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**DECLARATION OF COVENANTS, CONDITIONS,  
 RESTRICTIONS AND EASEMENTS  
 FOR BLUEWATER**

THIS DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS ("Declaration") is made effective on this 4<sup>th</sup> day of December, 2015, by Bluewater Development Corporation, a Nebraska corporation, or its successors and assigns ("Declarant").

RECITALS

A. Declarant is the owner of certain real property situated in the City of Valley, Douglas County, Nebraska, legally described as follows, to-wit:

Lots 1 through 122, inclusive, Lots 130 through 266, inclusive, and Outlots B through F, inclusive, Outlots H through S, inclusive, and Outlot U, and Outlots W ~~through S~~, inclusive, all in Bluewater, a subdivision, as surveyed, platted and recorded in Douglas County, Nebraska; and Lots 1 and 2, and Outlots A and B, Bluewater Replat 1, a subdivision, as surveyed, platted and recorded in Douglas County, Nebraska (collectively referred to as the "Property").

B. Declarant desires to provide for the preservation of the values and amenities of Bluewater, for the maintenance of the character and residential integrity of Bluewater and for the maintenance of certain common facilities for the use and enjoyment of the residents of Bluewater.

C. By virtue of the recording of this Declaration, the Property shall be owned, held, transferred, sold, conveyed, developed, used, occupied, operated, improved and mortgaged or otherwise encumbered subject to the provisions of this Declaration and every grantee of any interest in the Property or any portion thereof, by acceptance of a deed or other conveyance of such interest, and every Owner of the Property or any portion thereof, whether or not such deed or other conveyance of such interest shall be signed by such person and whether or not such person shall otherwise consent in writing, shall own and take subject to the provisions of this Declaration and shall be deemed to have consented to the terms hereof.

D. Declarant desires to form a Nebraska nonprofit corporation to be known as the Bluewater Homeowners Association, Inc. for the purposes of, among other things, holding title to or otherwise controlling the Common Areas, preserving the values and amenities of the Property in regard to which the

RETURN TO:

FULLENKAMP, DOYLE & JOBEUN  
 11440 WEST CENTER ROAD  
 OMAHA, NEBRASKA 68144-4482  
 ATTN: Brienne Johnson

4047036

Association will be delegated certain powers of administering and maintaining the Common Areas and enforcing this Declaration, collecting, and disbursing and enforcing the Assessments created herein; subject to the powers, rights and duties reserved by Declarant as set forth in this Declaration.

E. Declarant does hereby specify, agree, designate and direct that this Declaration and all of its provisions shall be and are covenants to run with the Property and shall be binding on the present owners of the Property or any portion thereof and all its successors and assigns and all subsequent owners of the Property and any Improvements (as defined below), together with their grantees successors, heirs, executors, administrators, devisees and assigns.

NOW, THEREFORE, Declarant hereby imposes the following covenants, conditions and restrictions on the Property, which shall run with the equitable and legal title to the land and shall be for the benefit or burden, as the case may be, of the Owners and Occupants of the Property or any portion thereof within Bluewater, their respective heirs, legal representatives, successors and assigns, and any mortgagees.

## ARTICLE I. DEFINITIONS

1.1 Architectural Committee or Committee. "Architectural Committee" or "Committee" shall mean the Architectural and Development Control Committee created pursuant to Article V below.

1.2 Articles. "Articles" shall mean the Articles of Incorporation of the Association, as they may from time to time be amended or restated, which shall be filed with the Nebraska Secretary of State.

1.3 Assessments. "Assessments" shall mean all regular assessments described in Section 10.5, special assessments described in Section 10.6, reimbursement assessments described in Section 10.7, and capital improvement assessments described in Section 10.8 below.

1.4 Association. "Association" shall mean and refer to the Nebraska nonprofit corporation (and its successors and assigns) organized by Declarant to exercise the rights, powers and duties set forth in this Declaration. Declarant intends to name the Association the "Bluewater Homeowners Association, Inc."

1.5 Board or Board of Directors. "Board" or "Board of Directors" may be used interchangeably herein and shall mean and refer to the Board of Directors of the Association.

1.6 Bylaws. "Bylaws" shall mean the Bylaws of the Association, as they may from time to time be amended or restated.

1.7 City. "City" shall mean the City of Valley, Nebraska.

1.8 Common Area or Common Areas. The terms "Common Area" or "Common Areas" shall mean and refer to the Outlots (as defined below), together with all Improvements constructed or to be constructed within the Common Area and any portions of Bluewater owned by the Association in fee or against which an easement has been imposed under this Declaration or another instrument in favor of the Association, and any other areas with respect to which the Association has assumed in writing, at its election, administrative or maintenance responsibilities, or as otherwise provided in the Subdivision Agreement dated May 16, 2014, entered into by and between Declarant and the City, which may be

amended from time to time. The initial Common Area is depicted on the Site Plan (as defined in Section 1.23).

1.9 Declaration. "Declaration" shall mean this Declaration of Covenants, Conditions, Restrictions and Easements for Bluewater, as it may be amended or supplemented from time to time.

1.10 Development Guidelines or Guidelines. "Development Guidelines" or "Guidelines" shall mean the design and development guidelines and standards and the review and approval procedures prepared and issued from time to time by the Architectural Committee pursuant to Article V for the purpose of assisting the Lot Owners and Lessees in preparing building, landscaping, site and development plans for all of the real property and Improvements within the Bluewater Subdivision.

1.11 Exempt Property. "Exempt Property" shall mean the Common Areas owned in fee by the Association. In no event shall any Lot, or any portion thereof, be considered as Exempt Property. Exempt Property shall be exempt from Assessments and from all rights and obligations of membership in the Association, but shall not be exempt from all other covenants, restrictions, conditions and easements contained herein, including but not limited to all use and development restrictions.

1.12 Improvements. "Improvements" shall mean all land preparation and excavation, buildings, outbuildings, structures, underground installations, slope and grade alterations, lighting, roads, walkways, curbs, gutters, storm drains, drainage ways, utilities, driveways, parking areas, fences, floating docks, boat slips, screening walls and barriers, accessory structures, retaining walls, stairs, decks, patio areas, windbreaks, plantings, planted trees and shrubs, sidewalks, poles, flags, signs, water retention and detention areas, fountains, water features, recreational facilities and all other structures, and landscaping improvements of every type and kind.

1.13 Lessee. "Lessee" shall mean the owner of a leasehold interest (including any subtenancy) or license or other occupancy right in any Lot or a portion thereof.

1.14 Lot or Lots. "Lot" or "Lots" shall mean Lots 1 through 122, inclusive, Lots 130 through 266, inclusive, all in Bluewater, a subdivision, as surveyed, platted and recorded in Douglas County, Nebraska; and Lots 1 and 2, Bluewater Replat 1, a subdivision, as surveyed, platted and recorded in Douglas County, Nebraska.

1.15 Member. "Member" shall mean and refer to every person or entity who is a Member of the Association pursuant to Article IV.

1.16 Mortgage. "Mortgage" means any instrument recorded or filed in the office of the Douglas County Register of Deeds encumbering a Lot or any portion thereof as security for the performance of an obligation given in good faith and for valuable consideration which is not a fraudulent conveyance under Nebraska law, including, without limitation, a deed of trust, but does not mean any instrument creating or evidencing solely a security interest arising under the Uniform Commercial Code or an encumbrance affecting any leasehold interest in a Lot or Lots (such as leasehold mortgage).

1.17 Mortgagee. "Mortgagee" shall mean a mortgagee under a Mortgage or a beneficiary under a deed of trust.

1.18 Outlot. "Outlot" or "Outlots" shall mean and Outlots B through F, inclusive, Outlots H through S, inclusive, Outlot U, and Outlots W through Z, inclusive, all in Bluewater, a subdivision, as surveyed, platted and recorded in Douglas County, Nebraska; and Outlots A and B, Bluewater Replat 1, a

subdivision, as surveyed, platted and recorded in Douglas County, Nebraska. The Declarant may, at any time, convey all of its right, title and interest in and to the Outlot or any portion thereof to the Association or any other entity in its sole and absolute discretion.

1.19 Owner. "Owner" shall mean the fee simple interest owner of any Lot or Lots, including, without limitation, one who is buying a Lot or Lots under a recorded contract, but excluding Mortgagees and others who hold such title merely as security. Owner shall not include a Lessee of a Lot or Lots.

1.20 Period of Declarant Control. The "Period of Declarant Control" shall commence with the recording of this Declaration and shall continue for as long as Declarant owns at least one (1) Lot, unless and until the Declarant elects, in its discretion, to transfer, relinquish and/or surrender all of its rights and obligations in this Declaration in the manner set forth in Article XVI.

1.21 Permittees. "Permittees" shall mean the officers, directors, members, partners, employees, tenants, agents, contractors, invitees, or subtenants of the Declarant, its successors and assigns, the Association, Owners, occupants, Lessees and Mortgagees (including their respective guests and invitees) of the Lots, or any portion thereof, and fire, rescue, and other emergency vehicles.

1.22 Person. "Person" or "Persons" shall mean and refer to a natural person, corporation, partnership, limited liability company, a trust or any other legal entity.

1.23 Plat. "Plat" shall mean the Final Plat for Bluewater recorded on September 19, 2014, as Instrument No. 2014073737, in the official records of Douglas County, Nebraska, and any amendments, administrative subdivisions, minor plats or other modifications thereof.

1.24 Site Plan. "Site Plan" shall mean and refer to the plan of development as depicted on Exhibit "A" that is attached hereto and incorporated herein by this reference.

1.25 Subdivision Agreement. "Subdivision Agreement" shall mean and refer to that certain Subdivision Agreement dated May 16, 2014, entered into by and between Declarant and the City, which may be amended from time to time, without the consent of any Owner or the Association.

1.26 Undeveloped Lot. "Undeveloped Lot" shall mean and refer to any Lot on which a residential structure has not been completed.

## ARTICLE II GENERAL PROVISIONS

2.1 Establishment of Restrictions. Declarant hereby declares that the Property and any other property hereafter annexed hereunder is now held, and shall hereafter be held, transferred, sold, leased, conveyed and occupied subject to the restrictions herein set forth, each and all of which is and are for, and shall inure to, the benefit of and pass with each and every portion of the Property and shall apply to and bind the heirs, assignees and successors in interest of any Owner thereof.

2.2 Purpose of Restrictions. The purpose of these covenants and restrictions is to promote proper development and use of the Property, to protect the Owner of each Lot against any improper development and use of any Lot, to prevent the erection on the Property of structures built of improper design or materials, to encourage the erection of attractive improvements, to prevent haphazard and inharmonious improvements, to enhance and protect the value, desirability and attractiveness of all the

Property, and in general to provide for high quality improvements on the Property in accordance with a uniform plan of development.

### ARTICLE III THE ASSOCIATION

3.1 Formation of Association. The Association shall be a nonprofit corporation formed under the laws of the State of Nebraska, charged with the duties and empowered with the rights prescribed by law and set forth herein and in the Bylaws and in the Articles. Upon the incorporation of the Association by Declarant, the Association shall be charged with the duties and vested with the powers set forth in the Articles, the Bylaws and this Declaration.

3.2 Board of Directors and Officers. The affairs of the Association shall be conducted by the Board and such officers as the Board may elect or appoint in accordance with the Articles and the Bylaws. The Board shall adopt Bylaws to govern the affairs of the Board and the Association. Except as otherwise provided herein or in the Articles or Bylaws, all acts of the Association shall be made by a majority of the members of the Board. The Board may also appoint various committees at its discretion and may contract with a Person to serve as a manager who shall, subject to the direction of the Board, be responsible for the day-to-day operation of the Association. The Board shall determine the compensation to be paid to the manager and any employees of the Association.

3.3 Powers. The Association shall have all the powers of a nonprofit corporation organized under the laws of the State of Nebraska concerning nonprofit corporations, subject only to such limitations on the exercise of such powers as are set forth in the Articles, Bylaws and this Declaration. It shall have the power to do any lawful acts that may be authorized, required, or permitted to be done by the Association under this Declaration (including any rights, duties and responsibilities assigned by Declarant from time to time pursuant to Article XVI), the Articles and the Bylaws, and to do and perform any act that may be necessary or proper for or incidental to, the exercise of any of the express powers of the Association.

3.4 Rules and Regulations. The Board may adopt, amend and repeal rules concerning all aspects of the Association's rights, activities and duties. Any such adoption, amendment and/or repealing of any rules, for the same to be effective as to and against any portion of the Property, must be agreed to by a vote made in accordance with Article IV herein below (approved by a majority of the outstanding votes of the Members), but not before all Owners and Permittees within the Property receive written notice of the proposed adoption, amendment or repeal. The rules and regulations may govern and restrict the use of any area in Bluewater; provided, however, that the same must be reasonable (both on their face and in the method of their enforcement) and also shall not discriminate among Members except to reflect their different rights as provided herein, shall not be inconsistent with this Declaration, the Articles or the Bylaws, and such rules and regulations shall not affect the use of any Lot that has been approved in accordance with the terms and conditions of this Declaration. Upon adoption, the rules and regulations shall have the same force and effect as if set forth herein. Such rules and regulations shall be uniformly enforced against all applicable Persons.

