

WASHINGTON COUNTY NEBRASKA
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**DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS
FOR HOMESTEAD 77,
A SUBDIVISION IN WASHINGTON COUNTY, NEBRASKA**

THIS DECLARATION, made on the date hereinafter set forth, is made by Homestead 77, LLC, a Nebraska limited liability company ("Declarant").

PRELIMINARY STATEMENT

The Declarant is the owner of certain real property located within Washington County, Nebraska (the "Property"), and described as follows:

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11, Homestead 77, a Subdivision as surveyed, platted and recorded in Washington County, Nebraska.

Such lots as 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 Homestead 77 (the "Subdivision"), for the maintenance of the character and residential integrity of the Subdivision, and for the acquisition, construction and maintenance of common facilities for the use and enjoyment of the residents of the Subdivision.

NOW, THEREFORE, the Declarant, as owner of all of the Lots covered by the Declaration, declares that each and all of the Lots shall 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 thereof, as is more

fully described herein. Each Lot is and shall be subject to the following conditions and other terms:

ARTICLE I.
RESTRICTIONS AND COVENANTS

1. Use of Lots. Each Lot shall be used exclusively for single-family residential purposes, Lot 3 shall be used or developed for use in connection with a "Common Facility", as such term is defined in Article II, Section 1, Paragraph A, and as more particularly specified under Article III, Section 5. Lot 10 may be maintained and developed by Declarant for Declarant's use for a separate non-Common Facility barn, or at the option of Declarant, other use (including residential) not inconsistent with the purposes of The Subdivision.

2. Declarant Improvement Approval Rights. No residence, building, fence, wall, driveway, patio, patio enclosure, swimming pool, dog house, tree house, pool house, antenna, satellite receiving station or disc, basketball pole or pad, flag pole, solar heating or cooling device, tool or storage shed, playground equipment, wind mill or other external improvement, including landscaping, above or below the ground (herein all referred to as any "Improvement") shall be constructed, erected, placed or permitted to remain on any Lot, nor shall any grading or excavation for any Improvement be commenced, except for Improvements which have been approved by Declarant as follows:

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

B. Declarant shall review such plans in light of the conditions and restrictions in Article I of this Declaration and in relation to the type and exterior of improvements which have been constructed, or approved for construction, on the Lots. In this regard, Declarant intends that the Lots shall be developed as a residential community with homes constructed of high-quality materials and presented in a high-quality manner designed to reflect a "Western" homestead ranch style environment. The decision to approve or refuse approval of a proposed Improvement shall be exercised by Declarant in a reasonable manner to promote conformity and harmony of the external design of the improvements constructed within the Subdivision and to protect the values, character and residential quality of all Lots in a manner consistent with this Declaration. By way of illustration, and not of limitation, it is intended that the architecture of the residential structures construed shall be consistent with western homestead style improvements, and home designs such as dome houses, A-frame houses and flat houses will not be approved unless the Declarant determines that construction of these improvements will not be materially inconsistent with the scheme of development

contemplated by this Declaration. If Declarant determines that the external design and location of the proposed Improvement does not conform with the standards or requirements of this Declaration, does not conform with the surrounding improvements and topography or will not protect and enhance the integrity and character of all the Lots and neighboring lots, if any, 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 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.

3. Number of Structures; Garage Treatment. Except as contemplated in Article I, Sections 16 and 19, or as otherwise approved by Declarant in writing, no building shall be created, altered, placed or permitted to remain on any Lot other than one (1) detached, single family residential structure and one (1) detached garage. All residences shall be constructed with either (i) a built in back facing or side facing garage, or (ii) a detached back facing or side facing garage. All garages shall provide for a minimum of two automobiles.

