

**BY-LAWS
OF
BAR K AIRPORT PROPERTY OWNERS ASSOCIATION, INC.**

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is the Bar K Airport Property Owners Association, Inc., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 20552 Highland Lakes Drive, Lago Vista, Texas 78645, but meeting of members and directors may be held at such places within the State of Texas, County of Travis, as may be designated by the Board of Directors.

**ARTICLE II
DEFINITIONS**

Section 1. "Association" shall mean and refer to the Bar K Airport Property Owners Association, Inc. its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned or managed by the Association for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot or Outparcel which is a part of the Properties, including contract seller, but excluding those having such interest merely as security for the performances of an obligation.

Section 6. "Declarant" shall mean and refer to Lago Vista Airport, Inc. and assigns.

Section 7. "Declaration" shall mean and refer to the declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the Clerk of Travis County, Texas.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

**ARTICLE III
MEETING OF MEMBERS**

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month each year thereafter, at the hour of 10:00 A.M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meeting of the members may be called at any time by the President or by a majority of the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the membership.

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Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such members to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-half (1/2) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot or Outparcel.

**ARTICLE IV
BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE**

Section 1. Number. The affairs of this Association shall be managed by a Board of not less than three (3) not more than five (5) Directors.

Section 2. Term of Office. At the first annual meeting the members shall elect one Director for a term of one year, two Directors for a term of two years, and two Directors for a term of three years; and at each annual meeting thereafter the members shall elect one or two directors, as the case may be, for a term of three years.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation, or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

**ARTICLE V
NUMBER AND CLASSIFICATION OF DIRECTORS**

Section 1. Number. The number of directors of the corporation shall be not less than three (3) nor more than five (5), but the number of directors may be changed (providing a decrease does not shorten the term of any incumbent director) from time to time by amendment of these By-Laws, provided the number of directors shall never be less than three.

Section 2. Classification of Directors. The term of the directors shall be three (3) years, except for the directors elected at the first annual meeting of the members. At the first annual meeting of the members one director shall be elected for a one year term, two for a two year term and two for a three year term. Thereafter, at each annual meeting of members the membership shall elect directors as their terms expire.

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**ARTICLE VI
MEETINGS OF DIRECTORS**

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held annually at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meeting of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the constituted number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

**ARTICLE VII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

Section 1. Powers. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations, including the establishment of non-member usage fees, governing the use of the Common Area and facilities, and the personal conduct of the members, their guests, and other non-members, thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the common area and facilities of a member during any period in which such member shall be in default in the payment of any maintenance fee or assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days, for infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

(d) declare the office of a member of the Board of Directors to be vacant in the event such members shall be absent from three (3) consecutive meetings of the Board of Directors; and

(e) employ a manager, an independent contractor, or such other employees as they deem necessary and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-third (1/3) of the Class A members who are entitled to vote;

(b) supervise all officers, agents and employees of this Association and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the maintenance fee and submit for approval of the membership at a special meeting any special assessments against each Lot and Outparcel;

(2) send written notice of any special assessment to every Owner subject thereto at least thirty (30) days in advance of the due date;

(3) at its discretion, file a lien against any property for which maintenance fees and special assessments are not paid within thirty (30) days after due date;

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(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any fee or assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states fee or assessment has been paid, such certificate shall be inclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association'

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Area to be maintained.

**ARTICLE VIII
OFFICERS AND THEIR DUTIES**

Section 1. Enumeration of Officers. The officers of this Association shall be a President and Vice President, who shall at all times be members of the Board of Directors, a Secretary and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign by delivering notice to the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Duties. The duties of the officers are as follows:

President

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice President

(b) The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members, serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses and shall perform such other duties as required by the Board.

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Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular meeting, and deliver a copy of each to the members.

**ARTICLE IX
BOOKS AND RECORDS**

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

**ARTICLE X
ASSESSMENTS**

Section 1. Basis of Maintenance Fees. The fee shall initially be established at \$ 120.00 per Annum, per Lot and Outparcel, and operational aircraft owned by lot or outparcel owners in excess of one per lot or outparcel, payable in advance. From and after April 1, 1994, the fee may be increased or decreased as hereinafter provided. The Board of Directors of the Association may, after consideration of current maintenance costs and future needs of the Association, fix the actual fee at a different amount. As more fully provided in the Declaration, each member is obligated to pay to the Association maintenance fees and special assessments as established in the Declaration, which are secured by a continuing lien upon the property against which the maintenance fee and assessment is made. Any fee or assessments which are not paid when due shall be delinquent. If not paid within thirty (30) days after the due date, the delinquent amount shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum, and the Association may bring action at law against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount due. No Owner may waive or otherwise escape liability for the fees or assessments provided for herein by nonuse of the Common Area or abandonment of his Lot or Outparcel.

Section 2. Change in Basis of Maintenance Fees. Subject to the limitations of Section 1 hereof, and for the periods therein specified, the Board of Directors of the Association may set the amount of the maintenance fee by a majority vote at a meeting called for such purpose; however, any such amount so established may be changed or modified by the members of the Association upon a vote of two-thirds the Association's membership, voting in person or by proxy, at a meeting duly called for such purpose, written notice of which shall be given to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting, but in no event shall the fee be reduced below the actual or budgeted cost of operating the Association and performing the duties and obligations hereunder as evidenced by the actual costs experienced during the previous year.

Section 3. Special Assessments. Special assessments can only be used for improvements or emergency repairs to the runway, dedicated easements, or other matters relating to safety and security of the runway and its use. The total of special assessments shall not exceed in any consecutive twelve month period an amount equal to the current annualized maintenance fee in effect on the assessment date. Special assessments will not be levied without a special meeting of the Association membership and the assessment approved by a majority of the members.

**ARTICLE XI
AMENDMENTS**

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

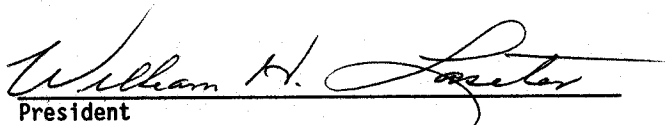
Section 2. In the case of any conflict between by Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

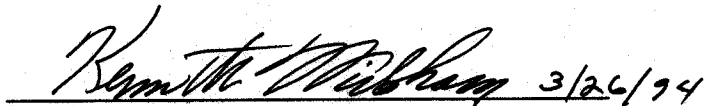
**ARTICLE XII
MISCELLANEOUS**

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

The foregoing was adopted as the By-Laws of Bar K Airport Property Owners Association, Inc., at the first meeting of the Board of Directors.

APPROVED:


President


Secretary 3/26/94