3.5 Disclaimer of Liability. No member of the Board, or of any committee of the Board or Association, nor any member of the Architectural Committee nor any officer or employee of the Association or any manager, or the Declarant, or any agent employee or officer of Declarant, shall be personally liable to any Owner, or to any Lessee, contract purchaser, or other person, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error

or negligence of any such person or entity if such person or entity has, on the basis of such information as may be possessed by such person, acted in good faith without willful or intentional misconduct.

3.6 Articles and Bylaws. Neither the Articles nor the Bylaws shall be amended or interpreted in a manner that is inconsistent with this Declaration.

ARTICLE IV  
ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

4.1 Memberships. With the exception of the Class B membership, as set forth below, each Owner shall have one membership for each Lot owned (but specifically excluding any Exempt Property).

4.2 Transfer of Memberships. An Owner shall, upon becoming the record Owner of a Lot, automatically become a Member of the Association and shall remain a Member thereof until such time as his ownership ceases for any reason, at which time his membership in the Association shall automatically cease. Such membership shall be appurtenant to and pass with the ownership of such Lot. The membership shall not be transferred, pledged or alienated in any way, except as appurtenant to a transfer of ownership of a Lot. Any attempt to transfer a membership except as appurtenant to the transfer of ownership of a Lot shall be void and shall not be reflected upon the Association's books and records.

4.3 Voting; Multiple Owners; Appointment of Agent. With the exception of the Class B membership, as set forth below, each Owner shall have one vote for each membership owned as provided in Section 4.1 above. All voting pursuant to the terms of this Declaration shall be made in accordance with the provisions of this Section 4.3. Each vote must be cast as a single unit. If an Owner consists of more than one Person, then all persons constituting an Owner of such Lot shall, simultaneously with or immediately after their acquisition of such Lot, deliver to the Association a written instrument appointing one Person as the agent for all Persons constituting the Owner of such Lot, which agent shall thereupon receive notices of Assessment and other notices, demands, cast votes hereunder, and take any and all actions required or permitted to be taken by an Owner under the terms of this Declaration. An Owner may change its designated agent by written notice to the Association as set forth above, which change shall be effective only upon actual receipt of such notice by the Association. No change in the ownership of a Lot shall be effective for voting purposes until the Board receives written notice of such change together with satisfactory evidence thereof. An Owner may assign all, but not less than all, of its voting rights attributable to a particular Lot to a Lessee, which shall be effective only upon actual receipt of such notice by the Association. If more than one Person casts or attempts to cast a vote for a particular Lot, all such votes shall be deemed void.

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 (1) vote for each Lot owned.

Class B. The Class B member shall be the Declarant and shall be entitled to fifty (50) votes for each Lot owned. The Class B membership shall terminate and become converted to a Class A membership upon the sale of the last Lot to any third-party purchaser. In addition, the Class B membership shall cease and shall be converted to Class A membership when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership.

4.4 Initial Board of Directors. The initial Board of Directors of the Association shall consist of not less than three Directors and shall be appointed by the Declarant upon the incorporation of the

Association. During the Period of Declarant Control, the Declarant shall have the sole right, in its absolute discretion, to appoint and remove the Directors of the Board; however, the Declarant may temporarily or permanently relinquish its right to appoint or remove some or all of the Directors at any time as provided in Article XVI. If the Declarant relinquishes its appointment rights, the Members (including the Declarant) shall then elect all Directors as provided in the Bylaws.

4.5 Subsequent Board of Directors. After the expiration of the Period of Declarant Control the Members (including the Declarant) shall elect the Directors as provided in the Bylaws, and the Bylaws may provide for staggered terms and lengths of terms for Directors chosen by the Association Members which are different than those initially set forth in this Declaration and may provide for a greater number of Directors to be chosen by the Members than is set forth herein; provided, however, that in no event shall there be fewer than three Directors. The Board shall undertake all duties and responsibilities of the Association and the management and conduct of the affairs thereof, except as expressly reserved herein to a vote of the Members.

4.6 Administration and Compliance. If the Articles or Bylaws are in any way inconsistent with the Declaration, then this Declaration shall prevail and control. Each Owner and Lessee of a Lot shall comply with, and shall cause their respective invitees to comply with the provisions of this Declaration, the Articles and Bylaws, Development Guidelines and rules of the Association, as amended from time to time, and failure to so comply shall be grounds for (a) action for damages and/or injunctive relief, and (b) such remedies, by legal proceedings or otherwise, as are available by reason of this Declaration or by law, each of which remedies shall be cumulative and in additions to any other available remedy.

## ARTICLE V

### ARCHITECTURAL AND DEVELOPMENT CONTROL COMMITTEE

5.1 Committee Composition. An Architectural Committee shall be organized by the Declarant and shall consist of three persons.

5.2 Alternate Members. There shall also be two alternate members to be designated by the Declarant to act as a substitute for any member of the Committee in the event of his or her unavailability or disability.

5.3 Appointment. The members of the Committee shall be selected as follows:

5.3.1 Until the expiration of the Period of Declarant Control, Declarant shall have the right to appoint and remove all members and alternate members of the Committee. The Declarant may temporarily or permanently relinquish its right to appoint all or some of the Committee members and alternates at any time as provided in Article XVI.

5.3.2 If and when Declarant relinquished its appointment rights, the Association through its Board shall, without further act or deed of the Declarant, exercise all rights of Declarant provided herein to appoint and remove members and alternate members of the Committee, to enforce and implement the Development Guidelines and to perform Declarant's obligations under this Article; and at such time, all obligations of Declarant under this Article shall automatically terminate, and except as otherwise provided herein, all rights and obligations of Declarant under this Article shall vest in the Board.

5.4 Terms of Office. The term of all Committee members and alternates appointed by Declarant shall be set by Declarant. The term of all Committee members and alternates appointed by the Board shall be two years. Any new member appointed to replace a member who has resigned or been removed shall serve such member's unexpired term. Members whose terms have expired may be reappointed or re-elected. A member of the Committee shall not be required to satisfy any particular qualifications for membership and may be a member of the Board, an officer of the Association, an officer or employee of Declarant or a Person who is not a member or Owner or Lessee or otherwise affiliated with Bluewater.

5.5 Resignations; Vacancies. Any member of the Committee may, at any time, resign from the Committee upon written notice to Declarant, so long as Declarant has the sole right to appoint any member, or upon written notice to the remaining Committee members and to the Board when the right to appoint any members is vested in the Board. Vacancies on the Committee of members appointed by Declarant, however caused, shall be filled by Declarant so long as Declarant has the right to appoint members. Vacancies on the Committee of members appointed by the Association, however, caused, shall be filled by the Board.

5.6 Powers and Duties. The Architectural Committee shall have all of the powers and authority conferred upon it by this Declaration and the Articles and Bylaws, and shall have the right to hire and retain services of engineers or other consultants and professionals as they deem necessary to perform the duties of the Committee. It shall be the duty of the Committee to perform the functions required of it by this Declaration; to consider and act upon all Applications and the plans, specifications and other documents submitted to it pursuant to the terms hereof; to adopt Development Guidelines; and to perform all other duties delegated to and imposed upon it by this Declaration. The Board shall determine the compensation, if any, to be paid to the members of the Committee.

5.7 Meetings. The Committee shall meet as often as it, in its sole discretion, shall deem necessary to properly perform its duties hereunder. The vote or written consent of any two members or designated alternates shall constitute an act by the Committee. The Committee shall keep written records of all actions taken by it.

5.8 Development Guidelines. In addition to the architectural and development standards set forth herein, the Committee shall, from time to time, and in its sole discretion, draft, propose, adopt and amend certain standards and regulations to be known as Development Guidelines. Such Development Guidelines, and any amendments thereto, shall supplement, interpret and implement the provisions hereof by setting forth (a) the standards and procedures for Committee review, and (b) guidelines for Improvements which shall include, but not be limited to, guidelines for architectural design of Improvements, site plans, floor plans, setbacks and building envelopes, exterior elevations for Improvements, height limitations, landscape plans, irrigation plans, color schemes, signage, exterior lighting, finishes and materials for use within Bluewater Subdivision and the Property. The Development Guidelines initially adopted by the Committee and all amendments during the Period of Declarant Control shall be effective only after approval by Declarant. After the expiration of the Period of Declarant Control, any amendment to the Development Guidelines must be approved by a majority of the outstanding votes of the Association.

## ARTICLE VI RESERVATION OF EASEMENTS

6.1 Easements for Common Areas. Declarant hereby reserves to itself, its successors and assigns, and to the Association, and their respective employees, contractors and other authorized



designees, an easement over, upon, under and across the Common Area, together with a nonexclusive easement for ingress and egress over and upon the Lots and all other areas within Bluewater, for the following purposes: installation, repair, reconstruction, restoration, replacement, landscaping and maintenance of the Common Area (including without limitation retaining walls, utilities, landscaping and other features), and for other maintenance, rights and duties permitted to or required of the Declarant or the Association in this Declaration.

6.2 Reservation of Easements. Declarant during the Period of Declarant Control and the Association thereafter shall have the right at all reasonable times to enter upon any Lot covered by any easements and to maintain, repair, replace and service any utilities thereon; provided, however, that the Declarant or the Association shall promptly restore the land and any Improvements thereon in a good and workmanlike manner and free of liens to substantially the same condition as existed prior to such entry. For the purpose hereof, "utilities" or "utility" shall include electricity, gas mains and lines, water distribution lines, storm water sewers, sanitary sewers, cable television lines and cables, telephone cables and lines, and other similar or related facilities commonly regarded as utilities. No conveyance by Declarant of any Lot, or any interest therein, shall be deemed to be or construed as a conveyance or release of the easements herein reserved. Notwithstanding the foregoing, Declarant reserves the right unto itself, by express language to such effect from time to time in any deed or other recorded instrument, to release any Lot or portions thereof from any of the above reserved easements. No utility easement shall unreasonably interfere with the use of any Lot; no permanent building, structures or other improvements shall be placed over or encroach upon such installations without the prior written approval of the Declarant during the Period of Declarant Control or the Association thereafter; once commenced, any construction shall be diligently prosecuted to completion to minimize any interference with the use and enjoyment of the affected Lot; except in an emergency, the right of entry upon a Lot shall be conducted in a manner to minimize interference with the use and enjoyment of any such Lot; no monetary obligation shall be imposed upon the Owner of the burdened Lot, and the party undertaking such work shall with due diligence repair at its sole cost any damage caused by such work and restore the affected portion of the burdened Lot; the party undertaking such work shall pay all costs associated therewith and shall indemnify the other Owners from all damages attributable to such work.

6.3 Pedestrian Easements. Declarant hereby reserves to itself, its successors and assigns, and to the Association, Owners, occupants, and Mortgagees of the Lots, or any portion thereof, for their benefit and for the benefit of their respective Permittees, a nonexclusive easement for the purpose of pedestrian traffic within the Common Area. Each Owner shall grant an easement to all other Lot owners and guests of Lot owners to allow passage on the beachfront from the waterline to 35' interior the waterline and such area shall be maintained in its existing sand conditions, including, but not limited to, topography.

6.4 Vehicular Easements. Declarant hereby reserves to itself, its successors and assigns, and to the Association, Owners, occupants, Lessees and Mortgagees of the Lots, or any portion thereof, for their benefit and for the benefit of their respective Permittees, a nonexclusive perpetual easement for the purpose of vehicular traffic, but not parking, over, upon, across that portion of the Property on which the Common Area now or hereafter located, as reflected on the Site Plan attached hereto as Exhibit "A".

6.5 Waterfront Easements. Declarant hereby grants the Owners, occupants, Lessees and Mortgagees of the waterfront Lots a revocable easement to install a dock in the lake at the rear of their respective Lot, subject to the dock plans being submitted to and approved by the Association. No dock or boatlift shall be constructed or installed on any Lot until the house on such Lot is in the framing stage of construction. No docks or boatlifts may extend more than thirty-five (35') feet into the water beyond the shoreline, unless a written waiver is granted by the Association. Docks and boat lifts shall not be placed

within five (5') feet of a Lot line, unless the adjoining Owner's have a shared dock or boatlift or unless written approval from the adjoining Owner is provided to the Association. Notwithstanding the foregoing, should any Lot have less than one hundred (100') feet of shoreline, the Owner of said Lot may place their dock and/or boatlift on the boundary line of the Lot. This easement may be revoked by the Declarant during the Period of Declarant Control and thereafter by the Association at any time if any of the foregoing requirements are not complied with or if any violations or noncompliance with the Rules and Regulations are not observed.

