

BYLAWS

of

DUCOTE AIR PARK PROPERTY OWNERS ASSOCIATION

APRIL 15, 2023

I. PRINCIPAL OFFICE

The principal mailing address of the office of the Association shall be located at 8969 Ducote Air Park Road, San Angelo, Texas 76904. The address of the principal office may be changed at the discretion of the Board of Directors. Association records will be located at the home or office of the Secretary/Treasurer.

II. PRINCIPAL MISSION

Ducote Air Park is comprised of two separately platted sections and the associated runway and related lands; Section I consists of 31 lots, and Section II originally consisted of 24 lots, for a total of 55 lots. Later, 3 lots of Section 2 were merged to form a single lot, leaving 53 total lots. Ducote Air Park Property Owners Association (DAPPOA) is an unincorporated property owners association governed by the laws of the State of Texas. DAPPOA is organized to preserve Ducote Air Park as originally platted in Section I and Section II plats recorded in the Public Records of Tom Green County, Texas (as amended by the merger of the aforementioned 3 lots into 1 lot in Section 2) in form, function and philosophy. Ducote Air Park is a small residential and limited commercial activity Air Park. The philosophy of the Air Park is that the Members make the major decisions about how the Air Park is operated. The function of the Board of Directors of DAPPOA, including all Officers, Director(s) and Airport Manager is to monitor and arbitrate disputes, uniformly enforce the provisions of the Dedication and Restrictions (See Section XVIII for Definitions), these Bylaws and the plats, deal with emergency situations on behalf of the entire Membership, and to run and maintain the Air Park on a day to day basis. The Air Park day to day operations are run by an elected Board of Directors. All major decisions (not made on an emergency basis) concerning the running, management, maintenance, liability or operation of the Air Park shall normally be made by the Members at a Semi-Annual, Regularly Scheduled, or Special meeting.

III. MEMBERSHIP/MEMBERSHIP MEETINGS

1. **MEMBERS.** All persons, trustees of trusts, officers or designated representatives of corporations, LLCs, LLPs or other business organizations or partnerships owning a lot, a portion of a lot, or more than one lot located at Ducote Air Park are automatically Members of the Association. Ownership interest is determined by a duly recorded instrument in the Public Records of Tom Green County, Texas. An Association Member's membership shall automatically terminate upon the sale or disposal of all of their interest in Ducote Air Park.
2. **VOTING RIGHTS.** Each lot shall be entitled to one vote on each and every issue at all Association meetings to be exercised by the respective Member. Any vote may be cast in person or by proxy executed in writing and filed with the Secretary/Treasurer. If a lot is owned jointly by more than one person, trust or business organization, the vote to which the lot is entitled may be cast by any of the joint owners; provided, however, that if more than one of the joint owners cast a vote to which their lot is entitled, the vote will constitute only a single vote and conflicting votes between/within the joint owners will cancel each other out.
3. **SEMI-ANNUAL MEETING.** A Semi-Annual Spring Meeting of the Members shall be held near the end of March of each year at such time and place as may be designated by the Board of Directors for the purpose of electing president, vice president, secretary-treasurer,

director and airport manager and for the transaction of such other business as may come before the meeting. A Semi-Annual Meeting of the Members shall also be held in the fall of each year. Additional regularly scheduled meetings may be established or discontinued by the Members at any meeting.

4. SPECIAL MEETINGS. Special meetings may be called by the President or by the Board of Directors, or by the written request of at least 10 percent of the voting rights of the Members, for any purpose and at any time.

5. EMERGENCY MEETINGS. An emergency meeting may be called by the President, or in the absence or inability of the President, by the Vice President. The nature of the emergency will be identified and the agenda will be limited to that emergency.

6. NOTICES OF MEETINGS.

a. SEMI-ANNUAL, REGULARLY SCHEDULED OR SPECIAL MEETINGS OF MEMBERS: Notices shall be by e-mail, fax, USPS mail or hand delivery to each Member at the address as shown in the Association Records at least 30 days before such meeting. The notice will state the time and date, location of and purpose of the meeting. Members may waive such notice and may act by written agreement with or without meetings provided a majority (27 votes) of all voting interests concur in such action, provided all Members are notified in advance of such proposed action.

b. EMERGENCY MEETING OF THE MEMBERS: Notice shall be given 14 days in advance of the meeting to each Member at the address as shown on the Association records, either in person, by telephone, fax, USPS mail or e-mail. The notice will identify the time and date, location of and the emergency and the meeting agenda will be limited to that emergency. Members may waive such notice and may act by written agreement with or without meetings provided a majority (27 votes) of all voting interests concur in such action, provided all Members are notified in advance of such proposed action.

7. AGENDA. An agenda with all known agenda items will be included with the Notice of Meeting for all Semi-Annual, Regularly Scheduled and Special Meetings. Agenda items will be compiled by the Board of Directors, but may be submitted by any member. Additional items may be brought before the meeting without being placed on the Agenda under either "new business" or "old business" by any member present at the meeting. Emergency Meetings will contain only the emergency subject and need no agenda.

8. QUORUM. A quorum shall be represented by the voting interest of the number of Members present and the proxies delivered for any Semi-Annual, Regularly Scheduled, Special or Emergency Meeting. A simple majority (51%) of all voting rights present in person or otherwise represented (including by proxy) shall decide any question brought before the meeting, except when otherwise required by these Bylaws.

9. ABSENTEE/PROXY VOTING. A Member who cannot attend a meeting may designate another Member to cast the absent Member's vote(s) by general proxy for that specific meeting. This general proxy applies only to non-agenda items addressed in the course of a DAPPOA meeting. For all agenda items including, but not limited to, expenditures in excess of \$1,000.00 of DAPPOA capital or for capital improvements, a Member must submit a written, signed vote specifically addressing each agenda item called for vote. Both the general proxy and specific agenda item votes may be contained in one properly executed proxy. Passage of agenda items as listed above requires a simple majority (51%) of the Quorum, including absentee/proxy votes. Votes required to raise/lower, implement or discontinue assessments or fees are addressed in Section VIII, Paragraph 3 below. See Exhibit G for Sample Proxy.

10. APPEALS. Any member may appeal an adverse decision by the Board of Directors to the General Membership of the Association at the next Semi-Annual, Regularly Scheduled or Special or Emergency Membership Meeting. A final decision on the matter will be made by a majority (51%) of the quorum present at the General Membership Meeting.

IV. NON-MEMBERS (RENTERS/INVITEES)

1. GENERAL. No renter or invitee shall be a Member or have any voting rights in DAPPOA. Any Member who rents, loans or allows the use of his property on Ducote Air Park by any non-member individual, trust or business entity (invitee) is responsible for the actions of that renter or invitee. All Members shall be responsible to monitor the aircraft operations of their respective non-members. Infractions of Ducote Airport Operating Rules or Federal Aviation Regulations by non-members shall be reported to Airport Manager or a Board of Directors Member, if the Airport Manager is not available, for further action.

2. RULES AND REGULATIONS. Each Member who allows renters or invitees on their property shall supply the renter/invitee with a copy of the Airport Operating Rules and Regulations, the Ducote Air Park Maintenance Standards, and the Release and Hold Harmless Agreement referenced below. These documents are attached to these Bylaws as Exhibits D, E and F.

3. ASSESSMENTS AND FEES. Each Member shall be assessed such additional fees and assessments as are enacted by the Members of the Association to cover the additional use of Ducote Air Park. A list of current Assessments and Fees for renters/invitees is attached as Exhibit A. These assessments and fees, once assessed, shall become a part of the Member's Annual Assessment and are covered by all rules governing those assessments, including interest for past due payments and lien on property for non-payment or late payment. See also Section VIII, paragraph 10, and Section XVIII (Keep Ducote Air Park Aviation Related).

4. LIABILITY LIMITATION. Due to the increased liability and risk to the Members by non-members operating aircraft at Ducote Air Park, a Release and Hold Harmless Agreement (Release) has been drafted and adopted by the Members. It is the responsibility of every Member who has renters or invitees to have a Release executed by every individual operating an aircraft on Ducote Air Park who is not a Member. The original Release is to be supplied to the Secretary/Treasurer of the Association. A copy of the Release and Hold Harmless Agreement is attached to these Bylaws as Exhibit F. No Non-Member, Renter, or Invitee may operate an aircraft at Ducote Air Park until executing and delivering the fully executed Release and Hold Harmless Agreement.

