

**AGENDA**  
**VALLEY CITY COUNCIL**  
Monday, March 23, 2026  
City Hall  
203 North Spruce  
Valley, NE 68064  
7:00 PM

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **PLEDGE OF ALLEGIANCE**
4. **PROOF OF PUBLICATION**
5. **VISITORS & CORRESPONDENCE**

Anyone desiring to speak on any item or issue not on the agenda or any item on the agenda that does not include a public hearing may do so; but shall be limited to three (3) minutes. Persons should identify themselves by name and address. Persons speaking should not expect the Council to engage in back-and-forth dialogue regarding their comments. Unless an agenda item includes a public hearing, no person may speak during the business portion of the meeting; provided, however, persons speaking during a public hearing are limited to between five (5) and twenty (20) minutes. The public is advised that a copy of the Open Meetings Act is located on the north wall of the Council Chamber, and one copy of all reproducible written material to be discussed at this meeting is available for examination or copying.

6. **APPROVAL OF AGENDA**
7. **Audit presentation and approval of audit for submission to the State Auditor for FY2024-2025.**
8. **Heimann Ventures III, LLC (Champion Shores) consideration and approval of rezoning from Industrial/Residential to Residential**
  - **Open Public Hearing**
  - **Close Public Hearing**
  - **Ordinance No. 848**
9. **Heimann Venturs III, LLC (Champion Shores) approval of Final Plat and Declaration of Covenants, Conditions, Restrictions and Easements for Champion Shores**

The City Council reserves the right to enter into an executive session at any time during the meeting, in accordance with the Nebraska Open Meetings Act, even though the closed session may not be indicated on the agenda.

It is the intention of the City Council to take up the items on the agenda in sequential order. However, the City Council reserves the right to take up matters in a different order to accommodate the schedules of the City Council members, persons having items on the agenda, and the public.

- **Open Public Hearing**
  - **Close Public Hearing**
  - **Motion to approve Final Plat**
10. **Champion Shores consideration and action to approve Subdivision Agreement and all supporting Exhibits.**
  11. **ADJOURN**

The City Council reserves the right to enter into an executive session at any time during the meeting, in accordance with the Nebraska Open Meetings Act, even though the closed session may not be indicated on the agenda.

It is the intention of the City Council to take up the items on the agenda in sequential order. However, the City Council reserves the right to take up matters in a different order to accommodate the schedules of the City Council members, persons having items on the agenda, and the public.

**NOTICE OF SPECIAL MEETING  
CITY OF VALLEY  
MONDAY, MARCH 23, 2026, 7:00 P.M.  
VALLEY CITY HALL  
203 N. SPRUCE STREET, VALLEY, NE**

Notice is hereby given that a special meeting of the City Council of the City of Valley, Nebraska will be held on Monday, March 23, 2026, at 7:00 p.m., at Valley City Hall. The subject of the Special Meeting is:

1. Audit - consideration and approval of audit for submission to the State Auditor for FY 2024-2025.
2. Champion Shores - consideration and approval of Subdivision Agreement and Agreement for Escrow of Security Fund.

Public hearings will be held on the following:

1. Heimann Ventures III, LLC (Champion Shores)
  - Consideration and approval of rezoning from Industrial/Residential to Residential
2. Heimann Ventures III, LLC (Champion Shores)
  - Consideration and approval of Final Plat

An agenda kept continuously current shall be available for public inspection at Valley City Hall (203 N. Spruce Street).

Christie Donnermeyer, City Clerk

3/13 ZNEZ



# The Daily Record

## Proof of Publication

**JASON W. HUFF, Publisher**

UNITED STATES OF AMERICA,  
The State of Nebraska,  
District of Nebraska,  
County of Douglas,  
City of Omaha } ss.

JASON W. HUFF, being duly sworn, deposes and say that they are the PUBLISHER and/or MANAGING EDITOR of THE DAILY RECORD, of Omaha, a legal newspaper, printed and published daily in the English language, having a bona fide paid circulation in Douglas County in excess of 300 copies, and a general circulation in Sarpy, Lancaster, Cass and Dodge Counties, printed in Omaha, in said County of Douglas, Nebraska for more than fifty-two weeks last past; that the printed notice here-to attached was published in THE DAILY RECORD, of Omaha, for 1 consecutive weeks on:

3/13/26

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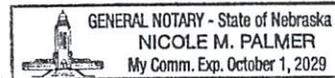


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That said Newspaper during that time was regularly published and in general circulation in the County of Douglas, and State of Nebraska.



Publisher's Fee \$36.00

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Total \$36.00



Subscribed in my presence and sworn to before me this MARCH 13 2026



Notary Public in and for  
Douglas County, State of Nebraska



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FEDERAL BUREAU OF INVESTIGATION  
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SUBJECT: [Illegible]

RE: [Illegible]

RE: [Illegible]

RE: [Illegible]

RE: [Illegible]

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION  
WASHINGTON, D. C.

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**City of Valley  
Valley, Nebraska**

**Basic Financial Statements**

**September 30, 2025**

PRELIMINARY

**City of Valley, Nebraska  
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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council  
City of Valley, Nebraska

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the City of Valley, Nebraska (the City) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the City, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## INDEPENDENT AUDITORS' REPORT (Continued)

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## INDEPENDENT AUDITORS' REPORT (Continued)

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management discussion and analysis and the budgetary comparison information on pages XX-XX and 29-31 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The schedule of revenues, expenditures and changes in fund balance – budget and actual – governmental funds (excluding debt service fund), presented on page 28 and the schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information above is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information described in the above paragraph are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## INDEPENDENT AUDITORS' REPORT (Continued)

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated **March XX, 2026** on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Bland + Associates, P.C.*

Omaha, Nebraska  
**March XX, 2026**

PRELIMINARY

PRELIMINARY

**City of Valley, Nebraska  
Management's Discussion and Analysis**



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This MD&A is prepared in accordance with GASB Statement No. 34 and is intended to provide an objective and easily readable analysis of the City of Valley, Nebraska's financial activities for the fiscal year ended September 30, 2025. It should be read in conjunction with the City's basic financial statements and accompanying notes contained in the audited financial statements for the same period.

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### **Financial Highlights**

- As of September 30, 2025, the City's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources by \$20,536,407.
- Total net position is comprised of the following:
  - Net invested in capital assets of \$6,098,691. This represents the property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of the City's capital assets.
  - Restricted net position of \$7,525,373.
  - Unrestricted net position of \$6,912,343.
- Net position increased by \$3,908,079 during the year ending September 30, 2025.
- The City's governmental funds reported a net increase in fund balance of \$3,199,599 and a total ending fund balance of \$10,268,159.
- The City's proprietary funds reported a net increase in net position of \$1,381,264 and total ending net position of \$10,465,955.
- At the end of the current fiscal year, fund balance for the General Fund was \$1,840,618, an increase of \$1,310,525 from the prior year.

**City of Valley, Nebraska  
Management's Discussion and Analysis**

**Overview of the Financial Statements**

Management's Discussion and Analysis introduces the City's basic financial statements. The basic financial statements include: (1) fund financial statements and (2) notes to the basic financial statements. The City also includes in this report additional information to supplement the basic financial statements.

**Fund Financial Statements**

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole.

**The City has two types of funds:**

**Governmental funds** provide information related to activities that are principally supported by taxes and intergovernmental revenues. They are useful in evaluating annual financing requirements of governmental programs and the commitment of expendable resources for the near term.

**Proprietary funds** report services for which the City charges customers a fee. There are two kinds of proprietary funds, enterprise funds, and internal service funds. Enterprise funds provide services to customers external to the City organization such as the water and wastewater utilities. Internal service funds provide services and charge fees to customers within the City organization such as equipment repair and maintenance. The City currently has no internal service funds.

**Notes to the Financial Statements**

The accompanying notes to the basic financial statements provide information essential to a full understanding of the fund financial statements. The notes to the basic financial statements begin immediately following the basic financial statements.

**Financial Analysis of Governmental Funds**

Revenues from governmental funds, totaled \$12,594,331 in 2025, an increase of \$2,141,971 from 2024 revenues of \$10,452,360. The amounts of revenue by source are summarized below:

<b>Revenue Source</b>	<b>2024</b>	<b>2025</b>
Taxes	\$ 8,817,578	\$ 11,086,765
Licenses & Permits	463,422	425,214
Intergovernmental	722,187	554,803
Charges for Services	88,303	85,430
Grant Income	26,003	80,456
Keno	101,575	86,798
Interest Income	30,954	53,342
Other	<u>198,627</u>	<u>221,520</u>
<b>Total</b>	<b><u>\$ 10,452,360</u></b>	<b><u>\$ 12,594,331</u></b>

**City of Valley, Nebraska  
Management's Discussion and Analysis**

**Financial Analysis of Governmental Funds (Continued)**

Total revenues increased driven primarily by a \$2,269,187 increase in tax revenues. Grant and interest income also rose during the year, partially offsetting declines in intergovernmental revenues, licenses and permits, charges for services, and keno revenue. As a result, the City's reliance on property taxes increased, with tax revenues totaling \$11,086,765 and accounting for approximately 88% of total governmental revenues in 2025, compared to 84% in 2024.

Expenditures of governmental funds totaled \$4,899,070 for 2025, a decrease of \$539,551 from 2024 expenditures of \$5,428,621. These expenditures, by function, are summarized below:

<b>Expenditures</b>	<b><u>2024</u></b>	<b><u>2025</u></b>
General government	\$ 1,286,734	\$ 1,334,528
Public health and safety	919,138	896,030
Culture and recreation	239,523	1,913,701
Public works	2,555,215	1,886,309
Community development	14,865	98,078
Debt Service - Principal	370,000	395,000
Debt Service - Interest	<u>43,146</u>	<u>174,914</u>
<b>Total</b>	<b><u>\$ 5,428,621</u></b>	<b><u>\$ 6,698,560</u></b>

Total governmental fund expenditures increased by \$1,269,939 in 2025, primarily due to a significant increase culture and recreation for park improvements by \$1,674,178 offset by a reduction in public works spending, which declined by \$668,906 from the prior year as major projects were completed or scaled back. Public health and safety expenditures also decreased modestly. These reductions were partially offset by increased spending in community development, and general government. In addition, debt service costs rose in 2025, with both principal and interest expenditures increasing compared to 2024.

**Financial Analysis of the Proprietary Fund**

Revenues from proprietary funds totaled \$3,244,676 in 2025, an increase of \$1,109,363 from 2024 revenues of \$2,135,313. The amounts of revenue by source are summarized below.

<b>Operating Revenues</b>	<b><u>2024</u></b>	<b><u>2025</u></b>
Metered sales	\$ 1,495,939	\$ 2,133,150
Connection fees	153,500	546,837
Assessments	36,181	16,679
Rent	308,817	284,496
Misc. income	<u>140,876</u>	<u>243,514</u>
<b>Total</b>	<b><u>\$ 2,135,313</u></b>	<b><u>\$ 3,244,676</u></b>

**City of Valley, Nebraska  
Management's Discussion and Analysis**

**Financial Analysis of the Proprietary Fund (Continued)**

Operating revenues increased by \$1,109,363 in 2025, primarily due to significant growth in metered sales, which rose by \$637,211, reflecting higher usage and/or rate increases. Connection fees also increased substantially by \$393,337, indicating increased development activity during the year. Miscellaneous income contributed an additional \$102,638 to the increase. These gains were partially offset by decreases in assessments and rental income compared to 2024.

Expenditures of proprietary funds totaled \$3,157,594 for 2025, an increase of \$ 640,698 from 2024 expenditures of \$2,513,896. These expenditures, by function, are summarized below:

<b>Operating Expenses</b>	<b>2024</b>	<b>2025</b>
Salaries and benefits	\$ 50,589	\$ 45,023
Supplies	183,091	121,844
People service contract	439,800	384,940
Fremont Department of Utilities	589,778	749,128
Insurance	34,019	49,161
Utilities	109,360	143,028
Repairs and maintenance	422,737	881,767
Professional fees	16,901	18,887
Misc.	117,422	164,194
Capital Outlay	-	32,309
Depreciation and amortization	<u>553,199</u>	<u>568,313</u>
<b>Total</b>	<b><u>\$ 2,516,896</u></b>	<b><u>\$ 3,157,594</u></b>

Operating expenses for proprietary funds increased in 2025, primarily driven by higher utility repairs and maintenance costs, which rose by \$459,030 compared to the prior year. Additional increases were noted in Fremont Department of Utilities charges, utilities, insurance, and miscellaneous expenses, reflecting higher operating and service-related costs. Depreciation and amortization increased modestly, and capital outlay expenditures were recorded in 2025 whereas none occurred in 2024.

Proprietary fund activities are shown comparing costs to revenues generated by related services. The water and sanitary sewer systems are designed to be self-supporting with user charges and other revenues designed to recover costs.

**City of Valley, Nebraska  
Management's Discussion and Analysis**

**General Fund Budgetary Highlights**

The Governmental Fund budget actual revenues increased from \$10,048,630 in FY 2024 to \$12,064,875 in FY 2025, reflecting an overall growth of nearly \$2 million. This increase was primarily driven by higher tax revenues, which rose from \$8,425,568 to \$10,559,337, and by significant gains in grant income. Miscellaneous revenue and interest income also contributed modestly to the increase, while licenses and permits, intergovernmental revenue, charges for services, and keno fees experienced slight declines. Overall, FY 2025 shows stronger total revenue performance, led by growth in key sources such as taxes and grants.

Total Governmental budget actual expenditures decreased from \$5,014,374 in FY 2024 to \$4,323,162 in FY 2025, a reduction of approximately \$691,000. The decrease was primarily due to lower spending in public works, which declined significantly from \$2,555,215 to \$2,047,022. Expenditures in general government, culture and recreation, and community development remained relatively stable, while public health and safety saw a modest decrease. Overall, FY 2025 reflects more controlled spending compared to the prior year, contributing to improved fiscal outcomes.

**Assessed Valuation and Property Taxes**

Assessed valuation for property within the corporate city limits increased 27.76% over the past year. Valuation for tax year 2024 and 2025 was \$545,111,770 and \$696,452,195, respectively. Tax rates are applied to every \$100 of actual valuation. The breakdown of tax rates for 2024 and 2025 are as follows:

	<u>2024</u>	<u>2025</u>
General Fund	0.25460	0.30967
Debt Service Fund	<u>0.05545</u>	<u>0.05291</u>
<b>Total</b>	<b><u>0.31005</u></b>	<b><u>0.36258</u></b>

**Debt Administration**

The City had total bonded debt outstanding of \$12,319,206 as of September 30, 2025, in both governmental funds and proprietary funds. The City's administration continues to monitor call dates and interest rates in order to refinance any long-term debt that would save the City money. Future bond payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 871,506	\$ 200,173	\$ 1,071,679
2027	976,655	314,536	1,291,191
2028	1,202,732	297,167	1,499,899
2029	1,248,760	270,693	1,519,453
2030	1,245,159	241,983	1,487,142
2031 – 2042	<u>6,774,394</u>	<u>1,055,075</u>	<u>7,828,873</u>
<b>Total</b>	<b><u>\$12,319,206</u></b>	<b><u>\$ 2,379,627</u></b>	<b><u>\$14,698,833</u></b>

**City of Valley, Nebraska  
Management's Discussion and Analysis**

**Debt Administration (Continued)**

Annual debt service payments are structured through 2042, with total payments highest in the near term \$1,071,679 in 2026 and gradually stabilizing in later years. The largest portion of principal is scheduled for retirement between 2031 and 2042, totaling \$6,773,798. This structured repayment plan demonstrates a manageable long-term debt profile, with interest costs declining over time and the city maintaining a sustainable fiscal position.

**Economic Factors and Next Year's Budget**

Looking ahead to FY 2026, the City anticipates modest growth in both revenues and expenditures, building on actual revenues of \$12,594,331 in FY 2025. When excluding the leasing corporation, total expenditures decreased in FY 2025 to \$5,003,145 from \$5,428,621 in FY 2024, reflecting careful monitoring of spending and non-essential costs. The City's total bonded debt of remains manageable, with structured payments through 2042. For the coming year, the City plans to initiate water main replacement projects, while continuing to maintain service levels and enforce fiscal discipline. These initiatives are balanced with ongoing efforts to expand the tax base and comply with state-imposed budget limitations.

**Contacting the City's Financial Management**

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have any questions about this report or would like to request additional information, please contact Valley City Hall, 203 Spruce Street, Valley, Nebraska 68064.

PRELIMINARY

**BASIC FINANCIAL STATEMENTS**

**City of Valley, Nebraska**  
**Statement of Net Position**  
**September 30, 2025**

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash investments	\$ 9,960,523	\$ 4,821,764	\$ 14,782,287
Cash with County Treasurer	206,768	-	206,768
Taxes receivable	561,941	-	561,941
Grants receivable	-	1,199,816	1,199,816
Accounts receivable	-	89,655	89,655
Lease receivable	-	1,094,431	1,094,431
Interest receivable	-	3,457	3,457
Prepaid items	-	20,484	20,484
Internal balances	109,482	(109,482)	-
Capital assets			
Land	300,000	4,000	304,000
Construction in process	-	3,480,478	3,480,478
Buildings	984,774	941,040	1,925,814
Improvement and infrastructure	5,053,013	21,435,066	26,488,079
Equipment and furniture	1,654,085	713,949	2,368,034
Accumulated depreciation and amortization	(1,947,121)	(10,082,346)	(12,029,467)
Total assets	<u>16,883,465</u>	<u>23,612,312</u>	<u>40,495,777</u>
<b>Liabilities</b>			
Accounts payable	446,269	860,190	1,306,459
Accrued liabilities	77,845	314,511	392,356
Accrued interest	78,111	-	78,111
Customer deposits	-	89,290	89,290
Current portion of long-term liabilities	317,431	897,305	1,214,736
Long-term liabilities	5,893,357	9,992,326	15,885,683
Total liabilities	<u>6,813,013</u>	<u>12,153,622</u>	<u>18,966,635</u>
<b>Deferred Inflows of Resources</b>			
Lease receivable	-	992,735	992,735
<b>Net Position</b>			
Net investment in capital assets	778,275	5,320,416	6,098,691
Restricted for			
Community betterment	336,386	-	336,386
Community development	7,188,987	-	7,188,987
Unrestricted	1,766,804	5,145,539	6,912,343
Total net position	<u>\$ 10,070,452</u>	<u>\$ 10,465,955</u>	<u>\$ 20,536,407</u>

City of Valley, Nebraska  
Statement of Activities  
Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Position		
		Charges for services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Net Total
Primary government							
Governmental activities							
General services	\$ 1,286,961	\$ 510,647	\$ 80,456	\$ -	\$ (695,858)	\$ -	\$ (695,858)
Public safety	896,030	-	-	-	(896,030)	-	(896,030)
Public works	740,343	-	-	-	(740,343)	-	(740,343)
Keno	98,078	86,798	-	-	(11,280)	-	(11,280)
Culture and recreation	245,166	-	-	-	(245,166)	-	(245,166)
Tax increment financing	5,998,844	-	-	-	(5,998,844)	-	(5,998,844)
Unallocated depreciation	397,525	-	-	-	(397,525)	-	(397,525)
Interest and fees	289,814	-	-	-	(289,814)	-	(289,814)
Total governmental activities	<u>9,952,761</u>	<u>597,445</u>	<u>80,456</u>	<u>-</u>	<u>(9,274,860)</u>	<u>-</u>	<u>(9,274,860)</u>
Business-type activities							
Utilities	3,222,842	2,696,666	-	1,307,203	-	781,027	781,027
Nursing home	115,718	284,496	-	-	-	168,778	168,778
Total business-type activities	<u>3,338,560</u>	<u>2,981,162</u>	<u>-</u>	<u>1,307,203</u>	<u>-</u>	<u>949,805</u>	<u>949,805</u>
Total government	<u>\$ 13,291,321</u>	<u>\$ 3,578,607</u>	<u>\$ 80,456</u>	<u>\$ 1,307,203</u>	<u>(9,274,860)</u>	<u>949,805</u>	<u>(8,325,055)</u>
General revenues							
Taxes							
Property					8,967,603	-	8,967,603
Sales					2,146,735	-	2,146,735
Intergovernmental					554,803	-	554,803
Interest income					53,342	45,617	98,959
Transfers					(142,328)	142,328	-
Miscellaneous					221,520	243,514	465,034
Total general revenues					<u>11,801,675</u>	<u>431,459</u>	<u>12,233,134</u>
Change in net position					2,526,815	1,381,264	3,908,079
Net Position - beginning of year					7,543,637	12,207,771	19,751,408
Error Correction, See Note 12					-	(3,123,080)	(3,123,080)
Net Position - beginning of year, as restated					<u>7,543,637</u>	<u>9,084,691</u>	<u>16,628,328</u>
Net Position - end of year					<u>\$ 10,070,452</u>	<u>\$ 10,465,955</u>	<u>\$ 20,536,407</u>

See notes to basic financial statements.

City of Valley, Nebraska  
Balance Sheet - Governmental Funds  
September 30, 2025

	General	Bond	Sales Tax	TIF	Keno	Leasing Corporation	Total Governmental Funds
<b>Assets</b>							
Cash and investments	\$ 1,984,810	\$ 568,475	\$ 6,874,094	\$ 1,000	\$ 337,536	\$ 194,608	\$ 9,960,523
Cash with County Treasurer	67,693	8,106	-	130,969	-	-	206,768
Taxes receivable	96,941	10,190	314,893	139,917	-	-	561,941
Due from other funds	109,482	-	-	-	-	-	109,482
<b>Total assets</b>	<b>\$ 2,258,926</b>	<b>\$ 586,771</b>	<b>\$ 7,188,987</b>	<b>\$ 271,886</b>	<b>\$ 337,536</b>	<b>\$ 194,608</b>	<b>\$ 10,838,714</b>
<b>Liabilities</b>							
Accounts payable	\$ 304,203	\$ -	\$ -	\$ 140,916	\$ 1,150	\$ -	\$ 446,269
Due to other funds	-	-	-	-	-	-	-
Accrued wages payable	77,845	-	-	-	-	-	77,845
<b>Total liabilities</b>	<b>382,048</b>	<b>-</b>	<b>-</b>	<b>140,916</b>	<b>1,150</b>	<b>-</b>	<b>524,114</b>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue - taxes receivable	36,260	10,181	-	-	-	-	46,441
<b>Fund Balances</b>							
Restricted for							
Debt service	-	576,590	-	130,970	-	-	707,560
Community betterment	-	-	-	-	336,386	-	336,386
Culture and recreation	-	-	-	-	-	194,608	194,608
Community development	-	-	7,188,987	-	-	-	7,188,987
Unassigned	1,840,618	-	-	-	-	-	1,840,618
<b>Total fund balances</b>	<b>1,840,618</b>	<b>576,590</b>	<b>7,188,987</b>	<b>130,970</b>	<b>336,386</b>	<b>194,608</b>	<b>10,268,159</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 2,258,926</b>	<b>\$ 586,771</b>	<b>\$ 7,188,987</b>	<b>\$ 271,886</b>	<b>\$ 337,536</b>	<b>\$ 194,608</b>	<b>\$ 10,838,714</b>
<b>Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position</b>							
Total fund balance - governmental funds							\$ 10,268,159
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.							6,044,751
Deferred inflows of resources for unavailable revenues not available to pay for current period expenditures.							46,441
Long-term liabilities, including bonds payable and related interest payable, are not due and payable in the current period and; therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consists of:							
Accrued interest payable							(78,111)
Lease liabilities							(240,788)
Bonds payable							(5,970,000)
<b>Total net position - governmental activities</b>							<b>\$ 10,070,452</b>

See notes to basic financial statements.

