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233 South 13th Street, Suite 1900
Lincoln, NE 68508

**DECLARATION
OF
TRACTION LOFTS CONDOMINIUM**

RECITALS

- A. 947 Terminal, LLC, a Nebraska limited liability company ("Declarant") is the owner of the real property located generally at 947 O Street in Lincoln, Nebraska and legally described as:

Unit 2, Terminal Building Condominium Regime, in
accordance with the Declaration recorded on
December 22, 2020 under Instrument No. 2020068987
of the records of Lancaster County, Nebraska.

- B. Declarant desires to establish by this Declaration a plan for the ownership in fee simple of real property estates consisting of the area or space contained in each of the Units located on the Property and the co-ownership by the individual and separate owners thereof, of all of the remaining Property which is hereinafter defined and referred to as the Common Elements.

NOW, THEREFORE, Declarant does hereby publish and declare that the Property and improvements now or hereafter constructed or renovated and all improvements, additions, and refinements made pursuant to the renovation of the Property and located thereon are hereby submitted and dedicated to condominium use and ownership as set forth herein in accordance with the provisions in the Nebraska Condominium Act, Neb. Rev. Stat. §§ 76-825 to 76-894 and the following terms, covenants, conditions, easements, restrictions, uses, limitations, and obligations shall be deemed to run with the land, and shall be a burden and a benefit to Declarant, its successors and assigns, and every person acquiring or

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owning an interest in the Property and improvements, their grantees, successors, heirs, personal representatives, devisees and assigns.

1. Definitions.

The terms used herein shall have the meaning stated in the Nebraska Condominium Act, unless otherwise defined or unless the context otherwise requires. Some of these definitions are as follows:

(A) "Allocated Interests" means the undivided interest in the Common Elements, the Common Expense Liability, and votes in the Association allocated to each Unit as more particularly described in Paragraph 13.

(B) "Association" means the Traction Lofts Condominium Association, a Nebraska nonprofit corporation, its successors and assigns, the members of which shall be all of the Owners, including Declarant, so long as Declarant owns any Unit of the Condominium Project. The Declaration, Bylaws, and Rules and Regulations, as may be amended from time to time, shall govern the administration of this Condominium Project.

(C) "Board" or "Board of Directors" means the governing body of the Association.

(D) "Bylaws" means the Bylaws of the Association as the same may be amended from time to time, the provisions of which shall be applicable to the Project.

(E) "Common Elements" collectively means all portions of the Property other than the Units, including Limited Common Elements.

(F) "Common Expenses" means expenditures or liabilities of (i) expenses declared Common Expenses by the Declaration or Bylaws; (ii) all sums lawfully assessed against the Common Elements by the Board; (iii) expenses agreed upon as Common Expenses by the Association; and (iv) any allocations to reserves.

(G) "Common Expense Liability" means the liability for Common Expenses allocated to each Unit as provided herein.

(H) "Condominium Documents" means this Declaration, the Bylaws and the Rules and Regulations, together with the Building Condominium Declaration (as defined herein) and any rules and regulations of the Building Condominium Regime.

(I) "County" means the County of Lancaster, State of Nebraska.

(J) "Declarant" means 947 Terminal, LLC, a Nebraska limited liability company, and such successors or assigns as may be designated hereafter by Declarant by written notice duly recorded.

(K) "Declaration" means this document, together with all addenda, exhibits attached hereto, including, without limiting the generality of the foregoing, the Plats and Plans, and all amendments and supplements hereto or hereafter executed, which documents shall be recorded pursuant to the Nebraska Revised Statutes, as amended.

(L) "First Mortgage" means a first position Mortgage.

(M) "First Mortgage Lender" means any Mortgagee which takes, owns, holds, or receives a First Mortgage.

(N) "Guest" means a family member, agent, employee, tenant, guest, licensee, or invitee of an Owner, and any person claiming by, through, or under such Owner.

(O) "Limited Common Elements" means any portion of the Common Elements allocated by the Declaration or by Neb. Rev. Stat. §§ 76-839(2) or (4) for the exclusive use of one or more but fewer than all of the Units.

(P) "Managing Agent" means the person employed by the Board to perform the management and operational functions of the Project.

(Q) "Member" means every individual or entity who is a record Owner of a fee or undivided fee interest in any Condominium Unit, including Declarant and contract sellers; but not including contract purchasers unless the contract seller relinquishes membership by contract evidence thereof and gives written notice and proof of recording to Managing Agent if one exists, or the Board. If the ownership of a Unit is in more than one name, only one of the Owners shall be considered a Member for voting purposes as provided herein and in the Bylaws ("Voting Member").

(R) "Mortgage" means any mortgage, deed of trust, or other document pledging a Condominium Unit as security for the payment of a debt or obligation.

(S) "Mortgagee" means any person, corporation, partnership, trust, company, association, or other legal entity which takes, owns, holds, or receives a Mortgage.

(T) "Nebraska Condominium Act" means Neb. Rev. Stat. §§ 76-825 through 76-894.

(U) "Owner" means every individual, firm, corporation, partnership, association, or other legal entity, or any combination thereof, who owns one or more Condominium Units, but excluding, however, any such person or entity having an interest therein merely as a Mortgagee (unless such Mortgagee has acquired fee simple title interest therein pursuant to foreclosure or any proceedings in lieu thereof).

(V) "Plats and Plans" are attached hereto as Exhibit "A".

(W) "Project" or "Condominium" means and includes the Property, the Buildings, all Common Elements, all Units, all Special Declarant Rights, all improvements and structures thereon and all rights, easements, and appurtenances belonging thereto submitted by this Declaration and all amendments and supplements hereto. The name of the Project shall be "Traction Lofts Condominium."

(X) "Property" means the real property described in Recital A of this Declaration, including all fixtures and equipment permanently attached to the Property, but expressly excluding all personal property.

(Y) "Rules and Regulations" means rules and regulations adopted by the Board pursuant to the terms of the Bylaws, as the same may be amended from time to time.

(Z) "Unit" or "Condominium Unit" is the physical portion of the Condominium designated for separate ownership as a fee simple interest together with all other appurtenant rights and burdens created by this Declaration. The interior walls, floors and ceilings are the boundaries of a Unit. All lath, furring, wallboard, plasterboard, plaster, drywall, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces are a part of the Unit.

2. Division of Property Into Condominium Units.

The Property, including the improvements, will be divided as fee simple estates into Units as depicted in the Plats and Plans. The Condominium shall initially consist of: (i) twenty (20) residential Units and (ii) the fifth and tenth floor units that will each be built out into additional residential units at a later time, and the Common Elements surrounding the Units. The Declarant reserves the right to create additional Units and declares that up to thirty (30) Units may be created subject to amendments of this Declaration, as provided herein. Each such estate shall consist of a separately designated Unit and the undivided interest in and to the Common Elements appurtenant to such Unit as set forth herein. The undivided interests in the Common Elements shall be allocated among the Units in the Project based on Paragraph 13 (Allocated Interests) herein.

3. Period of Condominium Ownership.

The separate condominium estates created by this Declaration and the attached Plats and Plans shall continue until this Declaration is terminated in the manner and as provided in Paragraph 37 (Termination) of this Declaration or until terminated, owing to damage, destruction, obsolescence, or condemnation.

4. Ownership - Title.

A Condominium Unit may be held and owned by more than one person as joint tenants, or as tenants in common, or in any real property tenancy relationship recognized under the laws of the State of Nebraska.

5. Inseparability of a Condominium Unit.

Each Unit and the undivided interest in the Common Elements appurtenant thereto shall be inseparable and may be conveyed, leased, or encumbered only as a Unit.

6. Description of Condominium Unit.

After the Declaration, along with the attached Plats and Plans, has been recorded in the records of the Register of Deeds of the County, every deed, lease, Mortgage, will, or other instrument shall legally describe a Condominium Unit as follows:

Unit _____, Traction Lofts Condominium in accordance with the Declaration recorded on [A], under Instrument No. [B] of the records of Lancaster County, Nebraska.

Where [A] is the date this Declaration is recorded and [B] is the instrument number given this Declaration upon recordation by the Register of Deeds of Lancaster County, Nebraska.

Every such description shall be good and sufficient for all purposes to sell, convey, transfer, encumber, or otherwise affect not only the Unit, but also the undivided interest in the Common Elements appurtenant to said Unit and all other appurtenant properties and property rights, and shall incorporate all the rights and burdens incident to ownership of a Condominium Unit and all of the limitations thereon as described in this Declaration including the attached Plats and Plans and other exhibits hereto and in the Bylaws and Rules and Regulations. Each such description shall be construed to include a nonexclusive easement for ingress and egress to and from an Owner's Unit to the nearest public street, and the use of all of the Common Elements.

7. Non-Partitionability of Common Elements.

The Common Elements shall be owned by all of the Owners and based on their Allocated Interests described in Paragraph 13 and shall remain undivided and appurtenant to the Units. By the acceptance of a deed or other instrument of conveyance or assignment, each Owner specifically waives his right to institute and maintain a partition action or any other action designed to cause a division of the Common Elements, and each Owner specifically agrees not to institute any action therefor. Further, each Owner agrees that this paragraph may be pleaded as a bar to the maintenance of such an action. A violation of this provision shall entitle the Association to personally collect, jointly and severally, from the parties

violating the same, the actual attorneys' fees, costs, and other damages the Association incurs in connection therewith.