V. BOARD OF DIRECTORS

1. POWERS. The Board of Directors shall have all powers necessary to manage the affairs of the Association and to discharge its rights, duties, and responsibilities as provided in these Bylaws.

2. AIR PARK MANAGEMENT. Actions in running Ducote Air Park will include, but are not limited to, the following:

a. Monitor and uniformly enforce compliance with the current Dedication and Restrictions, Bylaws, plats, Airport Rules and Regulations, the Architectural Standards and Maintenance Standards.

b. Plan for accumulating necessary funding levels to support the function, maintenance and repairs of runway, taxiways, roads, water systems, and other community assets taken on by the Members collectively, and further implement the plans.

c. Establish procedures for initiating, setting, raising, lowering, or eliminating

assessments, as provided in these Bylaws, as required to maintain airport functions and property values.

d. Coordinate with Ducote Air Park, Inc. for maintenance and improvements of the Air Park property.

e. Recommend changes to the Membership if changes are determined to be desirable or necessary.

f. Uniformly arbitrate disputes.

g. Other legal and necessary action to protect the Air Park and Members' property values.

3. NUMBER. The number of members of the Board shall be determined by resolution of the DAPPOA membership, but shall be odd in number and in no event shall be less than three members.

4. QUALIFICATION. Each Board member shall be a Member, or a spouse of a Member or a duly authorized officer or designated representative of a corporation, LLC, LLP, business entity or trustee of a trust owning a Ducote Air Park lot. All Board members shall act without compensation unless otherwise provided in these Bylaws or by resolution of the DAPPOA Membership.

5. ELECTION AND TERM. Except as hereinafter provided, the term of each Board member shall expire upon the election of a successor. The President, Vice-President and Secretary/Treasurer shall serve two-year terms, and will be elected at the Spring Semi-Annual Meeting on even numbered years. The Airport Manager and Director shall serve two-year terms, and will be elected at the Spring Semi-Annual Meeting on odd numbered years. At each Semi-Annual Meeting of Members thereafter, Board members shall be elected for two-year terms to fill the vacancies of those Board members whose terms are then expiring. All Board members shall serve until their respective successors have been elected and qualified, or until their earlier resignation or removal.

6. GENERAL BOARD OF DIRECTORS MEETING REQUIREMENTS. All actions taken by the Board of Directors shall be taken at an Annual, Regularly Scheduled, Special or Emergency meeting of the Board. Private or informal meetings or conversations among the Board members not duly noticed is not sufficient for the Board to initiate any action.

7. REGULAR MEETINGS. A Semi-Annual Meeting of the Board of Directors shall be held in conjunction with or immediately after, and at the same place as, the Semi-Annual Meeting of the membership. Additional Regularly Scheduled meetings may be held as provided by resolution of the Board.

8. SPECIAL MEETINGS. Special meetings of the Board may be called by the President, or in the President's absence or inability, by the Vice President or by a majority of the Board members for any purpose and at any time or place.

9. EMERGENCY MEETINGS. Emergency Meetings of the Board may be called by any member of the Board when the emergency arises.

10. NOTICES. Notice of every meeting of the Board, except an emergency meeting, shall state the date, time and location of the meeting and be delivered to each Board Member at his address shown in DAPPOA records 5 days in advance of the meeting via e-mail, fax, USPS mail or hand delivery, unless notice is waived by such Board Member. Notices of Special Meetings shall additionally state the purpose of the meeting. Notice of every meeting of the Board, except an Emergency Meeting, shall be delivered to the DAPPOA Members via e-

mail, fax or USPS mail at the same time that notice is provided to the Board Members, but in every event at least 48 hours in advance of the meeting. The Board may schedule regular, recurring meetings at the Board's discretion. Once notice of regular, recurring Board meetings is posted and communicated to the Board and to the general DAPPOA Membership, no further notice is required for such Regularly Scheduled Meetings. All meetings of the Board shall be open to all DAPPOA Members or their designated representatives.

11. **QUORUM.** A majority of Board members shall constitute a quorum. If a quorum is not present, a majority of those present may adjourn or continue the meeting. Once a quorum has been established, the vote of a majority of Board members present shall decide any matter before the Board, except as may be otherwise required by these Bylaws.

12. **REMOVAL.** Any Board member may be removed by a majority vote of the DAPPOA Members present or otherwise represented at a Semi-Annual, Regularly Scheduled, Special or an Emergency Meeting. The vacancy created shall be filled for the balance of the term of such Board member by the election of a new Officer, Director or Airport Manager at the same meeting by the DAPPOA Members. If for any reason the Members fail to elect a new replacement Officer, Director or Airport Manager, the remaining members of the Board of Directors by majority vote shall appoint Members to fill the vacancy.

VI. OFFICERS/BOARD MEMBERS

1. **NUMBER.** The officers shall be a President, a Vice President, and a Secretary/Treasurer, each of whom shall be elected by the Membership. An Airport Manager and a Director, also elected by the Membership, will also serve on the Board of Directors. Such assistant officers or airport managers as may be deemed necessary may be appointed by the Board of Directors.

2. **DUTIES.** The Officers, Director and Airport Manager constituting the Board of Directors are responsible for the day to day operations of Ducote Air Park and for DAPPOA plans and programs as defined by the Members in the Semi-Annual, Regularly Scheduled or Special Membership Meetings and as described in these Bylaws. Some examples, but not limitations of, such programs are:

- a. a program for future routine maintenance anticipating needs and availability of funds;
- b. plans for timing and funding of improvements, which plans should be updated at each general meeting;
- c. coordinate with Ducote Air Park, Inc. the funding and timing of road, taxiway, runway and common area repairs and maintenance.

It is expected that once elected, each Officer, Director and Airport Manager will diligently and in good faith serve and complete the specified term of office.

3. **PRESIDENT.** The President shall be the principal executive officer of the Association, Chairman of the Board of Directors and shall supervise all of the affairs of the Association. The President shall preside at all meetings of Members and the Board. The President shall sign all agreements and recordable instruments on behalf of the Association, unless otherwise provided by resolution of the Board of Directors.

4. **VICE-PRESIDENT.** In the absence of the President, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers and responsibilities of the President. The Vice-President shall also perform such duties as may be designated by the President or Board of Directors.

5. **SECRETARY/TREASURER.** The Secretary/Treasurer may attest to any

agreement or recordable instrument on behalf of the Association, but such attestation shall not be required. The Secretary/Treasurer shall record the minutes of all meetings of Members and of the Board of Directors. In recording the minutes of the Members' meetings, the Secretary/Treasurer shall record the number of "yea" and number of "nay" votes on every voting item at Membership meetings, or in the case of no opposing votes, the fact that votes have passed without opposition. The Secretary/Treasurer shall maintain a book of minutes for both the Membership meetings and the Board of Directors meetings, and a "summary of decisions" shall be kept in front of the books for quick reference. The Secretary/Treasurer shall have the primary responsibility, but not the exclusive right, to prepare the agenda and the proxies, and to give notices required by these Bylaws. The Secretary/Treasurer shall have custody of and maintain the records of the Association. The Board of Directors may appoint an Assistant Secretary/Treasurer, who shall perform the duties of the Secretary/Treasurer when the Secretary/Treasurer is absent. The Secretary/Treasurer, acting as Treasurer shall have custody of all funds of the Association, shall deposit the same in such depositories as may be selected by the Board of Directors, shall disburse the same, and shall maintain the Association's financial records. All of the Association records shall be available for inspection by any Member by appointment during normal business hours.

The Secretary/Treasurer shall be compensated for Association labors performed. The Members of the Association shall set the amount of compensation for the Secretary/Treasurer, payable monthly, quarterly or semi-annually. This compensation may be amended by a majority of the Members present (the quorum) at any meeting of the Members. The current compensation, listing the latest date of amendment, is attached as Exhibit B.

The Secretary/Treasurer shall withhold voting at all Board of Directors meetings unless there is a tie vote. In the case of a tie vote the Secretary/Treasurer shall cast the tie breaking vote.

6. AIRPORT MANAGER. The Airport Manager must be a Member or spouse who resides on the Air Park and who has knowledge of airport operations. The Airport Manager shall monitor the airport for safety, maintenance or needed repairs and will report to the Board of Directors any items that need attention. An assistant Airport Manager may be appointed by the Board of Directors to perform the duties of an absent Airport Manager.

