

VII. COVENANTS, CONDITIONS AND RESTRICTIONS

The following covenants, conditions and restrictions relating to this condominium regime shall run with the land and bind all owners, tenants of such owners, employees and any other persons who use the property, including the persons who acquire the interest of any owner through foreclosure, enforcement of any lien or otherwise:

a. Piedmont Townhomes Association, Inc., a Nebraska non-profit corporation, has been incorporated to provide a vehicle for the management of the condominium. Each owner shall automatically be deemed a member of said Association. The By-Laws of said Association are also the By-Laws of this condominium regime and are attached hereto as Exhibit "B".

b. All general common elements are for the use and enjoyment of all owners. The limited common elements are for the exclusive use of the owner of the unit to which they are appurtenant, his family, guests, servants and invitees. The ownership of the common elements shall remain undivided, and no person or owner shall bring any action for the partition or division of the common elements except as provided in Article X hereof. The Board of Administrators of the Association shall from time to time establish rules and regulations for the use of the common elements, and all owners and users shall be bound thereby. The Board of Administrators of the Association shall have the sole jurisdiction over and responsibility for alterations, improvements, repairs and maintenance of the common elements. The share of an owner in the common elements is appurtenant to his apartment and inseparable from apartment ownership. Assessments against owners for insurance, common element expenses and reserves, and for other expenses incurred by the Association shall be made pursuant to the By-Laws. Assessment paid within thirty (30) days after the date when due shall not bear interest, but all sums not paid within said thirty (30) day period shall bear interest at the highest legal rate chargeable to individuals in Nebraska from the due date until paid. If any owner shall fail or refuse to make any payment of such assessments when due, the amount thereof plus interest shall constitute a lien upon the owner's interest in his unit and in the property, and upon the recording of such lien by the Association in the Office of the Register of Deeds of Douglas County, Nebraska, such amount shall constitute a lien prior and preferred over all other liens and encumbrances except assessments, liens and charges for taxes past due and unpaid on the unit and except prior duly recorded mortgage and lien instruments.

c. Each owner shall be responsible:

(1) to maintain, repair and replace, at his expense, all portions of his apartment which are not included in the definition of general or limited common elements.

(2) to refrain from painting, decorating or changing the appearance of any portion of the exterior of the unit building, whether a part of the common elements or his apartment, unless approved by the Association in writing.

d. Each apartment shall be used and occupied only as a single family residence and for no other purpose. No apartment may be subdivided into a smaller apartment nor any portion thereof be sold or transferred without the owner thereof first amending this Master Deed. This restriction shall not apply to units owned by Developer and used as "model" units or sales offices for sales purposes.

e. No practice or use shall be permitted on the condominium property or in any apartment which shall be an annoyance to other owners or residents of the area or which shall interfere with their peaceful use and enjoyment of their property. All portions of the property and of the apartments shall be kept clean and sanitary and no use thereof shall be made which constitutes a violation of any laws, zoning ordinances, governmental regulations or regulations of the Association.

f. Owners representing seventy-five percent (75%) or more of the total basic value of the condominium, as reflected in Paragraph VI of this Master Deed, may at any time in writing duly acknowledged and recorded affect an amendment to this Master Deed and to the By-Laws and plans attached hereto; Provided that such modification shall not be binding upon any existing mortgage holders of record unless said modification has the approval of all mortgagees of record upon the date of adoption of said modification; Provided, further, that Developer may annex additional real property located within the boundaries of Lot 238, Piedmont, a Subdivision in Douglas County, Nebraska, as hereinafter provided, if he has the prior approval of the Board of Administrators of the Association.

g. This condominium regime may be terminated or waived only in accordance with the provisions applicable thereto as provided in the By-Laws attached hereto as Exhibit "B".

h. Household pets within the condominium will be subject to regulation, restriction, exclusion or special fees as may be determined by the Board of Administrators of the Association from time to time. Awnings, outside T.V. antenna, storage of boats, campers, trailers, or similar items shall all be subject to regulations, restrictions, exclusion or special fees by the Board of Administrators of the Association. Use of the common elements for other than recreational purposes is prohibited. The unit is prohibited. All garage doors must remain closed at all times except when cars are entering or exiting the garage space. Individual garbage cans or trash receptacles are to be permitted outside only in areas designated therefor by the Board of Administrators of the Association. Private barbecue grills may not be used in the general common areas, and outside use or storage of barbecue grills will be subject to regulation, restriction or exclusion by the Board of Administrators of the Association. Automobile parking will be subject to regulation and restriction by the Board of Administrators of the Association. Any special fees required by Association Rules and Regulations, duly enacted, shall be collected as determined by the Board of Administrators.

