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PROTECTIVE COVENANTS
FOR SOMERSET 2

THESE PROTECTIVE COVENANTS FOR SOMERSET 2 (these "Protective Covenants"), made on the date hereinafter set forth, are made by Celebrity Homes, Inc., a Nebraska corporation, hereinafter referred to as "Declarant" or "Developer".

PRELIMINARY STATEMENT

The Declarant is the owner of certain real property located within Douglas County, Nebraska and described as follows:

Lots 1 thru 206, inclusive, Somerset 2, a subdivision as surveyed, platted and recorded in Douglas County, Nebraska (each a "Lot" and collectively, the "Lots"); and

The Declarant desires to provide for the preservation of the values and amenities of the Lots, for the maintenance of the character and residential integrity of the Lots, and for the acquisition, construction and maintenance of certain land to be conveyed to and owned by the Association (as defined herein) or controlled by an easement in favor of the Association or required as a contractual obligation of the Declarant or the Association (individually, a "Common Facility" and collectively, the "Common Facilities") for the use and enjoyment of the residents of the Lots and any other lots within the Somerset 2 Subdivision.

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

1. Permitted Uses. No Lot shall be used for any purpose except for residential purposes, schools, parks, or churches. No home shall be erected, altered, placed or permitted to remain on any Lot other than one detached single-family dwelling not to exceed two (2)

RETURN TO:
FULLENKAMP, JOBEUN,
JOHNSON & BELLER, LLP
11440 WEST CENTER ROAD
OMAHA, NEBRASKA 68144-4482
ATTN: Mandy A.

stories in height with an attached private garage for not less than two (2) automobiles. No obnoxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood, including but not limited to, odors, dust, glare, sound, lighting, smoke, vibration and radiation. Exterior lighting installed on any Lot shall either be indirect or of such a controlled focus and intensity as not to disturb the residents of adjacent Lots.

2. Setbacks and Side Yards. All setbacks, side yards and rear yard requirements shall conform to applicable laws and ordinances.

3. Prohibited Structures. With the exception of temporary sales offices operated by the Declarant, its successors or assigns, no structure of a temporary character, trailer, tent, shack, storage shed, detached garage, barn or other outbuildings shall be permitted on any Lot.

4. Animals. No animals, livestock or poultry of any kind shall be raised, bred, kept on any Lot except dogs, cats or household pets maintained within the dwelling, provided that they are not kept, bred or maintained for any commercial purpose.

5. Fences and Animal Shelters. Fences shall not be located on any Lot nearer to the street than the structure located on said Lot. Any fence installed on any Lot by the Declarant shall be maintained by the owner of such Lot, at the owner's sole expense and the owner shall keep such fence in good order and repair and replace the same with the same style and equal quality fence when and if reasonably necessary. Fencing shall be wood, vinyl or black vinyl chain link. Unless specifically approved by Declarant in writing, no other type of fencing, including chain link and wire fencing, shall be permitted in any instance. No stable, dog run, kennel or other shelter for any animal, livestock, fowl or poultry shall be erected, altered, placed or permitted to remain on any Lot.

In addition, notwithstanding anything herein to the contrary, any fence constructed on Lots 103 – 143, inclusive, Somerset 2, shall be six feet (6') in height, tan vinyl fencing, and shall be the same design as set forth on the attached Exhibit "A", it being the intent that such perimeter fencing be uniform in character and design.

6. Moved Dwellings. Existing houses from other locations or houses built in another location may not be moved or placed on any Lot without the written consent of the Developer or its designee.

7. Weeds and Trash. The title holder of each Lot, vacant or improved, shall keep his/her Lot or lots free from weeds and debris. All trash cans shall be stored inside, except on the day of trash collection for pickup purposes, or shall be adequately screened from view so that they are not visible from the adjacent public street(s).

8. Conform to Zoning. All structures, including driveways, sidewalks and patios placed upon any Lot shall conform to the zoning requirements of the applicable governmental authority and the building code requirements of the applicable governmental authority.

9. Signs/Model Homes. No sign, billboard or other structure for advertising or the display of advertising material of any kind shall be erected, altered, placed or permitted to remain on any Lot except that real estate signs shall be permitted temporarily. Developer and/or its designee may however, permit such signs as may be reasonably necessary for the operation and advertisement of model homes. Model homes may be maintained by the

Declarant notwithstanding the fact there are no longer any vacant lots within the subdivision for sale.

