

APR 13 1998

STATE OF NEBRASKA
SECRETARY'S OFFICE
Received filed and recorded on
film roll no. 98-9
at page 1213
Scott Moore 9/2/05
Secretary of State 12:40pm
By Jim 4/40/02

ARTICLES OF INCORPORATION
OF
MORNINGSTAR LAKE ASSOCIATION

The undersigned, acting as incorporators for the purpose of forming a corporation under the Nebraska Nonprofit Corporation Act, do hereby adopt the following Articles of Incorporation, hereinafter referred to as "Articles":

ARTICLE 1

- 1.1 The name of the corporation is Morningstar Lake Association, hereinafter referred to as the "Association." The principal place of business shall be 22 Main Street, Stromsburg, Nebraska 68666, in care of Overland Sand and Gravel Company.

ARTICLE 2

- 2.1 The period of duration of the Association shall be perpetual.

ARTICLE 3 State of Nebraska, Merrick County, Filed for Record

- 3.1 The Association is a public benefit corporation. April 14 19 98 at 2:04 O'clock PM

Recorded in Book F of Assn Page 521

ARTICLE 4 Merrick County Clerk Thoria B. Bremer

- 4.1 The Association is organized for the purpose of providing an entity to administer and operate Morningstar Lake and the Morningstar Lake Subdivision and all of the covenants, conditions, easements and restrictions which were created according to the Declaration and Establishment of Covenants, Conditions, Reservations, Restrictions and Easements for Morningstar Lake Subdivision (hereinafter referred to as the "Declaration"), now or hereafter recorded in the public records of Merrick County, Nebraska for the purpose of creating the covenants, conditions, easements and restrictions and provide for use, maintenance, preservation and architectural control of the Lots and Common Area within Morningstar Lake and the Morningstar Lake Subdivision.
- 4.2 For the purpose of these Articles, all terms shall have the meaning as established in the Declaration unless the context in which the same is utilized clearly indicates otherwise.
- 4.3 To facilitate the management and enforcement of the covenants, conditions, easements and restrictions as contained in the Declaration, the Association shall have all the powers and duties set forth in the Declaration and by these Articles, and all of the powers and duties reasonably necessary to operate Morningstar Lake and the Morningstar Lake Subdivision, including, but not limited to, the following:

- (a) The power to exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in the Declaration which is recorded, or to be recorded, in the office of the Register of Deeds of Merrick County, Nebraska, as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length and applicable to the real estate described in said Declaration.
- (b) To fix, levy, collect and enforce payment by all lawful means, all assessments against members pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all license, insurance, taxes or governmental charges levied or imposed against property owned, leased, or managed by the Association.
- (c) To acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, manage, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise and dispose of real or personal property in connection with the affairs of the Association; to borrow money with the assent of unanimous votes of all classes of the membership on or before March 15, 2003 and by two-thirds (2/3) of all the votes of all classes of the membership after March 15, 2003; to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.
- (d) To dedicate, sell or transfer all or any part of the Common Area which it owns to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless assented to by unanimous votes of all classes of the membership on or before March 15, 2003 and two-thirds (2/3) of all the votes of all classes of the membership after March 15, 2003, agreeing to such dedication, sale or transfer.
- (e) To participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or to annex additional real property and Common Area, provided that such merger, consolidation or annexation shall be accomplished in compliance with and under the terms and conditions set forth in the Declaration.
- (f) To maintain, repair, replace and operate Morningstar Lake and the Common Area; to purchase insurance upon the property of Morningstar Lake and insurance for the protection of the Association and its members; to reconstruct improvements after casualty and to further improve Morningstar Lake; to make and amend reasonable rules and regulations respecting the use of Morningstar Lake.
- (g) To enforce by legal means the provisions of the Declaration, these Articles, the By-Laws of the Association and the Rules and Regulations for the benefit of the members of the Association and the property within Morningstar Lake and the Morningstar Lake Subdivision.