8. Subdivision of Units.

Except for the rights of the Declarant to create additional units as provided herein, the Units may not be subdivided into additional Units.

9. Use and Occupancy.

(A) The Owners of a Unit shall be entitled to the exclusive ownership and possession of their Unit. Each Unit may be used solely for residential purposes permitted under the applicable zoning ordinance.

(B) An Owner may transfer any or all of his/her rights to use the Unit or the Common Elements to his or her tenant. Under no circumstances, however, shall the Owner be relieved of his or her responsibilities as an Owner hereunder.

(C) Notwithstanding the restriction of this Condominium for residential purposes, the Declarant states, and every Unit Owner acknowledges, that as of the date of this Declaration, certain Units are subject to commercial leases. The Declarant shall be permitted to continue to lease said spaces out for commercial purposes, but it is the intent to ultimately divide said commercial units into additional residential units following the termination of the applicable commercial leases.

10. Use of Common Elements.

(A) Each Owner may use the Common Elements in accordance with the purposes for which they are intended, so long as such use does not hinder or encroach upon the lawful rights of other Owners nor violate the Condominium Documents. The Board, by a two-thirds (2/3) vote of the Board's Directors, may adopt and amend from time to time Rules and Regulations governing the use of Common Elements, provided that such Rules and Regulations are not in conflict with the Declaration and are uniform and nondiscriminatory. Each Owner, by the acceptance of a deed or other instrument of conveyance or assignment, agrees to be bound by all such Rules and Regulations. Copies of such Rules and Regulations as amended shall be furnished by the Association to all Owners and occupants of the Project upon request.

(B) Unless approved by two-thirds (2/3) of the Directors of the Board, no Common Elements or parts thereof shall be leased or rented, nor shall the Common Elements be subject to any other restriction in favor of Declarant, except as otherwise provided herein.

(C) In addition to the rights of use herein described and elsewhere described in this Declaration, the Association, and its Board, Managing Agent, employees and independent contractors shall have an unrestricted, irrevocable

easement to traverse, cross, and utilize any portion of the Common Elements which may be necessary in order to install, maintain, repair, or replace any Common Elements.

(D) Declarant and its employees, representatives, agents, and contractors shall have the right of ingress and egress over the Common Elements as in Declarant's discretion may be necessary to complete the Project.

(E) No immoral, improper, offensive or unlawful use shall be made of the Project nor any part of it; and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed. The responsibility of meeting the requirements of governmental bodies for maintenance, modification or repair of the Project shall be the same as the responsibility for the maintenance and repair of the property concerned.

(F) The Condominium, as a whole, is a unit in the Terminal Building Condominium Regime (referred to here as the "Building Condominium Regime"). Accordingly, the Condominium and each Owner hereunder has certain rights to use the common elements and/or limited common elements that are not contained within the Condominium but are part of the Building Condominium Regime, which rights are established and governed by the Declaration of the Building Condominium Regime (the "Building Condominium Declaration"). Additional express restrictions with respect to the Building Condominium Regime and a copy of the Building Condominium Declaration and all amendments thereto shall be kept on file with the Association at all times.

11. Limited Common Elements.

(A) In General. Certain items located outside of unit boundaries, which ordinarily might be considered common elements, such as, but not limited to, air conditioning units, exterior doors, screen doors, exterior windows, window screens, awnings, planter boxes, and the like serving single units, shall be limited common elements to be furnished and maintained by owners of the units served at their individual expense, in good order, according to standards and requirements set forth in the Bylaws or other rules adopted by the Association. Each owner shall have the right to the exclusive use and possession of, and shall be responsible for the care of any space between his unit's boundary and the interior surface of any window or door on a perimeter wall of the unit, any storage area adjacent to his unit, and any landscaped entry way contiguous to his unit which would normally be subject to the exclusive use of an owner. Conveyance of a unit includes the exclusive right to the use of the limited common elements appurtenant to that unit.

(B) Balconies. Each balcony, if any, attached to a single unit as depicted on the Plats and Plans shall be a limited common element allocated solely to said unit.

(C) Allocation of Limited Common Element Interests. The allocated interests of the Unit Owners in any Limited Common Element shall be a pro rata interest based on the number of Units having an interest in the Limited Common Elements.

12. Intentionally Deleted.

13. Allocated Interests.

(A) The Allocated Interests for the Condominium Units are shown on the Schedule of Allocated Interests in Exhibit "B." The Allocated Interest means the undivided interest in the Common Elements and the expense, liabilities, Association assessments and special assessments, and members votes in the Association on specific matters affecting the Common Elements, and the individual interest in the Common Elements, Common Expense Liabilities, Association assessments and special assessments on the Common Elements and member's votes in the Association on general Association matters and specifically those matters affecting Common Elements.

(B) The Allocated Interests described in Exhibit "B" shall be used only for the purposes described herein.

14. Easements and Licenses.

In addition to the easements as provided by the Nebraska Condominium Act and easements of record, the Association and each Unit Owner shall have the following nonexclusive easements and licenses which shall run with the land:

(A) Encroachments. In the event that any portion of the Common Elements encroaches upon any Unit, in the event any portion of a Unit encroaches upon any other Unit or upon any portion of the Common Elements, or in the event any encroachment shall occur in the future, as a result of: (a) construction, reconstruction, shifting, movement, or settling of the Units; or (b) construction, reconstruction, shifting, movement, alteration, or repair to the Common Elements or Units; or (c) repair or restoration of the Units after damage by fire or other casualty or condemnation or eminent domain proceedings, a valid easement shall exist for the encroachment and for the maintenance of the same so long as the structure stands. In the event any one or more of the Units or other improvements comprising part of the Common Elements are partially or totally destroyed and are then rebuilt or reconstructed in substantially the same location, and as a result of such rebuilding any portion thereof shall encroach as provided in the preceding sentence, a valid easement for such encroachment shall exist. Such encroachments and easements shall not be considered or determined to be encumbrances either on the Common Elements or on the Units for purposes of marketability of title or other purposes.

(B) Utility. Utility easements through the Property as may be required for utility installation, maintenance, service, and repair, in order to adequately serve the Project and the individual Units.

(C) Ingress and Egress. Easements in common with the Association and each other Unit Owner through all the Common Elements for ingress and egress.

(D) Easements over Common Elements. The Board may grant easements, leases, licenses, and concessions over the Common Elements for the installation and maintenance of utilities and for such other purposes as the Board deems to be in the best interests of the Condominium.

(E) Support. Each Unit shall have easements for lateral and subjacent support from all other Units and Common Elements.

15. Mechanic's Lien Rights and Indemnification.

No labor performed or materials furnished and incorporated in a Unit with the consent of or at the request of the Owner thereof or his/her agent, contractor, or subcontractor, shall be the basis for the filing of a lien against all or any portion of the Condominium Unit of any other Owner not expressly consenting to or requesting the same. Each Owner shall indemnify and hold harmless all of the Owners from and against all liability arising from the claim of any construction performed, or for labor, materials, service, or products incorporated in the Owner's Unit at such Owner's express or implied request.

16. Nuisances and Lawful Use.

(A) No nuisances shall be allowed or permitted upon the Project or any property in which the Association owns an interest, nor shall any use or practice which is the source of annoyance to occupants or which interferes with the peaceful possession and proper use of the Project (or any property in which the Association owns an interest) by the occupants thereof be suffered or permitted. All parts of the Project shall be kept in a clean, attractive, and sanitary condition, and no rubbish, refuse, or garbage shall be allowed to accumulate, nor any fire hazard suffered or permitted to exist.

(B) No immoral, improper, offensive or unlawful use shall be made of the Project or any property in which the Association owns an interest, or any part thereof, and all valid laws, zoning and other ordinances, rules and regulations of all governmental bodies having jurisdiction over the Project shall be observed. The responsibility of meeting the requirements of governmental bodies for maintenance, modification, or repair of the Project shall be the same as the responsibility for the maintenance and repair of the Project concerned.

17: Administration and Management.

(A) The administration of the Project shall be governed by the Condominium Documents and decisions and resolutions of the Association or the Board. The Association shall possess all of the powers enumerated in the Nebraska Condominium Act and those necessary to govern, manage, maintain, repair, administer, and regulate the Project and to perform all of the duties required of it, including without limiting the generality of the foregoing, the authority to grant, by and through the Board, utility (including but not limited to electricity, gas, water, telephone, cable television and sewer) service easements in, over, and under the Common Elements. Except as otherwise provided in the Condominium Documents, all powers and duties of the Association shall be exercised by and through the Board of Directors.

(B) Copies of the Bylaws of the Association shall be furnished by the Association to all Owners upon request.

(C) The power of designation and appointment of the Board for the period of Declarant control as defined in Paragraph 25 (Declarant Control) has been and will be exercised by Declarant to the extent provided herein or in the Bylaws, unless Declarant sooner relinquishes its rights of designation and appointment by means of an instrument recorded in the records of the Register of Deeds of the County.

(D) Each Owner of a Condominium Unit shall become a Member of the Association upon conveyance to it of an interest in a Condominium Unit and shall remain a Member for the period of its ownership.

