage coverage, with loss payable to Lender. In case of loss under such policies, the Lender is authorized to adjust, collect and compromise, all claims thereunder and, unless otherwise agreed to by Lender, is specifically authorized to apply all such insurance proceeds to the payment of any of the obligations secured hereby, in such order as Lender may determine. Any application of the proceeds of such insurance to the obligations secured hereby shall not extend or postpone the due date of any payment under the Notes, or cure any default hereunder.

B. Lender shall be provided with evidence that Trustor has obtained comprehensive general public liability insurance for an amount not less than \$3,000,000.00.

C. Borrower shall continually maintain in full force and effect insurance against flood if required by the Federal Flood Disaster Protection Act of 1973 and regulations issued thereunder.

64-4
D. All hazard and flood insurance policies shall provide that all proceeds shall be payable to Lender under a standard noncontributory mortgagee clause in favor of and in form acceptable to Lender, that the policies may not be canceled, modified, or not renewed except upon the giving of at least thirty (30) days' prior written notice to Lender, and shall also provide that any losses shall be payable to Lender notwithstanding (i) any act, failure to act, or negligence by any named insured, (ii) the occupation or use of the Property for purposes more hazardous than permitted by the terms thereof, (iii) any foreclosure or other action or proceeding taken by Lender, or foreclosure pursuant to any provision of this Trust Deed, or (iv) any change in title or ownership of the Property. All such policies shall otherwise be in such form and substance as shall be acceptable to Lender. All of the above mentioned insurance policies or binders of such insurance policies satisfactory to Lender, together with receipts for the payment of premiums thereon, shall be delivered to and be held by Lender, which delivery shall constitute an assignment to Lender of all return premiums to be held as additional security hereunder. All renewal and replacement policies shall be delivered to Lender at least thirty (30) days before the expiration of the expiring policies. Lender shall not, by the fact of approving, disapproving, accepting, preventing, obtaining or failing to obtain any insurance, incur any liability for or with respect to the amount of insurance carried, the form or legal sufficiency of the insurance contracts, the solvency of the insurance companies, or the payment or defense of lawsuits, and Trustor hereby expressly assumes full responsibility therefor and all liability, if any, with respect thereto.

5. Escrow for Taxes, Premiums, Assessments & SID Obligations. For the purpose of providing a fund for the payment of real estate taxes, special assessments, insurance premiums, and any SID obligations Trustor shall upon Lender's written request, deposit with Lender, on the dates that quarterly payments are due on the Trustor's Note, an amount equal to one-fourth (1/4) of the taxes, special assessments, SID obligations, and hazard and mortgage insurance premiums due during the next 12 months for the Property (all as estimated by the Lender). Said funds will be held by the Lender in a non-interest bearing account for the purposes set forth above. If the amount of these deposits are not sufficient to pay real estate taxes, special assessments, SID obligations, and insurance premiums for the Property as they become due, then Trustor shall upon Lender's request, pay Lender the amount necessary to make up the deficiency.

6. Maintenance, Repairs and Compliance with Laws.

A. Trustor shall keep the Property in good condition and repair; shall promptly repair, or replace any buildings or improvements hereafter constructed or located on the Property in accordance with the Plat (as defined in Trustor's Loan Agreement), which may be damaged or destroyed; shall not commit or permit any waste or deterioration of the Property; shall not

64-5
 remove, demolish, or substantially alter any of the buildings or other improvements hereafter constructed on the Property pursuant to the Plat; shall not commit, suffer or permit any act to be done in or upon the Property in violation of any law, ordinance or regulation; and shall pay and promptly discharge at Trustor's cost and expense all liens, encumbrances and charges levied, imposed and assessed against the Property or any part thereof which may attain priority over the lien created by this Trust Deed.

B. Promptly pursue the development of the Property, and the construction of all streets, storm sewers, sanitary sewers, water lines, electric lines, gas lines, and other improvements on the Property all in accordance with the terms and provisions of the Plat, as defined in Trustor's Loan Agreement.

7. Eminent Domain. If all or a portion of the Property is taken or damaged by reason of any public or governmental or quasi-governmental condemnation, or in any other manner including deed of lieu of Condemnation ("Condemnation"), or should Trustor receive any notice or other information regarding such proceeding, Trustor shall give prompt written notice thereof to Lender. Lender shall be entitled to all compensation, awards, and other payments. The Lender shall be entitled, at its option, to commence, appear in and prosecute in its own name any Condemnation action or proceedings. Lender shall also be entitled to make any compromise or settlement in connection with any such Condemnation. All Condemnation proceeds or awards received by Lender and retained by Lender shall be credited to the last maturing installments of either of the Notes secured hereby (as determined by Lender in Lender's sole discretion) and shall not extend or postpone the due date of any installment referred to in the Notes, or change the amount of such installments. If the condemnation proceeds pay off all of the obligations secured by this Trust Deed, the excess shall be paid to the Trustor.

8. Performance by Lender. If an Event of Default (as defined herein) has occurred, or if any act is taken or legal proceeding commenced which materially affects Lender's interest in the Property, Lender may in its own discretion, but without obligation to do so, and without notice to or demand upon Trustor and without releasing Trustor from any obligation, do any act which the Trustor has agreed to do, but fails to do, and Lender may also do any other act it deems necessary to protect the security hereof. Trustor shall, immediately upon demand therefore by Lender, pay to Lender all costs and expenses incurred and sums expended by Lender in connection with the exercise by Lender of the foregoing rights, together with interest thereon at the default rate provided in the Trustor's Note, which shall be added to the indebtedness secured hereby. Lender shall not incur any personal liability because of anything it may do or omit to do hereunder.

9. Actions Affecting Trust Estate. Trustor shall appear in and contest any action or proceeding purporting to affect the Property or the rights or powers of Lender or Trustee; and shall fully and completely reimburse Lender for all title insurance premiums or attorney's fees, in any such action or proceeding in which Lender or Trustee may appear. Should Trustor fail to make any payment or to do any act as and in the manner provided in any of the Loan Documents

64-6
 (as identified in the Loan Agreements), or this Trust Deed of Trust, then Lender and/or Trustee, each in its own discretion, without obligation to do so and without notice to or demand upon Trustor and without releasing Trustor from any obligation, may make or do the same in such manner and to such extent as either may deem necessary to protect the Property or any other security hereof. Trustor shall, immediately upon demand by Lender, pay all costs and expenses incurred by Lender in connection with the exercise by Lender of the foregoing rights, including without limitation costs of evidence of title, court costs, appraisals, surveys and reasonable attorney's fees. Any such costs and expenses incurred by Lender shall draw interest at the default rate provided in the Notes until Lender has been fully reimbursed by Borrowers.

10. Events of Default. The following shall constitute an Event of Default under this Deed of Trust:

A. Failure of either of the Borrowers to pay any installment of principal or interest due to Lender under either of the Notes when due, or any other sum secured hereby when due, or the failure of either of the Borrowers to pay when due any other indebtedness of either of the Borrowers to Lender;

B. A breach of or the occurrence of an Event of Default under any provision contained in either of the Notes or in either of the Loan Agreements, or in any of the other Loan Documents (as defined in the Loan Agreements);

C. The sale, transfer, assignment, entering into a contract to sell, or a lease option contract, or the conveyance or further encumbrance of all or any part of or any interest in the Property (other than the sale of individually platted residential lots in the ordinary course of Trustor's business), either voluntary or involuntary, without the written consent of Lender;

D. The sale, transfer, assignment, entering into contract to sell, or a conveyance, or further encumbrance of all or any of the Membership Interests of Trustor or the Membership Interest of Golf Club to a third party during the period that the Deed of Trust remains a lien on the Property without the prior written consent of Lender;

E. Any other mortgage or Deed of Trust, even though inferior to this Deed of Trust, is filed against the Property without Lender's prior written consent.

F. Any declared default or breach under any secondary mortgages or Deed of Trust filed against the Property.

G. Abandonment of the Property.

H. Trustor commits waste or allows the Property to deteriorate, or fails to pursue the development of the Property in a timely manner in accordance with the terms and provisions of

the Plat (as defined in the Trustor's Loan Agreement), and after written notice to correct the problem has been given to the Trustor by Lender, Trustor fails to take steps to correct the same.

64-7
I. Trustor or Golf Club has been dissolved or fails to maintain their respective limited liability company existence.

J. Trustor fails to keep the Property insured as required herein.

K. Trustor fails to pay, prior to their delinquency, any taxes, special assessments or SID obligations levied or assessed against the Property.

L. The breach or occurrence of an event of default under any provision relating to any Sanitary Improvement District affecting the Property, or the development of the Property pursuant to the Plat.

M. Should it be discovered after the execution and delivery of this Deed of Trust that there is a defect in the title to, or a lien or encumbrance of any nature, on the Property which has priority over the lien granted to the Lender under this Deed of Trust, which is not disclosed in the policy of title insurance to be issued to the Lender pursuant to the Trustor's Loan Agreement insuring the priority of this Deed of Trust, unless such defect is cured within thirty (30) days after written notice of such defect from the Lender to the Trustor.

11. Remedies: Acceleration Upon Default. Time is of the essence as to this Deed of Trust. If an Event of Default (as defined herein) occurs, Lender may give notice of default as required by the Nebraska Trust Deeds Act. If such default is not cured within the time allowed by the Nebraska Trust Deeds Act Lender may:

A. Demand that Trustee exercise the POWER OF SALE granted herein, and Trustee shall thereafter cause Trustor's and Borrowers interest, if any, in the Property to be sold and the proceeds to be distributed, all in the manner provided in the Nebraska Trust Deeds Act;

B. Exercise any and all rights provided for in either of the Loan Agreements, or in either of the Notes, or in any of the other Loan Documents (as identified in the Loan Agreements), or by law upon occurrence of any Event of Default; and

C. Commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof.

No remedy herein conferred upon or reserved to the Trustee or the Lender is intended to be exclusive of any other remedy set forth herein, or in the Notes, the Loan Agreements, the Loan Documents, or which may be provided by law, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or in the Notes, the Loan Agreements.

the Loan Documents, or now or hereafter existing at law or in equity or by statute, and may be exercised concurrently, independently or successively.

64-8
 12. Trustee. The Trustee may resign at any time without cause, and Lender may at any time and without cause appoint a successor or substitute Trustee. Trustee shall not be liable to any party, including without limitation Lender, Trustor, Borrowers, or any purchaser of the Property, for any loss or damage unless the same is due to the gross or willful misconduct of the Trustee. Trustee shall not be required to take any action in connection with the enforcement of this Deed of Trust unless indemnified, in writing, for all costs, compensation or expenses which may be associated therewith. In addition, Trustee may become a purchaser at any sale of the Property (whether by judicial action, or under the power of sale granted herein); postpone the sale of all or any portion of the Property, as provided by law; or sell the Property as a whole, or in separate parcels or lots.

13. Fees and Expenses. In the event Trustee sells the Property by exercise of power of sale, Trustee shall be entitled to apply any sale proceeds first to the payment of all costs and expenses of exercising the power of sale set forth herein, including all reasonable Trustee's fees title insurance premiums, and attorney fees incurred by the Trustee. In the event Trustor exercises any rights provided by law to cure an Even of Default, Lender shall be entitled to recover from Trustor all costs and expenses actually incurred as a result of Trustor's default, including without limitation all Trustee's and attorney's fees, all court costs, and all costs for all title searches.

14. Future Advances. Upon request of the Trustor, Lender may, at its option, and in Lender's sole discretion, make additional and future advances and readvances to either or both of the Borrowers. Such advances and readvances, with interest thereon, shall be secured by this Deed of Trust. At no time shall the principal amount of the indebtedness secured by this Deed of Trust, excluding accrued interest, late fees and sums advanced to protect the security of this Deed of Trust, exceed \$9,560,000.00.

15. Assignment of Leases and Rents. As additional security hereunder, Trustor hereby assigns to Lender all of the rents, issues and profits of the Property.

16. Hazardous Materials.

a. Borrowers shall keep the Property in compliance with any and all federal, state and local laws, ordinances and regulations relating to industrial hygiene or to environmental conditions on, under or about the Property, including, but not limited to, soil and groundwater conditions (collectively the "Environmental Laws"). Borrowers shall not use, generate, manufacture, store or dispose of on, under or about the Property or transport to or from the Property any flammable explosive, radioactive materials, hazardous wastes, toxic substances or related materials, including, without limitation, any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials" or "toxic

64-9

substances" under any applicable laws, ordinances or regulations (collectively referred to hereinafter as "Hazardous Materials"). Borrowers hereby jointly warrant and represent to Lender, that there are no Hazardous Materials on or under the Property, except as disclosed in writing by Borrowers to Lender. Borrowers hereby jointly and severally agree to indemnify and hold harmless Lender, its directors, officers, employees, and agents, and any successors to Lender's interest in the Property, from and against any and all claims, damages and liabilities arising in connection with the presence, use, storage, disposal or transport of any Hazardous Materials on, under, from or about the Property, including, without limitations, (a) all damages directly or indirectly arising out of the use, generation, storage or disposal of any such Hazardous Materials, and (b) all costs of any required or necessary repair, cleanup or detoxification and the preparation of any closure or other required plans, whether such action is required or necessary prior to or following transfer of title to the Property, to the full extent that such action is attributable, directly or indirectly, to the presence or use, generation, storage release, threatened release or disposal of Hazardous Materials by any person on the Property prior to transfer of title thereto by Lender. THE FOREGOING WARRANTIES AND REPRESENTATIONS, AND BORROWER'S OBLIGATIONS PURSUANT TO THE FOREGOING INDEMNITY, SHALL SURVIVE REPAYMENT OF THE NOTES AND THE RECONVEYANCE OF THE PROPERTY DESCRIBED IN THIS DEED OF TRUST.

b. Upon the occurrence of any factors set forth in subparagraph b(i) and/or b(ii) below, Lender shall have the right to require Borrowers, at the sole cost and expense of Borrowers, to employ a qualified independent environmental auditor, acceptable to Lender, to conduct an environmental audit of the Property to determine whether there is any asbestos or Hazardous Materials above, in, on, under, from or around the Property, in order to ensure that the Property, and/or any activity related to the Property is in compliance with all applicable Environmental Laws. Lender shall instruct such auditor to conduct such audit in such a manner as to minimize interference with the operation of the Property.

(i) at any time that Lender reasonable suspects the presence of any Hazardous Materials subject to regulation under the Environmental Laws, in, on, under, from or around the Property (except with respect to any Hazardous Materials used in the ordinary course of business of the Property, with respect to which use there has been no violation of any of the Environmental Laws); or

(ii) upon and after any Event of Default hereunder.

17. Bankruptcy.

A. Bankruptcy: Assumption And Assignment. The parties agree that Borrowers have substantial duties of performance apart from their mere financial obligations under this Deed of Trust, the Notes and other debt instruments or obligations which this Deed of Trust secures, and that parties other than the Borrowers could not adequately and fully perform the duties to be performed by Borrowers in connection with the development of the Property

64-10

described in this Deed of Trust. The parties also agree that this Deed of Trust is an agreement for the making of loans and for the extending of debt financing or financial accommodations. No assumption of or assignment of this Deed of Trust shall be allowed in bankruptcy. Should an assumption of or assignment of this Deed of Trust be permitted in violation of this covenant, the parties agree that Lender will not have adequate assurance of performance unless and until Lender is allowed access to adequate financial and other information to satisfy itself that the trustee in bankruptcy, or the proposed assignee, is fully able to assume the financial and personal covenants of the Borrowers to develop and market the Property in full accordance with the Loan Agreements, and sufficient collateral is pledged and sufficient bonds or letters of credit are posted by the trustee in bankruptcy, or the proposed assignee, to guarantee the full and timely performance of such obligations. The parties further agree that the definition of the term "adequate assurance" as set forth in §365(b)(3) of the Bankruptcy Code of 1978 shall be applicable directly or by analogy to any determination of whether or not Lender has received such adequate assurance in connection with any such assignment of this Deed of Trust.

B. Bankruptcy: Adequate Protection. In the event either of the Borrowers become a debtor in bankruptcy, neither of the Borrowers as debtor in possession, nor the trustee in bankruptcy, shall be permitted to use, sell or lease any of the Property, whether or not in the ordinary course of business, without providing adequate protection to Lender. The parties agree that the language in §361 of the Bankruptcy Code of 1978 shall be the definition of the term "adequate protection" in connection with any such use, sale or lease of the Property. The cash payment referred to in that section shall mean the full payment required under the Notes and all other indebtedness and obligations which this Deed of Trust secures, or; alternatively, payment representing the full replacement value of the Property used, sold or leased; the replacement liens referred to in §361 of the Bankruptcy Code shall mean liens on property the fair market value of which is equal to or greater than the replacement cost of the Property used, sold or leased; and the term "indubitable equivalent" as used in that section shall mean protection afforded by either grants of administrative expense priority, grants to Lender of an ownership interest in a continuing business surviving the bankruptcy, or grants to Lender of protected securities issued by a continuing business surviving the bankruptcy, which completely compensates Lender for the loss of the present value (computed at the then market rate of interest for commercial loans), of its interest in the Property. For purposes of computation, the value of the Property shall be the actual fair market cost of replacement real estate in approximately the same location and condition as the Property.

C. Bankruptcy: Stay of Collection. The parties agree that because of the extreme financial importance to Lender of this transaction, Lender will be irreparably harmed by any stay of its collection efforts, or by any stay of the exercise of its remedies under the Deed of Trust.

D. Bankruptcy: Reorganization of Either of the Borrowers. The parties agree that in the event a plan or reorganization is proposed under Chapter 11 of the Bankruptcy Code of 1978, the plan will be fair and equitable to Lender, as a secured creditor, only if Lender realizes under

the plan the indubitable equivalent of its interest in the Property. The term "indubitable equivalent" in such context shall have the same meaning as previously set forth herein.

