

[REDACTED]: The foregoing covenants may have been amended and you should not rely on this document as a complete and accurate draft of the restrictive covenants applicable to any lot. The restrictive covenants affecting a particular lot are on file with the Lancaster County Register of Deeds.

RESTRICTIVE COVENANTS

For purposes of these Restrictive Covenants, except as otherwise defined or the context requires otherwise, the following terms shall have the meaning set forth below:

"Class A Properties" shall mean Lots 1-22, Block 3, Heritage Lakes Addition, Lincoln, Lancaster County, Nebraska, Lots 1-20, Block 3, Heritage Lakes 2nd Addition, Lincoln, Lancaster County, Nebraska and any Additional Properties that may be added by the Developer in accordance with Paragraph 26 below.

"Class B Properties" shall mean Lot 1, Block 1, Lots 1-3, Block 2 and Lots 11-14, Block 4, Heritage Lakes Addition, Lincoln, Lancaster County, Nebraska, Lots 1-8, Block 2, Heritage Lakes 2nd Addition, Lincoln, Lancaster County, Nebraska and any Additional Properties that may be added by the Developer in accordance with Paragraph 26 below.

"Class C Properties" shall mean Lots 1-9, Block 1, and Lots 1-8, Block 2, Heritage Lakes 1st Addition, Lincoln, Lancaster County, Nebraska, Lots 1-8, Block 1, Heritage Lakes 2nd Addition, Lincoln, Lancaster County, Nebraska and any Additional Properties that may be added by the Developer in accordance with Paragraph 26 below.

"Commons" shall mean Outlot B, Heritage Lakes 2nd Addition, Lincoln, Lancaster County, Nebraska (formerly known as Outlot D, Heritage Lakes Addition, Lincoln, Lancaster County, Nebraska), together with any other real estate [as defined in NEB. REV. STAT. § 76-201 (Reissue 1996)] or facility owned by the Corporation or designated by these Restrictive Covenants to be maintained by the Corporation primarily or exclusively for the benefit of the Properties. Commons also shall include any "Additional Commons" which may be added by the Developer in accordance with Paragraph 26 below.

"Corporation" means Heritage Lakes Homeowners' Association, a Nebraska nonprofit corporation which has been established for the purposes of enforcing these Restrictive Covenants established upon the Properties and administering, maintaining and, to the extent applicable, owning the Commons.

"Properties" shall mean Class A Properties, Class B Properties and Class C Properties.

Based on the mutual benefits arising hereunder, the undersigned owner of the Developer's Property hereby establishes the following Restrictive Covenants:

1. **CONSTRUCTION:** Any building or other improvement placed or constructed upon any lot within the Properties shall be completed within one year after the commencement of construction. In the event construction is not substantially completed within three (3) years from the date title to a lot is transferred by the Developer, the Developer, its successors and assigns shall have the option to repurchase the lot for the amount paid to Developer for the lot. Developer may exercise the option by sending written notice to the titleholder of the lot. During construction on a lot within the Properties, the titleholder of such lot shall protect the Commons and other lots within the Properties from damage arising out of its construction activities. All buildings shall be constructed by a builder approved in writing by the Developer. Upon written request, the Developer shall provide a lot owner or potential owner with a list of approved builders who have been authorized to construct buildings on the lots within the Properties.

2. **GRADING:** The Developer shall have the exclusive right to establish grades and slopes for all lots within the Properties and to fix the grade at which any building or other improvement shall be placed or constructed upon any lot, in conformity with the general plan for the development of the Properties.

