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CONDOMINIUM DECLARATION
AND
RESTRICTIVE COVENANTS

The undersigned (the "Declarant") create a condominium in the manner established by the Nebraska Condominium Act and establish restrictive covenants on the Property.

1. **NAMES:** The name of the condominium is **Carter Condominiums**, a condominium. The name of the association is **Carter Condos Association**, a Nebraska non-profit corporation. The Association shall be run and controlled by the Executive Board, initially a three-member board, which shall be governed by the Bylaws of the Association.

2. **DESCRIPTION:** The Condominium is situated in Lancaster County on the following described real estate ("Property"):

**Lot 2, Carter Addition, located in the SW ¼ of Section 27, Township 8 North,
Range 7 East of the Sixth P.M., Hickman, Lancaster County, Nebraska**

3. **NUMBER OF UNITS:** The number of units to be created is twelve (12), and the number may not be increased.

4. **BOUNDARIES:** The boundaries of each unit, including the unit's identifying number, are shown on Exhibit "A" (plat and plan). The boundaries are the unfinished surface of the walls, the unfinished surface of the floor, the unfinished surface of the ceiling.

5. **COMMON ELEMENTS:** The common elements are all portions of the Condominium other than the units. The Commons are generally described as the parking areas, roofs, driveways, private utility lines providing service to more than one unit, and the landscaped green space (excluding the landscaping and property considered to be a limited common element) surrounding the units.

6. **LIMITED COMMONS:** The limited common elements, in addition to that which may be shown on Exhibit "A", are:

- a. The landscaping immediately to the rear of each unit and proceeding to the property line.

- b. If any chute, flue, duct, wire, conduit, bearing wall, bearing column, or any other fixture lies partially within and partially outside the boundaries of a unit, any portion serving only that unit is a limited common element allocated to that unit, and any portion serving more than one unit or any portion of the common elements is a part of the common elements.
- c. Any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, patios, decks, and all exterior doors and windows or other fixtures designed to serve a single unit, but located outside the unit's boundaries, are limited common elements allocated to that unit.

7. SPECIAL DECLARANT RIGHTS: The Declarant may use any unit owned or leased by the Declarant as a model, sales office, or management office. No payment or assessment shall be due from any unit owned by Declarant before such unit is completely built and ready to be offered for sale, but Declarant shall pay any operating deficiency for the Association resulting from such forbearance of payment or assessment.

8. ALLOCATED INTERESTS: The Allocated Interests for the common elements are shown on Exhibit "B." The formula used to establish the Allocated Interests is the reciprocal of the number of units.

9. CONVEYANCES: Any unit may be conveyed or encumbered subject to the provisions of this Declaration.

10. SUBDIVISION: With the written approval of the Executive Board, units may be combined or divided and incorporated within the boundaries of one or more other units. However, no division of any unit shall increase the total number of units. Upon approval, the Executive Board shall record an Amendment to this Declaration, and the Allocated Interests shown on Exhibit "B" shall be reallocated. The expense of preparation of the Amendment, reallocation of the Allocated Interests, and recording fees shall be assessed against the units affected.

11. RESTRICTIVE COVENANTS AND OWNER DUTIES:

- a. Amendment of Restrictive Covenants. The restrictive covenants and owner duties established by this Section 11 may be amended, in writing, by the unit owners of at least 67 percent of the Allocated Interests at any time.
- b. Restrictive Covenants.
 - i. Maintenance and Improvement of Units. Each unit shall be maintained by the unit owner. Each unit owner shall promptly report to the Executive Board any need for repairs for which the Association is responsible. Notwithstanding the general provisions for

maintenance, the Executive Board may establish specific maintenance responsibilities, which shall be uniform as to all units. A unit owner may make any improvements or alterations to the unit that do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Condominium. A unit owner may not change the appearance of the common elements, or the exterior appearance of a unit or any other portion of the Condominium, without the written approval of the Association. The Association shall not unreasonably withhold approval so long as the change in the common elements is harmonious with the scheme of design after giving due effect to all aesthetic considerations.

