

DECLARATION AND ESTABLISHMENT
OF COVENANTS, CONDITIONS, RESERVATIONS,
RESTRICTIONS AND EASEMENTS
FOR
MORNINGSTAR LAKE SUBDIVISION

THIS DECLARATION and Establishment of Covenants, Conditions, Reservations, Restrictions and Easements for Morningstar Lake Subdivision (herein "Declaration") is made this 10th day of April, 1998, by Overland Sand and Gravel Company, a Nebraska Corporation, principal office of domicile of which is situated in Stromsburg, Nebraska, herein referred to as "Declarant." The corporation, its successors, grantees and assigns is represented in this Declaration by its president, Merlyn L. Hansen, who is fully empowered and qualified to execute this Declaration on behalf of said corporation.

WITNESSETH:

1. **Declaration of Purposes.** The Declarant is owner in fee simple of certain real property located in Merrick County, Nebraska, and known by the official plat designation as the Replat of Morningstar Lake Subdivision and as more specifically described in paragraph 2 of this Declaration and hereinafter referred to as "Morningstar Lake Subdivision." The purpose of this Declaration is to declare the desire of the Declarant to subject Morningstar Lake Subdivision and the improvements thereon to all of the covenants, conditions, easements and restrictions contained in this Declaration. Declarant hereby agrees and declares that all of Morningstar Lake Subdivision shall be held, leased, sold, used, operated and conveyed subject to the following understanding, easements, restrictions, covenants and conditions which are for the purpose of enhancing and protecting the value, attractiveness and desirability of the Lots constituting Morningstar Lake Subdivision. Declarant hereby declares that all the real estate described as Morningstar Lake Subdivision and each part thereof, except the real estate excluded herefrom, shall be held, sold and conveyed only subject to the following easements, covenants, conditions and restrictions, which shall constitute covenants running with the land and shall be binding on all parties having any right, title or interest in Morningstar Lake Subdivision or in any part thereof, their heirs, successors, and assigns and shall inure to the benefit of each owner thereof.
2. **Description of Land.** The land in Merrick County, Nebraska owned by the Declarant and which is hereby submitted and included in and to this Declaration is the real estate described on Exhibit "A" which is attached hereto and incorporated herein by this reference.
3. **Definitions.** For the purpose of this Declaration, the following terms shall have the following meanings unless the context in which the same is utilized clearly indicates otherwise:
 - (a) "Association" shall mean and refer to Morningstar Lake Association, a Nebraska non-profit corporation, its successors and assigns.
 - (b) "Common Area" shall mean all real or personal property owned, leased or managed by the Association for the common use and enjoyment of the Owners. The Common Area to be owned, leased or managed by the Association is described on

State of Nebraska, Merrick County, filed for Record

April 14 1998 at 2:04 O'clock PM

Recorded in Book 99 of Misc Page 165

Merrick County Clerk Shirley K. Brackmeier

Exhibit "B" which is attached hereto and incorporated herein by this reference and such additions thereto as may be added in the future. No structures shall be constructed in the Common Area which could be used as living quarters.

- (c) "Declarant" shall mean Overland Sand and Gravel Company, a Nebraska Corporation, and its successors and assigns.
- (d) "Lessee" shall mean every person or entity to whom a lease is made by Declarant, whether pre-existing or subsequent to the filing of the Declaration.
- (e) "Lot" shall mean any plot or parcel of land shown as a separate Lot on the recorded subdivision map titled "Replat of Morningstar Lake Subdivision" with the exception of the Common Area.
- (f) "Member" shall mean every person or entity who holds membership in the Association.
- (g) "Mortgage" shall mean a conventional mortgage or a deed of trust.
- (h) "Mortgagee" shall mean a holder of a conventional mortgage or a beneficiary under or holder of a deed of trust.
- (i) "Owner" shall mean the record owner, whether one or more persons or entities, of a fee simple title, including contract sellers, to any Lot which is part of the Replat of Morningstar Lake Subdivision, but shall not include those holding title merely as security for performance of an obligation.
- (j) "Morningstar Lake Subdivision" shall mean the subdivided real property hereinbefore described on Exhibit "A" attached hereto and such additions thereto as may be brought within the jurisdiction of the Association as hereinafter provided.