3. **APPROVAL OF PLANS:** Plans for any building or other temporary or permanent exterior improvement, including fences, exterior remodeling, reconstruction or additions shall be submitted to the Developer or its representative and shall show the design, elevation, size and exterior material for the building or improvement and the plot plan and landscape plan for the lot. One set of the approved plans ("Plans") shall be left on permanent file with the Developer. Construction of the building or improvement shall not be commenced unless written approval of the plans has been secured from the Developer or its representative. Written approval or disapproval of the plans shall be given by the Developer or its representative within 30 days after the receipt thereof and approval shall not be unreasonably withheld. The Developer shall have the exclusive right to disapprove the plans, if in the Developer's opinion, the plans do not conform to the general standard of development in the Properties considering the harmony of the design and location in relation to surrounding improvements. Upon disapproval, a written statement of the grounds for disapproval shall be provided. The rights and duties of the Developer under this Paragraph, except as to lots of which the Developer is the titleholder, may be assigned to the Corporation or a third party selected by Developer. The standards of development set forth below shall guide Developer or its representative in evaluating any Plans. These standards shall not be relied upon, interpreted or applied as absolute requirements for approval of the Plans. The Developer shall have the right, in its sole and absolute discretion, to modify the application and interpretation of these standards when exercising its authority for approval of the Plans. The Developer shall have the right to reduce, increase, or otherwise modify these standards within other additions to the Properties.

(a) Minimum Floor Area. The minimum floor area for any house exclusive of basements, garages, porches, patios, decks or enclosed decks shall be:

<u>Type of Structure</u>	<u>Class A Properties</u>	<u>Class B Properties</u>	<u>Class C Properties</u>
Single story ranch	1800 sq. ft.	1600 sq. ft.	1500 sq. ft.
Two story	2800 sq. ft.	2400 sq. ft.	2200 sq. ft.
Single story ranch w/walk out	1800 sq. ft.	1600 sq. ft.	1500 sq. ft.
1½ story	1650 sq. ft. main with 800 sq. ft. up	1500 sq. ft. main with 600 sq. ft. up	1400 sq. ft. main with 600 sq. ft. up
1½ story w/walk out	1650 sq. ft. main with 800 sq. ft. up	1500 sq. ft. main with 600 sq. ft. up	1400 sq. ft. main with 600 sq. ft. up

(b) Setbacks. The front yard and rear yard setbacks of houses from the property line shall be as follows:

Front yard: 25' for garage & 30' for house in Class A Properties and Class B Properties and 20' for garage and house in Class C Properties

Rear yard: as required by code

The side yard setback of houses from the property line in the Class A Properties and Class B Properties shall be 10 feet; provided, however, the side yard setback of houses from the property line in the Class A Properties and Class B Properties may be reduced to 7 feet if the house has a side entry garage. The side yard setback of houses from the property line in the Class C Properties shall be 7 feet.

(c) Exterior Finish. The front elevation of all houses in the Class A Properties and Class B Properties shall be faced with brick, stone or stucco and the front elevation of all houses in the Class C Properties shall be faced with maintenance-free siding, brick, stone or stucco, with a 50% total minimum requirement for brick, stone or stucco. The remaining sides of all houses shall be faced with maintenance-free siding, brick, stone or stucco, with a 50% total minimum requirement for brick, stone or stucco in the Class A Properties and Class B Properties. All houses shall be equipped with maintenance-free products for soffits, fascia and gutter. All fire place chases for houses in the Class A Properties and Class B Properties shall be brick or stone. No exposed foundation walls. All foundation walls must be covered with maintenance-free siding, stone or brick. All roofing materials shall be concrete tile, wood shingles, or heavy asphalt and shall be a natural brown, weathered green, gray or black tone selected in concert with the colors and textures of the structure. Porches and decks shall be designed within the mass of the structure and be supported by substantial structural elements. Dormers, when used, shall be in scale and proportion with the structure.

- (d) Garage Doors and Driveways. Side-entry garages shall be required on all lots within the Properties that are at least ninety (90) feet wide. Side-entry garages are encouraged whenever possible. Garage door colors shall match or be complimentary to the predominant color of the structure. Driveway grades shall not exceed twelve percent (12%).
- (e) Fencing. Perimeter fencing is not permitted within the Class A Properties or Class B Properties. All other fencing within the Properties must be approved as part of the landscape plan.
- (f) Pitch. Roof pitch, other than gables, shall be a minimum of 7:12 or as may be dictated by a unique architectural style. The pitch for gables shall be a minimum of 10:12.
- (g) Solar Panels. Any active solar panel shall be flush with the roof or sidewall of a structure and shall not be located in any required yard or upon any accessory structure.
- (h) Sprinkler Systems. All lots within the Properties shall have an underground sprinkler system installed on the lot by the titleholder prior to sodding the lot.
- (i) Exterior Lighting. Exterior lighting shall be minimized. When exterior lighting is desired, fixtures shall be covered so that no light is directly visible from the street at a height of five feet from the ground plane at the light source, with the exception of recessed soffit lighting. Lights that produce a warm effect rather than a cool effect should be utilized.
- (j) Theme. Each house constructed on any lot shall be consistent with the theme of the development: Traditional.