6.6 Specific Restrictions on Dock Locations. The following Lots shall have additional restrictions on dock locations within Bluewater as determined by the Committee and in accordance with the Design Guidelines: Lots 57, 58, 59, 76, 77, 78, 79, 80, 81, 98, 99, 100, 101, 102, 182, 183, 184, 185, 206, 207, 208, 215, 216, 217, 218, 232, 233 and 234, respectively.

## ARTICLE VII ARCHITECTURAL CONTROL AND REGULATION OF IMPROVEMENTS

### 7.1 Approval of Plans.

7.1.1 Approval Required. Except for Improvements constructed and installed by Declarant, no Improvement shall be constructed, erected, placed, expanded, added to, maintained or permitted to remain in Bluewater, and no alterations or other work which alters the exterior appearance of any Lot or Improvement, until plans and specifications and other documentation as may be required by the Committee or the Development Guidelines for said Improvements and alterations, which may include without limitation exterior elevations, drainage and water retention plans, materials, colors, landscaping, irrigation plans, exterior lighting and any other information needed to accurately describe the exterior appearance of said Improvements (the "Application"), have been submitted to and approved in writing by the Committee. The Application shall be filed with the Committee. Improvements approved in writing by Declarant prior to the recording of this Declaration shall be deemed to have been approved by the Committee.

7.1.2 Fees. As a means of defraying its expenses, the Committee may institute and require a reasonable filing fee to accompany the Application for Each building or other construction project submitted. Initially, the Declarant will require a \$250.00 non-refundable review fee and a \$2,000.00 debris and Lot restoration deposit upon the receipt of an Application for any Lot within Bluewater. If resubmission of an Application is necessary, the Committee may, at its sole discretion, require an additional filing fee, to be determined at the time of submittal. The \$2,000 debris and Lot restoration deposit shall be held by the Declarant pending the completion of the residential structure. In the event the Declarant is required, in its sole and absolute discretion, to expend funds to bring any Lot under construction in compliance with this Declaration, the Design Guidelines or the Rules and Regulations, then the Declarant shall have the right to keep and retain all or a portion of the deposit to defray the costs incurred by the Declarant.

7.1.3 Governmental Regulations. All Applications for Improvements submitted to the Committee hereunder shall comply with any and all laws, rules, regulations or ordinances applicable to Bluewater which have been promulgated by any local, state, federal or other governmental agency or authority.

7.1.4 Basis for Approval. The Committee shall have the right to disapprove the Application submitted to it, if any part of it is:

7.1.4.1 not in accordance with this Declaration or the Development Guidelines;

7.1.4.2 incomplete;

7.1.4.3 not in compliance with relevant approval requirements or regulations of local, state, federal or other governmental agencies;

7.1.4.4 deemed by the Committee to be contrary to the best interests of Bluewater or the Owners; or

7.1.4.5 incompatible with the architectural style, quality or aesthetics of existing Improvements or development plans for proposed Improvements, based in part on the criteria set forth in subsections (i) through (vi) below in this Subsection 7.1.4.

During the Period of Declarant Control, the Committee shall have the right to withhold its approval of an Application submitted to the Committee in its sole and absolute discretion. Thereafter, the Committee shall have the right to withhold its approval of an Application submitted to the Committee in its reasonable discretion. In this connection, the Committee may also base its approval or disapproval on criteria which may include, but are not limited to, the following: (i) the adequacy of the building locations and dimensions on the Lot; (ii) conformity and harmony of external design with neighboring structures; (iii) relation of topography, grade and finish ground elevation of the Lot being improved to that of neighboring Lots; (iv) proper facing of main elevations with respect to nearby streets; (v) adequacy of landscaping; and (vi) conformity of the Application to the purpose and general plan and intent of this Declaration. Any decision of the Committee made after Declarant is no longer entitled to appoint the members of the Committee, may be appealed to the Board. The decision of the Board shall be final. As long as Declarant is appointing the members of the Committee, any decision of the Committee shall be final.

7.1.5 Buildable Area. Each Lot has a designated buildable area where the construction of a residence may only occur (the "Buildable Area"). No residence or supporting structure shall occur outside of the Buildable Area. The area of the Lot from the street curb to the front of the Buildable Area (the "Front-Yard and Right-of-Way Area"), along with the Building Area, shall be landscaped with fescue turf, plantings and related features. No exposed sand shall be permitted to exist within the Front-Yard and Right-of-Way Area. The rear thirty-five (35') feet of the Lot, measured from the rear of the Lot line (the "Beach Area"), shall be maintained in existing sand conditions and topography. No retaining walls may exist within the Beach Area. The distance, measured from the rear line of the Buildable Area to the beginning of the Beach Area, shall be equally divided between an area adjacent to the Buildable Area that must be landscaped with fescue turf, planting and related features (the "Backyard Area") and an area adjacent to the Beach Area that must be maintained in existing sand conditions or seeded with the specified Bluewater Mix (the "Transition Area"). No imported soil or retaining walls shall exist within the Transitional Area. An illustration is attached hereto as Exhibit "B" and incorporated herein by this reference.

7.1.5 Time for Decision. The Committee shall approve or disapprove each Application, whether a preliminary or final submittal, within thirty (30) days from the receipt thereof. If the Committee fails either to approve or disapprove the Application within said 30-day period; then it shall be irrevocably deemed that the Committee has approved the Application. At least one set of the Application shall, with the approval or disapproval endorsed thereon, be returned to the submitting person and one set shall be retained by the Committee for its permanent files. Notwithstanding Section 7.1.1, no application or Notice shall be deemed filed with the Committee until it is actually received by at least one Committee member by certified mail (return receipt requested).

7.1.6 Time for Commencing. Upon receipt of approval from the Committee pursuant to this Section and upon receipt of approvals from the City, the Owner shall, as soon as practicable, satisfy all conditions thereof and diligently proceed with the commencement and completion of all approved construction, refinishing, alterations, excavations and landscaping. In all cases, work shall be commenced within two (2) years after of the date of closing on the Lots. In the event construction has not commenced in within two (2) years after the date of closing, the approval of the plans and specifications shall be deemed revoked unless the Committee, upon request made prior to the expiration of said two (2) year period, extends the time for commencing work by written notice to the Owner, which may be withheld or conditioned in the Committee's discretion.

7.1.7 Completion of Work. All construction, refinishing, alteration or excavation of any Improvements approved under this Section 7.1 shall be undertaken and pursued diligently to completion, but in any event shall be completed within two years after the date of approval by the Committee. However, the time for completion shall be extended for any period such completion is rendered impossible or would result in great hardship due to strikes, fires, national emergencies, natural calamities or other similar supervening forces beyond the control of the Owner or its Lessees. Failure to comply with this subsection 7.1.7 shall constitute a breach of this Declaration and subject the defaulting party or parties to all enforcement procedures set forth herein or any other remedies provided by law or in equity.

7.1.8 Disclaimer of Liability. Neither Declarant, the Committee nor any member thereof, nor any agents, officers or employees of Declarant or of the Committee, shall be liable in any way for any damage, loss or prejudice suffered or claimed by an Owner, Lessee or any other Person who submits an Application. Any person or entity who submits an Application shall forever defend, indemnify and hold the Declarant, the Committee, the members thereof, and the employees, officers and agents of each, harmless from all damage, loss or liability (including reasonable attorneys' fees) suffered or claimed by any third party on account of (i) any defects in any plans, drawings, specifications or other documentation submitted in any Application, or revised or approved in accordance with the foregoing provisions, or for any structural or other defects in any work done according to such plans, drawings, specifications or other documentation; (ii) the approval or disapproval of any Application, whether or not defective; (iii) the construction or performance of any work, whether or not pursuant to an approved Application; or (iv) the development of any Lot within Bluewater.

7.1.9 Soil Conditions; No Representation or Warranty. The Seller employed a qualified testing laboratory to test compaction of the soil when the over-Lot grading was performed, but the Seller makes no representations or warranties concerning the condition of the soil, the compaction or buildable quality of any particular Lot, bank erosion or the suitability of any particular Lot for any particular style of residential structure or otherwise. The Lot Owner agrees that it is solely the Lot Owner's responsibility to make appropriate test to determine the buildable quality of the soil, as well as the suitability of the Lot and the location of the utilities for any particular style of residential structure or otherwise. All Lot Owners acknowledge that no oral or written representation, statements, warranties or promises have been made by the Declarant or its contractors, agents or employees or any Person purporting to represent it,

unless the specific warranty or representation has been made in writing by the Declarant. Each Lot Owner agrees to hold the Declarant and its contractors, agents and employees and any other Person purporting to act on behalf of the Declarant harmless under this Declaration and the Declarant shall not be held responsible for any damages, including those incidental and consequential thereto.

7.1.10 No Representations or Warranties. In no event shall an approval by the Committee of any Application, or any written or oral statements made by the Board or any officer or employee of the Association, Declarant or any employee or officer or agent of Declarant, or the Committee or any member, agent or employee thereof, be deemed to constitute in any way any representations or warranties of any kind, express or implied, with regard to the Application and any plans, drawings, specifications or other documentation constituting a part of the Application, including without limitation representations or warranties regarding compliance with zoning, subdivision and land use laws, or compliance with any other applicable codes, regulations and laws, or with regard to fitness for a particular purpose.

7.1.11 Presumption of Compliance; Estoppel Certificate. The foregoing notwithstanding, after the expiration of one (1) year from the date the Committee receives from an Owner either (i) a copy of the certificate of occupancy issued by the applicable governmental authority for any Improvement, or (ii) after an Improvement has been completed by an Owner and said Owner has delivered a valid notice of completion with respect to such Improvement to the Committee, then said Improvement shall, in favor of purchasers and encumbrances in good faith and for value, be deemed to be in compliance with the provisions of this Article VII unless a notice of non-compliance or non-completion with respect thereto has been executed by Declarant or the Committee and recorded in the office of the Register of Deeds of Douglas County, Nebraska or unless legal proceedings shall have been instituted to enforce compliance or completion with respect to said Improvement. The Declarant during the Period of Declarant Control and the Board thereafter shall execute and deliver, within twenty (20) days after the request of such request, an estoppel certificate in form and substance acceptable to the party issuing such certificate, which shall indicate whether the Improvements are in compliance with the provisions of this Article VII.

7.2 Variances. The Architectural Committee is hereby authorized and empowered to grant variances for Improvements or uses within Bluewater prohibited or regulated by this Declaration and further to grant reasonable requests for relief from the provisions of this Declaration, or any portion hereof, in order to overcome practical difficulties and to prevent unnecessary hardship in the application of the provisions contained herein. Notwithstanding the foregoing, the Committee shall not grant such a variance to any Owner unless:

7.2.1 such Owner has obtained all necessary governmental approvals,

7.2.2 the construction of Improvements which are called for under the request for the variance shall be consistent in design, character, appearance and quality of construction with the other Improvements and uses in Bluewater,

7.2.3 the variances do not materially injure, in the judgment of the Committee, any of the Lots or Improvements in Bluewater,

7.2.4 the variances do not violate any exclusive use rights granted to any other Owner within Bluewater; and

7.2.5 the construction of Improvements called for under the request for variance are otherwise subject to and conform with all applicable laws, ordinances, rules

and regulations, including, but not limited to, zoning regulations of any governmental agency or political entity having jurisdiction over Bluewater.

No variance granted pursuant to the authority granted herein shall constitute a waiver of any provision of this Declaration as applied to any other Person or portion of the Property, and the grant of a variance shall not obligate the Committee to grant other variances. In addition to the variance powers provided herein, the Committee shall be empowered to issue from time to time reasonable interpretations of the intent of the provisions of this Declaration, which interpretations shall not constitute variances from the provisions of this Declaration, but shall be designed to further the implementation of this Declaration in a manner consistent with its provisions.

### 7.3 Maintenance.

7.3.1 General. Notwithstanding the existence of any insurance covering an Owner, the Association, or both, against loss, damage and destruction, the Association and each Owner shall have the affirmative obligation for maintenance, repair and restoration as set forth in this Article.

7.3.2 Maintenance of Undeveloped Lots. Except as otherwise provided herein, all undeveloped portions of each Lot shall be maintained at all times by the Owner in a well-maintained condition, free of unsightly or unattractive weeds or other growth or the accumulation of rubbish, junk, and debris thereon. Once construction is commenced and Improvements are completed, then the respective provisions of Subsections 7.3.3 and 7.3.4 shall apply with respect to construction activities and completed Improvements, as the case may be.