- ii. Use of Units. No unit shall be used other than for residential purposes.
- iii. Nuisance. No noxious or offensive activity shall be permitted within any unit, nor shall any activity be permitted that is an annoyance or nuisance or that endangers the health or unreasonably disturbs the quiet of the occupants of adjoining units. The Executive Board may adopt specific rules and regulations to implement this provision.
- iv. Animals. Subject to this provision, no animals of any kind shall be kept in any unit for any commercial purpose. No reptiles of any kind shall be housed in any unit. Unit owners may house up to two cats or one dog, each weighing less than 25 pounds, in their unit. Pets shall be on a leash or under close surveillance of the owner while on the common elements.
- v. Recreational and Non-Operational Vehicles. No recreational vehicle, including, without limitation, trailers, boats, U-Hauls, RV's, abandoned or non-operational cars, or other such vehicles shall be parked or stored upon any portion of the common elements or limited common elements except in accordance with rules established by the Executive Board.
- vi. Advertising. No advertising signs, billboards, or other advertising devices shall be permitted on the units or common elements except for real estate signs advertising a unit for sale or lease or those of the Declarant marketing or advertising the units.
- vii. Antennas. No external satellite dishes or antennas may be mounted on any common element. Unit owners may install, on the unit owner's limited common elements, one satellite dish with a diameter of one meter or less, one TV antenna, or one wireless cable antenna. The Executive Board may issue rules for installation of such devices, provided that such rules meet applicable FCC regulations.
- viii. Maintenance and Assessments. Each unit owner covenants to maintain their unit and associated limited commons in a neat and attractive manner. The Association may adopt from time to time minimum maintenance standards to establish the minimum acceptable

standards for this maintenance covenant. In the event a unit owner fails to maintain their unit and associated limited commons according to the maintenance standards, the Association may, upon 10 days' written notice to the unit owner, undertake the required maintenance for the unit or associated limited commons and shall have the right to enter upon any unit, at reasonable times, to perform such maintenance. The written notice shall specify the required maintenance and the time in which it must be completed. The actual cost of the maintenance, plus a 10% administrative fee, shall be paid by the unit owner within 10 days of billing. Upon failure of the unit owner to remit payment, the cost of maintenance and administrative fee shall be specially assessed against the unit, and the Association shall have the right to file a lien on the unit to secure such payment.

- ix. Leasing of a Unit. In the event a unit owner is not the occupant of such unit, the unit owner shall at all times have a duty to provide the Association current contact information for the unit owner, and the names and contact information of the occupants of the unit.

12. EASEMENTS FOR SUPPORT: Each unit and common element shall have an easement for lateral and subjacent support from every other unit and common element.

13. ASSOCIATION: Carter Condos Association is a Nebraska non-profit corporation responsible for the management of the Condominium.

14. MEMBERSHIP: Every person or entity who becomes a unit owner shall, upon acceptance of a deed to the unit, be a member of the Association. Any person who holds an interest in a unit merely as security for an obligation shall not be a member.

15. DECLARANT CONTROL AND BOARD SELECTION: Declarant shall control the Association and may appoint, subject to the proviso below, and remove the officers and members of the Executive Board until the earlier of:

- a. Sixty days after conveyance of 90 percent of the units which may be created to unit owners other than a Declarant; or
- b. Two years after Declarant has caused to offer units for sale in the ordinary course of business.

Provided, however, not later than 60 days after conveyance of 25 percent of the units which may be created to unit owners other than a Declarant, at least one member of the Executive Board shall be elected exclusively by unit owners other than the Declarant.

Not later than the termination of the period of Declarant control, the unit owners shall elect an Executive Board of at least three members, at least a majority of whom shall be unit

owners. The Executive Board shall elect the officers. The Executive Board members and officers shall take office upon election.