4. **CITY REQUIREMENTS:** All buildings and improvements with the Properties shall be constructed in conformity with the applicable building codes of the City of Lincoln, Nebraska. Public sidewalks shall be installed by the titleholder of each lot as required by the City of Lincoln, Nebraska. Each individual lot owner, other than Developer, shall indemnify and hold harmless Developer from any liability or cost incurred in connection with the timely installation or payment of any public sidewalk parallel to each street which abuts such owner's lot.

5. **LANDSCAPING:** On all lots within the Properties, a landscape plan shall be submitted to Developer as a requirement of Paragraph 3. The plan must meet and exceed the landscape requirements of the City of Lincoln and at a minimum include (a) required street trees and (b) two (2) trees planted in the area between the front of the home and the front property line. Deciduous trees shall have a trunk measuring at least two and one-half inches as measured by a caliper at a height of three feet from the ground and evergreens shall be at least six feet in height. The balance of the yard not landscaped shall be sodded

with low maintenance fescue or blue grass. The landscaping requirements shall be extensive, shall not visually screen the view of the lake to the south of the Properties and shall be commensurate with the area of the lot and the size of any building to be constructed. No landscaping will be installed or preparatory work undertaken until the Developer has approved the landscaping plan, including all appropriate phasing, and the owner has submitted the deposit (described below) to Developer. Within six months after the substantial completion of construction on any lot within the Properties, the titleholder of each lot shall install and continually maintain any landscaping required under the terms of these Restrictive Covenants or the plan for the lot. To secure performance of the approved plan, the owner has deposited with Developer \$2,000. Within thirty (30) days after notice from the owner that such owner has completed the landscaping in accordance with the plan, the Developer upon confirmation of completion shall return such deposit, without interest, to owner. Upon failure to comply with this Paragraph, the Corporation may contract for the services reasonably necessary to bring the lot into compliance and assess the actual costs plus a 10% administrative charge (less the deposit if applicable) against the lot. If not paid when due, assessments shall bear interest at the rate of 16% per annum and, when notice of nonpayment is filed with the Lancaster County Register of Deeds, shall be a lien upon the lot. The owner by acceptance of the deed to one of the Properties automatically grants the Developer the right to enter upon the real estate identified in such deed for purposes of enforcing the requirements of this Paragraph.

6. **MAINTENANCE OF LANDSCAPE SCREENS:** The titleholder of each lot within the Properties upon which a landscape screen is installed, whether composed of structural or live plant material, as required by the City of Lincoln, Nebraska, shall be deemed to covenant to maintain the screen. Upon failure to comply with this Paragraph, the Corporation may contract for the services reasonably necessary to maintain the screen and to bring the lot into compliance with the design standards of the City of Lincoln, Nebraska. The actual costs of such services, plus a 10% administrative charge, may be assessed against the lot by the Corporation. If not paid when due, assessments shall bear interest at the rate of 16% per annum and, when notice of nonpayment is filed with the Lancaster County Register of Deeds, shall be a lien upon the lot.

7. **TEMPORARY STRUCTURES:** No temporary building, trailer, tent, shack, or garage on any lot within the Properties shall exist on the Properties, other than as a temporary equipment storage or sanitary facilities maintained by the Developer during development or an approved contractor during construction on a lot.

8. **NUISANCE:** No noxious or offensive activity shall be conducted or permitted upon any lot within the Properties, nor anything which is or may become an annoyance or nuisance to neighbors or which endangers the health or unreasonably disturbs the quiet of the occupants of the adjoining lots.

9. **RV & BOAT STORAGE:** No trailer, mobile home, motor coach, boat, jet ski or similar recreational vehicle or devise may be stored or parked in any front or side yard of any lot within the Properties.

