

Return to:  
NEBCO, Inc.  
Attn: Shannon L. Doering, Esq.  
1815 Y Street  
Lincoln, NE 68508

**Declaration of Covenants, Conditions, Restrictions,  
and Easements, of the Hills Farm Lake East Subdivision,  
located in Dodge County, Nebraska**

This Declaration of Covenants, Conditions, Restrictions, and Easements of the Hills Farm Lake East Subdivision, located in Dodge County, Nebraska (the "Declaration") is made by Hills Farm East Lake, LLC, a Nebraska limited liability company (the "Declarant"), and NEBCO, Inc., a Nebraska corporation ("NEBCO").

PRELIMINARY STATEMENT

The Declarant is the "Owner" of that certain real property, to generally be known as the Hills Farm Lake East Subdivision (the "Subdivision"), located within Dodge County, Nebraska and described as follows:

**See Exhibit A attached hereto and incorporated herein.**

This Subdivision is divided into residential lots and outlots as identified in the Subdivision's plat, and certain other adjacent parcels which intend to become part of the Subdivision. Subject to the restrictions in Article VII, Paragraph 3 of this Declaration, the Subdivision and property subject to these Declarations, may be expanded, reduced or otherwise modified in size by the Declarant from time to time under such terms and conditions established by either of them, without consent or approval of any other Owner, Lot Owner, or the Association. Such expansion(s) may be affected from time to time by Declarant's recordation with the Register of Deeds of Dodge County, Nebraska, an amended Declaration of Covenants, Conditions, Restrictions and Easements or other similar agreement, executed and acknowledged, setting forth the identity of the additional residential lots and detailing such changes or modifications to this Declaration, including adjustments of the Common Areas as determined appropriate by the Declarant (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, unless otherwise provided in the Subsequent Phase Declaration, be considered to be and shall be included in the "Lots" for purposes of this Declaration, and the Lot Owners of the additional residential lots may be Members of the Association with all rights, privileges and obligations accorded or accruing to Members of the

Association. Any Lot Owner, other than the Declarant, wishing to alter, modify, or otherwise divide lot boundaries must obtain the prior written approval of the Association and the Declarant.

The Declarant desires to provide for the preservation of the values and amenities of the Subdivision, as well as for the maintenance of the character and residential integrity of the Subdivision. After the filing and acceptance of this Declaration, from time to time, the Declarant may convey the portions of the Common Areas to the Association; provided, however, that the Declarant shall have an easement to alter, amend, reshape or otherwise redefine the Common Areas for the period of Declarant Control set forth in Article VII, Paragraph 3 of this Declaration.

The Declarant hereby declares that each Lot shall be held, sold, distributed, and conveyed subject to the following covenants, conditions, restrictions, and easements (collectively, the "Covenants" or the "Declaration"), 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 Covenants shall run with such Lots and shall be binding upon all parties having or acquiring any tight, title, or interest in each Lot, or any part thereof. These Covenants may be amended from time to time by Declarant and its Managers, as deemed necessary and as described below, For purposes of this Declaration, the term "Lot Owner" 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 any of such Lots merely as a lessee or 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). In order to manage the Lake and Common Facilities within the Subdivision, the Declarant will cause incorporation of Hills Farm Lake East Homeowners Association, Inc., a Nebraska Nonprofit Corporation (the "Association"). Each Lot shall be subject to all of the following conditions and other terms as stated herein and as may be adopted in the future by the Declarant or Association as allowed herein:

## **ARTICLE I**

### **Restrictions and Covenants**

#### 1.1. General.

a. Use. Each Lot shall be used exclusively for single-family lakeside residential use of the Lot Owner, unless a variance or other permitted use is previously approved in writing by the Declarant. No multi-family, shared usage agreements, rental or lease arrangements or other types of residential use arrangements are permitted without obtaining a written variance from the Declarant. If Declarant has failed to assign or name a successor to their rights as Declarant, and in the event of the dissolution of Declarant, the Association's Board of Directors ("Board") shall have the right to issue variances under this subsection.

b. Design Review Board. The home design and landscaping of all residences and other Improvements (as defined in Article II) in the Subdivision shall be approved by the Association's Design Review Board (the "DRB") prior to commencement of construction, in accordance with the provisions of Article II of these Covenants. The DRB shall be comprised of at least three (3) individuals who shall be appointed by the Association's Board of Directors in accordance with the Bylaws of the Association. All written notices

required herein to the DRB shall be sent via email to [DRB@hillsfarmlakes.com](mailto:DRB@hillsfarmlakes.com).

c. Construction Timeframe. Construction of all residences must be commenced within two (2) years of the date that the Lot was originally purchased from the Declarant. The sole remedy for a violation of this section is as follows: Declarant may, in its sole discretion, repurchase the affected Lot at the price the Lot Owner originally paid for the Lot. Notwithstanding the foregoing, Declarant retains the sole and exclusive right to grant written extensions of this time-to-build restriction. Once construction has commenced on a Lot, the construction process shall be completed within twenty-four (24) months.