4. General Understanding.

- (a) The Lots as subdivided on the date of this Declaration abut and front upon a lake which is part of the Common Area. All Lot owners shall be entitled to use of the Common Area in common with the Owners or Lessees of the other lots in Morningstar Lake Subdivision, but such use shall be subject to rules and regulations pertaining to such use as shall be established from time to time by the Association.
- (b) The general arrangement surrounding the sale, lease, use, enjoyment and/or operation of Morningstar Lake Subdivision and the Common Area are as follows:
 - (i) Each Owner, Lessee, occupant, the Declarant and the Association agree to hold, lease, sell, use, convey and operate Morningstar Lake Subdivision and the Common Area pursuant to the understandings, easements, restrictions, covenants and conditions contained in or referred to in this Declaration. Only Declarant is permitted to lease a lot, except an Owner may lease a lot with the consent of the Association.

5. Membership in Association-Voting Rights.

- (a) Every Owner and lessee of a Lot shall be a member in the Association; membership shall be appurtenant to and may not be separated from ownership of a Lot, except as provided herein for Class B, Class C and Class D members.
- (b) On or before March 15, 2003, the Association shall have four classes of voting members as follows:

Class A - Class A members shall be all Owners with the exception of the 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 votes 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.

Class 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. 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 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 Class C Lessee while Class B membership exists.

Class 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.

Class 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.

6. Assessments.

- (a) Declarant hereby covenants for each Lot within Morningstar Lake Subdivision, and each Owner of a Lot is hereby deemed to covenant by signature hereon or by executing an Acceptance Agreement or by acceptance of his deed for such Lot, whether or not it shall be so expressed in his deed, to pay to the Association (1) annual assessments and (2) special assessment for capital improvements. Such assessments shall be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorneys' fees, shall be a charge on the Lot and a continuing lien on each Lot against which such an assessment is made. Each such assessment, together with interest, costs and reasonable attorneys' fees shall also be the personal obligation of the person or persons who own the Lot at the time the assessment fell due, but such personal obligation shall not pass to the successors in title of such person or persons unless expressly assumed by them.
- (b) The annual assessments levied by the Association shall be used exclusively to promote the health, safety, welfare and recreation of the residents in Morningstar Lake Subdivision, and for the improvement and maintenance of the Common Area situated in Morningstar Lake Subdivision. Assessments may be used to carry out the duties and pay the costs of the Association under any management agreement to which it is or becomes a party. The annual assessments shall include generally the areas of maintenance and repair, utilities, equipment for the Common Area, fire insurance and liability insurance, materials, supplies necessary or proper in the opinion of the Board of Directors of the Association as to the operation of the Common Area, for the benefit of Lot Owners, or for the enforcement of these restrictions, and for such other expenses that promote the health, safety, welfare, and recreation of the Lot Owners and Association.
- (c) The maximum annual assessment will be as follows:
- (i) Until December 31, 2003, the maximum annual assessment shall be \$200.00 per year.
 - (ii) From and after January 1, 2004, the maximum annual assessment may be increased each year not more than twenty-five percent (25%) above the maximum assessment for the previous year without a vote of the members.
 - (iii) The Board of Directors of the Association may fix the annual assessment in an amount not in excess of the maximum.
- (d) In addition to the annual assessments authorized above, the Association may levy in any assessment year, a special assessment applicable to that year only for the purpose of defraying in whole or in part, the cost of any construction, reconstruction, repair, replacement or improvement, or other expenditure determined to be necessary by the Board of Directors of the Association for the benefit of Lot Owners and that promotes the health, safety, welfare, or recreation of the Lot Owners and Association in the Common Area, including fixtures and personal property related thereto. Any such assessment must be approved by the

votes of two-thirds (2/3) of the members who are voting in person or by proxy at the meeting.