16. MAINTENANCE OF COMMON ELEMENTS AND LIMITED COMMON ELEMENTS: The Association shall maintain all common elements, which shall include snow removal, landscaping, and maintenance of sewer and water lines lying within the common elements. The Association shall provide lawn mowing and lawn-watering services for the lawns located on the common elements and limited common elements, snow removal services for the common elements, and common trash hauling service for its members. The unit owners shall be entitled to landscape any portion of their respective limited common elements, provided that such landscaping does not interfere with the Association's sprinkler equipment and does not necessitate a change in the watering schedule. The unit owners shall be responsible for the maintenance of any landscaping and care of any plantings made in their respective limited common elements.

17. INSURANCE: The Association shall insure the Condominium and the Association against risk, including tort liability, in the manner set forth in the Bylaws. Each policy shall be issued in the name of the Association for the benefit of unit owners in proportion to the Allocated Interests as initially shown on Exhibit "B" or as adjusted by the Association. A unit owner may obtain insurance, for the unit owner's account and benefit, covering the unit, interior finish and contents. The limits of coverage shall be established by resolution of the Executive Board. Premiums for insurance maintained by the Association shall be a common expense.

18. DAMAGE: Any damage to the Condominium caused by fire or other casualty shall be promptly repaired by the Association in the manner set forth in the Bylaws, unless (1) the Condominium is terminated, (2) repair or replacement would be illegal under any state or local health or safety statute or ordinance, or (3) 80 percent of the unit owners, including the unit owner of every unit which will not be rebuilt and every unit to which a limited common element is assigned which will not be rebuilt, vote not to rebuild. The cost of repair or replacement in excess of insurance proceeds and reserves is a common expense. If the entire Condominium is not repaired or replaced, (1) the insurance proceeds attributable to the damaged common elements must be used to restore the damaged area to a condition compatible with the remainder of the Condominium, (2) the insurance proceeds attributable to units and limited common elements which are not rebuilt must be distributed to the owners of those units and the owners of the units to which those limited common elements were assigned, or the lien holders, as their interests may appear, and (3) the remainder of the proceeds must be distributed to all the unit owners or lienholders, as their interests may appear, in proportion to the Allocated Interests of all the units. If the unit owners vote not to rebuild any unit, that unit's allocated interest is automatically reallocated, and the Association shall record an amendment to this Declaration reflecting the reallocation.

19. LIABILITY: Any tort liability arising from the use of common elements shall be a common expense. Any deficiency in insurance coverage of such liability shall be borne by all unit owners in proportion to the Allocated Interests shown on Exhibit "B."

20. CONDEMNATION: If any part of the common elements is condemned for public use, the award shall be payable to the Association. Actual damage to physical improvements shall be repaired and the fund created by the award shall be administered as insurance proceeds in the manner set forth in the Bylaws.

21. USE OF COMMON ELEMENTS: For purposes of maintaining the common elements and enforcing the restrictive covenants, the Association shall have the right to use the common elements, other than limited common elements, and shall have an easement over the common elements for that use. The unit owners shall also have the right to use the common elements, other than limited common elements not allocated to that unit owner, and shall have an easement over the common elements for that use

The Association, and each unit owner of a unit to which a limited common element is assigned, shall have the right to use such limited common element and shall have an easement over such limited common element for that use. The Association's easement shall be for the purpose of fulfilling maintenance covenants.

22. EASEMENTS OVER COMMON ELEMENTS: The Executive Board may grant easements, leases, licenses and concessions over the common elements for the installation and maintenance, and structures or other improvements that may be of benefit to one or more unit owners and for such other purposes as the Executive Board deems to be in the best interests of the Condominium.