7. DIRECTOR. The Director represents the interests of all Members in general, with emphasis on representing the interests of non-resident Members.

8. VACANCIES. A vacancy in the Board of Directors created by the death or resignation of a Board member shall be filled for the balance of the term of such Officer/Director/Airport Manager by vote of the remaining Board of Directors, even though less than a quorum remains by reason of such vacancy(ies). In the event of a tie election, the deciding vote shall be cast by the acting President of Ducote Air Park, Inc. Resignation of a Board member shall be made in writing, addressed to the Board of Directors and delivered to the President. The written resignation shall clearly state the reason for the resignation. If there are no members of the Board of Directors remaining, the immediate Past President (not the resigning President, but the individual who occupied the presidency prior to the resigning President) of the Association shall call and preside over an Emergency Meeting of the Members for the purpose of electing new Board members to fill the remaining terms of the absent Board of Directors. If the Past President of the Association is not available or refuses to make such arrangements, the current President of Ducote Air Park, Inc. shall make arrangements for, and preside over, the Emergency Meeting of the Members to fill the Board vacancies.

VII. CONTRACTS AND FINANCES

1. CONTRACTS. In addition to the authority granted to the President and Vice-President, the Board of Directors may authorize any officer or agent to execute and deliver any contract or other instrument on behalf of the Association in compliance with the restrictions

listed in this section and elsewhere in these Bylaws in order to conduct routine DAPPOA activities.

2. **LOANS.** No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors and ratified by a vote of the Members prior to obtaining the loan. If so authorized, the Board may permit a lien to be placed upon any property owned by the Association and the pledge and assignment of any regular or special assessment and the lien rights of the Association as security for the repayment of any loan as approved by the General Membership.

3. **CHECKS AND NOTES.** All checks, drafts, and other orders for payment of money issued in the name of the Association shall be signed by two members of the Board of Directors. A minimum of three of the members of the Board of Directors shall be signatory on the bank's signature authorization card. All promissory notes or other evidences of indebtedness of the Association shall be signed by the President or Vice-President and by the Secretary/Treasurer.

4. **DEPOSITS.** All funds of the Association shall be deposited to the credit of the Association in one or more accounts located in banks, savings and loan associations, or other depositories as the Board of Directors may select.

5. **ROUTINE EXPENDITURES.** The Board of Directors is entrusted to conduct the day to day business for Ducote Air Park on behalf of the Members as provided in these Bylaws and as approved or amended in General Membership Meetings. To accomplish the routine activities of the Association as provided in these Bylaws, the Board is authorized to expend Association funds. Day to day business primarily consists of, but is not limited to, routine, recurring maintenance, repairs and services not to exceed \$1,000.00 per item, payment of taxes, weed control and mowing of community property.

6. **EMERGENCY EXPENDITURES.** The Board of Directors may authorize emergency funds for emergency purposes as necessary to maintain the day to day activities of Ducote Air Park. Examples of emergency expenditures include, but are not limited to, water system repairs, holes/damage to the runway, taxiway or road. All Board members must be contacted to approve emergency expenditures of DAPPOA funds of \$1,000.00 or more. For amounts less than \$1,000.00 a simple majority of Board members assent is required. Emergency expenditure authorization hereby given to the Board of Directors is not intended to circumvent Section VII, Paragraph 7 entitled "Spending Authority" below by designating expenses as "emergency" expenses when they are not truly emergencies.

7. **SPENDING AUTHORITY.** Except as noted above, all expenditures of Ducote Air Park funds must be approved in advance at a Semi-Annual, Regularly Scheduled, Special or Emergency Membership Meeting or, in an emergency, by documented telephone poll of the entire DAPPOA Membership, with the affirmative votes of a majority (27 of the 53 votes.) Nothing contained in this Section authorizes an increase, decrease, creation, modification, amendment or termination of an assessment, which is controlled by Section VIII.

8. **FISCAL YEAR.** Unless otherwise established by resolution of the Board of Directors, the fiscal year of the Association shall be the calendar year beginning on the first day of January and ending on the last day of December of each year.

VIII. ASSESSMENTS

1. **GENERAL.** Maintenance, repairs and improvements of Ducote Air Park, Inc. and/or common property or services, as well as expenses of the Association, are funded by assessments to lot owners. So that funds are readily available when needs arise, assessments are levied in advance on an annual basis. As provided in these Bylaws, special assessments

may be levied by the Members at a Semi-Annual, Regularly Scheduled or Special Membership Meeting or non-compliance assessments will be levied against non-compliant Property Owners on a uniform basis by the Board of Directors, as covered in Sections VIII, paragraph 4 through 10, Section IX, paragraph 4, Section X, paragraph 2, and Section XIV. Collected funds are to be deposited and accumulated in the DAPPOA bank account as Ducote Air Park reserves and operating funds. A list of the current assessments, with the latest date of amendment is attached as Exhibit A.

2. ASSESSMENT CATEGORY. Fund reserves will be accumulated in the following areas:

- a. Runway Fund;
- b. Road Fund;
- c. Trash Disposal Fund;
- d. Water Usage Fund;
- e. Miscellaneous Expenses Fund;
- f. Special Assessments;
- g. Contingency Fund; and
- h. Such other funds as are properly approved by the Membership.

3. AMENDMENT OF ASSESSMENT. With the exception of the Water Fund and the Trash Fund, which can be modified at any time by action of the Board of Directors based on actual costs and necessary revenues to provide such service, or as otherwise provided in these By-Laws, a 75% majority of the voting shares present, in person or by proxy, at a regularly scheduled spring or fall semi-annual meeting is required to raise, lower, amend, modify, or discontinue any existing assessments, establish new assessments, or to institute or modify any Special Assessment. At any meeting other than regularly scheduled spring or fall semi-annual meeting, with the exception of the Water Fund and the Trash Fund as stated above, a 75% majority of ALL VOTING SHARES (40 votes out of 53 total available votes) is required to raise, lower, amend, modify, or discontinue any existing assessments, establish new assessments, or to institute or modify any Special Assessment.

(This Amendment was passed March 29, 2025)

4. WATER ASSESSMENT. This assessment is collected and reserves accumulated for the maintenance, repair and operation of the water wells and distribution system, which includes but is not limited to the pump house, wells, pumps, meters, accumulator tanks and water lines and valves up to and including the valve attaching individual property owner's systems to the Ducote Air Park water system (generally located near the roadway) and the electric power bills associated with these services. This assessment is not optional, but is applied to water users only. The current rate, as amended, is listed in Exhibit A. Failure to timely pay this assessment may result in termination of water service to the non-paying property. The Board of Directors is specifically authorized to place a lien on the unpaid Member's property and assess interest at the rate of 12% annually on any assessment which is in arrears and remains unpaid. The Secretary/Treasurer of the Association will maintain a list of water users. Any change in this assessment requires the approval of a majority vote (51%) of all of the water users.

5. TRASH DISPOSAL ASSESSMENT. This assessment is collected and reserves accumulated to pay for the trash dumpster(s) located at Ducote Air Park and the service to maintain and empty them. This assessment applies to all improved lots unless waived on an

individual basis by the Board of Directors. Only those Members who pay this assessment are permitted to dispose of their trash/garbage in the Ducote Air Park dumpster(s). Rules governing the use of the dumpster(s) are delivered to DAPPOA by the vendor from whom the service is obtained by Ducote Air Park. Additional rules may be added by DAPPOA. This assessment may be adjusted from time to time by the Board of Directors to allow for price changes from the vendor(s) servicing the dumpster(s). Non payment of this assessment may result in the non-paying Member being prevented from using the dumpster(s) for disposal of trash/ garbage. The Board of Directors is specifically authorized to place a lien on the unpaid Members property and assess interest at the rate of 12% annually on any assessment which is in arrears. The Secretary/Treasurer of the Association will maintain a list of Trash Disposal Fund users.

6. **RUNWAY MAINTENANCE ASSESSMENT.** This assessment is collected and reserves accumulated to maintain the runway and taxiways. Maintenance of the runway and taxiways includes electric power for the lighting as well as runway/taxiway maintenance, which has historically included, but is not limited to, emulsion seal every two or three years and a Single or Double Penetration resurfacing as required (up to 20 year spacing). Failure to pay this assessment can result in the Member being prohibited from operating an aircraft at Ducote Air Park. The Board of Directors is specifically authorized to place a lien on the unpaid Member's property and assess interest at the rate of 12% annually on any assessment which is in arrears.