10. Boats and Trailers. With the exception of temporary sales offices operated by the Declarant, its successors or assigns, no boat, camper, trailer or similar chattel will be maintained on any Lot, other than in an enclosed structure, for more than seven (7) days within any calendar year; and no automobile, motorcycle, truck or other vehicle will be repaired, torn down or stored on any Lot, other than in an enclosed structure. No boat, camper, trailer, motor home, semi-trailer, tractor, commercial truck or other similar vehicle or chattel shall be stored, parked or abandoned on any Lot or street within the subdivision for a period of greater than 24 hours at a time.

11. Outside Antennae Prohibited. No outside radio, television, ham broadcasting, earth station, satellite dish or other electronic antenna or aerial shall be erected or placed on any structure or on any Lot, except with the prior written approval of the Declarant. If used, any such antenna or aerial of 24" or less shall be placed in the attic of the house, or in any other place in the house where it will be concealed from public view from any street or sidewalk. The foregoing notwithstanding, any earth station, satellite dish or other electronic antenna or aerial specifically exempted from covenant enforcement by court or governmental agency order shall be maintained in accordance with the strictest interpretation or condition for such use as may be permitted by such order.

12. Sod. A minimum of 3,000 square feet of sod shall be laid and maintained in the yard of each Lot.

13. Architectural Control. No building, fence, wall, driveway, patio, patio enclosure, rock garden, swimming pool, dog house, dog run, flagpole or other external improvement above or below the surface of the ground shall be erected, placed, altered or permitted to remain on any Lot, nor shall any grading excavation or tree removal be commenced until the construction plans and specifications, a site grading plan and a plot plan showing the location of the structure or improvement have been approved in writing by Developer, or any person, firm, corporation, partnership or entity designated in writing by Developer, which shall consider such plans and specifications with regard to type, quality and use of exterior materials, exterior design, location of improvements upon the building plot, and proposed finished grades; provided that Developer and its designee specifically reserve the right to deny permission to construct any type of structure, or improvement which it determines will not conform to the master plan for development of the subdivision. The approval or disapproval of the undersigned Developer, or its designee as required in these Covenants shall be in writing. Failure of the Developer or its designee to give either written approval or disapproval of a submitted plan within thirty (30) days after the submittal of said plan, by mailing such written approval or disapproval to the last known address of the applicant for approval as shown on the submitted plan, shall operate as disapproval of the plan as submitted. The restrictions of this paragraph shall automatically transfer to the Association when the last Lot has a completed dwelling constructed and conveyed to a third-party purchaser. No Owner (defined below), or combination of Owners, or other person or persons shall have any right to any action by Declarant, or to control, direct or influence the acts of the Declarant with respect to any proposed improvement. No responsibility, liability or obligation shall be assumed by or imposed upon Declarant by virtue of the authority granted to Declarant

in this Section, or as a result of any act or failure to act by Declarant with respect to any proposed improvement.

14. Utility, Pipeline and Other Easements. Easements encumber some or all of the Lots encumbered by these Protective Covenants, which include but are not limited to the following:

a. a perpetual easement is hereby reserved in favor of and granted to the Omaha Public Power District, Cox Communications, CenturyLink, and any company which has been franchised to provide a cable television system in the area to be subdivided, their successors and assigns, to erect, operate, maintain, repair and renew underground poles, wires, cables, conduits and other related facilities, and to extend thereon wires or cables for the carrying and transmission of electric current for light, heat and power and for the transmission of signals and sounds of all kinds including signals provided by a cable television system, and the reception on, over, through, under and across a five-foot (5') wide strip of land abutting all front lot lines and all side boundary lot lines;

b. an eight-foot (8') wide strip of land abutting the rear boundary lines of all interior lots; and a sixteen-foot (16') wide strip of land abutting the rear boundary lines of all exterior lots. The term "exterior lots" is herein defined as those lots forming the outer perimeter of the above-described addition. Said sixteen-foot (16') wide easement will be reduced to an eight-foot (8') wide strip when the adjacent land is surveyed, platted and recorded;

c. a perpetual easement is hereby granted to the Metropolitan Utilities District, their successors and assigns, to erect, install, operate, maintain, repair and renew pipelines, hydrants and other related facilities, and to extend thereon pipes for the transmission of gas and water on, through, under and across a five-foot (5') wide strip of land abutting all cul-de-sac streets;

d. other easements, as may be designated on any plat of Somerset 2, or replat thereof or in a separate easement document recorded of record with the Douglas County Register of Deeds.