7.3.3 Maintenance During Construction. All construction activities of any kind on any Lot shall be governed by the provisions of this Subsection and corresponding provisions in the Development Guidelines. All construction activities shall be carried out in an orderly and timely manner and all partially completed Improvements shall be kept in an orderly condition during construction. Any construction equipment and building materials stored on a Lot may be kept only in areas approved by the Committee, and the Committee may also require screening of such storage areas. All portable toilets shall be located at least twenty-five (25) feet from the boundary lines of the Lot and shall be emptied as often as necessary to ensure the absence of odors. Dust from all construction sites shall be controlled at all times in a manner specified in the Development Guidelines. If trucks entering and leaving the Lot deposit mud or dust on any streets or walkways, the Owner of the Lot on which or for whose benefit the construction is being performed shall be responsible for maintaining the streets (or causing the same to be maintained) in a clean condition on a daily basis, as determined by the Committee. To minimize damage to the roads within Bluewater, each Lot Owner shall provide and maintain a hard surface staging area, which may be constructed of concrete, crushed rock or mud-rock or such other hard material approved by the Committee. The staging area must connect to the adjacent roadway in a manner as to eliminate the potential for damage to the roads within Bluewater. Within thirty (30) days after the completion of construction, weather permitting, the hard-surface material used for the staging shall be removed from the Lot. If the provisions hereof conflict with the provisions of the Development Guidelines with respect to construction activities, the more restrictive provision shall control.

7.3.4 Maintenance of Completed Improvements. Each Owner shall maintain or cause to be maintained, at its expense, its Lot, including any adjacent public right-of-ways, and all Improvements completed thereon (except those Common Area Improvements to be maintained by the Association pursuant to Section 7.4, below, or any governmental authority having jurisdiction thereof) and in a well-maintained, clean, neat and attractive condition at all times and shall comply with all governmental health, fire, building and safety ordinances, codes, regulations and requirements applicable thereto. Such

maintenance shall include, but not be limited to, maintaining, mowing, weeding, thinning, trimming, watering, fertilizing, cultivating and pruning all landscaped areas within each Lot, including any adjacent or public right-of-ways, to maintain the same in a neat, well-groomed condition, and replacing as necessary shrubs and other landscaping on a regular basis; dead or dying plants shall be removed and replaced; all plants and trees are to be irrigated as often as necessary to maintain healthy growing conditions; Owners shall also adjust tree guys, stakes, etc., on a regular basis to maintain a neat appearance and to prevent damage to trees.

7.3.5 Alteration and Repair of Common Areas. If any act, omission or condition caused by any Owner or its Lessees, or their agents, employees, customers or invitees, results in the destruction or removal of any landscape or other improvements within Common Areas maintained by the Association hereunder, such Owner shall repair and replace, in a good and workmanlike manner, free of liens and to as good a condition as the condition of such Improvements prior to such destruction or removal, all such Improvements in such Common Areas. Any landscape Improvements shall be promptly replaced with landscaping and other materials of like size and kind as approved by the Committee.

7.3.6 Lateral Support. Each Owner shall maintain its Lot with sufficient landscaping and plantings to prevent any erosion upon its Lot that will result in damage to that Lot or to any adjacent Lot.

7.4 The Association's Obligation for Common Areas, Public Improvements and Outlots. The Association shall maintain (i) the Common Areas and Outlots, including Improvements within the Common Areas and Outlots; (ii) all landscaping improvements within the Common Areas and Outlots; and (iii) those public infrastructure improvements and landscaping improvements that are to be maintained privately in accordance with Section II of the Subdivision Agreement, in good condition and repair, and replace the same as may be necessary from time to time, subject to the following:

7.4.1 The Board shall maintain a reasonably high standard in providing for the repair, management, maintenance and replacement of the Common Areas and Outlots and those public infrastructure improvements that are required to be maintained privately in accordance with Section II of the Subdivision Agreement; however, the Board shall be the sole judge as to the appropriate maintenance thereof.

7.4.2 The cost of maintenance, repair and replacement for which the Association is responsible under this Section shall be apportioned amongst the Owners on the same pro rata basis as set forth in Article 10 below, and shall be assessed as part of the regular assessments in accordance with the provisions of Section 10.5 hereof with its own, separate supporting documentation of such assessed costs hereunder; provided, however, that the cost of any maintenance, repair or replacement of the Common Areas for which an Owner is responsible pursuant to Section 7.3 shall be reimbursed by such Owner as a reimbursement assessment as provided in Section 7.3 and in accordance with Sections 14.1.1 and 10.7 hereof.

7.4.3 Protection and Maintenance of Lake. The owners of Lots 1 through 266 (inclusive) are responsible for maintaining the portion of lake frontage (from the waterline to the property line) adjacent to their Lot in a manner consistent with the rest of the Development. The Owners of the Lots will protect the Lake from damage by preventing any debris, including grass clippings and ice melting chemicals from going into the lake. Only chemicals approved by the Association can be used on the turf surrounding the Lake. **NO FERTILIZERS OF ANY KIND OR COMPOSITION SHALL BE USED WITHIN BLUEWATER.**

7.4.4 Maintenance of the Lake. All costs for maintaining the Lake situated within Outlot R, which shall include, but shall not be limited to, running and maintaining fountains, chemicals and treatments of the water, lighting of the lake, additional water, stocking with fish shall be apportioned amongst the Owners of Lots 1 through 266, inclusive, as set forth in Article X, below.

7.4.5 Personal Watercraft and Motorized Vehicles. All Persons and their watercrafts and/or motorized vehicles using the Lake and other Common Areas must comply with the Association's Rules and Regulations, as defined in Section 3.4, above, as such Rules and Regulations may be amended from time to time by the Declarant during the Period of Declarant Control and thereafter by the Association. All watercraft operating on the lake must comply with applicable laws, regulations and ordinances, including but not limited to the Nebraska Boating Guide, the City of Valley and Douglas County, Nebraska. No so-called "All Terrain Vehicles" shall be allowed on any of the Common Areas within Bluewater and the use of any "All Terrain Vehicles" must comply with the Association's Rules and Regulations and all applicable laws, regulations and ordinances governing use of the same.

7.4.6 Boats and Motorized Watercrafts. All boats and/or motorized vehicles being used on the lake or within any Common Areas must be owned and operated by Owners of the Lots. There will be no unauthorized use of the lake or Common Areas by nonresidents or guests of Owners, occupants or Lessees at any time. The boat ramp into the lake shall be kept locked at all times to prevent the unauthorized use of the lake by any Person.

7.4.7 Unauthorized Use of Common Areas. Boats, watercraft and other motorized vehicles that are not owned or leased by the Owners or Lessees of a Lot within Bluewater shall be permitted in the lake or within any of the Common Areas. In order to preserve the health of the lake and eliminate the threat of Zebra Mussels and other invasive species, the following conditions must be adhered to: (i) a boat launched in spring must stay at the lake until fall, unless otherwise permitted by the Association, and (ii) if an Owner desires to remove his or her boat or watercraft during the boating season as determined by the Association, they will not be permitted to launch their boat or watercraft in the lake until the beginning of the next boating season (excluding removal of any such boat or watercraft for service or repair provided the boat or watercraft has been thoroughly washed-out by an authorized dealer or repair service).

7.5 Excavation. No excavation shall be permitted except in connection with construction of an Improvement, and upon completion thereof, exposed openings shall be backfilled, and disturbed ground shall be graded and leveled. No Owner shall perform any excavation upon its Lot that will result in damage to any adjacent Lot. No Owner, Lessee, or occupant shall import any soil or other fill material on any Lot or Outlot within Bluewater without the express written approval of the Committee.

7.6 Damage and Destruction Affecting Lots - Duty to Rebuild. If all or any portion of a Lot or any Improvement on any such Lot is damaged or destroyed by fire or other casualty, it shall be the duty of the Owner of such Lot to do the following:



7.6.1 rebuild, repair or reconstruct the Lot and the Improvements thereon in a manner which will restore them to a condition and appearance approved by the board and the City; or

7.6.2 raze and remove the damaged Improvements, restoring the Lot substantially to its original unimproved condition; or

7.6.3 any combination of the above in a manner satisfactory to the Board.

The Owner of any Lot on which damaged Improvements are located shall be obligated to proceed with all due diligence hereunder, and such Owner shall cause cleanup and removal and/or reconstruction to commence within three (3) months after the damage occurs and to be completed within twelve (12) months after damage occurs, unless prevented by causes beyond its reasonable control, as determined by the Board.

7.7 Insurance Obligation of Owners. Each Owner shall purchase such liability, fire or other casualty insurance as such Owner desires or as may be required by any mortgagee of a Mortgage encumbering its Lot. The Association shall not be obligated to insure any Lot or any portion thereof or any Improvements thereon.

7.8 Leases. Any agreement for the lease of all or any portion of a Lot must be in writing and must provide by its terms that it is subject to this Declaration, the rules of the Association, the Articles and the Bylaws, and that any violation of the Declaration or other documents listed above shall be a default under the lease. Notwithstanding the foregoing, the Owner of the Lot shall remain liable for any violations of this Declaration, the rules of the Association, the Articles and the Bylaws. All notices hereunder shall be sent to the Owner.

#### ARTICLE VIII ADDITIONAL RESTRICTIONS

8.1 Parking. No parking of any nature whatsoever will be permitted within the Common Area, except in the designated parking stalls shown on the Site Plan. Parking in the guest parking stalls shall be subject to any rules or regulations adopted by the Board from time to time.

8.2 Refuse. All refuse containers shall be stored so that they can not be seen from any other Lot or the Common Area.

8.3 Signs. Except as placed or erected by Declarant or his assigns, agents or successors, or as otherwise permitted by the Committee, no signs of any type or nature shall be erected, placed, or permitted to remain on the Property or any portion thereof. No Owner shall display "for rent" or "for sale" signs without the express written consent of the Board.

8.4 Antennas. Antenna dishes or other services for the transmission or reception of telephone, television, microwaves, or radio signals may be placed on any Lot or Improvement on any Lot subject to the prior written approval of the Committee as to location, size, and screening in the Committee's sole discretion.

8.5 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 and Outlots 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. Lot maintenance is the Owner's responsibility. Fertilizing of sod and lawns will not be permitted for any reason or at any time due to a potential for increase in algae growth in lake.

8.6 Restriction on Further Subdivision; Property Restrictions and Rezoning.

8.6.1 No Further Subdivision Without Approval. No Lot shall be subdivided or separated into smaller Lots by any Owner by deed or otherwise, and no portion less than all of any such Lot, nor any easement or other interest therein, shall be conveyed or transferred by any Owner by deed or otherwise, without the prior written approval of Declarant during the Period of Declarant's Control, and thereafter by the Architectural Committee. This provision shall not apply to transfers of an undivided ownership interest in the whole of any Lot.

8.6.2 Rezoning and Variances to be Approved. No application for rezoning of any Lot within Bluewater, and no applications for variances to the site regulators shall be filed with any governmental authority unless the proposed variance has been approved by the Declarant during the Period of Declarant's Control and thereafter by the Architectural Committee, and unless the proposed use otherwise complies with this Declaration.

8.6.3 Declarant Owned Lots Exempt. Any portion of the Property owned by Declarant is exempt from the restrictions on subdividing, platting, rezoning and other restrictions set forth in this Section 8.6.1.

8.7 Retention, Detention and Drainage. An Owner or Lessee shall not at any time fill, block or obstruct any drainage facilities or drainage structures on its Lot. No structure of any kind shall be constructed and no vegetation shall be planted or allowed to grow within any drainage areas which may impede the flow of water under, over or through said areas. All Lots shall have a drainage ditch in the front yard unless waived by the Architectural Committee. The drainage ditch shall be located a minimum of ten (10) feet up to a maximum of twenty (20) feet from the edge of the adjacent roadway. Based upon the location of the drainage ditch, the depth shall be a minimum of eight (8") inches and a maximum of eighteen (18") inches deep. Any variance from the standard ditch location shall be approved by the Committee. The drainage ditch shall be maintained in a "natural" state of sand and rock or sand and rock with natural grasses as approved by the Committee.

8.8 Access to Lake. Neither Owner, nor any contract purchaser, shall have the right to access or use the lake or any other Common Areas until such time as the framing of the primary residential structure has been completed on the Lot, without the express written consent of the Declarant during the Period of Declarant Control and thereafter by the Association. There shall be no overnight camping of any type, whether in a tent, mobile home, or otherwise, on any Lot that does not have a certificate of occupancy.

8.9 Fences. All proposed fences and landscaping improvements to be installed on the Lots by their respective Owners, occupants or Lessees must be approved by the Committee and shall be in compliance with the Design Guidelines. Plans for landscaping improvements and fences will be reviewed by the Committee in a timely manner so as not to impede the Owner's schedule with respect to installing

landscaping and/or fencing. All fencing on any Lot shall be constructed of black wrought iron or aluminum with a maximum height of seventy-two (72") inches or the maximum height imposed by the City.

