

Condominium Covenants - Hollyhock

Have you heard about the condominium covenants?

These are the rules and guidelines you agree to when you move into a condominium or a townhome under the Nebraska Condominium Act.

The **Declaration** is the initial document prepared by the Developer of the Condominium. It contains definitions; information on common areas; guidelines to the sale of a unit; administrative structure; operation, i.e. handling of expenses; and directions on insurance. In addition, it outlines repair and reconstruction after a fire or other casualty; restrictions and obligations; compliance and default; and miscellaneous items. The most recent copy is dated **December 2, 1997**.

The **Bylaws** contain information on the Homeowner's Association, Board, Officers, Committees, etc. The most recent copy is dated **December 2, 1997**.

Each unit should have a copy of the latest revision of these documents which should stay with the unit. Please check to see if your materials are in your unit and are up to date. If not, contact the office regarding replacement. Please put these in this folder marked **"KEEP WITH UNIT"** so they can be provided to the next owner when your residence is sold.

If you have questions about the Condo or Townhomes, activities, etc., **PLEASE** check these covenants first for information.

5/2008

**AMENDED AND
RESTATED
DECLARATION**

**NORTH GATE GARDEN ESTATES
HOLLYHOCK TOWNHOMES
A CONDOMINIUM**

**BLOCK 2, NORTH GATE ESTATES
LINCOLN, LANCASTER COUNTY, NEBRASKA**

FEBRUARY 1997

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NORTH GATE GARDEN ESTATES
HOLLYHOCK TOWNHOMES

**DECLARATION ESTABLISHING A PLAN FOR
TOWNHOME OWNERSHIP OF PREMISES
LOCATED IN THE CITY OF LINCOLN,
LANCASTER COUNTY, NEBRASKA
PURSUANT TO THE NEBRASKA CONDOMINIUM ACT**

This amended and Restated Declaration is made this day of February 4, 1997 by Developer Larry Price & Associates, Inc., a Nebraska Corporation.

North Gate Garden Estates Hollyhock Townhomes consists of 10 (ten) duplex buildings, a total of 20 (twenty) finished townhome units. Owners of Record of the Holly Hock Units are listed on Attachment B.

Declaration of Purpose. The Developer hereby submits the Land described below under "Description of Land", in this Declaration, owned by the Developer in fee simple absolute (hereinafter called the "Property"), to the provisions of the Nebraska Condominium Act of the State of Nebraska {Sections 76-801 to 823, Rev. Stat. Nebr 1943 (Reissue of 1990) and the amendments in the 1993 Supplements and any applicable subsequent amendments, thereto.

Description of Real Estate. The land owned by the Declarant is described as Lots 1-20, Outlot "A" and Outlot "B", all in Block 2, North Gate Estates, Lincoln, Lancaster County, Nebraska, which is more fully described on Attachment A.

Name of Condominium. This Condominium is known as North Gate Garden Estates Hollyhock Townhomes, a condominium (hereinafter called the "Hollyhock Townhomes").

ARTICLE I

Definitions

1.1 "Administrator(s)" means a person, or persons, who is employed by the Board, to perform such duties and services as the Board shall authorize in conformance with this Declaration and the Bylaws.

1.2 "Association" means all of the Homeowners, as defined herein, acting as a group in accordance with the Bylaws whether as a nonprofit corporation or an unincorporated association.

1.3 "Board" means the person(s) who are the executive board of the Association, elected as such in accordance with the By-Laws, hereafter referred to as the "Board".

1.4 "Building" means one of the sixteen townhome-style buildings located within the Property.

1.5 "By-Laws" means those adopted by the Homeowners as amended from time to time.

1.6 "Common Elements", general and limited, means all parts of the Property other than the individual Units, as more fully set forth 2.4 of this Declaration.

1.7 "Common Expenses" means and includes, but is not limited to :

1. All sums lawfully assessed against the Homeowners;
2. Expenses of administration, operation, maintenance, repair or replacement of the Common Elements, (including, but not limited to, the cost of furnishing water electricity, such as street lighting, and trash removal, such as grass clippings) and replacement of reserves, as may be established;
3. Expenses agreed upon as Common Expenses by the Association;
4. Expenses declared Common Expenses by the provisions of the Nebraska Condominium Act or by this Declaration or the Bylaws; and
5. Premiums for insurance policies, (liability on common areas), is required to be purchased by the Board pursuant to the Declaration, which premiums shall be assessed to each Homeowner in the manner provided, hereafter.

1.8 "Homeowner" means any person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, which owns the total fee simple title to a Unit.

1.9 "Limited Common Elements" means a portion of the Common Elements allocated herein, or under the Nebraska Condominium Act, for the exclusive use of one or more, but fewer than all of the Homeowners.

1.10 "Majority of the Homeowners" means those Homeowners holding title to more than fifty percent (50%) of the aggregate number of all Units.

1.11 "Map of the Condominium" means the plat of the entire Property and building plan described in this Declaration and recorded in the land records in and for Lancaster County, Nebraska, as Instrument No. 97-005036

1.12 "Mortgage" shall mean and include Deeds of Trust, as well as Mortgages.

1.13 "Nebraska Condominium Act" means NEB. REV. STAT. 76-828 through 76-894, and any applicable amendments thereto.

1.14 "Percentage Interest" The Percentage Interest of each Unit applies to the allocation of Common Expenses and is calculated by dividing the number 1.0 by the total number of Units within Hollyhock Townhomes.

1.15 "Property" means the Real Estate shown on Attachment "A" and all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection with the Common Elements.

1.16 "Rules and Regulations" means those rules and regulations adopted from time to time by the Board that are deemed necessary for the enjoyment of Hollyhock Townhomes, provided they are not in conflict with the Nebraska Condominium Act, this Declaration or the Bylaws.

1.17 "Unit" means one lot within Hollyhock Townhomes designated for separate ownership or occupancy as defined by the Nebraska Condominium Act and consists of a portion of a Building and the surrounding open area as shown on the Map of the Condominiums.

1.18 "Voting Interest" For purposes of voting, each Unit has one vote.

Article II

Units and Common Elements

2.1 Creation of Units. There are ten Buildings constructed on the Property and they contain a total of 20 (twenty) Units. The dimensions of the construction are as follows:

GROSS DIMENSIONS IN SQUARE FEET

Total Square Footage in Block 2	155,509.20 square feet
20 Residential Townhome Lots (Units)	<u>95,240.58 square feet</u>
Total Common Area	60,268.62 square feet

2.2 Schedule of Units. Attached as Attachment B is a list of all Units, the number and owner of record of each Unit. For voting purposes, each Unit has one vote.