15. Remedy on Violation. If the parties hereto or any of their heirs, successors or assigns shall violate or attempt to violate any of the covenants or restrictions herein, it shall be lawful for any Lot Owner to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any such covenant or restriction, and either prevent him or them from so doing or to recover damages for such violation.

16. Severability. Invalidation of any one of these covenants by judgment or court order shall in no way affect any of the other provisions which shall remain in full force and effect.

17. Binding on Successors. The covenants and restrictions herein contained shall run with the land, and shall be binding upon all persons for a period of twenty-five (25) years from the date hereof. Thereafter the covenants, restrictions and other provisions of this Declaration shall automatically renew for successive ten (10) year periods unless terminated or amended by the owners of not less than seventy-five (75%) percent of said Lots, which

termination or amendment shall thereupon become binding upon all Lots. Each of the covenants herein contained is several and separate from the other covenants, and invalidity of any covenant shall not affect the validity of any other provision of this instrument.

18. Enforcement by Developer. Nothing herein contained shall in any way be construed as imposing upon the Developer or any of the undersigned any liability, obligation or requirement to enforce this instrument or any of the provisions contained herein.

19. Amendments. For a period of ten (10) years following the date hereof, Declarant shall have the sole and exclusive right to amend, modify or supplement all of any portion of these Protective Covenants from time to time by executing and recording one or more duly acknowledged Amendments to Protective Covenants in the Office of the Register of Deeds of Douglas County, Nebraska. The right of the Declarant to amend, modify or supplement these Protective Covenants shall include, but not be limited to, the right to add, remove or otherwise detach any Lot or Lots from these Protective Covenants and from the jurisdiction of the Association. Thereafter, these covenants may be amended, supplemented or modified from time to time by recording one or more Amendments to Protective Covenants in the Office of the Register of Deeds of Douglas County, Nebraska duly executed and acknowledged by all owners of at least seventy-five (75%) percent of the Lots. Such amendments may include, among other things, the inclusion of additional properties to these Protective Covenants, and an extension of the time for which these covenants are to run.

20. HOMEOWNERS ASSOCIATION

i. Definitions.

A. "Association" shall mean and refer to SOMERSET 2 HOMEOWNERS ASSOCIATION, and its successors and assigns.

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

C. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may be subject to the jurisdiction of the Association.

ii. The Association. Declarant has caused the incorporation of the Association. The Association has as its purpose the promotion of the health, safety, recreation, welfare and enjoyment of the residents of the Lots, including:

A. The acquisition (by gift, purchase, lease or otherwise), construction, landscaping, improvement, equipment, maintenance, operation, repair, upkeep and replacement of Common Facilities for the general use, benefit and enjoyment of the Members. Common Facilities may include, but shall not be limited to, recreational facilities such as playgrounds and parks, dedicated and non-dedicated roads, paths, ways and green areas; and entrance signs for Somerset 2.

B. The promulgation, enactment, amendment and enforcement of rules and regulations relating to the use and enjoyment of any Common Facilities, provided always that such rules are uniformly applicable to all Members. The rules and regulations may permit or

restrict use of the Common Facilities by Members, their families, their guests, and/or by other persons, who may be required to pay a fee or other charge in connection with the, use or enjoyment of the Common Facility.

C. The exercise, promotion, enhancement and protection of the privileges and interests of the residents of Somerset 2; and the protection and maintenance of the residential character of Somerset 2.

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

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

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

C. the right of the Association to dedicate or transfer all or any part of the Common Facilities to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by 2/3rds of the Members has been recorded.