18. Americans with Disabilities Act.

64-11
 A. Borrowers jointly and severally warrant and represent to Lender that the Property is not currently in violation of the Americans with Disabilities Act (hereafter "ADA"). Borrowers agree to develop the Property in compliance with the ADA. If the Property is later remodeled or altered while this Deed of Trust is in effect, the Trustor shall have the work performed so that it complies with the ADA. Borrowers shall furnish to Lender, if requested, a written opinion from a licensed architect that any such remodeling or alterations of the Property comply with the ADA.

B. Borrowers hereby jointly and severally warrant and represent to Lender that there are no pending or threatened claims against either of the Borrowers by the Department of Justice or third parties relating to the Property and the ADA.

C. Borrowers hereby jointly and severally agree to indemnify and hold harmless the Lender, its directors, officers, employees and agents, and any successor to Lender's interest in this Deed of Trust, from and against any and all claims, damages, losses and liabilities arising in connection with the violation of the ADA. THE FOREGOING WARRANTIES AND REPRESENTATIONS, AND BORROWERS' OBLIGATIONS PURSUANT TO THE FOREGOING INDEMNITY, SHALL SURVIVE RECONVEYANCE OF THE PROPERTY DESCRIBED IN THIS DEED OF TRUST.

19. Miscellaneous Provisions.

A. Borrowers Not Released. Extension of the time for payment, or modification of amortization of the Notes, or any other sums secured by this Deed of Trust which may hereafter be granted by Lender to the Borrowers or any successor in interest of the either of the Borrowers, shall not release either of the Borrowers, or their respective successors in interest, from any duty or obligation imposed on either or both of the Borrowers pursuant to this Deed of Trust, the Notes, or any of the other Loan Documents. Lender shall not be required to commence proceedings against such successor, or refuse to extend time for payment, or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Borrowers or their successors in interest.

B. Lender's Powers. Without affecting the liability of any other person liable for the payment of any of the obligations secured by this Deed of Trust, and without affecting the lien or charge of this Deed of Trust upon any portion of the Property, Lender may, from time to time and without notice to either of the Borrowers or to any of the Guarantors (as identified in the Loan Agreements): (i) release any person so liable, (ii) extend the maturity or alter any of the terms of any such obligations, (iii) grant other indulgences, (iv) release or reconvey, or cause to

be released or reconveyed at any time at Lender's options any parcel, portion or all of the Property, (v) take or release any other or additional security for any obligation secured hereby, or (vi) make compositions or other arrangements with either or both of the Borrowers in relation thereto.

64-12
 C. Forbearance by Lender Not a Waiver. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of, any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's rights to accelerate the maturity of any of the obligations secured by this Deed of Trust.

D. Successors and Assigns Bound; Joint and Several Liability; Captions. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender, Trustor, and both of the Borrowers where the context admits. All covenants and agreements of the Borrowers shall be joint and several where the context admits. The captions and heading of the paragraphs of this Deed of Trust are for convenience only, and are not to be used to interpret or define the provisions hereof.

E. Request for Notice. Borrowers hereby request that a copy of any Notice of Default hereunder and a copy of any Notice of Sale hereunder be mailed to the Borrower's at the Trustor's address set forth herein on the first page of this Deed of Trust in the manner prescribed by applicable law. Except for any other notice required under applicable law to be given in another manner, any notice to either of the Borrowers provided for in this Deed of Trust shall be given by mailing such notice, addressed to the Trustor, at the address set forth above, in the manner prescribed by the Nebraska Trust Deeds Act, or if there is no prescribed method set forth in the Nebraska Trust Deeds Act for such notice, then by regular United States first class mail, sufficient postage prepaid.

Any notice provided for in this Deed of Trust shall be effective upon depositing the same in the United States mail in Lincoln, Omaha, or Papillion, Nebraska in the manner designated herein.

F. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Trustor, and any of Trustor's tenants, if any, reasonable notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

G. Reconveyance. Upon payment of all sums secured by this Trust Deed, and the execution and delivery by Borrowers of a written notice to Lender forever releasing Lender from any further duty or obligation to make any Advances to either of the Borrowers under the terms and provisions of either of the Notes or either of the Loan Agreements, and the written request to Lender to release this Deed of Trust to Lender, Lender shall request Trustee to reconvey the Property described in this Deed of Trust. Trustee shall, within thirty (30) days after receipt of

such request, reconvey the Property without warranty to the person or persons legally entitled thereto. Such person or persons shall pay all costs of recordation, if any.

64-13 II. Conversion of Security. All right, title and interest of either of the Borrowers in and to all extensions, improvements, betterments, renewals, substitutes and replacements of, and all additions and appurtenances to the Property, hereafter acquired by, or released to either of the Borrowers, or constructed, assembled or placed by either of the Borrowers on the Property, and all conversions of the security constituted thereby, immediately upon such acquisition, release, construction, assembling, placement or conversion, as the case may be, and in each such case, without any further deed of trust, conveyance, assignment or other act by either of the Borrowers, shall become subject to the lien of this Deed of Trust as fully and completely, and with the same effect, as though now owned by Trustor and specifically described in the granting clause hereof. Additionally, if requested by Lender, the Borrowers will execute and deliver to Trustee any and all such further assurances, deeds of trust, conveyances or assignments thereof as Trustee or Lender may reasonably require for the purpose of expressly and specifically subjecting any such additions to the lien of this Deed of Trust.

I. Security Agreement. This Deed of Trust shall be self-operative and constitute a Financing Statement and Security Agreement under the Uniform Commercial Code of the State in which the Property is located, as amended from time to time, with respect to all fixtures and other personal property that is now, or may hereafter be, attached to the Property so as to constitute a fixture including, but not limited to, all heating and cooling equipment; provided, however, Borrowers jointly and severally hereby agree to execute and deliver on demand, and hereby irrevocably constitute and appoint Lender the attorney-in-fact of both Borrowers, to execute, deliver and, if appropriate, to file the same with the appropriate filing officer or office, such security agreements, financing statements or other instruments as Lender may request or require in order to impose or perfect the lien or security interest granted hereby.

J. Governing Law. This Deed of Trust shall be governed by the laws of the State of Nebraska. If any provision or clause in either of the Notes, or this Deed of Trust, or either of the Loan Agreements, or any other Loan Document (as identified in the Loan Agreements) are declared to be unconstitutional or illegal, invalid or unenforceable, such provision shall be deemed to be separate and severable from the rest of the provisions of such document, with the intent that the remaining portions of such document will remain in full force and effect. This instrument may only be amended, modified, waived, changed, discharged or terminated by an instrument in writing signed by the party against whom the enforcement of any such waiver, amendment, modification, change, discharge or termination is sought.

K. Interchangeable Terms. As used herein, Deed of Trust means the same as Trust Deed; Note means the same as Notes or Promissory Note; and said words are used interchangeably herein. The term "Trustor" and "Borrower" shall include both the singular and plural, and when the Trustor and Borrower are the same person(s), those terms as used in this Deed of Trust shall be interchangeable.

L. Other Documents. The Borrowers have also executed and delivered to Lender, simultaneously with the execution of the Notes and this Deed of Trust, the Loan Agreements, and various other Loan Documents (as identified in the Loan Agreements). Trustor acknowledges and agrees that upon the occurrence of any Event of Default (as defined in either of the Loan Agreements) a default can be declared under the terms of this Deed of Trust.

64-14

IN WITNESS WHEREOF, the undersigned has caused this Deed of Trust to be signed and delivered as of the date and year first above written.

Iron Horse Development, L.L.C., a Nebraska limited liability company, Trustor & Borrower

[Signature]
Witness

By: [Signature]
Timothy W. Young,
Managing Member

Iron Horse Golf Club, L.L.C., A Nebraska limited liability company, Borrower

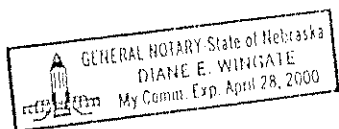
[Signature]
Witness

By: [Signature]
Timothy W. Young,
Managing Member

STATE OF NEBRASKA)
) ss.
COUNTY OF DeWette)

Before me, a notary public qualified for said county, personally came Timothy W. Young, Managing Member of Iron Horse Development, L.L.C., known to me to be the identical person who signed the foregoing instrument on behalf of Iron Horse Development, L.L.C., and he acknowledged the execution thereof to be his voluntary act and deed and the voluntary act and deed of Iron Horse Development, L.L.C.

WITNESS my hand and notarial seal this 21st ^{4th} day of May, 1999.



[Signature]
Notary Public

STATE OF NEBRASKA)
) ss.
COUNTY OF Douglas)

64-15

Before me, a notary public qualified for said county, personally came Timothy W. Young, Managing Member of Iron Horse Golf Club, L.L.C., known to me to be the identical person who signed the foregoing instrument on behalf of Iron Horse Golf Club, L.L.C., and he acknowledged the execution thereof to be his voluntary act and deed and the voluntary act and deed of Iron Horse Golf Club, L.L.C.

WITNESS my hand and notarial seal this 30th day of May, 1999.



Diane E. Wingate
Notary Public

#500

COMPARED

Edstrom, Bromm, Lindahl & Sohl
P.O. Box 277
Wahoo, Nebraska 68066

FILED FOR RECORD 4-20-99 AT 12:48 P.M.
IN BOOK 54 OF 1111 PAGE 165
REGISTER OF DEEDS, CASS CO., NE Patricia Meisinger
Doc # 500 \$ 15.00

PERMANENT RIGHT-OF-WAY EASEMENT

That Iron Horse Development, L.L.C., a Nebraska Limited Liability Company, whether one or more, hereinafter referred to as Grantor, for and in consideration of the sum of One (\$1.00) Dollar and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby grant and convey unto the Rose K. Carlson Trust, hereinafter referred to as Grantee, and to its successors and assigns, a right-of-way easement for the right to construct, maintain and operate a roadway on and over that certain real property as set forth on, and more specifically described in Exhibit "A" attached hereto and by this reference incorporated herein for the purpose of ingress to and egress from Highway 6 to that certain property described on Exhibit "B".

This easement runs with the land. No grading, fill or fill material, embankment work, buildings, improvements, or other structures, shall be placed in, on, over or across said easement strip by Grantor, its successors or assigns without the written approval of the Grantee, which will not unreasonably withheld. It is the intent of the Grantor and Grantee that this right of way easement provide the Grantee ingress to and egress from the property owned by Grantee to Highway 6 and that such access shall not be unduly hampered. This easement shall be terminated in the event that a publically dedicated road is constructed and build in such a manner so as to provide reasonably similar access to Grantee, its successors and assigns from said property to Highway 6. In the event that a private road is constructed by Grantor so as to provide reasonably similar access for Grantee, its successors and assigns to Highway 6, then, and in that event, this easement shall be modified to describe the easement as being along such private road. In the event that a publically dedicated or private road is constructed which shall provide the Grantee, its successors and assigns access, then Grantee agrees to execute and acknowledge, in recordable forms, such instruments are may be necessary to terminate or redefine the easement area.

That said Grantor, for itself and its successors and assigns, does hereby confirm with said Grantee and its successors and assigns, that Grantor is well seized in fee of the above described property and that Grantor has the right to grant and convey this easement in the manner and form aforesaid, and that Grantor and its successors and assigns shall warrant and defend this easement to said Grantee and its successors and assigns against the lawful claims and demands of all persons.

That this instrument contains the entire agreement of the parties; that there are no other different agreements or understandings between the Grantor and Grantee or its agents; and that the Grantor, in executing and delivering this instrument has not relied upon any promises, inducements, representations of the Grantee or its agents or employees, except as set forth herein.

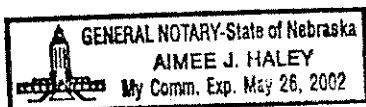
IN WITNESS WHEREOF, Grantor has executed this easement this 19th day of April, 1999.

IRON HORSE DEVELOPMENT, L.L.C.

By [Signature]
Timothy W. Young, Managing Member

STATE OF NEBRASKA)
) ss.
COUNTY OF Douglas)

The foregoing easement was acknowledged before me on this 19th day of April, 1999, by Timothy W. Young, managing member of Iron Horse Development, L.L.C., a Nebraska Limited Liability Company.



[Signature]
Notary Public

12/10

#499

COMPARED

Edstrom, Bromm, Lindahl & Sohl
R.O. Box 277
Wahoo, Nebraska 68066

FILED FOR RECORD 4-20-99 AT 12:46 P.M.
IN BOOK 54 OF NW PAGE 162
REGISTER OF DEEDS, CASS CO., NE Patricia Masingo
Doc # 499 \$15.50

PERMANENT RIGHT-OF-WAY EASEMENT

That James E. Gregory, Timothy W. Young and Mark A. Boyer, whether one or more, hereinafter referred to as Grantor, for and in consideration of the sum of One (\$1.00) Dollar and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby grant and convey unto the Rose K. Carlson Trust, hereinafter referred to as Grantee, and to its successors and assigns, a right-of-way easement for the right to construct, maintain and operate a roadway on and over that certain real property as set forth on, and more specifically described in Exhibit "A" attached hereto and by this reference incorporated herein for the purpose of ingress to and egress from Highway 6 to that certain property described on Exhibit "B".

This easement runs with the land. No grading, fill or fill material, embankment work, buildings, improvements, or other structures, shall be placed in, on, over or across said easement strip by Grantor, its successors or assigns without the written approval of the Grantee, which will not unreasonably withheld. It is the intent of the Grantor and Grantee that this right-of-way easement provide the Grantee ingress to and egress from the property owned by Grantee to Highway 6 and that such access shall not be unduly hampered. This easement shall be terminated in the event that a publically dedicated road is constructed and built in such a manner so as to provide reasonably similar access to Grantee, its successors and assigns from said property to Highway 6. In the event that a private road is constructed by Grantor so as to provide reasonably similar access for Grantee, its successors and assigns to Highway 6, then, and in that event, this easement shall be modified to describe the easement as being along such private road. In the event that a publically dedicated or private road is constructed which shall provide the Grantee, its successors and assigns access, then Grantee agrees to execute and acknowledge, in recordable forms, such instruments are may be necessary to terminate or redefine the easement area.

That said Grantor, for itself and its successors and assigns, does hereby confirm with said Grantee and its successors and assigns, that Grantor is well seized in fee of the above described property and that Grantor has the right to grant and convey this easement in the manner and form aforesaid, and that Grantor and its successors and assigns shall warrant and defend this easement to said Grantee and its successors and assigns against the lawful claims and demands of all persons.

That this instrument contains the entire agreement of the parties; that there are no other different agreements or understandings between the Grantor and Grantee or its agents; and that the Grantor, in executing and delivering this instrument has not relied upon any promises, inducements, representations of the Grantee or its agents or employees, except as set forth herein.

IN WITNESS WHEREOF, Grantor has executed this easement this 30th day of December, 1998.

GRANTOR:

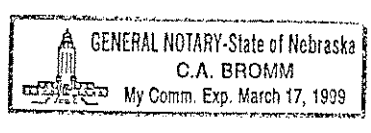
James E. Gregory
James E. Gregory

Timothy W. Young
Timothy W. Young
Mark A. Boyer
Mark A. Boyer

STATE OF NEBRASKA)
) ss.
COUNTY OF Saunder)

The foregoing instrument was acknowledged before me this 30th day of December, 1998, by James E. Gregory, Timothy W. Young and Mark A. Boyer.

[Signature]
Notary Public



FILED
CASS COUNTY, NE.

24780 DON CLARK
REGISTER OF DEEDS
SAUNDERS CO. NEBR.

2000 MAR 13 PM 12:08

00 MAR 13 AM 10:06

EK 55 OF ^{ms} PG 362
PATRICIA MEISINGER
REGISTER OF DEEDS

BOOK 242 PAGE 202
OF Lea INSTR. 168

COMPARED

Doc #217 *152⁰⁰

(Handwritten signature)

**DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND
EASEMENTS OF IRON HORSE, A SUBDIVISION IN CASS AND SAUNDERS
COUNTIES, NEBRASKA**

THIS DECLARATION, made on the date hereunder set forth, is made by IRON HORSE DEVELOPMENT, L.L.C., a Nebraska limited liability company, hereinafter referred to as the "Declarant."

PRELIMINARY STATEMENT

The Declarant is the owner of certain real property located within Cass and Saunders Counties, Nebraska and described as follows:

Lots One (1) through Nine (9), inclusive, in IRON HORSE, Lots Eighteen (18) through One Hundred Forty-seven (147), inclusive, in IRON HORSE, a Subdivision, as surveyed, platted and recorded in Cass and Saunders Counties, Nebraska.

Such lots are herein referred to collectively as the "Lots" and individually as each "Lot".

The Declarant desires to provide for the preservation of the values and amenities of THE Iron Horse subdivision, for the maintenance of the character and residential integrity of the Iron Horse subdivision, and for the acquisition, construction and maintenance of Common Facilities for the use and enjoyment of the residents of the Iron Horse subdivision.

NOW, THEREFORE, the Declarant hereby declares that each and all of the Lots be held, sold and conveyed subject to the following restrictions, covenants, conditions and easements, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Lots, and the enjoyment of the residents of the Lots. These restrictions, covenants, conditions and easements shall run with such Lots and shall be binding upon all parties having or acquiring any right, title or interest in each Lot, or any part be subject to all and each of the following conditions and other terms:

ARTICLE I.

1. Lots One (1) through Nine (9), inclusive, in Iron Horse, and Lots Eighteen (18) through One Hundred Twenty-eight (128), inclusive, in Iron Horse shall be used exclusively for single-family residential purposes; except for such Lots or parts thereof as may hereafter be conveyed or dedicated by Declarant, or its successors or assigns, for use in connection with a Common Facility, or as a church, school, park or for other non-profit use.

2. No residence, building, fence (other than fences constructed by the Declarant), landscaping, wall, pathway, driveway, patio, patio cover enclosure, deck, rock garden, swimming pool, dog house, pool house, tennis court, flag pole, satellite receiving station or disc, solar

heating or cooling, device, or other external improvement, above or below the ground (herein collectively referred to as "Improvement") shall be constructed, erected, placed or permitted to remain on any Lot, nor shall any grading, excavation or tree removal for any Improvement be commenced, except for Improvements which have been approved by Declarant, its successors and assigns, as follows:

A. An owner desiring to erect an Improvement shall deliver two sets of construction plans, landscaping plans and plot plans to Declarant (herein collectively referred to as the "plans"). Such plans shall, include a description of type, quality, color and use of materials proposed for the exterior of such Improvement and proposed elevations of the Lot, including foundation and driveway and all proposed set backs. Concurrent with submission of the plans, Owner shall notify the Declarant of the Owner's mailing address.