4. Minimum Dwelling Size. The square footage requirements set forth below are for enclosed finished living area, as measured from the ground level up (said ground level being the first level of any residence as viewed from the street fronting the same) and are exclusive of the areas in basements, vaulted ceiling areas and attics, porches of any types, garages, storage areas, decks and patios. Any residential Improvements erected upon any Lot shall contain not less than the following finished living areas:

	Minimum Total Finished Living Area	Minimum Ground Floor Finished Living Area
1 Story	1,800	1,800
1.5 Story	2,300	1,800
2 Story	3,000	1,500

5. Set Back Requirements. Except as set forth herein, all Improvements on the Lots shall comply with setback requirements of the Zoning Code of Washington County, Nebraska, as the same may be amended from time to time.

5. Drainage. No residential structure shall be placed, nor any Lot graded, to interfere with natural water drainage from such Lot nor cause damage to the building or neighboring residential structures or Lots.

6, Foundation, Driveways, Approved Materials. The exposed foundation walls of all residential structures must be constructed of or faced with stone, brick or other material approved in writing by Declarant. All driveways from Improvements to the common roadways in the Subdivision must be constructed of gravel, concrete or other materials approved by Declarant. All foundations shall be constructed of concrete, concrete block, brick or stone. Fireplace chimneys shall be covered with brick or other material approved in writing by Declarant. The roof of all Improvements shall be covered with standing seam or corrugated, natural colored, metal materials or other roofing materials approved by Declarant. Exteriors to be real wood siding, brick or stone (Board and baton, live edge, logs, timbers, ship lap and shakes.) These materials can be stained transparent to mimic natural grain of real wood or painted white to achieve the natural farmhouse look. All sides of homes seen from Shire Point Way should be finished as the front.

7. Advertising. No advertising signs, streamers, posters, banners, 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 Lot may 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 shall not apply to the business activities, signs and billboards or the construction and maintenance of buildings, if any, by Declarant, its agents or assigns, during the construction and sale of the Lots.

8. Satellite Dishes, Antennas. No exterior television or radio antenna or disc of any sort shall be permitted on any Lot, unless approved as to size and location by Declarant. Notwithstanding the foregoing, an antenna or dish that is designed to receive over-the-air video programming signals that does not exceed one meter in diameter, and that is attached directly to the residence may be permitted provided that the location and size of the proposed antenna or dish is first approved by the Declarant.

9. Prohibited Activities. No repair of any boats, automobiles, motorcycles, trucks, campers or similar vehicles requiring a continuous time period in excess of forty-eight (48) hours shall be permitted on any Lot at any time (and during such 48-hour period, only if vehicles are located within the Residential Portion of the Lot); nor shall vehicles 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.

10. Storage of Boats, Etc. 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 twenty (20) days within a calendar year. No motor vehicle may be parked or stored outside on any Lot, except vehicles driven on a regular basis by the occupants of the dwelling located on such Lot. No grading or excavating equipment, tractors or semi-tractors/trailers shall be stored, parked, kept or maintained in any yards, driveways or streets. However, this Article I, Section 10 shall not apply to trucks, tractors or commercial vehicles which are necessary for the construction of residential dwellings during the period of construction.

11. Trash Facilities, Etc. No incinerator or trash burner shall be permitted on any Lot. No garbage or trash can or container or fuel tank shall be permitted outside the residence. No garden lawn or maintenance equipment of any kind whatsoever shall be stored or permitted to remain outside of any dwelling, except when in actual use. No garbage, refuse, rubbish or cutting shall be deposited on any street, road, Lot or Outlot. Owners shall be responsible to take all trash from the residence and place in the Trash Container Area designated by Declarant. No clothes line shall be permitted outside of any dwelling at any time. No produce or vegetable gardens may be maintained on any Lots without the prior approval of Declarant, and if approved, may not be used for commercial purposes.

12. Lighting. 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.

13. Fencing. The Resident Portion of each Lot (as defined under Article III, Section 4) shall be fenced with fencing approved by Declarant, will be consistent with Shire Point Way style fencing. no field crops shall be grown upon any Lot.

