

After recording please return to:  
Thomas C. Huston  
Cline Williams Wright Johnson  
& Oldfather, LLP  
233 South 13<sup>th</sup> Street, Suite 1900  
Lincoln, NE 68508

**DECLARATION OF COVENANTS AND  
RESTRICTIONS OF NORTHERN ESTATES ADDITION**

The City of Arapahoe, Nebraska, a public body corporate and politic (“Owner”) as owner and developer of the real estate being subjected to these Covenants and Restrictions of Northern Estates Addition (“Covenants”) executes these Covenants as of \_\_\_\_\_, 2016.

**RECITALS**

A. Owner is the owner of the following described real estate:

Lots 1 through 7, Block 1; Lots 1 through 5, Block 2; Lots 1 through 4, Block 3; Northern Estates Addition, Arapahoe, Furnas County, Nebraska,

(collectively the “Lots”). Owner or its successor in interest to any Lot shall construct single-family dwelling units upon each Lot for ultimate sale to the titleholders who shall be subject to these covenants and shall be referred to as “Homeowners”.

B. Owner desires to subject the Lots to these Covenants to provide for the common operation of the Northern Estates Homeowners Association, Inc. (the “Association”).

NOW THEREFORE, these Covenants are established upon the Lots as follows:

1. **Association.** Every person or entity who becomes a record titleholder of a fee interest in any Lot which is subject to the terms of the Covenants shall be a member of the Association and agrees to be bound by the provisions of the Covenants, including contract buyers. Any person or entity who holds an interest merely as security for the performance of an obligation shall not be a member. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to the terms of the Covenants.

2. **Membership.** The Association shall have a minimum of two (2) classes of membership, as follows:

A. Class A Membership. Class A membership shall include all members of the Association except Owner and any successor in interest. Each Class A member (each of which shall be a "Member") of the Association shall be entitled to all the rights of membership and to one vote for each Lot in which the interest requisite for membership is held. However, no more than one vote shall be cast with respect to any Lot.

B. Class B Membership. Class B membership shall include only the Owner. The Class B member shall be entitled to three (3) votes for each Lot in which the interest requisite for membership is held.

3. **Owner Control.** Owner shall control the Association and may appoint and remove the officers and members of the Board (period of Owner Control) until the earlier of:

A. sixty (60) days after conveyance of one hundred (100%) of the Lots subject to the terms of the Covenants (the "Lots") to any person other than Owner; or

B. two (2) years after Owner has ceased to offer Lots for sale.

No later than the termination of the period of Owner Control, the Lot Owners shall elect a Board in conformance with the terms of the Association's Bylaws. Provided, however, Owner may voluntarily surrender the right to appoint and remove officers and members of the Board before termination of the above stated period, but in that event Owner may require, for the duration of the period of Owner Control, that specified actions of the Association or Board be approved by the Owner before they become effective.

4. **Design Standards.** Each Lot shall be used for single family development purposes only and the improvements thereon shall conform with the following:

A. Single-Family Dwelling Units. Owner or each Homeowner, as its successor in interest to any Lot, shall construct one single-family dwelling unit upon each Lot.

B. Size. Each single-family dwelling unit shall meet or exceed the following minimum finished floor area requirements:

i. Single story dwelling units: one thousand five hundred (1,500) finished square feet;

ii. Split level dwelling units: one thousand seven hundred fifty (1,750) finished square feet; or

iii. Two story dwelling units: two thousand (2,000) finished square feet.

- C. Garages. Each single-family dwelling unit shall include an attached garage with at least two stalls.
- D. Mobile/Manufactured Homes. Mobile and manufactured homes shall be prohibited from each Lot. Such prohibition shall not restrict a modular home assembled on site if such home otherwise complies with this Declaration.

5. **Design Review**. No construction may be undertaken upon any Lot until a true and correct copy of the building plans are submitted and approved by Owner. The plan shall show the size, design, specifications and plat plan for such construction. Plans shall meet or exceed the terms of these Covenants and the current applicable building codes and requirements. Owner shall have fifteen (15) days from the date of submission to give written approval or reason for disapproval. Approval of plans shall not be unreasonably withheld, however, Owner shall have the sole and exclusive right to approve or reject any plans if, in the opinion of Owner, the plans do not satisfy the terms of these Covenants or the applicable building codes and requirements. The Developer may appoint, at any time, three Homeowners to approve building plans. Any vacancy thereafter may be filled by the remaining appointees.

6. **Nuisances**. No noxious or offensive activity shall be carried on or permitted on any Lot, nor shall anything be done thereon which is or may become an annoyance or nuisance to the neighborhood or shall endanger the health or unreasonably disturb the quiet of the owners or occupants of adjoining Lots.

7. **Common Area Maintenance**. The Association shall annually establish a budget for the common services being provided to the Members of the Association, which budget shall be used to establish the annual assessment to be paid by the Members pursuant to paragraph 8 below. The cost of such maintenance shall be paid by each Member through the payment of the Annual Assessment upon each Lot.

8. **Assessments**. Each Member agrees to pay to the Association: (a) annual assessments or charges uniformly made against each Lot for the care and maintenance of the common areas and for the provision of services described herein, and (b) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual assessment shall be due and payable quarterly on the first day of January, April, July and October of each year. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each such assessment is made. Each assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of such Lot at the time when the assessment was made. The personal obligation for delinquent assessments shall not pass to successors in title unless expressly assumed by them. Notwithstanding anything else to the contrary, no members shall be liable to pay any annual or special

assessment until a certificate of occupancy has been issued by the City of Arapahoe for the improvements built on a particular Lot.

9. **Purpose of Assessments.** The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Lots, for the improvement and maintenance of the common areas and for the services provided by the Association. The annual assessments shall be based on the annual budget established by the Board of Directors for maintenance and associated tasks.

10. **Annual and Special Assessments.** Annual and special assessments may be levied by the Board of Directors of the Association. Any special assessment for capital improvements shall be approved by affirmative vote of two-thirds (2/3) of each class of members affected and entitled to vote, at a regular meeting of the members or at a special meeting of the members, if notice of a special assessment is contained in the notice of the special meeting.

11. **Lien of Assessments.** The lien of any annual or special assessment shall be subordinate to the lien of any mortgage placed upon the Lot against which the assessment is levied.

12. **Amendments.** These Covenants shall run with the land and shall be binding upon and enforceable by the Association and all Members. These restrictive covenants may be terminated or modified, in writing, by the owners of two-thirds (2/3) of the Lots, at any time.

13. **Enforcement.** The enforcement of these Covenants may be by proceedings at law or in equity against any person violating or attempting to violate any provision hereof. The proceedings may be to restrain the violation, or to recover damages and may be to enforce any lien or obligation created hereby.

14. **Severability.** The invalidation of any one of these Covenants shall not affect the validity of the remaining provisions hereof.

[SIGNATURE PAGE FOLLOWS]

DATED this \_\_\_\_ day of \_\_\_\_\_, 2016.

**“OWNER”**

THE CITY OF ARAPAHOE, NEBRASKA,  
a public body corporate and politic

Attest: \_\_\_\_\_  
City Clerk

By: \_\_\_\_\_  
Johnny Koller, Mayor

STATE OF NEBRASKA     )  
  ) ss.  
COUNTY OF FURNAS     )

The foregoing Covenants and Restrictions of Northern Estates Addition were acknowledged before me this \_\_\_\_ day of \_\_\_\_\_ 2016, by Johnny Koller, Mayor of the City of Arapahoe, Nebraska, a public body corporate and politic, on behalf of the city.

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