B. Declarant shall review such plans in relation to the type and exterior of Improvements constructed, or approved for construction and landscaping on neighboring Lots and in surrounding area, and any general scheme or plans formulated by Declarant with regard to views, retaining natural environmental area and character of the subdivision. In this regard, Declarant intends that the Lots shall form a quality residential community with Improvements constructed of high quality materials, including but not limited to homes and landscaping, with spectacular views and preservation of natural environmental areas to the extent possible. The decision to approve or refuse approval of a proposed Improvement, including but not limited to homes and landscaping, shall be exercised by Declarant to promote development of the Lots and to protect the values, character and residential quality of all Lots. If Declarant determines that the proposed Improvement will not protect and enhance the integrity and character of all the Lots and neighboring Lots as a quality residential community, Declarant may refuse approval of the proposed Improvement.

C. Written Notice of any approval of a proposed Improvement shall be mailed to the owner at the address specified by the owner upon submission of the plans. Such notice shall be mailed, if at all, within thirty (30) days after the date of submission of the plans. If notice of approval is not mailed within such period, the proposed Improvement shall be deemed disapproved by Declarant.

D. No Lot owner, or combination of Lot owners, or other person or persons shall have any right to any action by Declarant, or any right to control, direct or influence the acts of the Declarant with respect to any proposed Improvement. No responsibility, liability or obligation shall be assumed by or imposed upon Declarant by virtue of the authority granted to Declarant in this Section, or as a result of any act or failure to act by Declarant with respect to any proposed Improvement.

E. Subsequent to the above-mentioned approval process, once an Owner, its agents or assigns, has received Declarant's approval and excavated the area for the

foundation of the proposed improvement on the Lot, said Owner shall contact the Declarant, or its appointed agents (i.e. engineer and/or soil improvement contractor), to provide for an inspection of soils for determining whether soil improvement is necessary and, if soil improvement is determined to be necessary by Declarant's soils improvement engineer/contractor, Owner shall submit its Lot for such improvement before continuing construction on said Lot. If the Owner or its agents fail to comply with this requirement and/or to implement the soil improvement process, the risk of foundation movement due to the unusual geologic conditions of the site is placed with the Owner and Declarant, its successors or assigns, shall not be liable to the Owner for any damages resulting therefrom.

3. No single-family residence shall be created, altered, placed or permitted to remain on any of Lots One (1) through Nine (9), inclusive, in Iron Horse, and Lots Eighteen (18) through One Hundred Twenty-eight (128), inclusive, in Iron Horse, other than one detached single-family dwelling, with an attached garage, which does not exceed two stories in height. No single-family residence shall be created, altered, placed or permitted to remain on any of the remaining Lots subject to this Declaration other than on detached single-family dwelling or townhome, with an attached garage, which does not exceed two stories in height. Such dwellings on any Lot shall conform to the surrounding dwellings of similar regime and any general scheme or plans formulated by Declarant and shall have high pitched roofs and brick, drivot, stone or stucco fronts. All Improvements on any Lot shall Comply with all side yard and set back requirements of the Iron Horse Planned Unit Development, the Zoning Code of the Municipal Code of the City of Ashland, Nebraska and any other applicable laws of any governing authority. Owners should be aware that the Iron Horse Planned Unit Development supersedes the Zoning Code of the City of Ashland in some respects and are advised to consult the same prior to commencing plans.

4. Subject to the specific requirements set forth below, all foundations shall be constructed of poured concrete. The exposed front foundation walls and any exposed foundation walls of all main residential structures facing any street must be constructed of or faced with clay-fired brick or stone or other material approved by Declarant. All corner lots with exposed foundation walls facing any side street in clay-fired brick or stone or other material approved by Declarant. All exposed side and rear concrete foundation walls not facing a street must be covered with clay-fired brick, stone, siding or shall be painted. All driveways must be constructed of concrete, brick, paving stone, or laid stone. Unless other materials are specifically approved by Declarant, the roof of all Improvements shall be covered with "Heritage II" style, 40-year warranty, asphalt shingles or its equivalent, weathered wood in color, slate, wood cedar shakes or wood shingles. If curbside mail delivery is available, Owner shall install a mailbox at or near the front lot line of Owner's Lot which mailbox shall be constructed of bricks.

Fireplaces and flues: (1) In the event that a wood-burning fireplace is constructed as a part of the dwelling on any lot adjoining the Iron Horse Golf Course (Lots Adjoining Golf Course), any portion of said fireplace and/or the enclosure for the fireplace flue which protrudes from the exterior or above the roof of the dwelling shall be constructed of or finished with clay-

fired brick or stone. (2) In the event that a wood-burning fireplace and/or flue is constructed as a part of the dwelling in a manner so as to protrude beyond the outer perimeter of the front or side of the dwelling, or is exposed above the roof on a lot not adjoining the Iron Horse Golf Course (Lot(s) Not Adjoining Golf Course), the enclosure of the fireplace and flue shall be constructed of, or finished with, clay-fired brick or stone. If the wood-burning fireplace and/or enclosure for the wood-burning fireplace flue is constructed in such a manner so as to protrude beyond the outer perimeter of the rear of the dwelling on a Lot Not Adjoining the Golf Course, the enclosure of the wood-burning fireplace and flue shall be constructed of, or finished with clay-fired brick or stone. (3) In the event that a pre-fabricated unit fireplace which is wood or gas burning or direct vent fireplace is constructed as a part of the dwelling on any Lot and is vented directly through an exterior wall of the dwelling or is vented through the roof of the dwelling with a vent similar in style, size and location to that of a furnace flue, no clay-fired brick or stone enclosure will be required. Provided however, if said pre-fabricated unit fireplace which is wood or gas burning or direct vent fireplace is constructed in such a manner so as to protrude beyond the outer perimeter of a front or side wall of the dwelling on a Lot or beyond the out perimeter of any wall of the dwelling on a Lot Adjoining Golf Course, the protrusion for the fireplace and/or flue shall be finished with clay-fired brick or stone. Also any fireplace vent which protrudes above the roof of any dwelling on any Lot shall be finished with clay-fired brick or stone unless it is on the rear slope of the roof of a dwelling on a Lot Not Adjoining Golf Course or is vented in similar style, size and location to that of a furnace flue as stated herein. Fireplace enclosures for pre-fabricated unit fireplace which is wood or gas burning or direct vent fireplace units that protrude beyond foundation may be framed if approved in writing by Declarant.

5. The Declarant has created a water drainage plan by grading the Properties and installing improvements and easements for storm drainage in accordance with generally accepted engineering principles. No building shall be placed, nor any Lot graded, to interfere with such water drainage plan nor cause damage to the building or neighboring buildings or Lots or the golf course. Silt fences shall be used to comply with this paragraph.

6. No streamers, posters, banners, balloons, exterior illumination or other rallying devices will be allowed on any Lot in the promotion or sale of any Lot, residential structure or property unless approved in writing by the Declarant. No advertising signs, billboards, unsightly objects or nuisances shall be erected, placed or permitted to remain on any Lot except one sign per Lot consisting of not more than six (6) square feet advertising a Lot as "For Sale". No business activities of any kind whatsoever shall be conducted on any Lot including home occupations, except home office usage; nor shall the premises be used in any way for any purpose which may endanger the health or unreasonably disturb the owner or owners of any Lot or any resident thereof. Provided, however, the foregoing paragraph shall not apply to the business activities, sign and billboards or the construction and maintenance of buildings, including model homes, if any, by Declarant, its agents or assigns, during the construction and sale of the Lots.

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

including but not limited to, odors, dust, glare, sound, lighting, smoke vibration and radiation. Exterior lighting 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.

8. No outside radio, television, ham broadcasting, earth station, satellite dish or other electronic antenna or aerial shall be erected or placed on any structure or on any Lot, except, with the prior written approval of Declarant, one (1) satellite dish of 18" or less in diameter or diagonal measurement which is screened from view of any street or sidewalk will be permitted per Lot. The foregoing notwithstanding, any earth station, satellite dish or other electronic antenna or aerial specifically exempted from restriction by statute, regulation, binding order of a court or governmental agency shall be maintained in accordance with the strictest interpretation or condition for such use as may be permitted by such order.

9. No tree shall be removed nor any rock wall, constructed by Declarant, from any Lot by any person or entity without the prior written approval of the Declarant, its successors or assigns. No tree houses, tool sheds, doll houses, windmills or similar structures shall be permitted on any Lot.

10. No repair of any boats, automobiles, motorcycles, trucks, campers (trailers, van-type, auto-drawn or mounted), snowmobiles, recreational vehicles (RV), other self-propelled vehicles or similar vehicles requiring a continuous time period in excess of forty-eight (48) hours shall be permitted on any Lot at any time, nor shall vehicles or similar chattels offensive to the neighborhood be visibly stored, parked or abandoned on any Lot. No unused building material, junk or rubbish shall be left exposed on the Lot except during actual building operations, and then only in as neat and inconspicuous a manner as possible.

11. No boat, camper, trailer, auto-drawn or mounted trailer of any kind, mobile home, truck, aircraft, camper truck or similar chattel shall be maintained or stored on any part of a Lot (other than in an enclosed structure) for more than two (2) consecutive days and no more than twenty (20) days combined within any calendar year. No motor vehicle may be parked or stored outside on any Lot except vehicles, which are not trucks, campers, mobile homes, camper trucks or similar chattels, driven on a regular basis by the occupants of the dwelling located on such Lot. No grading or excavating equipment, tractors or semitractors/trailers or other commercial vehicles shall be stored, parked, kept or maintained in any yards, driveways, or streets. However, this section does not apply to trucks, tractors or commercial vehicles which are necessary for the construction of residential dwellings during the period of construction. All residential Lots shall provide at least the minimum number of off street parking areas or spaces for private passenger vehicles required by the applicable ordinances of the City of Ashland, Nebraska.

12. No incinerator or trash burner shall be permitted on any Lot. No garbage or trash can or container or fuel tank shall be permitted to be stored outside of any dwelling unless, completely screened from view, except on a designated day each week for pickup purposes. No garden lawn or maintenance equipment of any kind whatsoever shall be stored or permitted to

remain outside of any dwelling or suitable storage facility, except when in actual use. No garbage, refuse, rubbish or cutting shall be deposited on any street, road or Lot. No clothes line or other outside facilities for drying or airing clothes shall be permitted outside of any dwelling at any time. Produce or vegetable gardens may only be maintained in rear yards in an area no larger than eight (8') feet by ten (10') feet.

13. No fence shall be permitted unless approved of in writing by Declarant after submission of fencing plans. No fence shall be permitted to extend beyond the front line of a main residential structure. No fence shall entirely enclose the rear yard of any Lot, invisible fencing and wrought iron fencing excepted. Unless other materials are specifically approved in writing by Declarant, fences shall only be composed of wrought iron, except that white plastic vinyl coated P.V.C. design designated by Declarant may be utilized to enclose dog runs, hot tubs, swimming pools or other uses approved by Declarant. No fences or walls shall exceed a height of six (6) feet. Any fences, hedges or mass planted shrubs installed by or at the direction of the Declarant shall not be subject to the provisions of this paragraph.

14. No swimming pool may extend more than one foot above ground Level.

15. Any exterior lighting installed on any Lot shall either be indirect or of such controlled focus and intensity as not to disturb the residents of any adjacent property.

16. Construction of any Improvement shall be completed within one (1) year from the date of commencement of excavation or construction of the Improvement. No excavation dirt shall be spread across any Lot in such a fashion as to materially change the grade or contour of any Lot. No tree shall be removed from any Lot without prior written approval of the Declarant, its successors or assigns. No residential dwelling shall be occupied by any person as a dwelling for such person until the construction of such dwelling has been completed, except for minor finish details as determined and approved by the Declarant.

17. The entire Lot shall be sodded, and two trees, each not less than four (4") caliper inches in diameter, shall be planted in the front yard of each residence. No trees shall be planted in the dedicated street right-of-way located between the sidewalk and the Lot line. All yards shall be sodded and trees planted within one (1) year from the date that construction for the residence on the Lot was commenced. A public Serpentine sidewalk shall be constructed of concrete five (5) feet wide by four (4) inches thick. The sidewalk shall be designed and constructed to meet up with any existing sidewalk on any abutting Lot and shall be constructed by the owner of the Lot prior to the time of completion of the main structure and before occupancy thereof, provided however, this provision shall vary to comply with any requirements of the City of Ashland.

18. Driveway approaches between the sidewalk and curb on each Lot shall be constructed of concrete. Should repair or replacement of such approach be necessary, the repair or replacement shall also be of concrete. No asphalt overlay of driveway approaches will be permitted.

19. No stable, dog run, kennel or other shelter for any animal, livestock, fowl or poultry shall be erected, altered, placed or permitted to remain on any Lot, except for one dog house constructed for one (1) dog, provided always that the construction plans, specifications and the location of the proposed structure have been first approved by Declarant, or its assigns, as required by this Declaration. Dog houses and dog runs shall only be allowed at the rear of the residence, attached to or immediately adjacent to the residence and hidden from view by P.V.C. fencing. No animals, livestock, agricultural-type animals, fowl or poultry of any kind, including, pot-bellied pigs, shall be raised, bred or kept on any Lot, except that subject to the ordinances of the City of Ashland, two (2) dogs, two (2) cats, or two (2) other small household pets maintained within the residential structure may be kept, provided that they are not kept, bred or maintained for any commercial purpose and, provided, that they are not left outside of the residential structure unattended and not permitted to run loose outside the Lot of the Owner. No excessive barking of any dog, or other excessive noise of any kind from any animal, shall be permitted on any Lot. Any dog or other animal that barks or makes other noise outside the home of any Lot at any time shall wear electronic collars to prevent such barking or other noise.

20. Prior to placement on any Lot, the location of any exterior air conditioning condenser unit shall be first approved by the Declarant according to the requirements set forth in Article I, paragraph 2, and shall be placed in the rear yard or any side yards so as not to be visible from public view. No grass, weeds or other vegetation shall be grown or otherwise permitted to commence or continue, and no dangerous, diseased or otherwise objectionable shrubs or trees shall be maintained on any Lot so as to constitute an actual or potential public nuisance, create a hazard or undesirable proliferation, or detract from a neat and trim appearance. Vacant Lots shall not be used for dumping of earth or any waste materials, and no vegetation on vacant Lots shall be allowed to reach a height in excess of twelve (12) inches.

21. No Residence shall be constructed on a Lot unless the entire Lot as originally platted is owned by one owner of such Lot, except if parts of two or more platted Lots have been combined into one Lot which is at least as wide as the narrowest Lot on the original plat, and is as large in area as the largest Lot in the original plat.

22. No structure of a temporary character, carport, detached garage, trailer, basement, tent, outbuilding, shed or shack or other similar structure shall be erected upon or used on any Lot at any time, either temporarily or permanently, unless approved of in writing by the Declarant. For the purposes of this paragraph, it is Declarant's intent that small, unobtrusive outbuildings may be allow, with Declarant's prior written approval, for outdoor recreational use, i.e. pool houses, however, Declarant retains the sole and absolute power to approve or deny any request to construct the same. No structure or dwelling shall be moved from outside Iron Horse to any Lot or modular home constructed on any Lot without the written approval of Declarant.

23. All utility service lines from each Lot line to a dwelling or other Improvement shall be underground.

24. Declarant does hereby reserve unto itself the right to require the installation of siltation fences or erosion control devices and measures in such location, configurations and designs as it may determine appropriate in its sole and absolute discretion.

25. The lake within the Iron Horse subdivision shall be a limited use lake, no jet-skis, waverunners, gas-powered boats or other similar vessels or chattels shall be allowed in, on, or near said lake. All Owners of all Lots, their invitees, licensees, heirs, successors and assigns, shall be bound to comply with reasonable rules and regulations, and any amendments thereto, promulgated by the legal title holder, its lessees, successors or assigns, of the lake within the Iron Horse subdivision.

26. No motorized boats or crafts or large sailing vessels of any kind whatsoever shall be stored or utilized in any way on, in, over or across any Lot in the Iron Horse subdivision. No paddle boat, sailing vessel, fishing vessel or equipment or other personal property shall be stored or maintained on any Lot in the Iron Horse subdivision, unless hidden from view.

ARTICLE II EASEMENTS AND RESTRICTIONS RELATING TO GOLF COURSE AND LAKE

1. "Lots Adjoining Golf Course" shall mean and refer to all Lots, as defined above, for which one or more of the Lot boundary lines is shared with any boundary lines is shared with any boundary line of the Iron Horse Golf Course (herein "Golf Course").

2. A perpetual license and easement is hereby reserved in favor of the Declarant, its successors, assigns, lessees, agents, and other person or entity designated in writing by Declarant, to maintain, repair and renew a cart path and other accessory structures, including but not limited to walls and/or fences on, over, through, under and across a ten (10') foot wide strip of land on each Lot abutting the boundary line between Lots 34 and 35, Lots 51 and 52, Lots 72 and 73, Lots 108 and 109, Lots 116 and 117 and Lots 123 and 124, all in Iron Horse.

3. Declarant anticipates that the proximity of the Lots Adjoining Golf Course will enhance the desirability and value of the Lots Adjoining Golf Course to purchasers and their successors and assigns. Nevertheless, purchasers and owners of the Lots Adjoining Golf Course should be aware that: (i) golfers will from time to time hit golf balls from the Golf Lots onto and over the Lots Adjoining Golf Course; and (ii) normal operation and maintenance of the Golf Course will involve operation of mowers and other power equipment during the evening and early morning hours.