City of Valley, Nebraska  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Governmental Funds  
Year Ended September 30, 2025

	General	Bond	Sales Tax	TIF	Keno	Leasing Corporation	Total Governmental
<b>Revenues</b>							
Taxes	\$ 2,502,807	\$ 379,812	\$ 2,146,735	\$ 6,057,411	\$ -	\$ -	\$ 11,086,765
Licenses and permits	425,217	-	-	-	-	-	425,217
Intergovernmental	554,803	-	-	-	-	-	554,803
Charges for services	85,430	-	-	-	-	-	85,430
Grant income	80,456	-	-	-	-	-	80,456
Keno	-	-	-	-	86,798	-	86,798
Interest income	14,793	11,035	-	-	9,806	17,708	53,342
Other	209,235	-	-	-	-	12,285	221,520
Total revenues	<u>3,872,741</u>	<u>390,847</u>	<u>2,146,735</u>	<u>6,057,411</u>	<u>96,604</u>	<u>29,993</u>	<u>12,594,331</u>
<b>Expenditures</b>							
General government	1,286,961	20,717	-	-	-	26,850	1,334,528
Public health and safety	896,030	-	-	-	-	-	896,030
Culture and recreation	245,166	-	-	-	-	1,668,535	1,913,701
Public works	1,886,309	-	-	-	-	-	1,886,309
Community development	-	-	-	-	98,078	-	98,078
Debt service							
Principal	-	395,000	-	-	-	-	395,000
Interest	-	174,914	-	-	-	-	174,914
Total expenditures	<u>4,314,466</u>	<u>590,631</u>	<u>-</u>	<u>-</u>	<u>98,078</u>	<u>1,695,385</u>	<u>6,698,560</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(441,725)</u>	<u>(199,784)</u>	<u>2,146,735</u>	<u>6,057,411</u>	<u>(1,474)</u>	<u>(1,665,392)</u>	<u>5,895,771</u>
<b>Other Financing Sources (Uses)</b>							
Proceeds from issuance of bonds	-	1,585,000	-	-	-	1,860,000	3,445,000
Tax increment financing	-	-	-	(5,998,844)	-	-	(5,998,844)
Transfer from other funds	1,752,250	-	-	-	-	-	1,752,250
Transfer to other funds	-	(1,284,478)	(610,000)	-	(100)	-	(1,894,578)
Total other financing sources (uses)	<u>1,752,250</u>	<u>300,522</u>	<u>(610,000)</u>	<u>(5,998,844)</u>	<u>(100)</u>	<u>1,860,000</u>	<u>(6,141,172)</u>
Net change in fund balances	1,310,525	100,738	1,536,735	58,567	(1,574)	194,608	3,199,599
Fund balances, beginning of year	530,093	475,852	5,652,252	72,403	337,960	-	7,068,560
Fund balances, end of year	<u>\$ 1,840,618</u>	<u>\$ 576,590</u>	<u>\$ 7,188,987</u>	<u>\$ 130,970</u>	<u>\$ 336,386</u>	<u>\$ 194,608</u>	<u>\$ 10,268,159</u>

See notes to basic financial statements.

City of Valley, Nebraska  
 Reconciliation of the Statement of Revenues,  
 Expenditures, and Changes in Fund Balances to the  
 Statement of Activities - Governmental Funds  
 Year Ended September 30, 2025

Total net change in fund balances - governmental funds	\$ 3,199,599
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense. This is the amount by which capitalized capital outlay (\$2,814,501) exceeded depreciation and amortization expense (\$491,128).	2,323,373
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	27,573
The issuance of long-term debt is reported as revenue in the governmental funds, but the issuance of bonds increases long-term liabilities in the statement of net position.	(3,445,000)
Repayment of bond principal (\$395,000) and lease liability (\$93,603) is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position, including the change in accrued interest payable (\$67,333) not recognized in the fund financial statements.	<u>421,270</u>
Change in net position of governmental activities	<u><u>\$ 2,526,815</u></u>

City of Valley, Nebraska  
Statement of Net Position - Proprietary Funds  
September 30, 2025

	Utilities	Nursing Home	Total
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 3,671,430	\$ 1,150,334	\$ 4,821,764
Grants receivable	1,199,816	-	1,199,816
Utility billing receivables	89,655	-	89,655
Prepaid items	20,484	-	20,484
Lease receivable - current portion	-	264,578	264,578
Interest receivable	-	3,457	3,457
<b>Total current assets</b>	<b>4,981,385</b>	<b>1,418,369</b>	<b>6,399,754</b>
<b>Noncurrent assets</b>			
Land	4,000	-	4,000
Buildings	371,400	569,640	941,040
Infrastructure and Improvements	19,362,382	2,072,684	21,435,066
Equipment and furniture	697,166	16,783	713,949
Accumulated depreciation	(8,876,988)	(1,205,358)	(10,082,346)
Construction in progress	3,480,478	-	3,480,478
<b>Net property, plant and equipment</b>	<b>15,038,438</b>	<b>1,453,749</b>	<b>16,492,187</b>
Lease receivable - non-current portion	-	829,853	829,853
<b>Total assets</b>	<b>\$ 20,019,823</b>	<b>\$ 3,701,971</b>	<b>\$ 23,721,794</b>
<b>Liabilities and Net Position</b>			
<b>Current liabilities</b>			
Accounts payable	\$ 860,190	\$ -	\$ 860,190
Accrued expenses	314,511	-	314,511
Customer deposits	89,290	-	89,290
Due to other funds	109,482	-	109,482
Current portion of noncurrent liabilities	810,799	86,506	897,305
<b>Total current liabilities</b>	<b>2,184,272</b>	<b>86,506</b>	<b>2,270,778</b>
<b>Noncurrent liabilities</b>			
Bonds and notes payable, net of current portion	9,099,626	892,700	9,992,326
<b>Deferred Inflows of Resources</b>			
Lease receivable	-	992,735	992,735
<b>Net Position</b>			
Net investment in capital assets	4,845,873	474,543	5,320,416
Unrestricted	3,890,052	1,255,487	5,145,539
<b>Total net position</b>	<b>8,735,925</b>	<b>1,730,030</b>	<b>10,465,955</b>
<b>Total liabilities and net position</b>	<b>\$ 20,019,823</b>	<b>\$ 3,701,971</b>	<b>\$ 23,721,794</b>

See notes to basic financial statements.

**City of Valley, Nebraska**  
**Statement of Revenues,**  
**Expenses and Changes in Net Position**  
**Proprietary Funds**  
**Year Ended September 30, 2025**

	Utilities	Nursing Home	Total
<b>Operating Revenues</b>			
Metered sales	\$ 2,133,150	\$ -	\$ 2,133,150
Connection fees	546,837	-	546,837
Assessments	16,679	-	16,679
Rent	-	284,496	284,496
Miscellaneous income	196,786	46,728	243,514
Total operating revenues	<u>2,893,452</u>	<u>331,224</u>	<u>3,224,676</u>
<b>Operating Expenses</b>			
Salaries and benefits	45,023	-	45,023
Supplies	121,844	-	121,844
People service contract	384,940	-	384,940
Fremont Department of Utilities contract	748,128	-	748,128
Insurance	49,161	-	49,161
Utilities	143,028	-	143,028
Repairs and maintenance	881,767	-	881,767
Professional fees	18,058	829	18,887
Miscellaneous	164,194	-	164,194
Capital Outlay	32,309	-	32,309
Depreciation and amortization	514,855	53,458	568,313
Total operating expenses	<u>3,103,307</u>	<u>54,287</u>	<u>3,157,594</u>
<b>Operating Income (loss)</b>	<u>(209,855)</u>	<u>276,937</u>	<u>67,082</u>
<b>Non-operating Revenues (expenses)</b>			
Grant Income	1,307,203	-	1,307,203
Interest income	45,617	-	45,617
Interest expense	(119,535)	(61,431)	(180,966)
Transfer from other funds	154,253	(11,925)	142,328
Total non-operating revenues (expenses)	<u>1,387,538</u>	<u>(73,356)</u>	<u>1,314,182</u>
Change in net position	<u>1,177,683</u>	<u>203,581</u>	<u>1,381,264</u>
Net position - beginning of year	10,681,322	1,526,449	12,207,771
Error Correction, See Note 12	(3,123,080)	-	(3,123,080)
Net Position - beginning of year, as restated	<u>7,558,242</u>	<u>1,526,449</u>	<u>9,084,691</u>
Net position - end of year	<u>\$ 8,735,925</u>	<u>\$ 1,730,030</u>	<u>\$ 10,465,955</u>

See notes to basic financial statements.

City of Valley, Nebraska  
Statement of Cash Flows  
Proprietary Funds  
Year Ended September 30, 2025

	Utilities	Nursing Home	Total
<b>Cash Flows - Operating Activities</b>			
Cash receipts from customers	\$ 2,634,000	\$ -	\$ 2,634,000
Other operating receipts	196,786	332,001	528,787
Cash payments to employees for services	(45,023)	-	(45,023)
Cash payments to suppliers for goods and services	(2,264,669)	(829)	(2,265,498)
Net cash flows - operating activities	<u>521,094</u>	<u>331,172</u>	<u>852,266</u>
<b>Cash Flows - Noncapital Financing Activities</b>			
Interfund activity	<u>203,416</u>	<u>(11,925)</u>	<u>191,491</u>
<b>Cash Flows - Capital and Related Financing Activities</b>			
Grant income	612,141	-	612,141
Acquisition of capital assets	(2,620,150)	-	(2,620,150)
Lease receivable activity	-	(18,586)	(18,586)
Principal payment on bonds and notes payable	(583,555)	(81,671)	(665,226)
Proceeds from debt	1,115,757	-	1,115,757
Proceeds from notes payable	-	-	-
Interest and fiscal fees paid on debt	(121,599)	(61,431)	(183,030)
Net cash flows - capital and related financing activities	<u>(1,597,406)</u>	<u>(161,688)</u>	<u>(1,759,094)</u>
<b>Cash Flows - Investing Activities</b>			
Interest on investments	<u>45,617</u>	<u>-</u>	<u>45,617</u>
Net change in cash and cash equivalents	(827,279)	157,559	(669,720)
Cash and cash equivalents - beginning of year	<u>4,498,709</u>	<u>992,775</u>	<u>5,491,484</u>
Cash and cash equivalents - end of year	<u>\$ 3,671,430</u>	<u>\$ 1,150,334</u>	<u>\$ 4,821,764</u>
<b>Reconciliation of Change in Net Position to Net Cash Flows - Operating Activities</b>			
Operating income (loss)	\$ (209,855)	\$ 276,937	\$ 67,082
Adjustments to reconcile operating income (loss) to net cash flows - operating activities			
Depreciation and amortization	514,855	53,458	568,313
Change in receivables	(62,666)	777	(61,889)
Change in payables and accrued expenses	299,244	-	299,244
Change in prepaid expenses	(20,484)	-	(20,484)
Net cash flows - operating activities	<u>\$ 521,094</u>	<u>\$ 331,172</u>	<u>\$ 852,266</u>
Noncash capital and related financing activities			
Purchase of capital assets	\$ 3,461,064		
Capital asset purchases included in accounts payable and accrued expenses	(840,914)		
Cash paid for the purchase of capital assets	<u>\$ 2,620,150</u>		

See notes to basic financial statements.

**City of Valley, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Introduction**

The financial statements of the City of Valley, Nebraska (City) are prepared in accordance with generally accepted accounting principles (GAAP). The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The accounting and reporting framework and the more significant accounting principles and practices of the City are discussed in the subsequent section of this Note. The remainder of the Notes are organized to provide explanations, including required disclosures, of the City's financial activities for the fiscal year ended September 30, 2025.

The City operates under a Council-Mayor form of government and provides the following services: streets, water, sanitary sewer, culture-recreation, public improvements, planning and zoning, and general administrative services.

**B. Financial Reporting Entity**

The City's basic financial statements are presented as the primary government and include all separately administered organizations for which the City is financially accountable, including all organizations for which the primary government is financially accountable. A legally separate entity is considered financially accountable if the primary government appoints a voting majority of the organization's board and is able to impose its will on the organization, or if the organization provides specific financial benefits to, or imposes specific financial burdens on, the primary government.

The City of Valley Leasing Corporation (the "Corporation") is a legally separate, nonprofit entity created to provide financing and capital asset acquisition services exclusively for the City. The governing board of the Corporation is appointed by the governing body of the primary government. Although legally separate, the Corporation is reported as a blended component unit because:

- Its governing body is appointed by the primary government; and
- It exists solely to provide services and financing to the primary government through the issuance of debt and the leasing of facilities and equipment back to the government.

In accordance with GASB guidance, the Corporation is reported as a special revenue governmental fund because its activities are primarily governmental in nature and support governmental capital programs.

**C. Basis of Presentation**

**1.a. Government-Wide Financial Statements**

The Statement of Net Position and Statement of Activities present information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

**City of Valley, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Presentation (Continued)**

**1.b. Fund Financial Statements**

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental and proprietary categories. In addition to the City's funds meeting the required criteria, the City's management has designated all remaining funds to be presented as major funds for financial reporting purposes.

**2. Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of measurement focus applied.

The government-wide and proprietary fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and all liabilities associated with their operation are included on the financial statements. The proprietary funds are used to account for those activities that are operated in a manner similar to those found in the private sector, where the intent of the governing body is that the costs (expenses) including depreciation, of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for debt service expenditures and other certain long-term obligations, which are reported as expenditures in the year due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for goods and services. Operating expenses include the cost of sales and service, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**3. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred inflows/outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**City of Valley, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Presentation (Continued)**

**4. Fund Types and Major Funds**

Governmental funds are those through which most general governmental functions of the City are financed. The City reports the following major governmental funds:

General Fund - This fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Bond Fund - This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Sales Tax Fund - This fund is used to account for the proceeds of specific sales tax receipts from the State of Nebraska and the disbursement of those receipts to the other City Funds. Sales tax collections are to be used for water and wastewater improvements.

Keno Fund - This fund is used to account for the proceeds of Keno funds from the local operator and disbursements are legally restricted for City Improvements/Betterments.

TIF Fund - This fund is used to account for the receipt of property taxes collected on the properties covered by the TIF agreements and the disbursement of the taxes collected.

Proprietary funds are used to account for the City's ongoing organizations and activities that are similar to those often found in the private sector. The City reports the following major proprietary funds:

Utility Fund - This fund is used to account for the operations and capital needs to provide treated water, and wastewater collection and treatment to customers within the City.

Nursing Home Fund - This fund is used to account for the receipt of rental payments of the nursing home.

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance**

**1. Net Position Flow Assumption**

Net position is required to be classified into three components - invested in capital assets, net of related debt, restricted and unrestricted. These classifications are defined as follows:

- a. Restricted - This component of net position consists of restrictions placed on net position use through external constraints imposed by creditors (such as debt covenants), contributors, or law or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
- b. Unrestricted - This component consists of net position that does not meet the definition of "restricted" or "invested in capital assets, net of related debt."

**City of Valley, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)**

**1. Net Position Flow Assumption (Continued)**

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to use restricted resources first and the unrestricted resources as they are needed.

**2. Fund Balance Flow Assumptions**

Governmental fund equity is reported as fund balance within each respective fund. For governmental funds, the fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

- a. Non-Spendable - Amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted - Amounts that can be spent only for specific purposes because of the City Code, state or federal laws or externally imposed conditions by grantors or creditors.
- c. Committed - Amounts that can be used only for specific purposes determined by a formal action by the City Council through an ordinance or resolution.
- d. Assigned - Amounts that are designated by the Mayor for specific purposes but are not spendable until a budget ordinance is passed by the City Council.
- e. Unassigned - All amounts not included in other spendable classifications.

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report for each category of fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**3. Cash and Investments**

For the purpose of the Statement of Net Position and Balance Sheet, "cash and cash equivalents" include all demand accounts and savings accounts. For the purpose of proprietary fund Statement of Cash Flows, "cash and cash equivalents" include all cash on hand, demand accounts, savings accounts, and equity in pooled cash which has an original maturity of three months or less. The County Treasurer's cash represents revenues collected not yet remitted to the City.

**City of Valley, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)**

**4. Receivables**

Receivables consist of all revenues earned at year end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for the governmental activities include property taxes and sales taxes. Utility accounts receivable are ordinarily due 21 days after the issuance of the invoice. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer.

**5. Capital Assets**

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, capital assets are capitalized and reported on the Statement of Net Position. The City has a \$5,000 capitalization threshold. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated acquisition value at the date of donation.

Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Estimated useful lives for depreciable assets are as follows:

Buildings	15 - 40 years
Improvements and infrastructure	7 - 50 years
Equipment and furniture	4 - 20 years
Automobiles	4 - 10 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

**6. Long-Term Debt**

The accounting treatment of long-term debt depends on whether the proceeds are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

- Government-Wide Statements - All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in government-wide statements. The long-term debt consists primarily of notes payable.

**City of Valley, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)**

**6. Long-Term Debt (Continued)**

- Fund Financial Statements - Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as it is in the government-wide statements.

**7. Compensated Absences**

City employees earn vacation leave throughout each month and leave is fully vested when earned. All accumulated vacation leave, subject to limitations, is paid at separation. All vacation leave is accrued when incurred in the government-wide and proprietary fund financial statements.

The liability for compensated absences reported in the Statement of Net Position consists of leave that has not been used that is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

**8. Deferred Inflows of Resources**

In addition to liabilities, the statement of net position and fund financial statements often report a separate section for deferred inflows of resources. This separate category represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Such amounts related to the lease receivable is reported in both the government-wide and proprietary funds statements.

**E. Revenues, Expenditures and Expenses**

**1. Property Taxes**

The tax levy for the City is certified by the County Board each year. Real estate taxes are due and attach as an enforceable lien on December 31 following the levy date. The first half of real estate taxes becomes delinquent on April 1 and the second half becomes delinquent August 1 following the levy date. Delinquent taxes bear interest at a 14% annual rate. Property taxes are collected by the County Treasurer and are periodically remitted to the City. The tax rate to finance governmental services other than debt service for the year ended September 30, 2025, was \$0.31 per \$100 of assessed valuation and the debt service requirement was \$0.05 per \$100 of assessed valuation. The assessed valuation of real property in the City for the 2024-2025 tax year was approximately \$734 million.

**2. Expenditures/Expenses**

In the fund financial statements, governmental fund expenditures are classified by character and function while proprietary fund expenditures are classified between operating and non-operating.

**City of Valley, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 2 - COMPLIANCE AND ACCOUNTABILITY**

**A. Interfund Transfers**

Permanent reallocation of resources between funds of the reporting entity is classified as transfers.

**B. Budgetary Information**

An appropriated budget is adopted each fiscal year for the General, Special Revenue, Debt Service, and Utility Funds on the cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Administrator submits to the Mayor and City Council a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to September 30, the budget is legally enacted through passage of an ordinance and filed with the appropriate governmental entities and agencies.

The City Council adopts the budget on a per-fund basis and budgetary control is exercised at the fund level. The legal level of budgetary control is by fund type. Any revisions that alter the total expenditures of any fund must be approved by the City Council.

An encumbrance system is not used by the City and all appropriations lapse at year-end.

The City complied with its overall adopted budget for the year ended September 30, 2025.

**NOTE 3 - DEPOSITS**

Deposit risks include:

**Custodial Credit Risk:** The risk that in the event of the failure of a bank or other counterparty, the City will not be able to recover the value of its deposits or collateral securities in the possession of a third party.

**Credit Risk:** The risk that a bank or other counterparty defaults on its principal and/or interest payments owed to the City.

**Interest Rate Risk:** The risk that the value of deposits will decrease as a result of a rise in interest rates.

The City has not adopted a specific risk management policy for deposits but does require all deposits and investments be in compliance with the provisions of state statutes. Statutes authorize the City to invest in time deposits at banks selected as depositories of City funds, direct debt securities of the United States Government, and certain government agency bonds.

**City of Valley, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 3 - DEPOSITS (CONTINUED)**

Cash is stated at cost, which approximates fair value. The City's cash deposits, including demand deposits and certificates of deposit, are insured by the Federal Deposit Insurance Corporation and securities held in safekeeping pledged to the entity where the security is held. As of September 30, 2025, the City's deposits at banks were \$14,837,287; of which \$250,000 per registered depositor was covered by federal depository insurance or pledged security, and \$14,837,287 was insured by the Nebraska Bankers Insurance and Service Company.

Cash with the Douglas County Treasurer of \$206,768 was covered by collateral held by the County or was invested in U.S. Government Securities held by the County's agent.

**NOTE 4 - FAIR VALUE MEASUREMENTS**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets.

Assets and liabilities are classified into one of the following categories:

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. All of the City's certificates of deposits as of September 30, 2025, are categorized as Level 2 investments.