d. Right of First Refusal for Undeveloped Lots. If a Lot Owner receives a bona fide offer to purchase their undeveloped Lot that the Lot Owner originally purchased from the Declarant, then the Declarant shall have the exclusive first right to purchase the Lot from the Lot Owner for the original Lot purchase price, or the price in the bona fide offer, whichever is less. Upon receipt of a bona fide offer as provided herein and prior to executing an agreement with any other party, Lot Owners shall notify Declarant in writing that they have received an offer to purchase. All written notices to Declarant pursuant to this Declaration shall be provided by certified mail to NEBCO, Inc., Attn: Shannon L. Doering, 1815 Y Street, Lincoln, NE 68508. Declarant shall then have thirty (30) calendar days to exercise its option to purchase the Lot Owner's lot, and closing shall occur within thirty (30) days of Declarant's exercise of its option. If the Lot Owner does not receive a response from Declarant within thirty (30) days of providing written notice as provided in this paragraph, it may be assumed that Declarant has chosen not to exercise the purchase option provided herein. TRANSFERS OF LOT OWNERSHIP WHICH DO NOT COMPLY WITH THE PROVISIONS OF THIS PARAGRAPH ARE VOID *AB INITIO* AND SHALL HAVE NO LEGAL EFFECT.

## **ARTICLE II**

### **Design Review Board**

- 2.1 Design Review Board; Process for Submission. All Improvements to a Lot in the Subdivision shall be first submitted to the Association's Design Review Board (the "DRB") for approval prior to commencement of construction of the same, using the process set forth in this Article II. For purposes of these Covenants, an "Improvement" includes, but is not limited to, a residence (including an addition to a residence), outbuilding, driveway, patio, patio enclosure, fence, dock, retaining walls, and landscaping or other external improvements above or below ground. ***Failure to comply with this requirement shall result in revocation of the Lot Owner's Lake and Common Area privileges at Declarant's discretion for a time period that Declarant, in Declarant's sole discretion deems appropriate; such time period may be permanent if Declarant, in Declarant's sole discretion, deems it appropriate to do so.***

- 2.2. Submittal Process for Residences. Prior to the construction of any residence, subsequent addition to any residence, or other Improvement on a Lot, a set of building plans for said Improvement shall be submitted by the Lot Owner to the DRB (via email at [DRB@hillsfarmlakes.com](mailto:DRB@hillsfarmlakes.com)) in an easily readable electronic format for written approval, along with a \$500.00 non-refundable design review fee. Plans are required to show the site plan depicting all proposed Improvements and landscaping, floor plans declaring associated square footage, elevations showing all four sides, and exterior materials. Plans shall also include any alterations of the site topography and must include erosion control measures, which will contain the erosion of soil from the Lot onto the beachfront area or abutting properties. Additionally, each set of proposed building plans must include calculations for percentage of glass and percentage of masonry, where required.
- 2.3. Approval of Plans. The DRB shall review and approve or deny the plans submitted to it based upon whether the submitted documents conform to the Hills Farm Lake East Building and Landscaping Design Code (the “Design Code”), as well as any other building and landscaping requirements set forth elsewhere in these Covenants. The Design Code shall be adopted by the DRB and the latest version thereof shall be posted on the Association’s Website ([www.hillsfarmlakes.com](http://www.hillsfarmlakes.com)). Notwithstanding the foregoing, the DRB shall have the exclusive right, in its sole discretion, to approve or reject any such Improvement plans. The approval period is likely to last at least fourteen (14) days; therefore, designs should be presented to the DRB as early as possible. The DRB shall make a good faith attempt to reach a decision within fourteen (14) days. Construction of the Improvement(s) shall not commence unless, and until, written approval of the plans has first been obtained from the DRB. The DRB may order removal of any Improvements commenced or constructed without prior DRB approval, with such removal to be at the Lot Owner's sole cost and expense.
- 2.4. Construction Damages; Staging Area. Lot Owners are responsible for damage to roads by trucks and equipment used in construction of Improvements on their Lot. To minimize damage to the roads, all construction vehicles and equipment shall have a hard surface staging area provided by each Lot Owner. This hard surface staging area shall be asphalt millings, crushed concrete, crushed rock or mud-rock. Each Lot Owner shall provide the location, in the site plan, of this hard surface staging area for the approval by the DRB. This staging area must connect to the asphalt road to eliminate the potential for damage to the Subdivision roadway structure. After the completion of construction, material used for this staging area must be removed from the Lot or used as a base course for the Lot’s driveway. A location for placement of this used material will be provided by the DRB. The Lot Owner shall indemnify and hold harmless the Association, Declarant, NEBCO, and any agent, employee, directors, shareholder, member, contractor, or any representative of any of them (each, an “Indemnitee”) for any and all damages to the Indemnitee’s property, or for any costs or expenses caused by the Lot Owner, the Lot Owner’s contractors, agents, or others constructing the Lot Owner’s residence or for any construction-related activities

commenced on the Lot Owner's behalf.

2.5. Setbacks; Easement.

a. Setbacks. No part of any residence, accessory building, or any other temporary or permanent structure of any kind may be erected or maintained on any of the Lots nearer to the front Lot line than thirty (30) feet, nor nearer to the rear Lot line than eighty (80) feet, nor nearer to the side Lot line than fifteen (15) feet. This side yard setback may be reduced to twelve and one-half (12.5) feet upon written consent from the DRB. There is also an extension to the rear yard setback called a "view corridor", which is to protect the lake views of the adjacent Lot Owners. This view corridor is calculated by taking 15% of the overall Lot depth and adding it to the 80-foot rear yard setback. For example, if a Lot's overall depth is 200 feet, then an additional 30 feet shall be added to the 80-foot rear setback requirement. Additionally, the first 40 feet from the rear Lot line (or from the waters' edge, whichever is greater), shall be maintained in the existing sand conditions, including topography.