14. Swimming Pools. No swimming pool may extend more than two foot above ground level. Subject first to the provisions of Article 1, Section 2, any swimming pool allowed by this paragraph shall be fenced. In addition to the requirements of this Article, before any above ground swimming pool may be installed on any Lot, the Owner thereof shall first obtain written approval by Declarant of an appropriate landscaping plan. Approval can be denied at Declarant's sole discretion.

15. Construction of Improvements. Construction of any Improvement shall be completed within twelve (12) months 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. Grading plans must be submitted to and approved by Declarant prior to commencement of Improvements to any Lot.

16. Restrictions on Pets, Animals. No stable, barn, dog houses or other shelter for any animal, livestock, fowl or poultry shall be erected, altered, placed or permitted to

remain on any Lot, except as approved by the Declarant; and provided always that the construction plans, specifications and the location of the proposed structure have been first approved by Declarant. No Owner of any Lot shall maintain in any shelter on such Lot any livestock or agricultural-type animals. Owners may have up to a maximum of three (3) dogs. All animals of Owner permitted on any Lot must be confined to the Residential Portion of the Lot. Owner may construct a fence for the purpose of confining Owner's permitted animals to the Residential Portion of the Lot. Any such fence shall be a natural cedar fence with mesh backing, in style, design and features approved by the Declarant. Small household pets which remain inside the residence on a Lot, such as caged birds, aquarium fish or guinea pigs, shall be allowed at the Lot Owner's discretion so long as the "nuisance" portions of this Section are not violated. Barking dogs are a de facto "nuisance" under this Section. For the purposes of this Declaration, a "barking dog" shall mean a dog that barks, bays, cries, howls or makes any other noise continuously and/or incessantly for a period of ten minutes or barks intermittently for one-half hour or more to the disturbance of any person at any time of day or night. Owners shall be responsible to assure that any dogs located on Owner's Lot.

17. Air Conditioners. Any exterior air conditioning condenser unit shall be placed in the rear yard or any side yards so as not to be visible from public view.

18. Subdivision of Lots. No Lot shall be subdivided, split or in any manner combined with any other Lot or portion of any other Lot, without the approval of the Declarant.

19. Outbuildings. No structure of a temporary character, and no carport, storage building, outbuilding, shack or other non-residential structure shall be erected upon or used on any Lot at any time, either temporarily or permanently without the approval of Declarant, and in all events such structures must be architecturally consistent with the design of the residential structure, may not be used for commercial purposes, and may only be constructed concurrently with or following construction of the residential structure. No structure or dwelling shall be moved from outside the Subdivision to any Lot without the written approval of Declarant. Any approved structure (except the main residential structure and any detached garage) must be set back at least seventy-five (75) feet from the front lot line and at least fifty (50) feet from all other lot lines. Outbuildings other than approved detached garages will not be permitted on any Lot (or combination of adjacent Lots owned by an Owner) having less than ten (10) total acres.

20. Utility Service Lines. All utility service lines from each Lot line to a dwelling or other Improvement shall be underground. To the extent any propane tanks are placed on any Lot, such tanks shall not be visible from the street in front of any residence, and shall be painted a natural color, unless otherwise approved by Declarant.

21. Grading; Erosion Control. Each Owner covenants and agrees that it will undertake all grading and construction activities on the property in a commercially reasonable manner, in compliance with the applicable grading permit, and in compliance with all federal, state, and local laws, rules, regulations and ordinances (the

"Governmental Requirements"). The Governmental Requirements include, without limitation, requirements relating to the maintenance of erosion control devices, silt fences, detention ponds, terracing and street cleaning, as required by the Environmental Protection Agency, the State of Nebraska Department of Environmental Quality, and the County of Washington, Nebraska, At Declarant's request, an Owner shall be required to obtain a separate and distinct grading permit from the grading permit of Declarant, and in such event, may not rely on or use any grading permit obtained by Declarant for the property or any other Lot. Owner shall indemnify and hold owner harmless from any and all liabilities, costs, expenses, causes of action, attorney fees, fines, penalties or assessments with respect to Owner's construction and grading activities, including, without limitation, Owner's failure to comply with Governmental Requirements during and following construction.