10. **ANIMALS:** No animal, livestock or poultry of any kind shall be raised, bred or kept on any lot within the Properties, except household pets; provided, however, (a) such household pet or pets shall not be raised, bred or kept for any commercial purpose whatsoever and (b) a fee may be imposed by the Corporation as a condition precedent to raising or keeping such household pet. No kennels shall be detached from the dwelling.

11. **ANTENNAS & WIRING:** All outdoor wiring for any lot within the Properties shall be placed underground. No wires for electrical power, telephone, radios, television or any other use shall be placed or permitted above the ground on any lot within the Properties, except inside a residence. No aerials, antennas, television dishes, poles, towers or other receiving or sending devices shall be placed or permitted above the ground on any lot, except satellite dishes up to 24 inches in diameter may be utilized if the type and location of such dish is approved in accordance with the approval of the Plans contemplated by Paragraph 3 hereof and if such dish is installed in an unobtrusive location other than the roof.

12. **EROSION CONTROL:** During construction on any lot in the Properties, the titleholder shall control soil erosion. Upon failure to do so, the Corporation may enter upon the lot and contract for the services necessary to control erosion and bring the lot into compliance with this Paragraph and assess the actual costs plus a 10% administrative charge against the lot. If not paid when due, such assessment shall bear interest at the rate of 16% per annum and, when notice of nonpayment is filed with the Lancaster County Register of Deeds such assessment shall be a lien upon the lot.

13. **SIGNS:** No advertising sign, billboard or other advertising device shall be permitted on any lot within the Properties, except (a) a yard sign placed by the owner of the lot advertising such lot is for sale, (b) a yard sign placed by the owner for political purposes and (c) a yard sign placed by the general contractor during construction on a lot; provided such permitted signs may not be larger than 24 inches by 36 inches.

14. **OWNER'S ASSOCIATION:** Every person or entity who becomes a titleholder of a fee or undivided fee interest in any lot within the Properties shall be a member of the Corporation. However, any person or entity who holds such interest merely as security for the performance of an obligation shall not be a member.

15 **MEMBERSHIP & VOTING:** The Corporation shall have the following two classes of membership:

Class 1 membership shall include all members of the Corporation except the Developer and any successor in interest. Each Class 1 member of the Corporation shall be entitled to all the rights of membership and the Class 1 members shall have one vote per lot.

Class 2 membership shall include only the Developer and any successor in interest. The Class 2 member shall be entitled to eight votes per lot. However, the

Class 2 membership shall be converted to Class 1 membership when the total number of votes entitled to be cast by Class 1 members equals the total number of votes entitled to be cast by the Class 2 members.

16. **CONVEYANCE:** The Developer shall convey its interest, if any, in the Commons to the Corporation, free from liens, prior to the date on which the Developer's Class 2 membership in the Corporation is converted to Class 1 membership. The Corporation will accept a deed from Developer to the Commons and, by acceptance of the deed to the Commons, the Corporation assumes the obligations of the Developer to comply with the requirements of the properties covered by the Restrictive Covenants regarding continuous and permanent maintenance of the Commons and all private improvements thereon.

17. **CONTROL:** The Corporation shall exercise exclusive control over any Commons conveyed to it by Developer. The Corporation may limit access to the Commons. The Corporation shall have the right from time to time to establish, revoke, modify and enforce reasonable rules and regulations with respect to all or any part of the Commons.

18. **MAINTENANCE:** The Corporation covenants and each member of the Corporation, by the acceptance of a deed by which the interest requisite for membership is acquired, shall be deemed to covenant to maintain the Commons, which covenants by the members shall be satisfied by the payment of annual and special assessments for the administration, maintenance or improvement of the Commons. The covenant to maintain the Commons shall include insuring the Commons against public liability and property damage. Such insurance shall be in commercially reasonable amounts. Annual and special assessments shall be based upon the Assessment Units allocated to the lots within the Properties as provided in Paragraphs 20 and 22. Each assessment shall be the personal obligation of the member who is, or was, the titleholder of the lot assessed at the time of the assessment. If not paid when due, assessments shall bear interest at the rate of 16% per annum and, when notice of nonpayment is filed with the Lancaster County Register of Deeds, shall be a lien upon the lot.