2.3 Title to Units. Title to Units may be taken in the name of a single person or in the names of two or more persons, as tenants in common or as joint tenants or in any other real estate tenancy relationship recognized under the laws of the State of Nebraska, or in the name of one or more corporation (s), limited liability company (ies) or partnership (s), or in the name of a fiduciary. If there are two or more Homeowners owning one Unit, they are not allowed to split their vote, except as required by the Nebraska Condominium Act, but the name of the person first appearing on the Deed or other document by which they obtain title, shall be the person entitled to vote. Such person may give his or her proxy to vote to another.

2.4 Common Elements. The general Common Elements consist of the entire Property, including the common ground, parking areas, streets, private street lights, trees/shrubs, and fencing.

2.5 Treatment of Undivided Interest. The undivided interest in the general Common Elements shall not be separated from the Unit to which it appertains and shall be deemed, conveyed or encumbered with the Unit, even though such interest is not expressly mentioned or described in the conveyance or other instrument.

2.6 Taxation. The developer shall give written notice to the Assessor of Lancaster County, Nebraska, of the creation of condominium real property ownership interests, so that each Unit and the undivided interest in the Common Elements appurtenant, thereto, shall be deemed a separate parcel, subject to separate assessment, taxation, and other charges imposed by any governmental entity having jurisdiction over the Property. For the purpose of such charges, the valuation of the Common Elements shall be apportioned among the Units in proportion to their Percentage

Interest. No sale or forfeiture of any Unit for delinquent taxes, assessments or other government charges shall divest or in any way affect the title to any other Unit or any Common Element.

2.7 Encroachments. If any portion of the Common Elements encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any such encroachment shall occur after the recording of this Declaration, as a result of settling or shifting of one of the Buildings, a valid easement for such encroachment and for the maintenance of the same, shall exist so long as such Building shall stand. In the event a Building, a Unit, or any portion of the Common Elements shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then rebuilt, encroachments of parts of the Common Elements, or of any Unit due to such rebuilding, shall be permitted and valid easements for such encroachments and for the maintenance of the same shall exist so long as such reconstructed Building shall stand, and the state square foot area, together with the Unit's Percentage Interest, shall remain the same.

2.8 Easements. Each Homeowner shall have an easement in common with other Homeowners to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Units and serving his or her Unit. Each Unit shall be subject to an easement in favor of other Homeowners to use any pipes, ducts, and cables serving such other Units and located in such Unit. All such easements are clearly shown on the Map of the Condominium. The Association shall have a right of access to each Unit to repair or replace the general Common Elements contained therein, or elsewhere in the Buildings. Every portion of a Unit, which contributes to the structural support of another Unit shall be burdened with an easement of structural support for the benefit of all the Units.

Provided, however, the exercise of the easements reserved in this Section shall be subject to the following terms and conditions:

2.8.1 If, in order to maintain, repair or replace a utility line which serves only one Unit, it becomes necessary to break through walls, excavate or otherwise damage another Unit or the Common Elements, the damages caused by such entry shall be repaired and the Unit or Common Elements restored to its former condition at the expense of the Homeowner whose Unit is served by such utility line.

2.8.2 If it becomes necessary to maintain, repair or replace a utility line which serves more than one Unit, the cost of such maintenance, repair or replacement, and the cost to repair and restore to its former condition any Unit or Common Property, shall be shared equally by the Homeowners of the Units served by such utility line, except, where serving two or more Units is made necessary by the negligent or willful act of a single Homeowner, his or her family, licensees or invitees, then the full cost to repair and restore to its former condition the Unit or Association property entered shall be borne by the Homeowner causing the injury by his or her negligent or willful act.

2.9 Units Subject to Declaration, Bylaws and Rules and Regulation. All present and future Homeowners, lessees, tenants and occupants of Units shall be subject to, and shall comply with, the provisions of this Declaration, the Bylaws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisos of

this Declaration, the Bylaws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such Homeowner, lessee, tenant or occupant. All of such provisions shall be deemed and taken to be enforceable, equitable servitudes and covenants running with the Land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage, deed of trust or lease agreement pertaining thereto.

2.10 Architectural Control. No outside additions, alterations or improvements by a Homeowner, including fences, walls or screening, can be made without the prior written consent of the Board. Patios may be enclosed by following the approved architectural design, conforming with other townhome enclosed patios. Exterior paint colors must be the same on all townhomes, unless another option is approved by the majority of townhome Homeowners.

2.11 Party Walls.

2.11.1 General Rules of Law. Each wall, which is built as a part of the original construction of the Buildings, and placed on the dividing line between the lots, shall constitute a party wall. The general rules of law shall apply, regarding party walls and liability for property damage due to negligence, willful acts or omissions.

2.11.2 Repair and Maintenance. Except as otherwise provided herein, the cost of reasonable repair and maintenance of a party wall shall be shared by the Homeowners, who share the wall.

2.12 Exterior of Units.

2.12.1 Exterior maintenance of each Unit is the responsibility of the Association. To assure architectural consistency, funding for regular exterior maintenance of the decor, the roof and long-range planning for roof replacement, will be provided through a reserve account, funded by part of the monthly fee. Additionally, this account will permit a coordinated schedule for refurbishing garage doors and trim. Exterior maintenance of doors, windows, decks, patios and glass is the responsibility of the Unit owner.

2.12.2 With Board approval, flower gardens, vegetable gardens up to 12' x 12', and shrubs are permitted within each Unit. The Homeowner is responsible for the maintenance. Including trimming and removing dead vegetation in these planted areas. Grass will be mowed to the wall of the townhome, where the owner has not used the area for landscaping purposes. Additional trees or tall bushes within the homeowners' lot line must be approved by the Board.

2.13 Partition. Neither a Homeowner, a group of Homeowners, nor the Association shall have the right to divide or partition any Unit or Units, and in taking title to any Unit, the Owner thereof shall be deemed to have waived any and all rights to divide or partition said Unit. The Common Elements shall be owned in common by all of the Owners and shall remain undivided and neither a Homeowner, a group of Homeowners, nor the Association shall bring any action for partition or division of the Common Elements. A violation of the provisions contained herein shall entitle the Association to collect from the parties violating the same, jointly and severally, reasonable attorney's fees, costs, and such other damages as may be incurred by the Association or the Homeowners as a result thereof.

2.14 Homeowner's Maintenance Responsibility for Unit.

2.14.1 Except for the portions of the Unit required to be maintained, repaired and replaced by the Association or the Board, each Homeowner shall be responsible for the maintenance, repair and replacement, at his or her own expense, of everything contained within his or her Unit, including, but not limited to, the following: any interior walls, kitchen and bathroom fixtures and equipment, all appliances, disposal, lighting, heating and air conditioning units, those parts of the plumbing, electrical or other utility systems, which are wholly contained within the Unit, windows, patio and doors. Each Homeowner shall keep the interior of the Unit and its equipment and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecoration, painting and varnishing which may at any time be necessary to maintain the good appearance of the Unit. Each Homeowner shall keep his or her windows in a clean and sanitary condition, including snow removal, therefrom. In addition, each Homeowner shall be responsible for all damages to any and all other Units or to the Common Elements, resulting from failure to make any of the repairs required in this Section. Each Homeowner shall perform his responsibility in such manner as shall not unreasonably disturb or interfere with the other Homeowners. Each Homeowner shall promptly report to the Board or the Administrator(s), any defect or need for repairs for which the Association is responsible. Each Homeowner shall promptly report to the Board evidence of termites or other bugs, pests or rodents.