b. Beachfront Easement and Topography.

i. ***Each Owner hereby grants an easement to all other Lot Owners and guests allowing said persons to pass across the first 30 feet of the beachfront back from the waterline.*** The purpose of this easement is to allow for pedestrian traffic similar to a sidewalk in a residential neighborhood. Each Lot Owner is strongly encouraged to maintain a portion of their shoreline in native plant material (deep rooted water grasses) to minimize shoreline erosion. This will also help promote the growth of other aquatic plants at the waters edge which will further minimize shoreline erosion. It will also provide habitat for other aquatic life. Each Owner hereby grants an easement for to Declarant over the first 30 feet of the beachfront back from the waterline to allow for Declarant to perform beach erosion repair, including with the use of construction equipment.

ii. ***In addition to the Easement granted by Paragraph (i) of this section, each Owner also hereby grants an easement to Declarant and agents, contractors, and employees thereof, for the purpose of performing repairs to the beachfront caused by erosion and other natural and unnatural causes at the development. Declarant shall have the absolute discretion to determine when repairs to the beach front shall be necessary and Declarant shall have the absolute discretion to determine the repairs and the means and methods to effectuate the same.*** The purpose of this easement is to allow for lake preservation and preservation of each lot with beach frontage. By accepting ownership subject to these covenants, each property owner in the development agrees not to develop any area within the easement provided for in this section, and if any improvements are damaged as a result of repairs conducted pursuant to this section, the Lot Owner agrees to indemnify Declarant and any agent, employee, representative or contractor thereof making such repairs from any and all claims, costs, damages, and

expenses to repair any improvement within the easement area, and each Lot Owner should repair the same at its own costs and expense.

- 2.6. Seawalls Prohibited. Seawalls are not allowed at the Subdivision.
- 2.7. Drainage. All drainage must be directed away from the roadway. ***Every Lot at Hills Farm Lake East is required to retain/maintain this positive slope away from the roadway unless waived by the DRB or approved in writing by the DRB prior to its implementation .*** The first 25 feet from the roadway shall be maintained in a “natural” state of either sand and rock with natural grasses, or gravel and rock with natural grasses.
- 2.8. Erosion Control. Each Lot Owner is responsible for all sediment and erosion control on their Lot. Lot Owners shall not allow material (dirt or sand) from their Lot to wash into the lake. Each Lot Owner shall direct all drainage from their Lot to the lake and not onto the adjacent lot or roadway. Use of railroad ties for erosion control is not permitted. Any issues with water pooling in the front yard areas shall be remedied by the Lot Owner. In most cases pooled water should be directed to the lake. Unless waived by the DRB, all down spouts and other storm water collection points must be piped to the lake to minimize erosion via an at least 12-inch drainage pipe on each side of each Lot. Lot Owners are encouraged to work with neighboring homeowners to share drainage solutions on common lot lines; provided, however, that proposed joint or shared draining solutions must be approved by the DRB prior to construction.
- 2.9. Exterior Materials/Design Style.
  - a. General. The following general design parameters will guide the DRB as to what is acceptable when considering plans for Improvements submitted by Lot Owners pursuant to these Covenants.
  - b. Design Styles. The descriptive character desired to typify Subdivision residences include informal, natural, rustic, and open. Styles that embody these ideals are Nantucket, Mountain Rustic, Log, Southwestern, Mediterranean, Contemporary/International, Prairie Style, Craftsman, or Cottage. Additional information regarding these styles may be found in the Design Code. Traditional urban styles (Colonial, Tudor, Georgian, etc.) or conventional suburban styles (Ranch, Colonial Revival, etc.) will not be considered.
  - c. Required Materials. The materials required/permitted on the external surface of residences depend upon the style of said residence and are as shown in the Design Code.
  - d. Garages and Accessory Buildings. Garages and accessory buildings must be finished in materials complementary to the main residence, as approved by the DRB. Traditional Morton buildings, for example, would not be approved.

- 2.10. Minimum Square Footage. All residences must have a minimum first floor square footage of fifteen hundred (1,500) square feet, not including the garage.
- 2.11. Landscaping. All landscaping plans must follow the specifications set forth in the Design Code.
- 2.12. Signs or other Nuisances. 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 square feet, advertising a Lot as "For Sale." In the event the Association provides any notice to a Lot Owner that his or her property is in violation of this provision, said property owner shall have one hundred twenty (120) hours from the provision of such notice to remedy the same.
- 2.13. Repair and Storage of Boats/Vehicles. Repair of any boats, automobiles, motorcycles, trucks, or other vehicles between 10:00 p.m. and 6:00 a.m. shall be prohibited. Offensive vehicles, if deemed as such by the DRB shall not be visibly stored, parked, or abandoned on any Lot.
- 2.14. Trash. No incinerator or trash burner shall be permitted on any Lot. No garbage or trash can or container shall be permitted, except for pickup purposes. 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, outlot, or common area.
- 2.15. Exterior Lighting. Exterior lighting installed on any Lot shall either be indirect or of such a controlled focus and intensity as not to disturb the night sky, other Lot Owners, or those using the lake at night. All exterior lighting with the exception of low intensity landscaping lighting shall be on a time which shuts off no later than 11:00 p.m. each day.
- 2.16. Animals. No stable or other shelter for any animal, livestock, fowl, or poultry shall be erected, altered, placed, or permitted to remain on any Lot, except for a doghouse. Doghouses shall not be allowed in front or back of the residence. No dog runs or kennels may be constructed or installed on any Lot without the written permission of the DRB. To be considered by the DRB, dog runs or kennels must be located on the side of the residence no closer than 10 feet from the adjacent property line and must be totally screened from the adjacent property.
- 2.17. Grass, Weeds, Vegetation. No grass, weeds, or other vegetation will be grown or otherwise permitted to commence or continue 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. No dangerous, diseased, or otherwise objectionable shrubs or trees will 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, outlets, and common areas shall not be used for dumping of earth or any waste materials, unless designated by Declarant, and no grasses, weeds, or similar vegetation on vacant Lots shall be allowed to reach a height in excess of twelve (12) inches.