19. **ASSESSMENTS:** Annual and special assessment for the administration, maintenance or improvement of the Commons and for the obligations applicable to the Properties and Commons arising out of the Appian Lake Association Covenants, dated December 18, 2001, recorded December 20, 2001 as Instrument No. 2001-76855 with the Lancaster County Register of Deeds (the "Lake Covenants") and other special assessments specifically provided for in these Restrictive Covenants shall be levied by the Corporation. Annual and special assessments, other than for capital improvements to the Commons, may be levied by the Board of Directors of the Corporation. Any special assessment for capital improvements to the Commons shall be approved by the affirmative vote of two-thirds of the members entitled to vote, at a regular 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. The members shall pay assessments to the Corporation within ten (10) days after notice of such assessment is mailed.

- (a) Budgets: Each year the Board shall prepare, approve and make available to each member upon request a pro forma operating statement (budget). The total amount shall be charged against the Properties according to the allocation of Assessment Units. If the Board fails to determine the budget for any year, then until such time as a budget is approved, the budget in effect for the immediately preceding year shall continue for the current year.
- (b) Additional Charges: In addition to any amount due or any other relief or remedy obtained against a member who is delinquent in the payment of any assessment, each member agrees to pay such additional costs, fees, charges and expenditures ("Additional Charges") as the Corporation may incur or levy in the process of collecting from that member monies due and delinquent or enforcing the obligations hereunder or the Lake Covenants. Additional Charges shall include, but not be limited to, the following:
 - (i) Attorney's Fees: To the fullest extent allowed by law, reasonable attorney's fees and costs incurred in the event an attorney(s) is employed to collect any assessment or sum due or enforce the obligations hereunder or the Lake Covenants, whether by suit or otherwise;
 - (ii) Late Charges: A late charge in an amount to be fixed by the Board to compensate the Corporation for additional collection costs incurred in the event any assessment or other sum is not paid when due or within any "grace" period. The late charge shall not exceed ten percent (10%) of the delinquent assessment or ten dollars (\$10), whichever is greater;
 - (iii) Costs of Suit: Costs of suit and court costs incurred as allowed by the court;
 - (iv) Filing Fees: Costs of filing notice of lien in the Office of the Register of Deeds;
 - (v) Interest: Interest on all assessments at the rate of 16% per annum, commencing ten (10) days after the assessment becomes due; and
 - (vi) Other: Any other cost that the Corporation may incur in the process of collecting delinquent assessments or enforcing the obligations hereunder or the Lake Covenants.

20. **ALLOCATION OF ASSESSMENTS:** The annual and special assessments shall be borne by the Properties based upon the ratio which the number of Assessment Units allocated to each lot pursuant to Paragraph 22 bears to the total number of Assessment Units, calculated as of the date of the assessment.

21. **COSTS OF ADMINISTRATION, MAINTENANCE OR IMPROVEMENT:** Costs of administration, maintenance or improvement of the Commons shall mean the total cost and expense incurred by the Corporation in operating, maintaining, repairing, and replacing any facility or improvement within the Commons. Such costs may include, without limitation, real estate taxes and the cost of maintaining, dredging, lining, landscaping, lighting, maintenance of erosion control, removal of snow, ice, drainage, rubbish and other refuse, signs, public liability and property damage insurance premiums, repairs, reserves for capital replacements, depreciation on equipment and machinery used in such maintenance, cost of postage, photocopies, telephone and fax charges, or other expenses and personnel required to provide such services and management, together with a reasonable charge for overhead not to exceed 10% of the foregoing, or amounts paid to independent contractors for any or all of such services. The Corporation shall keep accurate records of the costs associated with the administration, maintenance and improvement for the purpose of making assessments as provided by these Restrictive Covenants.