7. **ROAD MAINTENANCE ASSESSMENT.** This assessment is collected and reserves accumulated to maintain the road/taxiway. Failure to pay this assessment can result in the Member being prohibited from operating an aircraft at Ducote Air Park. The Board of Directors is specifically authorized to place a lien on the unpaid Member's property and assess interest at the rate of 12% annually on any assessment which is in arrears.

8. **MISCELLANEOUS FUND.** Up to 20% of all assessments collected from all funds may be placed in a Miscellaneous Fund annually. This money is used to pay miscellaneous expenses of Ducote Air Park, which include, but are not limited to, legal fees, administrative supplies, postage, Secretary/Treasurer compensation and other expenditures not specifically allotted to other assessment categories.

9. **CONTINGENCY FUND.** This assessment is collected and reserves accumulated to provide a fund for contingencies, and may be used for any Association purpose as decided by the Board of Directors.

10. **SPECIAL ASSESSMENTS.** From time to time, at Semi-Annual, Regularly Scheduled or Special Membership Meetings Special Assessments may be established. The specifics of those Special Assessments will be set out in the minutes of those Semi-Annual, Regularly Scheduled or Special Membership meetings. A list of Special Assessments is included on Exhibit A.

11. **ASSESSMENT FOR NON PROPERTY OWNER AIRCRAFT.** Any Member who rents space, or has invitees based in their hangar or on their lot will be assessed additional assessment for each flyable aircraft based on their lot as decided by the Membership (see Sections IV and XVI). The current fees and assessments are listed on Exhibit A.

IX. COLLECTION OF ASSESSMENTS, SPECIAL ASSESSMENTS AND FEES

1. **GENERAL.** Assessments for the payment of common expenses shall be levied annually by the Board of Directors in the manner provided herein.

2. **PAYMENT OF REGULAR ASSESSMENTS.** All regular assessments are payable in one of three ways;

a. Annually by paying in advance in full on January 1st of the assessment year;

b. Quarterly by paying in advance on January, April, July and October 1st of the assessment year; or

c. Monthly by paying in advance on the first day of each month from January through December of the assessment year.

3. PAYMENT OF SPECIAL ASSESSMENTS. Special Assessments may be levied as provided in Section VIII in the manner provided in the Semi-Annual, Regularly Scheduled or Special Membership Meeting minutes associated with the Special Assessment. Such Special Assessments will be payable as indicated in the minutes of the Semi-Annual, Regularly Scheduled or Special Membership Meeting.

4. INTEREST AND LIENS APPLICATION. The Board of Directors is specifically authorized to apply certain uniform sanctions upon Members to discourage late payment or non-payment of assessments. Assessments are payable in advance, either yearly, quarterly or monthly. Assessments of interest and liens are to be equally and uniformly applied to all Owners/Members as detailed below. Once assessed, interest may not be waived or abated unless approved unanimously by the Board of Directors. All payments become past due as follows:

WITH REFERENCE TO THE APPLICATION OF INTEREST:

All payments are due and payable in advance, by any of three schedules listed above in 2 a, b and c, beginning on January 1 of the assessment year. At the end of any month, if the appropriate payment (as listed in 2 a, b or c above) has not been received the Member is considered in arrears and will be notified by the Secretary/Treasurer with a reminder bill. 60 days after a payment was due and has not been received, interest at a rate of 1% for each month of delinquency will be assessed on the entire outstanding annual balance. Interest assessments will continue to accumulate and be charged on the first day of each succeeding month (on the unpaid balance, including unpaid interest) until the past due assessment is paid up to date. A Member may bring his assessment payments back into compliance with monthly, quarterly or annual payment schedules by making the appropriate payment to the Secretary/Treasurer. Payment made must also include any interest assessed to be considered current.

WITH REFERENCE TO THE APPLICATION OF PROPERTY LIENS:

At the end of each calendar year the Secretary/Treasurer will report to the Board of Directors a list of Members who have not paid their assessments in full. Except as provided below, no later than February 1 of the following year the Board will place liens against the property of Owners who have not paid their annual assessment in full (100%). Any costs incurred in the filing or satisfaction of such liens, including attorneys fees, recording fees, and any other justified fee shall be added to the past due portion of the Member's assessment and shall be subject to the same 12% annual interest rate. Interest shall continue to accrue at a rate of 12% until the lien is satisfied. Notwithstanding the above, if the amount past due is less than \$20.00 the Board of Directors may use their discretion as to whether to place a lien or not. If the amount past due is \$20.00 or more, a lien must be placed.

X. DUCOTE AIR PARK CONSTRUCTION STANDARDS

1. CONSTRUCTION. The Board of Directors shall designate a standing Architectural Review Committee. The Architectural Review Committee shall develop a list of

Architectural Standards. Once the Architectural Review Committee's list of Architectural Standards is approved by a majority of all voting interests (27 votes) at a Semi-Annual, Regularly Scheduled or Special Membership Meeting it will be attached to these Bylaws as Exhibit C. Exhibit C will list the latest date of amendment to the Architectural Standards. All proposed construction projects, including fences, must be submitted to the Committee in advance for review. Such review shall be limited to established and previously approved Architectural Standards and to compliance with the Dedication and Restrictions. After review of any plans submitted to the Architectural Review Committee, the Committee shall make a recommendation for approval or disapproval of the plans to the Board of Directors. The Board of Directors will make a final approval or disapproval and notify the submitting member of approval or approval with conditions, or disapproval and state the express reasons for disapproval. Any disagreement regarding compliance will be resolved first by the Board of Directors. If no resolution can be reached between the Board and a Member, the Member may appeal to the Membership, and the issue will then be addressed in the next Semi-Annual, Regularly Scheduled or Special Membership Meeting with a majority vote of the quorum present making the final decision.

2. **APPEARANCE.** The Architectural Review Committee shall further develop a set of Maintenance Standards for property maintenance and appearance. Once these Maintenance Standards are approved by a majority (a minimum of 27 of 53 votes) at a Semi-Annual, Regularly Scheduled or Special Membership Meeting, these Maintenance Standards will be implemented by the Board and attached to these Bylaws as Exhibit D. Owners/Members who are found to be out of compliance with the Maintenance Standards will be contacted by the Airport Manager or a member of the Board of Directors. If after being given notice of non-compliance, an Owner/Member fails to bring the property into compliance within 30 days, the Board of Directors is authorized by these Bylaws, and may at their discretion, expend DAPPOA funds to bring the non-complying property into compliance with the Maintenance Standards. The amount of money expended shall be added to the assessments of the non-compliant Owner/Member's assessments. Such additional assessment(s) shall be subject to interest and lien of property in the same manner as regular assessments covered under Section IX, Paragraph 4. These additional assessments become in arrears on the first day of the month, 30 days after the Member is notified of the cost.

XI. AMENDMENTS TO BYLAWS

These Bylaws may be altered, amended or repealed by new Bylaws adopted by majority vote of the voting rights present in person or by proxy at the Semi-Annual Meeting or at any Regularly Scheduled or Special Meeting of the Members. If, however, the amendment affects assessments as provided in Section VIII, such amendment shall not be effective unless passed by the votes required in Section VIII. No modification of or amendment to the Bylaws shall be valid unless and until set forth in or attached to a copy of the Dedication and Restrictions recorded in the Official Public Records of Tom Green County, Texas.

XII. REGULATIONS

The Board of Directors may adopt such uniform administrative rules and regulations governing and restricting the use and maintenance of Ducote Air Park common elements and other property owned or operated by the Association or DAP, Inc. The Board shall also adopt procedures for appeal or arbitration of disputes as may be deemed necessary and appropriate to prevent unreasonable interference with the use of the Air Park and to assure safety or the enjoyment of the Air Park by the Members and their families. Such rules and regulations shall not be inconsistent with the Dedication and Restrictions of Ducote Air Park, the plats or these Bylaws, as amended from time to time. All such rules and regulations shall be in writing and a copy of such rules and regulations shall be available at the office of DAPPOA and shall be distributed to each Member, although once generally distributed, the failure to be furnished a copy in any single instance shall not affect the enforceability of the rule or regulation. Such rules and regulations adopted by the Board of Directors shall remain in force until the next Semi-

Annual, Regularly Scheduled or Special Meeting of the Membership. At the next meeting of the Membership, the rules and regulations enacted by the Board of Directors shall be placed on the agenda, presented to and reviewed by the Members, and submitted for a vote. Rules and regulations enacted by the Board of Directors between Membership meetings and affirmed by a vote of the Membership at the next meeting shall remain and become a part of the Operating Rules of Ducote Air Park and be attached to these Bylaws (Exhibit E). Rules and regulations enacted by the Board of Directors and NOT affirmed by a vote of the Members at the next meeting shall be null and void after the Membership vote. All Operating Rules of Ducote Air Park will be attached to these Bylaws as Exhibit E.