2.14.2 Each Homeowner shall carry out at his or her sole expense any works of modification, repair, cleaning, safety, and improvement of the Unit without disturbing the legal use and enjoyment of the rights of the other Homeowners. The Board shall have the exclusive authority to change the exterior form of the facades or paint the exterior walls, doors or windows in colors or hues, as they shall select, without jeopardizing the soundness of safety of the Property, reducing its value of any Unit or any part of the Common Elements is damaged and such damage is caused by the negligence or carelessness of the Homeowner of said Unit or his or her licensees, guests or invitees, such Homeowner shall pay for the cost incurred in repairing said damage.

2.15 Mechanic's Liens. No labor performed or materials furnished for use in connection with a Unit, with the consent or at the request of a Homeowner or his or her agent, contractor or subcontractor, shall create any right to file a statement of mechanic's lien against the Unit of any other Homeowner not expressly consenting to or requesting same, or against any interest in the Common Elements, except as to the undivided interest, therein appurtenant to the Unit of the Homeowner for whom such labor shall have been performed or such materials shall have been furnished. Each Homeowner shall indemnify and hold harmless each of the other Homeowners from and against all liability, loss or damage arising from the claim of any lien against the Unit, or any part thereof, and of any other Homeowner for labor performed or for materials furnished in work on the requesting Homeowner's Unit. At the written request of any Homeowner, the Board shall enforce such indemnification by collecting from the Homeowner of the Unit on which the labor was performed and materials furnished, the amount necessary to discharge any such lien, all costs incidental thereto, including reasonable attorney's fees and costs, and obtain a release of such lien. Such collection shall be made by a non-compliance assessment, as hereinafter provided.

ARTICLE III

Owner and Occupancy Requirements

3.1 Occupancy. All Units shall be occupied by no more than four (4) people.

3.2 Age. At least one occupant must be fifty-five (55) years of age, within 12 months of moving into Hollyhock Townhomes. Hollyhock Townhomes is an ideal design for a companion living arrangement. Companion living is permitted, as long as one occupant of the Unit is at least fifty-five (55) years of age. If a surviving spouse is under age 55, the Board may grant permission for the spouse to remain in the Unit.

3.3 Enforcement. The Association shall be permitted to bring legal action to compel the removal of any person violating the restrictions outlined in 3.1 and 3.2, and the Association shall be entitled to collect reasonable attorney's fees from the Homeowner of any Unit, who permits these violations.

3.4 Adult Children. An adult child, under the age of 55, may live with a parent at Hollyhock Townhomes. He or she may continue to live there, as a Homeowner, if the parent dies, and if the majority of Homeowners vote in favor of allowing him or her to remain at Hollyhock Townhomes. No additional person, other than a family member, companion, employee or caregiver, is allowed to be a resident, if under 55 years of age.

ARTICLE IV

Sale and Other Alienation of Units

4.1 No Severance of Ownership. No Homeowner shall execute any deed, mortgage or other instrument conveying or mortgaging the title to a Unit without including the undivided interest of such Unit in the Common Elements, even though it may not be expressly mentioned or described therein. No part of the interests in the Common Elements of any Unit may be sold, transferred, given, devised or otherwise disposed of, except as part of a sale, transfer, gift, devise or other disposition of the Unit to which such interests are appurtenant, or as part of a sale, transfer, gift, devise or other disposition of such part of the interests in the Common Elements of all Units.

4.2 Notification of Selling Unit. If any Homeowner, other than the Developer, wishes to sell a Unit, such Homeowner shall notify the Administrator(s), and the Administrator(s) shall deliver a Public Offering Statement to the prospective purchaser before a contract of sale can be finalized. Additionally, the Homeowner or any person in the business of selling the Unit must make available to the prospective purchaser a copy of the Declaration, Map of the Condominium, Bylaws and the Rules and Regulations of the Association with all amendments thereto. An Owner Sales Advisory Committee comprised of Homeowners shall be appointed by the Board

(or by the Developer before the Board is activated) (the "Committee"). The Committee shall inform any prospective purchaser of the rules, regulations and protections of the Declaration and Bylaws, as required under Sections 76-883 and 76-884 of the Nebraska Condominium Law. Committee members may show prospective purchasers Units which are for sale and act as a go-between , between the selling Homeowner and the prospective purchaser, if the Homeowner chooses. (All financial negotiations will be charged, however, 1% of the selling price is a recommended donation to the Association for these services.)

4.3 Payment of Assessments. No Homeowner shall be permitted to convey, mortgage, sell, lease, give or devise his Unit unless and until he or she (or his or her personal representative) shall have paid in full to the Board of the Association of Homeowners, all unpaid Common Expenses and all other amounts due the Association or the Board from the Homeowner.

4.4 Mortgage of Units.

4.4.1 Notice. The Board has the authority to request that a Homeowner who mortgages his or her Unit shall notify the Board of the name and address of his or her mortgagee. Additionally, it is requested that the name and address of a person who is responsible for payment of billings and assessments against the property be furnished to the Board.

4.4.2 Notice of Unpaid Assessments for Common Expenses. The Board, whenever so requested in writing by a mortgagee of a Unit, shall promptly report any then unpaid assessments for Common Expenses due from, or any other default by, the Homeowner of the mortgaged Unit.

4.4.3 Notice of Default. The Board, when giving notice to a Homeowner of a default in paying an assessment for Common Expenses or any other default, shall send a copy of such notice to each holder of a mortgage, covering such Homeowner's Unit, whose name and address has therefore been furnished to the Board.

ARTICLE V

Administration of Hollyhock Townhomes

5.1 The Association. The membership of the Association shall consist of all Homeowners. No person or entity shall be a member solely by the virtue of holding a lease, lien, license or security interest, such as a mortgage in a Unit.

5.2 Responsibility of the Association. The Association shall have the responsibility of administering the Property, establishing the means and methods of collecting the contributions to the Common Expenses, arranging for the management of the Property, adopting and amending Bylaws, and performing all other acts that may be required to be performed by the Association under the Nebraska Condominium Act, this Declaration and the Bylaws.

5.3 Board. Except those matters which Nebraska Condominium Act specifically provides are to be performed by the vote of the Homeowners of the Units, and for those powers reserved by the Developer pursuant to Article X hereof, the administration of the responsibilities of the Association shall be performed by a Board of Homeowners as more particularly set forth in the Bylaws of the Association. The Board will be comprised of three (3) people, or any odd number

over three, which is approved by a majority of the Homeowners. All members of the Board shall be Homeowners or officers or designees of Homeowners.