- (h) To employ personnel or contract with a third party to perform the services required for proper operation of Morningstar Lake.
 - (i) To operate and manage Morningstar Lake in accordance with the sense, meaning, direction, purpose and intent of the respective Declaration as the same may be from time to time amended and to otherwise perform, fulfill and exercise the powers and privileges, options, rights, duties, obligations, and responsibilities entrusted to or delegated to the Association by the Declaration and/or By-Laws.
 - (j) To do everything necessary, suitable, or proper for the accomplishment, attainment, or furtherance of the Association and to do every other act or thing incidental to, appurtenant to, or connected with the purposes, objects, or powers set forth in these Articles and to possess all rights, powers and privileges, now or hereafter conferred by the laws of the State of Nebraska upon a non-profit corporation.
- 4.4 Nothing herein set forth shall be construed as authorizing the Association to possess any purpose, object, or power or to do any act or thing forbidden by law to a non-profit corporation organized under the laws of the State of Nebraska.

ARTICLE 5

- 5.1 Every person or entity who is the record owner of a Lot which is now or may in the future be subject to the covenants of record in the Declaration, each contract buyer who has been transferred the right to vote, and each lessee (person or entity leasing from Declarant), shall be a member of the Association.
- 5.2 Any person or entity who holds an interest merely as security for the performance of an obligation shall not be a member.
- 5.3 If a Lot is owned by more than one person, or is owned by a corporation, partnership, joint venture, or other entity, the designation of voting shall be as provided in the Declaration and/or By-Laws.

ARTICLE 6

The Association will have members. On or before March 15, 2003, the Association shall have four classes of voting membership:

- (a) Class A members shall be all Owners, with the exception of Declarant, and shall be entitled to two votes for each Lot owned. When more than one person holds an interest in a given Lot, all such persons shall be members and the vote of such Lot shall be exercised as they may determine among themselves. In no event shall more than two votes be cast with respect to any Lot owned by Class A members.
- (b) Class B members shall be the Declarant who shall be entitled to exercise three (3) votes for each Lot owned, or two (2) votes for each Lot owned and

leased to a Lessee except a Class D Lessee. The Class B membership shall cease and be converted to Class A membership when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership. Nothing in this paragraph shall be construed to limit the Declarant, as defined in the Declaration to only one membership with three (3) votes or two (2) votes, it being understood that the Declarant shall have three (3) votes for each Lot owned and two (2) votes for each Lot owned and leased to a Lessee while Class B membership exists.

- (c) Class C members shall be a Lessee except Class D Lessees or contract buyer who has been transferred the right to vote pursuant to an agreement or lease and shall be entitled to one vote for each Lot leased or being purchased. When more than one person holds an interest in a given Lot, all such persons shall be members and the vote of such Lot shall be exercised as they may determine among themselves. In no event shall more than one vote be cast with respect to any Lot being leased or being purchased by Class C members.
- (d) Class D members shall be all Lessees who have entered into a lease with option to purchase with the Declarant expiring on or before March 15, 2003, provided that said lease is still in effect. Class D members shall be entitled to three (3) votes for each Lot leased. When more than one person holds an interest in a given Lot, all such persons shall be members and the votes of such Lot shall be exercised as they may determine among themselves. In no event shall more than three votes be cast with respect to any Lot leased by Class D members. After March 15, 2003, the Class D members' voting rights under this paragraph shall terminate and any existing lessees shall have voting rights as a Class C member.

ARTICLE 7

- 7.1 The affairs of the Association shall be managed by a board consisting of the number of directors determined by the By-Laws, but not less than three (3). The Directors need not be members of the Association. The Directors of the Association will be elected as provided in the By-Laws of the Association.
- 7.2 The name and address of the members of the first board of directors who shall hold office until their successors are elected and have qualified, or until removed, as provided in the By-Laws, are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Vayden R. Anderson	815 East 5th Street Stromsburg, NE 68666
Merlyn L. Hansen	912 St. Andrews York, NE 68467
Theresa Holtzen	Route 2 Box 82 Stromsburg, NE 68666