23. ASSESSMENTS AND LIENS: The members shall pay annual and special assessments to the Association as billed. After the termination of Declarant Control, each member's assessment shall be determined on an annual basis for each fiscal year, prorating fractional years and any changes in Allocated Interests. An estimate of the Association's costs for administration, maintenance and improvement of the Commons shall be made annually and each member shall pay one-twelfth of the estimated assessment per month in advance. The Executive Board may provide a discount to members paying annually in advance. At the end of each fiscal year, a statement of the total year's Commons operating costs may be presented to the members of the Association and the members shall pay any excess charge to the Association within thirty (30) days of the statement. Any over payments shall be credited to the next year's assessment.

- a. Budgets. The Association, upon request by a majority of the members, shall prepare, approve and make available to each member a pro forma operating statement (budget) containing: (1) estimated revenue and expenses on an accrual basis; (2) the amount of the total cash reserves of the Association currently available for replacement or major repair of the Commons and for contingencies; (3) an itemized estimate of the remaining life of, and the methods of funding to defray repair, replacement or additions to, major components of the Commons; and (4) a general statement setting forth the procedures used by the Association in the calculation and establishment of reserves to defray the costs of repair, replacement or additions to major components of the Commons. The total

amount shall be charged against the units according to the Allocated Interests.

- b. Additional Charges. In addition to any amounts due or any other relief or remedy obtained against a member who is delinquent in the payment of any assessment, each member agrees to pay such additional costs, fees, charges and expenditures ("Additional Charges") as the Association may incur or levy in the process of collecting from each member monies due and delinquent. All Additional Charges shall be included in any judgment in any action brought to enforce collection of delinquent assessments. Additional Charges shall include, but not be limited to, the following:
 - i. Attorney Fees. Reasonable attorney's fees and costs incurred in the event an attorney(s) is employed to collect any assessment or sum due, whether by suit or otherwise;
 - ii. Late Charges. A late charge in an amount to be fixed by the Association to compensate the Association for additional collection costs incurred in the event any assessment or other sum is not paid when due or within any "grace" period. The late charge shall not exceed ten percent (10%) of the delinquent assessment or twenty-five dollars (\$25), whichever is greater;
 - iii. Costs of Suit. Costs of suit and court costs incurred as allowed by the court;
 - iv. Filing Fees. Costs of filing notice of lien in the Office of the Register of Deeds;
 - v. Interest. Interest on all assessments at the rate of 18% per annum, commencing thirty (30) days after the assessment becomes due; and
 - vi. Other. Any other costs that the Association may incur in the process of collecting delinquent assessments.
- c. Lien. Each assessment shall be the personal obligation of the member who is the unit owner of the unit assessed at the time of the assessment and when shown of record shall be a lien upon the unit assessed.
- d. Fines. The Association may create a schedule of fines for violation of Association rules and regulations, which fine shall be treated and billed as a special assessment to the offending member's unit.

24. INSURANCE AND UTILITIES ALLOCATIONS: Each unit owner shall pay for all utilities, including water and electricity, which are separately metered and serve only one unit. All utilities which are not separately metered shall be a common expense of the Association.

The Executive Board may elect to submeter utilities to any unit or otherwise establish a fair and equitable manner to determine proportionate usage in which case utilities may be assessed based upon usage rather than as a common expense. In the event any unit increases insurance costs to the Association, the increased cost may be assessed to the unit(s) responsible for the increased cost.

25. REPAIRS: The Executive Board may assess a member with the cost of maintenance or repair of common elements or exterior surfaces necessitated by willful or negligent conduct of the member by imposing a special assessment against the member's unit.

26. PRIORITY OF LIENS: The lien of any annual or special assessment is prior to all other liens and encumbrances on a unit except (1) liens and encumbrances recorded before the recordation of the Declaration, (2) a First Mortgage or Deed of Trust on the unit recorded before the date on which the assessment sought to be enforced was recorded, and (3) liens for real estate taxes and other governmental assessments or charges against the unit.