ARTICLE VI

Operation of the Property

6.1 Determination of Common Expenses and Assessments Against Homeowners.

6.1.1 Fiscal Year. The fiscal year of Hollyhock Townhomes shall consist of the twelve month period commencing on January 1st of each year and terminating on December 31st of such year.

6.1.2 Preparation and Approval of Budget. Each year, at least thirty (30) days preceding the next fiscal year, the Board shall adopt a proposed budget for Hollyhock Townhomes, to be approved by the Association in accordance with the procedures set forth in the Bylaws, containing an estimate of the total amount which it considers necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements and those parts of the Property which are the responsibility of the Association. This includes the costs of administration, materials, insurance premiums, services, supplies and other expenses that are considered Common Expenses by the Nebraska Condominium Act, the Declaration, the Bylaws or the Association, and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Property and the rendering to the Homeowners of all related services. The above-referenced budget shall also include such reasonable amounts as the Board shall consider necessary to provide working capital for Hollyhock Townhomes, a general operating reserve and reserves for contingencies and replacements. The said budget shall constitute the basis for determining each Homeowner's contribution for the Common Expenses of the Hollyhock Townhomes.

6.1.3 Assessment and Payment of Common Expenses. The total amount of the estimated funds required for the operation of the Property for the next fiscal year, as set forth in the budget adopted by the Board and ratified by the Association (the "Budget"), shall be assessed against the Homeowners according to their Percentage Interests, and shall be a lien against each Homeowner's Unit as of the first day of the fiscal year which the Budget applies. On or before the first day of each fiscal year, and the first day of each of the succeeding eleven (11) months in such fiscal year, each Homeowner shall be obligated to pay to the Board or the Administrator(s), one twelfth (1/12) of the assessment for such fiscal year. Within sixty (60) days after the end of each fiscal year, the Board shall supply to all Homeowners an itemized accounting of the Common Expenses which were actually incurred and paid under the Budget for such fiscal year as well as the net amount over or under the actual expenditures, plus reserves. Any amount accumulate in excess of the amount required for actual expenses and reserves shall be returned equally to each Homeowner.

6.1.4 Reserves. The Board shall build up and maintain reasonable reserves for working capital, operation, contingencies and replacements. Reserves should be adequate, but, to be fair to today's Homeowner, should not be allowed to build up to an excessive amount.

6.1.5 Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Board to prepare or adopt the annual budget for any fiscal year shall not constitute a waiver or release in any manner of a Homeowner's obligation to pay his or her allocable share of the Common Expenses, as herein provided. In the absence of any current annual budget, each Homeowner shall continue to pay the monthly fee at the existing monthly rate established for the previous fiscal period.

6.1.6 Accounts. All sums collected by the Board, with respect to assessments against the Homeowners, may be commingled into a single fund, but shall be held for each individual Homeowner, in accordance with his or her Percentage Interest.

6.2 Payment of Common Expenses. All Homeowners shall be obligated to pay the Common Expenses assessed by the Board, pursuant to the provisions of 6.1 above, and cannot relieve himself or herself of this obligation for any reason. Upon the sale or conveyance of a Unit, all unpaid assessments against a Homeowner for his or her proportionate share of the Common Expenses, shall first be paid out of the sales price or by the acquirer, in preference over any other assessments or charges of whatever nature except: (i) assessments, liens and charges for past due and unpaid taxes on the Unit, and (ii) payments due under any prior duly recorded mortgage and lien instruments.

6.3 Collection of Assessments. The Board shall take prompt action to collect any assessments for Common Expenses due from any Homeowner which remain unpaid for more than thirty (30) days from the due date.

6.4 Penalties and Interest. In the event of a default by a Homeowner, which continues for a period in excess of fifteen (15) days, the Board may impose a penalty, not to exceed twenty percent (20%) of the total amount due. In addition, each unpaid fee or assessment shall bear interest at the rate of twelve percent (12%) per annum (or the maximum allowable by law, whichever is less) from the due date.

6.5 Statement of Common Expenses. The Board shall promptly provide any Homeowner so requesting the same in writing with a written statement of all unpaid assessments for Common Expenses due from such Homeowner.

6.6 Right of Access. A Homeowner shall grant a right of access to his or her Unit to the Board or the Administrator (s), or any person authorized by the Board or the Administrator (s), for the purpose of making sanitation inspections or for the purpose of correcting any condition originating in his or her Unit and threatening another Unit or the Common Elements. Additionally, a right of access shall be given to persons described above to perform installations, alterations or repairs to the mechanical or electrical services or the Common Elements in his or her Unit or to correct any condition which violates the provisions of any mortgage covering another Unit, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Homeowner. In case of an emergency, such right of entry shall be immediate, whether the Homeowner is present at the time or not.

6.7 Rules and Regulation. Rules and Regulations concerning the operation and use of the Common Elements may be changed or amended by the Board, provided that such Rules and Regulations are not contrary to or inconsistent with the Nebraska Condominium Act, the

Declaration or the Bylaws. Copies of the Rules and Regulations shall be furnished by the Board to each Homeowner prior to the time when the same shall become effective.

6.8 Electricity, Water, Sewer and Cable Television. Electricity shall be supplied by the public utility company serving the area directly, to each Unit through separate meters, and each Homeowner shall be required to pay the bills for electricity consumed or used in his or her Unit. The water, sewer fee and electricity serving the Common Elements shall be separately measured, and the Board shall pay all such bills, as a Common Expense, for services consumed.

6.9 Monthly Fee. Monthly fees are due on the first day of each month. Checks should be made payable to the Association and may be given to any one in the office. The monthly fee schedule is determined by the Developer or the Board.

6.10 Taxes. Taxes for each Unit and the Unit's proportionate share of the Common Area are levied by the Lancaster County Assessor. Each Homeowner is liable for payment in full of these taxes, upon receipt of tax statement from the County Treasurer.

ARTICLE VII

Insurance

7.1 Homeowner Responsibility.

7.1.1 Each Homeowner shall maintain, at all times, fire and extended coverage insurance for the full amount of the improvements located on his or her Unit as well as casualty and liability insurance covering his or her Unit and contents, including coverage for personal liability. Such insurance shall be in the following minimum amounts, or in such greater minimum amount as required by the Bylaws: Three Hundred Thousand Dollars (\$300,000) for comprehensive personal liability and Five Thousand Dollars (\$5,000) for medical payments, as of the date the Homeowner obtains title. Each Homeowner shall provide the Board with a current Certificate of Insurance, stating that such insurance is in force.