4. The Declarant, for itself, its successors and assigns, including but not limited to Iron Horse Golf Club, L.L.C., hereby declares and expressly disclaims responsibility, directly or indirectly, for: (i) intrusion of errant shots onto the Lots Adjoining Golf Course or the lake within Iron Horse; (ii) intrusion of noise from mowing and other power equipment during all hours of the day and night; and (iii) any claim, complaint, cause of action, course of action, or matter

relating to the operation and control of the Golf Lots by the owner or lessee thereof, its successors or assigns. For this purpose, an "errant shot" shall refer to a golf shot which is hit onto Lots Adjoining Golf Course or the lake within Iron Horse. The Owners of the Lots within Iron Horse shall indemnify and hold the Declarant, its successors and assigns, harmless for any claims, complaints, damages or other liability arising therefrom.

5. Declarant, its successor or assigns, may make reasonable rules and regulations restricting the use of the lake within Iron Horse and/or the Lots Adjoining the Golf Course to further the play of the Iron Horse Golf Course.

ARTICLE III HOMEOWNERS ASSOCIATION

1. Definitions.

- A. "Association" shall mean and refer to the Iron Horse Homeowners Association, its successors and assigns.
- B. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.
- C. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association, including but not limited to Lots One (1) through Ten (10), inclusive, in Iron Horse Replat I and Lots One (1) through Nineteen (19), inclusive, in Iron Horse Replat II.
- D. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties.
- E. "Declarant" shall mean and refer to Iron Horse Development, L.L.C., its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

2. The Association. Declarant has caused or will cause the incorporation of IRON HORSE HOMEOWNERS ASSOCIATION, a Nebraska nonprofit corporation (hereinafter referred to as the "Association"). The Association has as its purpose the promotion of the health, safety, recreation, welfare and enjoyment of the residents of the Lots, including

- A. The acquisition (by gift, purchase, lease or otherwise), construction, landscaping, improvement, equipment, maintenance, operation, repair, upkeep and replacement of Common Facilities for the general use, benefit and enjoyment of the Members. Common Facilities may include recreational facilities such as lakes, swimming pools, tennis courts, health facilities, playgrounds and parks; dedicated and nondedicated roads, paths, ways and green areas; and entrance signs for Iron Horse which common facilities may be situated on property owned or leased by the Association, on public property, on private property subject to an easement in favor of the Association or on property dedicated to or owned by a Sanitary Improvement District.

B. The promulgation, enactment, amendment and enforcement of rules and regulations relating to the use and enjoyment of any Common Facilities, provided always that such rules are uniformly applicable to all Members. The rules and regulations may permit or restrict use of the Common Facilities by Members, their families, their guests, and/or by other persons, who may be required to pay a fee or other charge in connection with the, use or enjoyment of the Common Facility.

C. The exercise, promotion, enhancement and protection of the privileges and interests of the residents of Iron Horse; and the protection and maintenance of the residential character of Iron Horse.

3. Owners' Easements of Enjoyment and Delegation of Use. Every owner shall have a right and easement of enjoyment in and to the Common Facilities which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

A. the right of the Association, its lessor, successor and/or assigns, to promulgate reasonable rules and charge reasonable admission and other fees for the use of any Common Facility;

B. the right of the Association to suspend the voting rights and right to use of the Common Facilities by an owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations; and

C. the right of the Association to dedicate or transfer all or any part of the Common Facilities 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 2/3rds of the Members has been recorded.

Any owner may delegate, in accordance with the rules and regulations of the Association, his right of enjoyment to the Common Facilities to the members of his/her family.

4. Membership and Voting. Iron Horse is divided into single family residential lots and townhome lots (both of which are collectively referred to as the "Lots"). The "Owner" of each Lot subject to this Declaration or any other Declaration filed against any or all of the Properties shall be a Member of this Association. For purposes of this Declaration, the term "Owner" of a Lot means and refers to the record owner, whether one or more persons or entities, of fee simple title to a Lot, but excluding however those parties having any interest in any of such Lot merely as security for the performance of an obligation (such as a contract seller, the trustee or beneficiary of a deed of trust or a mortgagee). The purchaser of a Lot under a land contract or similar instrument shall be considered to be the "Owner" of the Lot for purposes of this Declaration. With the exception of the Class B membership, as set forth below, the Owner of each Lot, whether one or more, shall have one vote on each matter properly before the Association. Membership shall be appurtenant to ownership of each Lot, and may not be separated from ownership of each Lot.

The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- a. when the total votes outstanding in the Class A membership equal three-fourths of the total votes outstanding in the Class B membership, or
- b. on June 1, 2010 or sooner at Declarant's discretion.

5. Purposes and Responsibilities. The Association shall have the powers conferred upon nonprofit corporations by the Nebraska Nonprofit Corporation Act, and all powers and duties necessary and appropriate to accomplish the purposes and administer the affairs of the Association. The powers and duties to be exercised by the Board of Directors, and upon authorization of the Board of Directors by the Officers, shall include but shall not be limited to the following:

A. The acquisition (by gift, purchase, lease or otherwise), development, maintenance, repair, replacement, operation and administration of Common Facilities, and the enforcement of the rules and regulations relating to the Common Facilities.

B. The landscaping, mowing, watering, repair and replacement of parks and other public property and improvements on parks or public property or property, subject to a lease or easement in favor of the Association, within or near Iron Horse.

C. The fixing, levying, collecting, abatement and enforcement of all charges, dues, or assessments made pursuant to the terms of this Declaration and any Declaration filed against any or all of the Properties.

D. The expenditure, commitment and payment of Association funds to accomplish the purposes of the Association including but not limited to, payment for the lease and/or maintenance of the lake within Iron Horse; payment for purchase of insurance covering any Common Facility against property damage and casualty; and purchase of liability insurance coverages for the Association, the Board of Directors of the Association and the Members serving thereunder.

E. The exercise of all of the powers and privileges and the performance of all of the duties and obligations of the Association as set forth in this Declaration, as the same may be amended from time to time, or any Declaration filed against any or all of the Properties.

F. The acquisition by purchase or otherwise, holding or disposition of any right, title or interest in real or personal property, wherever located, in connection with the affairs of the Association, including but not limited to the lease of the lake within the Iron Horse subdivision.

G. The deposit, investment and reinvestment of Association funds in bank accounts, securities, money market funds or accounts, mutual funds, pooled funds, certificates of deposit or the like.

H. The employment of professionals and consultants to advise and assist the Officers and Board of Directors of the Association in the general administration and management of the Association, and execution of such documents and doing and performance of their duties and responsibilities for the Association.

I. The doing and performing of such acts, and the execution of such instruments and documents, as may be necessary or appropriate to accomplish the purposes of the Association.

6. Mandatory Duties of Association. The Association shall lease and, either directly or indirectly, maintain the lake within Iron Horse and shall maintain and repair any entranceway, fence, signs and landscaping which have been installed in easement or other areas of the Iron Horse subdivision and center islands dividing dedicated roads, in generally good and neat condition.

7. Covenant for and Imposition of Dues and Assessments. The Declarant, for each Lot owned, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay dues and assessments as provided for herein. The Association may fix, levy and charge the Owner of each Lot with dues and assessments (herein referred to respectively as "dues and assessments") under the following provisions of this Declaration. Except as otherwise specifically provided, the dues and assessments shall be fixed by the Board of Directors of the Association and shall be payable at the times and in the manner prescribed by the Board.

8. Abatement and Proration of Dues and Assessments. Notwithstanding any other provision of this Declaration, the Board of Directors shall abate one hundred (100%) percent of the dues or assessments due in respect of any Lot owned by the Declarant. Upon Declarant's transfer of its ownership interest in a Lot, said abatement shall cease. Dues or assessments shall be prorated on a monthly basis.

9. Liens and Personal Obligations for Dues and Assessments. The assessments and dues, together with interest, thereon, costs and reasonable attorney's fees, shall be the personal obligation of the Owner of each Lot at the time when the dues or assessments first become due and payable. The dues and assessments, together with interest, thereon, costs and reasonable attorney's fees, shall also be a charge and continuing lien upon the Lot in respect of which the dues and assessments are charged. The personal obligation for delinquent assessments shall not

pass to the successor in title to the Owner at the time the dues and assessments become delinquent unless such dues and assessments are expressly assumed by the successors, but all successors shall take title subject to the lien for such dues and assessments, and shall be bound to inquire of the Association as to the amount of any unpaid assessments or dues.

10. Purpose of Dues. The dues collected by the Association may be committed and expended to accomplish the purpose of the Association described in Section 1 of this Article, and to perform the Powers and Responsibilities of the Association described in Sections 4 and 5 of this Article.

11. Maximum Annual Dues. Unless excess dues have been authorized by the Members in accordance with Section 12, below, the aggregate dues which may become due and payable in any year shall not exceed the greater of:

A. Beginning January 1, 2001, Six Hundred Twenty and no/100 Dollars (\$620.00) per Lot; or

B. In each calendar year beginning on January 1, 2002, one hundred ten percent (110 %) of the aggregate dues charged in the previous calendar year.

12. Assessments for Extraordinary Costs. In addition to the dues, the Board of Directors may levy an assessment or assessments for the purpose of defraying, in whole or in part, the costs of any acquisition, construction, reconstruction, repair, painting, maintenance, improvement, or replacement of any Common Facility, including fixtures and personal property related thereto, and related facilities. The aggregate assessments in each calendar year shall be limited in amount to Five Hundred and no/ 100 Dollars (\$500. 00) per Lot.

13. Excess Dues and Assessments. With the approval of seventy-five percent of the Members of the Association, the Board of Directors may establish dues and/or assessments in excess of the maximums established in this Declaration.

14. Uniform Rate of Assessment. Assessments and dues shall be fixed at a uniform rate as to all Lots, but dues may be abated as to individual Lots, as provided in Sections 6 and 7, above.

15. Certificate as to Dues and Assessments. The Association shall upon written request and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the dues and assessments on a specified Lot have been paid to the date of request, the amount of any delinquent sums, and the due date and amount of the next succeeding dues, assessment or installment thereof. The dues and assessment shall be and become a lien as of the date such amounts first become due and payable.

16. Effect of Nonpayment of Assessments - Remedies of the Association. Any installment of dues or assessment which is not paid when due shall be delinquent. Delinquent

dues or assessment shall bear interest from the due date at the rate of rate of sixteen percent (16%) per annum or the legal rate of interest, whichever is less, compounded annually. The Association may bring in action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot or Lots, and pursue any other legal or equitable remedy. The Association shall be entitled to recover as a part of the action and shall, be indemnified against the interest, costs and reasonable attorney's fees incurred by the Association with respect to such action. No Owner may waive or otherwise escape liability for the charge and lien provided for herein by nonuse of the Common Facilities or abandonment of his Lot. The mortgagee of any Lot shall have the right to cure any delinquency of an Owner by payment of all sums due together with interest, costs and attorney's fees. The Association shall assign to such mortgagee all of its rights with respect to such lien and right of foreclosure and such mortgagee may thereupon be subrogated to any rights of the Association.

17. Subordination of the Lien to the Mortgagee. The lien of dues and assessments provided for herein shall be subordinate to the lien of any mortgage, contract or deed of trust as collateral for a home improvement or purchase money loan. Sale or transfer of any Lot shall not affect or terminate the dues and assessments lien.

18. Additional Lots. Declarant reserves the right, without consent or approval of any Owner or Member, to expand the Association by filing subsequent Declarations or amend this Declaration to include additional residential lots in any subdivision which is contiguous to any of the Lots. Such expansion(s) may be affected from time to time by the Declarant or Declarant's assignee by recordation with the Register of Deeds of Cass and/or Saunders Counties, Nebraska of a Declaration of Covenants, Conditions, Restrictions and Easements, executed and acknowledged by Declarant or Declarant's assignee, setting forth the identity of the additional residential lots (hereinafter the "Subsequent Phase Declaration").

Upon the recording of any Subsequent Phase Declaration which expands the residential lots included in the Association, the additional lots identified in the Subsequent Phase Declaration shall be considered to be and shall be included in the "Lots" for purposes of this Article II and this Declaration, and the Owners of the additional residential lots shall be Members of the Association with all rights, privileges and obligations accorded or accruing to Members of the Association.

ARTICLE IV. EASEMENTS

1. A perpetual license and easement is hereby reserved in favor of and granted to Omaha Public Power District, Alltel, or any other electric or telephone utility which has been granted the power to provide electric and/or telephone services within the Lots and any company which has been granted a franchise to provide a cable television system within the Lots, the City of Ashland, Peoples Natural Gas, and Sanitary and Improvement District No. 9 of Cass County, Nebraska, their successors and assigns, to erect and operate, maintain, repair and renew buried or underground sewers, water and gas mains and cables, lines or conduits and other electric and telephone utility facilities for the carrying and transmission of electric current for light, heat and

power and for all telephone and telegraph and message service and for the transmission of signals and sounds of an kinds including signals provided by a cable television system and the reception on, over, through, under and across a five (5) foot wide strip of land abutting the front and the side boundary lines of the Lots, an eight (8) foot wide strip of land abutting the rear boundary lines of all interior Lots and all exterior lots that are adjacent to presently platted and recorded Lots, and a sixteen (16) foot wide strip of land abutting the rear boundary lines of all exterior Lots that are not adjacent to presently platted and recorded Lots. The term exterior Lots is herein defined as those Lots forming the outer perimeter of the Lots. The sixteen (16) foot wide easement will be reduced to an eight (8) foot wide strip when such adjacent land is surveyed, platted and recorded. No permanent buildings, trees, retaining walls or loose rocks shall be placed in the said easement ways, but the same may be used for gardens, shrubs, landscaping and other purposes that do not then or later interfere with the aforesaid uses or rights herein granted.

2. A perpetual easement is further reserved for the City of Ashland and Peoples Natural Gas, their successors and assigns and any other entity appointed by and contracting with Sanitary and Improvement District No. 9 of Cass County, Nebraska to erect, install, operate, maintain, repair and renew pipelines, hydrants and other related facilities, and to extend thereon pipes, hydrants and other related facilities, and to extend therein pipes for the transmission of gas and water on, through, under and across a five (5) foot wide strip of land abutting all cul-de-sac streets; this license being granted for the use and benefit of all present and future owners of these Lots; provided, however, that such licenses and easements are granted upon the specific conditions that if any of such utility companies fail to construct such facilities along any of such Lot lines within thirty-six (36) months of date hereof, or if any such facilities are constructed but are thereafter removed without replacement within sixty (60) days after their removal, then such easement shall automatically terminate and become void as to such unused or abandoned easementways. No permanent buildings, trees, retaining walls or loose rock walls shall be placed in the easementways but some may be used for gardens, shrubs, landscaping and other purposes that do not then or later interfere with the aforementioned uses or rights granted herein.

3. A perpetual easement is further reserved in favor of the Declarant and the Association, its successors and assigns to create, install, repair, reconstruct, paint, maintain, and renew a fence, standards and related accessories located on, over and upon the rear most ten (10) foot wide strip of land abutting the rear boundary lines of all Lots on the perimeter of the Iron Horse subdivision.

4. A perpetual easement is further reserved in favor of the Declarant, its successors and assigns to enter on, over and upon the rear most ten (10) foot wide strip of land abutting the rear boundary lines of all Lots abutting the Iron Horse Golf Course for the purpose of maintaining, reconstructing, repairing and renewing the Iron Horse Golf Course.

5. Alltel and any other provider of telephone service may impose an installation charge.

6. Other easements are provided for in the final plat of Iron Horse, Iron Horse Replat I and Iron Horse Replat II and any other plats relating to the Iron Horse subdivision which are or will be filed in the Office of the Register of Deeds of Cass and/or Saunders Counties, Nebraska.

ARTICLE V. GENERAL PROVISIONS.

1. Except for the authority and powers specifically granted to the Declarant, the Declarant, the Association or any owner of a Lot named herein shall have the right to enforce, by a proceeding at law or in equity, all reservations, restrictions, conditions and covenants now or hereinafter imposed by the provisions of this Declaration either to prevent or restrain any violation or to recover damages or other dues of such violation. Failure by the Declarant, 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.

2. Declarant may at its discretion add a second phase to this Declaration.

3. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date of this Declaration. Thereafter the covenants, restrictions and other provisions of this Declaration shall automatically renew for successive ten (10) year periods unless terminated or amended by the owners of not less than seventy-five (75%) percent of said Lots, which termination or amendment shall thereupon become binding upon all Lots. For a period of ten (10) years following the date hereof, Developer, its successors or assigns, shall have the sole, absolute and exclusive right to amend, modify or supplement all of any portion of these Protective Covenants from time to time by executing and recording one or more duly acknowledged Amendments to Protective Covenants in the Offices of the Register of Deeds of Saunders and Cass Counties, Nebraska. Thereafter, this Declaration may be amended by an instrument signed by the owners of not less than seventy-five percent (75%) of the Lots covered by this Declaration.

4. Iron Horse Development, L.L.C., a Nebraska limited liability company, or its successor or assign, may terminate its status as Declarant under this Declaration, at any time, by filing a Notice of Termination of Status as Declarant. Upon such filing, or at such time of Declarant no longer owning any lots subject to this Declaration, the rights of the Declarant shall automatically transfer to the Association and the Association may exercise such rights or appoint another entity, association or individual to serve as Declarant, and the Association or such appointee shall thereafter serve as Declarant with the same authority and powers as the original Declarant.

5. Invalidation of any one or more provisions of this Declaration by judgment or court order shall in no way effect any of the other provisions hereof, which shall remain in full force and effect.

13 IN WITNESS WHEREOF, the Declarant has caused these presents to be executed. this day of March 2000.

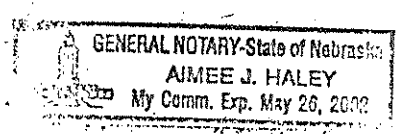
IRON HORSE DEVELOPMENT, L.L.C., a
Nebraska limited liability company, "Declarant"

Timothy W Young

Timothy W. Young, Managing Member

STATE OF NEBRASKA)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 13 day of March 2000, by Timothy W. Young, Managing Member of Iron Horse Development, L.L.C., a Nebraska limited liability company, on behalf of said limited liability company.