ARTICLE VII. MAINTENANCE AND ALTERATIONS

Section 1. Maintenance.

The unit owner shall have the obligation to maintain and keep in good repair the interior surfaces of walls, ceilings and floors (including carpeting, tile, wallpaper, paint or other covering) as well as all fixtures and appliances, located within such owner's unit. An owner shall not be responsible to the Association for repair to common elements by casualty, unless such casualty is due to the act or negligence of the owner, his guests, invitees or tenant. All maintenance, including lawn maintenance and snow removal, repairs and replacements to the general and limited common elements, shall be made by the Association and be charged to all the unit owners as a common expense, unless such maintenance, repair, or replacement is necessitated by the negligence, misuse or neglect of a unit owner, in which case, such expense shall be charged by the Association to such unit owner.

Section 2. Alterations of Unit Owner.

No unit owner shall make any structural addition, alteration or improvement in or to his unit, or the limited common elements pertaining thereto, including any exterior painting or exterior alteration or addition (including awnings, grills, etc.) without the prior written consent thereto of the Board of Administrators. The Board of Administrators shall have the obligation to answer any written request by a unit owner for approval of a proposed structural addition, alteration or improvement in such owner's unit, within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Administrators to the proposed addition, alteration or improvement. Any application to any governmental authority for a permit to make an addition, alteration or improvement in or to any unit shall be executed by the Board of Administrators only, without, however, incurring any liability on the part of the Association, or the Board of Administrators, or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. The provisions of this Section 2 shall not apply to units owned by the Developer until such units shall have been initially sold by the Developer and paid for.

ARTICLE VIII. RESTRICTIONS AND RESERVATIONS

Section 1. Use Restrictions.

In order to provide for congenial occupancy of the Condominium Regime and for the protection of the value of the units, the use of the property shall be restricted to and shall be in accordance with the following provisions:

(a) The units shall be used for residences only by the owner or owners thereof, their families, guests, invitees, lessees and licenses; Provided that Developer may use units as sales office for the sale of units.

(b) The common elements and facilities, including the limited common elements and facilities, shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of the units.

(c) No nuisances shall be allowed on the Regime nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession or proper use of the Regime.

(d) No improper, offensive or unlawful use shall be made of the Regime or any part thereof, and all valid laws, zoning laws and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of law, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of that Regime shall be corrected, by and at the sole expense of the unit owners or the Board of Administrators, whichever shall have the obligation to maintain or repair such portion of the Condominium Regime.

## Section 2. Rules of Conduct.

Rules and regulations concerning the use of the units and the common elements and facilities, including the limited common elements and facilities, may be promulgated and amended by the Board of Administrators with the approval of a majority of the unit owners. Copies of such rules and regulations shall be furnished by the Board of Administrators to each unit owner prior to the time when the same shall become effective. The original rules and regulations, effective until amended by the Board of Administrators with the approval of a majority of the unit owners, are annexed hereto and made a part hereof.

## Section 3. Right of Access.

A unit owner shall grant a right of access to his unit to the manager and/or managing agent and/or any other person authorized by the Board of Administrators, the manager or the managing agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his unit and threatening another unit or a common element or facility, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other facilities in his unit or elsewhere in the Buildings, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the unit owner. In case of an emergency, such right of entry shall be immediate, whether the unit owner is present at the time or not.

Section 4. Abatement and Enjoining of Violations.

The violation of any rule or regulation adopted by the Board of Administrators or the breach of any of these By-Laws contained herein, or the breach of any provisions of the Master Deed, shall give the Board of Administrators the right, in addition to any other rights set forth in these By-Laws:

(a) To enjoin, abate and remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

(b) To deny partially or wholly access to, benefit from, or use of all or any facilities, functions, or services, or suspend, partly or wholly, all or any rights or privileges or membership, or to take any other disciplinary action directed by the Board of Administrators. Any such disciplinary action shall be after reasonable opportunity for the offending unit owner to be heard.