(E) For the purposes of the Condominium Documents, the term "Board" and "Board of Directors" shall refer to and be the same as the term "Executive Board" which may be found in the Nebraska Condominium Act.

(F) The Board shall adopt a budget for the Project and within thirty (30) days of the adoption of the proposed budget, the Board shall provide a summary of the budget to all Unit Owners and set a date for a meeting of the Unit Owners to consider ratification of the budget as provided in the Bylaws. Unless, at that meeting, the budget is rejected by a majority vote of all the votes in the Association, the budget shall be considered ratified, whether or not a quorum is present. In the event the proposed budget is rejected, the periodic budget last ratified by the Unit Owners shall be continued until such time as the Unit Owners ratify a subsequent budget proposed by the Board.

(G) The President of the Association is designated as the "Voting Member" for the entire Condominium with respect to the Building Condominium Regime. The Board shall take all actions necessary to comply with the Building Condominium Declaration and to participate in any Building Condominium Regime member votes or decisions on behalf of the Unit Owners of this

Condominium. The Board's actions with respect to the Building Condominium Regime shall be governed by the Board's Bylaws.

(H) The Association shall be organized no later than the date of the units in the Condominium equal to one-half of the total number of units plus one are conveyed. Prior to the organization of the Association, the Declarant shall have all the rights, powers, duties, and obligations of the Association and the Board set forth herein.

18. Maintenance and Service Responsibility.

(A) Owner:

- (i) Any alteration, relocation, enlargement, or modification of utilities shall be at the Owner's expense, which expense shall include all expenses incurred by the Association in reference thereto. Utilities shall not be altered, relocated, enlarged, or modified by an Owner without the prior written consent and approval of the Board or its designee, which consent and approval shall not be unreasonably withheld.
- (ii) Each Owner shall be responsible for maintenance, repair and replacement of his or her Unit unless otherwise provided in this Declaration. Each Unit shall be maintained in accordance with the Condominium Documents. Each Owner shall sign an acknowledgment of responsibility for maintenance if requested by Declarant or the Association.
- (iii) Notwithstanding any provision herein to the contrary, an Owner shall be solely responsible for any damage anywhere in the Project caused by Owner's or its Guest's actions, intentional or negligent. The Association shall have the option of repairing or replacing any damage caused by an Owner in the Common Elements and all costs and expenses incurred by the Association for the replacement or repair and therefore shall be treated as an assessment on his/her Unit and payment therefore shall be enforced and collected in the same manner as all other assessments provided for herein. In the event insurance covers any portion of the expenses or costs, the Owner shall be responsible for the balance.

(B) Association:

- (i) The Association shall have the duty of maintaining and repairing all of the Common Elements, subject to the provisions in Subparagraph (A) immediately above, and Association property, and the cost of such maintenance and repair shall be a Common Expense of all of the Owners, except the cost of

maintaining and repairing the Limited Common Elements shall be a Common Expense of only the Owners of the Units who have use of the Limited Common Elements. The Condominium shall be maintained in accordance with the Condominium Documents. The Board shall not need the prior approval of the Association to cause such maintenance, repairs, additions, alterations or improvements to be accomplished, notwithstanding the cost thereof; provided, however, there shall be no additions or improvements of or to the Common Elements requiring an expenditure in excess of Ten Thousand and no/100 Dollars (\$10,000.00) in the aggregate in any one calendar year without the prior approval of Owners representing two-thirds ($\frac{2}{3}$) of the Allocated Interests unless said addition or improvement was included in the adopted annual budget. The Members of the Association shall have the right to change these amounts by adoption of a resolution without amending this Declaration.

The Association shall endeavor to the best of its ability to segregate or cause to be segregated all expenses relating to the maintenance, replacement and repair of Limited Common Elements and to make assessments with respect to such expenses only upon those Units to which the Limited Common Elements are allocated. In the event that such segregation is impracticable, the Association shall, in its sole discretion, estimate and allocate such expenses and make assessments based on such estimates. Limited Common Element assessments shall be borne by each Unit Owner to whom an interest in the Limited Common Elements are allocated based upon the Unit Owner's allocated interest in the Limited Common Elements, and shall be enforceable in the same manner as assessments are enforceable hereunder.

- (ii) The Association shall provide to the Owners the following services which shall be paid for out of the Common Expense assessment, to wit:
 - (a) administration and management of the Project, including without limiting the generality of the foregoing, the following:
 - (1) enforcement of the covenants, conditions, and restrictions set forth in the Condominium Documents, together with enforcement of all obligations owed to the Association by the Owners;
 - (2) performing all other acts required of the Association by the Condominium Documents; and

- (3) compliance with all requirements of the Building Condominium Declaration and any applicable rules and regulations of the Building Condominium Regime.
- (b) except as otherwise provided herein, inspection, maintenance, and repair of the Common Elements;
- (c) utility services for those utilities not separately metered for the Unit; and
- (d) except as otherwise provided herein, inspection, maintenance, and repair of all utility lines and facilities lying within the Project which are not inspected, maintained, and repaired by the supplier of such service or other entity.
- (iii) Notwithstanding the above, the Association reserves the right to hire one or more persons or entities, including a Managing Agent, contractors, and employees, to perform such services.

19. Compliance with Provisions of the Condominium Documents.

(A) Each Owner by acceptance of his/her deed or other instrument of conveyance or assignment, and each Guest by entry upon the Project, agrees to comply strictly with the provisions of the Condominium Documents, and the decisions and resolutions of the Association adopted pursuant thereto, as the same may be lawfully amended from time to time. The Association, or in a proper case, an aggrieved Owner, shall have the power to enforce the provisions of the Condominium Documents, and the decisions and resolutions of the Association pursuant thereto. The Association shall take such action as the Board deems necessary or desirable to cause such compliance by each Owner and his/her Guests. Without limiting the generality of the foregoing, the Association shall have the power to enforce the provisions of the Condominium Documents, and the decisions and resolutions of the Association pursuant thereto, by any one or more of the following means:

- (i) by commencing and maintaining actions to restrain and enjoin any breach or threatened breach of the provisions of the Condominium Documents, or decisions and resolutions of the Association, by permanent injunction or otherwise;
- (ii) by commencing and maintaining actions to recover damages for breach of any of the provisions of the Condominium Documents, or decisions and resolutions of the Association;

- (iii) by exclusion, suspension, probation or limitation of use, after notice and hearing as provided in the Bylaws, of any Owner or his/her Guest from use of certain Common Elements during and for up to sixty (60) days following, any breach of the Condominium Documents, or decisions and resolutions of the Association, by such Owner or his/her Guest, unless the breach is a continuing breach in which case such exclusion, suspension, probation or limitation of use shall continue for so long as such breach continues;
- (iv) by levying and collecting from any Owner or his/her Guest, after notice and hearing as provided in the Bylaws, reasonable and uniformly applied nondiscriminatory fines, penalties and assessments established in advance in the Bylaws or in the Rules and Regulations of the Association for breach of the Condominium Documents, or decisions and resolutions of the Association and its Board by such Owner or his/her Guest. Owners shall have the power to enforce the provisions of the Condominium Documents against the Association.

(B) All attorneys' fees and other costs of enforcing the Condominium Documents, or decisions and resolutions of the Association, incurred by the Association, or, in a proper case by an aggrieved Owner, shall be assessed against the Owner found to be in violation, and such assessment shall become a lien against such Owner's Condominium Unit and shall be enforced and collected in the same manner as all other assessments provided for herein.

(C) The conveyance or encumbrance of a Condominium Unit shall be deemed to be made subject to all of the provisions of the Condominium Documents, and shall be binding upon each grantee or Mortgagee without the necessity or inclusion of such express provision in the instrument of conveyance or encumbrance.

(D) Notwithstanding anything else to the contrary contained herein, any dispute or claim by the Association or a Unit Owner against the Declarant or general contractor or architect for the Condominium relating to the construction or design of the Condominium shall only be brought in accordance with the dispute resolution provisions set forth in Section 39 of this Declaration.

20. Assessment for Common Expenses.

(A) All Owners, including Declarant, shall be obligated to pay the estimated and actual assessments imposed by the Association to meet the Common Expenses and reserves. The Common Expenses shall be allocated to all Units based upon the Allocated Interest as shown in Exhibit "B" of the Declaration.

(B) Annual assessments for the estimated Common Expenses shall be payable in annual, periodic or monthly installments and shall be due in advance on the first day of the selected period. The Association shall cause to be prepared and delivered or mailed to each Owner at least once each year a payment statement setting forth the estimated Common Expense assessments for the ensuing year.

(C) In the event the ownership of a Condominium Unit, title to which is derived from the Declarant, commences on a day other than the first day of the assessment period the Common Expense assessments for that period will be prorated.