Aimee J. Haley

Notary Public

12-10

#344

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DON CLARK
REGISTER OF DEEDS
SAUNDERS CO. NEBR.

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J

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BOOK 245 PAGE 791
OF Gen INST# 222

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CASS COUNTY, NE.

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BOOK 55 OF Misc PG 709
PATRICIA WEIBINGER
REGISTER OF DEEDS

Doc#344 \$152.00

**AMENDMENT TO AND RESTATEMENT OF DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS OF IRON HORSE, A
SUBDIVISION IN CASS AND SAUNDERS COUNTIES, NEBRASKA**

THIS AMENDMENT TO PROTECTIVE COVENANTS is made the date hereinafter set forth by Iron Horse Development, L.L.C., a Nebraska limited liability company, Declarant.

RECITALS

A. On March 13, 2000, a document entitled Declaration of Covenants, Conditions, Restrictions and Easements of Iron Horse, a Subdivision in Cass and Saunders Counties, Nebraska (hereinafter the "Declaration") for Lots One (1) through Nine (9), inclusive, and Lots Eighteen (18) through One Hundred Forty-seven (147), inclusive, in IRON HORSE, a subdivision as surveyed, platted and recorded in Cass and Saunders Counties, Nebraska, were recorded by Declarant, in the office of the Register of Deeds of Cass County, Nebraska at Book 55 Page 362 of the Miscellaneous Records and in the office of the Register of Deeds of Saunders County, Nebraska at Book 242 Page 902 of the General Records.

B. Paragraph 3 of Article V of the Declaration provides that for a period of ten (10) years following March 13, 2000, the Declarant shall have the sole, absolute and exclusive right to amend, modify or supplement all or any portion of the Declaration.

NOW, THEREFORE, Declarant hereby declares that the Protective Covenants recorded on March 13, 2000 at Book 55 Page 362 of the Miscellaneous Records of the Register of Deeds of Cass County, Nebraska and at Book 242 Page 902 of the General Records of the Register of Deeds of Saunders County, Nebraska should be and hereby are amended and restated in the following manner:

I. By deleting therefrom the Declaration in its entirety and adding in its place and stead the following:

THIS DECLARATION, made on the date hereunder set forth, is made by IRON HORSE DEVELOPMENT, L.L.C., a Nebraska limited liability company, hereinafter referred to as the "Declarant."

PRELIMINARY STATEMENT

The Declarant is the owner of certain real property located within Cass and Saunders Counties, Nebraska and described as follows:

Lots One (1) through Nine (9), inclusive, and Lots Eighteen (18) through One Hundred Forty-seven (147), inclusive, all in IRON HORSE, a subdivision, as surveyed, platted and recorded in Cass and Saunders Counties, Nebraska; Lots One (1) through Ten (10), inclusive, IRON HORSE REPLAT I, a subdivision as surveyed, platted, and recorded in Cass and Saunders Counties, Nebraska; and Lots One (1) through Nineteen (19), inclusive, in IRON HORSE REPLAT II, a subdivision as surveyed, platted and recorded in Cass and Saunders Counties, Nebraska.

Such lots are herein referred to collectively as the "Lots" and individually as each "Lot".

The Declarant desires to provide for the preservation of the values and amenities of the Iron Horse subdivision, for the maintenance of the character and residential integrity of the Iron Horse subdivision, and for the acquisition, construction and maintenance of Common Facilities for the use and enjoyment of the residents of the Iron Horse subdivision.

NOW, THEREFORE, the Declarant hereby declares that each and all of the Lots be held, sold and conveyed subject to the following restrictions, covenants, conditions and easements, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Lots, and the enjoyment of the residents of the Lots. These restrictions, covenants, conditions and easements shall run with such Lots and shall be binding upon all parties having or acquiring any right, title or interest in each Lot, or any part be subject to all and each of the following conditions and other terms:

ARTICLE I.

1. Lots One (1) through Nine (9), inclusive, in Iron Horse, and Lots Eighteen (18) through One Hundred Twenty-eight (128), inclusive, in Iron Horse shall be used exclusively for single-family residential purposes; and Lots One Hundred Twenty-nine (129) through One Hundred Forty-seven (147), inclusive, in Iron Horse, Lots One (1) through Ten (10), inclusive, Iron Horse Replat I, and Lots One (1) through Nineteen (19), inclusive, Iron Horse Replat II, shall be used exclusively for detached or attached townhome purposes; except for such Lots or parts thereof as may hereafter be conveyed or dedicated by Declarant, or its successors or assigns, for use in connection with a Common Facility, or as a church, school, park or for other non-profit use.

2. No residence, building, fence (other than fences constructed by the Declarant), landscaping, wall, pathway, driveway, patio, patio cover enclosure, deck, rock garden, swimming pool, dog house, pool house, tennis court, flag pole, satellite receiving station or disc, solar heating or cooling, device, or other external improvement, above or below the ground (herein collectively referred to as "Improvement") shall be constructed, erected, placed or permitted to remain on any Lot, nor shall any grading, excavation or tree removal for any Improvement be

commenced, except for Improvements which have been approved by Declarant, its successors and assigns, as follows:

A. An owner desiring to erect an Improvement shall deliver two sets of construction plans, landscaping plans and plot plans to Declarant (herein collectively referred to as the "plans"). Such plans shall, include a description of type, quality, color and use of materials proposed for the exterior of such Improvement and proposed elevations of the Lot, including foundation and driveway and all proposed set backs. Concurrent with submission of the plans, Owner shall notify the Declarant of the Owner's mailing address.

B. Declarant shall review such plans in relation to the type and exterior of Improvements constructed, or approved for construction and landscaping on neighboring Lots and in surrounding area, and any general scheme or plans formulated by Declarant with regard to views, retaining natural environmental area and character of the subdivision. In this regard, Declarant intends that the Lots shall form a quality residential community with Improvements constructed of high quality materials, including but not limited to homes and landscaping, with spectacular views and preservation of natural environmental areas to the extent possible. The decision to approve or refuse approval of a proposed Improvement, including but not limited to homes and landscaping, shall be exercised by Declarant to promote development of the Lots and to protect the values, character and residential quality of all Lots. If Declarant determines that the proposed Improvement will not protect and enhance the integrity and character of all the Lots and neighboring Lots as a quality residential community, Declarant may refuse approval of the proposed Improvement.

C. Written Notice of any approval of a proposed Improvement shall be mailed to the owner at the address specified by the owner upon submission of the plans. Such notice shall be mailed, if at all, within thirty (30) days after the date of submission of the plans. If notice of approval is not mailed within such period, the proposed Improvement shall be deemed disapproved by Declarant.

D. No Lot owner, or combination of Lot owners, or other person or persons shall have any right to any action by Declarant, or any right to control, direct or influence the acts of the Declarant with respect to any proposed Improvement. No responsibility, liability or obligation shall be assumed by or imposed upon Declarant by virtue of the authority granted to Declarant in this Section, or as a result of any act or failure to act by Declarant with respect to any proposed Improvement.

E. Subsequent to the above-mentioned approval process, once an Owner, its agents or assigns, has received Declarant's approval and excavated the area for the foundation of the proposed improvement on the Lot, said Owner shall contact the Declarant, or its appointed agents (i.e. engineer and/or soil improvement contractor), to provide for an inspection of soils for determining whether soil improvement is necessary and, if soil improvement is determined to be necessary by Declarant's soils improvement engineer/contractor, Owner shall submit its Lot for such improvement before continuing

construction on said Lot. If the Owner or its agents fail to comply with this requirement and/or to implement the soil improvement process, the risk of foundation movement due to the unusual geologic conditions of the site is placed with the Owner and Declarant, its successors or assigns, shall not be liable to the Owner for any damages resulting therefrom.

3. No single-family residence shall be created, altered, placed or permitted to remain on any of Lots One (1) through Nine (9), inclusive, in Iron Horse, and Lots Eighteen (18) through One Hundred Twenty-eight (128), inclusive, in Iron Horse, other than one detached single-family dwelling, with an attached garage, which does not exceed two stories in height. No single-family residence shall be created, altered, placed or permitted to remain on any of the remaining Lots subject to this Declaration other than one detached or attached townhome dwelling, with an attached garage, which does not exceed two stories in height. Such dwellings on any Lot shall conform to the surrounding dwellings of similar regime and any general scheme or plans formulated by Declarant and shall have high pitched roofs and brick, drivot, stone or stucco fronts. All Improvements on any Lot shall Comply with all side yard and set back requirements of the Iron Horse Planned Unit Development, the Zoning Code of the Municipal Code of the City of Ashland, Nebraska and any other applicable laws of any governing authority. Owners should be aware that the Iron Horse Planned Unit Development supersedes the Zoning Code of the City of Ashland in some respects and are advised to consult the same prior to commencing plans.

4. Subject to the specific requirements set forth below, all foundations shall be constructed of poured concrete. The exposed front foundation walls and any exposed foundation walls of all main residential structures facing any street must be constructed of or faced with clay-fired brick or stone or other material approved by Declarant. All corner lots with exposed foundation walls facing any side street in clay-fired brick or stone or other material approved by Declarant. All exposed side and rear concrete foundation walls not facing a street must be covered with clay-fired brick, stone, siding or shall be painted. All driveways must be constructed of concrete, brick, paving stone, or laid stone. Unless other materials are specifically approved by Declarant, the roof of all Improvements shall be covered with "Heritage II" style, 40-year warranty, asphalt shingles or its equivalent, weathered wood in color, slate, wood cedar shakes or wood shingles. If curbside mail delivery is available, Owner shall install a mailbox at or near the front lot line of Owner's Lot which mailbox shall be constructed of bricks.

Fireplaces and flues: (1) In the event that a wood-burning fireplace is constructed as a part of the dwelling on any lot adjoining the Iron Horse Golf Course (Lots Adjoining Golf Course), any portion of said fireplace and/or the enclosure for the fireplace flue which protrudes from the exterior or above the roof of the dwelling shall be constructed of or finished with clay-fired brick or stone. (2) In the event that a wood-burning fireplace and/or flue is constructed as a part of the dwelling in a manner so as to protrude beyond the outer perimeter of the front or side of the dwelling, or is exposed above the roof on a lot not adjoining the Iron Horse Golf Course (Lot(s) Not Adjoining Golf Course), the enclosure of the fireplace and flue shall be constructed of, or finished with, clay-fired brick or stone. If the wood-burning fireplace and/or enclosure for the wood-burning fireplace flue is constructed in such a manner so as to protrude beyond the outer perimeter of the rear of the dwelling on a Lot Not Adjoining the Golf Course, the enclosure of the wood-burning fireplace and flue shall be constructed of, or finished with clay-fired brick or

stone. (3) In the event that a pre-fabricated unit fireplace which is wood or gas burning or direct vent fireplace is constructed as a part of the dwelling on any Lot and is vented directly through an exterior wall of the dwelling or is vented through the roof of the dwelling with a vent similar in style, size and location to that of a furnace flue, no clay-fired brick or stone enclosure will be required. Provided however, if said pre-fabricated unit fireplace which is wood or gas burning or direct vent fireplace is constructed in such a manner so as to protrude beyond the outer perimeter of a front or side wall of the dwelling on a Lot or beyond the out perimeter of any wall of the dwelling on a Lot Adjoining Golf Course, the protrusion for the fireplace and/or flue shall be finished with clay-fired brick or stone. Also any fireplace vent which protrudes above the roof of any dwelling on any Lot shall be finished with clay-fired brick or stone unless it is on the rear slope of the roof of a dwelling on a Lot Not Adjoining Golf Course or is vented in similar style, size and location to that of a furnace flue as stated herein. Fireplace enclosures for pre-fabricated unit fireplace which is wood or gas burning or direct vent fireplace units that protrude beyond foundation may be framed if approved in writing by Declarant.

5. The Declarant has created a water drainage plan by grading the Properties and installing improvements and easements for storm drainage in accordance with generally accepted engineering principles. No building shall be placed, nor any Lot graded, to interfere with such water drainage plan nor cause damage to the building or neighboring buildings or Lots or the golf course. Silt fences shall be used to comply with this paragraph.

6. No streamers, posters, banners, balloons, exterior illumination or other rallying devices will be allowed on any Lot in the promotion or sale of any Lot, residential structure or property unless approved in writing by the Declarant. No advertising signs, billboards, unsightly objects or nuisances shall be erected, placed or permitted to remain on any Lot except one sign per Lot consisting of not more than six (6) square feet advertising a Lot as "For Sale". No business activities of any kind whatsoever shall be conducted on any Lot including home occupations, except home office usage; nor shall the premises be used in any way for any purpose which may endanger the health or unreasonably disturb the owner or owners of any Lot or any resident thereof. Provided, however, the foregoing paragraph shall not apply to the business activities, sign and billboards or the construction and maintenance of buildings, including model homes and temporary sales offices, if any, by Declarant, its designated builders, agents or assigns, during the construction and sale of the Lots.

7. No obnoxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be, or may become, an annoyance or nuisance to the neighborhood, including but not limited to, odors, dust, glare, sound, lighting, smoke vibration and radiation. Exterior lighting 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.

8. No outside radio, television, ham broadcasting, earth station, satellite dish or other electronic antenna or aerial shall be erected or placed on any structure or on any Lot, except, with the prior written approval of Declarant, one (1) satellite dish of 18" or less in diameter or diagonal measurement which is screened from view of any street or sidewalk will be permitted per Lot. The foregoing notwithstanding, any earth station, satellite dish or other electronic

antenna or aerial specifically exempted from restriction by statute, regulation, binding order of a court or governmental agency shall be maintained in accordance with the strictest interpretation or condition for such use as may be permitted by such order.

9. No tree shall be removed nor any rock wall, constructed by Declarant, from any Lot by any person or entity without the prior written approval of the Declarant, its successors or assigns. No tree houses, tool sheds, doll houses, windmills or similar structures shall be permitted on any Lot.

10. No repair of any boats, automobiles, motorcycles, trucks, campers (trailers, van-type, auto-drawn or mounted), snowmobiles, recreational vehicles (RV), other self-propelled vehicles or similar vehicles requiring a continuous time period in excess of forty-eight (48) hours shall be permitted on any Lot at any time, nor shall vehicles or similar chattels offensive to the neighborhood be visibly stored, parked or abandoned on any Lot. No unused building material, junk or rubbish shall be left exposed on the Lot except during actual building operations, and then only in as neat and inconspicuous a manner as possible.

11. No boat, camper, trailer, auto-drawn or mounted trailer of any kind, mobile home, truck, aircraft, camper truck or similar chattel shall be maintained or stored on any part of a Lot (other than in an enclosed structure) for more than two (2) consecutive days and no more than twenty (20) days combined within any calendar year. No motor vehicle may be parked or stored outside on any Lot except vehicles, which are not trucks, campers, mobile homes, camper trucks or similar chattels, driven on a regular basis by the occupants of the dwelling located on such Lot. No grading or excavating equipment, tractors or semitractors/trailers or other commercial vehicles shall be stored, parked, kept or maintained in any yards, driveways, or streets. However, this section does not apply to trucks, tractors or commercial vehicles which are necessary for the construction of residential dwellings during the period of construction. All residential Lots shall provide at least the minimum number of off street parking areas or spaces for private passenger vehicles required by the applicable ordinances of the City of Ashland, Nebraska.

12. No incinerator or trash burner shall be permitted on any Lot. No garbage or trash can or container or fuel tank shall be permitted to be stored outside of any dwelling unless, completely screened from view, except on a designated day each week for pickup purposes. No garden lawn or maintenance equipment of any kind whatsoever shall be stored or permitted to remain outside of any dwelling or suitable storage facility, except when in actual use. No garbage, refuse, rubbish or cutting shall be deposited on any street, road or Lot. No clothes line or other outside facilities for drying or airing clothes shall be permitted outside of any dwelling at any time. Produce or vegetable gardens may only be maintained in rear yards in an area no larger than eight (8') feet by ten (10') feet.

13. No fence shall be permitted unless approved of in writing by Declarant after submission of fencing plans. No fence shall be permitted to extend beyond the front line of a main residential structure. No fence shall entirely enclose the rear yard of any Lot, invisible fencing and wrought iron fencing excepted. Unless other materials are specifically approved in writing by Declarant, fences shall only be composed of wrought iron, except that white plastic

vinyl coated P.V.C. design designated by Declarant may be utilized to enclose dog runs, hot tubs, swimming pools or other uses approved by Declarant. No fences or walls shall exceed a height of six (6) feet. Any fences, hedges or mass planted shrubs installed by or at the direction of the Declarant shall not be subject to the provisions of this paragraph.

14. No swimming pool may extend more than one foot above ground Level.

15. Any exterior lighting installed on any Lot shall either be indirect or of such controlled focus and intensity as not to disturb the residents of any adjacent property.

16. Construction of any Improvement shall be completed within one (1) year from the date of commencement of excavation or construction of the Improvement. No excavation dirt shall be spread across any Lot in such a fashion as to materially change the grade or contour of any Lot. No tree shall be removed from any Lot without prior written approval of the Declarant, its successors or assigns. No residential dwelling shall be occupied by any person as a dwelling for such person until the construction of such dwelling has been completed, except for minor finish details as determined and approved by the Declarant.

17. The entire Lot shall be sodded, and two trees, each not less than four (4") caliper inches in diameter, shall be planted in the front yard of each residence. No trees shall be planted in the dedicated street right-of-way located between the sidewalk and the Lot line. All yards shall be sodded and trees planted within one (1) year from the date that construction for the residence on the Lot was commenced. A public Serpentine sidewalk shall be constructed of concrete five (5) feet wide by four (4) inches thick. The sidewalk shall be designed and constructed to meet up with any existing sidewalk on any abutting Lot and shall be constructed by the owner of the Lot prior to the time of completion of the main structure and before occupancy thereof, provided however, this provision shall vary to comply with any requirements of the City of Ashland.

18. Driveway approaches between the sidewalk and curb on each Lot shall be constructed of concrete. Should repair or replacement of such approach be necessary, the repair or replacement shall also be of concrete. No asphalt overlay of driveway approaches will be permitted.