- (e) Written notice of any meeting called for the purpose of taking any action authorized by paragraphs (c) and (d) above shall be sent to all members not less than ten (10) nor more than thirty (30) days in advance of such meeting. Said notice shall designate the location of the meeting with location being at Morningstar Lake Subdivision or other designated suitable meeting place. The presence of members or of proxies entitled to cast fifty percent (50%) of all the votes of all classes of membership combined shall constitute a quorum for meetings called for purposes authorized by paragraphs (c) and (d) above. In the event the proposed action is favored by a majority of the votes cast at such meeting, but less than the requisite two-thirds (2/3) of the members who are voting in person or by proxy at the meeting, then members who were not present in person or by proxy may give their assent in writing within five (5) days after the date of such meeting. If the required quorum is not present, subsequent meetings may be called subject to the same notice requirement, and the required quorum at each subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.
- (f) Both annual and special assessments must be fixed at a uniform rate for all Lots, provided that all Lots which neither have been sold nor leased by the developer shall be fixed at 50 percent of the amount of the assessment for lots which have been sold or leased at the time the assessment shall have been approved, unless determined otherwise by the Association and provided that Lots which constitute a portion of the common area shall not be liable for any assessments. The annual assessments provided for herein shall commence as to all lots on the date of the first annual meeting. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of the due date thereof and shall fix the dates such amounts become due. Assessments shall be payable at such intervals as the Association shall allow. Notice of the annual assessment shall be sent to every owner subject thereto. The Association shall, on demand, and for a fee, furnish a certificate signed by an officer of the Association setting forth whether the assessment against a specific Lot has been paid, and may, on or before August 1st of each year, cause to be recorded in the office of the County Clerk of Merrick County, Nebraska a list of delinquent assessments as to that date.
- (g) Any assessment not paid within ninety (90) days after the due date shall be deemed to be in default and shall bear interest at the rate of 12% per annum or the maximum legal rate allowed by law, whichever is lesser, from date due until paid. The Association may bring an action at law against the Owner personally obligated to pay the same, or may foreclose a lien against the Lot. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.
- (h) A sale or transfer of any Lot shall not affect the assessment lien. Further, no sale or transfer of any lot shall extinguish the personal liability of the owner of each lot, for the payment of such assessment, without the consent of the Association.

7. **Property Rights.**

- (a) Every Owner of a Lot shall have the right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to such Lot, subject to the following rights of the Association:
- (i) The right to charge reasonable admission and other fees for the use of any recreational facility situated within the Common Area;
 - (ii) The right to suspend the right of use of recreational facilities and the voting rights of any Owner or Lessee for periods during which assessments against his Lot remain unpaid, and the right, after hearing by the Board of Directors, to suspend such rights for a period not exceeding ninety (90) days for any infraction of the published rules and regulations of the Association or violation of this Declaration;
 - (iii) The right to dedicate or transfer all or any part of the Common Area to any municipality, public agency, authority, or utility for such purposes and subject to such conditions as may be agreed upon by the Members. No such dedication or transfer shall be effective unless an instrument executed by Members constituting 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 membership after March 15, 2003, agreeing to such dedication or transfer has been duly recorded.
- (b) Subject to such limitations as may be imposed by the By-Laws, each Owner may delegate his right of enjoyment in and to the Common Area and facilities to the members of his family, his guests, tenants and invitees.
- (c) The following other easements shall exist:
- (i) The Declarant shall retain right to grant easements for installation and maintenance of utilities and drainage facilities. In the event the Declarant conveys the title to the common area to the Association, then the Association shall have the right to grant such easements. No structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may damage, interfere with, or change the direction of flow or drainage facilities in the easements. The easement area of each Lot and all improvements thereon shall be continually maintained by the Owner of such Lot, except for improvements for maintenance of which a public authority utility company is responsible. Power service within the lots, from the meter to the building served, shall be underground.
 - (ii) No dwelling unit or other structure of any kind shall be built, erected, or maintained on any such easement, reservation, right of way, and such easements, reservations and right of way, shall at all times be open and accessible to public and quasi public utility corporation, their employees and contractors, and shall also be open and accessible to Declarant, its

successors and assigns, all of whom shall have the right and privilege of doing whatever may be necessary in, on, under and above such locations to carry out any of the purposes for which such easements, reservations, and rights of way are reserved.