XIII. RESALE OF DUCOTE AIR PARK PROPERTY

Owners/Members who are selling their property shall provide a copy of the latest Bylaws with attachments, a copy of the latest Dedication and Restrictions and a copy of the associated plat to their prospective buyers.

XIV. JOINING/SPLITTING/SEPARATING LOTS

1. No lot(s) in either Section 1 or Section 2 may be joined, split, separated, subdivided, partitioned or replatted except as provided in this Section XIV.

2. Only lots in Section 2 may be joined. A lot must share a common side/border with the next adjacent lot to be joined. A lot, once merged, may have a maximum size of 200' x 300'. No Section 1 lots may be joined, no lots in either Section 1 or Section 2 may be split, partitioned or subdivided and once joined, no lot(s) in Section 2 may be separated.

3. Once lots in Section 2 are joined, thereafter such adjoining lots shall be treated for all times as one lot for all purposes, including for dues, assessments, quorums, majorities, and voting rights. All referenced to specific number of lots or votes in the By-Laws shall be automatically amended to reflect the reduction in number of lots/votes in the Air Park after the lot joinder.

4. Once joined, the newly created larger lot shall be deemed residential only, and shall forever lose any potential commercial designation. Even though such lot shall be designated residential from that point forward, the Owner may still conduct business of a limited nature out of or from that lot which does not cause undue increases in traffic or burdens on the Air Park or other Owners, including launching balloons, doing A & P or IA work, conducting aircraft inspections, running a home business or office, and related or similar aviation activities, and may conduct such other activities as is allowed or tolerated in Section 1 or would not be prohibited in an area of a town zoned or designated as residential in nature.

5. In order to join Section 2 adjoining lots into a single lot the Owner must meet all of the following qualifications as the time of the joinder.

a. Must be current on all dues, assessments and fees, including late fees, penalties and interest properly levied by DAPPOA; and

b. Must have completed a formal replat of the applicable Section 2 lots into one lot with the proper Tom Green County department/authorities; and

c. Must be in full compliance with all applicable laws and with all Ducote Air Park documents, including the applicable Declarations & Restrictions, By-Laws and rules and restrictions; and

d. There must be an actual hangar home, hangar with residential quarters inside, or hangar constructed on one or more of the lots to be joined and one or more of the lots

must be the declared homestead and legal residence of the Owner for the hangar home or hangar with residence quarters inside; and

e. The Owner must be the legal owner of record of all of the lots to be joined.

6. In order to join adjoining Section 2 lots into one lot the Owner must present a signed Statement with the current date to the President of DAPPOA or in his/her absence to the Board of Directors stating: (a) which lots the Owner is joining, and (b) that the Owner agrees and has complied with all of the conditions and requirements of this Section XIV, including that the Owner understands that henceforth he shall have only one (1) vote for the combined lots, that the one combined lot loses any potential commercial status, shall be assessed as a single improved lot, and that the Owner understands that the joinder is permanent, irrevocable, and irreversible. In addition, the Owner must include a copy of the recorded replat of the applicable lots. Upon receipt of the signed Owner's Statement and recorded replat, the Board of Directors shall have 30 days to confirm compliance with the requirements of this Section XIV and notify the Owner in writing that the joinder has been completed. The official date of joinder shall be the date of the Owner's Statement unless the Board of Directors notifies the Owner in writing of deficiencies for failing to comply with requirements of this Section XIV, in which case the date of joinder shall be the date when the Board of Directors certifies the Owner's completion/correction of the deficiencies. If the Board fails to notify the Owner in writing of any deficiencies within such 30 days, the joinder shall automatically be deemed effective as of the date of Owner's Statement.

XV. ADDITIONAL ENFORCEMENT PROVISIONS

1. GENERAL. The Board of Directors has the duty to enforce the By-Laws, including exhibits, construction and maintenance standards, operating rules, Plats and the Dedication and Restrictions uniformly, consistently and without favoritism. In addition to enforcement elsewhere in these By-Laws and related documents the Board has the authority, and in some cases the duty, to enforce compliance as provided by this Section. Although the Board has other enforcement powers sprinkled throughout the By-Laws and exhibits, it may require the threat or actual imposition of substantial fines to get compliance. In general terms, the Board enforces the By-Laws under this Section by delivering a series of written notices to the Member notifying the Member of the violation, giving them a period of time to correct it, receives reports from the Reporting Committee, and imposes escalating fines for non-compliance. There are checks on the power of the Board at each step.

a. PAUSED ENFORCEMENT. If at any time the Board determines the Member is honestly making good faith continuous efforts to correct the problem in a timely and responsible manner, the Board must pause enforcement at that point. During this pause the Committee reports to the Board every 30 days. If the Board determines that the Member is no longer honestly making good faith continuous efforts to timely correct the problem the Board must restart the enforcement procedure from the point it was paused.

b. WRITTEN AGREEMENT/ SUSPENDED ENFORCEMENT. The Board may at any time enter into a written agreement with a Member, consisting of:

- (i) for Financial Matters, a payment schedule to bring current the arrearages, including all principal, fines, costs, expenses and interest accrued or levied through final payment;
- (ii) for Construction or Maintenance Standards or Property Condition violations, a schedule for bringing the property into compliance and paying all fines, costs, expenses and interest accrued or levied through final compliance; or
- (iii) for All Other Matters, a schedule for correcting the problem and paying all fines, costs, expenses and interest accrued or levied through final compliance.

Entering into a written agreement suspends the enforcement procedure. If the Member fails to comply with the written agreement the Board must restart the enforcement procedure from the

point it was suspended. A written agreement negotiated with the Board will remain effective until the Member or property is brought into compliance, the problem is resolved, and any lien has been satisfied, unless the agreement is specifically invalidated by a majority of votes represented at a subsequently called or regularly scheduled Membership meeting.

c. **REPORTING COMMITTEE.** When proceeding under this Section the Board shall appoint a committee, consisting of one or more individuals, to keep the Board apprised of the situation. Appointed committees shall be as follows: In Financial Matters, the Secretary/Treasurer; In Construction or Maintenance Standards or Property Condition, the Architectural Review Committee; In All Other Situations, the Airport Manager, one Board member and one Member who is not a member of the Board of Directors.

d. **APPEALS, FINES, LIENS, FORECLOSURE, OTHER REMEDIES, ATTORNEYS FEES, TIME, APPLICATION.** Any Member may appeal an adverse decision or Board action, including enforcement under this Section, by asking the Board to reconsider or as provided in Section III (10). Fines, interest and all related costs and expenses levied under this Section shall be secured by a timely filed Notice of Lien. Interest shall accrue on the then entire outstanding balance, including all costs, expenses and fines @ 12% per annum, from the date of the initial fine until paid in full. Once levied, a fine and all accrued interest, costs and expenses, including the cost to file and satisfy the lien, cannot be waived or reduced without approval by a majority of votes represented at a properly called or regularly scheduled Membership meeting. No lien shall be satisfied or released until paid in full, including all accrued fines, costs, expenses and interest. DAPPOA has the power to file and the power to foreclose a lien for association dues, levies and assessments, including liens under this Section, but may not actually begin foreclosure proceedings on a specific lien until authorized to do so by a majority of votes represented at a properly called or regularly scheduled Membership meeting. Nothing in this Section shall limit the Board taking or pursuing, at any time, any other remedy, enforcement or action allowed by the By-Laws, including exhibits, or any legal or equitable remedy, including injunctive action. In the event of any legal, judicial, extra-judicial or equitable action taken by the Board, DAPPOA or DAP, Inc., under any provision of the By-Laws, including this Section, including lien foreclosure, or to enforce the Plat or any provision of the Dedication and Restrictions, or in the event a Member initiates any action, the Member shall be responsible for all attorneys fees and costs incurred by the Board, Board members, DAPPOA, and/or DAP, Inc., including on appeal, specifically including arbitration or mediation, unless the Member is determined by the court, arbitrator or mediator to be the prevailing party. All time periods provided by these rules start or stop on delivery. The Board may defer actions and hearings to the next specially called or regularly scheduled meeting occurring after the stated time period. The By-Laws, including this Section, also apply to actions or violations by a Member's spouse, family member, tenant, guest or invitee, which the Member is responsible for.