7.1.2 Each Homeowner hereby releases any other Homeowner and the Association from any claim for recovery for loss or damage to any property which is insured under valid and collectible insurance policies to the extent of any recovery collectible under such insurance. It is further agreed that this waiver shall apply only when permitted by the applicable policy of insurance.

7.2 Board Responsibility.

7.2.1 The Board shall purchase adequate liability insurance on the entire common area. Each Homeowner shall be assessed for his or her proportionate share of the cost as part of the monthly fee.

7.2.2 The Board shall have the option to maintain coverage for the individual members of the Board, protecting against negligent acts, errors, omissions or breaches of duty.

7.2.3 The Board shall obtain and maintain Workers' compensation insurance to the extent required by law.

7.2.4 The Board shall obtain such other insurance as it deems, in its sole discretion, to be in the best interests of the Association.

ARTICLE VIII

Restrictive Covenants and Obligations

8.1 General Restrictions on Use of Units. Each Unit and the Common Elements shall be occupied and used as follows:

8.1.1 No part of the Property shall be used for any purpose other than housing and the related common purpose for which the Property was designed.

8.1.2 No improper or unlawful use shall be made of the Property, and all valid laws, zoning ordinances and regulations of all governmental agencies having jurisdiction shall be observed by and at the sole expense of the Homeowner or the Board, whichever has the obligation for such portion of the Property.

8.1.3 Nothing shall be done or kept in any Unit, which is in violation of any Law.

8.1.4 No Homeowner or tenant of a Unit may make excessive noise or cause any annoyance or do any act that may disturb the peace of others.

8.1.5 No Homeowner shall encroach or use any area of common ground for his or her personal use, such as for garden plots, without the Board's approval.

8.1.6 No antennas may be erected on any Unit.

8.1.7 No fences may be erected on any Unit without prior written consent of the Board.

8.1.8 Recreational activities are permitted within the Common Elements, with approval of the Board. Additions, such as flag poles, bird baths and bird houses or feeders must have Board approval.

8.1.9 Unit patios and decks may be enclosed, if they follow the approved architectural design and have the permission of the Board or the Developer.

8.1.10 No items may be stored on patios.

8.1.11 Recreational vehicles may be parked in the Homeowner's drive only temporarily to service, load and unload, for periods not to exceed six days.

8.1.12 Pets. Up to two cats or small house dogs are permitted. Dogs are not allowed to run loose, as per city ordinance. It is the responsibility of the owner to control his or her dog's excessive barking and to pick up after the dog.

8.1.13 No portion of a Unit (other than the entire Unit) may be leased.

8.2 Easement for Community Use. The owners of Units within any other condominium located within, or to be located within, Blocks two (2), three (3), or four (4) of North Gate Garden Estates, Lincoln, Lancaster County, Nebraska, have an easement for use of the Common Elements within Hollyhock Townhomes to the extent that such use is approved by the Board and is consistent with the Rules and Regulations.

8.3 Enforceability. These covenants shall run with the land and shall be binding upon and enforceable by the Homeowners. The invalidation of any one of these covenants shall not effect the validity of the remaining provisions.

ARTICLE IX

Remedies

9.1 Compliance and Default. Each Homeowner shall be governed by and shall comply with all of the terms of the Declaration, the Bylaws and the Rules and Regulations, and any amendments of the same.

9.1.1 Legal Proceedings. Failure to comply with any of the terms of this Declaration, the Bylaws or the Rules and Regulations shall be grounds for relief, which may include, without limiting the same, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all assessments, any other relief provided for in the Bylaws or any combination thereof. All of this relief may be sought by the Association, the Board, the Administrator(s) or, if appropriate, by an aggrieved Homeowner.

9.1.2 Additional Liability. Each Homeowner shall be liable for the expense of all maintenance, repair or replacement rendered necessary by his act, or the act of any member of his or her family, or the act of his or her employees, agents, invitees, or licensees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Board. Such liability shall include any occupancy or abandonment of any Unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.

9.1.3 Costs and Attorney Fees. In any proceeding arising out of any alleged default by a Homeowner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney fees, as may be determined by the Court.

9.1.4 No Waiver of Rights. The Failure of the Association, the Board, or a Homeowner to enforce any right, provision, covenant or condition, which may be granted by the Declaration, Bylaws or the Rules and Regulations, shall not constitute a waiver of the right of the Homeowners' Association, the Board or any Homeowner to enforce such right, provision, covenant or condition of the Declaration, Bylaws or the Rules and Regulations, shall be deemed to be cumulative and the exercise of any one or more, thereof, shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such privileges, as may be granted to such party by the Declaration, Bylaws or Rules and Regulations or at law or in equity.

9.1.5 Penalty and Interest. In the event of a default by any Homeowner in paying any Common Expenses or other sum assessed against him or her, which continues for a period in excess of fifteen (15) days, such Homeowner shall be obligated to pay interest on the amount due at the rate of twelve percent (12%) per annum (or the maximum allowable by law, whichever is less) from the due date thereof and may be subject to pay a penalty not to exceed twenty percent (20%) at the discretion of the Board as provided under 6.4 above.

9.1.6 Abatement and Enjoyment of Violations by Homeowners. The violation of any rule or regulation adopted by the Board or the breach of any Bylaw or the breach of any provision of this Declaration shall give the Board the right, in addition to any other rights set forth in the Bylaws: (a) to enter the Unit, in which such violation or breach exists and summarily abate and remove, at the expense of the defaulting Homeowner, any structure, thing or condition that may exist, therein, contrary to the intent and meaning of such provisions, and the Board shall not be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; or (c) to temporarily suspend the rights of such Homeowner, members of his or her family and his or her invitees from using any of the Common Elements.

9.2 Liens

9.2.1 The total annual contribution and any assessment or charges made pursuant to this Declaration against the Homeowners for the Unit by the Board is hereby declared to be a lien levied against the Unit of such Homeowner, within the purview of the Nebraska Condominium Act, which shall be effective as of the first day of each such year and shall be subject to any prior recorded mortgage. The Board or the Administrator(s) may file or record notice of such lien or such other or further documents, as may be required by the laws of the State of Nebraska to confirm the establishment of such lien. Neither the Board nor any person filing said notice on behalf of the Board shall incur any liability whatsoever for the filing of said notice. Failure to file said lien notice shall in no way effect the validity of the assessment or fee.

9.2.2 In any case where an assessment against a Homeowner is payable in installments, upon a default by such Homeowner in the payment of any single installment, which continues for ten(10) days after written notice of such default has been sent to the Homeowner by the Board of Administrator (s), the maturity of the remaining total of the unpaid installments of such assessments may be accelerated, at the option of the Board, and the balance may be declared due and payable in full.