(D) Common Expense assessments shall commence as to all Condominium Units on the first day of the month following the conveyance of the first Condominium Unit by Declarant. Common Expense assessments shall be based upon the cash requirements deemed to be such aggregate sum as the Board shall determine in its budget, at least thirty (30) days in advance of each fiscal year, as necessary to provide for the payment of all estimated expenses relating to or connected with the administration, maintenance, ownership, repair, cleaning, operation, addition, alteration, and improvement of the Common Elements, the Project, and personal property owned by the Association except as otherwise provided. Said sum may include, but shall not be limited to, expenses for management; premiums for insurance; annual maintenance budget; common lighting; utilities not separately metered on behalf of each Unit and the Common Elements; repairs and renovations; trash collection; wages; legal and accounting fees; management fees; expenses and liabilities incurred by the Board on behalf of the Owners under or by reason of the Condominium Documents; common expense assessments due by the Condominium under the Building Condominium Declaration; the creation of reasonable contingency reserves, working capital, and/or sinking funds; and any and all other costs and expenses relating to the Common Elements and/or the Project. The costs of insurance may, at the discretion of the Association, be assessed in proportion to risk as determined by insurance underwriters. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board.

(E) Each Owner shall be obligated to pay all charges for any separately metered utilities servicing his/her Condominium Unit. All separately metered utilities shall be set up such that if the Owner fails to pay any charges for the utilities, the Declarant or Association, as applicable, shall have the right to pay all amounts due and charge said amounts to the Owner as a special assessment. In the event that any utilities are master metered, then such utility service shall be part of the Common Expense assessments as hereinbefore provided and shall be allocated to Units benefitting from such service, depending upon the manner in which they are separately metered. Allocations shall be based on appropriate respective Allocated Interests.

(F) The omission or failure to fix the assessment or deliver or mail a statement for any period shall not be deemed a waiver, modification, or release of the Owner from the Owner's obligations to pay the same.

(G) The Association shall establish a reserve fund for the maintenance, repairs, additions, alterations, improvements and replacement of those Common Elements that must be replaced periodically and such reserve fund shall be funded through the payments of the Common Expenses which shall include a maintenance budget funding requirement in an amount to be established by the Association. Any amounts of the maintenance budget not expended in a given year shall be retained for use in subsequent years. Any deficiencies may be handled in the assessments for the subsequent year or through special assessments as provided herein. The Association acknowledges and agrees that such maintenance and repairs are anticipated as normal and customary, and no claim shall be made by the Association against the general contractor for the Condominium for repairs and maintenance obligations within the annual maintenance budget.

(H) In addition to the assessments authorized above, the Association may at any time and from time to time determine, levy, and assess in any assessment year, which determination, levy, and assessment may be made by the Board with the consent by vote or agreement of two-thirds (2/3) of the Board, a special assessment applicable to that particular assessment year for the purpose of defraying, in whole or in part, payments for any deficit remaining from a previous period and the unbudgeted costs, fees, and expenses of any construction, reconstruction, repair, demolition, replacement, or maintenance of the Common Elements, specifically including any fixtures and personal property relating, thereto. The amounts determined, levied, and assessed pursuant hereto shall be divided among all of the affected and benefitted Units in proportion to the affected and benefitted Unit's Allocated Interest, and shall be due and payable as set forth in the Notice of Assessment promulgated by the Board.

(I) The Board may at any time, from time to time and without the Member's consent, determine, levy and assess in any assessment year a special assessment on any Unit for specific items, tools, or service performed for or delivered to said Unit by the Association or the Managing Agent on behalf of the Association (i) under a contract(s) between the Unit Owner or the tenant under lease and the Association or Managing Agent on behalf of the Association for goods, services, or repairs; (ii) due to the failure of the Unit Owner or its Guests to perform or deliver such items, tasks or services as required by the Condominium Documents; and (iii) due to the actions, intentional or negligent, of the Unit Owner or its Guests which causes damage anywhere in the Project.

(J) In addition to the regular and special assessments authorized by this Paragraph, the Association may levy penalty assessments which will include penalties or fines imposed against individual Owners for violations of the provisions of the Condominium Documents. Any such penalty assessments will be levied only after a notice and hearing as set out in the Bylaws. The Association

may also impose reasonable charges for the preparation and recordation of amendments to this Declaration, resale certificates that may be required, or statements or liens of unpaid assessments. All penalties and said charges shall be treated as an assessment to said Unit and payment therefor shall be enforced and collected in the same manner as all other assessments, provided for herein.

(K) All Owners of a particular Condominium Unit shall be jointly and severally liable to the Association for the payment of all assessments attributable to such Condominium Unit, including the annual assessment for Common Expenses and special and penalty assessments assessed against their particular Condominium Unit.

(L) All assessments required herein not paid on or before ten (10) days after the date when due shall bear interest at twelve percent (12%) per annum, or, if less, the maximum rate established by law from the date when due until paid. All payments upon account shall be first applied to interest and then to the assessment payment first due.

21. Assessment Reserves and Working Capital Account.

(A) At the time of the first conveyance of each Condominium Unit from Declarant to an Owner other than Declarant, the acquiring Owner shall pay an initial assessment in an amount to be determined by the Board for Common Expenses to be used by the Association as working capital, which payment shall be considered to be an advance payment of Common Expense assessments.

(B) Any surplus funds of the Association remaining after payment of or provision for Common Expenses and any prepayment of reserves must be paid to the Unit Owners according to their Allocated Interests for Common Expense liabilities or credited to the Owner to reduce their future Common Expense assessments.

22. Lien for Nonpayment of Assessments.

(A) All sums assessed by the Association but unpaid by the Owner of any Condominium Unit, including interest thereon as provided herein, shall constitute a lien on such Condominium Unit superior (prior) to all other liens and encumbrances, except only for (i) liens and encumbrances recorded before the recordation of this Declaration, (ii) a Mortgage recorded before the date on which the assessment sought to be enforced became delinquent, and (iii) liens for real estate taxes and other governmental assessments or charges against the Unit. Each Owner hereby agrees that the Association's lien on a Condominium Unit for assessments shall be superior to any homestead exemption provided by any state or federal law and each Owner agrees that the acceptance of the deed or other instrument of conveyance in regard to any Condominium Unit within the Project shall signify such grantee's waiver of such homestead rights with respect to such lien.

(B) To evidence such lien for unpaid assessments, the Association shall prepare a written notice setting forth the amount, the name of the Owner of the Condominium Unit, and a description of the Condominium Unit. Such notice shall be signed on behalf of the Association by an officer of the Association and shall be recorded in the records of the Register of Deeds of the County. Such lien shall attach from the date of the failure of payment of the assessment, and may be enforced by foreclosure by the Association of the defaulting Owner's Condominium Unit in like manner as mortgages on real property, but the Association shall give reasonable prior notice of its action to all lienholders of the Unit whose interest would be affected. The lien provided herein shall be in favor of the Association and for the benefit of all of the Owners. In any such foreclosure or lawsuit to recover a money judgment, the Owner shall be required to pay the costs and expenses of such proceedings, the costs, expenses, and attorneys' fees for filing the notice or claim of lien, and all reasonable attorneys' fees in connection with such foreclosure or lawsuit. The Owner shall also be required to pay the Association the assessments for the Condominium Unit during the period of foreclosure and the Association shall be entitled to a receiver to collect such sums. The Association, on behalf of the Owners, shall have the power to bid on the Condominium Unit at foreclosure sale and to acquire and hold, lease, mortgage, and convey such Condominium Unit. In any foreclosure of a lien for assessments, the Association shall be entitled to the appointment of a receiver.

23. Owner's Obligation for Payment of Assessments.

All amounts assessed by the Association against each Condominium Unit, whether as a Common Expense, special, or penalty assessment, shall be the personal and individual debt of each Owner thereof at the time the assessment is made. Suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien securing the same. No Owner may exempt himself/herself from liability for the Owner's contribution toward the Common Expenses by a waiver of the use or enjoyment of any of the Common Elements or by abandonment of his/her Condominium Unit.

24. Resale of Unit; Liability for Common Expenses Upon Transfer of Condominium Unit.

(A) Unless exempt by the Nebraska Condominium Act, a Unit Owner and any other person in the business of selling real estate who offers for resale a Unit to a purchaser after the initial sale of the Unit from the Declarant shall furnish to a purchaser before conveyance a copy of this Declaration as amended, the Bylaws, the Rules or Regulations of the Association, the Condominium Documents, and the following information ("Information Certificate"):

(i) A statement setting forth the amount of the monthly Common Expense assessment and any unpaid Common Expense or special assessment currently due and payable from the selling Unit Owner;

(ii) Any other fees payable by Unit Owners;

(iii) The most recent regularly prepared balance sheet and income and expense statement, if any, of the Association;

(iv) The current operating budget of the Association, if any;

(v) A statement that a copy of any insurance policy provided for the benefit of Unit Owners is available from the Association upon request; and

(vi) A statement of the remaining term of any leasehold estate affecting the condominium and the provisions governing any extension or renewal thereof.

The Association, within ten (10) days after a request by Unit Owner, shall furnish in writing the information necessary to enable the Unit Owner to comply with the Nebraska Condominium Act.

(B) Upon payment of a reasonable fee to be set out in the Rules and Regulations, and upon the written request of any Owner, any purchaser or prospective purchaser, any Mortgagee, or any prospective Mortgagee, the Association shall issue the Information Certificate described in Subparagraph (A) hereof, with respect to such Condominium Unit, and if requested, the amount of the current monthly assessment and the date that such assessment becomes due, and any credits for advanced payments or for prepaid items, including, but not limited to, insurance premiums, which statement shall be conclusive upon the Association in favor of all persons who rely thereon in good faith.