- 2.18. Lawns. While lawns are permitted, applying fertilizer to lawns is not permitted. Runoff/Seepage from fertilizer can accelerate growth of algae in the lake. The maximum lawn coverage on any lot shall not exceed 4,000 square feet. Lawns will not be permitted in the roadside ditch area (first 25 feet adjacent to the roadway). Lawns will also not be permitted within 80 feet of the Lake. If topsoil is brought in to facilitate the establishment of a lawn, the topsoil cannot exceed eight inches (8") in depth and must be contained so that no topsoil is washed into the Lake or adjacent Lots.
- 2.19. Other Structures; Pools. No structure of a temporary character, carport, trailer, or outbuilding shall be erected upon or used on any Lot at any time, either temporarily or permanently. Pools are discouraged and may only be constructed if given special approval by the DRB in advance of any construction activities.
- 2.20. Docks. The Declarant grants each waterfront Lot Owner a revocable easement to install a dock in the Lake in front of the Lot Owner's respective Lot. Dock locations for each Lot shall be set forth in a Dock Location Plan approved by the DRB. Docks shall not extend more than 35 feet into the Lake unless a waiver is granted by the DRB (in some cases, where a potential conflict exists, the DRB may require shorter docks). Docks are limited to 40 feet in width and shall have no more than two boat slips. Jet skis must be stored in the area immediately behind each dock. Each dock must have one solar light on the lake side. The easement may be revoked by the Association or the Declarant for repeated violations of the Association's Rules and Regulations as explained therein.
- 2.21. Rules and Regulations. All persons and their watercraft and motorized vehicles using the Lake and other Common Facilities must comply with the Association's rules and regulations, known as the Rules and Regulations of the Hills Farm Lake East Subdivision (the "Rules and Regulations"), as may be amended from time to time. The current version of the Rules and Regulations may be posted on the Association's Website. Additionally, all watercraft operating on the Lake must comply with applicable laws, regulations, and ordinances, including, but not limited to, the rules of the Nebraska Boating Guide.
- 2.22. Speeding. Watercraft speeding on the Lake is prohibited. The Association may establish the speed limit on the Lake as set forth in the Rules and Regulations. All watercraft operating on the Lake must comply with all applicable laws, regulations, ordinances, and the Association's Rules and Regulations.
- 2.23. Safety. All Members and any other person or entity using or entering the Subdivision shall be responsible for taking reasonable steps to ensure the safety of all Members and guests. Any condition or obstruction within the Subdivision that may pose a risk of safety to the



Members or their guests shall be reported to Declarant and the Board immediately. Furthermore, each Member shall take reasonable steps to warn or otherwise abate the condition or obstruction until the Board has had time to address the situation.

- 2.24. Board of Directors. The Board shall have the authority to adopt and enforce rules and regulations that are in the best interests of the Members, even though not explicitly set forth herein. No Member shall face any discipline under a new rule or regulation until such rule or regulation has been adopted by a majority of the Board s, and the new rule or regulation has been made available to the Member in the ordinary course of Association business.
- 2.25. Campers, RVs, Other Vehicles. No camper, auto-drawn or mounted trailer of any kind, mobile home, truck, camper truck or similar chattel shall be maintained or stored on any part of a Lot. An exception to this rule is boat and other watercraft trailers, which may be stored on the Lot for up to 72 hours at a time, after which they must be stored in the garage or other off-site storage facility. No motor vehicles 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 or their guests. 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 shall not apply to trucks, tractors, or commercial vehicles that are necessary for the construction of residential dwellings or other Improvements during the period of construction. All residential Lots shall provide at least six (6) off street parking areas or spaces for private passenger vehicles required by the County or the Association.
- 2.26. Camping. Camping overnight, whether in a tent, mobile home, or otherwise, is prohibited on all Lots, outlots, and common areas.
- 2.27. Lake Use. Use of the Lake and Common Facilities by the Lot Owners and their guests, agents, and invitees is permitted as a revocable privilege. However, Declarant or the Association may revoke this privilege as to specific Lot Owners or any other person or entity for violations of the Covenants or Rules and Regulations, as provided in these documents and as circumstances necessitate.
- 2.28. Umbrella Liability Insurance. Each Lot Owner will be required to carry an umbrella liability policy, as outlined in the Association's Rules and Regulations.
- 2.29. Central Freshwater System. The central freshwater system shall only be used for normal household consumption. This includes drinking water, and water for sinks, toilets, and showers. The central freshwater system shall not be used to facilitate the operation of a heat pump. All water used for irrigation must come from a lake pump or small well approved by the DRB.
- 2.30. Sewer System. The central sanitary sewer system shall only be used for normal household waste. This includes drain water for sinks, toilets, dishwashers, and showers. The central

sanitary sewer system shall not be used for sump pump draining, swimming pool drainage or backwash, or to facilitate the operation of a heat pump. Swimming pools shall not be drained into the Lake.