**ARTICLE IX**  
**USE RESTRICTIONS**

9.1 **Permitted Uses.** The Property within Bluewater shall be restricted to single family residential uses and may not be used for any other purpose. Nothing in this Section 9.1 is intended to prohibit an Owner or Lessee from keeping his personal business or professional records or accounts therein, or handling his personal business calls or correspondence therefrom.

9.2 **Prohibited Uses.** Operations and uses which will not be permitted on any Lot include, without limitation, the following:

9.2.1 **Agriculture; Animals.** Agricultural uses, including animal husbandry, commercial breeding businesses or feed lots. No animal, livestock, poultry or fowl of any kind shall be maintained on or in any Lot, except for reasonable numbers of generally recognized domestic pets (but not in connection with the operation of a commercial breeding business), provided that the same do not make an unreasonable amount of noise or create a nuisance. There will be a three (3) domestic pet limit per Lot. Any breed deemed dangerous and/or aggressive will not be permitted. The Declarant reserves the right to advise any Lot owner whether or not their pet is considered a dangerous breed and will not be permitted within the development.

9.2.2 **Vehicle Repairs.** No vehicle repairs, other than emergency repairs or repairs of a minimal nature needed to be performed to move a vehicle off the Property shall be allowed within Bluewater.

9.2.3 **Boats, Trailers, etc.** Except as authorized in the Rules and Regulations, no boats, boat trailers, campers, canoes, recreational vehicles, vehicles used primarily for recreational purposes, vehicles primarily used for commercial purposes, or vehicles with commercial writings on their exterior shall be stored, allowed to remain, or parked within Bluewater, except in an area, if any, designated from time to time, by the Board or except as otherwise permitted by the Declarant during the Period of Declarant Control and thereafter by the Board.

9.2.4 **Machinery or Equipment.** No machinery or equipment of any kind shall be placed, operated or maintained within Bluewater, except such machinery or equipment as is usual and customary in connection with the Declarant's sales, marketing, maintenance or construction of any Improvements which are within the permitted uses of such Property, and except that which Declarant or the Board may require or permit for the operation and maintenance of the Common Area.

9.2.5 **Clothes Lines.** No outside clothes lines or other outside facilities for drying or airing clothes shall be erected, placed or maintained on any Lot.

9.2.6 **Nuisances; Objectionable Activities.** No Owner, Lessee or other Person shall create a nuisance in Bluewater or use any Lot for any activity or purpose

which is considered by the Board or the Committee, in its sole and absolute discretion, to be objectionable due to sound, odor, visual effect or physical impact and which in the opinion of the Board or the Committee will disturb or tend to disturb other Owners or Lessees in Bluewater, or which is deemed by the Board or the Committee to constitute a nuisance.

## ARTICLE X FUNDS AND ASSESSMENTS

10.1 Creation of Lien; Personal Obligation for Assessments. Declarant, for each Lot owned within Bluewater, hereby covenants, and each successive Owner, by acceptance of a deed therefor, whether or not expressed in such deed, is deemed to covenant and agree to pay to the Association the Assessments which the Board is authorized to levy pursuant to the provisions of this Declaration. All Assessments, which shall include all late charges, interest, costs and reasonable attorneys' fees due with respect thereto, shall be a charge on the land and shall be secured by a continuing lien upon the Lot against which each Assessment is levied. Each Assessment, including 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 became due and owing. The personal obligation for delinquent Assessments shall not pass to said Person's successors in title, unless expressly assumed by them. If more than one Person was the Owner of a Lot, the personal obligation to pay such Assessment respecting such Lot shall be both joint and several.

10.2 Purpose of Assessments. The Assessments shall be used to enhance, maintain and protect the desirability, attractiveness and safety of Bluewater; for the improvement and maintenance of the Common Areas; to reimburse the Association for the costs incurred in bringing an Owner into compliance with this Declaration, the Articles, Bylaws, and/or rules adopted by the Board; and for the common good and benefit of Bluewater, the Association and the Members, as determined by the Board.

10.3 Budgets and Financial Statements of the Association. The following financial information shall be regularly prepared and distributed by the Board to all Members of the Association:

10.3.1 Within sixty (60) days after the end of each fiscal year of the Association, the Board shall prepare, or cause to be prepared, and distribute to all Members of the Association an operating budget for the next fiscal year setting forth the estimated revenues and expenses for said fiscal year and the total cash reserves of the Association currently available for expenditures.

10.3.2 After the close of the Association's fiscal year, the Board shall prepare and distribute to each Member a balance sheet and a statement of actual expenses and income for the preceding fiscal year.

10.4 Accounts. The Association may establish and maintain a reserve account into which the Board shall deposit all funds collected as reserves for contingencies and the repair and replacement of Common Area Improvements. The Association shall also maintain one or more operating accounts into which the Board shall deposit all other funds paid to the Association as Assessments or otherwise received by the Association as provided in this Declaration. All funds shall be held in trust by the Association for the use and benefit of its Members.

## 10.5 Regular Assessments.

10.5.1 Purpose. Regular assessments shall be used for all expenses incurred by the Association for (i) the administration, operation, maintenance, repair and replacement of the Common Areas and any Improvements therein, including all taxes (excluding any taxes levied against a Lot or any portion thereof that may be located within the Common Areas) and insurance; (ii) maintaining the landscaping on all of the Lots if the Association elects to maintain the landscaping on all of the Lots, and (iii) carrying out the duties, rights and obligations of the Association, including the Board and the Architectural Committee, as provided for in this Declaration.

10.5.2 Date of Commencement of Regular Assessments. The regular assessments provided for in this Article X shall commence as to all Lots on the first day of the month following the later of (i) the incorporation of the Association, or (ii) the conveyance of the first Lot to an Owner; provided, however, that Declarant may, at its option, delay the start of regular assessments so long as Declarant elects to perform all maintenance and other obligations of the Association at its sole cost and expense. The first regular assessment shall be adjusted according to the number of months remaining in the fiscal year.

10.5.3 Budget. Within sixty (60) days after the end of each fiscal year of the Association, beginning with the first full fiscal year after regular assessments commence, the Board shall meet for the purpose of establishing the regular assessment for the forthcoming fiscal year. At such meeting, the Board shall review an operating statement showing income and expenses for the preceding fiscal year and a preliminary budget, any written comments received from any Member, and any other information available to it and, after making any adjustments that the Board deems appropriate, without a vote of the Members of the Association, shall establish an operating budget and the regular assessment for the forthcoming year.

10.5.4 Payment of Assessments. Regular assessments shall be due and payable by the Owners to the Association annually on or before the first day of April of each successive calendar year, or in such other manner as the Board shall designate.

10.5.5 Failure to Fix Regular Assessments. Failure by the Board to fix regular assessments hereunder before the expiration of any fiscal year shall not be deemed either a waiver or modification in any respect of the provisions of this Declaration, or a release of the Owner from the obligation to pay the Assessments, or any installment thereof, for that or any subsequent year, but the Assessment fixed for the preceding year shall continue until a new Assessment is fixed.

## 10.6 Special Assessments.

10.6.1 Purpose. Special assessments may be levied by the Board from time to time during any fiscal year if the Board determines that the estimated total amount of funds necessary to defray the expenses of the Association for a given fiscal year is or will become inadequate to meet expenses due to unanticipated delinquencies or costs and fees incurred to enforce this Declaration, costs of construction or unexpected repairs, replacements or reconstruction of Improvements in the Common Areas or if funds are

otherwise required for any activity or purpose of the Association permitted under this Declaration.

10.6.2 Budgeting. The Board shall determine the approximate amount necessary to defray the expenses set forth in Subsection 10.6.1 above, and, if the amount is approved by a majority vote of the Board, it shall become a special assessment.

10.6.3 Time and Manner of Payment. The Board may, in its discretion, prorate a special assessment over the remaining months of the fiscal year or levy the assessment immediately against each Lot. Special assessments shall be due and payable within ten (10) days after a Member receives written notice from the Board specifying the amount of the special assessment, unless the Board specifies in such notice a later date of payment.

10.7 Reimbursement Assessment. The Board may levy a reimbursement assessment against any Owner who fails to comply in any respect with this Declaration, the Articles, Bylaws, the rules promulgated by the Board or as otherwise permitted elsewhere in this Declaration, in an amount equal to any monies expended by the Association in remedying an Owner's failure to comply under this Declaration or in the amount of a fine or penalty imposed pursuant to this Declaration. All such reimbursement assessments shall be paid to the Association within five (5) days after demand.

10.8 Capital Improvement Assessment.

10.8.1 Purpose. Capital improvement assessments may be levied by the Association for the purpose of defraying, in whole or in part, the cost of construction of any Improvements deemed reasonably necessary by the Board for the benefit of Bluewater.

10.8.2 Time and Manner of Payment. Capital improvement assessments shall be due and payable by all Owners in such installments and during such period or periods as the Board shall designate for the payment thereof.

10.9 Rate of Assessment. All Assessments (other than a reimbursement assessment levied against an Owner pursuant to Section 10.7) shall be fixed at a uniform rate and levied based upon the annual budget, needs, and expenditures of the Association, as determined by the Board of the Association (excluding the Outlots).

10.10 Estoppel Certificate. The Board, on not less than twenty (20) days prior written request and for a reasonable fee to be established from time to time by the Board, shall execute, acknowledge and deliver to the party making such request a written statement certifying whether or not, to the knowledge of the Association with no duty to investigate or make further inquiry, a particular Owner is in default as to its Lot under the provisions of this Declaration, and further stating the dates to which installments of Assessments have been paid as to such Lot. Any such certificate may be relied on by a prospective purchaser of the Lot or a prospective Mortgagee, but reliance on such certificate shall not extend to any default (except one involving the payment of Assessments) of which the signer had no actual knowledge.

10.11 Exempt Property. The foregoing notwithstanding, all Exempt Property shall be exempt from paying Assessments and the Assessment liens provided for in Article XI, and the Owner of Exempt Property shall not be a Member and shall have no voting rights.

10.12 Declarant Exempt from Association Dues. The Declarant shall be exempt from the payment of all Assessments on any and all Undeveloped Lots; provided, however, the Declarant agrees to maintain the Undeveloped Lots owned by the Declarant in a neat and orderly condition at its own expense.

**ARTICLE XI**  
**COLLECTION OF ASSESSMENTS; ASSESSMENT LIENS**

11.1. Right to Enforce. The right to collect and enforce Assessments, including all related interest, late charges, costs and fees, is vested in the Board acting for and on behalf of the Association. The Board, or its authorized representative, can enforce the obligations of the Owners to pay Assessments provided for in this Declaration by commencement and maintenance of a suit at law or in equity, or the Board may enforce the continuing lien against the Owner's Lot by judicial foreclosure proceedings. Any suit to recover a money judgment for unpaid Assessments, together with all other amounts described in this Article XI, may be maintainable with or without foreclosing or waiving the lien rights.

11.2 Notice of Default; Interest; Late Charges; Creation of Lien. Failure to make payment of any Assessment or installment thereof related to any Lot on or before the due date shall constitute a default and all amounts that are delinquent shall bear interest at a rate per annum equal to five percent (5%) more than the Prime Rate on the date of default (and shall fluctuate thereafter as the Prime Rate changes from time to time) and, if not paid within ten (10) days, a late charge of five percent (5%) (or such lower interest and late charges as the Board shall determine in its discretion) shall also be due on the outstanding balance, and all costs and expenses incurred by the Board or its authorized representative in the collection of the amounts, including reasonable attorneys' fees and costs, shall be part of the Assessment past due and the full Assessment shall be a lien against such Lot. The lien created pursuant to this Article shall not be foreclosed until the Board or its authorized representative has delivered written notice to the delinquent Owner or Owners and any first mortgagee that has filed a request for notice with the Declarant or Board not less than fifteen (15) days before commencement of any proceedings to enforce such lien, which shall set forth notice of default and a demand for payment, and unless such delinquency has not been cured in full within said 15-day period, including payment in full of all interest and late charges.

11.3 Notice of Lien; Foreclosure. Upon the giving of notice and failure to cure as provided in Section 11.2, the Association may record a notice of assessment lien against the Lot of the defaulting Owner. In addition, the Association may proceed to foreclose the Recorded Assessment Lien provided for in this Article in any manner provided or permitted for the foreclosure of realty mortgages in the State of Nebraska (including the right to recover any deficiency). The Association shall not be obligated to release any Recorded Assessment Lien until all delinquent Assessments, including interest, late charges, attorneys' fees and collection costs, have been paid in full, whether or not all such amounts are set forth in the recorded notice. On becoming delinquent in the payment of any Assessments or installments thereof, each delinquent Owner shall be deemed to have absolutely assigned all rents, issues and profits of his Lot to the Association and shall further be deemed to have consented to the appointment of a receiver (which appointment may, at the election of the Association, be enforced by the Association through specific performance). The Association, acting on behalf of the Owners, shall have the power to bid upon the Lot at foreclosure sale and to acquire, hold, lease, mortgage and convey the Lot.