19. No stable, dog run, kennel or other shelter for any animal, livestock, fowl or poultry shall be erected, altered, placed or permitted to remain on any Lot, except for one dog house constructed for one (1) dog, provided always that the construction plans, specifications and the location of the proposed structure have been first approved by Declarant, or its assigns, as required by this Declaration. Dog houses and dog runs shall only be allowed at the rear of the residence, attached to or immediately adjacent to the residence and hidden from view by P.V.C. fencing. No animals, livestock, agricultural-type animals, fowl or poultry of any kind, including, pot-bellied pigs, shall be raised, bred or kept on any Lot, except that subject to the ordinances of the City of Ashland, two (2) dogs, two (2) cats, or two (2) other small household pets maintained within the residential structure may be kept, provided that they are not kept, bred or maintained for any commercial purpose and, provided, that they are not left outside of the residential structure unattended and not permitted to run loose outside the Lot of the Owner. No excessive

barking of any dog, or other excessive noise of any kind from any animal, shall be permitted on any Lot. Any dog or other animal that barks or makes other noise outside the home of any Lot at any time shall wear electronic collars to prevent such barking or other noise.

20. Prior to placement on any Lot, the location of any exterior air conditioning condenser unit shall be first approved by the Declarant according to the requirements set forth in Article I, paragraph 2, and shall be placed in the rear yard or any side yards so as not to be visible from public view. No grass, weeds or other vegetation shall be grown or otherwise permitted to commence or continue, and no dangerous, diseased or otherwise objectionable shrubs or trees shall be maintained on any Lot so as to constitute an actual or potential public nuisance, create a hazard or undesirable proliferation, or detract from a neat and trim appearance. Vacant Lots shall not be used for dumping of earth or any waste materials, and no vegetation on vacant Lots shall be allowed to reach a height in excess of twelve (12) inches.

21. No Residence shall be constructed on a Lot unless the entire Lot as originally platted is owned by one owner of such Lot, except if parts of two or more platted Lots have been combined into one Lot which is at least as wide as the narrowest Lot on the original plat, and is as large in area as the largest Lot in the original plat.

22. With the exception of temporary sales offices maintained by Declarant, its designated builders, agents or assigns, no structure of a temporary character, carport, detached garage, trailer, basement, tent, outbuilding, shed or shack or other similar structure shall be erected upon or used on any Lot at any time, either temporarily or permanently, unless approved of in writing by the Declarant. For the purposes of this paragraph, it is Declarant's intent that small, unobtrusive outbuildings may be allow, with Declarant's prior written approval, for outdoor recreational use, i.e. pool houses, however, Declarant retains the sole and absolute power to approve or deny any request to construct the same. No structure or dwelling shall be moved from outside Iron Horse to any Lot or modular home constructed on any Lot without the written approval of Declarant.

23. All utility service lines from each Lot line to a dwelling or other Improvement shall be underground.

24. Declarant does hereby reserve unto itself the right to require the installation of siltation fences or erosion control devices and measures in such location, configurations and designs as it may determine appropriate in its sole and absolute discretion.

25. The lake within the Iron Horse subdivision shall be a limited use lake, no jet-skis, waverunners, gas-powered boats or other similar vessels or chattels shall be allowed in, on, or near said lake. All Owners of all Lots, their invitees, licensees, heirs, successors and assigns, shall be bound to comply with reasonable rules and regulations, and any amendments thereto, promulgated by the legal title holder, its lessees, successors or assigns, of the lake within the Iron Horse subdivision.

26. No motorized boats or crafts or large sailing vessels of any kind whatsoever shall be stored or utilized in any way on, in, over or across any Lot in the Iron Horse subdivision. No paddle boat, sailing vessel, fishing vessel or equipment or other personal property shall be stored or maintained on any Lot in the Iron Horse subdivision, unless hidden from view.

ARTICLE II EASEMENTS AND RESTRICTIONS RELATING TO GOLF COURSE AND LAKE

1. "Lots Adjoining Golf Course" shall mean and refer to all Lots, as defined above, for which one or more of the Lot boundary lines is shared with any boundary lines is shared with any boundary line of the Iron Horse Golf Course (herein "Golf Course").

2. A perpetual license and easement is hereby reserved in favor of the Declarant, its successors, assigns, lessees, agents, and other person or entity designated in writing by Declarant, to maintain, repair and renew a cart path and other accessory structures, including but not limited to walls and/or fences on, over, through, under and across a ten (10') foot wide strip of land on each Lot abutting the boundary line between Lots 34 and 35, Lots 51 and 52, Lots 72 and 73, Lots 108 and 109, Lots 116 and 117 and Lots 123 and 124, all in Iron Horse.

3. Declarant anticipates that the proximity of the Lots Adjoining Golf Course will enhance the desirability and value of the Lots Adjoining Golf Course to purchasers and their successors and assigns. Nevertheless, purchasers and owners of the Lots Adjoining Golf Course should be aware that: (i) golfers will from time to time hit golf balls from the Golf Lots onto and over the Lots Adjoining Golf Course; and (ii) normal operation and maintenance of the Golf Course will involve operation of mowers and other power equipment during the evening and early morning hours.

4. The Declarant, for itself, its successors and assigns, including but not limited to Iron Horse Golf Club, L.L.C., hereby declares and expressly disclaims responsibility, directly or indirectly, for: (i) intrusion of errant shots onto the Lots Adjoining Golf Course or the lake within Iron Horse; (ii) intrusion of noise from mowing and other power equipment during all hours of the day and night; and (iii) any claim, complaint, cause of action, course of action, or matter relating to the operation and control of the Golf Lots by the owner or lessee thereof, its successors or assigns. For this purpose, an "errant shot" shall refer to a golf shot which is hit onto Lots Adjoining Golf Course or the lake within Iron Horse. The Owners of the Lots within Iron Horse shall indemnify and hold the Declarant, its successors and assigns, harmless for any claims, complaints, damages or other liability arising therefrom.

5. Declarant, its successor or assigns, may make reasonable rules and regulations restricting the use of the lake within Iron Horse and/or the Lots Adjoining the Golf Course to further the play of the Iron Horse Golf Course.

ARTICLE III HOMEOWNERS ASSOCIATION

1. Definitions.

A. "Association" shall mean and refer to the Iron Horse Homeowners Association, its successors and assigns.

B. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

C. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association, including but not limited to Phase II of Iron Horse.

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

E. "Declarant" shall mean and refer to Iron Horse Development, L.L.C., its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

2. The Association. Declarant has caused or will cause the incorporation of IRON HORSE HOMEOWNERS ASSOCIATION, a Nebraska nonprofit corporation (hereinafter referred to as the "Association"). The Association has as its purpose the promotion of the health, safety, recreation, welfare and enjoyment of the residents of the Lots, including

A. The acquisition (by gift, purchase, lease or otherwise), construction, landscaping, improvement, equipment, maintenance, operation, repair, upkeep and replacement of Common Facilities for the general use, benefit and enjoyment of the Members. Common Facilities may include recreational facilities such as lakes, swimming pools, tennis courts, health facilities, playgrounds and parks; dedicated and nondedicated roads, paths, ways and green areas; and entrance signs for Iron Horse which common facilities may be situated on property owned or leased by the Association, on public property, on private property subject to an easement in favor of the Association or on property dedicated to or owned by a Sanitary Improvement District.

B. The promulgation, enactment, amendment and enforcement of rules and regulations relating to the use and enjoyment of any Common Facilities, provided always that such rules are uniformly applicable to all Members. The rules and regulations may permit or restrict use of the Common Facilities by Members, their families, their guests, and/or by other persons, who may be required to pay a fee or other charge in connection with the use or enjoyment of the Common Facility.

C. The exercise, promotion, enhancement and protection of the privileges and interests of the residents of Iron Horse; and the protection and maintenance of the residential character of Iron Horse.

3. Owners' Easements of Enjoyment and Delegation of Use. Every owner shall have a right and easement of enjoyment in and to the Common Facilities which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- A. the right of the Association, its lessor, successor and/or assigns, to promulgate reasonable rules and charge reasonable admission and other fees for the use of any Common Facility;
- B. the right of the Association to suspend the voting rights and right to use of the Common Facilities by an owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations; and
- C. the right of the Association to dedicate or transfer all or any part of the Common Facilities 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 2/3rds of the Members has been recorded.

Any owner may delegate, in accordance with the rules and regulations of the Association, his right of enjoyment to the Common Facilities to the members of his/her family.

4. Membership and Voting. Iron Horse is divided into single family residential lots and townhome lots (both of which are collectively referred to as the "Lots"). The "Owner" of each Lot subject to this Declaration or any other Declaration filed against any or all of the Properties shall be a Member of this Association. For purposes of this Declaration, the term "Owner" of a Lot means and refers to the record owner, whether one or more persons or entities, of fee simple title to a Lot, but excluding however those parties having any interest in any of such Lot merely as security for the performance of an obligation (such as a contract seller, the trustee or beneficiary of a deed of trust or a mortgagee). The purchaser of a Lot under a land contract or similar instrument shall be considered to be the "Owner" of the Lot for purposes of this Declaration. With the exception of the Class B membership, as set forth below, the Owner of each Lot, whether one or more, shall have one vote on each matter properly before the Association. Membership shall be appurtenant to ownership of each Lot, and may not be separated from ownership of each Lot.

The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

a. when the total votes outstanding in the Class A membership equal three-fourths of the total votes outstanding in the Class B membership, or

b. on June 1, 2010 or sooner at Declarant's discretion.

5. Purposes and Responsibilities. The Association shall have the powers conferred upon nonprofit corporations by the Nebraska Nonprofit Corporation Act, and all powers and duties necessary and appropriate to accomplish the purposes and administer the affairs of the Association. The powers and duties to be exercised by the Board of Directors, and upon authorization of the Board of Directors by the Officers, shall include but shall not be limited to the following:

A. The acquisition (by gift, purchase, lease or otherwise), development, maintenance, repair, replacement, operation and administration of Common Facilities, and the enforcement of the rules and regulations relating to the Common Facilities.

B. The landscaping, mowing, watering, repair and replacement of parks and other public property and improvements on parks or public property or property, subject to a lease or easement in favor of the Association, within or near Iron Horse.

C. The fixing, levying, collecting, abatement and enforcement of all charges, dues, or assessments made pursuant to the terms of this Declaration and any Declaration filed against any or all of the Properties.

D. The expenditure, commitment and payment of Association funds to accomplish the purposes of the Association including but not limited to, payment for the lease and/or maintenance of the lake within Iron Horse; payment for purchase of insurance covering any Common Facility against property damage and casualty; and purchase of liability insurance coverages for the Association, the Board of Directors of the Association and the Members serving thereunder.

E. The exercise of all of the powers and privileges and the performance of all of the duties and obligations of the Association as set forth in this Declaration, as the same may be amended from time to time, or any Declaration filed against any or all of the Properties.

F. The acquisition by purchase or otherwise, holding or disposition of any right, title or interest in real or personal property, wherever located, in connection with the affairs of the Association, including but not limited to the lease of the lake within the Iron Horse subdivision.

G. The deposit, investment and reinvestment of Association funds in bank accounts, securities, money market funds or accounts, mutual funds, pooled funds, certificates of deposit or the like.

H. The employment of professionals and consultants to advise and assist the Officers and Board of Directors of the Association in the general administration and management of the Association, and execution of such documents and doing and performance of their duties and responsibilities for the Association.

I. The doing and performing of such acts, and the execution of such instruments and documents, as may be necessary or appropriate to accomplish the purposes of the Association.

6. Mandatory Duties of Association. The Association shall lease and, either directly or indirectly, maintain the lake within Iron Horse and shall maintain and repair any entranceway, fence, signs and landscaping which have been installed in easement or other areas of the Iron Horse subdivision and center islands dividing dedicated roads, in generally good and neat condition.

7. Covenant for and Imposition of Dues and Assessments. The Declarant, for each Lot owned, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay dues and assessments as provided for herein. The Association may fix, levy and charge the Owner of each Lot with dues and assessments (herein referred to respectively as "dues and assessments") under the following provisions of this Declaration. Except as otherwise specifically provided, the dues and assessments shall be fixed by the Board of Directors of the Association and shall be payable at the times and in the manner prescribed by the Board.

8. Abatement and Proration of Dues and Assessments. Notwithstanding any other provision of this Declaration, the Board of Directors shall abate one hundred (100%) percent of the dues or assessments due in respect of any Lot owned by the Declarant. Upon Declarant's transfer of its ownership interest in a Lot, said abatement shall cease. Dues or assessments shall be prorated on a monthly basis.

9. Liens and Personal Obligations for Dues and Assessments. The assessments and dues, together with interest, thereon, costs and reasonable attorney's fees, shall be the personal obligation of the Owner of each Lot at the time when the dues or assessments first become due and payable. The dues and assessments, together with interest, thereon, costs and reasonable attorney's fees, shall also be a charge and continuing lien upon the Lot in respect of which the dues and assessments are charged. The personal obligation for delinquent assessments shall not pass to the successor in title to the Owner at the time the dues and assessments become delinquent unless such dues and assessments are expressly assumed by the successors, but all successors shall take title subject to the lien for such dues and assessments, and shall be bound to inquire of the Association as to the amount of any unpaid assessments or dues.

10. Purpose of Dues. The dues collected by the Association may be committed and expended to accomplish the purpose of the Association described in Section 1 of this Article, and to perform the Powers and Responsibilities of the Association described in Sections 4 and 5 of this Article.

11. Maximum Annual Dues. Unless excess dues have been authorized by the Members in accordance with Section 12, below, the aggregate dues which may become due and payable in any year shall not exceed the greater of:

A. Beginning January 1, 2001, Six Hundred Twenty and no/100 Dollars (\$620.00) per Lot; or

B. In each calendar year beginning on January 1, 2002, one hundred ten percent (110 %) of the aggregate dues charged in the previous calendar year.

12. Assessments for Extraordinary Costs. In addition to the dues, the Board of Directors may levy an assessment or assessments for the purpose of defraying, in whole or in part, the costs of any acquisition, construction, reconstruction, repair, painting, maintenance, improvement, or replacement of any Common Facility, including fixtures and personal property related thereto, and related facilities. The aggregate assessments in each calendar year shall be limited in amount to Five Hundred and no/ 100 Dollars (\$500. 00) per Lot.

13. Excess Dues and Assessments. With the approval of seventy-five percent of the Members of the Association, the Board of Directors may establish dues and/or assessments in excess of the maximums established in this Declaration.

14. Uniform Rate of Assessment. Assessments and dues shall be fixed at a uniform rate as to all Lots, but dues may be abated as to individual Lots, as provided in Sections 6 and 7, above.

15. Certificate as to Dues and Assessments. The Association shall upon written request and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the dues and assessments on a specified Lot have been paid to the date of request, the amount of any delinquent sums, and the due date and amount of the next succeeding dues, assessment or installment thereof. The dues and assessment shall be and become a lien as of the date such amounts first become due and payable.

16. Effect of Nonpayment of Assessments - Remedies of the Association. Any installment of dues or assessment which is not paid when due shall be delinquent. Delinquent dues or assessment shall bear interest from the due date at the rate of rate of sixteen percent (16%) per annum or the legal rate of interest, whichever is less, compounded annually. The Association may bring in action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot or Lots, and pursue any other legal or equitable remedy. The Association shall be entitled to recover as a part of the action and shall, be indemnified against the interest, costs and reasonable attorney's fees incurred by the Association with respect to such action. No Owner may waive or otherwise escape liability for the charge and lien provided for herein by nonuse of the Common Facilities or abandonment of his Lot. The mortgagee of any Lot shall have the right to cure any delinquency of an Owner by payment of all sums due together with interest, costs and attorney's fees. The Association shall assign to such mortgagee all of its rights with respect to such lien and right of foreclosure and such mortgagee may thereupon be subrogated to any rights of the Association.

17. Subordination of the Lien to the Mortgagee. The lien of dues and assessments provided for herein shall be subordinate to the lien of any mortgage, contract or deed of trust as

collateral for a home improvement or purchase money loan. Sale or transfer of any Lot shall not affect or terminate the dues and assessments lien.

18. Additional Lots. Declarant reserves the right, without consent or approval of any Owner or Member, to expand the Association by filing subsequent Declarations or amend this Declaration to include additional residential lots in any subdivision which is contiguous to any of the Lots. Such expansion(s) may be affected from time to time by the Declarant or Declarant's assignee by recordation with the Register of Deeds of Cass and/or Saunders Counties, Nebraska of a Declaration of Covenants, Conditions, Restrictions and Easements, executed and acknowledged by Declarant or Declarant's assignee, setting forth the identity of the additional residential lots (hereinafter the "Subsequent Phase Declaration").

Upon the recording of any Subsequent Phase Declaration which expands the residential lots included in the Association, the additional lots identified in the Subsequent Phase Declaration shall be considered to be and shall be included in the "Lots" for purposes of this Article II and this Declaration, and the Owners of the additional residential lots shall be Members of the Association with all rights, privileges and obligations accorded or accruing to Members of the Association.

ARTICLE IV. EASEMENTS

1. A perpetual license and easement is hereby reserved in favor of and granted to Omaha Public Power District, Alltel, or any other electric or telephone utility which has been granted the power to provide electric and/or telephone services within the Lots and any company which has been granted a franchise to provide a cable television system within the Lots, the City of Ashland, Peoples Natural Gas, and Sanitary and Improvement District No. 9 of Cass County, Nebraska, their successors and assigns, to erect and operate, maintain, repair and renew buried or underground sewers, water and gas mains and cables, lines or conduits and other electric and telephone utility facilities for the carrying and transmission of electric current for light, heat and power and for all telephone and telegraph and message service and for the transmission of signals and sounds of an kinds including signals provided by a cable television system and the reception on, over, through, under and across a five (5) foot wide strip of land abutting the front and the side boundary lines of the Lots, an eight (8) foot wide strip of land abutting the rear boundary lines of all interior Lots and all exterior lots that are adjacent to presently platted and recorded Lots, and a sixteen (16) foot wide strip of land abutting the rear boundary lines of all exterior Lots that are not adjacent to presently platted and recorded Lots. The term exterior Lots is herein defined as those Lots forming the outer perimeter of the Lots. The sixteen (16) foot wide easement will be reduced to an eight (8) foot wide strip when such adjacent land is surveyed, platted and recorded. No permanent buildings, trees, retaining walls or loose rocks shall be placed in the said easement ways, but the same may be used for gardens, shrubs, landscaping and other purposes that do not then or later interfere with the aforesaid uses or rights herein granted.