**City of Valley, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 5 - CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities</b>				
Not being depreciated				
Land	\$ 300,000	\$ -	\$ -	\$ 300,000
Other capital assets				
Buildings	753,504	231,270	-	984,774
Improvement/infrastructure	2,640,856	2,412,157	-	5,053,013
Equipment and furniture	1,148,620	171,074	-	1,319,694
Right to use - leased assets	334,391	-	-	334,391
Less, accumulated depreciation/amortization	(1,455,993)	(491,128)	-	(1,947,121)
Subtotal	3,421,378	2,323,373	-	5,744,751
<b>Net capital assets - governmental activities</b>	<b>\$ 3,721,378</b>	<b>\$ 2,323,373</b>	<b>\$ -</b>	<b>\$ 6,044,751</b>
<b>Business-type activities</b>				
Not being depreciated				
Land	\$ 4,000	\$ -	\$ -	\$ 4,000
Construction in progress	699,179	2,781,299	-	3,480,478
Subtotal	703,179	2,781,299	-	3,484,478
Other capital assets				
Water Fund				
Buildings	371,400	-	-	371,400
Improvement/infrastructure	9,419,965	374,637	-	9,794,602
Equipment and furniture	141,519	-	-	141,519
Less, Accumulated Depreciation	(4,172,010)	(256,174)	-	(4,428,184)
Subtotal	5,760,874	118,463	-	5,879,337
Wastewater Fund				
Improvement/infrastructure	9,567,780	305,128	-	9,872,908
Equipment and furniture	250,519	-	-	250,519
Less, Accumulated Depreciation	(4,190,123)	(258,681)	-	(4,448,804)
Subtotal	5,628,176	46,447	-	5,674,623
Nursing Home				
Buildings	569,642	-	-	569,642
Improvement/infrastructure	2,072,682	-	-	2,072,682
Equipment and furniture	16,783	-	-	16,783
Less, Accumulated Depreciation	(1,151,900)	(53,458)	-	(1,205,358)
Subtotal	1,507,207	(53,458)	-	1,453,749
<b>Net capital assets - business-type activities</b>	<b>\$ 13,599,436</b>	<b>\$ 2,892,751</b>	<b>\$ -</b>	<b>\$ 16,492,187</b>

**City of Valley, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 6 - LONG-TERM LIABILITIES**

General obligation bonds, issued by the City for various municipal improvements, are repaid with property taxes recorded in the Debt Service Fund. The City has pledged its full faith and credit as collateral for the general obligation bonds. The City has no debt outstanding subject to legal debt limitations. The City's borrowing capacity is restrained by maintaining the City's debt at a responsible level.

**A. Bonds Payable**

Specific changes in the individual governmental bond issues were as follows:

Issuance Date	Interest Rate	Maturity Date	Balance 9/30/24	Net Additions (Reductions)	Balance 9/30/25	Due Within 1 Year
November 15, 2019	1.35-2.05%	1/1/2032	\$ 210,000	\$ (25,000)	\$ 185,000	\$ 25,000
July 13, 2021	0.25-1.15%	12/15/2029	485,000	(80,000)	405,000	80,000
July 13, 2021	0.30-2.05%	12/15/2041	2,225,000	(110,000)	2,115,000	115,000
November 5, 2024	3.60-4.40%	10/15/2039	-	1,500,000	1,500,000	-
November 5, 2024	3.75-4.55%	10/15/2039	-	1,765,000	1,765,000	-
Total			<u>\$ 2,920,000</u>	<u>\$ 3,050,000</u>	<u>\$ 5,970,000</u>	<u>\$ 220,000</u>

Specific changes in the individual proprietary bond issues were as follows:

Issuance Date	Interest Rate	Maturity Date	Balance 9/30/24	Net Additions (Reductions)	Balance 9/30/25	Due Within 1 Year
Nursing Home						
July 15, 2014	6.00%	7/15/2034	\$ 1,060,877	\$ (81,671)	\$ 979,206	\$ 86,506
Utilities						
November 15, 2018	2.10-4.00%	12/15/2038	1,360,000	(80,000)	1,280,000	85,000
October 1, 2021	0.30-1.80%	12/15/2036	1,250,000	(90,000)	1,160,000	90,000
March 24, 2022	0.50-1.80%	6/15/2031	3,315,000	(385,000)	2,930,000	390,000
Total			<u>\$ 6,985,877</u>	<u>\$ (636,671)</u>	<u>\$ 6,349,206</u>	<u>\$ 651,506</u>

On November 15, 2019, the City issued General Obligation Various Purpose Refunding Bonds in the amount of \$760,000 for the purpose of refunding \$315,000 of General Obligation Bonds, Series 2012 originally issued by SID No. 196 and refunding \$435,000 General Obligation Bonds, Series 2014 originally issued by SID No. 254. The bonds have interest rates ranging from 1.35-2.05% and a maturity date of January 1, 2032.

On July 13, 2021, the City issued General Obligation Various Purpose Refunding Bonds (Series 2021A) in the amount of \$715,000 for the purpose of refunding the Series 2014 bonds. The bonds have interest rates ranging from 0.25-1.15% and a maturity date of December 15, 2029.

**City of Valley, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)**

**A. Bonds Payable (Continued)**

On July 13, 2021, the City issued General Obligation Bonds in the amount of \$2,445,000 for the purpose of improving streets within the City (Highway Allocation Fund Pledge Bonds). The bonds have interest rates ranging from 0.30-2.05% and maturity date of December 15, 2041.

On July 15, 2014, the City issued Nursing Home Revenue Bonds in the amount of \$1,620,000 for the purpose of the nursing home renovations. The bonds have an interest rate of 6% and maturity date of July 15, 2034.

On November 15, 2018, the City issued General Obligation Water Bonds in the amount of \$1,810,000 for the purpose of paying the costs of improvements to the existing water system. The bonds have interest rates ranging from 2.1% to 4.0% and maturity date of December 15, 2038.

On October 1, 2021, the City issued General Obligation Various Purpose Refunding Bonds (Series 2021B) in the amount of \$1,440,000 for the purpose of refunding the General Obligation Bonds (Series 2016) with an outstanding principal amount of \$1,390,000. The bonds have interest rates ranging from 0.3% to 1.8% and maturity date of December 15, 2036.

On March 24, 2022, the City issued General Obligation Various Purpose Refunding Bonds (Series 2022) in the amount of \$4,055,000 for the purpose of refunding the General Obligation Bonds (Series 2017) with an outstanding principal amount of \$3,930,000. The bonds have interest rates ranging from 0.5% to 1.8% and maturity date of June 15, 2031.

On November 5, 2024, the City issued General Obligation Bonds in the amount of \$1,585,000 for the purpose of improving streets within the City (Highway Allocation Fund Pledge Bonds). The bonds have interest rates ranging from 3.60 - 4.40 % and a maturity date of October 15, 2039.

On November 5, 2024, the City of Valley Leasing Corporation issued Lease Rental Revenue Bonds in the amount of \$1,860,000 to finance the costs of constructing and equipping City Park improvements and the acquisition of a building. The bonds have interest rates ranging from 3.75 - 4.55% and a maturity date of October 15, 2039.

**City of Valley, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)**

**B. Annual Requirements on Bonds Payable**

The annual debt service requirements to maturity for bonded debt as of September 30, 2025, are as follows:

<u>Year Ending September 30,</u>	Governmental Activities		
	Principal	Interest	Total
2026	\$ 220,000	\$ 38,641	\$ 258,641
2027	400,000	169,503	569,503
2028	405,000	160,646	565,646
2029	420,000	151,181	571,181
2030	420,000	141,176	561,176
2031-2042	4,105,000	767,013	4,872,013
Total	\$ 5,970,000	\$ 1,428,160	\$ 7,398,160

<u>Year Ending September 30,</u>	Business-Type Activities		
	Principal	Interest	Total
2026	\$ 651,506	\$ 161,532	\$ 813,038
2027	576,655	145,033	721,688
2028	797,732	136,521	934,253
2029	828,760	119,512	948,272
2030	825,159	100,807	925,966
2031-2039	2,669,394	288,062	2,957,456
Total	\$ 6,349,206	\$ 951,467	\$ 7,300,673

**C. Leases**

The City entered into lease agreements for public works department equipment which included an International truck and John Deere tractor mower. The outstanding principal balance of the leases as of September 30, 2025 totaled \$240,788. For the truck, payments of principal and interest will occur in the amount of \$85,054 each October 15 through fiscal year 2027. For the mower, the annual principal and interest payments are made on March 31 in the amount of \$22,393 and will mature on March 31, 2029. Principal paid during the fiscal year 2025 totaled \$93,603.

**D. Note Payable**

The City has entered into a note payable with the Nebraska Department of Environmental Quality (NDEQ) for a loan of \$748,709 of which \$185,578 was forgiven leaving a remaining original balance due of \$301,588. The loan has an interest rate of 2% and maturity date of June 15, 2034. Principal paid on the loan during 2025 totaled \$28,555.

**City of Valley, Nebraska**  
**Notes to Basic Financial Statements**

**D. Note Payable (Continued)**

The City has entered into a loan contract with the Nebraska Department of Environment and Energy (NDEE) for a water treatment plant expansion project. The total award cannot exceed 75% of the total amount of eligible project costs. This loan agreement includes DWSRF Loan Forgiveness of up to 52.48% of the eligible project costs, up to a ceiling of \$14,935,020. All loan forgiveness shall be effective only upon the completion of the Project in accordance with the loan agreement. As of September 30, 2025, \$4,238,837 was outstanding on this loan.

The following is a schedule of remaining principal and interest payments under the notes as of September 30, 2025:

Year Ending September 30,	Notes Payable - Utilities Enterprise Fund		
	Principal	Interest	Total
2026	\$ 159,293	\$ 18,716	\$ 178,009
2027	169,664	19,106	188,770
2028	170,723	18,147	188,870
2029	171,797	17,306	189,103
2030	172,883	16,454	189,337
2031-2054	3,696,065	153,193	3,849,258
Total	<u>\$ 4,540,425</u>	<u>\$ 242,922</u>	<u>\$ 4,783,347</u>

**NOTE 7 - RETIREMENT PLAN CONTRIBUTIONS**

Qualifying employees may contribute a percentage of their choice of gross wages to an individual retirement account, exclusive of overtime, and the City will match that contribution up to 6%. The City contributed \$43,973 to employee retirement accounts for the year ended September 30, 2025.

**NOTE 8 - INTERFUND BALANCES AND TRANSACTIONS**

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Those that are related to goods and services transactions are classified as "due to and from other funds." As of September 30, 2025, the City had interfund balance that the Utility Fund owed the General Fund \$109,482.

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (b) move revenues from restricted funds to funds where the expenditures were incurred related to the restriction and to (c) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Transfers during the year ended September 30, 2025, were primarily related to debt service requirements and involved the Bond Fund and Utilities Fund.

**City of Valley, Nebraska**  
**Notes to Basic Financial Statements**

**NOTE 9 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts, theft, damage to, or destruction of assets, errors or omissions, injuries to employees or acts of God. These risks are transferred to independent insurance carriers and no self-insurance program is maintained by the City. City management believes adequate coverage exists for potential exposures as of September 30, 2025. Settled claims in the past three years have not exceeded the commercial coverages.

**NOTE 10 - DESIGNATED REVENUES**

The City has committed all proceeds from sales tax to be applied toward water and wastewater improvement projects.

**NOTE 11 - COMMITMENTS AND CONTINGENCIES**

The City has entered into a construction contract with an outstanding commitment as of September 30, 2025, of \$14,935,020 with loan forgiveness of \$4,214,298 for the Water Treatment Plant Expansion, \$92,537 for watermain repairs and installation, \$114,105 for paving improvements, and \$89,228 for engineering services.

**NOTE 12 - ERROR CORRECTION**

During the year, management identified that a loan obtained in the prior fiscal year was not recorded in the financial statements for that period. To correct this error, the City has adjusted the beginning balance of retained earnings for the current year. The adjustment resulted in an increase in liabilities and a corresponding decrease in retained earnings as of the beginning of the current year. The impact of this adjustment increased long-term liabilities and decreased retained earnings as of September 30, 2024, by \$3,123,080 for the Utility Fund and Business-type Activities.

**NOTE 13 - LEASE RECEIVABLE**

The City leases a healthcare facility to a third-party entity that operates the facility. The initial term of the lease is ten years. Monthly rental payments under the agreement are \$22,159 for the first three years, \$22,824 the fourth year, and an amount to be determined based on the increase in the rate of reimbursement from the Nebraska Medicaid Agency to skilled nursing facilities, as defined, for the remaining six years. The agreement contains two renewal options for 5-year terms each that are exercisable by the lessee. The annual expected rent amounts to be received to maturity for the lease receivable as of September 30, 2025, are as follows:

Year Ended September 30,	Business-Type Activities	
	Principal	Interest
2026	\$ 264,578	\$ 36,946
2027	283,984	26,585
2028	304,420	15,470
2029	241,449	3,829
Total	<u>\$ 1,094,431</u>	<u>\$ 82,830</u>

City of Valley, Nebraska  
Notes to Basic Financial Statements

**NOTE 14 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through **March \_\_, 2026**, the date on which the financial statements were available to be issued.

PRELIMINARY

PRELIMINARY

SUPPLEMENTARY INFORMATION

**City of Valley, Nebraska**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual**  
**Governmental Funds (Excluding Debt Service Fund and Leasing Corporation)**  
**Year Ended September 30, 2025**

	Initial and Final Budget	Actual	Variance
<b>Revenues</b>			
Taxes	\$ 7,038,854	\$ 10,599,337	\$ 3,560,483
Licenses and permits	417,940	424,217	6,277
Intergovernmental	455,400	554,803	99,403
Charges for services	76,650	85,430	8,780
Miscellaneous	281,680	209,235	(72,445)
Keno fees	95,000	86,798	(8,202)
Grant income	4,994,992	80,456	(4,914,536)
Interest income	9,000	24,599	15,599
Total revenues	<u>13,369,516</u>	<u>12,064,875</u>	<u>(1,304,641)</u>
<b>Expenditures</b>			
General government	1,672,581	1,120,688	(551,893)
Public health and safety	1,921,010	814,396	(1,106,614)
Culture and recreation	4,969,620	242,978	(4,726,642)
Public works	5,290,737	2,047,022	(3,243,715)
Community development	100	98,078	97,978
Total expenditures	<u>13,854,048</u>	<u>4,323,162</u>	<u>(9,530,886)</u>
Excess (deficiency) of revenues over expenditures	<u>(484,532)</u>	<u>7,741,713</u>	<u>8,226,245</u>
<b>Other Financing Sources (Uses)</b>			
Tax increment financing	(3,400,000)	(5,857,928)	(2,457,928)
Transfers from other funds	1,000,000	1,752,250	752,250
Transfers to other funds	(2,960,000)	(610,100)	2,349,900
Total other financing sources (uses)	<u>(5,360,000)</u>	<u>(4,715,778)</u>	<u>644,222</u>
Change in fund balances	<u>\$ (5,844,532)</u>	<u>3,025,935</u>	<u>\$ 8,870,467</u>
Fund balances - beginning of year		<u>6,479,649</u>	
Fund balances - end of year		<u>\$ 9,505,584</u>	

City of Valley, Nebraska  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balance - Budget and Actual  
Debt Service Fund  
Year Ended September 30, 2025

	Initial and Final Budget	Actual	Variance
<b>Revenues</b>			
Taxes	\$ 384,382	390,545	\$ 6,163
Interest income	-	11,035	11,035
Total revenues	<u>384,382</u>	<u>401,580</u>	<u>17,198</u>
<b>Expenditures</b>			
General government	-	20,717	20,717
Debt service			
Principal retirement	215,000	395,000	180,000
Interest	185,421	174,914	(10,507)
Total expenditures	<u>400,421</u>	<u>590,631</u>	<u>190,210</u>
Excess (deficiency) of revenues over expenditures	<u>(16,039)</u>	<u>(189,051)</u>	<u>(173,012)</u>
<b>Other Financing Uses</b>			
Transfers to other funds	-	(1,284,478)	(1,284,478)
Proceeds from the issuance of bonds	-	1,585,000	1,585,000
Total other financing sources	<u>-</u>	<u>300,522</u>	<u>300,522</u>
Change in fund balance	<u>\$ (16,039)</u>	111,471	<u>\$ 127,510</u>
Fund balance - beginning of year		<u>465,110</u>	
Fund balance - end of year		<u>\$ 576,581</u>	

**City of Valley, Nebraska**  
**Notes to Budgetary Comparison Schedules**  
**Year Ended September 30, 2025**

**NOTE A – BASIS OF PRESENTATION**

The State of Nebraska prescribes that the City adopt a cash basis budget annually following the required public notice and hearing for all funds. The City's practice is to adopt its budget early to accommodate major tenants in their budgeting process. When final valuations are received, the City's board amends the budgeted property tax collections to adjust for any change.

**NOTE B – BASIS OF ACCOUNTING**

The City's budgetary process accounts for certain transactions on a basis other than accounting principles generally accepted in the United States of America (GAAP). The major differences between the budgetary basis and GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received and expenditures are recorded when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting in the governmental fund statements and on the accrual basis in the government-wide statements.

PRELIMINARY

**City of Valley, Nebraska**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2025**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY (EPA)</b>			
Passed Through Nebraska Department of Environment & Energy: DWSRF Cluster: Safe Drinking Water State Revolving Funds	(1) 66.468	N/A	<u>\$ 1,115,757</u>
<b>Total Expenditures of Federal Awards</b>			<u><b>\$ 1,115,757</b></u>

(1) Major

PRELIMINARY

**City of Valley, Nebraska**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended September 30, 2025**

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Valley, Nebraska and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements. The entity has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE B – TYPE A PROGRAM THRESHOLD**

The threshold of Type A and Type B programs was \$1,000,000 for the year ended September 30, 2025.

**NOTE C – MAJOR PROGRAM**

<u>Federal Assistance Number</u>	<u>Program Name</u>
66.468	Safe Drinking Water State Revolving Funds

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and Members of the City Council  
City of Valley, Nebraska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the City of Valley, Nebraska (the City) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated **March XX, 2026**.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a material weakness.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (Continued)**

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**The City's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Bland + Associates, P.C.*

Omaha, Nebraska

March XX, 2026

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL  
PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH UNIFORM GUIDANCE**

PRELIMINARY

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE**

To the Honorable Mayor and Members of the City Council  
City of Valley, Nebraska

**Report on Compliance for the Major Federal Program**

***Opinion on the Major Federal Program***

We have audited the City of Valley, Nebraska's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended September 30, 2025. The City's major federal program is identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2025.

***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE (Continued)**

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal program.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE (Continued)**

**Report on Internal Control Over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*BLAND + ASSOCIATES, P.C.*  
Omaha, Nebraska  
March XX, 2026

**City of Valley, Nebraska  
Schedule of Findings and Questioned Costs  
Year Ended September 30, 2025**

**A. SUMMARY OF AUDIT RESULTS**

**FINANCIAL STATEMENTS AUDIT**

Type of auditors' report issued:

**Unmodified**

Internal control over financial reporting:

Material weakness(es) identified?:

Yes   X   No       

Significant deficiency(ies) identified that are not considered to be material weakness(es)?:

Yes        No   X  

Noncompliance material to the financial statements noted?:

Yes        No   X  

**MAJOR FEDERAL AWARDS PROGRAM AUDIT**

Internal control over major federal program:

Material weakness(es) identified?:

Yes        No   X  

Significant deficiency(ies) identified?:

Yes        No   X  

Type of auditors' report issued on compliance for major program:

**Unmodified**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?:

Yes        No   X

**City of Valley, Nebraska**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended September 30, 2025**

**A. SUMMARY OF AUDIT RESULTS (Continued)**

Programs considered to be a major program of the City include:

	<b>ALN No.</b>
Safe Drinking Water State Revolving Funds	66.468
Threshold used for distinguishing between Type A and B programs:	\$1,000,000
Is the City considered to be a low-risk auditee?:	Yes <u>  X  </u> No <u>      </u>

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

**MATERIAL WEAKNESS**

**2025-001 Unrecorded Liabilities**

Condition: Management is responsible for establishing and maintaining effective internal control over financial reporting to ensure liabilities are recorded in the proper period in accordance with generally accepted accounting principles applicable to state and local governments. Effective internal controls should include procedures to identify and accrue accounts payable and other obligations incurred prior to fiscal year end.

Criteria: During our testing of subsequent disbursements, we identified material liabilities for goods and services received prior to year end that were not recorded in the City's accounts payable at fiscal year-end. The unrecorded liabilities resulted in a material understatement of accounts payable. Management recorded an audit adjustment to properly recognize these amounts in the financial statements.

Effect: Because of this deficiency, the financial statements required a material audit adjustment to present liabilities in accordance with generally accepted accounting principles. Absent the audit adjustment, the financial statements would have been materially misstated.

Recommendation: We recommend the City evaluate its accounting software to ensure it can properly maintain a complete and accurate accounts payable subsidiary ledger. Additionally, we recommend strengthening year-end closing procedures, including a documented review of subsequent disbursements, unpaid invoices, and vendor statements, to ensure all liabilities incurred prior to year end are properly recorded.

*Response: Management agrees with the finding.*

**City of Valley, Nebraska  
Schedule of Findings and Questioned Costs (Continued)  
Year Ended September 30, 2025**

**C. FINDINGS – MAJOR FEDERAL AWARD PROGRAM AUDIT**

No findings that apply to the major federal award program audit were noted.

PRELIMINARY

**City of Valley, Nebraska  
Schedule of Prior Year Audit Findings  
Year Ended September 30, 2025**

**FINANCIAL STATEMENT AUDIT**

No prior year findings that relate to the financial statement audit were identified.

**FEDERAL AWARD PROGRAM AUDIT**

No prior year findings that relate to the federal award program audit were identified.

PRELIMINARY

P.O. Box 682  
Valley, NE 68064  
Phone: 402-359-2251 Ext. 306  
Fax-402-359-2610  
[www.valleyne.org](http://www.valleyne.org)  
Business Hours 9 am – 5 pm M-F



<b>Official Use Only</b> Planning Meeting Date _____ <input type="checkbox"/> Check <input type="checkbox"/> Cash <input type="checkbox"/> Credit Card Check # _____
---

## APPLICATION FOR A CHANGE OF ZONING

Date: \_\_\_\_\_

Form must be filled out completely before acceptance of this application for processing. Please print.

Applicant Name: Flatwater Lakes Estates, LLC Telephone No. \_\_\_\_\_

Applicants Address: 4089 S 84th Street, Suite 302 Omaha, NE 68124

Applicants Email: \_\_\_\_\_

Present Use of Subject Property: Industrial/Residential Desired Use of Subject Property: Residential

Present Zoning: I-2 & R-3 Requested Zoning R-3

Legal Description of Property Requested to be Rezoned: See attached sheet

Area of Subject Property (Square Foot/Acres): 195.536 Acres

How are adjoining properties used (Actual Land Zoning)

North: Industrial South: Residential East: Residential West: Residential

If exhibits are furnished, please describe and enumerate. (Furnish Plot or Site Plan showing existing and proposed structures, easements, water courses, curb cutbacks, etc)

The Zoning Administrator, who may be accompanied by others in hereby authorized to enter upon the property during normal working hours for the purpose of becoming familiar with the proposed situation.

### Justification

You must justify your request. Questions 1 through 4 must be answered completely. Use separate sheet if necessary.

1. What is the general character of the area? Describe.
2. What utilities provider will be used?  
A. Sewer \_\_\_\_\_ B. Water \_\_\_\_\_ C. Electric \_\_\_\_\_ D. Gas \_\_\_\_\_
3. How will the proposed Zoning District affect traffic in the area? Will streets or roads need to be updated for access to the area? If yes, what will the requirements be?