27. CAPITAL IMPROVEMENTS: Annual and special assessments, other than for capital improvements, may be levied by the Executive Board. Any special assessment for capital improvements (such as roof or siding replacement or other major expenses) shall be approved by the affirmative vote of all unit owners, present in person or by proxy, at a regular meeting of the members or at a special meeting of the members if notice of the special assessment is contained in the notice of the special meeting.

28. BINDING EFFECT: The covenants contained in this Declaration shall run with the land and shall bind the Declarant and all persons claiming under the Declarant.

29. ENFORCEMENT: Enforcement of the covenants contained in this Declaration may be by proceedings at law or in equity against any person violating or attempting to violate any covenant. The proceedings may be to restrain the violation or recover damages and, if by the Association, may be to enforce any lien or obligation created by the Covenants.

30. AMENDMENTS: The Condominium established by this Declaration, except for Section 11, which deals with restrictive covenants and may only be modified or amended in accordance therewith, may be amended, in writing, by the unit owners of 67 percent of the Allocated Interests at any time. The Condominium established by this Declaration may be terminated, in writing, by the unit owners of 80 percent of the Allocated Interests.

31. SEVERABILITY: The invalidation of any one of the provisions of this Declaration shall not affect the validity of the remaining provisions.

****SIGNATURE PAGE FOLLOWS****

DECLARANT/OWNER

Robert D. Carter

Robert D. Carter

Diane M. Carter

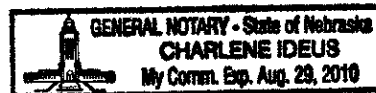
Diane M. Carter

STATE OF NEBRASKA)
) ss:
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this // day of October, 2006,
by **Robert D. Carter**, husband of Diane M. Carter.

Charlene Ideus

Notary Public

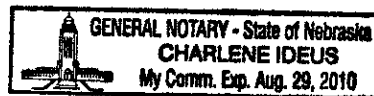


STATE OF NEBRASKA)
) ss:
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this // day of October, 2006,
by **Diane M. Carter**, wife of Robert D. Carter.

