

ARTICLES OF INCORPORATION
-of-
PONDEROSA ACRES ASSOCIATION & RECREATIONAL CLUB, INC.

THE UNDERSIGNED, being over the age of nineteen (19) years, hereby establishes a nonprofit corporation pursuant to the Nebraska Nonprofit Corporation Act, Neb. Rev. Stat. §§ 21-1901 to 21-19,177 and the laws of the state of Nebraska and adopts the following Articles of Incorporation for a nonprofit corporation.

Article 1.

NAME

The name of the corporation is: **Ponderosa Acres Association & Recreational Club, Inc.** (the "Association").

Article 2.

DURATION

The Association shall have perpetual existence unless otherwise dissolved pursuant to law.

Article 3.

PURPOSE AND POWERS

The Association is a **mutual benefit nonprofit corporation**. No part of the net earnings of the Association shall inure (other than by acquiring, constructing, or providing management, maintenance, and care of Common Areas, and other than by a rebate of any excess Annual General Assessment, Special Assessment or other dues, fees, or assessments) to the benefit of any Member or individual. The Association is organized to:

3.1. Provide for the acquisition, construction, management, maintenance, and care of the property described in the Declaration of Covenants, Conditions, and Restrictions for Ponderosa Acres Subdivision, Cedar County, Nebraska (the "Declaration"), and any additions thereto as may be brought within the jurisdiction of the Association (together with the property described in the Declaration, the "Property"), to be recorded in the office of the Register of Deeds for Cedar County, Nebraska, and all amendments thereto; said Declaration is incorporated herein as if set forth at length and the terms which are defined in the Declaration shall have the same meanings herein unless otherwise defined;

3.2. Obtain, manage and maintain services for the Property, or sections thereof, as necessary and deemed by the Board of Directors;

3.3. Take other acts or action which would promote the health, safety or welfare of the Owners and Residents;

3.4. Exercise all powers and perform all duties of the Association as set forth in the Declaration and these Articles of Incorporation, the documents of the Association, and the Nebraska Nonprofit Corporation Act, Neb. Rev. Stat. §§ 21-1901 to 21-19,177;

3.5. Adopt and amend budgets for revenues, expenditures, and reserves, and fix, levy, collect and enforce payment of, by any lawful means, all charges and assessments pursuant to the terms of the Declaration; and pay all expenses in connection therewith and all other expenses incident to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the Property, in its own name, in connection with the affairs of the Association;

3.6. Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, encumber, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property or interests therein, in its own name, in connection with the affairs of the Association upon receipt of any approval of Members as may be required in the Declaration;

3.7. Borrow money and, with the approval of Members as required by the Declaration, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property or interests therein as security for money borrowed or debts incurred and assign or pledge its right to receive future income including assessments;

3.8. Engage in activities that will actively foster, promote and advance the common interests of all Members;

3.9. Hire and terminate managers and other employees, agents, and independent contractors;

3.10. Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Owners on matters affecting the Common Areas or the Property;

3.11. Enforce covenants, restrictions, and conditions affecting the Property to the extent the Association may be authorized to do so under the Declaration;

3.12. Enter into, make, perform or enforce contracts, licenses, easements, leases and agreements of every kind and description, incur liabilities, and do all other acts necessary, appropriate or advisable in carrying out any purpose of the Association with any person, firm, corporation or other entity or agency, public or private; provided, however, that the following contracts and leases, if entered into before the Board of Directors elected by Owners takes office subsequent to termination of the Development Period, may be terminated without penalty by the Association at any time after such date, upon not less than ninety (90) days' notice to the other party:

- A. Any management contract, employment contract, or lease of recreational or parking areas or facilities;
- B. Any other contract or lease between the Association and Declarant or an affiliate of a Declarant; or
- C. Any contract or lease that is not bona fide or was unconscionable to the Owners at the time entered into under the circumstances then prevailing; and

3.13. Adopt, alter and amend or repeal such Bylaws or rules authorized by the Declaration and to promulgate and publish such rules as may be necessary or desirable for the proper management of the affairs of the Association; provided, however, that they shall not be inconsistent with or contrary to any provision of these Articles of Incorporation, the Declaration, or the laws of the State of Nebraska.

Article 4.

MEMBERSHIP

Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot which is now or hereafter subject to assessment as provided in the Declaration, including contract sellers, shall be a Member of the Association. Acquisition by such Owner of an interest in a Lot shall be deemed such Owner's consent to admission as a Member, and such membership may not be terminated without divestiture of such interest in a Lot. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment. A transfer of membership shall occur automatically upon the transfer of title to the Lot to which the membership pertains.

Article 5.