ARTICLE 8

- 8.1 The affairs of the Association shall be administered by the officers designated in the By-Laws. The officers shall be elected by the Board of Directors at its organizational meeting following the first meeting of the members and then at each annual meeting of the Board of Directors and shall serve at the pleasure of the Board of Directors. The names and addresses of the officers who shall serve until their successors are elected by the Board of Directors are as follows:

<u>OFFICE</u>	<u>NAME</u>	<u>ADDRESS</u>
President	Vayden R. Anderson	815 East 5th Street Stromsburg, NE 68666
Vice-President	Merlyn L. Hansen	912 St. Andrews York, NE 68467
Secretary/Treasurer	Theresa Holtzen	Route 2 Box 82 Stromsburg, NE 68666

- 8.2 Provisions for the regulation of the internal affairs of the Association, including provisions for the distribution of assets on dissolution or final liquidation, are:
- (a) The Association shall have no capital stock but a membership only, and no part of the net earnings of the Association shall inure to the benefit of any private shareholder or member.
 - (b) The Association is not organized for pecuniary profit nor shall it have any power to issue certificates of stock or declare dividends.
 - (c) The Association may be dissolved with the assent given in writing and signed by not less than unanimous votes of all classes of membership on or before March 15, 2003 and by two-thirds (2/3) of all the votes of all classes of the membership after March 15, 2003. In the event of dissolution or final liquidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association is created. In the event that such dedication refuses acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.
- 8.3 No disposition of the assets of the Association shall be effective to impair the rights of any member which are governed by the Declaration.
- 8.4 The directors and officers may lawfully and properly exercise the powers set forth in Article 4, notwithstanding the fact that some or all of them may be directly or

indirectly involved in the exercise of such powers and in the negotiation and/or consummation of agreements executed pursuant to such powers, are some or all of the persons with whom the Association enters into such agreements or who owns some or all of the proprietary interest in the entity or entities with whom the Association enters into such agreements; and all such agreements shall be presumed conclusively to have been made and entered by the directors and officers of this Association in the valid exercise of their lawful authority.

ARTICLE 9

Amendment of these Articles shall require the assent of unanimous votes of all classes of membership on or before March 15, 2003, and by at least two-thirds (2/3) of all the votes of all classes of the membership after March 15, 2003. Furthermore, the first By-Laws of the Association shall be adopted by the Board of Directors and may be altered, amended or rescinded in the manner provided by the By-Laws.

ARTICLE 10

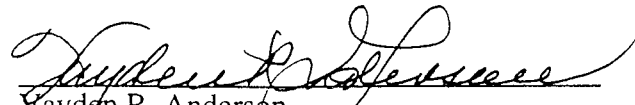
The address of the initial registered office of the Association is 22 Main Street, Stromsburg, Nebraska 68666, in care of Overland Sand and Gravel Company, and the name of the initial registered agent at such address is Theresa Holtzen.

ARTICLE 11

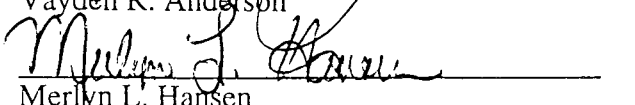
The names and addresses of the incorporators of the corporation are:

<u>NAME</u>	<u>ADDRESS</u>
Vayden R. Anderson	815 East 5th Street Stromsburg, NE 68666
Merlyn L. Hansen	912 St. Andrews York, NE 68467

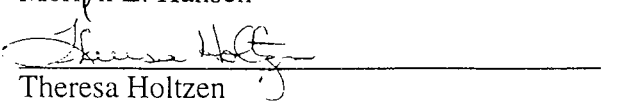
IN WITNESS WHEREOF, for the purpose of forming this non-profit corporation, under the laws of the State of Nebraska, we, the undersigned incorporators and/or directors of this Association, have executed these Articles of Incorporation this 10th day of April, 1998.



 Vayden R. Anderson



 Merlyn L. Hansen



 Theresa Holtzen