11.4 No Offsets. All Assessments shall be payable in the amounts covered by the particular Assessment and no offsets against such amount shall be permitted for any reason, including, without limitation, nonuse or abandonment of a Lot or a claim that the Association is not properly exercising its duties of maintenance, operation or enforcement.

## 11.5 Priority; Subordination of Lien to First Mortgages.

11.5.1 Priority of Lien. The Assessment lien herein shall be superior to all charges, liens and encumbrances, including without limitation all mortgages and deeds of trust (except as provided in Section 11.5.2 below), federal and state tax liens, judgment liens, and liens for labor or materials, which may be hereafter imposed against any portion of the Property.

11.5.2 Subordinate to First Mortgages. Notwithstanding the foregoing, the Assessment liens provided for herein shall be subordinate and subject to the lien for governmental taxes and assessments which is deemed superior hereto by applicable law and the lien of any first Mortgage encumbering a Lot which is recorded prior to the Recorded Assessment Lien referred to in Section 11.3, but only as to advances or payments made pursuant to said Mortgage prior to the time the Recorded Assessment Lien is placed of record, and provided further that each such first Mortgage must have been made in good faith and for value and duly recorded in the office of the Douglas County Register of Deeds prior to the recording of the Recorded Assessment Lien. The sale or transfer of any Lot pursuant to judicial or nonjudicial foreclosure of a first Mortgage shall extinguish the lien of such Assessments only as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from any obligation to pay any Assessments thereafter becoming due nor from the lien securing any subsequent Assessments. Where the holder of a first Mortgage or other purchaser of a Lot obtains title to the same as a result of foreclosure, such title holder, its successors and assigns, shall not be liable for Assessments by the Association chargeable to such Lot which became due prior to the acquisition of title to such Lot by such acquirer, except for the share of Assessments resulting from a reallocation of Assessments which are made against all Lots. The Assessment lien herein shall not be subordinate to the lien of any Mortgage which is junior to a first Mortgage.

11.6 Transfer of Property. After the sale of any Lot within Bluewater, the selling Owner or Owners shall not be personally liable for any Assessment levied on its Lot after the date of such transfer of ownership and written notice of such transfer is delivered to the Association. However, except as provided in Section 11.5 with respect to a transfer of a Lot pursuant to foreclosure proceedings, the transferred Lot shall remain subject to the lien securing payment of all Assessments, including Assessments levied prior to the date of transfer. The selling Owner(s) shall also remain personally responsible for all Assessments and charges levied on his Lot prior to any such transfer. Upon the transfer of ownership of any Lot or Lot (excluding the initial sale by Declarant), the Board, in its discretion, may charge a reasonable transfer assessment to cover administrative costs associated with said transfer of ownership.

11.7 Other Enforcement Measures. In addition to the other remedies set forth in this Article, the Board shall have the right to suspend the right of any Owner who is in default on any Assessments to vote pursuant to Section 4.3 above or the Articles and the Bylaws during the period of any default.

11.8 Contracts with Owners. If the Association elects to enter into contracts with Owners for the performance of special maintenance or other services to that Owner's Lot, any fees charged to that Owner for such services shall be due within ten (10) days after billing, shall be an Assessment, shall be secured by the Assessment lien, shall be the Owner's personal responsibility, and shall be enforceable as provided herein with respect to the Assessments.



ARTICLE XII  
DESTRUCTION OR CONDEMNATION OF COMMON AREAS; INSURANCE

12.1 Repair. Once constructed in accordance herewith, in the event of any damage to or destruction of all or a portion of the Common Area, the Declarant, during the Period of Declarant Control, the Board thereafter and/or the Association, as applicable, shall, with due diligence and repair, restore and rebuild (or cause the restoration and rebuilding of) the Improvements within the Common Area to its condition prior to such damage or destruction (or with such changes as shall not conflict with the Declaration, as modified hereunder). Within a reasonable time after the damage or destruction of all or any other portion of the Common Area, the Board shall cause the same to be repaired, reconstructed and restored substantially to the same condition as the same existed prior to such damage or destruction.

12.2 Insurance. During the Period of Declarant Control, the Board thereafter and/or the Association, as applicable, shall procure and maintain (or cause to be procured and maintained) general and/or comprehensive public liability and property damage insurance against claims for personal injury (including contractual liability arising hereunder), death, or property damage occurring upon the Common Area, with single limit coverage of not less than an aggregate of One Million Dollars (\$1,000,000.00) including umbrella coverage, if any such insurance coverage shall be procured through companies which are authorized to do business in the State of Nebraska and are governed by the regulatory authority which establishes maximum rates in the vicinity, and naming each Owner as additional insureds. If upon such damage or destruction the proceeds of insurance available to the Association are insufficient to cover the cost of repair, reconstruction and restoration of the damaged or destroyed portions of the Common Areas, the Board shall be authorized to specially assess all Owners and Lots for the additional funds needed pursuant to Section 10.6.

12.3 Eminent Domain. The Board shall represent all Members in connection with any condemnation proceeding regarding the Common Area and shall be entitled to negotiate and settle with the condemning authority and to make a voluntary sale to the condemning authority in lieu of legal action. All condemnation proceeds regarding the Common Area shall be paid to the Association to be used by the Board in its sole discretion for the purposes set forth in Section 10.2, after paying any costs or fees incurred by the Association in negotiating, settling and contesting the condemnation.

ARTICLE XIII  
DURATION, MODIFICATION AND TERMINATION

13.1 Duration of Covenants. This Declaration, and all covenants, conditions, and restrictions herein shall continue and remain in full force and effect at all times with respect to Bluewater and each part thereof, now or hereafter made subject thereto (subject, however, to the right to amend and terminate as provided in Section 13.2 below) for a period of thirty (30) years, commencing on the date this Declaration is recorded in the Office of the Register of Deeds of Douglas County, Nebraska; provided, however, that the easements referred to in Article VI thereof which are specified as being perpetual shall continue in full force and effect after the termination of this Declaration. From and after said date, this Declaration, as amended from time to time, shall be automatically extended for successive periods of ten (10) years each, unless earlier terminated as provided in Section 13.2 below.

13.2 Termination or Modification. This Declaration, or any provisions hereof, may be terminated, modified, or amended with respect to all or any portion of Bluewater, by the terms of a recorded document executed by Declarant alone until the expiration of the Period of Declarant Control. Thereafter, this Declaration or any provisions hereof, may be terminated, modified or amended in whole

or in part with respect to all or any portion of Bluewater by a vote of all Owners holding at least two-thirds (66%) of the voting rights in the Association.

#### ARTICLE XIV ENFORCEMENT

##### 14.1 Enforcement by Board; Right to Perform.

14.1.1 Failure to Maintain Improvements and Lots. Upon a failure to maintain and repair in accordance with Sections 7.4 and 7.5 above, or to perform any other obligations thereunder, the Board shall notify the respective Owner in writing pursuant to Section 17.7 of such default. If such default is not cured by the Owner or its Lessee within thirty (30) days from the date such notice is given to the Owner, the Board, or its designated agent or contractors, shall have the right, in addition to Section 14.2, to enter upon the Lot for the purpose of maintaining, restoring or repairing said Improvement or Lot. The costs incurred by the Board in restoring, maintaining or repairing said Improvement or Lot, together with a charge for the overhead of the Board and the Association in an amount equal to twenty-five percent (25%) of such costs, shall be paid by such Owner as a reimbursement assessment in accordance with Section 10.7 hereof.

14.1.2 Parking. If the vehicles of any Owner, visitor or Lessee of an Owner are not parked within the designated areas within the Common Area, in addition to Section 14.2, the Board must notify the Owner in writing, pursuant to Section 17.7 that such parking is occurring. If such parking continues to occur within 24-hours after the date upon which the Board gives such notice to the Owner, or if the Owner violates this provision two (2) or more times in any consecutive two (2) month period, the Board, or its designated agent or contractors, shall have the right (i) to have such vehicles towed at the Owner's expense, and/or (ii) to assess a reasonable fine against said Owner or Lessee for each day such parking continues to occur 24-hours after notice is given. All such amounts shall be paid by said Owner to the Board or to such other person or entity designated by the Board, and shall be paid as a reimbursement assessment in accordance with Section 10.7 hereof.

14.1.4 Other Covenants. Declarant and/or the Board or their duly authorized agents shall have the right, upon violation or breach of any other covenant, restriction or easement set forth herein, if such violation or breach continues for a period of thirty (30) days after written notice thereof is given to the Owner, to enter upon the Lot where such violation or breach exists, and summarily remove, at the expense of the Owner thereof who shall pay all such expenses within five (5) days after demand, any structure, thing or condition that may be or exist thereon contrary to the intent and meaning of the provisions of this Declaration.

14.1.5 Other Enforcement Measures. In addition to other remedies set forth herein, the Board shall have the right to suspend a defaulting Owner's right to vote under Section 4.3 and the Articles and Bylaws during the period of any default.

14.2 Additional Remedies; Rights of Other Owners. In addition to the rights and remedies set forth in Article XI and Section 14.1 above, in the event of any breach, default, non-compliance, violation or failure to perform or satisfy any of the covenants, conditions, restrictions and easements contained in this Declaration by an Owner or its Permittees or other Person with respect to the Lot of an Owner

(collectively referred to herein as a "default"), and the default is not cured within thirty (30) days after written notice describing the default is given to such Owner pursuant to Subsection 14.1 (or if any such default is not reasonably capable of being cured within such 30-day period, then if such Owner has not commenced to cure the default promptly after such notice is given and does not thereafter diligently continue to prosecute such cure to completion), then Declarant, the Association or any Owner with the right to enforce this Declaration under Section 17.3 below may enforce any one or more of the following rights or remedies in this Section 14.2, or any other rights or remedies available at law or in equity, whether or not set forth in this Declaration. All rights and remedies set forth in this Declaration or available at law or in equity shall be cumulative and not mutually exclusive.

14.2.1 Damages. Declarant, the Association or any such Owner may bring a suit for damages arising from or with respect to any such default.

14.2.2 Declaratory Relief. Declarant, the Association or any such Owner may bring suit for declaratory relief to determine the enforceability of any of the provisions of this Declaration.

14.2.3 Injunctive Relief; Specific Performance. It is recognized that a default hereunder may cause material injury or damage not compensable by an award of money damages and that Declarant, the Association and/or any Owner shall be entitled to bring an action in equity or otherwise for a specific performance to enforce compliance with this Declaration, or for any injunctive relief to enjoin the continuance of any default or to prevent a default.

14.2.4 Fines. This Subsection may be enforced only by the Association. Upon a default that is defined in this Section 14.2, the Board may assess fines based on a schedule of fines adopted from time to time by the Board for various types of defaults that may arise under this Declaration, or as the Board may assess for defaults not covered by existing schedule of fines, provided that the Board shall assess a fine that is reasonable and appropriate under the circumstances, and provided further that the assessment of a fine shall be in addition to all other rights and remedies available hereunder.

14.2.5 Self-Help. In addition to all other remedies available at law or in equity, upon the failure of a defaulting Owner to cure a breach of the Declaration or this Subsidiary Declaration within thirty (30) days following written notice thereof (unless, with respect to any such breach the nature of which cannot reasonably be cured within such 30-day period, the defaulting Owner commences such cure within such 30-day period and thereafter diligently prosecutes such cure to completion), any Owner shall have the right to perform such obligation contained in this Declaration on behalf of such defaulting Owner and be reimbursed by such defaulting Owner upon demand for the reasonable costs thereof together with interest at the Prime Rate plus two percent (2%) (not to exceed the maximum rate of interest allowed by law). Notwithstanding the foregoing, in the event of (i) an emergency, (ii) blockage or material impairment of the easement rights, and/or (iii) the unauthorized parking of vehicles on a Lot, an Owner may immediately cure the same and be reimbursed by the other Owner upon demand for the reasonable cost thereof together with interest at the Prime Rate, plus two percent (2%), as above described.

14.3 Rights of Lenders. No default under or violation of any provision of this Declaration shall defeat or render invalid the lien of any Mortgage or similar instruments securing a loan made in good

faith and for value with respect to the development or permanent financing, or any refinancing, of any Lot or portion thereof, or any Improvement thereon. However, all of the provisions of this Declaration shall be binding upon and effective against any subsequent Owner of any Lot or any portion thereof whose title is acquired by foreclosure, trustee sale, deed in lieu of foreclosure or otherwise pursuant to the lien rights under any such Mortgage or similar instrument.