(C) The grantee of a Unit, including a Mortgagee with a superior lien as set out in Paragraph 22 (Lien for Nonpayment of Assessments) herein who comes into possession of a Condominium Unit pursuant to the remedies provided in its Mortgage or becomes an Owner of a Condominium Unit pursuant to foreclosure of its Mortgage or by the taking of a deed in lieu thereof, and any purchaser at a foreclosure sale, shall not be liable with the grantor for unpaid assessments against the latter for the grantor's proportionate share of expenses up to the time of the grant or conveyance of a Condominium Unit, unless the purchaser expressly assumes such liability. Any such express assumption shall be without prejudice to the purchaser's and Association's rights to recover from the former Owner the amounts paid by the purchaser therefor. Any uncollectible Common Expenses or assessments shall be deemed to be Common Expenses collectible from all of the Unit Owners, including the Mortgagee, purchaser and their successors or assigns. The waiver of liability granted herein for the payment of past due assessments shall not apply to any Owner who holds a purchase money mortgage or land contract.

25. Declarant Control.

Declarant shall control the Association and may appoint and remove the officers and members of the Board (period of Declarant control) until the earlier of:

(A) sixty (60) days after conveyance of ninety percent (90%) of the Units in the Condominium Project which may be created to Unit Owners other than a Declarant; or

(B) two (2) years after Declarant has ceased to offer Units for sale in the ordinary course of business.

Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units which may be created to Unit Owners other than a Declarant, at least one member and not less than twenty-five percent (25%) of the members of the 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 a Board of three (3) members, a majority of whom shall be Unit Owners. The Board shall elect the officers of the Association. The Board members and officers shall take office upon election.

Declarant may voluntarily surrender the right to appoint and remove officers and members of the Executive Board before termination of the above stated period, but in that event he or she may require, for the duration of the period of Declarant control, that specified actions of the Association or Executive Board, as described in a recorded instrument executed by Declarant, be approved by the Declarant, before they become effective.

26. Alterations of Units.

(A) Except as provided to the contrary herein or by other provisions of law, 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 permission of the Board of Directors of the Association; and

(B) Except as authorized herein or by the Rules and Regulations, no Owner shall make any structural additions, removals or alterations to his/her Unit; or alter or remove or extend any mechanical or electrical services servicing his/her Unit; or permit the use of any mechanical or electrical device, equipment or attachment, or take any other such action that would affect, impair, disturb or damage the property of any other Owner or other Owner's right to the use and enjoyment of his/her property; or alter, damage or impair any property owned and/or maintained by the Association. Except as authorized by the Rules and Regulations, no proposed addition, removal or alterations, by an Owner of his/her Unit, shall be commenced without obtaining written approval of the Board of Directors, or its agent. A request for such approval shall be accompanied by a copy of plans and specifications for the proposed work prepared by an architect or engineer licensed to practice in the State of Nebraska and such approval when granted, shall be subject to the assumption by the Owner of all responsibility for any damage to property or persons.

(C) During the period of Declarant Control, any approved addition, alteration, remodeling, or modification of a Unit by the Owner shall be undertaken and performed only by a Declarant-approved contractor, and Declarant shall have salvage rights to any and all materials that are removed from the unit. After the period of Declarant Control has ended, any approved addition, alteration, remodeling, or modification of a Unit by the Owner shall be undertaken and performed only by a contractor approved by the Board, and the Association shall have salvage rights to any and all materials that are removed from the Unit.

27. Mortgaging a Condominium Unit.

(A) Any Owner shall have the right from time to time to mortgage or encumber his interest in a Condominium Unit by a Mortgage or other security interest.

(B) First Mortgage Lender Notice. The First Mortgage Lender on any Unit, upon written request to the Association, which request shall state the name and address of the First Mortgage Lender, the name of the Owner and the Unit number, will be entitled to written notice of:

- (i) Any proposed amendment of this Declaration effecting a change in (1) the boundaries of any Unit or any appurtenant exclusive easement rights; (2) the interest in the General Common Elements or Limited Common Elements or the liability for Common Expenses appurtenant to any Unit; (3) the number of votes in the Condominium Association appurtenant to any Unit; or (4) the purposes to which any Unit or the Common Elements are restricted. Provided, However, this section shall not apply to any amendments for reserved Declarant Rights as set forth in Section 36(B) of this Declaration;
- (ii) Any proposed termination of the Condominium;
- (iii) Any condemnation loss or any casualty loss which affects a material portion of the Condominium or which affects any Unit on which there is a First Mortgage by a First Mortgage Lender;
- (iv) Any delinquency in the payment of assessments or charges owed by a Unit Owner of a Unit on which there is a First Mortgage by a First Mortgage Lender, where such delinquency has continued for a period of sixty (60) days;
- (v) Any lapse, cancellation or material modification of any insurance policy maintained by the Condominium Association.

(C) First Mortgage Lender Approval Rights. The following protections for the benefit of any First Mortgage Lender shall also apply:

- (i) Any election to terminate the Condominium shall require the

approval of all First Mortgage Lenders who hold First Mortgages on Units; and

- (ii) Any amendments to the Declaration shall require the approval of all First Mortgage Lenders who hold First Mortgages on Units. Provided, However, this section shall not apply to any amendments for reserved Declarant rights as set forth in Section 36(B) of this Declaration.

28. Insurance.

The Board shall obtain and maintain on behalf of the Association at all times, to the extent obtainable, insurance policies with amounts and the coverage to be determined by the Board as defined by the Nebraska Condominium Act and in the Bylaws; the cost of the insurance shall be assessed to the Unit Owners in the manner set out in the Bylaws.

29. Tort and Contract Liability.

(A) An action alleging a wrong done by the Association must be brought against the Association and not against any Unit Owner. A Unit Owner is not precluded from bringing an action contemplated by this subparagraph because he/she is a Unit Owner or a member or officer of the Association. Liens resulting from judgments against the Association are governed by § 76-875 of the Nebraska Condominium Act.

(B) Notwithstanding the duty of the Association to maintain and repair parts of the Condominium, the Association shall not be liable to Owners for injury or damage, other than the cost of maintenance and repair, caused by any latent condition of the Property to be maintained and repaired by the Association, or caused by natural elements or other Owners or persons.

(C) The Declarant shall not be liable for any action, loss, or cost pursuant to this Paragraph which is covered by insurance proceeds.

30. Condemnation.

(A) If a Unit is acquired by eminent domain, or if part of a Unit is acquired by eminent domain leaving the Unit Owner with a remnant which may not practically or lawfully be used for any purpose permitted by the Declaration, the award must compensate the Unit Owner for his or her Unit and its interest, in the Common Elements, whether or not any Common Elements are acquired. Upon a complete acquisition of a Unit, unless the decree otherwise provides, that Unit's Allocated Interests are automatically reallocated to the remaining Units in proportion to the respective Allocated Interests of those Units before the taking, and the Association shall promptly prepare, execute and record an amendment to the Declaration reflecting the reallocations. Any remnant of a Unit remaining after part of a Unit is taken under this subparagraph is thereafter a Common Element.

(B) Except as provided in Subparagraph (A) of this paragraph, if part of a Unit is acquired by eminent domain, the award must compensate the Unit Owner for the reduction in value of the Unit and its interest in the Common Elements, whether or not any Common Elements are acquired. Upon acquisition, unless the decree otherwise provides, (i) the Unit's Allocated Interests are reduced in proportion to the reduction in the size of the Unit, and (ii) the portion of the Allocated Interests divested from the partially acquired Unit is automatically reallocated to that Unit and the remaining Units in proportion to the respective Allocated Interests of those Units before the taking, with the partially acquired Unit participating in the reallocation on the basis of its reduced Allocated Interests.

(C) If part of the Common Elements is acquired by eminent domain, the portion of the award attributable to the Common Elements taken must be paid to the Association. Any portion of the award attributable to the acquisition of a Limited Common Element must be equally divided among the Owners of the Units to which that Limited Common Element was allocated at the time of acquisition.

(D) The court decree shall be recorded in the Lancaster County Register of Deeds Office.

(E) In the event a partial taking results in the taking of a complete Unit or a part of a Unit leaving the Owner with a remnant which may not practically or lawfully be used for any purpose permitted by this Declaration, the Owner thereof automatically shall cease to be a Member of the Association, shall cease to hold any right, title, or interest in the remaining Common Elements, and shall execute any and all documents necessary to accomplish the same.

31. Destruction.

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) eighty percent (80%) of the votes in the Association, by vote or agreement, including every Voting Member of a Unit decide 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 lienholders, 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.

32. Additional Property For Common Use.

The Association may acquire and hold for the benefit of the Condominium Owners real property and tangible and intangible personal property, and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be owned by the Condominium Owners in the same proportion as their Allocated Interest in the Common Elements and shall not be transferable except with the transfer of a Condominium Unit. A transfer of a Condominium Unit shall convey to the transferee ownership of the transferor's beneficial interest in such real or personal property without any reference to or inclusion of a bill of sale. Each Owner may use such real and personal property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of the other Owners. Sale of a Condominium Unit under foreclosure shall thereby entitle the purchaser thereof to the beneficial interest in the real and personal property associated with the foreclosed Condominium Unit. The Owners of each Condominium Unit shall have a perpetual nonexclusive easement in common with all other Condominium Unit Owners in this Condominium Project giving them the right to the beneficial use and enjoyment of any walkways, vehicular access, and community parking, if any, and any of the other General Common Elements as set forth on the Plats and Plans and in this Declaration, subject, however, to the Rules and Regulations.