- 2.31. No Leasing. No residences or Lots shall be rented or leased for any consideration whatsoever to any other person, firm, or corporation. Additionally, no Lot shall be subdivided or otherwise modified without prior approval from the Declarant.
- 2.32. Bait. In order to keep a stable ecosystem in the lake, it shall be prohibited to dump bait or introduce any foreign fish, including minnows, into the lake.
- 2.33. Fire Emergency. In the event of a fire emergency, Lot Owners shall allow the fire department access to the Lake via their property. Fire hydrants in the development can provide some fire protection, but in some cases the fire department may pump directly from the Lake.
- 2.34. Utility Service Materials. Residences shall be built using the latest Specification for Utility Service Materials available from the Declarant or the Association.
- 2.35. Floodplain. Much of this development is in a floodplain. Only Lots officially designated in writing by the Declarant may be used for walkout basements (no exceptions).
- 2.36. Existing Trees. Several Lots in the Subdivision have existing trees. No tree may be removed without written approval of the DRB.
- 2.37. Single-Family Ownership. Only single-family ownership is permitted for all Lots in the development. Joint ventures, partnerships, limited liability companies, and other multi-family type ownership structures are prohibited.
- 2.38. Number of Guests. Each Lot Owner may have up to 25 guests at a given time. For parties larger than 25 guests, Lot Owners must receive written approval from the Board of Directors.
- 2.39. Playgrounds. No playgrounds shall be constructed on the Lots in the Subdivision as there will be a community playground built for the mutual benefit of all Lot Owners.
- 2.40. Fences. No fences are allowed on any portion of the Lots with the exception of invisible fences.

### **ARTICLE III.**

#### **Hills Farm Lake East Homeowners Association, Inc.**

- 3.1. Purpose and Authority. The Association has as its purpose the promotion of the health,

safety, recreation, welfare and enjoyment of the Subdivision for the benefit of the Lot Owners, residents, and their family. The Association, through the Board, shall have all lawful authority, including, but not limited to, the following:

- a. To promulgate, enact, amend, and enforce the Rules and Regulations relating to the use and enjoyment of the Lake and Common Facilities. The Rules and Regulations may permit or restrict use of the Lake and Common Facilities by Members, their families, their guests, and/or by other persons. Guests and other persons may be required to pay a fee or other charge in connection with the use or enjoyment of the Lake and Common Facilities;
- b. To promulgate, enact, amend and enforce the Rules and Regulations relating to collecting dues for the operation and maintenance of the Lake and Common Facilities;
- c. To acquire, construct, landscape, improve, equip, maintain, operate, repair, keep up, and replace the Lake and Common Facilities for the general use, benefit, and enjoyment of the Members. The Lake and Common Facilities may include but are not limited to the Lake, playgrounds and parks, dedicated and non-dedicated roads, pathways, entry areas, green areas, gas pumps, dock, sanitary sewer lift station, and signs and entrances for the Subdivision. The Lake and Common Facilities may be situated on property owned or leased by the Association, on private property subject to an easement in favor of the Association, or on public property; and
- d. To enforce this Declaration and the Rules and Regulations, with authority to bring the appropriate court action, including an action for a temporary restraining order, preliminary injunction, or permanent injunction enjoining such violations.

- 3.2. Membership and Voting. There shall be only one Owner for each Lot. The Owner of each Lot shall automatically be a Member of the Association. Should more than one person or entity hold fee title to a Lot, a majority of the co-owners must designate a single voting member, in writing, and provide said designation to the Secretary of 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 three classes of voting membership (each, a “Member”):

Class A Membership. Class A membership shall include all Members of the Association except Declarant and any successor in interest. Each Class A Member of the Association shall be entitled to all the rights of membership and to one vote for each Lot.

Class B Membership. Class B membership shall include only the Declarant. The Class B member shall be entitled to five (5) votes for each Lot of which the Declarant is the record Owner. However, the Declarant’s Class B membership shall be converted to Class A membership when the total number of votes entitled to be cast by Class A Members equals

the total number of votes entitled to be cast by the Class B Member.

Class C Membership. Class C membership shall include NEBCO and any successor in interest of NEBCO. The Class C Member shall be entitled to 50 votes, provided; however that if the Class C Member's property is included in subsequent phases of the Development, the Owner of each Lot in any of the subsequent phases shall automatically become a Class A member, and the number of Class C votes shall be reduced accordingly.

No Owner shall be entitled to vote if all dues and assessments levied against the Owner are not fully paid. Furthermore, the Board may suspend a Member's voting privileges for violations of the Association's Rules and Regulations.