14.4 Attorneys' Fees. In any legal or equitable proceeding to determine the rights of the parties and/or to enforce or restrain the violation of this Declaration, the losing party or parties, as determined by the court for this purpose, shall pay the reasonable attorneys' fees, legal costs and expenses of the prevailing party or parties, as fixed by the court in such proceedings.

14.5 Failure to Enforce Not a Waiver of Rights. No delay or failure on the part of an aggrieved party to invoke any available remedy in respect to a violation of any provision of this Declaration shall be held to be a waiver by that party of (or an estoppel of that party to assert) any right available to him upon the recurrence or continuance of said violation or the occurrence of a different violation, nor shall there be construed to be a duty upon Declarant or the Board a duty to take any action to enforce the provisions of this Declaration.

14.6 No Liability Regarding Enforcement. Neither Declarant, the Board or any member thereof, the Committee or any member thereof, nor their successors or assigns (if such Persons have acted in good faith, without willful or intentional misconduct) shall be liable to any Owner or Lessee of any real property subject to this Declaration by reason of any mistake in judgment, negligence, nonfeasance, action or inaction in regard to the enforcement or failure to enforce the provisions of this Declaration, or any part hereof. Each Owner and Lessee acquiring an interest in Bluewater agrees that it will not bring any action or suit against Declarant, the Board or any member thereof, or the Committee or any member thereof, from time to time, or their successors and assigns, to recover any such damages or to seek equitable relief.

14.7 Reasonable Exercise of Rights. The easements and rights provided herein above granted shall be used and enjoyed by Declarant, during the Period of Declarant Control, the Board thereafter and/or the Association, as applicable, each Owner and its Permittees in such a manner so as not to unreasonably interfere with, obstruct or delay the conduct and operations of the business of any other Owner or its Permittees at any time conducted on its Lot, including, without limitation, public access to and from said business and the receipt or delivery of merchandise in connection therewith. Such reasonableness requirement is paramount to the Declaration and shall supersede and control with respect to any conflict with any other provision of this Declaration, including, but not limited to, the provisions contained with Articles 3.3, 5, 7, 10, 11, 14, and 15 hereof.

14.8 Lien Rights. Any claim for reimbursement, including interest as aforesaid, and all costs and expenses including reasonable attorneys' fees awarded to any Owner in enforcing any payment in any suit or proceeding under this Declaration shall be assessed against the defaulting Owner in favor of the prevailing party and shall constitute a lien against the Lot of the defaulting Owner until paid, effective upon the recording of a notice of lien with respect thereto in the Office of the County Recorder of Douglas County, Nebraska; provided, however, that any such lien shall be subject and subordinate to (i) liens for taxes and other public charges which by applicable law are expressly made superior, (ii) all liens recorded in the Office of the County Recorder of Douglas County, Nebraska prior to the date of recordation of said notice of lien, and (iii) all leases entered into, whether or not recorded, prior to the date of recordation of said notice of lien. All liens recorded subsequent to the recordation of the notice of lien described herein shall be junior and subordinate to the lien described in such notice. Upon the timely

curing by the defaulting Owner of any default for which a notice of lien was recorded, the party recording same shall record an appropriate release of such notice of lien.

14.9 No Termination For Breach. No breach hereunder shall entitle any Owner to cancel, rescind, or otherwise terminate this Declaration. No breach hereunder shall defeat or render invalid the lien of any mortgage or deed of trust upon any Lot made in good faith for value, but the easements, covenants, conditions and restrictions hereof shall be binding upon and effective against any Owner of such Lot covered hereby whose title thereto is acquired by foreclosure, trustee's sale, or otherwise.

#### ARTICLE XV RESERVED RIGHTS OF DECLARANT

15.1 Right to Construct Additional Improvements Within Common Areas. Declarant shall have, and hereby reserves the right, to construct additional Improvements within the Common Area from time to time for the improvement and enhancement of the Common Areas and of Bluewater and for the benefit of the Association and its Members, and the same shall thereafter be maintained by the Association pursuant to Section 7.5.

15.2 Right to Complete Development of Bluewater. During the Period of Declarant Control, Declarant shall have, and hereby reserves, the right (i) to subdivide or re-subdivide or otherwise split or combine any portion of the Property or otherwise to complete development of Lots; (ii) to construct or alter Improvements on any Lot owned by Declarant; (iii) to maintain an office for construction, sales, promotion or leasing purposes or other similar facilities on any Lot owned by Declarant or by the Association within the Property; and (iv) without the approval of the Association or the Architectural Committee, to excavate, cut, fill or grade any Lot owned by Declarant, or to construct, alter, demolish or replace or renovate any Improvements owned by Declarant or to alter its construction plans or design or to rezone or amend its master plan or any development documents agreed to by Declarant and the City, and to permit any activity, use or improvement by Declarant on any Lot owned by Declarant. Without limiting the generality of the foregoing, the Declarant during the Period of Declarant Control, shall be exempt from the provisions of Section 7.1.

15.3 Declarant's Right to Grant Additional Easements. During the Period of Declarant Control, Declarant shall have, and hereby reserves the right to grant or create, temporary or permanent easements from time to time for construction, access, utilities, drainage and other purposes for the development and sale of the Property in, on, under, over and across any Lots or other portion of the Property owned by Declarant, the Common Area. The foregoing notwithstanding, the Declarant shall not grant an easement which materially and adversely impairs the use of such Common Area for the purposes originally intended.

15.4 Right to Convey Additional Property for Development and Use as Common Area. During the Period of Declarant Control and for a period of twenty (20) years thereafter, Declarant shall have, and hereby reserves, the right to convey additional real property and any Improvements thereon, or grant easements against the Property, to the Association at any time and from time to time for use as Common Areas, and the Association shall be obligated to assume administrative and maintenance responsibilities thereof in accordance with Section 7.4.

15.5 Subsequent Phase Declaration. During the Period of Declarant Control and for a period of twenty (20) years thereafter, the Declarant reserves the right, without consent or approval of any other Owner or the Association, to expand the Association or amend this Declaration to include additional residential lots in any subdivision which is contiguous to any of the Lots or the Bluewater Subdivision.

Such expansion(s) may be affected from time to time by Declarant or Declarant's assignee by recordation with the Register of Deeds of Douglas County, Nebraska of a Declaration of Covenants, Conditions, Restrictions and Easements, executed and acknowledged by Declarant or Declarant's assignee, setting forth the identity of the additional residential lots (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 be considered to be and shall be included in the "Lots" for purposes of this Declaration, 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.

15.5 Amending Plat. During the Period of Declarant Control, Declarant shall have, and hereby reserves, the right to record amendments to the Plat from time to time. Each Owner of a Lot (whether conveyed by metes and bounds description prior to the recording of a Plat, or as a platted Lot after the recording thereof) shall promptly upon receipt approve and sign any such Plat or consent to Plat and shall promptly return the same to Declarant, provided that such Plat does not alter the size or configuration of said Owner's Lot or adversely affect ingress or egress to or from such Owner's Lot.

15.6 Reserved Rights Do Not Create Obligations. Anything in this Article XV to the contrary notwithstanding, the foregoing rights in favor of Declarant shall not in any way be construed as creating any obligation on the part of Declarant to exercise any such rights or to perform any of the activities, construct any Improvements, convey any property or grant any easements referred to in this Article.

15.7 Common Area and Access Easement. Notwithstanding anything to the contrary set forth herein, Declarant, during the Period of Declarant Control, the Board thereafter and/or the Association, as applicable, may alter, modify, reconfigure, relocate and/or remove the Common Areas and the Access Easement, subject to the following conditions: (i) the easements granted in Section 6 hereof shall not be closed or materially impaired; and (ii) the private drive and ingress and egress thereto, and to and from the Lots and adjacent streets and roads, shall not be so altered, modified, relocated, blocked and/or removed without the express written consent of all Owners.

## ARTICLE XVI ASSIGNMENT OF DECLARANT'S RIGHTS AND DUTIES

Any and all of the rights, powers and reservations of Declarant herein contained may be assigned by Declarant from time to time, in its discretion, to any Person who will assume the duties of Declarant pertaining to the particular rights, powers and reservations assigned. Upon such assignment, any such Person assuming such duties (and its heirs, successors and assigns) shall have, to the extent of such assignment, the same rights and powers and shall be subject to the same obligations and duties as are given to and assumed by Declarant in this Declaration. Any assignment made under this Article shall be in recordable form and shall be recorded in the Office of the Register of Deeds of Douglas County, Nebraska. Notwithstanding any provision of this Declaration to the contrary, Declarant may, at any time and from time to time without the consent of the Board or other Owners, temporarily or permanently relieve itself of all or a portion of its rights and obligations under this Declaration by filing in the Register of Deeds of Douglas County, Nebraska, a notice stating that Declarant has surrendered the rights and obligations specified therein, and upon the recording of such notice, said powers and obligations so specified shall immediately vest in the Board of Directors unless otherwise specified therein.

ARTICLE XVII  
ADDITIONAL PROVISIONS

17.1 Right of First Refusal.

17.1.1 ROFR Undeveloped Lots. Before any Undeveloped Lot may be sold to any Person, other than the Declarant, the Owner of such Undeveloped Lot shall first deliver to Declarant an offer in writing to sell the Undeveloped Lot to Declarant or its designee, successors and/or assigns (an "Offer Notice") for the same purchase price for the Lot, excluding any Improvements to be constructed on such Lot, as set forth in the purchase agreement (the "Original Purchase Price"). The Offer Notice shall include the Owner's address, a copy of the bona fide offer to purchase the Undeveloped Lot and shall indicate that the owner is offering said Lot for sale to Declarant pursuant to this right of first refusal. If Declarant or its designee, successors and/or assigns do not accept the offer of sale, in writing, within thirty (30) days after the receipt of the Offer Notice, then the Owner or Owners of such Undeveloped Lot shall have the right to sell the Lot to the third party making such bona fide offer pursuant to and in accordance with the terms of such bona fide offer, without any further additional obligation to offer said Lot to Declarant. Declarant shall have this right of first refusal with respect to each bona fide offer an Owner receives for the purchase of an Undeveloped Lot. Any Owner who buys and Undeveloped Lot from another Owner shall be governed by the provisions of this Section 17.1. Failure to exercise the right of first refusal with respect to any Offer Notice shall not limit Declarant's rights of first refusal with respect to any subsequent sale of any Undeveloped Lot. In each instance where an Offer Notice is delivered to Declarant by an Owner of a Lot, the Declarant shall determine, in its sole discretion, and on a case by case basis, whether to exercise its right of first refusal, and such determination may be made on such basis for any reason as Declarant shall determine in its sole and absolute discretion. Should an Owner fail to comply with the provisions of this Section 17.1 and sell an Undeveloped Lot without delivering an Offer Notice to Declarant in accordance with the terms hereof, then the purchase of such Lot shall be voidable and further subject to the right of first refusal herein granted, and Declarant shall thereafter at any time have the right to purchase such Lot according to the provision of this Article, whether or not it is substantially improved, from the purchase thereof at the price as set forth in this Section 17.1.1, and shall also be entitled to any other rights and remedies available under the law or in equity for the violation of this Section 17.1.

17.1.2. Binding Effect. The personal representatives, heirs, successors and assigns of any Owner who dies while owning an Undeveloped Lot, or the donee of a gift of an Undeveloped Lot from any Owner, shall become an Owner subject to the terms and conditions of this Declaration and any subsequent sale, transfer and conveyance of such Lot shall be governed by the provisions of this Section 17.1.

17.1.3. Failure to Comply; Remedies. In the event that Declarant exercises its rights of first refusal pursuant to Section 17.1.1 above, the closing of the conveyance of such Lot shall occur within thirty (30) days after receipt by the Owner of written notice from Declarant or its successors that it elects to exercise its right of first refusal with respect to such Lot. At closing, Declarant shall make payment to such Owner of the purchase price. The Owner shall deliver to Declarant a warranty deed conveying fee simple marketable title to the Lot free and clear of all liens and encumbrances, except those that existed immediately prior to the time of the acquisition of the Lot by the Owner, the lien of ad valorem real estate taxes for the current year and any other liens and encumbrances which may be approved by Declarant. In the even the closing occurs after the death of an Owner, Declarant may, in its discretion, require the personal representative of the Owner to post such bonds or other assurances as Declarant may deem reasonable in order to protect Declarant from any loss which might be caused by the failure to pay any federal or state inheritance tax or the failure to pay the claims of creditors who may have a lien on the Lot superior to Declarant's rights as a purchaser of the Lot.