- (iii) There shall exist appurtenant easements of access to all roads within Morningstar Lake Subdivision for the use of all individuals.
- (iv) The Declarant may use portions of the roads within Morningstar Lake Subdivision in the operations of their business. The Declarant shall retain the right to grant easements for these purposes.
- (d) The Association, through its duly authorized employees and contractors, shall have the right after reasonable notice to the Owner thereof, to enter any Lot at any reasonable hour on any day to perform such maintenance as may be authorized herein.
- (e) There shall be no judicial partition of the Common Area, nor shall Declarant, or any Owner or any other person acquiring any interest in Morningstar Lake Subdivision or any part thereof, seek judicial partition thereof. However, nothing contained herein shall be construed to prevent judicial partition of any Lot owned in cotenancy.

8. **Architectural Control.** No building, septic tank (including leach field), water supply well, fence, wall or other structure shall be commenced, erected or maintained within Morningstar Lake Subdivision, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, color, materials and locations of same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three or more representatives appointed by the Board of Directors of the Association. Approval or disapproval shall be based upon the standards established by the Association and approval shall not be unreasonably withheld. Each home, house, cabin or residence shall equal or exceed a minimum size of 1000 square feet of living space with garages, carports and sun porches excluded. Minimum square footage shall be computed by plan view. In the event such Board of Directors, or its designated committee, fails to approve or disapprove such design and location within 20 days after said plans and specifications have been submitted to it, approval will not be required and this paragraph will be deemed to have been fully complied with. Anyone desiring to place any structure on any lot authorized by this Declaration must secure a building permit from the Merrick County Planning Commission before construction is initiated.

9. **Use Restrictions.** Morningstar Lake Subdivision shall be occupied and used only as follows:

- (a) Each Lot shall be used for a single family residence and for no other purpose, unless approved by the Association.
- (b) No regular business of any kind shall be conducted on a Lot or in a residence without the approval of the Association.

- (c) No noxious or offensive activity or nuisance which endangers the health or disturbs the peace and quiet of an Owner shall be carried in or on any Lot with the exception of the business of Declarant or a business owned by Declarant. No sign of any kind shall be displayed in public view on a Lot or the Common Area without the prior written consent of the Association, except customary name and address, signs and lawn signs of not more than nine square feet in size advertising the property for sale or rent and only one (1) sign per Lot.
- (d) Nothing shall be done or kept on a Lot or on the Common Area which would increase the rate of insurance relating thereto, except a business owned and operated by Declarant, without the prior written consent of the Association and no Owner shall permit anything to be done or kept on his Lot or the Common Area which would result in the cancellation of insurance on any residence or on any part of the Common Area, or which would be in violation of any law.
- (e) No animals or livestock of any kind shall be raised, bred, or kept on any Lot or on the Common Area. However, dogs, cats and other household pets may be kept on Lots subject to such rules and regulations as may be adopted by the Association, so long as they are not kept, bred or maintained for commercial purposes. The Lot shall be maintained in a clean, neat and orderly condition and all weeds shall be cut or mowed.
- (f) No rubbish, trash, or garbage, or other waste material shall be kept or permitted on any Lot or on the Common Area except in covered sanitary containers which are regularly emptied and located in appropriate areas concealed from public view. No burning of garbage or other refuse or debris upon the Lot or within Morningstar Lake Subdivision shall be allowed, unless in a designated area marked by the Association.
- (g) No fence, hedge, wall, or other dividing instrumentality over six (6) feet in height measured from the ground on which it stands shall be constructed or maintained on any Lot.
- (h) No building, basement, tent, shack, garage, shed, or temporary building of any kind shall be used as a residence, either temporarily or permanently, except during the time period the Owner or Lessee is building a residence and then only with the written approval of the Board of Directors.
- (i) Nothing shall be altered in, constructed on, or removed from the Common Area except on the written consent of the Association.
- (j) Automobiles or other vehicles may not be dismantled or repaired outside of a garage or residence nor may they be stored upon a Lot for more than seven (7) consecutive days.
- (k) Any building or structure constructed upon a Lot shall be externally completed within 12 months after the commencement of construction.
- (l) All yard lights and outside lights shall have an outside switch thereon so that they may be turned off, except lights installed by the Association.