22. Landscaping. Lot landscaping shall reflect a design and pattern as required by Declarant to be consistent with low maintenance western prairie range design. All Residential Portions of Lots, shall be maintained with buffalo grass or other native grasses as approved by Declarant. All landscaping at the Subdivision, including common areas, and all Lots, at the time of initial construction and any subsequent landscaping changes after an Owner acquires a Lot, shall be subject to Declarant's prior approval of design and contractors performing the landscaping work. Unless otherwise approved by Declarant, Owner's shall utilize VJ Designs to coordinate and implement all initial and subsequently approved changes to landscaping at any Lot. Owner shall not take any action to remove, trim or destroy any natural grasses located with the Nature Easement (as defined below) portion of the Owner's Lot.

23. Lot Maintenance. The Owner of a Lot shall have the duty and responsibility, at such Owner's sole cost and expense, to keep the Lot owned by such Owner, including improvements thereon, including drainage ways and septic systems, in compliance with the covenants, conditions, restrictions and development standards contained in this Declaration and otherwise in a well maintained, safe, clean and attractive condition at all times. Such maintenance, as to improved and unimproved Lots, shall include, but not be limited to, the following:

- A. Prompt removal of all litter, trash, refuse, and waste;
- B. Keeping land well maintained and free of weeds, consistent with prairie range style design plans and guidelines established by the Association;
- C. Keeping all sediment resulting from land disturbance or construction confined to the respective owners Lot;
- D. Complying with all governmental requirements;
- E. Keeping parking areas and driveways in good repair;
- F. Lots shall not be used for dumping of earth or any waste.

24. Repair of Damage and Deterioration to Improvements. If any Improvements are damaged or destroyed by fire or other casualty, then within six (6) months following the date of such damage or destruction occurs, the Owner of the Lot on which such Improvements are situated, must repair and restore such damaged Improvements (in accordance with the provisions in this Declaration) or remove such damaged Improvements and restore the Lot to its condition existing prior to the construction of such Improvements.

25. Septic Systems. Septic systems to be installed on any Lot shall be subject to review and approval of the Declarant. In all events, all septic lines shall be located within the Residential Portion of each Lot.

ARTICLE II HOMEOWNERS ASSOCIATION

1. The Association. Declarant has caused or will cause the incorporation of HOMESTEAD 77 HOMEOWNERS ASSOCIATION, a Nebraska not for profit corporation (hereinafter referred to as the "Association"). The Association shall have as its purpose the promotion of the health, safety, recreation, welfare and enjoyment of the residents of the Lots, including:

A. The acquisition, 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 fishing ponds; dedicated and non-dedicated roads, paths, trails, ways and green areas (including landscaping), the barn as contemplated under Article III, Section 5, and signs and entrances for the Subdivision (as constructed, the "Common Facilities"). Common Facilities may be situated on property owned or leased by the Association, on Lot 3, on public property, or on private property subject to an easement in favor of the Association.

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 the Subdivision; and the protection and maintenance of the residential character of the Subdivision.

2. Membership and Voting. The Subdivision is divided into eleven (11) separate residential lots (for purposes of Article III of this Declaration, the term "Lots" shall mean all of the residential lots which are included in the Association including the Lots as

defined by the Declaration). The "Owner" of each Lot shall be a Member of this Association with voting rights as hereinafter prescribed. 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. Membership shall be appurtenant to ownership of each Lot, and may not be separated from ownership of each Lot. The Association shall have two (2) classes of voting membership:

- A. *Class A Members:* Class A Members shall be all Association Members with the exception of Declarant. Class A Members shall be entitled to one (1) vote for each Lot owned by such Association Member. When more than one (1) Member is an owner of an interest in a Lot, all such persons shall be Members and the voting right appurtenant to such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any such Lot.
- B. *Class B Member:* The sole Class B Member shall be Declarant. The Class B Member shall be entitled to ten (10) votes for each Lot owned by Declarant.
- C. *Relinquishment of Control.* Notwithstanding anything contained herein to the contrary, the Class B Association Membership shall cease and be converted to Class A Association Membership upon the earliest to occur of (i) the date on which Declarant no longer owns any Lots; or (ii) the date Declarant shall elect, in its sole discretion, that the Class B Membership cease and be converted to Class A Membership. The earliest of (i) or (ii) to occur shall herein be referred to as the "Turnover Date." After the Turnover Date and for so long as Declarant owns any part of the Property, Declarant shall be a Class A Member.

3. Powers and Responsibilities. The Association shall have the powers conferred upon not for profit 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, 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 property owned by the Association, Lot 3, Common Facilities and other private or

public property that may or may not be owned by the Association but that benefit the Owners of Lots.

- C. The maintenance, repair and replacement of all common streets and roadways included within the Subdivision, but only to the extent such maintenance, repair and replacement is not undertaken by a sanitary and improvement district for Homestead 77, Washington County, Nebraska or other governmental authority.
 - D. The fixing, levying, collecting, abatement, and enforcement of all charges, dues, or assessments made pursuant to the terms of this Declaration.
 - E. The expenditure, commitment and payment of Association funds to accomplish the purposes of the Association including, but not limited to, payment for purchase of insurance covering any property owned by the Association, and Common Facility against property damage and casualty, and purchase of liability insurance coverages and D & O Insurance, for the Association, the Board of Directors of the Association and the Members.
 - F. 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.
 - G. 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.
 - H. 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.
 - I. The employment of professionals and consultants to advise and assist the Officers and Board of Directors of the Association in the performance of their duties and responsibilities for the Association.
 - J. General administration and management of the Association, and execution of such documents and doing and performance of such acts as may be necessary or appropriate to accomplish such administration or management.
 - K. 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.
4. Duties of Association.

- A. The Association shall maintain and repair any fences, landscaping and signs which may be installed at the entrances or the exterior of the Subdivision in generally good and neat condition.
- B. In the event any Owner of a Lot shall fail to perform and fulfill its obligations and responsibilities under Article I, Sections 13, 22, 23 or 24 of this Declaration, and if such failure continues for thirty (30) days after written notice to the Owner from the Association, the Association shall have the right, but not the obligation, to perform or have performed such obligations or responsibilities. If the Association undertakes to perform or have performed such responsibilities of the Owner, the cost of such performance plus a fifteen percent (15%) administrative charge shall be assessed against the Owner, and the Owner shall be obligated to promptly pay such sums to the Association. Assessment of such costs shall be made by written demand from the Association for payment by the Owner. If such assessment is not paid within thirty (30) days after written demand from the Association, such assessment shall constitute a lien on the Lot, which lien shall attach, have the authority and be enforceable by the Association in the same manner as liens for assessments and dues as provided in this Article II.
- C. Maintain and repair any Common Facilities, common areas contained in Lot 3, the Nature Easement walking trails, or other Property owned by the Association.
- D. Upon any of the Common Facilities' substantial completion (regardless of whether such Common Facilities have been conveyed to the Association), the Association shall thereupon assume all responsibility for the management, operation, maintenance, insurance, repair and replacement of such Common Facilities and for the costs and expenses associated with such Common Facilities. To the extent construction of any Common Facilities is undertaken by Declarant, following the substantial completion of the Common Facilities, the Declarant shall transfer and the Association shall accept ownership of Common Facilities, and if applicable, the lands upon which are situated Common Facilities. For purposes of this Section, substantial completion shall mean the date when the Common Facilities are sufficiently complete so that they can be used for the use intended, and, if required by law, use and/or occupancy permits and other regulatory approvals have been obtained for the Common Facilities.
5. Imposition of Dues and Assessments. 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 herein, 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.