Signature of Owner \_\_\_\_\_ or Signature of Agent Jeff Stoll  
*Agent for Owner*

Does this zoning change conform to the Current Future Land Use Plan? Y \_\_\_\_\_ N \_\_\_\_\_ If not, please fill out the following page.

I hereby state that that the information submitted on this application is accurate and correct. I recognize that the issuance of this application shall not grant approval to violate any of the provisions of the building codes or zoning ordinances enforced by this jurisdiction, state or federal law; and that this application shall not prevent the building official from requiring site to be in compliance with all applicable code provisions during field inspections.

## APPLICATION FOR A CHANGE OF FUTURE LAND USE MAP

Set up a request for a pre-application conference with City Staff prior to submittal. Email ([buildinginspector@valleyne.org](mailto:buildinginspector@valleyne.org))

Date: \_\_\_\_\_ Time: \_\_\_\_\_

### **Additional Material Required**

1. Site Plan with all pertinent details to amend the Future Land Use Map
  - A. Schematic lay out, proposed lots, roadway layout, etc.
2. Does the proposed map change result in an excessive or burdensome use of public facilities such as streets, schools, transportation facilities or utilities?
3. Additional information deemed necessary by City Staff to conduct a thorough analysis of the application, which may include, but not limited to stormwater analysis, sanitary sewer analysis, traffic impact study, or environmental study.
4. Ownership record.

Project Narrative: \_\_\_\_\_

\_\_\_\_\_

The proposed development intends to rezone the overall development from I-2 and R-3 to just R-3 zoning.

\_\_\_\_\_

Signature of Owner \_\_\_\_\_ or Signature of Agent \_\_\_\_\_

I hereby state that that the information submitted on this application is accurate and correct. I recognize that the issuance of this application shall not grant approval to violate any of the provisions of the building codes or zoning ordinances enforced by this jurisdiction, state or federal law; and that this application shall not prevent the building official from requiring site to be in compliance with all applicable code provisions during field inspections.

## LEGAL DESCRIPTION

A TRACT OF LAND LOCATED IN PART OF THE NW1/4 OF NW1/4, ALONG WITH PART OF THE NE1/4 OF NW1/4, ALONG WITH PART OF THE SW1/4 OF NW1/4, ALONG WITH PART OF THE SE1/4 OF NW1/4, ALONG WITH PART OF THE NW1/4 OF NE1/4, ALONG WITH PART OF THE SW1/4 OF NE1/4, ALL LOCATED IN SECTION 36, ALSO TOGETHER WITH LOT 1, VALLEY PLANT, A SUBDIVISION LOCATED IN SAID NW1/4 OF THE NE1/4 SECTION 36, ALL LOCATED IN TOWNSHIP 16 NORTH, RANGE 09 EAST OF THE 6TH P.M., DOUGLAS COUNTY, NEBRASKA.



E & A CONSULTING GROUP, INC.

Engineering Answers

10909 Mill Valley Road, Suite 100 • Omaha, NE 68154-3950  
P 402.895.4700 • F 402.895.3599  
www.eacg.com

May 06, 2025

Rune Van Den Boogart  
City of Valley - Building Inspector  
203 N Spruce Street  
Valley, NE 68064

RE: Champion Shores - Change of Zone Justification Letter  
E&A File: P2024.015.001

Dear Rune,

On behalf of our client, Flatwater Lakes Estates, LLC, please allow this letter to serve as the Zoning Justification Letter per Change of Zone Application.

1. What is the general character of the area? Describe.  
*Response: The site was being used for commercial usage. The site will be converted into a lake residential community. This development will be similar to the other lake communities in the area.*
2. What utilities provider will be used?
  - A. Sewer: Public (City of Valley)
  - B. Water: Metropolitan Utilities District (MUD)
  - C. Electric: Omaha Public Power District (OPPD)
  - D. Gas: Metropolitan Utilities District (MUD)
3. How will the proposed Zoning District affect traffic in the area? Will streets or roads need to be updated for access to the area? If yes, what will the requirements be?  
*Response: Being that the proposed development is residential with direct access points to N 288<sup>th</sup> Street and Ida Street, traffic impacts should be minimal during peak conditions. Having access directly to Ida Street would lead most traffic directly to US HWY 275. At this time, the development shouldn't require any additional improvements to the existing streets. We will continue to coordinate with City staff regarding such improvements.*

If you have any questions regarding this justification letter, please contact me at 402-895-4700 or by email at [jstoll@eacg.com](mailto:jstoll@eacg.com).

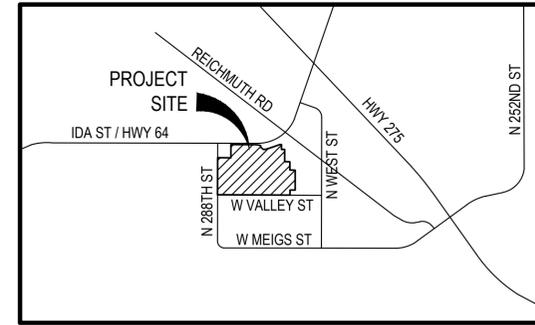
Sincerely,  
E & A Consulting Group, Inc.

Jeff Stoll,  
Platting Services Assistant Manager

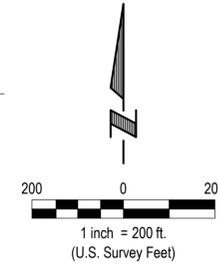
# CHAMPION SHORES

LOTS 1 THRU 141 & OUTLOTS "A" THRU "G" INCLUSIVE

A TRACT OF LAND LOCATED IN PART OF THE NW1/4 OF NW1/4, ALONG WITH PART OF THE NE1/4 OF NW1/4, ALONG WITH PART OF THE SW1/4 OF NW1/4, ALONG WITH PART OF THE SE1/4 OF NW1/4, ALONG WITH PART OF THE NW1/4 OF NE1/4, ALONG WITH PART OF THE SW1/4 OF NE1/4, ALL LOCATED IN SECTION 36, ALSO TOGETHER WITH LOT 1, VALLEY PLANT, A SUBDIVISION LOCATED IN SAID NW1/4 OF THE NE1/4 SECTION 36, ALL LOCATED IN TOWNSHIP 16 NORTH, RANGE 09 EAST OF THE 6TH P.M., DOUGLAS COUNTY, NEBRASKA.



VICINITY MAP



LEGEND

- BOUNDARY LINE
- RIGHT OF WAY LINE
- LOT LINE
- EASEMENTS
- ADJACENT PROPERTY LINE
- EXIST. SECTION CORNER
- EXIST. SECTION LINES
- CHANGE OF ZONE LINE

LEGAL DESCRIPTION

A TRACT OF LAND LOCATED IN PART OF THE NW1/4 OF NW1/4, ALONG WITH PART OF THE NE1/4 OF NW1/4, ALONG WITH PART OF THE SW1/4 OF NW1/4, ALONG WITH PART OF THE SE1/4 OF NW1/4, ALONG WITH PART OF THE NW1/4 OF NE1/4, ALONG WITH PART OF THE SW1/4 OF NE1/4, ALL LOCATED IN SECTION 36, ALSO TOGETHER WITH LOT 1, VALLEY PLANT, A SUBDIVISION LOCATED IN SAID NW1/4 OF THE NE1/4 SECTION 36, ALL LOCATED IN TOWNSHIP 16 NORTH, RANGE 09 EAST OF THE 6TH P.M., DOUGLAS COUNTY, NEBRASKA.

SAID TRACT OF LAND CONTAINS 8,617,533 SQUARE FEET OR 195.536 ACRES, MORE OR LESS.

**ENGINEER**  
KYLE VOHL  
E & A CONSULTING GROUP, INC.  
10909 MILL VALLEY ROAD, STE 100  
OMAHA, NE 68154

**SURVEYOR**  
FRANK ELDER  
E & A CONSULTING GROUP, INC.  
10909 MILL VALLEY ROAD, STE 100  
OMAHA, NE 68154

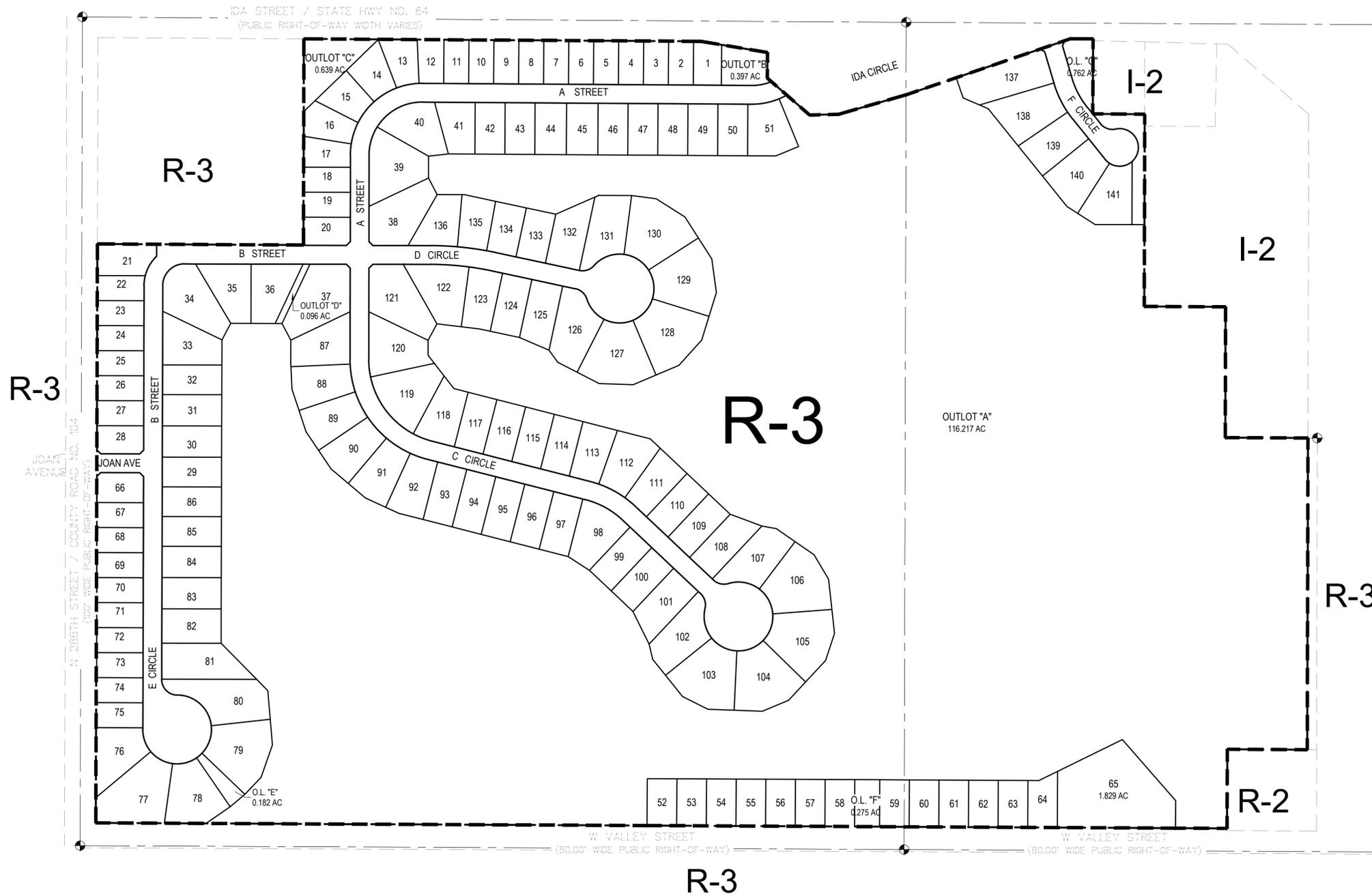
**DEVELOPER**  
FLATWATER LAKE ESTATES LLC  
4089 S. 84TH STREET, SUITE 302  
OMAHA, NE 68127

**OWNER**  
FLATWATER LAKE ESTATES LLC  
4089 S. 84TH STREET, SUITE 302  
OMAHA, NE 68127

ZONING:

EXISTING	R-3, I-2	
PROPOSED:	R-3, LOTS 1 THRU 141, OUTLOTS "A" THRU "G"	183.186 AC
	PROPOSED RIGHT-OF-WAY	12.350 AC
	TOTAL	195.536 AC

FRONT YARD	20'
SIDE YARD	5'
STREET SIDE YARD	20'
REAR YARD	20' / 25'



**E & A CONSULTING GROUP, INC.**  
Engineering • Planning • Environmental & Field Services

10909 Mill Valley Road, Suite 100 • Omaha, NE 68154  
Phone: 402.895.1700 • Fax: 402.895.3599  
www.eaeg.com  
State of NE Certificate of Authorization #CA0008



**E & A CONSULTING GROUP, INC.**  
Engineering Answers

CHAMPION SHORES  
LOTS 1 THRU 141 &  
OUTLOTS "A" THRU "G" INCLUSIVE  
VALLEY, NEBRASKA

CHANGE OF ZONE EXHIBIT

Proj No:	P2024.015.001
Date:	04/18/2025
Designed By:	JRS
Drawn By:	TRH
Scale:	1" = 200'
Sheet:	1 of 1

5/6/2025 1:16 PM K:\Projects\2024\15\015\001\Planning & Permitting\Plan\Plan\PP-Layout-000.dwg

## ORDINANCE NO. 848

AN ORDINANCE AMENDING THE ZONING REGULATIONS OF VALLEY, DOUGLAS COUNTY, NEBRASKA, FINDING THE PROPOSED AMENDMENT WAS DULY SUBMITTED TO THE PLANNING BOARD OF VALLEY, DOUGLAS COUNTY, NEBRASKA, FOR ITS RECOMMENDATION AND THAT IT RECOMMENDED THE ADOPTION OF THE AMENDMENT; FINDING THAT NOTICE OF HEARING ON SUCH AMENDMENT WAS DULY GIVEN PRIOR TO THE HEARING AS PROVIDED BY LAW AND THAT SUCH PUBLIC HEARING WAS HAD THEREON; FINDING THAT THE ZONING MAP OF VALLEY, DOUGLAS COUNTY, NEBRASKA, BE AMENDED AS FOLLOWS:

A TRACT OF LAND BEING PART OF THE NORTHWEST QUARTER (NW1/4) OF THE NORTHEAST QUARTER (NE1/4) LOCATED IN SECTION 36, TOGETHER WITH LOT 1, VALLEY PLANT, AS SURVEYED, PLATTED AND RECORDED IN DOUGLAS COUNTY, NEBRASKA, ALL LOCATED IN TOWNSHIP 16 NORTH, RANGE 09 EAST OF THE 6TH P.M., DOUGLAS COUNTY, NEBRASKA, AS DESCRIBED MORE PARTICULARLY ON EXHIBIT "A" ("The Flatwater Lakes Estates, LLC (Champion Shores) Parcel") shall be rezoned from Industrial/Residential (I-2/R-3) to strictly Residential (R-3).

PROVIDING FOR AN EFFECTIVE DATE OF THIS ORDINANCE AND PROVIDING FOR THE REPEAL OF ALL ORDINANCES IN CONFLICT HEREWITH.

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF VALLEY, DOUGLAS COUNTY, NEBRASKA, AS FOLLOWS:

**Section 1.** That the owner of The Flatwater Lakes Estates, LLC (Champion Shores) Parcel made an application for proposed amendments to the Zoning Regulations of said City, which proposed amendments were duly submitted to the Planning Board of Valley, Douglas County, Nebraska, for its recommendation. The Planning Board recommended that the proposed amendments be adopted.

**Section 2.** That the notices of hearing before the Planning Board and Governing Body of such proposed amendments were duly given by posting and publication at least ten (10) days prior to the hearings as provided by law and that public hearings were had thereon.

**Section 3.** That the Zoning Regulations of Valley, Douglas County, Nebraska, be and hereby are amended as follows:

The Flatwater Lakes Estates, LLC (Champion Shores) Parcel, as described more particularly within Exhibit "A" attached hereto and incorporated herein by this reference, shall be re-zoned from Industrial/Residential (I-2/R-3) to Residential (R-3).

**Section 4.** That the Zoning Map of the City of Valley, Douglas County, Nebraska, be hereby amended to reflect the herein described changes.

**Section 5.** That this Ordinance shall take effect and be in force after its passage and approval, as provided by law.

**Section 6.** All ordinances or parts of ordinances in conflict herewith are hereby repealed.

PASSED AND APPROVED THIS 23<sup>RD</sup> DAY OF MARCH, 2026.

CITY OF VALLEY,  
DOUGLAS COUNTY, NEBRASKA

---

Linda Lewis, Mayor

ATTEST:

---

Christie Donnermeyer, City Clerk

**EXHIBIT A**

A TRACT OF LAND BEING PART OF THE NORTHWEST QUARTER (NW1/4) OF THE NORTHEAST QUARTER (NE1/4) LOCATED IN SECTION 36, TOGETHER WITH LOT 1, VALLEY PLANT, AS SURVEYED, PLATTED AND RECORDED IN DOUGLAS COUNTY, NEBRASKA, ALL LOCATED IN TOWNSHIP 16 NORTH, RANGE 09 EAST OF THE 6TH P.M., DOUGLAS COUNTY, NEBRASKA. MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTH QUARTER CORNER OF SAID SECTION 36; THENCE S00°08'46"W (BASIS OF BEARING: DOUGLAS COUNTY LOW DISTORTION PROJECTION) ALONG THE WEST LINE OF SAID NORTHEAST QUARTER (NE1/4) OF SECTION 36, 231.76 FEET TO THE SOUTH RIGHT-OF-WAY LINE OF IDA CIRCLE TO THE POINT OF BEGINNING; THENCE N71°12'23"E ALONG SAID SOUTH RIGHT-OF-WAY LINE OF IDA CIRCLE, 253.80 FEET TO THE NORTHWEST CORNER OF SAID LOT 1, VALLEY PLANT; THENCE EAST ALONG THE NORTHERLY LINE OF SAID LOT 1, VALLEY PLANT, SAID LINE ALSO BEING SAID SOUTH RIGHT-OF-WAY LINE OF IDA CIRCLE ON THE FOLLOWING TWO (2) DESCRIBED COURSES: (1) N71°12'13"E, 302.60 FEET; (2) THENCE S89°49'02"E, 72.76 FEET TO THE NORTHEAST CORNER OF SAID LOT 1, VALLEY PLANT; THENCE SOUTHERLY ALONG THE EAST LINE OF SAID LOT 1, VALLEY PLANT ON THE FOLLOWING TWO (2) DESCRIBED COURSES: (1) THENCE S00°17'23"W, 240.02 FEET; (2) THENCE S89°40'47"E, 166.69 FEET TO THE WEST LINE OF LOT 1, BREAKWATER ADDITION, AS SURVEYED, PLATTED AND RECORDED IN DOUGLAS COUNTY, NEBRASKA; THENCE S00°08'09"W ALONG SAID EAST LINE OF LOT 1, VALLEY PLANT, SAID LINE ALSO BEING SAID WEST LINE OF LOT 1 BREAKWATER ADDITION AND ALSO THE WEST LINE OF LOT 2, SAID BREAKWATER ADDITION, 614.64 FEET TO THE SOUTHEAST CORNER OF SAID LOT 1, VALLEY PLANT; THENCE ALONG SAID WEST LINE OF LOT 2, BREAKWATER ADDITION ON THE FOLLOWING TWO (2) DESCRIBED COURSES: (1) THENCE S89°41'18"E, 260.61 FEET; (2) THENCE S00°07'58"W, 418.20 FEET TO THE SOUTHWEST CORNER OF SAID LOT 2, BREAKWATER ADDITION AND ALSO THE SOUTH LINE OF THE NORTHWEST QUARTER (NW1/4) OF THE NORTHEAST QUARTER (NE1/4) SECTION 36; THENCE N89°43'34"W ALONG SAID SOUTH LINE OF THE NORTHWEST QUARTER (NW1/4) OF THE NORTHEAST QUARTER (NE1/4) SECTION 36, 1,025.94 FEET TO THE SAID WEST LINE OF THE NORTHEAST QUARTER (NE1/4) SECTION 36; THENCE N08°46'46"E ALONG SAID WEST LINE OF THE NORTHEAST QUARTER (NE1/4) SECTION 36, 1,091.26 FEET TO SAID SOUTH RIGHT-OF-WAY LINE OF IDA CIRCLE TO THE POINT OF BEGINNING; SAID TRACT OF LAND CONTAINS AN AREA OF 995,380.36 SQUARE FEET OR 22.85 ACRES, MORE OR LESS.

APPLICATION FOR FINAL PLAT  
Valley, Nebraska  
LEGAL DESCRIPTION AND GENERAL LOCATION  
See attached legal

RECEIPT NO: \_\_\_\_\_  
DATE: \_\_\_\_\_  
FINAL PLAT #: \_\_\_\_\_  
FEE PAID \$ \_\_\_\_\_

SUBDIVIDER  
Name: Heimann Ventures III LLC  
Address: 6065 N 261st Circle  
Valley, NE 68064

AGENT (Authorized to act on Subdivider's behalf):  
Name: E & A Consulting Group, Inc (Jeff Stoll)  
Address: 10909 Mill Valley Road, Suite 100  
Omaha, NE 68154

Telephone: \_\_\_\_\_

Telephone: 402.895.4700

OWNER  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_

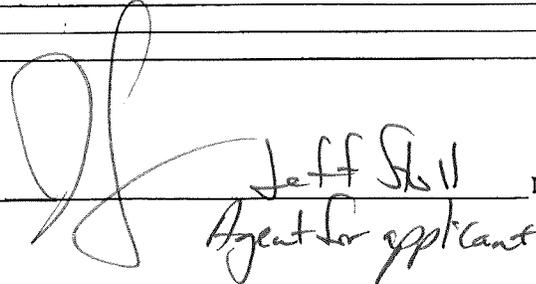
ANY OTHER ASSOCIATES:  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Telephone: ( ) \_\_\_\_\_

NAME OF FINAL PLAT: Champion Shores NUMBER OF LOTS: 138

1. Letter or transmittal and action(s) requested.
2. Does the subdivider have any interest in the land surrounding the final plat? Yes  No .  
If yes, please describe the nature of such interest: \_\_\_\_\_  
\_\_\_\_\_
3. Will the final plat require any zoning or other action (rezoning, conditional use or vacations) to complete the development? Yes  No . If yes please describe the nature of the action: \_\_\_\_\_  
\_\_\_\_\_
4. The final plat is based upon the preliminary plat for \_\_\_\_\_, approved by the City Council on \_\_\_\_\_, 20\_\_\_\_, Resolution No. \_\_\_\_\_
5. Is the final plat consistent with the approved preliminary plat? Yes  No . If not, please explain the proposed changes and the reasons therefore:  
\_\_\_\_\_  
\_\_\_\_\_
6. Have all the improvements required by the preliminary plat been completed or guaranteed by bond, letter of credit, etc.? Yes  No  (Please check the Planning Commission's letter indicating the approval of the preliminary plat.) If not, which improvements have not been completed:  
\_\_\_\_\_  
\_\_\_\_\_

Applicant's Signature:  Date: 11/5/25  
Agent for applicant

**FINAL PLAT APPLICANT'S TECHNICAL CHECKLIST**  
Valley, Nebraska

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NAME OF FINAL PLAT: Champion Shores

LOCATION OF SUCH PLAT: Northeast of N 288th & W Valley Streets

**REQUIREMENTS OF FINAL PLAT**

- Letter or transmittal with action requested.
- Name of subdivision
- Complete drawing on one sheet if possible
- Drawn in ink or photographed on Mylar
- Signatures in black opaque ink
- Blank margin of ½ inch and outline
- Scale of one (1) inch equals ten (10) feet or sufficient to show all required information clearly
- Number and total number of sheets - index sheet if more than two sheets
- Boundary of the subdivision shall be indicated
- Vicinity Map
- Sketch of proposed subdivision sized 8 ½ inches by 14 inches

**CERTIFICATES AND ACKNOWLEDGMENTS**

- Owner's acknowledgment and offer of dedication by all parties having titled interest or lien upon the lands
- Surveyor's certificate with legal description written in meets and bounds
- Planning Commission acceptance certificate
- Acknowledgment by Notary
- City Council acceptance and acceptance certificate
- Certificate of acceptance by City Engineer
- Certification of acceptance by the City Enforcement officer, when individual sewage disposal or water systems are to be installed
- Certification by the Mayor and City Clerk that plat is accepted for recording by County Register of Deeds
- Certification that the Subdivider has complied with one of the following alternatives:
  - Improvements have been installed in accordance with requirements of the subdivision ordinance
  - A security bond or certified check filed with the City
  - Subdivision Improvements Agreement along with sufficient surety has been filed
- All affidavits, certificates, acknowledgments, endorsements, dedications, and notarial seals as are required by Law and the provisions of the zoning ordinance and subdivision regulations.