2. **ENFORCEMENT CATEGORIES.** Enforcement under this Section falls into the following three categories: Financial Matters; Construction or Maintenance Standards or Property Condition; and All Other Situations.

a. **FINANCIAL MATTERS.** The financial health and stability of a small property owners association is placed in jeopardy when even one Member fails to timely pay their financial obligations. Multiple Member defaults seriously magnifies the problem. Failure to timely pay is also simply unfair to Members who meet their financial obligations. Subject to the limits below, if the amount owed DAPPOA by a Member including principal, accrued charges, interest, costs and expenses exceeds \$1,000 the Board is required to employ the enforcement procedures outlined in this Section as to such Member, unless specifically instructed not to do so for such incident or matter by a majority of votes represented at a properly called or regularly scheduled Membership meeting. If the total amount owed is less than \$1,000 the Board may employ these enforcement procedures, but only by unanimous decision of all Board members. In actions by the Board for all Financial Matters enforcement, the Secretary-Treasurer is the Reporting Committee and reports to the Board at each step whether the Member's financial obligations are current.

In addition to the above, the following limits determine the first opportunity the Board may use the enforcement procedures of this Section for Financial Matters:

- (i) Periodic dues and assessments: 180 days after a lien is filed under Section IX (4);
- (ii) Special Assessments: 120 days after the Special Assessment was due and all or a substantial portion remains unpaid; or
- (iii) All other financial matters: 180 days after delinquency.

b. CONSTRUCTION OR MAINTENANCE STANDARDS OR PROPERTY CONDITION. For all substantial violations as to subparagraph (ii) below, and if the Board chooses not to or has not been authorized to expend the funds necessary to bring a non-complying property into compliance with the applicable Construction or Maintenance Standards, By-Laws, including exhibits, Plat or Dedication and Restrictions and the Board determines that the violation is substantial and no other remedy is likely to timely attain compliance, as to subparagraph (II) below, then the Board must employ the enforcement procedures outlined in this Section as to such property, unless specifically directed not to do so for such violation by a majority of votes represented at a properly called or regularly scheduled Membership meeting. Subject to the listed time frames the Board may also employ these procedures for other substantial violations. In all Construction or Maintenance Standards or Property Condition enforcement the Architectural Review Committee is the Reporting Committee and reports to the Board at each step whether the property or Member is in substantial compliance.

The following limits determine the first opportunity the Board may use the enforcement procedures of this Section for Construction or Maintenance Standards or Property Condition:

- (i) New Construction. 30 days after the Architectural Review Committee reports to the Board or the Board determines any of the following and the problem remains uncorrected: the Member has not obtained plans or construction approval and the Member has or is about to commence construction activities; the Member is materially deviating from approved plans; or the Member is materially violating the Construction Standards; or
- (ii) Construction or Maintenance Standards or Property Condition. 60 days after the Architectural Review Committee reports to the Board or the Board determines any of the following and the problem remains uncorrected: the Member refuses to make required corrections; the Committee or Board has reached an impasse with the Member about making corrections; or the Member is not diligently, continuously and in good faith making reasonable efforts to timely correct the condition or problem.

c. ALL OTHER SITUATIONS. If the Board determines that a situation exists not covered by Financial Matters, or Construction Or Maintenance Standards or Property Condition, that is based on a clear and material violation of the By-Laws or exhibits, Dedication and Restrictions as then currently amended, or Plat, and that if allowed to continue will, is likely to, or reasonably could:

- (i) adversely affect one or more Members or their property, DAP, DAP, Inc., DAPPOA or the Board;
- (ii) adversely affect the peace and tranquility of DAP or of any Member;
- (iii) constitute a safety issue;
- (iv) have a material impact on the liability of DAP, DAP, Inc., DAPPOA, the Board, or any Member; or
- (v) constitute such a serious breach of the DAPPOA, DAP, Inc., or DAP governing documents, By-Laws including exhibits or rules, Dedication and Restrictions or Plat that to allow the violation to exist or continue would be unconscionable or contrary to the spirit and intent of such documents;

then the Board must employ the enforcement provisions of this Section, unless specifically directed not to do so for such violation, matter or incident by a majority of votes represented at a

properly called or regularly scheduled Membership meeting. Subject to the listed time frames the Board may also employ these procedures for other substantial violations. In all Other Situations enforcement the Board shall appoint the Airport Manager, a Board member, and a Member or spouse to the Reporting Committee to report to the Board at each step whether the problem or Member has been corrected or brought into compliance.

The following limits determine the first opportunity the Board may use the enforcement procedures of this Section for All Other Situations:

- (i) Liability, Safety, Property Damage, or Breach of the Peace Issues: 10 days after becoming aware of such issues and the problem remains uncorrected; or
- (ii) All Other Issues: 30 days after becoming aware of such issues and the problem remains uncorrected.

3. ENFORCEMENT PROCEDURE. The specific Enforcement Procedure is as follows:

a. FIRST NOTICE. The Board shall deliver a First Notice to the Member clearly describing the problem, describing the necessary corrective action, citing the specific provisions of the By-Laws (including exhibits), Dedication and Restrictions, Plat or other applicable document or rule that is being violated, referencing that this action is taken under 2.a, 2.b or 2.c of this Section and if uncorrected will lead to fines, a lien and related costs, and giving the Member 30 days to either challenge the Board's decision, enter into a written agreement with the Board for timely correction of the problem, or correct the violation. Challenging the Board's decision shall be by written response delivered to the Board within the 30 day period. 30 days after the First Notice (or Substitute First Notice, as applicable), after a report from the Reporting Committee:

- (i) If the Board determines that the problem has been corrected or resolved there shall be no further action;
- (ii) If the Board's decision was timely challenged, the Board shall either hold a separate hearing or add the matter to the next regularly scheduled Board meeting to consider the Member's challenge and circumstances and to determine whether to proceed with enforcement. If the Board decides to proceed with enforcement the Board shall issue a SUBSTITUTE FIRST NOTICE giving the Member 30 additional days to correct the problem; or enter into a written agreement with the Board; or
- (iii) If the problem has not been corrected, paused or suspended after the applicable time period(s), the Board must proceed with enforcement.

b. SECOND NOTICE. The Board shall deliver a Second Notice giving the Member an additional 30 days to correct the problem or enter into a written agreement with the Board. This notice shall state that this is the last notice without consequences for failure to comply. 30 days after the Second Notice, after a report from the Reporting Committee:

- (i) If the Board determines that the problem has been corrected or resolved there shall be no further action; or
- (ii) If the problem has not been corrected, paused or suspended the Board must proceed with enforcement.

c. THIRD NOTICE. The Board shall deliver a Third Notice giving the Member an additional 30 days to correct the problem or enter into a written agreement with the Board. This notice shall also notify the Member that the Board will assess a \$100 fine, file a lien and the Member will be liable for the fine, interest and all related costs and expenses if the matter has not been resolved, an acceptable agreement entered, or enforcement paused by the end of the 30 day period. 30 days after the Third Notice, after a report from the Reporting Committee:

- (i) If the Board determines that the problem has been corrected or resolved there shall be no further action; or

(ii) If the Board determines that the problem remains and the enforcement procedure has not been paused or suspended the Board must levy a \$100 fine, file a Notice of Lien for the fine and all related costs and expenses, and continue with enforcement.

d. **FOURTH NOTICE.** The Board shall deliver a Fourth Notice, notifying the Member of the actions taken and give the Member an additional 60 days to correct the problem or enter into a written agreement with the Board. This notice shall also notify the Member that the Board will assess an additional \$1,000 fine, file an amended lien and the Member will be liable for all accrued fines, interest, related costs and expenses if the matter has not been resolved, an acceptable agreement entered or enforcement paused by the end of the 60 day period. 60 days after the Fourth Notice, after a report from the Reporting Committee:

(i) If the Board determines that the problem has been corrected or resolved there shall be no further action on the problem, but the lien shall not be released until fully satisfied; or

(ii) If the Board determines that the problem remains and the enforcement procedure has not been paused or suspended, the Board must levy the additional \$1,000 fine, file an amended Notice of Lien for the accrued fines, interest and all related costs and expenses, and continue with enforcement.

e. **FIFTH NOTICE.** The Board shall deliver a Fifth Notice, notifying the Member of the actions taken and give the Member an additional 60 days to correct the problem or enter into a written agreement with the Board. This notice shall also notify the Member that the Board will assess an additional \$25 per day fine, file an amended lien and the Member will be liable for all accrued fines, interest, related costs and expenses if the matter has not been resolved, an acceptable agreement entered or enforcement paused by the end of the 60 day period. Once levied the daily \$25 fine will apply each and every day thereafter until the matter has been resolved, paused, or suspended. 60 days after the Fifth Notice, after a report from the Reporting Committee:

(i) If the Board determines that the problem has been corrected or resolved there shall be no further action on the problem, but the lien shall not be released until fully satisfied; or

(ii) If the Board determines that the problem remains and the enforcement procedure has not been paused or suspended, the Board must levy an additional and continuing \$25 per day fine, file an amended Notice of Lien for the accrued fines, interest and all related costs and expenses, and notify the Member of the action taken. The additional \$25 fine shall be automatically levied each and every day thereafter without further Board action until the matter is resolved, paused or suspended. The Reporting Committee shall report to the Board at regular 30 day intervals until the problem is finally resolved.

XVI. KEEP DUCOTE AIR PARK AVIATION RELATED

(This amendment was passed April 15, 2023)

1. **REASON FOR AMENDMENT.** Ducote Air Park was created to provide a residential common interest aviation community for pilots and their families. By its very nature an air park requires a large investment in specialized infrastructure and exposes homeowners to hazards, liabilities, noise, fumes and other effects, including the danger of close proximity to operating aircraft, lacking in typical residential settings. In a small residential airpark even a small percentage of homeowners not interested in an aviation lifestyle can doom an otherwise viable community. This is especially true when super majorities are required for large expenditures or dues increases. The number of active American pilots is declining, which makes it more difficult to attract those with similar aviation interests. The Members recognize that to some Ducote is a desirable place to live or store personal belongings even among those with no aviation interest. For all these reasons a super majority has determined that the immediate and long term viability of Ducote Air Park requires that only individuals with bona fide aviation interests be encouraged to live and participate in our unique aviation based environment, and that this Amendment is

both necessary and the least intrusive way to meet that goal.

2. AMENDMENT TO THE BY-LAWS. The Ducote Air Park Property Owners Association By-Laws are hereby amended as described in this Amendment. If any provision of this Amendment conflicts with any other term or provision of the rest of the By-Laws, or with any regulation, rule, provision, or term of any of the Ducote Air Park documents or entities, the provisions of this Amendment controls. This Amendment shall be broadly interpreted to fulfill the intent of its terms and provisions. Paragraphs 3 and 4 apply regardless whether title was obtained by deed or similar written conveyance, or by operation of law (including, but not limited to due to the death of the prior Owner, inheritance, foreclosure of a security interest, adverse possession, a reverse mortgage, or otherwise). However, if title was acquired by operation of law rather than by written conveyance, the increased dues and assessments described in Paragraph 4 below shall not be levied until 6 months after the event that caused title to be transferred.

3. VOTING. Except for the exemptions described in Paragraphs 6, 7, or 8, only Members holding an FAA issued Sport Pilot, Recreational Pilot, Private Pilot or higher licence or rating (such as a Commercial, Instrument, CFI, CFII, or ATP licence or rating), or holding an Aircraft Mechanics Powerplant or Airframe licence, are eligible to vote on issues pertaining in any material way to Ducote Air Park aviation facilities or operations. This includes votes relating to or involving assessments, fees, expenses, management or operation of any aviation-related facilities, including construction, expansion, maintenance or repairs to the runway, road/taxiways, related facilities, or to or for related maintenance equipment. Every new Member not exempted under Paragraphs 6, 7 or 8 must provide the Board of Directors with a copy of their applicable FAA issued licence; the Board then determines whether the licence meets the requirements of this Amendment. To determine the number of lots to count in order to pass a dues or assessment increase or special assessment by the 75% super majority required by Article VIII Paragraph 3, if the dues increase or special assessment being considered materially derives from or involves aviation facilities or operations, only the lots where FAA licenced Members are allowed to vote plus those Members and lots exempted by the provisions of Paragraphs 6, 7, or 8 are to be counted.

4. MONTHLY ASSESSMENTS AND DUES.

(a). Except as exempted in subpart (B) or limited by the last sentence of Paragraph 2, the monthly Runway Assessment is increased to \$150.00 per lot and the monthly Road/Taxiway Assessment is increased to \$100.00 per lot. These assessments apply regardless whether the lot is vacant or improved.

(b). Notwithstanding subpart (A), the per lot monthly Runway and Road/Taxiway assessments existing prior to the adoption of this Amendment remain unchanged (unless later changed as provided by the By-Laws and this Amendment) for: (i) lots owned by a Member who meets the FAA licence voting requirement described in Paragraph 3; and (ii) lots exempted by Paragraphs 6, 7 or 8.

5. RENTERS/INVITEES.

(a). Except as exempted in subpart (b), the monthly Runway Assessment assessed against Members for renters, invitees or non-Members basing an aircraft at Ducote Air Park is increased to \$250.00 per lot or non-Member owned aircraft based at Ducote Air Park.

(b). Notwithstanding the provisions of subpart (a), the per lot monthly Runway Assessment remains unchanged (unless later changed as provided by the By-Laws and this Amendment) for: (i) lots owned by a Member where the renter or non-Member aircraft owner meets the FAA licence voting requirement described in Paragraph 3 and subpart (c) has been fully complied with; (ii) lots owned by a grandfathered Member as to non-

Member aircraft located on a Member's lot when subpart (c) has been fully complied with (there is no grandfathering or spouse/family exemption applicable to or for the benefit of renters); (iii) lots rented or under lease to an existing renter at the time this Amendment was passed; and (iv) lots owned by Members where the renter or non-Member is granted a waiver per Paragraph 8, and subpart (c) has been fully complied with, but only so long as the waiver remains effective by its terms.

(c). If a Member rents to a non-Member or allows a non-Member to base or store an aircraft at Ducote Air Park, the Member has a duty to provide the Association Sec/Treas with the following documents and information within 15 days of the date such non-Member aircraft is stored or based at DAP or 15 days after the renter takes possession: (i) the renter or non-Member aircraft owners name and full contact information (telephone number, email and mailing addresses); (ii) the names of all title holders, N Numbers, and make, model, color and year of each aircraft; (iii) a copy of the non-Member and/or renter's FAA issued pilot's or A & P licence; and (iv) fully executed releases for all renters and non-Member aircraft owners and operators. In the event that the Member fails to timely provide the Association Sec/Treas with all such information and releases, the higher monthly Runway Assessment shall be assessed against the applicable Member's lot, calculated in full monthly increments (not prorated) until all such information and releases are provided.

6. GRANDFATHERING. The existing Members as of the date this Amendment is passed (April 5, 2023) are grandfathered from the provisions of Paragraphs 3 and 4. In other words, so long as title to the applicable lot remains unchanged after adoption of this Amendment, Members existing when this Amendment was passed will not be subject to the voting restriction of Paragraph 3 and will not have to pay the increased Runway or Road/Taxiway assessments described in Paragraph 4.

7. SPOUSES AND FAMILY. Spouses and immediate family members of Members who are grandfathered, or where a Member who met the voting requirement of Paragraph 3 or was granted a waiver under Paragraph 8 (subject to the terms of the waiver), dies or is divorced, will be deemed to continue to meet the voting requirement of Paragraph 3 and will also be exempted from the increased Runway and Road/Taxiway assessments of Paragraph 4 for so long as the surviving or divorced spouse or immediate family member immediately thereafter acquires and continues to hold title to the subject lot(s). To qualify under this Paragraph 7, spouses must have resided at Ducote Air Park prior to and at the time of the death of the Member, and immediate family members must be a parent or direct lineal descendant of the deceased Member and have resided at Ducote Air Park prior to and at the time of the death of the Member.