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

iv. Membership and Voting. The Owner of each Lot shall be a Member of the Association. The purchaser of a Lot under a land contract or similar instrument shall be considered to be the "Owner" of the Lot for purposes of this Declaration. With the exception of the Class B membership, as set forth below, the Owner of each Lot, whether one or more, shall have one vote on each matter properly before the Association. Membership shall be appurtenant to ownership of each Lot, and may not be separated from ownership of each Lot. Additional phases of Somerset 2 may be annexed to the Association by amendment to the covenants or by the recording of a separate set of protective covenants.

The Association shall have two classes of voting membership:

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

Class B. The Class B member(s) shall be the Declarant and shall be entitled to ten (10) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

a. when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

b. on June 1, 2030 or sooner at Declarant's discretion.

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

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

B. The landscaping, mowing, watering, repair and replacement of parks and other public property and improvements on parks or public property or property, subject to a lease or easement in favor of the Association, within or near Somerset 2.

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

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

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

F. The acquisition by purchase or otherwise, holding or disposition of any right, title or interest in real or personal property, wherever located, in connection with the affairs of the Association, including but not limited to any outlots within Somerset 2.

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

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

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

vi. Mandatory Duties of Association. The Association shall maintain, in a generally neat and clean condition, any and all entrance ways, fence, signs, cluster mailboxes, irrigation systems, landscaping, or greenspace which have been installed in easement or other areas of

the Somerset 2 subdivision and center islands dividing dedicated roads, any drainage easements in favor of the Association, in generally good and neat condition.

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

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

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

x. Purpose of Dues. The dues collected by the Association may be committed and expended to accomplish the purpose of the Association described in this Section 20, and to perform the Powers and Responsibilities and Mandatory Duties of the Association described in subsections v and vi of this Section 20.

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

A. Beginning January 1, 2021, One Hundred Twenty Five and No/100ths (\$125.00) Dollars per Lot; or

B. In each calendar year beginning on January 1, 2022, one hundred twenty-five percent (125 %) of the aggregate dues charged in the previous calendar year.

xii. Assessments for Extraordinary Costs. In addition to the dues, the Board of Directors may levy an assessment or assessments for the purpose of defraying, in whole or in part, the costs of any acquisition, construction, reconstruction, repair, painting, maintenance, improvement, or replacement of any Common Facility, including fixtures and personal property related thereto, and related facilities. The aggregate assessments in each calendar year shall be limited in amount to Five Hundred and NO/ 100 Dollars (\$500.00) per Lot.

xiii. Excess Dues and Assessments. With the approval of seventy-five percent (75%) of the Members of the Association, the Board of Directors may establish dues and/or assessments in excess of the maximums established in this Declaration.

xiv. 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 subsection viii of this Section 20.

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

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

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

xviii. Additional Lots. Declarant reserves the right, without consent or approval of any Owner or Member, to expand the Association or amend these Protective Covenants to include additional residential lots in any subdivision which is contiguous to any of the Lots. Such expansion(s) may be affected from time to time by the Declarant or Declarant's assignee by recordation with the Register of Deeds of Douglas, Nebraska of an amendment to these Protective Covenants and/or a separate Protective Covenant, executed and acknowledged by Declarant or Declarant's assignee, setting forth the identity of the additional residential lots (hereinafter the "Subsequent Phase Protective Covenant").

Upon the recording of any Subsequent Phase Protective Covenant which expands the residential lots included in the Association, the additional lots identified in the Subsequent Phase Protective Covenant shall be considered to be and shall be included in the "Lots" for purposes of this Section and these Protective Covenants, and the Owners of the additional

residential lots shall be Members of the Association with all rights, privileges and obligations accorded or accruing to Members of the Association.

21. Waiver for Hardship. Until such time as all Lots are improved, Developer shall have the right in its discretion to waive any one or more of the covenants, conditions or restrictions herein contained for hardship or other cause.

Dated this 19th day of SEPTEMBER 2019.

CELEBRITY HOMES, INC., Declarant,

By 

CHAD LARSEN, Vice-President

STATE OF NEBRASKA)

) ss.

COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 19th day of September, 2019, by Chad Larsen, Vice-President, on behalf of Celebrity Homes, Inc., a Nebraska corporation.


Notary Public

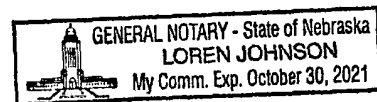


Exhibit A Perimeter Fence Design