**DATA REQUIRED ON THE FINAL PLAT**

- Sufficient data to determine all existing and placed stakes and to locate and retrace all lots, blocks, and parcels, Include:
  - Bearings of lines
  - Radii, arcs and central angles of all curves with dimensions to the nearest second
- All dimensions shall be to the nearest .01 of a foot
- Meets or exceeds the "minimum standards of surveys"
- Location and description of monuments
- Lot numbers, square footage, outlot, block dimensions, and frontage dimensions
- Lot, outlot, and block identification system
- Areas reserved for public use - must clearly identify which are private and which are public
- If park land for use of public, must have an outlot letter and be included in the dedication
- If park land is private, must state so and provide maintenance agreement

**FINAL PLAT APPLICANT'S TECHNICAL CHECKLIST (cont.)**  
Valley, Nebraska

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- Purpose for which other than residential lots are dedicated or reserved
- Minimum building set back lines
- Locations and names of adjoining subdivisions and streets, adjoining unplatted properties with names and addresses of adjoining owners of unplatted properties.
- Abutting streets, cul-de-sacs and alleys, whether public or private, must include the following:
  - Location
  - Names
  - Centerline
  - Centerline radius
  - Length and interior angle of horizontal curves
  - Tangent length
  - Right-of-Way and paving widths (according to sub-division regulations, future land use and transportation plans)
- Location, width and purpose of all easements (according to sub-division regulations)
- Location and identification of all section corners
- Total number of lots, outlots, and total number of acres in subdivision
- Cross-sections, profiles and grades of streets, gutters, curbs and sidewalks; with locations of all "in street utilities" - drawn to City standards
- Protective covenants, when required
- Any interest in the land surrounding the plat
- Changes in zoning that may have been or need to; Submit zoning / rezoning form

**REQUIRED ON EACH SHEET**

- Name of Subdivision
- Scale
- North arrow and graphic scale
- Date
- Sheet number and total number of sheet comprising the subdivision
- Location of Subdivision (first sheet only)

**DOCUMENTS REQUIRED**

- Tax payment status form
- Special assessment status form
- Certificates of Title or Title Opinion
- Private restrictions or covenants, if necessary
- Prior to approval by the City Council, at least three signed reproducible copies (Mylar) of the final plat (2) 18" x 24", and one full size mylar with two additional signed copies. Copies of the original shall be prepared as specified in this Ordinance.
  - City Engineer
  - City Council
  - City Attorney
  - Fire Department
  - County Engineer
  - County Health Department
  - Adjacent jurisdictions
  - Papio-Missouri River NRD
  - NDOR
  - Planning Commission
  - Traffic engineering
  - OPPD
  - Building and safety
  - School District
  - other

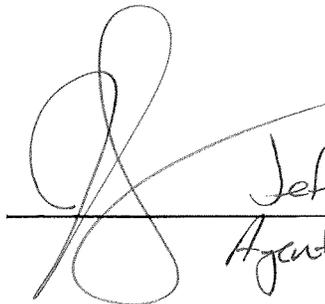
**CONFORMS TO APPROVED PRELIMINARY PLAT**

- Meets and bounds description
- Lot dimensions and configurations
- Street names
- Street alignment
- Reasons for differences

**FINAL PLAT APPLICANT'S TECHNICAL CHECKLIST (cont.)**  
Valley, Nebraska

**ANY OTHER INFORMATION OR COMMENTS RELATED TO THE FINAL PLAT:**  
(Please use additional sheet if necessary)

Applicant's Signature(s):

  
Jeff Still  
Agent for applicant

Date:

11/5/25

## **LEGAL DESCRIPTION**

A TRACT OF LAND BEING PART OF THE NW1/4 OF THE NW1/4, AND ALSO PART OF THE NE1/4 OF THE NW1/4, AND ALSO PART OF THE SE1/4 OF THE NW1/4, AND ALSO PART OF THE SW1/4 OF THE NW1/4, AND ALSO PART OF THE NW1/4 OF THE NE1/4, AND ALSO PART OF THE SW1/4 OF THE NE1/4 ALL LOCATED IN SECTION 36, ALSO TOGETHER WITH LOT 1, VALLEY PLANT, A SUBDIVISION LOCATED IN SAID NW1/4 OF THE NE1/4 SECTION 36, ALL LOCATED IN TOWNSHIP 16 NORTH, RANGE 09 EAST OF THE 6TH P.M., DOUGLAS COUNTY, NEBRASKA.

COMMENCING AT THE NORTH QUARTER CORNER OF SAID SECTION 36, BEING A FOUND BRASS CAP IN CONCRETE; THENCE S00°08'46"W (BASIS OF BEARING: DOUGLAS COUNTY LOW DISTORTION PROJECTION) ALONG THE EAST LINE OF SAID NW1/4 OF SECTION 36, SAID LINE ALSO BEING THE WEST LINE OF SAID NE1/4 OF SECTION 36, A DISTANCE OF 231.76 FEET TO THE SOUTHERLY RIGHT-OF-WAY LINE OF IDA STREET / STATE HIGHWAY NO. 64, BEING A FOUND 5/8" REBAR WITH PLASTIC CAP STAMPED LS-864, SAID POINT ALSO BEING THE POINT OF BEGINNING; THENCE N71°12'23"E ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE OF IDA STREET / STATE HIGHWAY NO. 64, A DISTANCE OF 253.80 FEET TO THE NORTHWEST CORNER OF SAID LOT 1, VALLEY PLANT, BEING A FOUND 5/8" REBAR; THENCE EASTERLY ALONG THE NORTHERLY LINE OF SAID LOT 1, VALLEY PLANT, SAID LINE ALSO BEING SAID SOUTHERLY RIGHT-OF-WAY LINE OF IDA STREET / STATE HIGHWAY NO. 64 ON THE FOLLOWING TWO (2) DESCRIBED COURSES: (1) N71°12'13"E, A DISTANCE OF 302.60 FEET TO A FOUND 5/8" REBAR; (2) THENCE S89°49'02"E, A DISTANCE OF 72.76 FEET TO THE NORTHEAST CORNER OF SAID LOT 1, VALLEY PLANT, BEING A FOUND 5/8" REBAR; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID LOT 1, VALLEY PLANT ON THE FOLLOWING TWO (2) DESCRIBED COURSES: (1) THENCE S00°17'23"W, A DISTANCE OF 240.02 FEET TO A FOUND 5/8" REBAR; (2) THENCE S89°40'47"E, A DISTANCE OF 166.69 FEET TO THE WESTERLY LINE OF LOT 1, BREAKWATER ADDITION, A SUBDIVISION LOCATED IN SAID NW1/4 OF THE NE1/4 OF SECTION 36, BEING A FOUND 5/8" REBAR; THENCE S00°08'09"W ALONG SAID EASTERLY LINE OF LOT 1, VALLEY PLANT, SAID LINE ALSO BEING SAID WESTERLY LINE OF LOT 1 BREAKWATER ADDITION AND ALSO THE WESTERLY LINE OF LOT 2, SAID BREAKWATER ADDITION, A DISTANCE OF 614.64 FEET TO THE SOUTHEAST CORNER OF SAID LOT 1, VALLEY PLANT, BEING A FOUND 3/4" PINCH TOP PIPE; THENCE ALONG SAID WESTERLY LINE OF LOT 2, BREAKWATER ADDITION ON THE FOLLOWING TWO (2) DESCRIBED COURSES: (1) THENCE S89°41'18"E, A DISTANCE OF 260.61 FEET TO A FOUND 5/8" REBAR; (2) THENCE S00°07'58"W, A DISTANCE OF 418.20 FEET TO THE SOUTHWEST CORNER OF SAID LOT 2, BREAKWATER ADDITION, BEING A FOUND 5/8" REBAR; THENCE S89°43'07"E ALONG THE SOUTHERLY LINE OF SAID LOT 2, BREAKWATER ADDITION, A DISTANCE OF 264.96 FEET TO THE SOUTHEAST CORNER OF SAID LOT 2, BREAKWATER ADDITION, SAID POINT ALSO BEING ON THE WESTERLY LINE OF LOT 1, PLEASURE LAKES 3RD ADDITION, A SUBDIVISION LOCATED IN SAID SECTION 36, BEING A FOUND 5/8" REBAR; THENCE S00°07'24"W ALONG SAID WESTERLY LINE OF LOT 1, PLEASURE LAKES 3RD ADDITION, A DISTANCE OF 996.60 FEET TO A FOUND 5/8" REBAR WITH A PLASTIC CAP STAMPED LS-692; THENCE N89°45'37"W, A DISTANCE OF 256.18 FEET TO A FOUND 5/8" REBAR WITH A PLASTIC

CAP STAMPED LS-692; THENCE S00°13'21"W, A DISTANCE OF 252.86 FEET TO THE NORTHERLY RIGHT-OF-WAY LINE OF VALLEY STREET, BEING A FOUND 5/8" REBAR WITH A PLASTIC CAP STAMPED LS-692; THENCE N89°42'53"W ALONG SAID NORTHERLY RIGHT-OF-WAYLINE OF VALLEY STREET, A DISTANCE OF 165.03 FEET; THENCE N00°17'07"E, A DISTANCE OF 87.98 FEET; THENCE N41°10'45"W, A DISTANCE OF 259.42 FEET; THENCE S63°55'16"W, A DISTANCE OF 298.10 FEET; THENCE N89°42'53"W, A DISTANCE OF 430.61 FEET; THENCE N89°43'29"W, A DISTANCE OF 824.42 FEET; THENCE S00°16'31"W, A DISTANCE OF 150.00 FEET TO SAID NORTHERLY RIGHT-OF-WAY LINE OF VALLEY STREET; THENCE N89°43'29"W ALONG SAID NORTHERLY RIGHT-OF-WAY LINE OF VALLEY STREET, A DISTANCE OF 1766.75 FEET TO THE INTERSECTION OF SAID NORTHERLY RIGHT-OF-WAY LINE OF VALLEY STREET AND THE EASTERLY RIGHT-OF-WAY LINE OF COUNTY ROAD NO. 104, BEING A FOUND 5/8" REBAR WITH A PLASTIC CAP STAMPED LS-692; THENCE N00°09'33"E ALONG SAID EASTERLY RIGHT-OF-WAY LINE OF COUNTY ROAD NO. 104, A DISTANCE OF 1851.46 FEET TO A FOUND 5/8" REBAR; THENCE S89°40'44"E, A DISTANCE OF 660.47 FEET TO A FOUND 5/8" REBAR WITH A PLASTIC CAP STAMPED LS-692; THENCE N00°06'21"E, A DISTANCE OF 659.44 FEET TO SAID SOUTHERLY RIGHT-OF-WAY LINE OF IDA STREET / STATE HIGHWAY NO. 64, BEING A FOUND 5/8" REBAR; THENCE EASTERLY ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE OF IDA STREET / STATE HIGHWAY NO. 64 ON THE FOLLOWING SIX (6) DESCRIBED COURSES: (1) THENCE S89°38'28"E, A DISTANCE OF 1,273.08 FEET TO A FOUND 5/8" REBAR WITH A PLASTIC CAP STAMPED LS-692; (2) THENCE S80°31'10"E, A DISTANCE OF 215.89 FEET TO A FOUND 5/8" REBAR WITH A PLASTIC CAP STAMPED LS-692; (3) THENCE S00°19'32"W, A DISTANCE OF 82.00 FEET TO A FOUND 5/8" REBAR WITH A PLASTIC CAP STAMPED LS-692; (4) THENCE S48°56'11"E, A DISTANCE OF 179.91 FEET TO A FOUND 5/8" REBAR WITH A PLASTIC CAP STAMPED LS-692; (5) THENCE N88°26'01"E, A DISTANCE OF 92.88 FEET TO A FOUND 5/8" REBAR WITH A PLASTIC CAP STAMPED LS-692; (6) THENCE N73°55'33"E, A DISTANCE OF 224.77 FEET TO THE POINT OF BEGINNING.

SAID TRACT OF LAND CONTAINS AN AREA OF 8,239,729 SQUARE FEET OR 189.158 ACRES, MORE OR LESS.





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(The Space Above Line is for Recording Data)

**DECLARATION OF COVENANTS, CONDITIONS,  
RESTRICTIONS AND EASEMENTS  
FOR CHAMPION SHORES**

THIS DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR CHAMPION SHORES (“Declaration”) is made effective on this \_\_\_\_ day of \_\_\_\_\_, 2026, by Heimann Ventures III, LLC, 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 141, & Outlots A Thru G, inclusive, all in Champion Shores, 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 Champion Shores, for the maintenance of the character and residential integrity of Champion Shores and for the maintenance of certain common facilities for the use and enjoyment of the residents of Champion Shores.

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 Champion Shores 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 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 Champion Shores, 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 “Champion Shores 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 Champion Shores 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 August \_\_, 2025, 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 Champion Shores, 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 Champion Shores 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 141, inclusive, all in Champion Shores, 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 A through G, inclusive, all in Champion Shores, 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 Champion Shores recorded on \_\_\_\_\_, 2025, as Instrument No. \_\_\_\_\_, 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 \_\_\_\_\_, 2026, 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 Champion Shores; 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 Champion Shores.

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 Champion Shores 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 Champion Shores, 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 lint 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 Champion Shores as determined by the Committee and in accordance with the Design Guidelines: Lots [[\_\_\_\_\_]], 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 Champion Shores, 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 Champion Shores. 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 Champion Shores 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 Champion Shores 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 Champion Shores 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 Champion Shores.

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 Champion Shores 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 Champion Shores,

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

7.2.4 the variances do not violate any exclusive use rights granted to any other Owner within Champion Shores; 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 Champion Shores.

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 Champion Shores, 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 Champion Shores. 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 29-51, and 78-141 (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 CHAMPION SHORES.**

7.4.4 Maintenance of the Lake. All costs for maintaining the Lake situated within Outlot A, 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 141**, 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 Champion Shores 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 Champion Shores 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).

7.4.8 **[[RESERVED FOR LOTS 52-64 & 1-28, & 66-77 DOCKS AND LAKE ACCESS PROVISIONS]]**

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 Champion Shores 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 Champion Shores, 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 Champion Shores 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 Champion Shores.

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 Champion Shores, 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 Champion Shores, 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 Champion Shores 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 Champion Shores, 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 Champion Shores, 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 Champion Shores; 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 Champion Shores, 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 Champion Shores.

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 Champion Shores, 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 Champion Shores 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 Champion Shores, 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 Champion Shores 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 Champion Shores 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 Champion Shores 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 Champion Shores. 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 Champion Shores 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 event 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 Champion Shores 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 Champion Shores.

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 Champion Shores; shall create mutual, equitable servitudes upon each Lot within Champion Shores in favor of every other Lot of Champion Shores; and shall create reciprocal rights and obligations between the respective Owners and privity of contract and estate between all grantees of real property in Champion Shores, 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 Champion Shores 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 Champion Shores 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:

Heimann Ventures III, LLC  
6065 North 261<sup>st</sup> Circle  
Valley, Nebraska 68064

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 Champion Shores. 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 Champion Shores, 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.

17.13 Subdivision Gates.

(a) There shall be right-of way gates located at the entry points of the Champion Shores subdivision. All of the gates initially constructed and maintained in the subdivision shall initially be constructed by the Developer, and such maintenance after the initial construction shall be the responsibility of the Association. Notwithstanding anything contained, the construction and continued maintenance of the subdivision gates shall at all times be in full compliance with Article 10 of the City of Valley Zoning Code, and at no time shall the City of Valley shall have any liability for the existence or continued presence of gates located in the Champion Shores subdivisions. Specifically, under Section 10.10 of Article 10, the Developer, so long as the Developer retains control of the Board of Directors of the Association, and the Association, shall expressly indemnify and hold the City of Valley, its officers and employees, and any governmental entity or public utility harmless from any cost of maintenance, repair, and reconstruction of, or tort liability or award of damages related to or arising out of or in connection with, the streets, sidewalks, drainage system (including storm water system), gates and/or any other "Gated Community" infrastructure or private improvements located in Champion Shores. For the avoidance of doubt, the requirements, provisions, terms and conditions contained in Article 10 of the City of Valley Zoning Code, are hereby fully incorporated into this Declaration, and shall be binding on the Declaration and the Owners, and this Section 17.13 may only be amended with the written consent of the City of Valley, Nebraska.

(b) No contract for the sale and purchase of a Lot shall be effective until a "Gated Community Cost Disclosure Statement", in substantially the form of the Gated Community Cost Disclosure Statement attached hereto as Exhibit "C", has been provided to and executed by the purchaser of a Lot.

- (i) This Gated Community Cost Disclosure Statement shall be in conspicuous type and shall be contained in a single document which shall be provided to the purchaser separately from the contract for purchase and sale and other required documents.
- (ii) The Gated Community Cost Disclosure Statement type shall be deemed conspicuous if it is all uppercase letters and typed in at least 12-point typeface. In the case of sale and purchase of multiple Lots to a single purchaser, execution of a single Gated Community Cost Disclosure Statement, is sufficient, provided that all Lots are listed on the Gated Community Cost Disclosure Statement either by legal description or by street address.
- (iii) The deed conveying a Lot to a purchaser, whether or not the Grantor is the Developer or an Owner subsequent to the Developer, shall contain a representation that the Grantor provided a copy of the gated Community Disclosure Statement to the Grantee.
- (iv) The City of Valley shall have the right to file the Gated Community Cost Disclosure Statement, or a summary thereof, against all the lots within the gated community, either as a separate filing by the City or in conjunction with the Declaration.

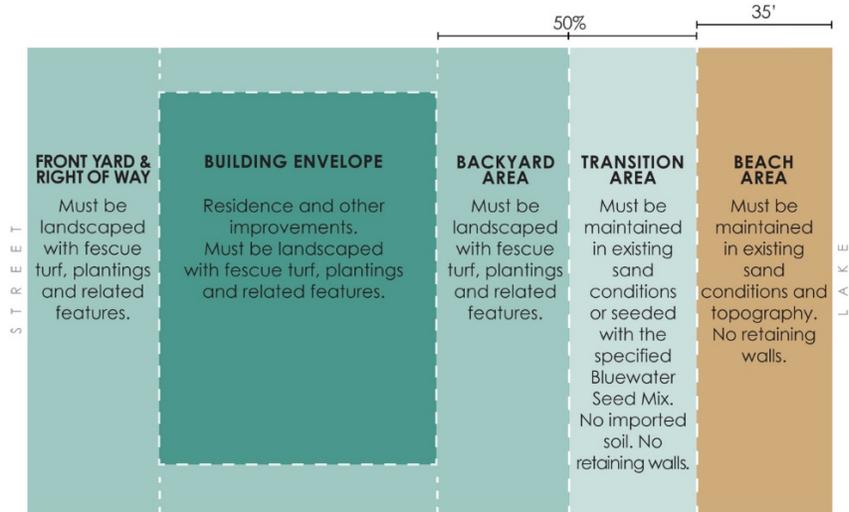
*[Signature on following page]*





## EXHIBIT "B"

### BUILDABLE AREA



**EXHIBIT "C"**

**Gated Community Cost Disclosure Statement**

If you are buying a lot or home in a Champion Shores within the city limits of the City of Valley, you should know these basic facts:

1. The City of Valley will not pay to maintain the streets, sidewalks, and drainage systems and shall not permitted to remove storm debris in Champion Shores because the streets, sidewalks, and drainage are private property and the general public cannot access the Gated Community.

2. Although the cost of properly maintaining and repairing streets, sidewalks, and drainage systems can be very high, only the owners of homes and lots in this Champion Shores will share these expenses. Tax dollars will not be used.

3. Members of Champion Shores, through their Champion Shores Homeowners Association, must set aside adequate reserves to pay for storm debris removal in the event of a tornado, snowstorm, or other major storm event, to properly maintain, repair, and replace the streets, sidewalks, and drainage system, and must have a professional engineer regularly inspect the streets, sidewalks, and drainage system and report what work is necessary to maintain and/or repair them.

4. The Champion Shores Homeowners Association is obligated to do the necessary repair work and the members of the Champion Shores Homeowners Association are obligated to pay for the work through their assessments.

5. The Champion Shores Homeowners Association is also required to maintain liability insurance adequate to pay claims for injuries and property damage arising on the private streets, sidewalks, drainage areas, and other common areas in Champion Shores.

6. If the City of Valley determines that Champion Shores is not meeting its obligations, it may revoke the Gated Community's privilege to close its gates so that the roads in Champion Shores become available for public use.