- (m) The Association shall have the right to establish grades and slopes for all Lots and to fix the grade and location at which any structure will be placed upon a Lot.
- (n) All water wells and septic tanks shall conform to the minimum standards established by the Nebraska Department of Health and the Nebraska Department of Environmental Control. The location of all water wells and septic tanks shall be approved by the architectural committee.
- (o) All applicable zoning rules and regulations shall be complied with as to all construction for residential R-1 district.
- (p) The Owner or Lessee must construct a single family residence and must complete said construction within two (2) years of the date of purchase or lease, unless the Association grants an extension of time to complete construction.

10. Annexation of Additional Property. Additional real property and common property may be annexed to Morningstar Lake Subdivision with the consent of members constituting unanimous votes of all classes of membership before March 15, 2003 and by two-thirds (2/3) of all the votes of all classes of membership after March 15, 2003.

11. General Provisions.

- (a) Declarant, the Association, or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, easements, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by Declarant, the Association, or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. No right of action shall accrue nor shall any action be brought or maintained by anyone against the Declarant for or on account of its failure to bring any action on account of any breach of these covenants, conditions, reservations, or restrictions.
- (b) Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way effect any other provision, which shall remain in full force and effect.
- (c) Covenants and restrictions of this Declaration may be amended by duly recording an instrument executed and acknowledged by 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 entitled to vote after March 15, 2003.
- (d) No breach of any of the conditions herein contained or reentry by reason of such breach shall defeat or render invalid the lien of any mortgage made in good faith and for the value as to Morningstar Lake Subdivision or any Lot therein; provided, however, that such condition shall be binding upon any Owner whose title is acquired by foreclosure, trustee's sale, or otherwise. The covenants and restrictions of this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Association.
- (e) Any notices required to be sent to any Owner pursuant to this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, to the person

who appears as Owner on the records of the Association at the time of such mailing.

12. **Exhibits.** Attached hereto and made a part hereof are the following exhibits:

Exhibit "A" - Legal Description of real estate subject to Declaration.

Exhibit "B" - Legal Description of Common Area.

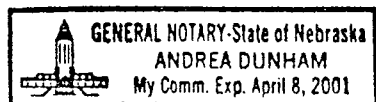
IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed the day and year first above written, by its president and agent.

OVERLAND SAND AND GRAVEL
COMPANY,

By *Merlyn Hansen*
Its President

STATE OF NEBRASKA)
) SS
COUNTY OF POLK)

Be it remembered, that on April 13, 1998 before me, a Notary Public of the State of Nebraska, personally appeared Merlyn L. Hansen, who being by me duly sworn upon his oath, deposes and makes proof that he is the president of Overland Sand and Gravel Company, and as such president has authority to execute as well as make this Declaration on behalf of the corporation, that said Declaration was signed and delivered by Merlyn L. Hansen as and for the voluntary act and deed of said Declarant, in the presence of this Notary Public, who thereupon subscribes his name as attesting witness.



Andrea Dunham
Notary Public

EXHIBIT A

Plat of a tract of land comprising parts of Sections Seven (7), Eight (8), Eighteen (18), and Seventeen (17), Township Fourteen (14) North, Range Four (4) West of the 6th P.M., Merrick County, Nebraska, more particularly described as follows:

Beginning at the Northwest corner of said Section Seventeen (17); thence Northeasterly on a bearing of $N77^{\circ}40'45''E$ for a distance of Two Hundred Sixty-Five and Ninety-One Hundredths (265.91) feet; thence southeasterly on a bearing of $S85^{\circ}42'55''E$ for a distance of Two Hundred Fifty and Sixty Hundredths (250.60) feet; thence southeasterly on a bearing of $S54^{\circ}12'30''E$ for a distance of Six Hundred Forty-Five and Eighty-Three Hundredths (645.83) feet; thence running southwesterly on a bearing of $S04^{\circ}00'15''W$ for a distance of One Hundred Twenty-Two and Nineteen Hundredths (122.19) feet; thence southwesterly on a bearing of $S14^{\circ}11'30''W$ for a distance of One Hundred Sixteen and Thirty Hundredths (116.30) feet; thence southwesterly on a bearing of $S22^{\circ}24'15''W$ for a distance of One Hundred Ninety-Five and Eighty-Eight Hundredths (195.88) feet; thence southwesterly on a bearing of $S52^{\circ}09'55''W$ for a distance of Four Hundred Thirty-Three and Ninety-One Hundredths (433.91) feet; thence southwesterly on a bearing of $S36^{\circ}06'30''W$ for a distance of Seventy-One and Nine Hundredths (71.09) feet; thence southwesterly on a bearing of $S46^{\circ}46'25''W$ for a distance of Three Hundred Ninety-Eight and Seventy-Five Hundredths (398.75) feet; thence southwesterly on a bearing of $S28^{\circ}37'25''W$ for a distance of Four Hundred Seventy-Six and Eighty-Three Hundredths (476.83) feet; thence southwesterly on a bearing of $S48^{\circ}16'55''W$ for a distance of Three Hundred Sixty and Seventy-One Hundredths (360.71) feet; thence southwesterly on a bearing of $S32^{\circ}08'25''W$ for a distance of One Hundred Sixty-Nine and Seventy-Six Hundredths (169.76) feet; thence southwesterly on a bearing of $S55^{\circ}41'50''W$ for a distance of Forty-Nine and Fifty-Nine Hundredths (49.59) feet; thence southwesterly on a bearing of $S83^{\circ}20'55''W$ for a distance of One Hundred Sixty-One and Eighteen Hundredths (161.18) feet; thence northwesterly on a bearing of $N89^{\circ}11'40''W$ for a distance of One Hundred Sixty-Five and Seventy Hundredths (165.70) feet; thence southwesterly on a bearing of $S67^{\circ}59'50''W$ for a distance of Two Hundred Forty-Six and Fifty-Five Hundredths (246.55) feet; thence southwesterly on a bearing of $S74^{\circ}18'00''W$ for a distance of One Hundred Twenty-Nine and Ten Hundredths (129.10) feet; thence northwesterly on a bearing of $N80^{\circ}16'30''W$ for a distance of Ninety-Six and Six Hundredths (96.06) feet; thence northwesterly on a bearing of $N45^{\circ}35'50''W$ for a distance of One Hundred Forty-Seven and Six Hundredths (147.06) feet; thence northwesterly on a bearing of $N20^{\circ}57'35''W$ for a distance of Eighty-Eight and Thirty-Two Hundredths (88.32) feet; thence northeasterly on a bearing of $N16^{\circ}21'35''E$ for a distance of One Hundred Eighteen and Two Hundredths (118.02) feet; thence northeasterly on a bearing of $N01^{\circ}34'45''E$ for a distance of One Hundred Twenty-Two and Eighty-One Hundredths (122.81) feet; thence northwesterly on a bearing of

N03°15'45"W for a distance of One Hundred Sixty-Two and Nineteen Hundredths (162.19) feet; thence northeasterly on a bearing of N04°09'55"E for a distance of One Hundred Seventy-Four and Five Hundredths (174.05) feet; thence northwesterly on a bearing of N0°26'20"W for a distance of Three Hundred Thirty-Six and Twenty-Two Hundredths (336.22) feet; thence northeasterly on a bearing of N58°22'45"E for a distance of Five Hundred Sixty-Two and Forty Hundredths (562.40) feet; thence northeasterly on a bearing of N38° 39'15"E for a distance of Two Hundred Fifty and Four Hundredths (250.04) feet; thence northwesterly on a bearing of N43°23'10"W for a distance of One Hundred Forty-Two and Eighty-Nine Hundredths (142.89) feet; thence northeasterly on a bearing of N43°44'30"E for a distance of Nine Hundred Seventy-Seven and Forty-One Hundredths (977.41) feet; thence southeasterly on a bearing of S26°38'40"E for a distance of Ninety-Three and Sixty Hundredths (93.60) feet to the point of beginning and containing 70.29 acres, more or less.

EXHIBIT B

The Common Area consists of Lot 38, 39, 40, 41, 42, 43, 44, 45, 46, 47 and 48. The Common Area includes all roads and lake, located on said real estate.

The legal description of the Common Area is:

All real estate described in Exhibit "A" above, excepting Lot 1 through 37, Replat of Morningstar Lake Subdivision.