3.3. Powers and Responsibilities. The Association shall have all of 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 to administer the affairs of the Association. The powers and duties to be exercised by the Board, and upon authorization of the Board by the officers of the Association (the "Officers"), shall include but shall not be limited to the following:

a. The acquisition, development, maintenance, repair, replacement, operation, and administration of the Lake, Lake amenities, and any other Common Facilities, and the enforcement of the Rules and Regulations regulating the Lake and Common Facilities;

b. The landscaping, mowing, watering, repair, and replacement of parks and other Common Facilities property, and improvements on parks, medians, thoroughfares, or other Common Facilities property within or near the Subdivision;

c. The fixing, levying, collecting, abatement, and enforcement of all charges, dues, or assessments;

d. The expenditure, commitment, and payment of Association funds to accomplish the purposes of the Association, including 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;

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;

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;

- 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 performance of their duties and responsibilities for the Association. The Board of Directors shall have the right to hire a management company to manage and operate all or part of the Lake and Common Facilities and to assist in the collection of dues;
  - i. The nomination of such committees as deemed necessary to carry out the purposes of the Association.
  - j. General administration and management of the Association, and execution of such documents and doing and the 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; and
  - l. The exercise of any and all rights assigned to the Association by Declarant including but not limited to the architectural control of the improvements constructed in the Subdivision.
  - m. The maintenance of the property line between the Subdivision and the adjacent property owned by the City of Fremont, and the Association shall take reasonable shoreline protection measures to prevent erosion, prevent trespass into the lake or onto the Property, and to protect against unlicensed use of the Lake and the Subdivision. The Association may assess the costs of any such improvement(s) and charge the Owner as provided elsewhere in these Covenants.
- 3.4. Imposition of Dues and Assessments. The Association may fix, levy, and charge the Owner of each Lot with dues and assessments under this Declaration as now existing or as revised and amended in the future as permitted herein. 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.
- 3.5. 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, and shall abate all dues and assessments due in respect of any Lot during the period such Lot is owned by the Declarant.

- 3.6. Liens and Personal Obligations for Dues and Assessments. The dues and assessments, together with interest thereon, costs and reasonable attorneys' 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 attorneys' fees, shall also be a charge and continuing lien upon the Lot in respect of which the dues and assessments are charged. All successors or assigns of the Owner 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. Failure to pay dues and assessments may result in foreclosure proceedings against the Owner, revocation of all Lake and Common Facilities privileges, and any other legal remedies or punishments allowed by the Association's Rules and Regulations.
- 3.7. Purpose of Dues. The dues collected by the Association may be committed and expended to accomplish any of the lawful purposes of the Association.
- 3.8. Maximum Annual Dues. Unless excess dues have been authorized by the Members in accordance with Section 3.10, below, the regular annual dues which may become due and payable in any year shall not exceed the greater of:
- a. One Thousand Five Hundred and no/100 dollars (\$1,500.00) per Lot per year, or
  - b. One hundred eight percent (108%) of the dues charged in the previous calendar year.
- 3.9. Special Assessments for Extraordinary Costs. In addition to the annual dues and assessments, the Board of Directors may levy special 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 the Lake, Lake improvements and amenities, and of any other Common Facility, including fixtures and personal property related thereto, access roads, and related facilities. The aggregate special assessments in each calendar year shall be limited to One thousand and no/100 dollars (\$1,000.00) per Lot. This amount shall increase by 5% each year, regardless of whether an assessment was made the prior year. Notwithstanding any other provision of these Covenants, no provision in this Section shall be construed as a limitation on the Board's authority to assess other assessments, fines or to levy fines and assessments for any purpose other than Special Assessments for Extraordinary Costs.
- 3.10. Excess Dues and Assessments. With the written approval of sixty-six and two-thirds percent (66 2/3%) of the votes of the Members of the Association, the Board may establish dues and/or assessments in excess of the maximums established in this Declaration.
- 3.11. 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 Section 3.5 of this Article, above.

- 3.12. Effect of Nonpayment of Assessments - Remedies of the Association. Any installment of dues or assessments that are not paid when due shall be delinquent. Delinquent dues or assessments shall bear interest from the due date at the rate of twelve percent (12%) per annum, or the maximum rate allowed by law, whichever is lower, compounded annually. The Association may bring an action at law or equity against the Owner personally obligated to pay the same, and/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 of the charge and lien provided for herein by nonuse of the Lake or 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 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 right of the Association.

**ARTICLE IV.**  
**Association Rules and Regulations**

The Association will establish the initial Rules and Regulations of the Subdivision. At the time an Owner purchases a Lot, the Owner shall request the then current Rules and Regulations for the use of the Lake, and will acknowledge receipt of such Rules and Regulations by executing the appropriate receipt. All Owners are hereby notified that they, and their guests, are bound by the Rules and Regulations established by the Association, as such Rules and Regulations are now stated and hereafter amended from time to time.

**ARTICLE V.**  
**Easements and Licenses**

- 5.1. Grant of Easement and License. A perpetual license and easement is hereby reserved to erect and operate, maintain, repair, and renew buried or underground sanitary sewers, storm sewers, roads and common driveways, water and gas mains and cables, lines or conduits and other electric current for light, heat, and power; for all telephone, internet, fiber, and message services; for the transmission of signals and sounds of all kinds, including signals provided by a cable television system; and for the reception on, over, through, under, and across land abutting boundary lines of the Lots, as platted and recorded.
- 5.2. Reservation of Easement by NEBCO, Inc and Affiliates. A perpetual, non-exclusive easement burdening all portions of the Subdivision is hereby reserved by Declarant and granted to NEBCO (including all affiliates and successors in interest) for the purpose of allowing the conditions created from time to time by the conduct of industrial operations and for sand and gravel operations on and within two (2) miles of the Subdivision (the "Industrial Property"), as well as operations causing traffic to and from nearby property

upon which the industrial and/or sand and gravel operations are conducted. This easement shall include, but not be limited to, an easement for conditions created by such industrial and sand and gravel operations, including but not limited to blowing sand, noise levels, truck traffic, and other visual and audible conditions, and the easement provided for herein shall be for such purposes as entering upon the Subdivision or otherwise impacting or affecting the Subdivision in the ordinary course of such industrial and/or sand and gravel operations. Notwithstanding the foregoing, however, NEBCO shall only actively engage in industrial and/or sand and gravel operations on the Industrial Property identified and approved by the Declarant, which consent shall not unreasonably be withheld, and the easement granted hereunder is limited to conditions created or resulting from NEBCO's industrial and or sand and gravel operations conducted on the Industrial Property, whether now in existence or expanded as articulated in Article VII, Section 7.6(b).