I have read and understood the disclosures provided in this Gated Community Cost Disclosure Statement prior to execution of a contract to purchase any lot in Champion Shores.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**SUBDIVISION AGREEMENT  
CHAMPION SHORES, PHASE ONE**

**THIS AGREEMENT** made and entered this \_\_\_\_ day of March, 2026, by and between **Heimann Ventures III, LLC, a Nebraska limited liability company** (hereinafter referred to as "Subdivider"), the **City of Valley, a City of the Second Class in the State of Nebraska** (hereinafter referred to as "City"), and the **Champion Shores Homeowner's Association, Inc., a Nebraska nonprofit corporation** (hereinafter referred to as the "Association"). This Subdivision Agreement applies only to the real property described on Exhibit "A", attached hereto and incorporated herein by this reference, containing approximately 189.158 acres (the "Phase One - Area to be Developed"). At such time as a Final Plat for Champion Shores, Phase One is approved subdividing the Area to be Developed into Lots 1-126 and Outlots A - L, this Agreement shall be amended to substitute the legal descriptions for the Lots for the legal description on Exhibit "A".

WITNESSETH

WHEREAS, Subdivider is the owner of the Phase One - Area to be Developed, and intends to develop a lakeside residential subdivision to be known as Champion Shores as shown on the proposed Final Plat for Champion Shores, Phase One attached hereto as Exhibit "B" and incorporated herein by this reference; and

WHEREAS, Subdivider desires to connect the system of sanitary sewers, water mains, streets, storm sewers and sidewalks to be constructed within the Phase One - Area to be Developed to the sewers, waters, streets, storm sewers and sidewalks of the City; and

WHEREAS, the Subdivider has formed or will form the Association and one of its purposes is to maintain certain improvements pursuant to this Agreement; and

WHEREAS, the City will design, engineer and contract for the construction of certain public improvements to be constructed within in the Phase One - Area to be Developed; and

WHEREAS, Subdivider will design, engineer and contract for the construction of certain public and private improvements to be constructed in the Area to be Developed; and

WHEREAS, the parties wish to set forth the conditions which must be satisfied for the Final Plat of the Area to be Developed to be signed and filed, and also to set forth certain continuing obligations of the parties after the filing of the Final Plat.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

For the purpose of this Agreement, the following words and phrases shall have the following meanings:

- A. The "cost" or "entire cost" of improvements shall be deemed to include all construction costs, design and engineering fees, testing expenses, legal fees incurred by City, and miscellaneous costs.

## **SECTION I: PUBLIC INFRASTRUCTURE IMPROVEMENTS**

- A. The City will design, engineer, bid, and oversee the construction of the following Public Infrastructure Improvements:
1. **Storm Sewers.** In accordance with the City's design standards, the construction of all storm sewers, inlets, manholes, flumes, and related appurtenances within the new dedicated right-of-way and easements, per the plat (Exhibit "B"), and the construction of all storm sewers, inlets, manholes, flumes and related appurtenances within the existing off-site rights-of-way and as shown on the public Storm Sewer Layout prepared by the City Engineer, a copy of which is attached hereto as Exhibit "D."
  2. **Sanitary Sewer.** In accordance with the City's design standards, the construction of all sanitary sewer mains, manholes, lift stations, force mains and related appurtenances within the new dedicated right-of-way and easements, per the plat (Exhibit "B"), and the construction of all sanitary sewer mains, manholes, lift stations, force mains and related appurtenances within the existing off-site rights-of-way, and as shown on the Sanitary Sewer Layout prepared by the City Engineer a copy of which is attached hereto as Exhibit "E".
  3. **Water.** In accordance with the City's design standards, the construction of all water mains, valves, fire hydrants, and related appurtenances within the new dedicated right-of-way and easements, per the plat (Exhibit "B"), and the construction of all water mains, valves, fire hydrants, and related appurtenances within the existing off-site rights-of-way, and as shown on the Water Main Layout prepared by the City Engineer a copy of which is attached hereto as Exhibit "F".
  4. **Sidewalks.** In accordance with the City's design standards, the construction of all sidewalks on rights-of-way per the plat (Exhibit "B") in accordance with the City's Sidewalk Layout attached hereto as Exhibit "G".
  5. **Trail.** In accordance with the City's design standards, the construction of an off-site pedestrian trail along West Valley Street in accordance with the City's Trail Layout attached hereto as Exhibit "H".
- B. The Subdivider shall contract for the timely and orderly installation of certain Public Infrastructure Improvements as described immediately herein below, provided that the City Engineer shall approve the plans for and the timeliness and installation of such public infrastructure improvements for the purposes of coordination with the location and construction of the Public Infrastructure Improvements and the Private improvements. The Public Infrastructure Improvements shall be timely and orderly installed as follows:

1. **Natural Gas.** Subdivider shall arrange and contract for natural gas distribution mains to be installed within the new dedicated public rights-of-way as per the plat (Exhibit "B") and the plan prepared by Black Hills Energy, which plan shall be approved by the City Engineer and the Subdivider.
  2. **Street Lighting.** Subdivider shall arrange and contract for street lighting for public streets to be installed within the new dedicated public rights-of-way as per the plat (Exhibit "B") and the plan prepared by the Omaha Public Power District, which plan shall be approved by the City Engineer and the Subdivider.
  3. **Electricity.** Subdivider shall arrange and contract for underground electrical service distribution mains to be installed within the new dedicated public rights-of-way to serve each of the lots in the Area to be Developed, per the plat (Exhibit "B") and the plan prepared by the Omaha Public Power District, which plan shall be approved by the City Engineer and the Subdivider.
  4. **Telephone/Cable/Internet.** Subdivider shall arrange and contract for underground telephone, cable, and internet distribution mains to be installed within the new dedicated public rights-of-way, as per the plat (Exhibit "B") and the plan prepared by the prevailing telephone, cable and internet provider within the City, which plan shall be approved by the City Engineer and the Subdivider.
  5. **Landscaping and Fencing.** Subdivider shall arrange and contract for Landscaping and Fencing, if any, to be installed within the new dedicated public rights-of-way, as per the plat (Exhibit "B") prepared by Subdivider or Subdivider's consultant, the plans for which shall be approved by the City Engineer and the Subdivider. Subdivider shall arrange for fencing and landscaping to be installed on the east boundary of Outlot A adjacent to the Pleasure Lakes 3<sup>rd</sup> Addition.
- C. Subdivider agrees to grant any and all easements that are required in connection with the construction of the Public Improvements.
- D. The parties agree that the Subdivider shall be responsible for the entire cost of the Public Infrastructure Improvements set out in Section I(A)(1) through I(A)(6). Such entire cost shall be paid by the Subdivider pursuant to the provisions of **Section V** herein below and the Agreement for Irrevocable Letter of Credit referenced therein.
- E. The parties agree that the Subdivider shall pay for the entire cost of design, contracting for, and installing of the Public Infrastructure Improvements set out in Section I(B)(1) through I(B)(5), including the payment of any connection fees or service charges. The parties agree that the Subdivider shall reimburse City for the entire cost of the City's review and approval of the plans for and the timeliness and installation of such public infrastructure improvements for the purposes of

coordination with the location and construction of the Public Infrastructure Improvements and the Private Improvements. Such reimbursement shall be made by the Subdivider to the City pursuant to the provisions of Section V herein below and the Agreement for Irrevocable Letter of Credit referenced therein.

- F. Upon completion of the Public Improvements, the Association and/or the Subdivider shall provide and pay for the maintenance, repair and/or reconstruction of the Public Infrastructure Improvements, except for the operation and maintenance of the water and sanitary sewer systems (including but not limited to the maintenance, operation and repair of any sanitary sewer lift station) and except for maintenance and repair which is the responsibility of a public utility other than the City of Valley within the Area to be Developed. The repair and maintenance of such Public Infrastructure Improvements by the Association and/or the Subdivider shall include, but shall not be limited to, the ordinary and necessary street maintenance and repair, including concrete panel replacement, street sweeping and standard snow removal. Should any of the aforementioned Public Infrastructure Improvements not be maintained or repaired in accordance with City standards and only after the expiration of thirty (30) days from the date upon which Subdivider and/or Association receives written notice from the City detailing the required maintenance and/or repairs and Subdivider and/or Association's fails to complete said maintenance and/or repairs specified in the written notice, the City can maintain or repair said improvements accordingly and it shall be reimbursed for the reasonable and actual cost of any such maintenance or repairs by Subdivider and/or Association. Subdivider and Association shall be jointly and severally liable for the cost of any such maintenance and repairs.

The City shall be solely responsible for the operation, maintenance and repair of the water and sanitary sewer systems, including lift stations, or at any time thereafter, and shall not seek contributions for any such expenses from Subdivider and/or Association.

One hundred percent (100%) of the entire cost of monthly contract charges paid to the Omaha Public Power District for furnishing lighting of public streets shall be paid by the Subdivider or the Association.

The Subdivider and/or the Association shall be solely responsible for the maintenance and repair of any landscaping within the new dedicated rights-of-way and shall not seek contribution from City at any time thereafter.

## **SECTION II: PRIVATE IMPROVEMENTS**

- A. The Subdivider shall contract for the timely and orderly installation of certain private improvements

as described immediately herein below (the "Private Improvements"). The City Engineer shall approve the timeliness and installation of the Private Improvements for the purposes of coordination with the location and construction of Public Infrastructure Improvements. The Private Improvements shall be timely and orderly completed as follows:

1. **Streets/Gate.** In accordance with the City's design standards, paving of all streets and construction of the entrance gates in accordance with Article 10 within the designated outlots, per the plat (Exhibit "B"), and the paving of all connecting streets between the designated outlots and existing off-site rights-of-way, and as shown on the Street Paving Plan prepared by the City Engineer, a copy of which is attached hereto as Exhibit "C".
  2. **Dredging.** Subdivider shall complete all required dredging in order to create the 108.475 acre lake depicted on the Final Plat as Outlot B.
  3. **Grading.** Subdivider shall complete all required grading as shown on the Private Grading Plan.
    - a. A floodplain development permit shall be submitted to the City of Valley for approval prior to any grading in the Phase One – Area to be Developed.
    - b. A stormwater pollution prevention plan (SWPPP) shall be submitted to the City of Valley and the Nebraska Department of Water, Energy and Environment (NDWEE) for permitting in accordance the National Pollutant Discharge Elimination System (NPDES) Permit for Storm Water Discharges from Construction Sites General NPDES Permit Number NER210000. A copy of the SWPPP shall be submitted to the City for approval prior to any grading in the Phase One – Area to be Developed.
- B. The parties agree that the Subdivider shall pay for the entire cost of installing and contracting for the Private Improvements as set out in Section II(A)(1) - Section II(A)(3) of this Agreement.
- C. The parties agree that the Subdivider shall reimburse City for the entire cost of the City's review and approval of the plans for and the timeliness and installation of such private infrastructure improvements for the purposes of coordination with the location and construction of the Public Infrastructure Improvements and the Private Improvements. Such reimbursement shall be made by the Subdivider to the City pursuant to the provisions of Section V herein below and the Agreement for Irrevocable Letter of Credit referenced therein.
- D. Upon completion of the Private Improvements, the Subdivider and/or the Association shall provide and pay for the maintenance, repair and/or reconstruction of any private improvements, including but not limited to street paving, entrance gates, sidewalks, and landscaping, constructed within dedicated easements, in perpetuity. Should the aforementioned the private improvements not be maintained or repaired in accordance with City standards, and only after the expiration of thirty (30) days from the date upon which Subdivider and/or Association receives written notice from the

City detailing the required maintenance and/or repairs and Subdivider and/or Association's fails to complete said maintenance and/or repairs specified in the written notice, the City can maintain or repair said the private improvements accordingly and it shall be reimbursed for the cost of any such maintenance or repairs by Association.

### **SECTION III: THE LAKE**

- A. The Subdivider shall convey the Lake, to be a 108.475 acre recreational lake, which will be known as Outlot "B", to the Association.
- B. The Association shall maintain the Lake and establish the appropriate rules for the use of the lake by the property owners and residents of Champion Shores Subdivision, and their representatives, guests and invitees.
- C. The Association and/or the property owners shall, at all times, be responsible for the maintenance, repair, and reconstruction of the beaches, shoreline and bank of the Lake. The City shall have no duty or obligation to perform any such maintenance, repair, or reconstruction, or to contribute to the cost thereof.

### **SECTION IV: CONTRACTS FOR PUBLIC INFRASTRUCTURE IMPROVEMENTS AND PUBLIC IMPROVEMENTS**

- A. The City, through its Engineers, shall publish a Notice to Contractors to solicit bids for the construction of the public improvements set forth in Section I(A)(1) through Section I(A)(5). After receiving bids, the City will award the contract(s) to the lowest responsible bidder, subject to its right to reject all bids.
- B. The Contract(s) for the construction of the Public Infrastructure Improvements described in Section I(A)(1) through I(A)(6) shall be in the name of the City.
- C. The Contract(s) for the construction of the Public Infrastructure Improvements described in Section I(B)(1) through I(B)(5) shall be in the name of the Subdivider. Such Contract(s) and all related performance bonds, payment bonds, certificates of insurance and any other related documents are to be submitted to for review and approval by the City Engineer
- D. The Contract(s) for the construction of the Private Improvements described in Section II(A)(1) through II(A)(3) shall be in the name of the Subdivider. Such Contract(s) and all related performance bonds, payment bonds, certificates of insurance and any other related documents are to be submitted for review and approval by the City Engineer.

## **SECTION V: PAYMENTS**

- A. Subdivider covenants and agrees that Subdivider shall pay City the following amounts:
1. Subdivider will reimburse the City in an amount equal to all actual costs incurred by the City in connection with the initial design of Champion Shores, to include planning, plat review fees, engineering fees, legal and other miscellaneous expenses incurred by the City, including but not limited to those expenses incurred in conjunction with the City's review of the Preliminary Plat, Final Plat and the preparation of all agreements, including this Subdivision Agreement (the "Initial Review Reimbursements"). City shall provide Subdivider with an itemized breakdown of such Initial Review Reimbursements, and, if requested, copies of invoices for all fees and costs. The Initial Review Reimbursements shall be paid to City prior to the City's approval or signing of the Final Plat and shall be subject to the terms and conditions of the Predevelopment Cost Agreement attached hereto as Exhibit "I" and incorporated herein by this reference.
  2. The entire cost of the Public Infrastructure Improvements set out in Section I(A)(1) through I(A)(6), including all construction costs, design and engineering fees, testing and inspection fees, expenses, financing costs, legal fees and all other miscellaneous costs shall be the responsibility of the Subdivider. To secure and assure the aforementioned obligations Subdivider shall execute the Agreement for Irrevocable Letter of Credit attached hereto as Exhibit "J" and incorporated by this reference and shall complete the deposit of funds pursuant to the terms of such Agreement prior to approval and filing of the Final Plat. All payments to the contractors constructing the Public Infrastructure Improvements set out in Section I(A)(1) through I(A)(5), and any required reimbursements to the City as described herein, shall be made pursuant to the terms of the Agreement for Irrevocable Letter of Credit.
  3. In addition to the payments described in Section V(A)(1) and Section V(A)(2) hereinabove, Subdivider will reimburse the City in an amount equal to all other actual costs incurred by the City in connection with the review and processing of all other matters related to Champion Shores, including but not limited to planning, plat review fees, engineering and inspection fees, legal and other miscellaneous expenses incurred by the City related to the Public Infrastructure Improvements and the Private Improvements. City shall provide Subdivider with an itemized breakdown of such actual costs, and, if requested, copies of invoices for all fees and costs. To secure and assure the aforementioned obligations Subdivider shall execute the Agreement for Irrevocable Letter of Credit attached hereto as Exhibit "I", and incorporated by this reference and shall obtain the Irrevocable Letter of Credit pursuant to the terms of such Agreement prior to approval, signing and filing of the

Final Plat. All payments to be made pursuant to this Section V(A)(3) shall be made pursuant to the terms of the Agreement for Escrow for Irrevocable Letter of Credit.

#### **SECTION VI: CAPITAL FACILITIES FEES – SEWER AND WATER**

A. A Capital Facilities Fee (Sewer) shall be paid to the City as follows:

1. There are to be 126 single-family residential lots in Champion Shores – Phase 1, with a Capital Facilities Fee (Sewer) of \$1,300.00 per each single-family residential lot, and 21.586 acres of non-lake outlot common area in Champion Shores, with a Capital Facilities Fee (Sewer) of \$3,000.00 per acre of outlot, to be paid as follows:
  - a. The Subdivider shall pay the first one-half of the Capital Facilities Fee (Sewer), in the amount of One Hundred Fourteen Thousand Two Hundred Seventy Nine and 00/100 Dollars (\$114,279.00), to the City prior to the City signing the Final Plat for the Champion Shores.
  - a. With respect to each individual residential lot the remaining one-half of the Capital Facilities Fee (Sewer) shall be paid to the City at the time an application for a building permit is made for construction upon said lot.

B. A Capital Facilities Fee (Water) shall be paid to the City as follows:

1. There are to be 126 single-family residential lots in Champion Shores – Phase 1 with a Capital Facilities Fee (Water) of \$1,100.00 per single-family residential lot, and 21.586 acres of non-lake outlot common area in Champion Shores, with a Capital Facilities Fee (Water) of \$3,000.00 per acre of outlot, to be paid as follows:
  - a. The Subdivider shall pay the first one-half of the Capital Facilities Fee (Water), in the amount of One Hundred One Thousand Six Hundred Seventy Nine and 00/100 Dollars (\$101,679.00) to the City prior to the City signing the Final Plat of the Champion Shores.
  - b. With respect to each individual residential lot, the remaining one-half of the Capital Facilities Fee (Water) shall be paid to the City at the time an application for a building permit is made for construction upon said lot.

#### **SECTION VII: CITY'S TAKEOVER RIGHTS**

In the event that Subdivider should abandon the construction of the Public or Private Improvements at any time then City shall have the option of taking over control of the construction of the Improvements in the following manner:

- a. City shall give Subdivider written notice of its intent to take control of the construction of the Public and Private Improvements.
- b. Subdivider shall have sixty (60) days after receipt of such written notice to commence or re-commence construction of the Public and Private Improvements.
- c. In the event that Subdivider commences or re-commences construction of the Public and Private Improvements within such sixty (60) day period, then City's right to take control of the construction of the Improvements shall terminate, but only with respect to the alleged abandonment set forth in the written notice.
- d. In the event that Subdivider does not commence or re-commence construction of the Public and Private Improvements within such sixty (60) day period, then, on the first business day after the expiration of such sixty (60) day period the City can proceed with the construction of the Public and Private Improvements. All payments to the contractors constructing the Public and Private Improvements, and any reimbursements to the City as described herein, shall be made pursuant to the terms of the Agreement for Irrevocable Letter of Credit.
- e. For the purposes of this Agreement abandonment of construction of the Improvements shall be defined as the failure of Subdivider to diligently pursue construction of the Improvements for a continuous and successive period of one hundred twenty (120) days.

**SECTION VIII: CITY REGULATIONS**

Subdivider covenants and agrees that the Subdivider will abide by and incorporate into all of its construction contracts the provisions required by the regulations of the City pertaining to construction of public improvements in subdivisions and testing procedures therefor.

**SECTION IX: NON-DISCRIMINATION**

In the performance of this Agreement, the Subdivider shall not discriminate against any parties on account of race, national origin, sex, age, political or religious affiliations in violation of federal or state laws or local ordinances.

**SECTION X: CONDITIONS FOR FINAL PLAT APPROVAL AND SIGNING**

The Final Plat shall not be approved and signed until the following has occurred:

1. Execution of the Subdivision Agreement.
2. Execution of the Predevelopment Cost Agreement and payment of all amounts to be paid to the City pursuant to the terms of the Pre-Development Agreement.
3. Execution of the Agreement for Irrevocable Letter of Credit.
4. Subdivider having secured an irrevocable letter of credit from a financial institution acceptable to the City in the appropriate amount pursuant to the terms of the Agreement for Irrevocable Letter of Credit.

5. City having satisfied itself, in its sole and absolute discretion, that the Subdivider has obtained all necessary Corps of Engineering Approvals and Permits, if any, necessary to complete the development of Champion Shores, including but not limited to obtaining all required Section 404 Permits and any other required wetlands permits.
6. City having satisfied itself, in its sole and absolute discretion, that Champion Shores as designed is, or will be, in compliance with all of City's existing Zoning and Subdivision Regulations.
7. City having satisfied itself, in its sole and absolute discretion, that the Subdivider has prepared and shall record with the Final Plat a Declaration which shall govern all platted lots within Champion Shores – Phase One and which shall address the responsibilities for the ongoing maintenance and repair of the Champion Shores – Phase One infrastructure, all pursuant to Article 10 of the City of Valley Zoning Regulations.
8. City having satisfied itself, in its sole and absolute discretion, that the Subdivider has prepared and shall record with the Final Plat an easement covering Outlots A, D, E, F, G, H, I, and J granting the City unrestricted use of such Outlots for utilities and storm drainage systems and the maintenance, repair, reconstruction, administration and operation of the same. all pursuant to Article 10 of the City of Valley Zoning Regulations.
9. City having satisfied itself, in its sole and absolute discretion, that the Subdivider has formed a mandatory homeowner's association to be named the "Champion Shores Homeowner's Association" (the "HOA") in which the owners of all lots, blocks and tracts in the Champion Shores Gated Community are required by the terms of the Declaration to be members, all pursuant to Article 10 of the City of Valley Zoning Regulations.
10. City having satisfied itself, in its sole and absolute discretion that Outlot "B" (the lake) has been conveyed to the HOA pursuant to the terms of Section IV of this Agreement.
11. The HOA providing City with an acceptable Certificate of Insurance from an insurance company licensed and qualified to do business in the State of Nebraska certifying that the HOA has a policy of general liability insurance in a minimum amount of \$5,000,000.00 insuring itself from liability for damages related to or arising in connection with the streets, sidewalks, drainage system, gate, and any other infrastructure, all pursuant to Article 10 of the Valley Zoning Regulations. The City shall be named as an additional named insured under the policy. The HOA shall provide City with new Certificate of Insurance on an annual basis, or upon request at

any time.

12. City having satisfied itself, in its sole and absolute discretion that the proposed location and operation of the entrance gate and access to the gated community is acceptable to City and to Valley Suburban Fire District No. 5, and in accordance with the provisions of Article 10 of the City of Valley Zoning Regulations.
13. City having satisfied itself, in its sole and absolute discretion that the design of the private streets and the entrance gate is in accordance with the City of Valley design standards and the provision of Article 10 of the Valley Zoning Regulations.
14. Payment of all amounts due to the City under this Agreement.

The Subdivider shall file the Final Plat with the Douglas County Register of Deeds within five (5) business days after receipt of the signed Final Plat from the City, but in no event shall the Final Plat be filed later than one year from the date of the City Council's approval of said Final Plat.