9.2.3 The lien for contribution may be foreclosed in the manner provided by the laws of the State of Nebraska by suit brought in the name of the Association. During the pendency of such suit, all rentals assigned to the Homeowner are assigned to the Plaintiff, and in the absence of the Unit being rented, the Homeowner shall be considered a tenant, and the Homeowner shall be required to pay a reasonable rental for the Unit for any period prior to sale pursuant to any judgment or order of any court having jurisdiction over such sale. The Plaintiff in such proceeding shall have the right to the appointment of a receiver, if available under the laws of the State of Nebraska.

9.2.4 Suit to recover a money judgment for unpaid contributions shall be maintainable without foreclosing or waiving the lien securing the same, and foreclosure shall be maintainable notwithstanding the pendency of any suit to recover a money judgment.

ARTICLE X

Developer's Reservations

10.1 Disputes. In the event of a dispute arising between the Developer and the Association, the Developer shall appoint one person as a representative, the Association shall appoint one person as a representative, and the two of them shall appoint a third person and, together, the three shall resolve the dispute. A decision by the majority of those appointed shall be binding upon both the Developer and the Association.

10.2 Other Reservations. The Developer reserves all other rights and powers, as specified elsewhere in this Declaration, the Bylaws and Map of Condominiums and all rights, as he may exercise, under the Nebraska Condominium Act and other laws of the State of Nebraska. The Developer's rights include, but are not limited to the following:

10.2.1 Subject to 9.2.2, the Developer shall retain control of the Association, during which time the Developer or persons designated by him, may appoint and remove the officers and members of the Board, provided, however, that the period of such control terminates no later than the earlier of: (a) sixty days after conveyance of 90 percent of the Units, which may be created, to Homeowners other than the Developer; or (b) two years after the Developer has ceased to offer Units for sale in the ordinary course of business. The Developer may voluntarily surrender the right to appoint and remove officers and members of the Board before termination of that period, but in that event, he may retain, for the duration of that period of Developer's control, the exclusive right to provide amendments to the Declaration.

10.2.2 Not later than 60 days after conveyance of 25 percent of the Units to Homeowners other than the Developer, at least one member, and not less than 25 percent of the members of the Board, shall be elected exclusively by the Homeowners other than the Developer. Not later than 60 days after conveyance of 50 percent of the Units to Homeowners other than the Developer, not less than 33 1/3 % of the members of the Board shall be elected exclusively by the Homeowners other than the Developer.

10.2.3 Not later than the termination of the Developer's control, the Homeowners shall elect the Board. The Board shall elect the officers. The Board, members and officers shall take office upon election.

10.2.4 Notwithstanding any provisions of this Declaration or Bylaws, the Homeowners, by two-thirds (2/3) vote of all persons present and entitled to vote at any meeting of the Homeowners, at which a quorum is present, may remove any member of the Board, without cause, other than a member appointed by the Developer.

10.2.5 The Developer may maintain sales offices in one or two of the unsold Units, and two model Units, and shall have the right to sell said Units and move his sales and model Units to other unsold Units, until 95 percent of the Units are sold. The Developer shall have the exclusive

right to determine which unsold Units to use as sales offices and model Units, and the size and location, thereof. The Developer retains an easement through the Common Elements, as may be reasonably necessary, to exercise and develop his rights in the construction and operation of Hollyhock Townhomes.

ARTICLE XI

General and Miscellaneous Provisions

11.1 Amendment of Declaration. This Declaration may be amended at any time by vote, cast in person or by proxy, of at least seventy-five percent (75%) of the Homeowners at a meeting duly held in accordance with the provisions of the Bylaws, provided, however, that any such amendment shall have been approved in writing by the mortgagee or mortgagees holding mortgages or deeds of trust, constituting first liens on all of the Units subject of Lancaster County, Nebraska. Provided, however, the Percentage Interests and Voting Interests shall not be changed, except by unanimous consent of all the Homeowners, which change shall be evidenced by an appropriate amendatory declaration, to such effect recorded among the land records of Lancaster County, Nebraska.

11.2 Sale of Property or Termination. By an affirmative vote of at least eighty percent (80%) of the Homeowners, they may elect to sell or otherwise dispose of the Property or to terminate the Hollyhock Townhomes condominium. Provided, that the individual Units are unencumbered or, if encumbered, that the creditors in whose behalf the encumbrances are recorded agree to accept as security the undivided portions of the Property owned by such debtor Homeowners. Upon termination, the Homeowners shall own the Property as tenants in common, in accordance with their Percentage Interest. Any such action shall be binding upon all Homeowners and it shall be the duty of every Homeowner to execute and deliver such instruments and to perform all acts as may be necessary to effectuate the termination.

11.3 Invalidity. The invalidity of any provisions of this Declaration shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration, shall continue in full force and effect, as if such invalid provision had never been included, herein.

11.4 Conflict. In the event of any conflict between this Declaration and provisions of the laws of the State of Nebraska, the latter shall govern and apply.

11.5 Exemption. No Homeowner of a Unit may exempt himself or herself from liability for his or her contribution towards the Common Expenses by waiver of the use or enjoyment of any of the general Common Elements and facilities or by the abandonment of his or her unit.

11.6 Waiver. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

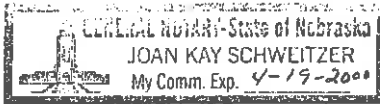
11.7 Captions. The captions are inserted only as a matter of convenience and for reference and, in no way define, limit or describe the scope of this Declaration or the intent of any provision, thereto.

11.8 Gender. The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender, and the use of the singular shall be deemed to refer to the plural, and vice-versa, whenever the context so requires.

IN WITNESS WHEREOF, Larry Price and Associates, Inc. has caused this Declaration to be executed this 6 day of February, 1997.

LARRY PRICE AND ASSOCIATES, INC.

Larry Price
by: Larry Price, President



Joan Kay Schweitzer, Notary

Attachment A

LEGAL DESCRIPTION

A Legal Description of Lot 1, Block 3, North Gate Estates to the City of Lincoln, located in the Northeast Quarter of Section 1, Township 10 North, Range 6 East of the 6th P.M., Lancaster County, Nebraska and more particularly described by metes and bounds as follows:

Beginning at the Southeasterly Corner of Lot 1, Block 3, North Gate Estates to the City of Lincoln, located in the Northeast Quarter of Section 1, Township 10 North, Range 6 East of the 6th P.M., Lancaster County, Nebraska; Thence S 89°59'54" W, (an assumed bearing), and on the South Line of the Northeast Quarter of said Section 1 and on the South Line of Lot 1, Block 3 of said North Gate Estates and also on the North Line of Lots 12 thru. 19, Block 13, Bicentennial Estates First Addition and Lots 1 thru 5, Block 5, Bicentennial Estates 7th Addition to the City of Lincoln, Lancaster County, Nebraska, a distance of 813.02 feet to the Southwesterly Corner of Lot 1, Block 3 of said North Gate Estates and also said point is on the Northerly Line of Lot 5, Block 5 of said Bicentennial Estates 7th Addition; Thence N 05°51'06" W, and on the Westerly Line of Lot 1, Block 3 or the Easterly Line Outlot "C" of said North Gate Estates, a distance of 256.38 feet; Thence N 17°50'00" E, and on the Westerly Line of Lot 1, Block 3 or the Easterly Line Outlot "C" of said North Gate Estates, a distance of 64.42 feet; Thence N 09°49'10" W, and on the Westerly Line of Lot 1, Block 3 or the Easterly Line Outlot "C" of said North Gate Estates, a distance of 66.59 feet; Thence N 12°47'06" E, and on the Westerly Line of Lot 1, Block 3 or the Easterly Line Outlot "C" of said North Gate Estates, a distance of 116.06 feet to the North Northwesterly Corner of Lot 1, Block 3 of said North Gate Estates and also said point is on the Southerly Right-of-way Line of Folkways Blvd.; Thence on the Southerly Right-of-way Line of said Folkways Blvd. for the next three (3) courses, S 68°12'04" E, and on the Northerly Line of Lot 1, Block 3 of said North Gate Estates, a distance of 510.56 feet to the Point of Curvature; Thence on a curve to the left and on the Northerly Line of Lot 1, Block 3 of said North Gate Estates, having a radius of 341.56 feet, an arc length of 250.13 feet, and a central angle of 41°57'33", with a chord bearing of S 89°13'25" E, a chord distance of 244.58 feet to the Point of Tangency; Thence N 69°49'31" E, and on the Northerly Line of Lot 1, Block 3 of said North Gate Estates, a distance of 3.61 feet to the Northeasterly Corner of Lot 1, Block 3 of said North Gate Estates and also said point is on the Westerly Right-of-way Line of North 25th Street; Thence S 15°10'29" E, and on the Easterly Line of Lot 1, Block 3 of said North Gate Estates and also on the Westerly Right-of-way Line of North 25th Street, a distance of 48.36 feet to the Point of Curvature; Thence on a curve to the right and on the Easterly Line of Lot 1, Block 3 of said North Gate Estates and also on the Westerly Right-of-way Line of North 25th Street, having a radius of 420.00 feet, an arc length of 101.54 feet, and a central angle of 13°51'06", with a chord bearing of S 08°14'56" E, a chord distance of 101.29 feet to the Point of Tangency; Thence S 01°19'23" E, and on the Easterly Line of Lot 1, Block 3 of said North Gate Estates and also on the Westerly Right-of-way Line of North 25th Street, a distance of 156.60 feet to the point of beginning and containing a calculated area of 284,761.15 Square Feet or 6.537 Acres, more or less.

**NORTH GATE GARDEN ESTATES
HOLLYHOCK TOWNHOMES**

ATTACHMENT B

LOT 3	ADDRESS	OWNER OF RECORD
1	2500 Hollyhock	James W. and RoJean Landenberger
2	2502 Hollyhock	Lyle and Shirley Durham
3	2510 Hollyhock	Gertrude Schwindt
4	2512 Hollyhock	Thomas H. and Virginia B. Roller
5	2524 Hollyhock	Elman A. and Alice M. Bergt
6	2526 Hollyhock	Harlan and Dee Hailey
7	2538 Hollyhock	Louis G. and Alma L. Hoffman
8	2540 Hollyhock	John J. and Jean H. Ceraolo
9	2541 Hollyhock	Kenneth D. and JoAnn Larsen
10	2539 Hollyhock	Larry Price & Associates, Inc.
11	2533 Hollyhock	Russell and Betty Ann Smith
12	2531 Hollyhock	Russell and Wilma Shreve
13	2525 Hollyhock	Louis Lindahl and Elizabeth Lindahl, Trustees of the Louis and Elizabeth Lindahl Trust dated January 17, 1984.
14	2523 Hollyhock	Elizabeth R. Merrill
15	2517 Hollyhock	Lorelei Moseman
16	2515 Hollyhock	Keith M. and Irene I. Graul
17	2511 Hollyhock	Bonnie Hess
18	2509 Hollyhock	Larry Price & Associates, Inc.
19	2503 Hollyhock	Evelyn S. Cole and Evangeline E. Splichal
20	2501 Hollyhock	Alton and Gladys K. Detmer

Block 2

Located west of Block 1 is Block 2, which is planned as a townhouse complex containing 20 units. This site is bordered by Folkways Boulevard on the north, North 26th on the east, North 25th Street on the west, and the southerly edge of the PUD on the south side. This site has R-4 zoning and contains 155,509.2 square feet, or 3.57 acres.

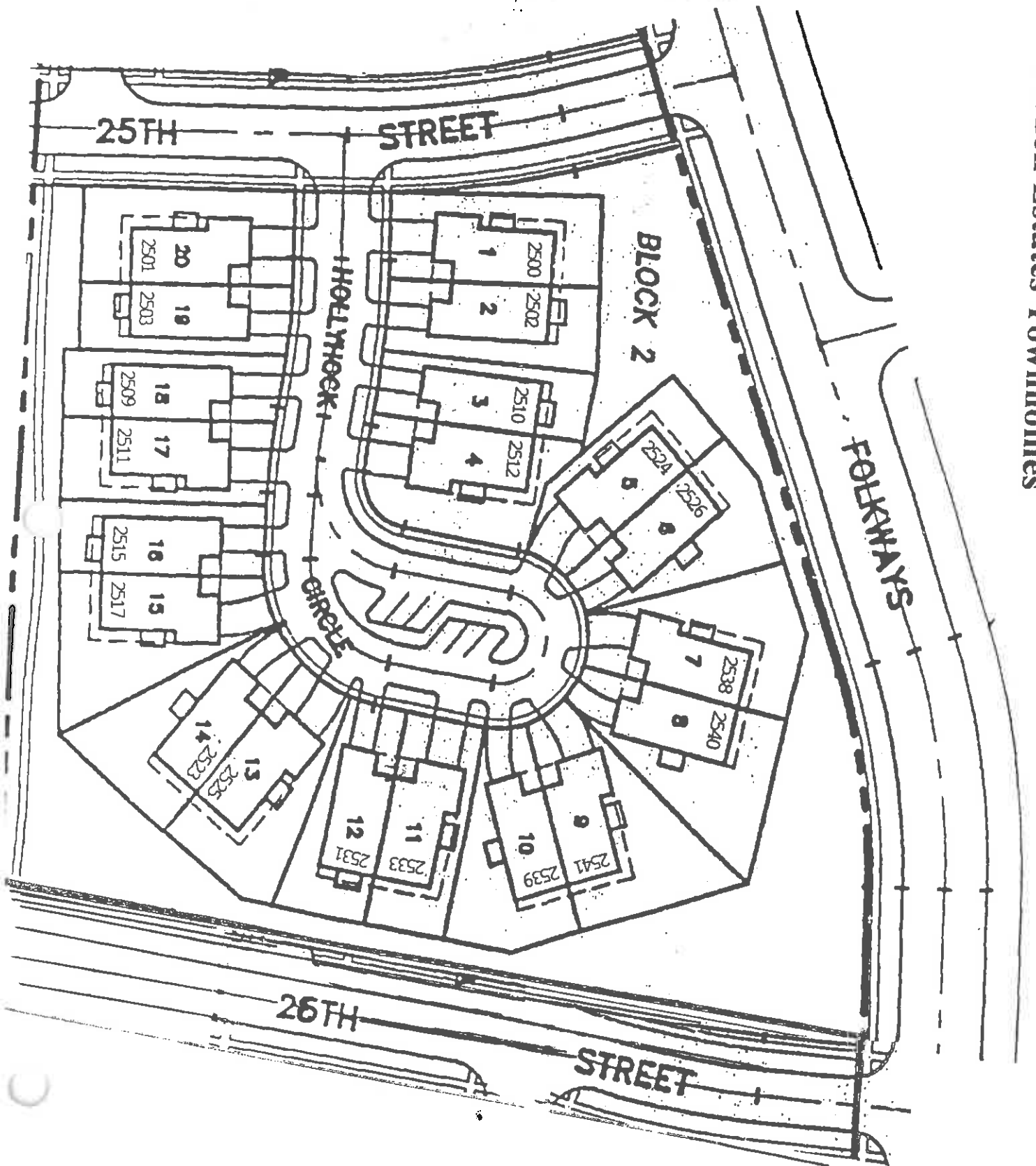
Block 2 will have paved streets on three sides of the block, and most likely a commercial use on the south side of the block with some abutting residential properties in the southwest part of the block. Block 2 includes 20 duplex lots utilizing 95,241 square feet, with the remaining 60,268 square feet utilized as common area. The density of the area is one unit for each 7,775 square feet of land. This area is more than typical for similar areas.