8. WAIVERS. A prospective or existing Member can apply for a waiver to the voting and/or increased Runway and Road/Taxiway monthly assessment provisions of Paragraphs 3 and 4. Likewise, a prospective or existing renter, or an invitee or non-Member intending to store or base an aircraft at Ducote, can apply for a waiver from the increased assessment provisions of Paragraph 5. The application must: (i) be in writing, (ii) be dated, (iii) detail the reason and grounds for the request, (iv) describe the scope and suggested timing, and (v) be submitted to the Board of Directors. The Board may ask for additional information and/or an interview. The Board shall make a recommendation within 30 days after receiving all information, which may include any conditions or limitations it deems appropriate (such as, for example, granted for a limited time, while the applicant is diligently and continuously pursuing an appropriate pilot or mechanics licence, waiving increased fees but not the voting limitation, allowing the parent(s) of an existing Member to purchase a lot without limitations, etc). After the Board makes its recommendation the application shall be voted on by the entire Ducote Air Park Membership at the next regularly scheduled or a specially called meeting or vote, with a majority of actual Members voting determining the outcome. The Membership vote can include any conditions or limitations. Once granted a waiver can be terminated, amended or modified only by another Membership vote.

9. AVIATION ACTIVITIES WAIVER. Every person or entity who currently has or in the future acquires title to or any legal, beneficial, equitable or a security interest (including renters) in Ducote Air Park, regardless whether by written conveyance or by operation of law, or who enters onto or partakes of any activity or benefit relating to the Air Park, is on notice that Ducote Air Park is an operating airport, that aircraft operations are hazardous and may lead to injuries, damages and even death, and is irrevocably deemed to: (i) agree to assume the risk of injury, death or loss to person or property; (ii) waive, on behalf of himself, his family, entity, heirs, invitees, guests, and assigns, all claims for all damages, injury or loss to person or property of any kind arising in any way out of aircraft operations and all related air park operations and activities; (iii) agree that the runway and taxiways and Ducote Air Park itself shall be maintained for aviation purposes; (iv) waive any and all objections to the conducting of aviation activities at or about the Air Park; (v) on behalf of themselves, their entities, heirs and assigns forever relinquish, waive and release any right to complain, object or take any legal remedies to stop, hinder or obstruct legitimate aviation activities on or about the lots or Air Park, or to complain about noise, fumes, vibrations, or other side effects deriving from aviation activities.

XVII. AUTHORITY AND REFERENCES

Following is the Authority under which Ducote Air Park is founded:

1. Dedication and Restrictions, Ducote Air Park Subdivision, Tom Green County, Texas. (Including any and all properly recorded amendments and revisions).
2. Dedications and restrictions, Ducote Air Park Subdivision Section 2, Tom Green County, Texas. (Including any and all properly recorded amendments and revisions).
3. Amended Ducote Air Park Property Owners Association Bylaws (Including any and all properly recorded amendments and revisions.)
4. Ducote Air Park, Inc. Charter #01467395, November 17, 1997 and Certificate of Incorporation dated November 14, 1997.
5. Texas and federal law pertaining to Property Owners Associations.
6. Deeds into Ducote Air Park Property Owners Association and Ducote Air Park, Inc.
7. Plat of Ducote Air Park Subdivision (commonly referred to as Ducote Air Park Section 1 or Section 1) Tom Green County, Texas. Recorded on July 26, 1977, Instrument #110989, Recorded in Plat Book 4, Page 67.
8. Plat of Ducote Air Park Subdivision Section Two, Recorded December 15, 1981, Instrument #178656, recorded in the Deed Book 4, Page 287, Public Records of Tom Green County, Texas.

XVIII. DEFINITIONS

1. Ducote Air Park or Air Park: The land encompassed by the lots, roads, runways, taxiways and common areas, including the Ducote Air Park Subdivision, and Ducote Air Park Section Two.
2. Ducote Air Park, Section 1 or Section 1: The portion of the subdivision described and laid out in Plat of Ducote Air Park Subdivision Tom Green County, Texas. Recorded on July 26, 1977, Instrument #110989, Recorded in Plat Book 4, Page 67.
3. Ducote Air Park, Section 2 or Section 2: The portion of the Ducote Air Park subdivision described and laid out in Plat of Ducote Air Park Subdivision Section Two, Recorded

December 15, 1981, Instrument #178656, recorded in Deed Book 4, Page 287, Public Records of Tom Green County, Texas.

4. Air Park Property: The lands within Ducote Air Park Subdivision and Ducote Air Park Section Two and adjacent lands belonging to Ducote Air Park Property Owner's Association or Ducote Air Park, Inc. These lands include, but are not limited to, the roads, runway, taxiways and common areas.
5. Ducote Air Park Property Owners Association (DAPPOA or Association): an unincorporated property owners association governed by the laws of the State of Texas organized by the owners of Ducote Air Park for the purpose of managing and preserving Ducote Air Park.
6. Ducote Air Park, Inc. (DAP, Inc.): A corporation formed under the laws of the State of Texas. DAP, Inc. is the title holder and manager of the Ducote Air Park roads, taxiways, runway and common areas.
7. Property Owner or Owner: An Owner is the individual, group of individuals, business organization, or trust, who holds legal title to a lot as demonstrated by a deed or other instrument recorded in the public records of Tom Green County, Texas.
8. DAPPOA Member or Member or Membership: The property owner(s) or, in the case of a business entity or trust, the designated representative(s) of the business entity or trust having title to a Ducote Air Park lot.
9. Plats of Ducote Air Park: Those documents recorded in the public records indicating the lay out of lots, roads, runways, taxiways and common areas. (See Section XVII for further information.)
10. Dedications & Restrictions for Ducote Air Park Section 1 and Section 2 (as amended): Those documents recorded in the Public Records of Tom Green County, Texas that depict the restrictions imposed on the Ducote Air Park Subdivision and Ducote Air Park Section 2, by its developer, as amended by the Owners/Members.
11. Bylaws (as amended): The latest operating rules and regulations of Ducote Air Park Property Owners Association as recorded in the Public Records Tom Green County, Texas.
12. Airport Rules and Regulations: One or more documents created by the Board of Directors and ratified by the DAPPOA Members governing the operations of aircraft on Ducote Air Park. The current Airport Rules and Regulations are attached as Exhibit E.
13. Release and Hold Harmless Agreement (Release): A document created for the Board of Directors and ratified by the Members for execution by all non-members (Renters/Invitees). This document was created to make non-members who operate aircraft at Ducote Air Park aware of their responsibilities and insure that each non-member has been made aware of the Airport Operating Rules, understands under what conditions they may be asked to terminate their aircraft operations at Ducote Air Park and to indemnify the Members against damages and/or liabilities caused by non-members.
14. Board of Directors or Board: Those Members of DAPPOA who are elected by the Members to run the day to day operations of Ducote Air Park as defined within these Bylaws.
15. Architectural Review Committee. A group of Ducote Air Park Members appointed by the Board of Directors to review new construction and property maintenance for compliance with the Dedications and Restrictions of Ducote Air Park.

16. Architectural Construction Standards: A document or group of documents created by the appointed Architectural Review Committee and approved by the Membership which describe the standards of building at Ducote Air Park. The current standards are attached to these Bylaws as Exhibit C.
17. Property Maintenance Standards: A document or group of documents created by the appointed Architectural Review Committee and approved by the Membership describing the rules, regulations and standards regarding property maintenance at Ducote Air Park.
18. Unimproved (or vacant) Lot. Any lot within Ducote Air Park Section 1 or Section 2 which has no structures constructed on top of it.
19. Improved Lot. Any lot within Ducote Air Park Section 1 or Section 2 which has a structure constructed on top of it. If a structure is constructed over more than one lot, one lot will be deemed "improved" and the additional lot(s) shall be deemed unimproved.
20. Residence. Any free standing house or hangar apartment or structure designed or used for human habitation.
21. Hangar. Any building constructed for the use of aircraft storage which is not designed or used for human habitation.
22. Non-property Owner or Non-Member or Renter or Invitee: Any individual or business entity living, operating or basing an aircraft at Ducote Air Park who has no ownership interest in a lot at Ducote Air Park.
23. Non-Property Owner/Non-Member Aircraft: Any aircraft owned by an individual or business entity who is NOT the owner of a lot at Ducote Air Park or a Member of the Association.