#### **SECTION XI: SUBDIVIDER INDEMNITY**

The Subdivider agrees to defend, indemnify, and hold City and its respective employees, agents, and assigns harmless from and against any and all claims, suits, demands, penalties, court costs, attorneys' fees, other litigation costs, judgments, actions, losses, damages, or injuries of any nature whatsoever, whether compensatory or punitive, or expenses arising therefrom, either at law or in equity, resulting or arising from or out of or otherwise occurring in relation to any negligence, intentional acts, or lack of performance by Subdivider or Subdivider's employees, agents, contractors, subcontractors or other representatives in relation to the development of the Phase One - Area to be Developed, except to the extent such injury is caused by the gross negligence or intentional acts of City. Other litigation costs, as referenced herein, shall include reasonable attorneys' fees, consultants' fees and expert witness fees. Without limiting the generality of the foregoing, such indemnity shall specifically include, but not be limited to:

- A. Any and all claims, suits, demands, penalties, court costs, attorneys' fees, other litigation costs, judgments, actions, losses, damages, or injuries of any nature whatsoever to any person or entity which may otherwise arise from, out of, or may be caused by Subdivider's breach, default, or failure to perform or properly perform any of Subdivider's obligations required by any warranty, representation, obligation or responsibility arising out of state, federal or local law, or from any provision of this Agreement.
- B. Any and all claims, suits, demands, penalties, court costs, attorneys' fees, other litigation costs, judgments, actions, losses, damages, or injuries of any nature whatsoever to any person or entity which may otherwise arise from, out of, or may be caused by any unlawful or improper discharge by Subdivider or Subdivider's employees, agents, contractors, subcontractors and assigns into any wastewater sewer system or storm sewer during the term of this Agreement.

- C. Any injury, loss or damage to any person occurring while said individual is on any premises within the Phase One - Area to be Developed.
- D. Any and all claims, suits, demands, penalties, court costs, attorneys' fees, other litigation costs, judgments, actions, losses, damages, or injuries of any nature whatsoever resulting or arising from or out of or otherwise occurring in relation to any means of acquisition of real or personal property, including right-of-way, by Subdivider or Subdivider's respective employees or agents.

**SECTION XII: SUBDIVIDER WARRANTY**

The Subdivider warrants that it has not employed or retained any company or person, other than a bona fide employee working for the Subdivider, to solicit or secure this Agreement, and that it has not paid or agreed to pay any company or person, other than a bona fide employee working for the Subdivider, any fee, commission, percentage, brokerage fee, gifts, or any other consideration, contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, the City shall have the right to annul this Agreement without liability. The prohibition provided for herein shall not apply to the retention of any attorney or other agent for the purpose of negotiating the provisions of this Agreement where the existence of such agency has been disclosed to the City.

**SECTION XIII: MISCELLANEOUS**

- A. No separate administrative entity or joint venture among the parties is deemed created by virtue of the Subdivision Agreement.
- B. The administration of this Subdivision Agreement shall be through the offices of the undersigned officers for their respective entities.
- C. Subdivider shall provide to City a Corporate Resolution of Heimann Ventures, II, LLC, a Nebraska limited liability company, authorizing and directing a representative of the Company to enter into this Agreement on behalf of the Company.
- D. Neither this Agreement nor any obligations hereunder shall be assigned without the express written consent of City, which may be withheld in City's sole discretion.
- E. This Subdivision Agreement shall be binding upon the parties, their respective successors and assigns and shall run with the land shown on Exhibit "A".
- F. This Subdivision Agreement shall pertain only to Champion Shores Phase I. A new Subdivision Agreement, or an Amendment to this Subdivision Agreement at City's option, shall be entered into for any and all subsequent phases.
- G. Subdivider and HOA shall at all times comply with the provisions of Article 10 of the Valley Zoning Regulations.

IN WITNESS WHEREOF, we the executing parties, by our respective duly authorized agents, hereby enter into this Agreement, effective as of the day and year first above written.

**Attest:**

**CITY OF VALLEY, NEBRASKA**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**Attest:**

**Heimann Ventures, III, LLC  
a Nebraska limited liability company**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**Attest:**

**Champion Shores Homeowner’s Association,  
Inc, a Nebraska Non Profit Corporation**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

## **Attachments to the Subdivision Agreement**

Exhibit A – Legal Description

Exhibit B – Final Plat

Exhibit C – Street Paving

Exhibit D – Storm Sewer

Exhibit E – Sanitary Sewer

Exhibit F – Water Main

Exhibit G – Sidewalks

Exhibit H – Trail

Exhibit I – Predevelopment Cost Agreement

Exhibit J – Agreement for Irrevocable Letter of Credit

**Exhibit A**

THAT PART OF THE NORTH HALF OF SECTION 36, TOWNSHIP 16 NORTH, RANGE 9 EAST OF THE 6TH P.M., DOUGLAS COUNTY, NEBRASKA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 36; THENCE SOUTH 00°00'00" WEST (ASSUMED BEARING) FOR 50.00 FEET ALONG THE WEST LINE OF SAID NE1/4 OF SECTION 36 TO THE SOUTH RIGHT OF WAY LINE OF STATE HIGHWAY # 64 AND THE TRUE POINT OF BEGINNING; THENCE SOUTH 89°51'14" EAST FOR 599.00 FEET ALONG SAID SOUTH ROW LINE OF STATE HIGHWAY # 64 WHICH IS PARALLEL WITH AND 50.00 FEET SOUTH OF THE NORTH LINE OF THE NE 1/4 OF SECTION 36; THENCE SOUTH 00°08'46" WEST FOR 240.00 FEET; THENCE SOUTH 89°51'14" EAST FOR 166.71 FEET; THENCE SOUTH 00°00'19" WEST FOR 614.65 FEET; THENCE SOUTH 89°51'16" EAST FOR 260.55 FEET; THENCE SOUTH 00°00'18" WEST FOR 418.58 FEET TO THE SOUTH LINE OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 36; THENCE SOUTH 89°52'47" EAST FOR 295.02 FEET TO THE SOUTHEAST CORNER OF THE NW 1/4 OF THE NE 1/4 OF SECTION 36; THENCE SOUTH 00°00'42" WEST FOR 996.55 FEET ALONG THE EAST LINE OF THE SW 1/4 OF NE 1/4 OF SECTION 36; THENCE NORTH 89°51'01" WEST FOR 285.92 FEET; THENCE SOUTH 00°00'42" WEST FOR 260.00 FEET TO THE NORTH RIGHT OF WAY LINE OF COUNTY ROAD # 23; THENCE NORTH 89°51'01" WEST FOR 1034.39 FEET ALONG SAID NORTH ROW LINE OF COUNTY ROAD # 23 WHICH IS PARALLEL WITH AND 66.00 FEET NORTH OF THE SOUTH LINE OF THE NE 1/4 OF SECTION 36 TO THE WEST LINE THEREOF; THENCE NORTH 89°51'07" WEST FOR 2591.31 FEET WHICH IS PARALLEL WITH AND 66.00 FEET NORTH OF THE SOUTH LINE OF THE NW 1/4 OF SECTION 36; THENCE NORTH 00°01'29" EAST FOR 2518.41 FEET ALONG THE EAST RIGHT OF WAY LINE OF COUNTY ROAD #104 WHICH IS PARALLEL WITH AND 50.00 FEET EAST OF THE WEST LINE IF SAID NW 1/4 OF SECTION 36; THENCE SOUTH 89°46'07" EAST FOR 2259.61 FEET ALONG THE SOUTH RIGHT OF WAY LINE OF STATE HIGHWAY # 64 WHICH IS PARALLEL WITH AND 65.00 FEET SOUTH OF THE NORTH LINE OF THE NW 1/4 OF SECTION 36 TO AN ANGLE POINT THEREIN; THENCE NORTH 00°13'53" EAST FOR 15.00 FEET ALONG THE SAID SOUTH RIGHT OF WAY LINE OF STATE HIGHWAY # 64 TO AN ANGLE POINT THEREIN; THENCE SOUTH 89°46'07" EAST FOR 330.57 FEET TO THE POINT OF BEGINNING, EXCEPT THE EAST 30 FEET OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 36, TOWNSHIP 16 NORTH, RANGE 9 EAST OF THE 6TH P.M., DOUGLAS COUNTY, NEBRASKA;

AND EXCEPT FOR THAT PART CONVEYED BY CORPORATE WARRANTY DEED RECORDED MAY 26, 1993 IN BOOK 1951 AT PAGE 148 OF THE RECORDS OF DOUGLAS COUNTY, NEBRASKA, DESCRIBED AS: A TRACT OF LAND LYING IN THE NORTHWEST QUARTER OF SECTION 36, TOWNSHIP 16 NORTH, RANGE 9 EAST OF THE 6TH P.M., DOUGLAS COUNTY, NEBRASKA, COMMENCING AT THE NORTHWEST CORNER OF SECTION 36, TOWNSHIP 16 NORTH, RANGE 9 EAST, THENCE NORTH 88°09'31" EAST A DISTANCE OF 50.00 FEET, THENCE SOUTH 02°02'50" EAST, A DISTANCE OF 65.00 FEET TO THE POINT OF BEGINNING, THENCE CONTINUING SOUTH 02°02'50" EAST ON A LINE 50.00 FEET EAST OF AND PARALLEL TO THE WEST LINE OF SAID SECTION 36-16-9, A DISTANCE OF 660.00 FEET, THENCE NORTH 88°09'31" EAST, PARALLEL WITH THE NORTH LINE OF SECTION 36-16-9, A DISTANCE OF 660.1 FEET, THENCE NORTH 02°02'50" WEST, PARALLEL WITH THE WEST LINE OF SECTION 36-16-09, A DISTANCE OF 660.00 FEET, THENCE SOUTH 88°09'31" WEST ON A LINE 65.00

FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF SECTION 36-16-9, A DISTANCE OF 660.01 FEET TO THE POINT OF BEGINNING.

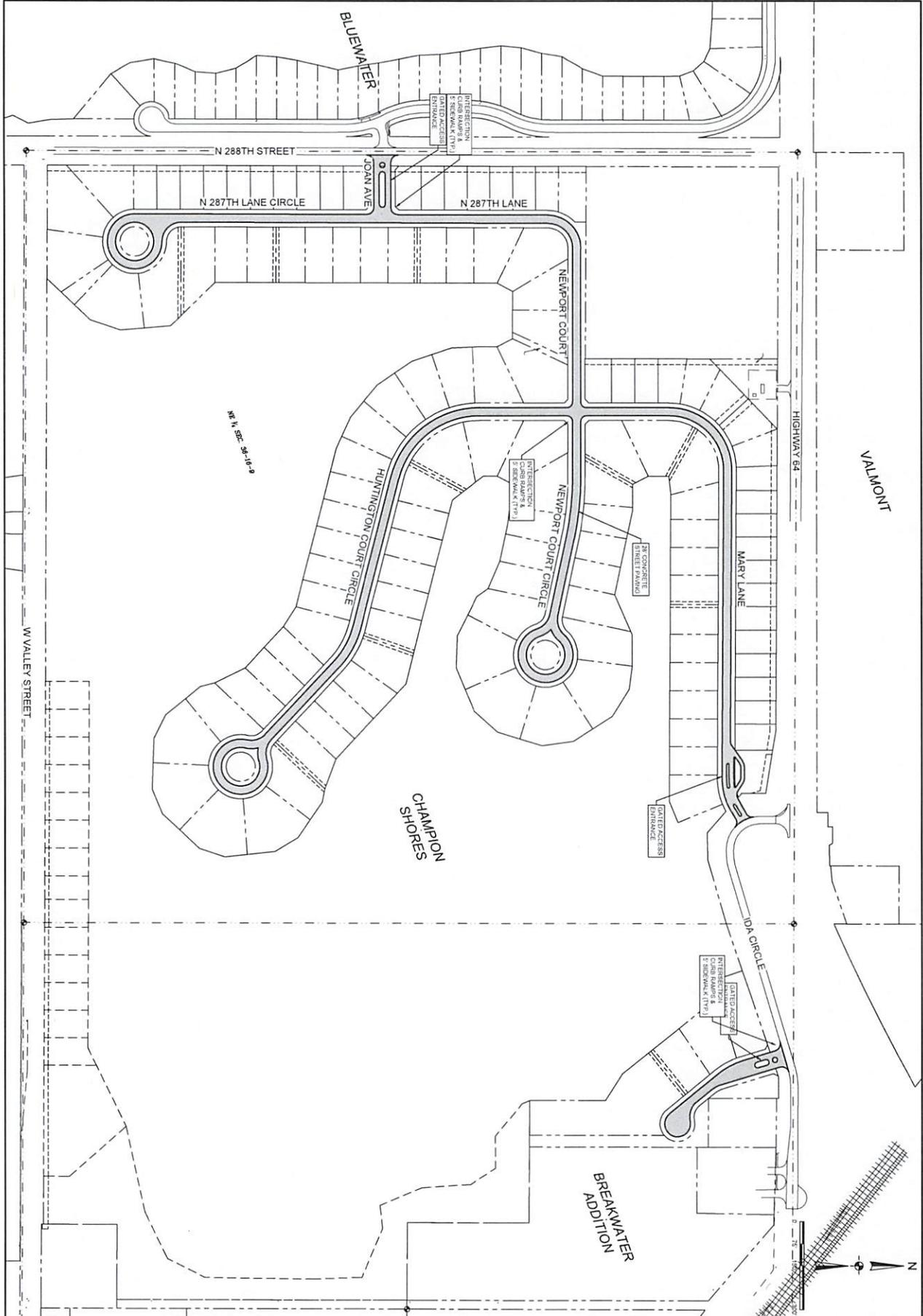
AND EXCEPT FOR THAT PART CONVEYED BY WARRANTY DEED RECORDED NOVEMBER 3, 1998 IN BOOK 2105 AT PAGE 482 OF THE RECORDS OF DOUGLAS COUNTY, NEBRASKA, DESCRIBED AS: A TRACT OF LAND LOCATED IN THE NORTHWEST QUARTER OF SECTION 36, TOWNSHIP 16 NORTH, RANGE 9 EAST OF THE 6TH P.M., DOUGLAS COUNTY, NEBRASKA, DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF SAID QUARTER SECTION; THENCE SOUTHERLY ALONG THE EAST LINE OF SAID QUARTER SECTION, A DISTANCE OF 70.64 METERS (231.76 FEET); THENCE SOUTHWESTERLY DEFLECTING 73°45'38" RIGHT A DISTANCE OF 68.52 METERS (224.80 FEET); THENCE SOUTHWESTERLY DEFLECTING 14°30'25" RIGHT A DISTANCE OF 28.34 METERS (92.98 FEET); THENCE NORTHWESTERLY DEFLECTING 42°42'06" RIGHT A DISTANCE OF 54.83 METERS (179.89 FEET); THENCE NORTHERLY DEFLECTING 49°13'05" RIGHT A DISTANCE OF 25.00 METERS (82.02 FEET); THENCE NORTHWESTERLY DEFLECTING 80°50'22" LEFT A DISTANCE OF 65.84 METERS (216.01 FEET); THENCE NORTHERLY DEFLECTING 80°36'12" RIGHT A DISTANCE OF 19.81 METERS (64.99 FEET) TO A POINT ON THE NORTH LINE OF SAID QUARTER SECTION; THENCE EASTERLY DEFLECTING 90°16'37" RIGHT ALONG THE NORTH LINE OF SAID QUARTER SECTION A DISTANCE OF 200.42 METERS (657.54 FEET) TO THE POINT OF BEGINNING. AND EXCEPT FOR A TRACT OF LAND IN THE NORTHEAST QUARTER OF SECTION 36, TOWNSHIP 16 NORTH, RANGE 9 EAST OF THE 6TH P.M., DOUGLAS COUNTY, NEBRASKA DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF SAID QUARTER SECTION, A DISTANCE OF 70.64 METERS (231.76 FEET); THENCE NORTHEASTERLY DEFLECTING 108°55'03" LEFT A DISTANCE OF 169.54 METERS (556.23 FEET); THENCE NORTHERLY DEFLECTING 70°55'41" LEFT A DISTANCE OF 15.25 METERS (50.03 FEET) TO A POINT ON THE NORTH LINE OF SAID QUARTER SECTION; THENCE WESTERLY DEFLECTING 90°00'14" LEFT ALONG THE NORTH LINE OF SAID QUARTER SECTION A DISTANCE OF 160.42 METERS (526.31 FEET) TO THE POINT OF BEGINNING.

AND EXCEPT FOR THAT PART CONVEYED BY CORPORATION WARRANTY DEED RECORDED OCTOBER 16, 2002 AT IN BOOK 2224 AT PAGE 254 OF THE RECORDS OF DOUGLAS COUNTY, NEBRASKA, DESCRIBED AS: A PARCEL OF LAND LYING IN THE SOUTH HALF OF THE NORTHWEST QUARTER AND THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 36, TOWNSHIP 16 NORTH, RANGE 9 EAST OF THE 6TH P.M., IN DOUGLAS COUNTY, NEBRASKA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: THE NORTH 7.00 FEET OF THE SOUTH 73.00 FEET OF THE SOUTH HALF OF THE NORTHWEST QUARTER, EXCEPT THAT PART PREVIOUSLY TAKEN FOR RIGHT-OF-WAY; TOGETHER WITH THE NORTH 7.00 FEET OF THE SOUTH 73.00 FEET OF THE WEST 1035.38 FEET OF THE WEST 1320.37 FEET OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER.

AND TOGETHER WITH LOT 1, VALLEY PLANT, A SUBDIVISION AS SURVEYED, PLATTED AND RECORDED IN DOUGLAS COUNTY, NEBRASKA RECORDED AUGUST 5, 1999 IN BOOK 2128 AT PAGE 738 OF THE RECORDS OF DOUGLAS COUNTY, NEBRASKA.







C	PROJECT	Champion Shores Phase 1
	CLIENT	Public Improvements
	LOCATION	Valley, Nebraska
	DATE	Street Paving
SCALE	AS SHOWN	Subdivision Agreement
DATE	OCTOBER 2025	
BY	25-29	

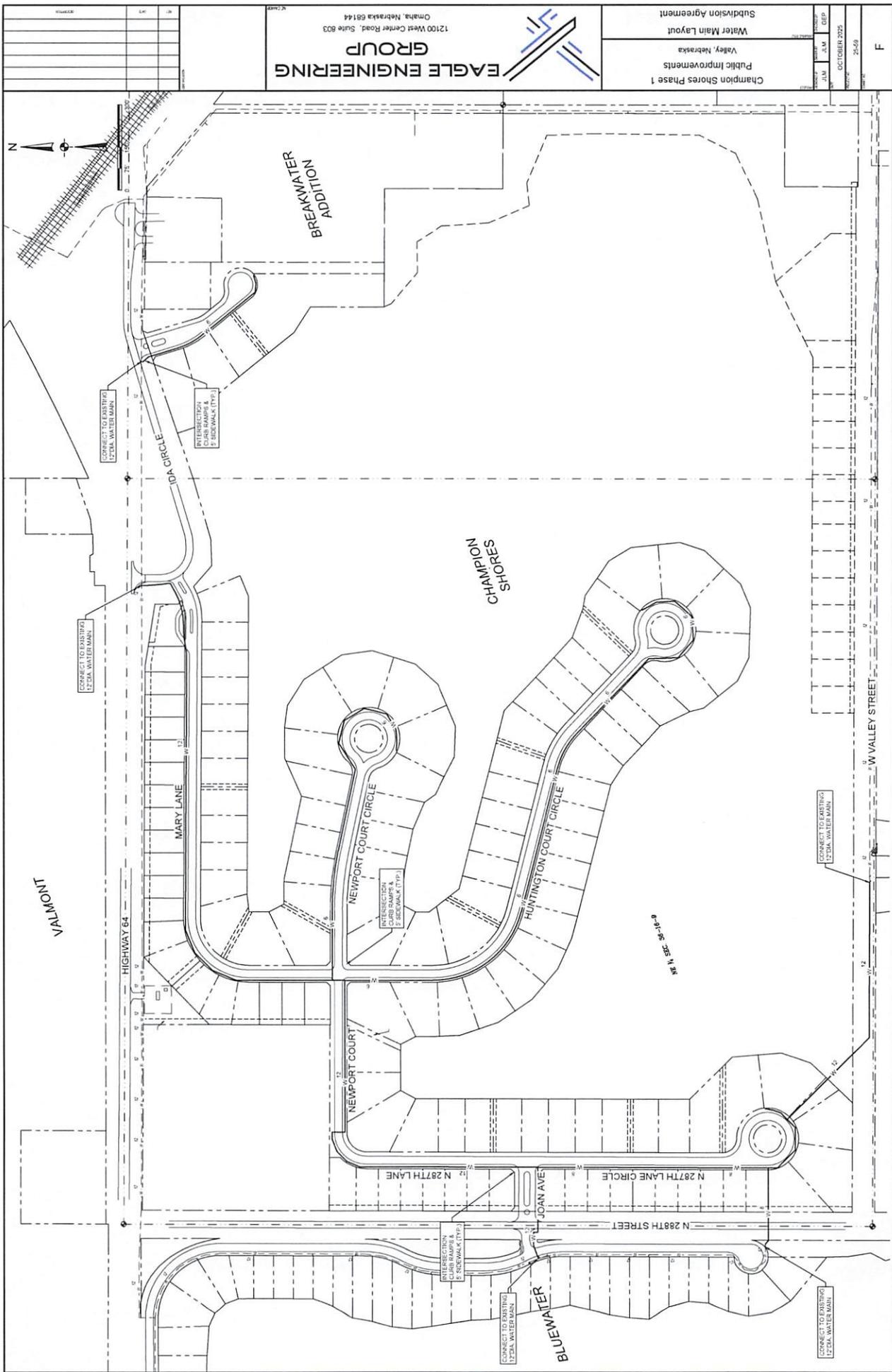
**EAGLE ENGINEERING GROUP**

12100 West Center Road, Suite 803  
Omaha, Nebraska 68144

NO.	DATE	DESCRIPTION







NO.	DATE	DESCRIPTION

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**CHAMPION SHORES – PHASE 1  
PREDEVELOPMENT COST AGREEMENT**

THIS AGREEMENT is made and entered this 12<sup>th</sup> day of August, 2025, by and between **HEIMANN VENTURES III, LLC, a Nebraska limited liability company** (hereinafter collectively referred to as "Subdivider") and the **City of Valley**, a City of the Second Class in the State of Nebraska (hereinafter referred to as "City")

WHEREAS, Subdivider is the owner of certain real property located within the city limits of the City of Valley containing approximately 227.9 acres and legally described on Exhibit "A", attached hereto and incorporated herein by this reference (the "Area to be Developed") and intends to develop a residential subdivision to be known as CHAMPION SHORES – PHASE 1 and as generally shown on Exhibit "B" and incorporated herein by this reference; and

WHEREAS, before any Final Plat for CHAMPION SHORES – PHASE 1 can be approved by the Valley City Council, a Subdivision Agreement must have been entered into by and between Subdivider and City; and

WHEREAS, the Subdivision Agreement will provide for the construction of streets, storm sewers, sanitary sewers, water mains, sidewalks, landscaping in public rights of way and the installation of systems to provide natural gas, electricity, street lighting and telephone/internet/cable TV to each residence in CHAMPION SHORES – PHASE 1 (the "Public Infrastructure Improvements"); and

WHEREAS it is critical that the Public Infrastructure Improvements be designed immediately by the City so that contracts can be negotiated and construction can start on the Public Infrastructure Improvements as soon as possible; and

WHEREAS, pursuant to the terms of the Subdivision Agreement, Subdivider shall reimburse the City in an amount equal to all actual costs incurred by the City in connection with the initial design of CHAMPION SHORES – PHASE 1, to include planning, plat review fees, engineering fees, legal and other miscellaneous expenses incurred by the City, including but not limited to those expenses incurred in conjunction with the City’s review of the Preliminary Plat, Final Plat and the preparation of the Subdivision Agreement, Agreement for Escrow of Security Fund, and this Predevelopment Cost Agreement (the “Initial Review Reimbursements”).