## **ARTICLE VI.** **Property Rights**

- 6.1. **Ownership Acknowledgment.** Each Lot Owner and the family members of the Lot Owner residing on the Lot Owner's Lot shall have a nonexclusive right and easement to use and enjoy the Lake and Common Facilities in common with other Lot Owners, subject to the following:
- a. The Rules and Regulations of the Association relating to the use and enjoyment of the Lake and Common Facilities. Such rules and regulations shall apply uniformly to all Lot Owners, and shall not authorize exclusive use of any part of the Lake and Common Facilities by any Lot Owner.
  - b. The right of the Association or Declarant to suspend the right and easement to the use of the Lake and Common Facilities by a Lot Owner or any other person: (i) during any period in which any dues or assessments against his Lot remain unpaid; (ii) as deemed necessary by the Declarant, and (iii) as further described in the Rules and Regulations of the Association.
  - c. Rules and Regulations relating to use and enjoyment of the Lake and Common Facilities by invitees and guests of a Lot Owner.
  - d. The covenants, conditions, restrictions, and easements set forth in this Declaration.
  - e. The express acknowledgement and agreement that NEBCO (including its affiliates) makes no express or implied warranties whatsoever and further expressly disclaims warranties of any kind that any mining or industrial activities, the construction of the water areas, or placement of stripping dirt and fine sand in or on the lots is suitable for the construction of residences or other improvements or for any other use whatsoever including but not limited to recreational use or that the subdivision property meets or complies with any federal, state, or local regulation, statute, ordinance, or guideline regarding the use of



any portion of the property. Lot Owners expressly release and shall hold NEBCO (including its affiliates) harmless from any and all claims, actions, judgments, liability and costs arising or of any use or development or attempted use or development of the subdivision property by any person. The hold harmless obligations provided for in this paragraph shall also include an obligation to hold harmless from any and all claims, actions, suits, and costs incurred by declarant or the existing industrial user, and any affiliates, for any claim, assertion, suit, or action seeking to prevent operations relating to or in any way attendant to the sand and gravel and industrial operations for which an easement has been granted by these covenants.

**ARTICLE VII.**  
**General Provisions**

- 7.1. Declarant Remedies. Except for the authority and powers specifically granted to the Declarant, the Declarant or any Lot Owner named herein shall have the right to enforce by any proceeding at law or in equity, all covenants, conditions, restrictions, and easements now or hereinafter imposed by the provisions of this Declaration either to prevent or restrain any violation or to recover dues or damages for such violation. Notwithstanding the foregoing, the sole remedy for a violation of Article I, Section 1.1(c) is as follows: Declarant may, in its sole discretion, repurchase the affected Lot at the price the Lot Owner originally paid for the Lot.
- 7.2. No Waiver. FAILURE BY THE DECLARANT OR BY ANY OWNER TO ENFORCE ANY COVENANT, CONDITION, RESTRICTION, OR EASEMENT HEREIN CONTAINED SHALL IN NO EVENT BE DEEMED A WAIVER OF THE RIGHT TO DO SO THEREAFTER.
- 7.3. Binding Effect. THE COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS OF THIS DECLARATION SHALL RUN WITH AND BIND THE LAND IN PERPETUITY. THIS DECLARATION MAY BE AMENDED BY DECLARANT IN ANY MANNER WHICH IT MAY DETERMINE TO BE NECESSARY IN ITS FULL AND ABSOLUTE DISCRETION, UNTIL ALL LOTS HAVE BEEN SOLD, OR FOR A PERIOD OF THIRTY (30) YEARS FROM THE DATE HEREOF, WHICHEVER FIRST OCCURS (THE "PERIOD OF "DECLARANT CONTROL"). LOTS SOLD BY DECLARANT SHALL NOT INCLUDE LOTS SOLD TO CONTRACTORS FOR FUTURE CONSTRUCTION OF HOMES. 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.
- 7.4. Assignment Permitted by Declarant. Hills Farm East Lake, LLC, its successors, or assigns shall have the right to transfer status as Declarant to a successor or assign. Hills Farm East Lake, LLC, its successors, or assigns also may terminate its status as Declarant under this Declaration, at any time, by filing a Notice of Termination of Status as Declarant. If

Declarant has not transferred its status as Declarant to a successor, and upon the filing of a Notice of Termination, the Association's Board of Directors shall appoint the Association or 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. Until the Board of Directors appoints a successor Declarant, the Association shall automatically accept and serve as the interim Declarant. If the Declarant has not appointed a successor under this Declaration, upon the resignation or dissolution of Declarant, the Association shall serve as the Declarant.