VOTING RIGHTS

5.1. The Association will have voting Members as follows:

- A. Class A.** Class A Members shall be all Owners (with the exception of the Declarant as provided in the Declaration). A Person shall automatically become a Class A Member upon becoming an Owner and shall remain a Class A Member for so long as he is an Owner; and
- B. Class B.** The Class B Member shall be the Declarant.

5.2. Each Class A Member shall be entitled to one (1) vote on each matter submitted to the members for each Lot owned by such Class A Member which is not Exempt Property. Any Class A Member who is in violation of the Declaration, as determined by the Board of Directors in accordance with the provisions set forth in the Declaration, shall not be entitled to vote during any period in which such violation continues. If a Lot shall be owned by more than one Owner, such Owners shall be deemed to constitute a single Class A Member as to such Lot and shall collectively be entitled to a single vote for such Lot as to each matter properly submitted to the Members.

5.3. The Class B Member shall be entitled initially to three (3) votes for each Lot owned. The Class B membership shall terminate and become converted to Class A membership upon the happening of the earlier of the following:

- A.** When the total outstanding Class A votes equal or exceed the total Class B votes;
- B.** December 31, 2017; or
- C.** Such earlier time as Declarant in its sole discretion, determines.

5.4. During the Development Period, except as may otherwise be provided in the Declaration, the Declarant may appoint and remove all officers and members of the Board of Directors. The Declarant may voluntarily surrender the right to appoint and remove officers and members of the Board of Directors before termination of the Development Period; but, in that event, the Declarant may require, for the duration of the Development Period, that specified actions of the Association or Board of Directors, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

Article 6.

REGISTERED OFFICE AND AGENT

The registered agent of the Association is **Kevin M. Becker** and address for the registered agent is **56347 7th St., Saint Helena, Nebraska 68774.**

Article 7.

PRINCIPAL PLACE OF BUSINESS

The address of the Association's initial principal office is **56347 7th St., Saint Helena, Nebraska 68774.**

Article 8.

BOARD OF DIRECTORS

The affairs of the Association shall be managed by a Board of not less than three (3) nor more than seven (7) Directors, as set forth in the Bylaws, except that until termination of the Development Period the Board of Directors shall consist of three (3) Directors. Directors shall be Members which, in the case of Declarant, may include any director, officer, employee or authorized agent of Declarant and, in the case of other Members who are entities, may include authorized appointees of each such Member. The number of Directors may be changed by amendment of the Bylaws of the Association.

The Association shall indemnify its Directors to the full extent permitted by Nebraska law. The personal liability of a Director, other than Declarant appointed Directors, to the Association or its members for monetary damages for breach of fiduciary duty as a Director is eliminated; except that this shall not eliminate or limit the liability of a Director to the Association or its members for monetary damages for:

- A. any breach of the Director's duty of loyalty to the Association or its members;
- B. wanton or willful acts or omissions;
- C. any transaction from which the Director derived an improper personal benefit; or
- D. any act or omission occurring prior to the date when this provision becomes effective.

Article 9.

INCORPORATOR

The incorporator is **Keelan Holloway**, whose address is **108 Oak St., Laurel, Nebraska 68745.**


Article 10.

MISCELLANEOUS

10.1. No contract or other transaction between the Association and any person, firm, partnership, corporation, trust, joint venture syndicate or other entity shall be in any way affected or invalidated solely by reason of the fact that any director or officer of the corporation is pecuniarily or otherwise interested in, or is a director, officer, shareholder, employee, fiduciary, agent or member of such other entity, or solely by reason of the fact that any officer or director, individually or through any entity in which such director or officer is in any way interested, may be a party to or may be interested in a contract or other transaction with the corporation.

10.2. The Association reserves the right to amend these Articles from time to time in any manner now or hereafter permitted by law. Amendment of these Articles shall require the assent given in writing by not less than seventy-five percent (75%) of the Members present, in person or by proxy, at an annual meeting of the Members or at a special meeting called for this purpose; provided, however, that no amendment to these Articles of Incorporation shall be contrary to or inconsistent with any provision of the Declaration.

IN WITNESS WHEREOF, the undersigned, being the incorporator designated in the foregoing Articles of Incorporation, has executed these Articles in duplicate this 5th day of April, 2016.


Keelan Holloway, Incorporator

STATE OF NEBRASKA,)
)ss.
COUNTY OF CEDAR.)

I hereby certify that on the 5th day of April, 2016, personally appeared before me Keelan Holloway, Incorporator of Ponderosa Acres Association & Recreational Club, Inc., who signed the foregoing Articles of Incorporation and declared such as his free and voluntary act for the uses and purposes therein contained.



Christine A. Monk
Notary Public