2. A perpetual easement is further reserved for the City of Ashland and Peoples Natural Gas, their successors and assigns and any other entity appointed by and contracting with Sanitary and Improvement District No. 9 of Cass County, Nebraska to erect, install, operate, maintain, repair and renew pipelines, hydrants and other related facilities, and to extend thereon pipes,

hydrants and other related facilities, and to extend therein pipes for the transmission of gas and water on, through, under and across a five (5) foot wide strip of land abutting all cul-de-sac streets; this license being granted for the use and benefit of all present and future owners of these Lots; provided, however, that such licenses and easements are granted upon the specific conditions that if any of such utility companies fail to construct such facilities along any of such Lot lines within thirty-six (36) months of date hereof, or if any such facilities are constructed but are thereafter removed without replacement within sixty (60) days after their removal, then such easement shall automatically terminate and become void as to such unused or abandoned easementways. No permanent buildings, trees, retaining walls or loose rock walls shall be placed in the easementways but some may be used for gardens, shrubs, landscaping and other purposes that do not then or later interfere with the aforementioned uses or rights granted herein.

3. A perpetual easement is further reserved in favor of the Declarant and the Association, its successors and assigns to create, install, repair, reconstruct, paint, maintain, and renew a fence, standards and related accessories located on, over and upon the rear most ten (10) foot wide strip of land abutting the rear boundary lines of all Lots on the perimeter of the Iron Horse subdivision.

4. A perpetual easement is further reserved in favor of the Declarant, its successors and assigns to enter on, over and upon the rear most ten (10) foot wide strip of land abutting the rear boundary lines of all Lots abutting the Iron Horse Golf Course for the purpose of maintaining, reconstructing, repairing and renewing the Iron Horse Golf Course.

5. Alltel and any other provider of telephone service may impose an installation charge.

6. Other easements are provided for in the final plat of Iron Horse, Iron Horse Replat I and Iron Horse Replat II and any other plats relating to the Iron Horse subdivision which are or will be filed in the Office of the Register of Deeds of Cass and/or Saunders Counties, Nebraska.

ARTICLE V. GENERAL PROVISIONS.

1. Except for the authority and powers specifically granted to the Declarant, the Declarant, the Association or any owner of a Lot named herein shall have the right to enforce, by a proceeding at law or in equity, all reservations, restrictions, conditions and covenants now or hereinafter imposed by the provisions of this Declaration either to prevent or restrain any violation or to recover damages or other dues of such violation. Failure by the Declarant, 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.

2. Declarant may at its discretion add a second phase to this Declaration.

3. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date of this Declaration. Thereafter the covenants, restrictions and other provisions of this Declaration shall automatically renew for successive ten (10) year periods unless terminated or amended by the owners of not less than seventy-five (75%) percent of said Lots, which termination or amendment shall thereupon become binding upon all Lots. For

#394

a period of ten (10) years following the date hereof, Declarant, its successors or assigns, shall have the sole, absolute and exclusive right to amend, modify or supplement all or any portion of these Protective Covenants from time to time by executing and recording one or more duly acknowledged Amendments to Protective Covenants in the Offices of the Register of Deeds of Saunders and Cass Counties, Nebraska. Thereafter, this Declaration. may be amended by an instrument signed by the owners of not less than seventy-five percent (75%) of the Lots covered by this Declaration.

4. Iron Horse Development, L.L.C., a Nebraska limited liability company, or its successor or assign, may terminate its status as Declarant under this Declaration, at any time, by filing a Notice of Termination of Status as Declarant. Upon such filing, or at such time of Declarant no longer owning any lots subject to this Declaration, the rights of the Declarant shall automatically transfer to the Association and the Association may exercise such rights or appoint another entity, association or individual to serve as Declarant, and the Association or such appointee shall thereafter serve as Declarant with the same authority and powers as the original Declarant.

5. Invalidation of any one or more provisions of this Declaration by judgment or court order shall in no way effect any of the other provisions hereof, which shall remain in full force and effect.

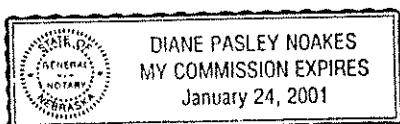
IN WITNESS WHEREOF, the Declarant has caused these presents to be executed. this 9 day of JUNE 2000.

IRON HORSE DEVELOPMENT, L.L.C., a
Nebraska limited liability company, "Declarant"

Timothy W. Young
Timothy W. Young, Managing Member

STATE OF NEBRASKA)
)
COUNTY OF DOUGLAS) ss.

The foregoing instrument was acknowledged before me this 9 day of JUNE 2000, by Timothy W. Young, Managing Member of Iron Horse Development, L.L.C., a Nebraska limited liability company, on behalf of said limited liability company.



Diane Pasley Noakes
Notary Public

FILED
CASS COUNTY, NE.

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PATRICIA MEISINGER
REGISTER OF DEEDS
Doc #217 *152⁰⁰

COMPARED

2478⁰⁰ DON CLARK
REGISTER OF DEEDS
SAUNDERS CO. NEBR.

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BOOK 242 PAGE 202
OF Inst # 168

(Handwritten initials)

**DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND
EASEMENTS OF IRON HORSE, A SUBDIVISION IN CASS AND SAUNDERS
COUNTIES, NEBRASKA**

THIS DECLARATION, made on the date hereunder set forth, is made by IRON HORSE DEVELOPMENT, L.L.C., a Nebraska limited liability company, hereinafter referred to as the "Declarant."

PRELIMINARY STATEMENT

The Declarant is the owner of certain real property located within Cass and Saunders Counties, Nebraska and described as follows:

Lots One (1) through Nine (9), inclusive, in IRON HORSE, Lots Eighteen (18) through One Hundred Forty-seven (147), inclusive, in IRON HORSE, a Subdivision, as surveyed, platted and recorded in Cass and Saunders Counties, Nebraska.

Such lots are herein referred to collectively as the "Lots" and individually as each "Lot".

The Declarant desires to provide for the preservation of the values and amenities of THE Iron Horse subdivision, for the maintenance of the character and residential integrity of the Iron Horse subdivision, and for the acquisition, construction and maintenance of Common Facilities for the use and enjoyment of the residents of the Iron Horse subdivision.

NOW, THEREFORE, the Declarant hereby declares that each and all of the Lots be held, sold and conveyed subject to the following restrictions, covenants, conditions and easements, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Lots, and the enjoyment of the residents of the Lots. These restrictions, covenants, conditions and easements shall run with such Lots and shall be binding upon all parties having or acquiring any right, title or interest in each Lot, or any part be subject to all and each of the following conditions and other terms:

ARTICLE I.

1. Lots One (1) through Nine (9), inclusive, in Iron Horse, and Lots Eighteen (18) through One Hundred Twenty-eight (128), inclusive, in Iron Horse shall be used exclusively for single-family residential purposes; except for such Lots or parts thereof as may hereafter be conveyed or dedicated by Declarant, or its successors or assigns, for use in connection with a Common Facility, or as a church, school, park or for other non-profit use.

2. No residence, building, fence (other than fences constructed by the Declarant), landscaping, wall, pathway, driveway, patio, patio cover enclosure, deck, rock garden, swimming pool, dog house, pool house, tennis court, flag pole, satellite receiving station or disc, solar

heating or cooling, device, or other external improvement, above or below the ground (herein collectively referred to as "Improvement") shall be constructed, erected, placed or permitted to remain on any Lot, nor shall any grading, excavation or tree removal for any Improvement be commenced, except for Improvements which have been approved by Declarant, its successors and assigns, as follows:

- A. An owner desiring to erect an Improvement shall deliver two sets of construction plans, landscaping plans and plot plans to Declarant (herein collectively referred to as the "plans"). Such plans shall, include a description of type, quality, color and use of materials proposed for the exterior of such Improvement and proposed elevations of the Lot, including foundation and driveway and all proposed set backs. Concurrent with submission of the plans, Owner shall notify the Declarant of the Owner's mailing address.
- B. Declarant shall review such plans in relation to the type and exterior of Improvements constructed, or approved for construction and landscaping on neighboring Lots and in surrounding area, and any general scheme or plans formulated by Declarant with regard to views, retaining natural environmental area and character of the subdivision. In this regard, Declarant intends that the Lots shall form a quality residential community with Improvements constructed of high quality materials, including but not limited to homes and landscaping, with spectacular views and preservation of natural environmental areas to the extent possible. The decision to approve or refuse approval of a proposed Improvement, including but not limited to homes and landscaping, shall be exercised by Declarant to promote development of the Lots and to protect the values, character and residential quality of all Lots. If Declarant determines that the proposed Improvement will not protect and enhance the integrity and character of all the Lots and neighboring Lots as a quality residential community, Declarant may refuse approval of the proposed Improvement.
- C. Written Notice of any approval of a proposed Improvement shall be mailed to the owner at the address specified by the owner upon submission of the plans. Such notice shall be mailed, if at all, within thirty (30) days after the date of submission of the plans. If notice of approval is not mailed within such period, the proposed Improvement shall be deemed disapproved by Declarant.
- D. No Lot owner, or combination of Lot owners, or other person or persons shall have any right to any action by Declarant, or any right to control, direct or influence the acts of the Declarant with respect to any proposed Improvement. No responsibility, liability or obligation shall be assumed by or imposed upon Declarant by virtue of the authority granted to Declarant in this Section, or as a result of any act or failure to act by Declarant with respect to any proposed Improvement.
- E. Subsequent to the above-mentioned approval process, once an Owner, its agents or assigns, has received Declarant's approval and excavated the area for the

foundation of the proposed improvement on the Lot, said Owner shall contact the Declarant, or its appointed agents (i.e. engineer and/or soil improvement contractor), to provide for an inspection of soils for determining whether soil improvement is necessary and, if soil improvement is determined to be necessary by Declarant's soils improvement engineer/contractor, Owner shall submit its Lot for such improvement before continuing construction on said Lot. If the Owner or its agents fail to comply with this requirement and/or to implement the soil improvement process, the risk of foundation movement due to the unusual geologic conditions of the site is placed with the Owner and Declarant, its successors or assigns, shall not be liable to the Owner for any damages resulting therefrom.

3. No single-family residence shall be created, altered, placed or permitted to remain on any of Lots One (1) through Nine (9), inclusive, in Iron Horse, and Lots Eighteen (18) through One Hundred Twenty-eight (128), inclusive, in Iron Horse, other than one detached single-family dwelling, with an attached garage, which does not exceed two stories in height. No single-family residence shall be created, altered, placed or permitted to remain on any of the remaining Lots subject to this Declaration other than on detached single-family dwelling or townhome, with an attached garage, which does not exceed two stories in height. Such dwellings on any Lot shall conform to the surrounding dwellings of similar regime and any general scheme or plans formulated by Declarant and shall have high pitched roofs and brick, drivot, stone or stucco fronts. All Improvements on any Lot shall Comply with all side yard and set back requirements of the Iron Horse Planned Unit Development, the Zoning Code of the Municipal Code of the City of Ashland, Nebraska and any other applicable laws of any governing authority. Owners should be aware that the Iron Horse Planned Unit Development supersedes the Zoning Code of the City of Ashland in some respects and are advised to consult the same prior to commencing plans.

4. Subject to the specific requirements set forth below, all foundations shall be constructed of poured concrete. The exposed front foundation walls and any exposed foundation walls of all main residential structures facing any street must be constructed of or faced with clay-fired brick or stone or other material approved by Declarant. All corner lots with exposed foundation walls facing any side street in clay-fired brick or stone or other material approved by Declarant. All exposed side and rear concrete foundation walls not facing a street must be covered with clay-fired brick, stone, siding or shall be painted. All driveways must be constructed of concrete, brick, paving stone, or laid stone. Unless other materials are specifically approved by Declarant, the roof of all Improvements shall be covered with "Heritage II" style, 40-year warranty, asphalt shingles or its equivalent, weathered wood in color, slate, wood cedar shakes or wood shingles. If curbside mail delivery is available, Owner shall install a mailbox at or near the front lot line of Owner's Lot which mailbox shall be constructed of bricks.

Fireplaces and flues: (1) In the event that a wood-burning fireplace is constructed as a part of the dwelling on any lot adjoining the Iron Horse Golf Course (Lots Adjoining Golf Course), any portion of said fireplace and/or the enclosure for the fireplace flue which protrudes from the exterior or above the roof of the dwelling shall be constructed of or finished with clay-

fired brick or stone. (2) In the event that a wood-burning fireplace and/or flue is constructed as a part of the dwelling in a manner so as to protrude beyond the outer perimeter of the front or side of the dwelling, or is exposed above the roof on a lot not adjoining the Iron Horse Golf Course (Lot(s) Not Adjoining Golf Course), the enclosure of the fireplace and flue shall be constructed of, or finished with, clay-fired brick or stone. If the wood-burning fireplace and/or enclosure for the wood-burning fireplace flue is constructed in such a manner so as to protrude beyond the outer perimeter of the rear of the dwelling on a Lot Not Adjoining the Golf Course, the enclosure of the wood-burning fireplace and flue shall be constructed of, or finished with clay-fired brick or stone. (3) In the event that a pre-fabricated unit fireplace which is wood or gas burning or direct vent fireplace is constructed as a part of the dwelling on any Lot and is vented directly through an exterior wall of the dwelling or is vented through the roof of the dwelling with a vent similar in style, size and location to that of a furnace flue, no clay-fired brick or stone enclosure will be required. Provided however, if said pre-fabricated unit fireplace which is wood or gas burning or direct vent fireplace is constructed in such a manner so as to protrude beyond the outer perimeter of a front or side wall of the dwelling on a Lot or beyond the out perimeter of any wall of the dwelling on a Lot Adjoining Golf Course, the protrusion for the fireplace and/or flue shall be finished with clay-fired brick or stone. Also any fireplace vent which protrudes above the roof of any dwelling on any Lot shall be finished with clay-fired brick or stone unless it is on the rear slope of the roof of a dwelling on a Lot Not Adjoining Golf Course or is vented in similar style, size and location to that of a furnace flue as stated herein. Fireplace enclosures for pre-fabricated unit fireplace which is wood or gas burning or direct vent fireplace units that protrude beyond foundation may be framed if approved in writing by Declarant.

5. The Declarant has created a water drainage plan by grading the Properties and installing improvements and easements for storm drainage in accordance with generally accepted engineering principles. No building shall be placed, nor any Lot graded, to interfere with such water drainage plan nor cause damage to the building or neighboring buildings or Lots or the golf course. Silt fences shall be used to comply with this paragraph.

6. No streamers, posters, banners, balloons, exterior illumination or other rallying devices will be allowed on any Lot in the promotion or sale of any Lot, residential structure or property unless approved in writing by the Declarant. No advertising signs, billboards, unsightly objects or nuisances shall be erected, placed or permitted to remain on any Lot except one sign per Lot consisting of not more than six (6) square feet advertising a Lot as "For Sale". No business activities of any kind whatsoever shall be conducted on any Lot including home occupations, except home office usage; nor shall the premises be used in any way for any purpose which may endanger the health or unreasonably disturb the owner or owners of any Lot or any resident thereof. Provided, however, the foregoing paragraph shall not apply to the business activities, sign and billboards or the construction and maintenance of buildings, including model homes, if any, by Declarant, its agents or assigns, during the construction and sale of the Lots.

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

including but not limited to, odors, dust, glare, sound, lighting, smoke vibration and radiation. Exterior lighting 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.

8. No outside radio, television, ham broadcasting, earth station, satellite dish or other electronic antenna or aerial shall be erected or placed on any structure or on any Lot, except, with the prior written approval of Declarant, one (1) satellite dish of 18" or less in diameter or diagonal measurement which is screened from view of any street or sidewalk will be permitted per Lot. The foregoing notwithstanding, any earth station, satellite dish or other electronic antenna or aerial specifically exempted from restriction by statute, regulation, binding order of a court or governmental agency shall be maintained in accordance with the strictest interpretation or condition for such use as may be permitted by such order.

9. No tree shall be removed nor any rock wall, constructed by Declarant, from any Lot by any person or entity without the prior written approval of the Declarant, its successors or assigns. No tree houses, tool sheds, doll houses, windmills or similar structures shall be permitted on any Lot.

10. No repair of any boats, automobiles, motorcycles, trucks, campers (trailers, van-type, auto-drawn or mounted), snowmobiles, recreational vehicles (RV), other self-propelled vehicles or similar vehicles requiring a continuous time period in excess of forty-eight (48) hours shall be permitted on any Lot at any time, nor shall vehicles or similar chattels offensive to the neighborhood be visibly stored, parked or abandoned on any Lot. No unused building material, junk or rubbish shall be left exposed on the Lot except during actual building operations, and then only in as neat and inconspicuous a manner as possible.

11. No boat, camper, trailer, auto-drawn or mounted trailer of any kind, mobile home, truck, aircraft, camper truck or similar chattel shall be maintained or stored on any part of a Lot (other than in an enclosed structure) for more than two (2) consecutive days and no more than twenty (20) days combined within any calendar year. No motor vehicle may be parked or stored outside on any Lot except vehicles, which are not trucks, campers, mobile homes, camper trucks or similar chattels, driven on a regular basis by the occupants of the dwelling located on such Lot. No grading or excavating equipment, tractors or semitractors/trailers or other commercial vehicles shall be stored, parked, kept or maintained in any yards, driveways, or streets. However, this section does not apply to trucks, tractors or commercial vehicles which are necessary for the construction of residential dwellings during the period of construction. All residential Lots shall provide at least the minimum number of off street parking areas or spaces for private passenger vehicles required by the applicable ordinances of the City of Ashland, Nebraska.