22. **ALLOCATION OF ASSESSMENT UNITS:** The Assessment Units are allocated to the lots within the Properties on the following basis:

- (a) Developer Lots: Each lot within the Properties that is owned by the Developer shall be allocated one (1) Assessment Unit.
- (b) Class A Properties: Each lot within the Class A Properties, excluding only such lots within the Class A Properties that are owned by the Developer, shall be allocated four (4) Assessment Units.
- (c) Class B Properties: Each lot within the Class B Properties, excluding only such lots within the Class B Properties that are owned by the Developer, shall be allocated two(2) Assessment Units.
- (d) Class C Properties: Each lot within the Class C Properties, excluding only such lots within the Class C Properties that are owned by the Developer, shall be allocated two (2) Assessment Units.

23. **LIEN OF ASSESSMENTS:** The lien of any annual or special assessment shall, until shown of record, be subordinate to the lien of any mortgage or deed of trust placed upon the lot against which the assessment is levied.

24. **EXTERIOR MAINTENANCE:** Each titleholder of each lot within the Properties covenants to maintain their lot and improvements in a neat and attractive

manner. No lot within the Properties may be utilized as a dumping ground for rubbish including, but not limited to, leaf or grass clippings. No compost pile may be constructed or maintained on any lot within the Properties. All waste, garbage and trash must be kept in sanitary containers and removed on a weekly basis. No incinerator may be constructed or maintained on any lot within the Properties. All lots within the Properties shall be kept free of debris and weeds.

25. **EXTERIOR MAINTENANCE ASSESSMENT:** In the event a member fails to maintain a lot according to Paragraph 24 above, the Corporation may, upon 10 days written notice to the member, maintain the lot and the exterior of any improvement and shall have the right to enter upon any lot, at reasonable time, to perform such maintenance. The written notice shall specify the required maintenance and the time in which it must be completed. The actual cost of the maintenance, plus a 10% administrative fee, shall be paid by the member within 10 days of billing. Upon failure of the member to remit payment, the cost of maintenance and administrative fee shall be specially assessed against the lot, shall bear interest at the rate provided for unpaid assessments and, when notice of nonpayment is filed with the Lancaster County Register of Deeds, shall be a lien upon the lot.

26. **ADDITIONS:** Developer may add any real estate or facility that is owned by Developer to the Commons ("Additional Commons"), at any time, without the consent of the members of the Corporation. Developer also may add contiguous or adjacent real estate to the Commons, Class A Properties, Class B Properties, Class C Properties and/or any new classification of property ("Additional Properties") without the consent of the members of the Corporation. Additions shall be made by the execution and recordation of Restrictive Covenants upon the additional real estate, making the addition subject to these Restrictive Covenants.

27. **FINAL PLAT AMENDMENT:** Developer shall have the right at any time to amend the Final Plat in which the Properties and Commons may be located. Members of the Corporation, other than the Developer, may not amend the Final Plat without the prior written consent of the Developer. Each member of the Corporation covenants not to object to any amendment of the Final Plat, provided the amendment does not change such member's lot configuration. Upon approval by the City of Lincoln of any amendment to the Final Plat, the amended lot configurations shall govern interpretation of these Restrictive Covenants.

28. **AMENDMENTS:** These Restrictive Covenants shall run with the land and shall be binding upon and enforceable by the Developer, the Corporation and all persons claiming under the Developer. These Restrictive Covenants may be terminated or modified, in writing, by the holders of two-thirds of the total of voting rights established under Paragraph 15, except that said Restrictive Covenants regarding maintenance of the Commons and landscape screens and enforcement thereof by the City of Lincoln shall not be terminated or modified without prior written approval of the City of Lincoln.

29. **RULES & REGULATIONS:** By acceptance of title to a lot within the Properties, the owner agrees to abide by all rules and regulations adopted by the Board of Directors of the Corporation regarding the Commons and uniform policies applicable to all of the Properties.

30. **ENFORCEMENT:** The enforcement of these Restrictive 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, by the Corporation, may be to enforce any lien or obligation created hereby. The City of Lincoln, Nebraska, shall have the right to enforce by a proceeding at law or in equity all restrictions, conditions and covenants regarding the maintenance of the Commons and landscape screens. In the event the Corporation dissolves, the lot owners shall remain jointly and severally liable for the cost of maintenance of the Commons and landscape screens.

31. **SEVERABILITY:** The invalidation of any one of these Restrictive Covenants shall not affect the validity of the remaining provisions hereof.

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