6. Abatement of Dues and Assessments. Notwithstanding any other provision of this Declaration, the Board of Directors may abate all or part of the dues or assessments due in respect of any Lot. Dues and assessments shall be abated as to Lot 3 unless and until it no longer is used in connection with the Common Facility at the Subdivision.

7. 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.

8. Purpose of Dues. The dues collected by the Association may be committed and expended to accomplish the purposes of the Association described in Section 1 of this Article, and to perform the Powers and Responsibilities of the Association described in Sections 3 and 4 of this Article. Without limiting the foregoing, dues shall be collected to cover Common Expenses. For purposes of this Declaration, "Common Expenses" shall mean all expenses incurred by the Association and Declarant with respect to the conduct of the operational and management duties and functions charged or delegated to it hereunder, including, but not limited to, all expenses of maintenance, operation, repair and replacement of easement areas (including designated walking trails created by Declarant and located on the Lots and Lot 3), the Common Facility, and any other common area portion of the Subdivision, including but not limited to stormwater detention structures, if any, that may be maintained by the Association; the rendering to Owners of any contracted services including but not limited to residential trash service; any budgeted expense for capital improvements; utility charges; expenses for road maintenance; expenses relating to providing and maintaining landscaping at the Subdivision; taxes; insurance; expenses for management and employees; legal and accounting expenses; expenses incurred for common security and enforcement of this Declaration; any other valid charge against the Common Easements; and any other cost incurred by the Declarant or the Association's Board of Directors for the general benefit and welfare of the Owners. Common Expenses also include such reasonable amounts as the Board of Directors considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements.

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

- A. One Thousand and no/100 Dollars (\$1,000.00) per Lot; or
- B. In each calendar year beginning on _____, one hundred twenty-five percent (125%) of the aggregate dues charged in the previous calendar year.

10. Assessments for Extraordinary Costs. 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 One Thousand and no/100 Dollars (\$1,000.00) per Lot.

11. Excess Dues and Assessments. With the approval of at least fifty percent (50%) of the votes of the Class A Members and Class B Members of the Association (voted without regard to Class), the Board of Directors may establish dues and assessments in excess of the maximums otherwise established in this Declaration.

12. Rate of Assessment. Dues and assessments shall be fixed at a uniform rate as to all Lots, but dues shall be abated as to individual Lots as provided in Section 6, above.

13. 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 assessments shall be and become a lien as of the date such amounts first become due and payable.

14. Effect of Nonpayment of Assessments-Remedies of the Association. Any installment of dues or assessments which is not paid when due shall be delinquent. Delinquent dues or assessment shall bear interest from the due date at the rate of sixteen percent (16%) per annum, compounded annually. The Association may bring an 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 attorneys' 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 Area 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 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.

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

ARTICLE III.
EASEMENTS AND OTHER RIGHTS

1. Plat Easements. Easements are provided for in the Plat of the Subdivision which is filed with the Register of Deeds of Washington County, Nebraska.

2. Use of Common Facilities. Subject to any rules, regulations and restrictions on uses set forth in this Declaration or in rules and regulations hereafter imposed by the Association, Declarant grants and reserves an easement in favor of Declarant, the Association, and the owners and their family members, guests and invitees for ingress and egress and to otherwise travel across and use Lot 3 and Common Facilities on a non-exclusive basis.

3. Easement Reserved for the Association and Declarant. An easement for access, ingress and egress over, upon and across the Property and each of the Lots is hereby reserved by Declarant for itself and granted to the Association to perform their respective rights, duties and obligations under this Declaration. Declarant further reserves until itself, its successor and assigns, the right, on behalf of itself and the Association to grant additional easement on, upon over, across through and under the Common Areas and any portion of the Property owned by Declarant (other than any Lot used by Declarant for residential purposes) as deemed to be in the best interest of and proper for the Subdivision. Without limiting the foregoing, it is expressly agreed that there is reserved to the Declarant, its successors and assigns:

- A. A non-exclusive easement and rights of way over those strips or parcels of land designated or to be designated on the Plat as "Drainage and Utility Easement," "Sewer Easement," "Drainage and Sewage Easement," and "Open Space," or otherwise designated as an easement area over any road or Common Area on the Property, and over those strips of land running along the front, rear, side and other Lot lines of each Lot shown on the Plat, and the Nature Easement.
- B. An easement for the installation, construction, maintenance, reconstruction and repair of (i) public and private utilities to serve the Property and the Lots therein, including but not limited to the mains, conduits, lines, meters and other facilities for water, storm sewer, sanitary sewer, gas, electric and other public or private services or utilities deemed by Declarant necessary or advisable to provide service to any Lot, or in the area or on the area in which the same is located, (ii) roads and streets as set forth in the Plat, (iii) entrance monuments at the Subdivision, and (iv) the Nature Easement and related walking trails.

- C. The right to dedicate all of said roads, streets, rights of way or easements, including easements in the areas designated as "open space" and storm water management reservation, to public use all as shown on the Plat. No road, street, right of way or easement shall be laid out or constructed through or across any Lot or Lots in the Community except as set forth in the Plat, without the prior written approval of the Association.

5. Association Barn and Lot 3. Declarant shall cause the construction of a barn on Lot 3, which shall be purchased, owned and maintained the Association (the "Association Barn"). The Association Barn shall be used primarily in relation housing of equipment and supplies related to the Homestead Horses. In addition, the Association Barn, to the extent of available space may be used by Owners for the storage of equipment, campers, ATVs and similar items, in accordance with rules established by the Association from time to time. A portion of Lot 3 as specified by Declarant will also be available for use by Owners as garden and crop areas in accordance with rules established from time to time by the Association.

ARTICLE IV. **GENERAL PROVISIONS**

1. Enforcement of Declaration. 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 arising from 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. Term and Amendment. The covenants and restrictions of this Declaration shall run with and bind the land in perpetuity. This Declaration may be amended or modified by the Declarant, or any person, firm, corporation, partnership, or entity designated in writing by the Declarant, in any manner which it may determine in its full and absolute discretion for a period of seven (7) years from the date hereof. After such seven (7) year period, this Declaration may be amended, modified or terminated by an instrument signed by Owners holding not less than sixty-five percent (65%) of total of all votes associated with the Lots covered by this Declaration (voted without regard to Class).

3. Waiver. By the written consent of the Declarant for a period of five (5) years from the date hereof, any or all of the covenants, conditions, restrictions, and easements as they apply to the Lots may be waived, for any Lot or Lots, in any manner, for such a time period, and on such conditions, if any, which the Declarant may determine in its full and absolute discretion after considering the benefits and detriments which the waiver will have on the Subdivision and the Owner requesting the waiver. Declarant's decision on any requested waiver, shall be final and there shall be no right of appeal of Declarant's

decision. 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 requested waiver.

4. Termination of Declarant Status. Declarant, or its successors or assigns, 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, the Association shall be deemed to succeed to the status of Declarant and shall have the right to thereafter designate another entity, association or individual to serve as Declarant, and such appointee shall thereafter serve as Declarant with the same authority and powers as the original Declarant.

5. Invalid Provisions. Invalidation of any covenant or provision in this Declaration by judgment or court order shall in no way affect any of the other provisions hereof, which shall remain in full force and effect.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Declarant has caused these presents to be executed this 25th day of January, 2020.

Homestead 77, LLC, a Nebraska limited liability company

By: Barry Koltun Vicky J. Correll-Kottman
Name: Barry Koltman Vicky Correll
Title: owners Kottman

STATE OF NEBRASKA))ss.
COUNTY OF DOUGLAS)

The foregoing Instrument, was acknowledged before me this 25th day of January, 2020 by Barry Koltman Vicky Correll-Kottman the owners of [Homestead 77, LLC, a Nebraska limited liability company, on behalf of the Company.

Lori L. Diefenbaugh
Notary Public