Charlene Ideus

Notary Public



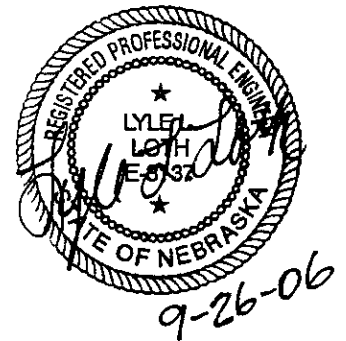
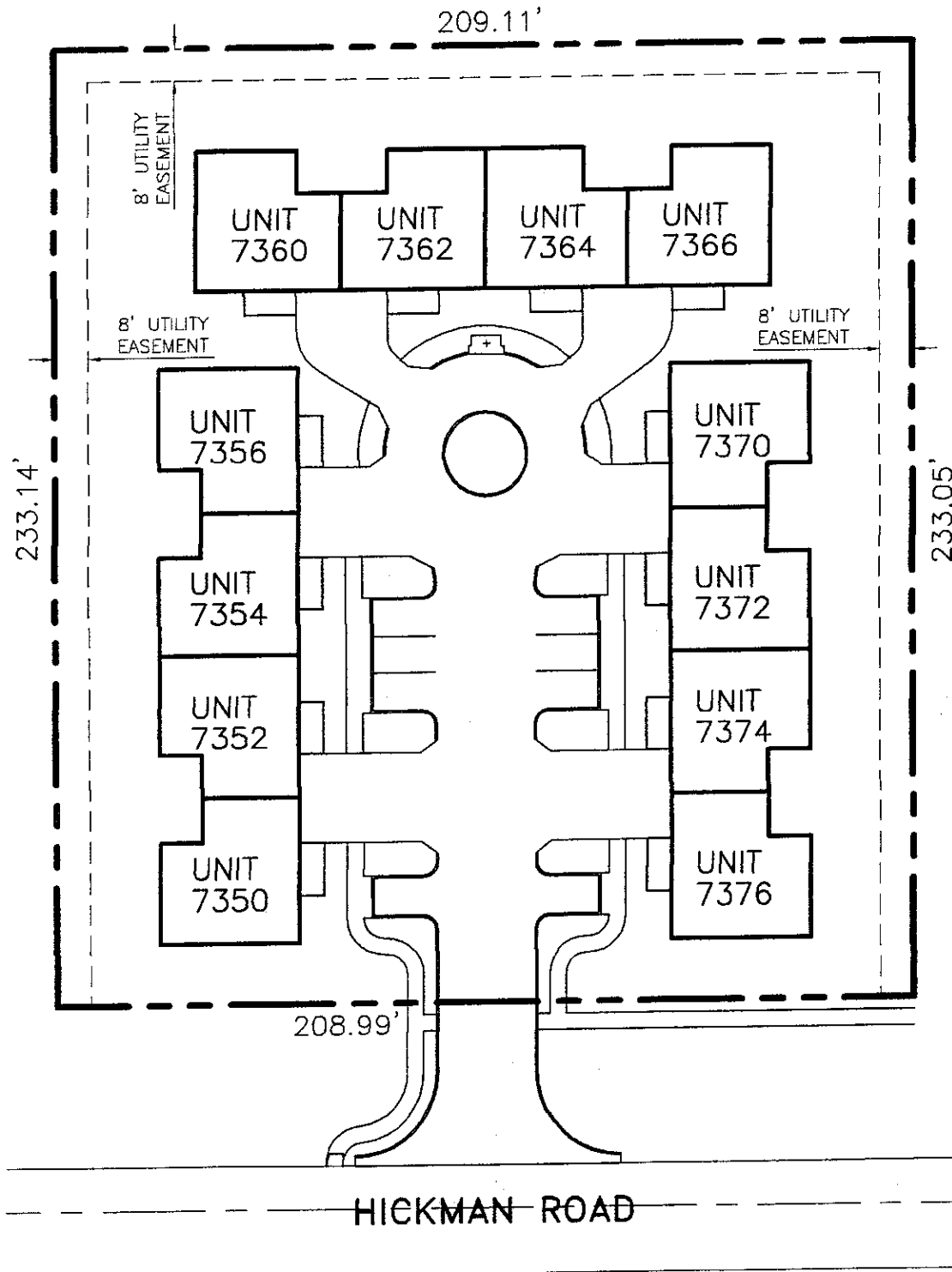
CARTER CONDOMINIUMS

LEGAL DESCRIPTION

LOT 2, CARTER ADDITION, LOCATED IN THE SW 1/4 OF
SECTION 27, T8N, R7E, HICKMAN, LANCASTER COUNTY,
NEBRASKA

NOTES:

1. DRAWING IS A GENERAL SCHEMATIC MAP AND IS NOT INTENDED TO REPRESENT A LEGAL SURVEY
2. ALL UNITS SHOWN MUST BE BUILT.



SCALE: 1" = 40'

EXHIBIT "B"

ALLOCATED INTERESTS

<u>Unit No.</u>	<u>Allocated Interest</u>	<u>Association Votes</u>
Unit 7350	One-Twelfth (8.333%)	1
Unit 7352	One-Twelfth (8.333%)	1
Unit 7354	One-Twelfth (8.333%)	1
Unit 7356	One-Twelfth (8.333%)	1
Unit 7360	One-Twelfth (8.333%)	1
Unit 7362	One-Twelfth (8.333%)	1
Unit 7364	One-Twelfth (8.333%)	1
Unit 7366	One-Twelfth (8.333%)	1
Unit 7370	One-Twelfth (8.333%)	1
Unit 7372	One-Twelfth (8.333%)	1
Unit 7374	One-Twelfth (8.333%)	1
Unit 7376	One-Twelfth (8.333%)	1