33. Special Declarant Rights.

The Declarant or its transferees reserves the following special declarant rights (collectively "Special Declarant Rights"):

(A) The right to complete the improvements indicated on the Plats and Plans as shown on Exhibit A.

(B) The right to exercise any of the Development Rights described in Paragraph 34.

(C) The right to add real estate to the condominium as provided in the Nebraska Condominium Act.

(D) The right to maintain and relocate sales offices, management offices and models in any Unit or Units not occupied by the Owner or tenants in possession and the right to install, maintain and relocate signs advertising the Condominium in and on any Common Element provided that the type of signs and sizes comply with all sign ordinances and regulations of any governmental body having jurisdiction over the Project.

(E) The right to appoint or remove any officer of the Association or any Executive Board member during any period of Declarant Control as described in Paragraph 25.

(F) The right to exercise any other special declarant right stated in this Declaration.

34. Development Rights.

The Declarant or its transferee reserves the right to subdivide the Units into additional Units, and to reclassify a portion of such space as Common Elements and/or Limited Common Elements. Any space designated as Limited Common Elements shall be a Limited Common Element only applicable to the Units designated. To exercise any Development Right Declarant shall file an Amendment to the Declaration. If the Declarant subdivides any Unit into two or more Units, the Amendment must reallocate all of the allocated interests of the Unit among the Units created by subdivision in any reasonable manner prescribed by the Declarant.

35. Registration by Owner of Mailing Address.

Each Owner shall register his/her mailing address with the Association, and except for monthly statements and other routine notices, an other notices or demands intended to be served upon an Owner shall be sent by either registered or certified mail, postage prepaid and addressed in the name of the Owner of such registered mailing address. All notices, demands or other notices intended to be served upon the Association shall, be sent by certified mail, postage prepaid to The Traction Lofts Condominium Association, 1000 O Street, Suite 102, Lincoln, Nebraska 68508, until such address is changed by a notice of address change duly recorded in the records of the Register of Deeds of the County.

36. Amendment to Declaration.

(A) Procedure. Except as provided by § 76-854 of the Nebraska Condominium Act and this Declaration, this Declaration may be amended only by vote or agreement of Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated. If a vote is taken at an Association meeting, notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered. If, during the construction warranty period and the applicable statute of limitations period, there is a proposed amendment that would amend or alter any provision of the Declaration relating to the construction, maintenance, or dispute resolution procedure relating to construction or maintenance disputes, such proposed amendments shall be presented to the Declarant and general contractor and architect for the Condominium with a reasonable opportunity to provide input and comments prior to any vote on such proposed amendment. Resolutions for the adoption of a proposed amendment may be proposed by either the Board or by the Members of the Association.

(B) Amendments for Reserved Declarant Rights. Without limitation to the authorized procedures set forth in Section 36.A., above, Declarant shall have the right to make any amendments authorized pursuant to Sections 76-846(f) and 76-

847 of the Nebraska Condominium Act without any vote or agreement of the Owners that would otherwise be required under Section 36.A., above, for amendments not related to the Special Declarant Rights and Development Rights reserved herein.

(C) One Year. No action to challenge the validity of an amendment adopted by the Association pursuant to this paragraph may be brought more than one year after the amendment is recorded.

(D) Recordation. Every amendment to the Declaration must be recorded in the office of the Register of Deeds of the County, and is effective only upon recordation.

(E) Amendments. Amendments to the Declaration required by the Nebraska Condominium Act to be recorded by the Association shall be prepared, executed, recorded, and certified on behalf of the Association by any officer of the Association designated for that purpose or, in the absence of designation, by the President of the Association.

(F) Proviso. Except to the extent permitted by the terms and conditions contained herein, no amendment shall unlawfully discriminate against any Unit Owner or against any Unit, and no amendment may create or increase special Declarant rights, change the boundaries of any Unit, or change the uses to which any Unit is restricted, in the absence of the unanimous consent of the Unit Owners.

37. Termination.

(A) Except in the case of a complete taking of all the Units of the Condominium Project by eminent domain, the Condominium may be terminated only by agreement of the Owners of Units to which at least eighty percent (80%) of the votes of the Association are allocated.

(B) An agreement to terminate must be evidenced by the execution of a termination agreement, or ratification thereof, in the same manner as a deed, by Owners of Units to which at least eighty percent (80%) of the votes of the Association are allocated. Said termination agreement must specify a date after which the agreement will be void unless it is recorded before that date. The termination agreement and all ratification thereof is effective only upon recordation in the County. The Nebraska Condominium Act shall govern any termination.

38. General.

(A) If any of the provisions of the Condominium Documents or any paragraph, sentence, clause, phrase, or word, or the application thereof in any circumstances shall be invalidated, such invalidity shall not affect the validity of the remainder of the Condominium Documents, and the application of any such

provision, paragraph, sentence, clause, phrase, or word in any other circumstance shall not be affected thereby.

(B) The provisions of the Condominium Documents shall be in addition and supplemental to the Nebraska Condominium Act and to all other provisions of law, and the provisions of such Act shall apply in the event of conflict with, or omission from, Condominium Documents of provisions required by the Nebraska Condominium Act.

(C) In the event there shall be any conflict between the provisions of this Declaration and the Bylaws or Rules and Regulations of the Association, the provisions of this Declaration shall be controlling.

(D) Whenever used herein, unless the context shall otherwise provide, the singular shall include the plural, the plural the singular, and the use of any gender shall include all genders.

39. Claims relating to Design or Construction of the Condominium.

(A) All claims asserted by one or more Unit Owners or the Association ("Claimant") against the Declarant or the general contractor or architect (each referred to in this context as the "Builder") relating to the design or construction of the Condominium ("Claim") shall be brought only in the following manner:

- (i) Claimant shall first give Builder written notice of such Claim and Builder shall have a reasonable opportunity to cure such alleged defects;
- (ii) If the alleged defects are not cured pursuant to subsection (i), the Claim shall be referred to a neutral engineer, architect, or contractor licensed in Nebraska (the "Neutral Expert") selected by the Association and the Builder. The parties shall jointly meet with the Neutral Expert to inspect the alleged defect and to discuss the problem, potential causes, and solutions. The parties shall submit all relevant, nonprivileged evidence relating to the Claim to the Neutral Expert for review. The Neutral Expert may request and conduct meetings and interviews, and shall issue a written report detailing his findings and conclusions. A decision of the Neutral Expert that a party is at fault is a condition precedent to the commencement of any formal dispute resolution proceeding ("Proceeding") against such party, but the Neutral Party's report and decision shall not be admissible as evidence in any Proceeding. The parties shall each pay a pro-rata portion of the Neutral Expert's fees.
- (iii) Subject to the condition precedent in subsection (ii), above, the Claimant may bring a Claim against a Builder in a binding

arbitration, conducted by a single arbitrator (in the case of arbitration initiated by a Unit Owner) or a three-arbitrator panel (in the case of arbitration initiated by the Association). The arbitrator(s) shall be an attorney with no less than fifteen (15) years of experience in the area of construction law.

(B) The Association is the sole agent of the Unit Owners for purposes of initiating a Claim relating to Common Elements, and all Unit Owners shall assign any Claim related to the Common Elements to the Association. The Association shall not initiate a Claim relating to the Common Elements without an affirmative vote of more than two-thirds (2/3) of the Unit Owners.

(C) Each Unit Owner must individually initiate a Claim for alleged damages to their Unit.

(D) The Association and each Unit Owner, for themselves and their insurers, shall waive all rights of subrogation against a Builder to the extent that any insurer pays a claim for damages on behalf of the Association or Unit Owners. All remedies against the property insurance carrier must be exhausted before initiating arbitration proceedings against the Builder.

IN WITNESS WHEREOF, Declarant has executed this Declaration this 18 day of December, 2020.

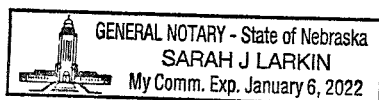
DECLARANT

947 Terminal, LLC, a
Nebraska limited liability company

By: Mike Works
Mike Works, Manager

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this 18 day of December, 2020 by Mike Works, Manager of 947 Terminal, LLC, a Nebraska limited liability company, on behalf of the company.



Sarah J. Larkin
Notary Public

CONSENT OF BENEFICIARY AND TRUSTEE OF DEED OF TRUST

Frontier Bank is the Beneficiary and the Trustee of the Deed of Trust on the real property described in Recital "A" and hereby consents to this Condominium Declaration for Traction Lofts Condominium and agrees that the Deed of Trust will be subject to this Condominium Declaration.

Dated this 11th day of December, 2020.

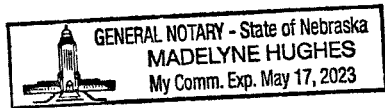
Frontier Bank

By: [Signature]
Name: Philip Gozette
Title: Vice President

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

SUBSCRIBED, SWORN TO and ACKNOWLEDGED before me this 11 day of December, 2020, by Philip Gozette, VP of Frontier Bank, on behalf of the bank.