12. No incinerator or trash burner shall be permitted on any Lot. No garbage or trash can or container or fuel tank shall be permitted to be stored outside of any dwelling unless, completely screened from view, except on a designated day each week for pickup purposes. No garden lawn or maintenance equipment of any kind whatsoever shall be stored or permitted to

remain outside of any dwelling or suitable storage facility, except when in actual use. No garbage, refuse, rubbish or cutting shall be deposited on any street, road or Lot. No clothes line or other outside facilities for drying or airing clothes shall be permitted outside of any dwelling at any time. Produce or vegetable gardens may only be maintained in rear yards in an area no larger than eight (8') feet by ten (10') feet.

13. No fence shall be permitted unless approved of in writing by Declarant after submission of fencing plans. No fence shall be permitted to extend beyond the front line of a main residential structure. No fence shall entirely enclose the rear yard of any Lot, invisible fencing and wrought iron fencing excepted. Unless other materials are specifically approved in writing by Declarant, fences shall only be composed of wrought iron, except that white plastic vinyl coated P.V.C. design designated by Declarant may be utilized to enclose dog runs, hot tubs, swimming pools or other uses approved by Declarant. No fences or walls shall exceed a height of six (6) feet. Any fences, hedges or mass planted shrubs installed by or at the direction of the Declarant shall not be subject to the provisions of this paragraph.

14. No swimming pool may extend more than one foot above ground Level.

15. Any exterior lighting installed on any Lot shall either be indirect or of such controlled focus and intensity as not to disturb the residents of any adjacent property.

16. Construction of any Improvement shall be completed within one (1) year from the date of commencement of excavation or construction of the Improvement. No excavation dirt shall be spread across any Lot in such a fashion as to materially change the grade or contour of any Lot. No tree shall be removed from any Lot without prior written approval of the Declarant, its successors or assigns. No residential dwelling shall be occupied by any person as a dwelling for such person until the construction of such dwelling has been completed, except for minor finish details as determined and approved by the Declarant.

17. The entire Lot shall be sodded, and two trees, each not less than four (4") caliper inches in diameter, shall be planted in the front yard of each residence. No trees shall be planted in the dedicated street right-of-way located between the sidewalk and the Lot line. All yards shall be sodded and trees planted within one (1) year from the date that construction for the residence on the Lot was commenced. A public Serpentine sidewalk shall be constructed of concrete five (5) feet wide by four (4) inches thick. The sidewalk shall be designed and constructed to meet up with any existing sidewalk on any abutting Lot and shall be constructed by the owner of the Lot prior to the time of completion of the main structure and before occupancy thereof, provided however, this provision shall vary to comply with any requirements of the City of Ashland.

18. Driveway approaches between the sidewalk and curb on each Lot shall be constructed of concrete. Should repair or replacement of such approach be necessary, the repair or replacement shall also be of concrete. No asphalt overlay of driveway approaches will be permitted.

19. No stable, dog run, kennel or other shelter for any animal, livestock, fowl or poultry shall be erected, altered, placed or permitted to remain on any Lot, except for one dog house constructed for one (1) dog, provided always that the construction plans, specifications and the location of the proposed structure have been first approved by Declarant, or its assigns, as required by this Declaration. Dog houses and dog runs shall only be allowed at the rear of the residence, attached to or immediately adjacent to the residence and hidden from view by P.V.C. fencing. No animals, livestock, agricultural-type animals, fowl or poultry of any kind, including, pot-bellied pigs, shall be raised, bred or kept on any Lot, except that subject to the ordinances of the City of Ashland, two (2) dogs, two (2) cats, or two (2) other small household pets maintained within the residential structure may be kept, provided that they are not kept, bred or maintained for any commercial purpose and, provided, that they are not left outside of the residential structure unattended and not permitted to run loose outside the Lot of the Owner. No excessive barking of any dog, or other excessive noise of any kind from any animal, shall be permitted on any Lot. Any dog or other animal that barks or makes other noise outside the home of any Lot at any time shall wear electronic collars to prevent such barking or other noise.
20. Prior to placement on any Lot, the location of any exterior air conditioning condenser unit shall be first approved by the Declarant according to the requirements set forth in Article I, paragraph 2, and shall be placed in the rear yard or any side yards so as not to be visible from public view. No grass, weeds or other vegetation shall be grown or otherwise permitted to commence or continue, and no dangerous, diseased or otherwise objectionable shrubs or trees shall be maintained on any Lot so as to constitute an actual or potential public nuisance, create a hazard or undesirable proliferation, or detract from a neat and trim appearance. Vacant Lots shall not be used for dumping of earth or any waste materials, and no vegetation on vacant Lots shall be allowed to reach a height in excess of twelve (12) inches.
21. No Residence shall be constructed on a Lot unless the entire Lot as originally platted is owned by one owner of such Lot, except if parts of two or more platted Lots have been combined into one Lot which is at least as wide as the narrowest Lot on the original plat, and is as large in area as the largest Lot in the original plat.
22. No structure of a temporary character, carport, detached garage, trailer, basement, tent, outbuilding, shed or shack or other similar structure shall be erected upon or used on any Lot at any time, either temporarily or permanently, unless approved of in writing by the Declarant. For the purposes of this paragraph, it is Declarant's intent that small, unobtrusive outbuildings may be allowed, with Declarant's prior written approval, for outdoor recreational use, i.e. pool houses, however, Declarant retains the sole and absolute power to approve or deny any request to construct the same. No structure or dwelling shall be moved from outside Iron Horse to any Lot or modular home constructed on any Lot without the written approval of Declarant.
23. All utility service lines from each Lot line to a dwelling or other Improvement shall be underground.

24. Declarant does hereby reserve unto itself the right to require the installation of siltation fences or erosion control devices and measures in such location, configurations and designs as it may determine appropriate in its sole and absolute discretion.

25. The lake within the Iron Horse subdivision shall be a limited use lake, no jet-skis, waverunners, gas-powered boats or other similar vessels or chattels shall be allowed in, on, or near said lake. All Owners of all Lots, their invitees, licensees, heirs, successors and assigns, shall be bound to comply with reasonable rules and regulations, and any amendments thereto, promulgated by the legal title holder, its lessees, successors or assigns, of the lake within the Iron Horse subdivision.

26. No motorized boats or crafts or large sailing vessels of any kind whatsoever shall be stored or utilized in any way on, in, over or across any Lot in the Iron Horse subdivision. No paddle boat, sailing vessel, fishing vessel or equipment or other personal property shall be stored or maintained on any Lot in the Iron Horse subdivision, unless hidden from view.

ARTICLE II EASEMENTS AND RESTRICTIONS RELATING TO GOLF COURSE AND LAKE

1. "Lots Adjoining Golf Course" shall mean and refer to all Lots, as defined above, for which one or more of the Lot boundary lines is shared with any boundary lines is shared with any boundary line of the Iron Horse Golf Course (herein "Golf Course").

2. A perpetual license and easement is hereby reserved in favor of the Declarant, its successors, assigns, lessees, agents, and other person or entity designated in writing by Declarant, to maintain, repair and renew a cart path and other accessory structures, including but not limited to walls and/or fences on, over, through, under and across a ten (10') foot wide strip of land on each Lot abutting the boundary line between Lots 34 and 35, Lots 51 and 52, Lots 72 and 73, Lots 108 and 109, Lots 116 and 117 and Lots 123 and 124, all in Iron Horse.

3. Declarant anticipates that the proximity of the Lots Adjoining Golf Course will enhance the desirability and value of the Lots Adjoining Golf Course to purchasers and their successors and assigns. Nevertheless, purchasers and owners of the Lots Adjoining Golf Course should be aware that: (i) golfers will from time to time hit golf balls from the Golf Lots onto and over the Lots Adjoining Golf Course; and (ii) normal operation and maintenance of the Golf Course will involve operation of mowers and other power equipment during the evening and early morning hours.

4. The Declarant, for itself, its successors and assigns, including but not limited to Iron Horse Golf Club, L.L.C., hereby declares and expressly disclaims responsibility, directly or indirectly, for: (i) intrusion of errant shots onto the Lots Adjoining Golf Course or the lake within Iron Horse; (ii) intrusion of noise from mowing and other power equipment during all hours of the day and night; and (iii) any claim, complaint, cause of action, course of action, or matter

relating to the operation and control of the Golf Lots by the owner or lessee thereof, its successors or assigns. For this purpose, an "errant shot" shall refer to a golf shot which is hit onto Lots Adjoining Golf Course or the lake within Iron Horse. The Owners of the Lots within Iron Horse shall indemnify and hold the Declarant, its successors and assigns, harmless for any claims, complaints, damages or other liability arising therefrom.

5. Declarant, its successor or assigns, may make reasonable rules and regulations restricting the use of the lake within Iron Horse and/or the Lots Adjoining the Golf Course to further the play of the Iron Horse Golf Course.

ARTICLE III HOMEOWNERS ASSOCIATION

1. Definitions.

A. "Association" shall mean and refer to the Iron Horse Homeowners Association, its successors and assigns.

B. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

C. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association, including but not limited to Lots One (1) through Ten (10), inclusive, in Iron Horse Replat I and Lots One (1) through Nineteen (19), inclusive, in Iron Horse Replat II.

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

E. "Declarant" shall mean and refer to Iron Horse Development, L.L.C., its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

2. The Association. Declarant has caused or will cause the incorporation of IRON HORSE HOMEOWNERS ASSOCIATION, a Nebraska nonprofit corporation (hereinafter referred to as the "Association"). The Association has as its purpose the promotion of the health, safety, recreation, welfare and enjoyment of the residents of the Lots, including

A. The acquisition (by gift, purchase, lease or otherwise), construction, landscaping, improvement, equipment, maintenance, operation, repair, upkeep and replacement of Common Facilities for the general use, benefit and enjoyment of the Members. Common Facilities may include recreational facilities such as lakes, swimming pools, tennis courts, health facilities, playgrounds and parks; dedicated and nondedicated roads, paths, ways and green areas; and entrance signs for Iron Horse which common facilities may be situated on property owned or leased by the Association, on public property, on private property subject to an easement in favor of the Association or on property dedicated to or owned by a Sanitary Improvement District.

B. The promulgation, enactment, amendment and enforcement of rules and regulations relating to the use and enjoyment of any Common Facilities, provided always that such rules are uniformly applicable to all Members. The rules and regulations may permit or restrict use of the Common Facilities by Members, their families, their guests, and/or by other persons, who may be required to pay a fee or other charge in connection with the use or enjoyment of the Common Facility.

C. The exercise, promotion, enhancement and protection of the privileges and interests of the residents of Iron Horse; and the protection and maintenance of the residential character of Iron Horse.

3. Owners' Easements of Enjoyment and Delegation of Use. Every owner shall have a right and easement of enjoyment in and to the Common Facilities which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

A. the right of the Association, its lessor, successor and/or assigns, to promulgate reasonable rules and charge reasonable admission and other fees for the use of any Common Facility;

B. the right of the Association to suspend the voting rights and right to use of the Common Facilities by an owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations; and

C. the right of the Association to dedicate or transfer all or any part of the Common Facilities 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 2/3rds of the Members has been recorded.

Any owner may delegate, in accordance with the rules and regulations of the Association, his right of enjoyment to the Common Facilities to the members of his/her family.

4. Membership and Voting. Iron Horse is divided into single family residential lots and townhome lots (both of which are collectively referred to as the "Lots"). The "Owner" of each Lot subject to this Declaration or any other Declaration filed against any or all of the Properties shall be a Member of this Association. For purposes of this Declaration, the term "Owner" of a Lot means and refers to the record owner, whether one or more persons or entities, of fee simple title to a Lot, but excluding however those parties having any interest in any of such Lot merely as security for the performance of an obligation (such as a contract seller, the trustee or beneficiary of a deed of trust or a mortgagee). The purchaser of a Lot under a land contract or similar instrument shall be considered to be the "Owner" of the Lot for purposes of this Declaration. With the exception of the Class B membership, as set forth below, the Owner of each Lot, whether one or more, shall have one vote on each matter properly before the Association. Membership shall be appurtenant to ownership of each Lot, and may not be separated from ownership of each Lot.

The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- a. when the total votes outstanding in the Class A membership equal three-fourths of the total votes outstanding in the Class B membership, or
- b. on June 1, 2010 or sooner at Declarant's discretion.

5. Purposes and Responsibilities. The Association shall have the powers conferred upon nonprofit corporations by the Nebraska Nonprofit Corporation Act, and all powers and duties necessary and appropriate to accomplish the purposes and administer the affairs of the Association. The powers and duties to be exercised by the Board of Directors, and upon authorization of the Board of Directors by the Officers, shall include but shall not be limited to the following:

A. The acquisition (by gift, purchase, lease or otherwise), development, maintenance, repair, replacement, operation and administration of Common Facilities, and the enforcement of the rules and regulations relating to the Common Facilities.

B. The landscaping, mowing, watering, repair and replacement of parks and other public property and improvements on parks or public property or property, subject to a lease or easement in favor of the Association, within or near Iron Horse.

C. The fixing, levying, collecting, abatement and enforcement of all charges, dues, or assessments made pursuant to the terms of this Declaration and any Declaration filed against any or all of the Properties.

D. The expenditure, commitment and payment of Association funds to accomplish the purposes of the Association including but not limited to, payment for the lease and/or maintenance of the lake within Iron Horse; payment for purchase of insurance covering any Common Facility against property damage and casualty; and purchase of liability insurance coverages for the Association, the Board of Directors of the Association and the Members serving thereunder.

E. The exercise of all of the powers and privileges and the performance of all of the duties and obligations of the Association as set forth in this Declaration, as the same may be amended from time to time, or any Declaration filed against any or all of the Properties.

F. The acquisition by purchase or otherwise, holding or disposition of any right, title or interest in real or personal property, wherever located, in connection with the affairs of the Association, including but not limited to the lease of the lake within the Iron Horse subdivision.

G. The deposit, investment and reinvestment of Association funds in bank accounts, securities, money market funds or accounts, mutual funds, pooled funds, certificates of deposit or the like.

H. The employment of professionals and consultants to advise and assist the Officers and Board of Directors of the Association in the general administration and management of the Association, and execution of such documents and doing and performance of their duties and responsibilities for the Association.

I. The doing and performing of such acts, and the execution of such instruments and documents, as may be necessary or appropriate to accomplish the purposes of the Association.

6. Mandatory Duties of Association. The Association shall lease and, either directly or indirectly, maintain the lake within Iron Horse and shall maintain and repair any entranceway, fence, signs and landscaping which have been installed in easement or other areas of the Iron Horse subdivision and center islands dividing dedicated roads, in generally good and neat condition.

7. Covenant for and Imposition of Dues and Assessments. The Declarant, for each Lot owned, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay dues and assessments as provided for herein. The Association may fix, levy and charge the Owner of each Lot with dues and assessments (herein referred to respectively as "dues and assessments") under the following provisions of this Declaration. Except as otherwise specifically provided, the dues and assessments shall be fixed by the Board of Directors of the Association and shall be payable at the times and in the manner prescribed by the Board.

8. Abatement and Proration of Dues and Assessments. Notwithstanding any other provision of this Declaration, the Board of Directors shall abate one hundred (100%) percent of the dues or assessments due in respect of any Lot owned by the Declarant. Upon Declarant's transfer of its ownership interest in a Lot, said abatement shall cease. Dues or assessments shall be prorated on a monthly basis.

9. Liens and Personal Obligations for Dues and Assessments. The assessments and dues, together with interest, thereon, costs and reasonable attorney's fees, shall be the personal obligation of the Owner of each Lot at the time when the dues or assessments first become due and payable. The dues and assessments, together with interest, thereon, costs and reasonable attorney's fees, shall also be a charge and continuing lien upon the Lot in respect of which the dues and assessments are charged. The personal obligation for delinquent assessments shall not

pass to the successor in title to the Owner at the time the dues and assessments become delinquent unless such dues and assessments are expressly assumed by the successors, but all successors shall take title subject to the lien for such dues and assessments, and shall be bound to inquire of the Association as to the amount of any unpaid assessments or dues.

10. Purpose of Dues. The dues collected by the Association may be committed and expended to accomplish the purpose of the Association described in Section 1 of this Article, and to perform the Powers and Responsibilities of the Association described in Sections 4 and 5 of this Article.

11. Maximum Annual Dues. Unless excess dues have been authorized by the Members in accordance with Section 12, below, the aggregate dues which may become due and payable in any year shall not exceed the greater of:

A. Beginning January 1, 2001, Six Hundred Twenty and no/100 Dollars (\$620.00) per Lot; or

B. In each calendar year beginning on January 1, 2002, one hundred ten percent (110 %) of the aggregate dues charged in the previous calendar year.

12. Assessments for Extraordinary Costs. In addition to the dues, the Board of Directors may levy an assessment or assessments for the purpose of defraying, in whole or in part, the costs of any acquisition, construction, reconstruction, repair, painting, maintenance, improvement, or replacement of any Common Facility, including fixtures and personal property related thereto, and related facilities. The aggregate assessments in each calendar year shall be limited in amount to Five Hundred and no/ 100 Dollars (\$500. 00) per Lot.

13. Excess Dues and Assessments. With the approval of seventy-five percent of the Members of the Association, the Board of Directors may establish dues and/or assessments in excess of the maximums established in this Declaration.

14. Uniform Rate of Assessment. Assessments and dues shall be fixed at a uniform rate as to all Lots, but dues may be abated as to individual Lots, as provided in Sections 6 and 7, above.

15. Certificate as to Dues and Assessments. The Association shall upon written request and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the dues and assessments on a specified Lot have been paid to the date of request, the amount of any delinquent sums, and the due date and amount of the next succeeding dues, assessment or installment thereof. The dues and assessment shall be and become a lien as of the date such amounts first become due and payable.

16. Effect of Nonpayment of Assessments - Remedies of the Association. Any installment of dues or assessment which is not paid when due shall be delinquent. Delinquent