17.1.4. Covenants to Run with Land. The right of first refusal reserved by Declarant in this Section 17.1 shall run with the title to each Lot in the residential development being developed by Declarant on the Property and shall be binding upon each purchase of a Lot from Declarant and upon any subsequent Owner of Lot, whether such Owner purchased the Lot from Declarant or third party. The provisions of this Section 17.1 shall constitute record notice to all purchasers of Lots in the Project of the right of first refusal herein reserved, and no additional language in any deed of conveyance of a Lot and no recording of any additional instrument shall be required to make all Owners of Lots in the Project subject to the provisions of this Section 17.1.

17.2 Option to Purchase.

17.2.1. Undeveloped Lots. Should any Lot remain an Undeveloped Lot for (12) months from the date of closing of the purchase of a Lot from Declarant (the "Purchase Option Date"), whether or not such Lot has been purchased by any subsequent Person(s), the Declarant shall have the right, but not the obligation, to purchase such Lot from the Owner for a period of three (3) years from the Purchase Option Date, while the Lot remains an Undeveloped Lot. The price at which the Undeveloped Lot may be repurchased under this Section 17.2.1 shall equal the Original Purchase Price minus twenty five (25%) percent. In the event that Declarant desires to repurchase a Lot under the provisions of this Section 17.2.1, Declarant shall deliver a notice to the Owner of its intention to exercise its right.

17.2.2. Exercise of Option. In the event that Declarant exercises its right to purchase a Lot pursuant to Section 17.2.1 above, the closing and transfer of title shall occur in accordance with the same procedures and requirements as set forth in Section 17.2.1 above.

17.2.3. Covenant Running with the Land. The option to purchase reserved by Declarant in Section 17.2 shall run with the title to each Lot in the Project and be binding upon each purchaser of a Lot from Declarant and upon any subsequent Owner of a Lot, whether such Owner purchased such Lot from Declarant or from a third party. The provisions of this Section 17.2.3 shall constitute record notice to all purchasers of Lots in the Project of the option to purchase reserved and no additional language in any deed of conveyance of a Lot and no recording of any additional instrument shall be required to make all Owners of Lots in the Project subject to the provisions of this Section 17.2.3.

17.3 Constructive Notice and Acceptance of Declaration. Every Person who now or hereafter owns or acquires any right, title or interest in or to any portion of Bluewater is and shall be conclusively deemed to have consented and agreed to this Declaration, whether or not any reference to this Declaration is contained in the instrument by which such person or entity acquired an interest in said Bluewater.

17.4 Governing Law. This Declaration shall be governed by and construed in accordance with the laws of the State of Nebraska. Venue for enforcement hereof shall lie exclusively in Douglas County, Nebraska, and each Person with rights hereunder hereby waives the right to sue or be sued in any other place.

17.5 Mutuality and Reciprocity. This Declaration is made for the direct, mutual and reciprocal benefit of each and every Lot within Bluewater; shall create mutual, equitable servitudes upon each Lot within Bluewater in favor of every other Lot of Bluewater; and shall create reciprocal rights and obligations between the respective Owners and privity of contract and estate between all grantees of real property in Bluewater, their heirs, successors and assigns.

17.6 Declarant's Disclaimer. Declarant makes no warranties or representations that the plans presently envisioned for the development of Bluewater can or will be carried out, or that any Lot is or will



be committed to or developed for any particular use. In addition, while Declarant has no reason to believe that any of the provisions of this Declaration are or may be unenforceable, Declarant makes no representations as to enforceability. Declarant shall have no liability for the development of Bluewater or the enforcement of this Declaration.

17.7 Headings. Headings, where used herein, are inserted for convenience only and are not intended to be a part of this Declaration or in any way to define, limit or describe the scope and intent of the particular paragraphs to which they refer.

17.8 Effect of Invalidation. If any provision of this Declaration is held to be invalid by any court, the same shall not affect the validity of the remaining provisions of this Declaration and all remaining provisions shall continue unimpaired and in full force and effect.

17.9 Notices.

17.9.1 To Declarant or Committee. Any and all notices, or other communication made pursuant hereto, shall be in writing and shall be deemed properly delivered, given to or received by Declarant or the Committee, as the case may be (a) when personally delivered against receipted copy, or (b) four (4) business days after being mailed by certified or registered mail, postage prepaid; in either case to the Declarant, Board or the Architectural Committee at the following address:

Bluewater Development Corporation  
19111 West Center Road  
Omaha, Nebraska 68130

Declarant, Board and/or the Architectural Committee may change its address by (i) giving notice to all Owners, or (ii) giving notice to the Board at the principal office of the Association, or (iii) recording a Notice of Change of Address in the Office of the Register of Deeds of Douglas County, Nebraska.

17.9.2 To Owners. A notice to any Owner shall be deemed duly given, delivered and received (a) when personally delivered against receipted copy, or (b) four (4) business days after mailing by certified or registered mail, postage prepaid; in either case to the address of the Owner's Lot or to such other address as the Owner has specified in writing to the Association.

17.10 Exhibits. All Exhibits attached hereto are incorporated herein by this reference and shall constitute a part of this Declaration.

17.11 Requirements of City. The covenants and restrictions contained herein are in addition to the requirements, codes and ordinances imposed by the City on Bluewater. In the event of a conflict or inconsistency between the provisions of this Declaration and the requirements, codes or ordinances of the City applicable to Bluewater, then the more restrictive requirement shall govern.

17.12 Consent. Whenever consent or approval is required hereunder, unless otherwise expressly provided herein, such consent or approval shall not be unreasonably withheld or delayed. Any request for consent or approval shall: (a) specify the section hereof which requires that such notice be given or that such consent or approval be obtained; and (b) be accompanied by such background data as is

reasonably necessary to make an informed decision thereon. In order to be effective, such consent must be given, denied or conditioned expressly and in writing.

17.13 Indemnification. Declarant, during the Period of Declarant Control, the Board thereafter and/or the Association, as applicable, shall indemnify and hold each Owner harmless from and against all claims, liabilities and expenses (including reasonable attorneys' fees) relating to accidents, injuries, loss, or damage of or to any person or property arising from the negligent, intentional or willful acts or omissions of such Declarant, during the Period of Declarant Control, the Board thereafter and/or the Association, as applicable, its contractors, employees, agents, or others acting on behalf of Declarant, during the Period of Declarant Control, the Board thereafter and/or the Association, as applicable.

*[Signature on following page]*

IN WITNESS WHEREOF, Declarant has executed this Declaration the day and year first above written.

DECLARANT:

BLUEWATER DEVELOPMENT CORPORATION, a  
Nebraska corporation,

By: [Signature]  
Its: President

STATE OF NEBRASKA        )  
  ) ss.  
COUNTY OF DOUGLAS     )

Before me, the undersigned Notary Public in and for said county and state, appeared David F. Lauona, President of Bluewater Development Corporation, a Nebraska corporation, known to me to be the identical person who executed the above instrument and acknowledged the execution thereof to be his/her voluntary act and deed on behalf of said corporation.

WITNESS my hand and Notarial Seal this 4<sup>th</sup> day of December, 2015.

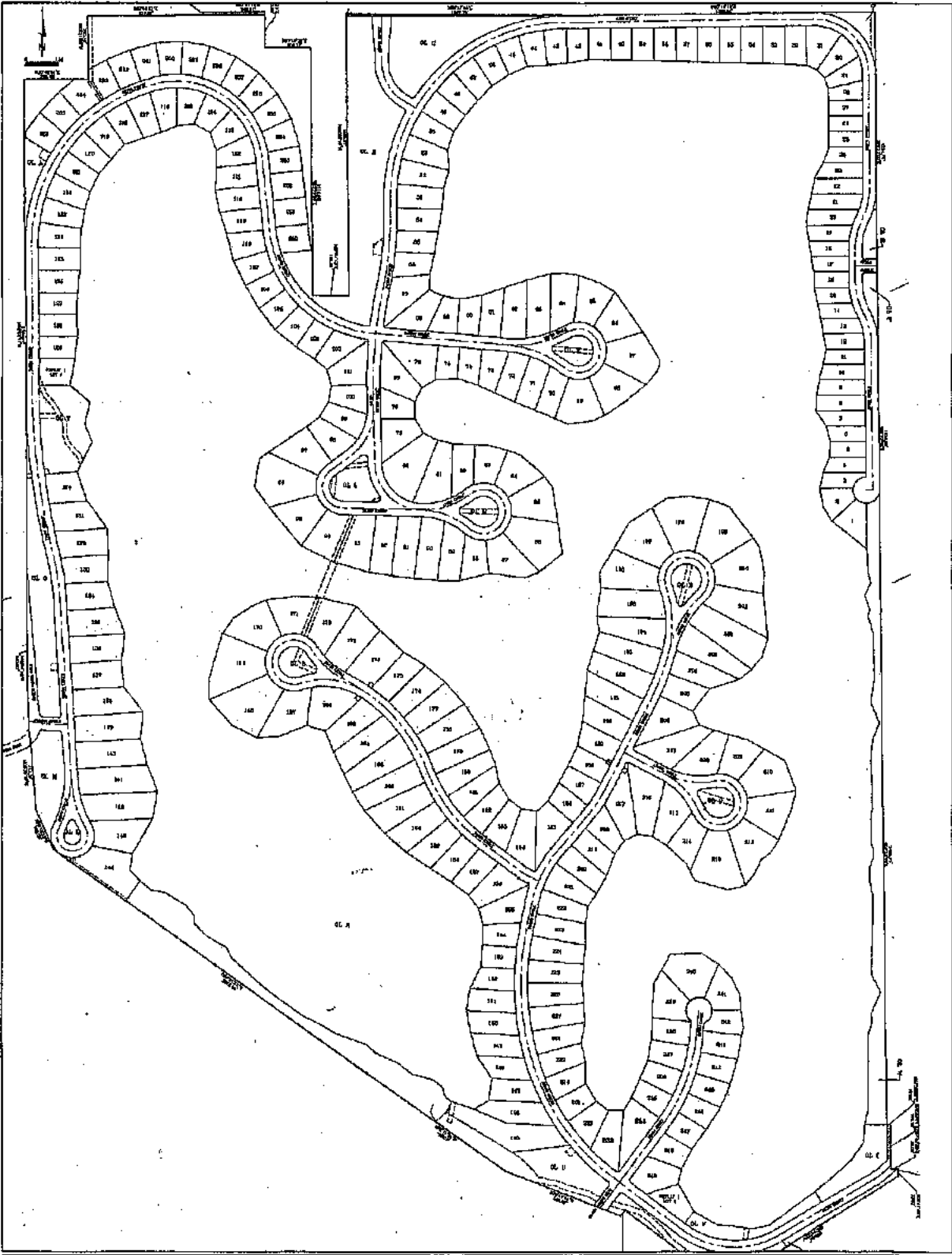
Kristina J. Carter  
Notary Public



**EXHIBIT "A"**

**SITE PLAN**

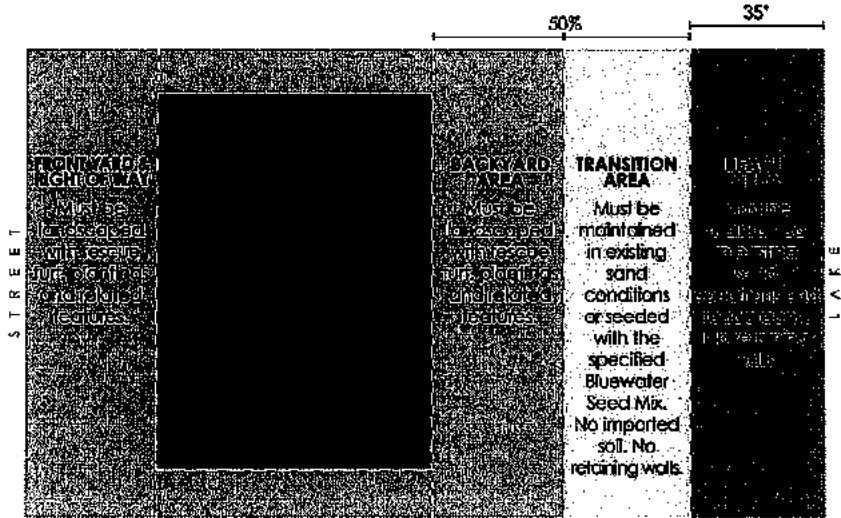




<p>1</p>	<p><b>BILUEWATER LOT EXHIBIT</b></p>	<p><b>LAMP RYNEARSON &amp; ASSOCIATES</b></p>	<p>14710 Vine Dodge Rd. Suite 100 Omaha, Nebraska 68154-2027 402.616.2428 www.LRA.biz.com</p>	<p>402.616.2428 402.484.2750</p>
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**EXHIBIT "B"**

**BUILDABLE AREA**



POOR COPY