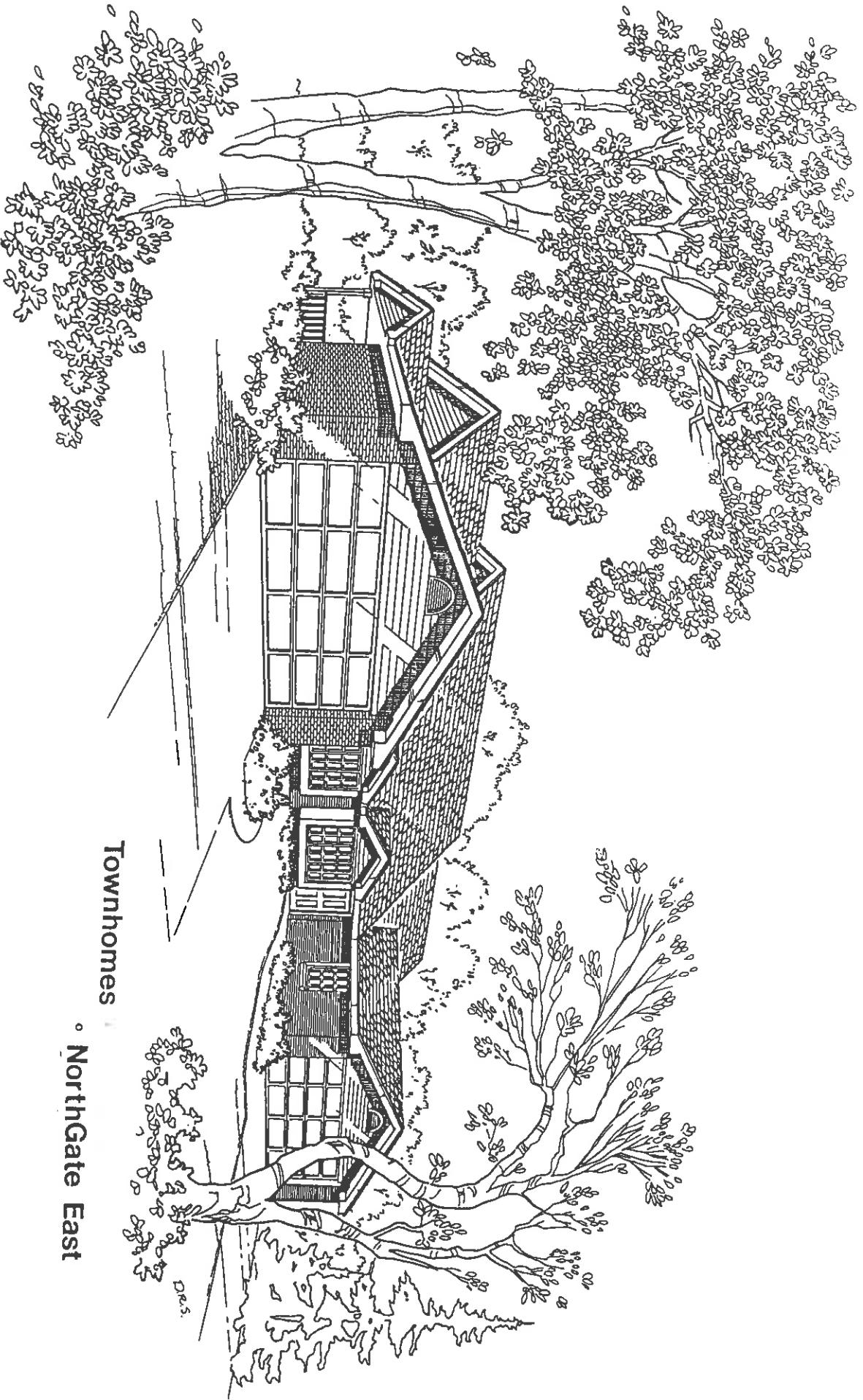
Block 2 development costs include 300 feet of South 25th Street, 320 feet of roadway within Hollyhock Circle, 610 feet of 8-inch sanitary sewer, 480 feet of 6-inch water main, and approximately 320 feet of 18-inch storm sewers.

Hollyhock Drive will enter Block 2 in the west central area, from North 25th Street. Hollyhock Drive will extend into the center portion of the site and have a cul-de-sac on the east end allowing traffic to flow into and out of the townhouse sites.

There will be approximately 7,040 square feet of 6-inch asphalt paving on Hollyhock Drive and 14,850 square feet of 6-inch concrete paving on North 25th Street. There will be 8,450 square feet of 6-inch concrete driveways, 8,672 square feet of 4-inch sidewalks, 1,363 linear feet of 6-inch curbs and gutters. There are six centrally located off-street parking areas in the center of the circle drive. Block 2 contains an estimated 24,000 square feet of professionally landscaped area.

North Gate Garden Estates Townhomes





Townhomes

• NorthGate East

North Gate Estates Townhomes

EAST SIDE