WITNESS my hand and official seal.



[Signature]
Notary Public

EXHIBIT "A"
PLATS AND PLANS
(attached)

Exhibit "A"

AI

Architectural
Innovations

620 NORTH 48TH STREET, SUITE #102
LINCOLN, NEBRASKA 68504
PHONE: (402) 467-4329
WWW.AILINCOLN.COM

TRACTION LOFT
CONDOMINIUMS

941 'O' STREET
LINCOLN, NEBRASKA

5TH FLOOR
AREA PLAN

Project:

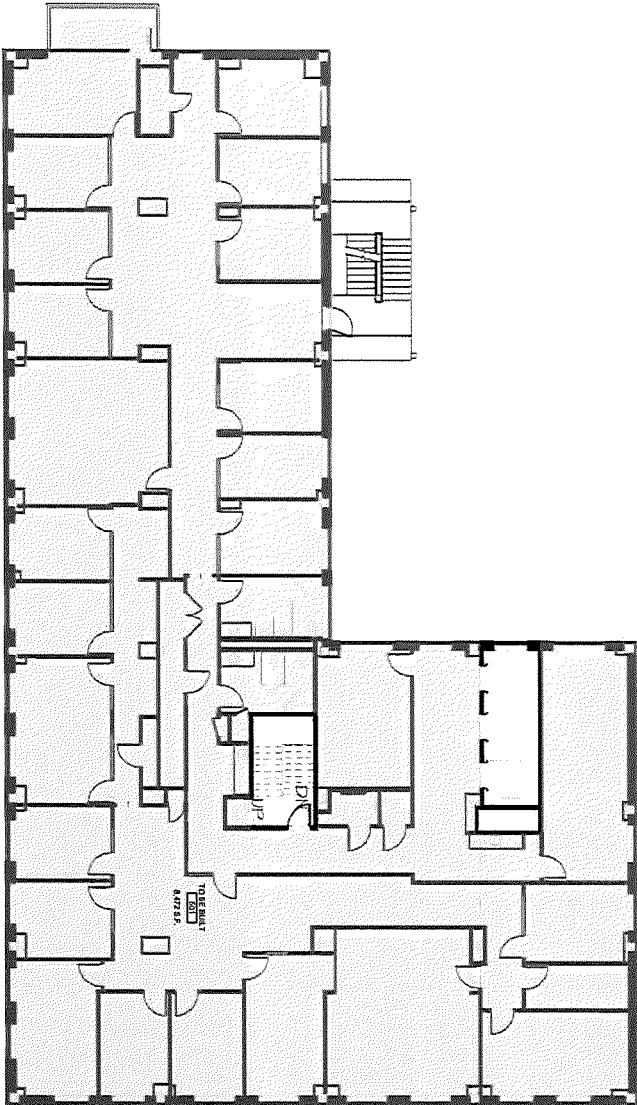
Date:

Revision Date:

AP1.5

AREA LEGEND

TO BE BUILT
8,472 S.F.



5TH FLOOR AREA PLAN

SCALE: 1/16" = 1'-0"

AI

Architectural
Innovations

620 NORTH 40TH STREET, SUITE #102
LINCOLN, NEBRASKA 68504
PHONE: (402) 461-4328
WWW.ALINCOLN.COM

TRACTION LOFT
CONDOMINIUMS

941 'O' STREET
LINCOLN, NEBRASKA

6TH FLOOR
AREA PLAN

Project: _____

Date: _____

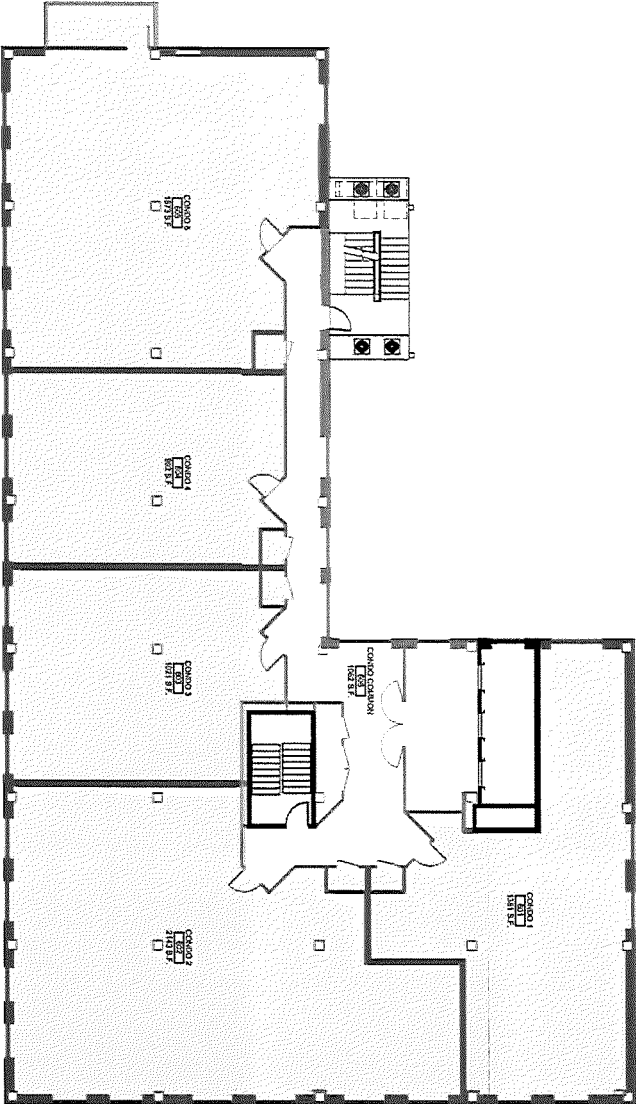
Revision Date: _____

AP1.6

AREA LEGEND

CONDO 1 - 1,301 S.F.
CONDO 2 - 2,143 S.F.
CONDO 3 - 1, 021 S.F.
CONDO 4 - 992 S.F.
CONDO 5 - 1,873 S.F.

CONDO COMMON
1,062 S.F.



6TH FLOOR AREA PLAN

SCALE: 1/16" = 1'-0"

AI

Architectural
Innovations

620 NORTH 48TH STREET, SUITE #102
LINCOLN, NEBRASKA 68504
PHONE: (402) 467-4328
WWW.ALINCOLN.COM

TRACTION LOFT
CONDOMINIUMS

941 'O' STREET
LINCOLN, NEBRASKA

7TH FLOOR
AREA PLAN

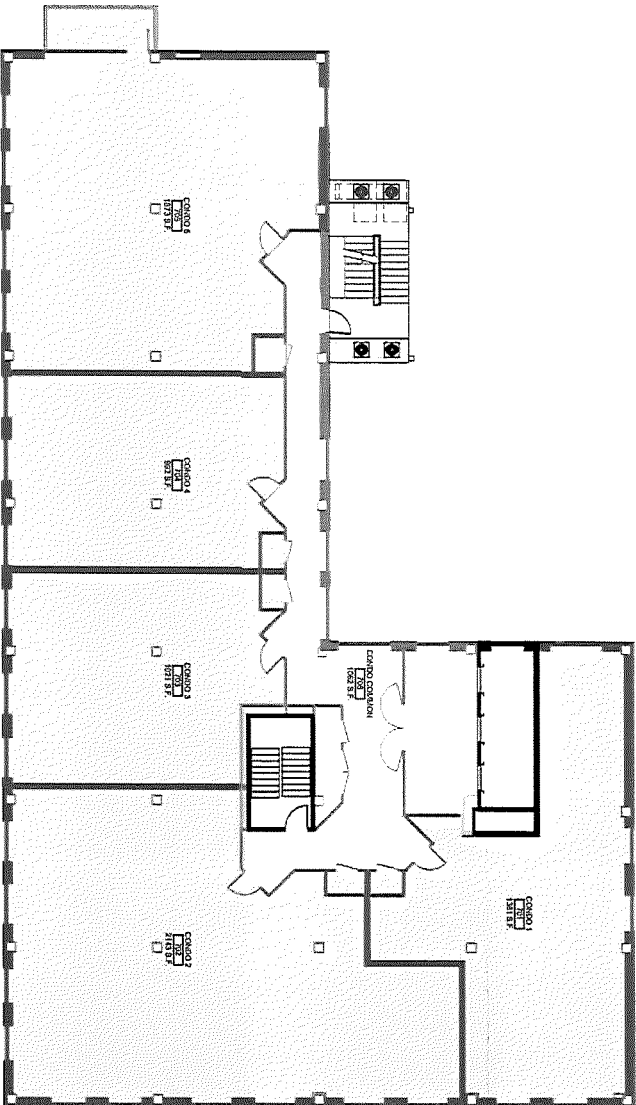
Project: _____
Date: _____
Revision Date: _____

AP1.7

AREA LEGEND

CONDO 1 - 1381 S.F.
CONDO 2 - 2143 S.F.
CONDO 3 - 1,021 S.F.
CONDO 4 - 942 S.F.
CONDO 5 - 1873 S.F.

CONDO COMMON
1062 S.F.