- 7.5. Third Party Beneficiaries. All affiliates of the Declarant and of NEBCO are intended to be third-party beneficiaries of these Covenants and all references to the Declarant shall include the affiliates of Declarant, affiliates of NEBCO, and each of them as if each was the same party. The Declarant, or any affiliate thereof, as well as NEBCO, and any affiliate thereof, may assign each of their respective rights under these Covenants to one or more assignees and any such assignee shall be entitled to the benefit of these Covenants and may enforce these Covenants. For the purposes of these Covenants, the term “affiliate” or “affiliates” of the Declarant or of NEBCO shall mean any Declarant, NEBCO, or any other entity which is owned in whole or in part by the Declarant, by NEBCO, or by any subsidiary of the Declarant, of NEBCO, or by any owner of the Declarant or NEBCO, respectively.
- 7.6. Consent to Industrial Operations. Declarant discloses that NEBCO (including its affiliates) conducts and may conduct future industrial operations and sand and gravel operations on real property on or within two (2) miles of the Subdivision property affected hereby and upon other real property located near the boundary of the Subdivision (all such property shall be referred to herein as the “Industrial Property”). Each Lot Owner, by acceptance of a deed or other conveyance of any of or any portion of the Property acknowledges and represents, as a condition precedent to taking ownership:
- a. Each said Lot Owner has taken title to all or a portion of the property with the knowledge that NEBCO and its various business divisions are conducting, and may continue to conduct, industrial operations and sand and gravel operations on the Industrial Property, and each Lot Owner consents to such industrial and to such sand and gravel operations being conducted on the Industrial Property and to the easements afforded such operations by these Covenants;
  - b. Each owner agrees that the scope of the industrial operations and of the sand and gravel operations may change and expand in the future, all of which operations are and shall be encompassed within the easement set forth in Article V of these Covenants; and
  - c. Each owner agrees that the recording of these Covenants is an essential part of, and a material inducement to, the Declarant’s ability develop the Subdivision

and that no development of the Property would have been possible without the recording of these Covenants, easements, and restrictions, granted herein.

d. Each Owner agrees to hold NEBCO and any affiliate or division of NEBCO (“the Indemnitees”), harmless from any and all claims relating to the Industrial Property or any operations of any Indemnitee upon the Industrial Property or attendant thereto, and each owner acknowledges that should any suit, proceeding, or claim be brought against NEBCO or its affiliates by any Lot Owner in the Subdivision or as a result of any such owner initiating a proceeding or filing a complaint with a governmental agency, to prevent or in any way inhibit the operations disclosed hereby or attendant thereto, the owner through or on whose behalf such suit, complaint, or claim is brought agrees to indemnify each defendant, respondent, or responsible party for any and all costs incurred in defending and responding in any way to such suit, complaint, claim, all of which costs shall exist as a lien against the owner(s) property pursuant to these covenants in favor of the party paying such costs, until such amounts have been reimbursed in full. Such lien can be enforced by any beneficiary or third party beneficiary of these covenants.

e. Each Lot Owner has taken title to all or a portion of the property with the knowledge that Lincoln Premium Poultry and its various business divisions are conducting, and may continue to conduct, industrial operations and food processing operations on Industrial Property owned by Lincoln Premium Poultry and its affiliates in the vicinity of the development, and each Lot Owner consents to such industrial and to such food processing and attendant operations being conducted on the Industrial Property and to the easements afforded such operations by these Covenants. Each owner agrees that the scope of the industrial operations and of the food processing and attendant operations may change and expand in the future, all of which operations are and shall be encompassed within the easement set forth in these Covenants.

f. Each Owner agrees to hold Lincoln Premium Poultry and any affiliate or division thereof (“the Additional Indemnitees”), harmless from any and all claims relating to their Industrial Property or any operations of any Additional Indemnitee upon the their Industrial Property or attendant thereto, and each owner acknowledges that should any suit, proceeding, or claim be brought against Lincoln Premium Poultry or its affiliates by any Lot Owner in the Subdivision or as a result of any such owner initiating a proceeding or filing a complaint with a governmental agency, to prevent or in any way inhibit the operations disclosed hereby or attendant thereto, the owner through or on whose behalf such suit, complaint, or claim is brought agrees to indemnify each defendant, respondent, or responsible party for any and all costs incurred in defending and responding in any way to such suit, complaint, claim, all of which costs shall exist as a lien against the owner(s) property pursuant to these covenants in favor of the party paying such costs, until

such amounts have been reimbursed in full. Such lien can be enforced by any beneficiary or third-party beneficiary of these covenants.

7.7. Severability. THE INVALIDATION OF ANY COVENANT, CONDITION, RESTRICTION, OR EASEMENT HEREIN SHALL IN NO WAY AFFECT ANY OF THE OTHER PROVISIONS HEREOF, WHICH SHALL REMAIN IN FULL FORCE AND EFFECT.

7.8. Modification. In recognition of the fact that the provisions of the Covenants are for the benefit of the Declarant and for the benefit of NEBCO (including any business division of either of them), the Covenants delineated herein may not be amended, modified, terminated, or waived without the prior written approval thereof by the Declarant and by NEBCO.

IN WITNESS WHEREOF, the Declarant has caused these presents to be executed this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

NEBCO, INC.  
a Nebraska corporation, Declarant

By: \_\_\_\_\_, President

STATE OF NEBRASKA            )  
  ) ss.  
COUNTY OF LANCASTER    )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2024, before me, the undersigned, a Notary Public in and for the State of Nebraska, personally appeared \_\_\_\_\_ as President of NEBCO, Inc., to me personally known, who being by me duly sworn, executed the foregoing instrument.

\_\_\_\_\_  
Notary Public

EXHIBIT A

[The Subdivision]

[attach survey of the subdivision]

DRAFT