NOW THEREFORE, IT IS AGREED by and between **HEIMANN VENTURES III, LLC, a Nebraska limited liability company**, collectively Subdivider, and the City of Valley, Nebraska, a municipal corporation, hereinafter called the “City”, as follows:

1. That contemporaneously with the execution of this Agreement and prior to City’s execution of the Subdivision Agreement, City’s approval of the Final Plat, and the construction of the Public Infrastructure Improvements, Subdivider shall deposit the sum of Two Hundred Six Thousand Two Hundred Ninety Five and 00/100 Dollars (\$206,295.00) (the “Deposit”) with the City to be held in escrow as security to guarantee Subdivider’s faithful performance of certain obligations under the Subdivision Agreement, including but not limited to the payment of the Initial Review Reimbursements.
2. That said escrow fund shall be allocated to specific items as shown on Exhibit “C” attached hereto and incorporated herein by this reference.

3. At Subdivider's request, City shall provide Subdivider with an itemized breakdown of such Initial Review Reimbursements, and, if requested, copies of invoices for all fees and costs.
4. In the event that due to unforeseen circumstances the Deposit is or will be insufficient to cover the cost of the Initial Review Reimbursements, then Subdivider shall, after ten (10) days written notice from the City Engineer setting forth the exact amount of additional funds required and the reasons therefor, make an additional deposit of funds with City in accordance with such notice.
5. Prior to and as a condition of the release of any escrow funds remaining upon commencement of construction of the Public Infrastructure Improvements, any and all Initial Review Reimbursements shall be paid in full. At such time, any excess escrow funds held by City will be refunded to Subdivider.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed

this \_\_\_ day of \_\_\_\_\_, 2025.

Attest:

CITY OF VALLEY, NEBRASKA

Chantae Sommer  
Date

Cindy Moore 8-13-2025  
Date

Attest:

HEIMANN VENTURES III, LLC  
a Nebraska limited liability company

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

## **EXHIBIT "A"**

A TRACT OF LAND LOCATED IN THE NORTHWEST QUARTER, NORTH HALF OF THE SOUTHWEST QUARTER, WEST HALF OF THE NORTHEAST QUARTER, AND THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER, ALL IN SECTION 36, THE EAST HALF OF THE NORTHEAST QUARTER, AND THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER, ALL IN SECTION 35, THE SOUTH HALF OF THE SOUTHWEST QUARTER, AND THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER, ALL IN SECTION 25, ALL IN TOWNSHIP 16 NORTH, RANGE 9 EAST OF THE SIXTH P.M., IN CITY OF VALLEY, DOUGLAS COUNTY, NEBRASKA BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF LOT 1, BREAKWATER ADDITION TO THE CITY OF VALLEY; THENCE SOUTHERLY ON THE WESTERLY LINE OF SAID BREAKWATER ADDITION TO THE SOUTHWEST CORNER OF SAID BREAKWATER ADDITION; THENCE EASTERLY ON THE SOUTH LINE OF SAID BREAKWATER ADDITION TO THE SOUTHEAST CORNER OF SAID BREAKWATER ADDITION; THENCE SOUTHERLY ON THE WESTERLY LINE OF PLEASURE LAKES 3RD ADDITION TO THE CITY OF VALLEY TO THE NORTH RIGHT OF WAY LINE OF WEST VALLEY STREET; THENCE SOUTH TO THE SOUTH RIGHT OF WAY LINE OF SAID WEST VALLEY STREET; THENCE WESTERLY ON SAID SOUTH RIGHT OF WAY LINE TO THE EAST RIGHT OF WAY LINE OF NORTH 288TH STREET; THENCE WEST TO THE WEST RIGHT OF WAY LINE OF SAID NORTH 288TH STREET; THENCE NORTHERLY ON SAID WEST RIGHT OF WAY LINE TO A POINT OF INTERSECTION WITH THE WESTERLY EXTENSION OF THE SOUTH LINE OF A PARCEL OF LAND AS DESCRIBED IN BOOK 1951, PAGES 148-149; THENCE EASTERLY ON SAID WESTERLY EXTENSION AND SAID SOUTH LINE TO THE SOUTHEAST CORNER OF SAID PARCEL OF LAND; THENCE NORTHERLY ON THE EAST LINE OF SAID PARCEL OF LAND AND IT'S NORTHERLY EXTENSION TO THE NORTHERLY RIGHT OF WAY LINE OF IDA STREET; THENCE EASTERLY ON SAID NORTHERLY RIGHT OF WAY LINE TO THE SOUTHWESTERLY RIGHT OF WAY LINE OF THE UNION PACIFIC RAILROAD; THENCE SOUTHEASTERLY ON SAID SOUTHWESTERLY RIGHT OF WAY LINE TO THE NORTH RIGHT OF WAY LINE OF IDA CIRCLE; THENCE EASTERLY ON SAID NORTH RIGHT OF WAY LINE TO THE POINT OF BEGINNING, Douglas County, Nebraska.

**EXHIBIT "B"**

**EXHIBIT "C"**

**Engineering Design Fees:**

- Sanitary Sewer / Storm Sewer: \$ 91,055.00
- Water Distribution: \$ 33,230.00
- Streets; Sidewalks: \$ 67,010.00

**Legal Fees and City Review Costs: \$15,000.00**

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**TOTAL: \$ 206,295.00**

**CHAMPION SHORES, PHASE ONE  
AGREEMENT FOR IRREVOCABLE LETTER OF CREDIT**

THIS AGREEMENT is made and entered this \_\_\_\_\_ day of March, 2026, by and between **Heimann Ventures III, LLC, a Nebraska limited liability company** (hereinafter collectively referred to as "Subdivider") and the **City of Valley**, a City of the Second Class in the State of Nebraska (hereinafter referred to as "City").

WHEREAS, Subdivider is the owner of certain real property located within the city limits of the City of Valley legally described on Exhibit "A", attached hereto and incorporated herein by this reference containing 189.518 acres (the "Area to be Developed") and intends to develop a lakeside residential subdivision to be known as Champion Shores and as shown on the proposed final plat attached hereto as Exhibit "B" and incorporated herein by this reference; and

WHEREAS, before any Final Plat for Champion Shores can be approved by the Valley City Council, a Subdivision Agreement must have been entered into by and between Subdivider and City; and

WHEREAS, the Subdivision Agreement will provide for the construction of storm sewers, sanitary sewers, water mains and intersection sidewalks within Champion Shores (herein, the "Public Infrastructure Improvements"); and

WHEREAS, as a condition precedent to City's execution of the Subdivision Agreement, City's approval of the Final Plat for Champion Shores, the construction of the Public Infrastructure Improvements located within Champion Shores, Subdivider shall obtain a loan of immediately payable funds Dayspring Bank, a Nebraska banking corporation (the "BANK") to be represented by an irrevocable letter of credit in form and substance satisfactory to City in City's sole discretion the amount of Four million, five hundred forty-eight thousand, four hundred forty-five and 00/100 Dollars (\$4,548,445.00), said amount representing the entire estimated cost of the Public Infrastructure Improvements within Champion Shores, to insure completion of the construction of such improvements to act as security for Subdivider's faithful performance of its obligations under the Subdivision Agreement, and to provide a fund for the payment of the contractors constructing such improvements.

NOW THEREFORE, IT IS AGREED by and between Subdivider, and City as follows:

1. That prior to City's execution of the Subdivision Agreement, City's approval of the Final Plat for Champion Shores, and the construction of the Public Infrastructure Improvements within

Champion Shores, Subdivider shall obtain a loan of immediately payable funds in the amount of Four million, five hundred forty-eight thousand, four hundred forty-five and 00/100 Dollars (\$4,548,445.00) from the BANK to be represented by an irrevocable letter of credit in form and substance satisfactory to City in City's sole discretion (the "ILOC"). The ILOC shall act as security to guarantee Subdivider's faithful performance of its obligations under the Subdivision Agreement, including but not limited to the construction of the Public Infrastructure Improvements located within the Champion Shores, and to provide a fund for the payment of the contractors constructing the Public Infrastructure Improvements and/or the reimbursement of the City for its costs incurred for engineering fees, testing and inspection fees, expenses, financing costs, legal fees and all other miscellaneous costs incurred in connection with the construction of the Public Infrastructure Improvements within Champion Shores.

2. That said ILOC shall be allocated to the specific improvements as shown on Exhibit "C" attached hereto and incorporated herein by this reference.
3. That a portion of the ILOC designated for any one improvement may be released by BANK as follows:
  - (i) To the Contractor, as progress payments to the contractor upon certification thereof by the City Engineer after consultation with the Subdivider, and approval of such certification by the Valley City Council; or
  - (ii) To the Contactor, as final payment, less any retainage, upon certification of substantial completion of such improvement by the City Engineer after consultation with the Subdivider, and approval of such certification by the Valley City Council, or
  - (iii) To the Contractor, as payment of any retainage, at the appropriate time, in accordance with the contract for the construction of such improvement upon certification of such payment by the City Engineer after consultation with the Subdivider, and approval of such certification by the Valley City Council; or
  - (iv) To the City, as reimbursement for any additional amounts incurred by the City in connection with the City's design, engineering, bidding and/or overseeing the

construction of the Public Infrastructure Improvements upon certification of the City Clerk.

BANK shall release portions of the ILOC either directly to the contractor, or as reimbursement to City, in accordance with the above and foregoing procedures, upon the written request of the City Clerk, including a copy of the City Engineer's certification and the approval of the Valley City Council.

4. In the event that due to change orders or other unforeseen circumstances the ILOC is or will be insufficient to cover the cost of the Public Infrastructure Improvements located within Champion Shores, then Subdivider shall, after ten (10) days written notice from the City Engineer setting forth the exact amount of additional funds required and the reasons therefor, obtain a loan of immediately payable funds in such amount from the BANK to be represented by a supplementary irrevocable letter of credit in form and substance satisfactory to City in City's sole discretion for the amount of additional funds required OR to make a cash deposit either with CITY or with an escrow agent acceptable to CITY, in CITY's sole discretion, in such amount to be held in escrow as security to guarantee Subdivider's faithful performance of all obligations under the Subdivision Agreement.
5. Prior to and as a condition of the release and/or cancellation of any irrevocable letter of credit pertaining to any funds remaining upon completion of the Public Infrastructure Improvements, any and all costs and/or reimbursements due to the City by Subdivider in connection with the development and construction of such Public Infrastructure Improvements located within Champion Shores shall be paid in full, including, but not limited to, construction costs, design and engineering fees, inspection fees, testing expenses, financing costs, legal fees and miscellaneous costs.
6. This Agreement shall be contingent upon its execution by the parties hereto and the issuance of the required irrevocable letter of credit by BANK in favor of the City of Valley. In the event BANK requires the execution of any additional and/or substitute agreements in order to effectuate such irrevocable letter(s) of credit, such agreements are to be reviewed and approved by City in City's sole and absolute discretion.

7. Subdivider agrees to pay any and all fees charged by BANK in connection with any irrevocable letter(s) of credit under the terms of this Agreement.
8. Upon issuance of the irrevocable letter(s) of credit as provided in this Agreement, City agrees to waive any requirements that Subdivider post-performance bonds for completion of the Public Infrastructure Improvements located within Champion Shores.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed this \_\_\_ day of March, 2026.

Attest:

CITY OF VALLEY, NEBRASKA

\_\_\_\_\_

Date

\_\_\_\_\_

Date

Attest:

Heimann Ventures III, LLC  
a Nebraska limited liability company

\_\_\_\_\_

Date

\_\_\_\_\_

Date

## **EXHIBIT B - LEGAL DESCRIPTION**

A TRACT OF LAND BEING PART OF THE NW1/4 OF THE NW1/4, AND ALSO PART OF THE NE1/4 OF THE NW1/4, AND ALSO PART OF THE SE1/4 OF THE NW1/4, AND ALSO PART OF THE SW1/4 OF THE NW1/4, AND ALSO PART OF THE NW1/4 OF THE NE1/4, AND ALSO PART OF THE SW1/4 OF THE NE1/4 ALL LOCATED IN SECTION 36, ALSO TOGETHER WITH LOT 1, VALLEY PLANT, A SUBDIVISION LOCATED IN SAID NW1/4 OF THE NE1/4 SECTION 36, ALL LOCATED IN TOWNSHIP 16 NORTH, RANGE 09 EAST OF THE 6TH P.M., DOUGLAS COUNTY, NEBRASKA.

COMMENCING AT THE NORTH QUARTER CORNER OF SAID SECTION 36, BEING A FOUND BRASS CAP IN CONCRETE; THENCE S00°08'46"W (BASIS OF BEARING: DOUGLAS COUNTY LOW DISTORTION PROJECTION) ALONG THE EAST LINE OF SAID NW1/4 OF SECTION 36, SAID LINE ALSO BEING THE WEST LINE OF SAID NE1/4 OF SECTION 36, A DISTANCE OF 231.76 FEET TO THE SOUTHERLY RIGHT-OF-WAY LINE OF IDA STREET / STATE HIGHWAY NO. 64, BEING A FOUND 5/8" REBAR WITH PLASTIC CAP STAMPED LS-864, SAID POINT ALSO BEING THE POINT OF BEGINNING; THENCE N71°12'23"E ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE OF IDA STREET / STATE HIGHWAY NO. 64, A DISTANCE OF 253.80 FEET TO THE NORTHWEST CORNER OF SAID LOT 1, VALLEY PLANT, BEING A FOUND 5/8" REBAR; THENCE EASTERLY ALONG THE NORTHERLY LINE OF SAID LOT 1, VALLEY PLANT, SAID LINE ALSO BEING SAID SOUTHERLY RIGHT-OF-WAY LINE OF IDA STREET / STATE HIGHWAY NO. 64 ON THE FOLLOWING TWO (2) DESCRIBED COURSES: (1) N71°12'13"E, A DISTANCE OF 302.60 FEET TO A FOUND 5/8" REBAR; (2) THENCE S89°49'02"E, A DISTANCE OF 72.76 FEET TO THE NORTHEAST CORNER OF SAID LOT 1, VALLEY PLANT, BEING A FOUND 5/8" REBAR; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID LOT 1, VALLEY PLANT ON THE FOLLOWING TWO (2) DESCRIBED COURSES: (1) THENCE S00°17'23"W, A DISTANCE OF 240.02 FEET TO A FOUND 5/8" REBAR; (2) THENCE S89°40'47"E, A DISTANCE OF 166.69 FEET TO THE WESTERLY LINE OF LOT 1, BREAKWATER ADDITION, A SUBDIVISION LOCATED IN SAID NW1/4 OF THE NE1/4 OF SECTION 36, BEING A FOUND 5/8" REBAR; THENCE S00°08'09"W ALONG SAID EASTERLY LINE OF LOT 1, VALLEY PLANT, SAID LINE ALSO BEING SAID WESTERLY LINE OF LOT 1 BREAKWATER ADDITION AND ALSO THE WESTERLY LINE OF LOT 2, SAID BREAKWATER ADDITION, A DISTANCE OF 614.64 FEET TO THE SOUTHEAST CORNER OF SAID LOT 1, VALLEY PLANT, BEING A FOUND 3/4" PINCH TOP PIPE; THENCE ALONG SAID WESTERLY LINE OF LOT 2, BREAKWATER ADDITION ON THE FOLLOWING TWO (2) DESCRIBED COURSES: (1) THENCE S89°41'18"E, A DISTANCE OF 260.61 FEET TO A FOUND 5/8" REBAR; (2) THENCE S00°07'58"W, A DISTANCE OF 418.20 FEET TO THE SOUTHWEST CORNER OF SAID LOT 2, BREAKWATER ADDITION, BEING A FOUND 5/8" REBAR; THENCE S89°43'07"E ALONG THE SOUTHERLY LINE OF SAID LOT 2, BREAKWATER ADDITION, A DISTANCE OF 264.96 FEET TO THE SOUTHEAST CORNER OF SAID LOT 2, BREAKWATER ADDITION, SAID POINT ALSO BEING ON THE WESTERLY LINE OF LOT 1, PLEASURE LAKES 3RD ADDITION, A SUBDIVISION LOCATED IN SAID SECTION 36, BEING A FOUND 5/8" REBAR; THENCE S00°07'24"W ALONG SAID WESTERLY LINE OF LOT 1, PLEASURE LAKES 3RD ADDITION, A DISTANCE OF 996.60 FEET TO A FOUND 5/8" REBAR WITH A PLASTIC CAP STAMPED LS-692; THENCE N89°45'37"W, A DISTANCE OF 256.18 FEET TO A FOUND 5/8" REBAR WITH A PLASTIC CAP STAMPED LS-692; THENCE S00°13'21"W, A DISTANCE OF 252.86 FEET TO THE NORTHERLY RIGHT-OF-WAY LINE OF VALLEY STREET, BEING A FOUND 5/8" REBAR WITH A PLASTIC CAP STAMPED LS-692; THENCE N89°42'53"W ALONG SAID NORTHERLY RIGHT-OF-WAY LINE OF VALLEY STREET, A DISTANCE OF 165.03 FEET; THENCE N00°17'07"E, A DISTANCE OF 87.98 FEET; THENCE N41°10'45"W, A DISTANCE OF 259.42 FEET; THENCE S63°55'16"W, A DISTANCE OF 298.10 FEET; THENCE N89°42'53"W, A DISTANCE OF 430.61 FEET; THENCE N89°43'29"W, A DISTANCE OF 824.42 FEET; THENCE S00°16'31"W, A DISTANCE OF

150.00 FEET TO SAID NORTHERLY RIGHT-OF-WAY LINE OF VALLEY STREET; THENCE N89°43'29"W ALONG SAID NORTHERLY RIGHT-OF-WAY LINE OF VALLEY STREET, A DISTANCE OF 1766.75 FEET TO THE INTERSECTION OF SAID NORTHERLY RIGHT-OF-WAY LINE OF VALLEY STREET AND THE EASTERLY RIGHT-OF-WAY LINE OF COUNTY ROAD NO. 104, BEING A FOUND 5/8" REBAR WITH A PLASTIC CAP STAMPED LS-692; THENCE N00°09'33"E ALONG SAID EASTERLY RIGHT-OF-WAY LINE OF COUNTY ROAD NO. 104, A DISTANCE OF 1851.46 FEET TO A FOUND 5/8" REBAR; THENCE S89°40'44"E, A DISTANCE OF 660.47 FEET TO A FOUND 5/8" REBAR WITH A PLASTIC CAP STAMPED LS-692; THENCE N00°06'21"E, A DISTANCE OF 659.44 FEET TO SAID SOUTHERLY RIGHT-OF-WAY LINE OF IDA STREET / STATE HIGHWAY NO. 64, BEING A FOUND 5/8" REBAR; THENCE EASTERLY ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE OF IDA STREET / STATE HIGHWAY NO. 64 ON THE FOLLOWING SIX (6) DESCRIBED COURSES: (1) THENCE S89°38'28"E, A DISTANCE OF 1,273.08 FEET TO A FOUND 5/8" REBAR WITH A PLASTIC CAP STAMPED LS-692; (2) THENCE S80°31'10"E, A DISTANCE OF 215.89 FEET TO A FOUND 5/8" REBAR WITH A PLASTIC CAP STAMPED LS-692; (3) THENCE S00°19'32"W, A DISTANCE OF 82.00 FEET TO A FOUND 5/8" REBAR WITH A PLASTIC CAP STAMPED LS-692; (4) THENCE S48°56'11"E, A DISTANCE OF 179.91 FEET TO A FOUND 5/8" REBAR WITH A PLASTIC CAP STAMPED LS-692; (5) THENCE N88°26'01"E, A DISTANCE OF 92.88 FEET TO A FOUND 5/8" REBAR WITH A PLASTIC CAP STAMPED LS-692; (6) THENCE N73°55'33"E, A DISTANCE OF 224.77 FEET TO THE POINT OF BEGINNING. SAID TRACT OF LAND CONTAINS AN AREA OF 8,239,729 SQUARE FEET OR 189.158 ACRES, MORE OR LESS.







# EAGLE ENGINEERING GROUP

12100 West Center Road, Suite #803 Omaha, Nebraska 68144

CHAMPION SHORES PHASE 1  
HIGHWAY 64 & 288TH STREET  
VALLEY, NEBRASKA

PROJECT NO. 23-03-15  
DATE: 3/20/2026

## OPINION OF PROBABLE CONSTRUCTION COSTS LOTS 1-126 - FINAL PLAT

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CONCEPT

### A. Construction

Sanitary Sewer	\$	2,489,000.00
Water Distribution	\$	858,000.00
Streets, , Storm Sewer, Intersection Sidewalks	\$	232,000.00
Contingency - 10%	\$	357,900.00
<b>Subtotal</b>	<b>\$</b>	<b>3,936,900.00</b>

### B. Engineering

Design and Construction Observation	\$	473,300.00
Reimbursable Engineering Expenses/Costs	\$	16,550.00
<b>Subtotal</b>	<b>\$</b>	<b>489,850.00</b>

### C. Capital Facilities Charges

Water (\$1,100/lot x 126 lots x 50% + 20.715 ac x \$3,000)	\$	131,445.00
Sewer (\$1,300/lot x 126 lots x 50% + 20.715 ac x \$3,000)	\$	144,045.00
<b>Subtotal</b>	<b>\$</b>	<b>275,490.00</b>
Less Predevelopment Cost Agreement	\$	(206,295.00)

### D. Legal & Administration

Legal Fees	\$	50,000.00
Administration Fees	\$	2,500.00
<b>Subtotal</b>	<b>\$</b>	<b>52,500.00</b>

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<b>Estimated Total</b>	<b>\$</b>	<b>4,548,445.00</b>
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