7TH FLOOR AREA PLAN
SCALE: 1/16" = 1'-0"

AI

Architectural
Innovations

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TRACTION LOFT
CONDOMINIUMS

941 'O' STREET
LINCOLN, NEBRASKA

8TH FLOOR
AREA PLAN

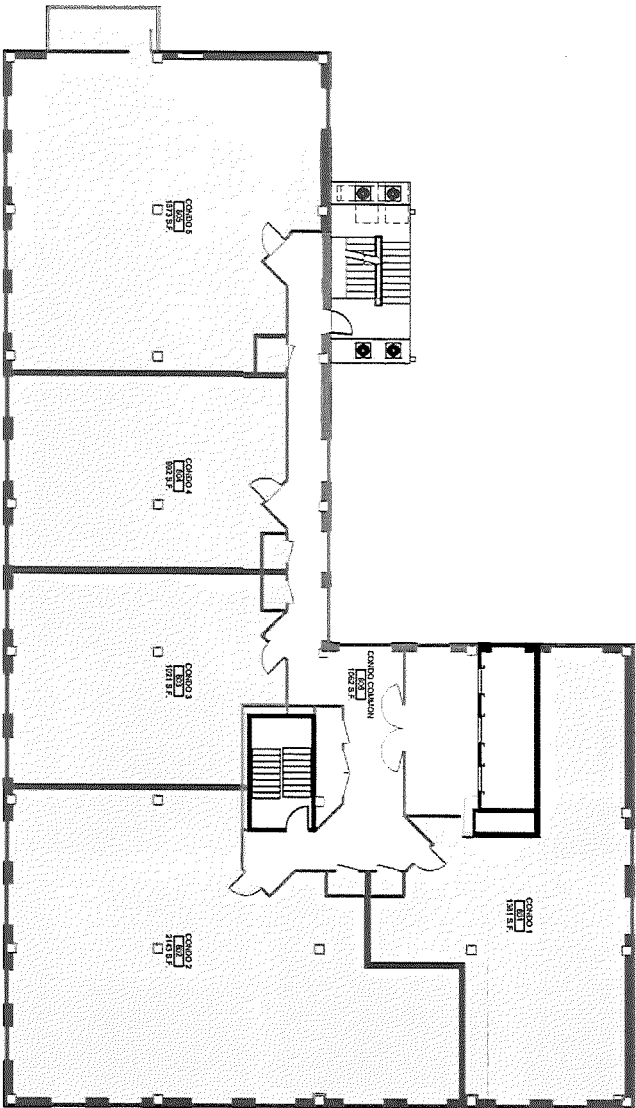
Project:
Date:
Revision Date:

AP1.8

AREA LEGEND

CONDO 1 - 1381 S.F.
CONDO 2 - 2143 S.F.
CONDO 3 - 1,021 S.F.
CONDO 4 - 992 S.F.
CONDO 5 - 1873 S.F.

CONDO COMMON
1062 S.F.



8TH FLOOR AREA PLAN

SCALE: 1/6" = 1'-0"

AI

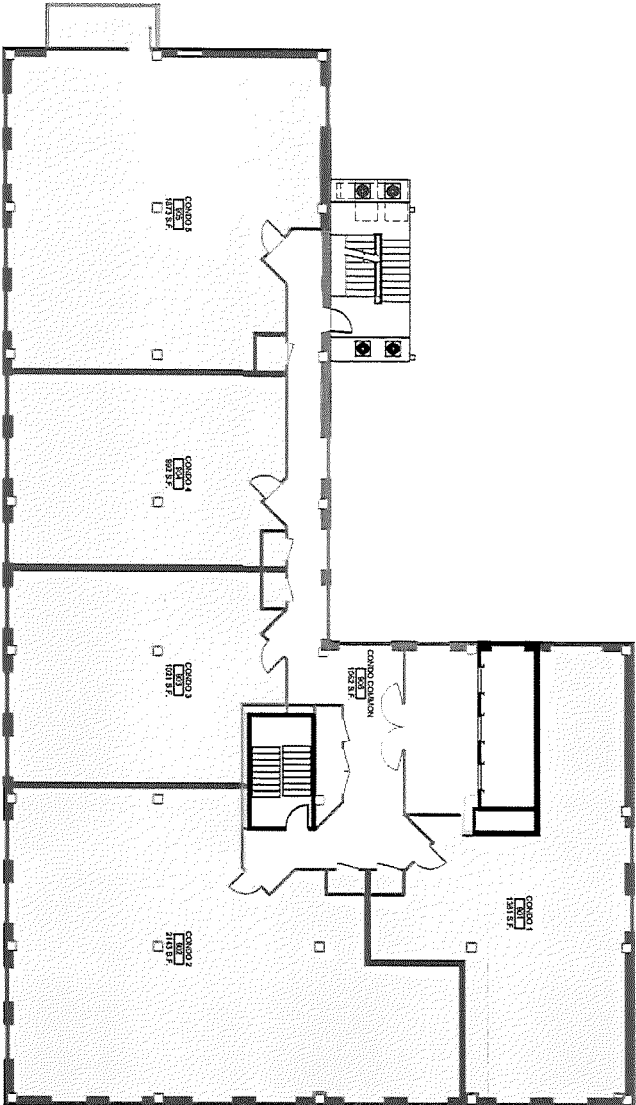
Architectural

Innovations

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- CONDO 1 - 1391 S.F.
CONDO 2 - 2143 S.F.
CONDO 3 - 1,021 S.F.
CONDO 4 - 992 S.F.
CONDO 5 - 1873 S.F.
- CONDO COMMON
1062 S.F.

AREA LEGEND



9TH FLOOR AREA PLAN

SCALE: 1/16" = 1'-0"

TRACTION LOFT
CONDOMINIUMS

941 'O' STREET
LINCOLN, NEBRASKA

9TH FLOOR
AREA PLAN

Project:	
Date:	
Revision Date:	

AP1.9

AI

Architectural
Innovations

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TRACTION LOFT
CONDOMINIUMS

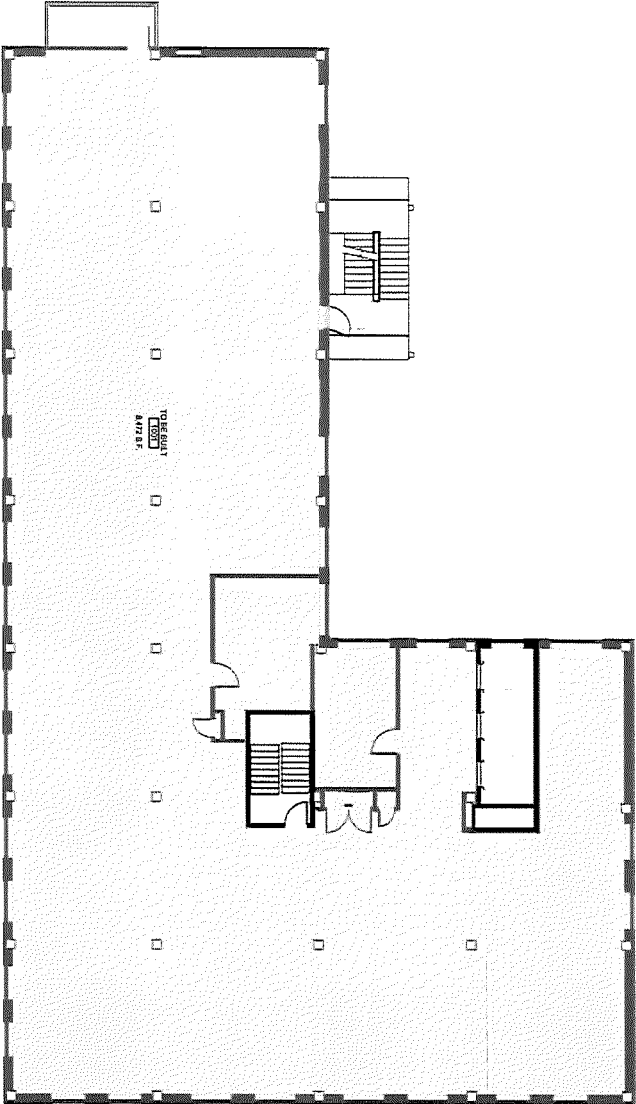
941 'O' STREET
LINCOLN, NEBRASKA

Project:
Date:
Revision Date:

AP1.10

AREA LEGEND

TO BE BUILT
8,412 S.F.



10TH FLOOR AREA PLAN
SCALE: 1/16" = 1'-0"

20
+ 2000

EXHIBIT "B"
SCHEDULE OF ALLOCATED INTERESTS

<u>Unit</u>	<u>Square Feet</u>	<u>Allocated Interest</u>
5 (To be built)	8,472	18.19%
601	1,381	2.96%
602	2,143	4.60%
603	1,021	2.19%
604	992	2.13%
605	1,873	4.02%
701	1,381	2.96%
702	2,143	4.60%
703	1,021	2.19%
704	992	2.13%
705	1,873	4.02%
801	1,381	2.96%
802	2,143	4.60%
803	1,021	2.19%
804	992	2.13%
805	1,873	4.02%
901	1,381	2.96%
902	2,143	4.60%
903	1,021	2.19%
904	992	2.13%
905	1,873	4.02%
<u>10 (To be built)</u>	<u>8,472</u>	<u>18.19%</u>
Total	46,584	100.00%