

**BYLAWS OF
PROPERTY OWNERS ASSOCIATION OF AERO ESTATES INC.
A Non-Profit Organization
ARTICLE ONE - NAME, PURPOSES, AND OFFICES**

Section 1: Name. The name of this corporation is Property Owners Association of Aero Estates, Inc. (the Association).

Section 2: Purposes. The Association is organized and will be operated as a nonprofit corporation. The purpose of the Association is to support the maintenance of the runway, taxiways, and common areas (including the waterfront park) of Aero Estates Airpark for the use and enjoyment of the property owners of Aero Estates Airpark.

Section 3: Offices. The Association may have, in addition to its registered office, offices at such places as determined by the members.

ARTICLE TWO - ORGANIZATION

Section 1: Management Resides with Members. The activities, property and affairs of the Association shall be managed by its members.

Section 2: Eligibility for Membership. Membership in the Association is primarily made up of all property owners at Aero Estates Airpark.

Section 3: Voting Rights. Members are eligible to vote on issues affecting the Association. Members will have one vote per member household; not per individual member nor per number of lots owned. Members may vote by proxy.

Section 4: Time and Place of Meetings. Members will establish a schedule of meetings for the year and communicate this schedule to all Members at least ten (10) days, but not more than sixty (60) days before the date of the first meeting. Location of the meetings will be at Aero Estates Airpark or at other locations as determined by the members. No further notice will be required for these regular meetings. Special meetings may be called by the Board or at the request of 25% of Members. Time and place of any special meetings will be communicated to members at least 14 days before the meeting except in emergency situations.

Section 5: Quorum and Manner of Acting. In order to transact business at a membership meeting, a quorum must be present. A quorum exists when two-thirds of Members are represented at a meeting. Changes to CC&Rs or Bylaws require a quorum and two-thirds of the votes to be affirmative. With the exception of

decisions related to budget and elections a participation rate of 50% is required (quorum 50%) and an affirmative vote of 50% + 1 is required to pass budget items.

Section 6: Consent of Members. Members may approve decisions without a meeting if the required number of the members give their written consent via electronic voting.

ARTICLE THREE – BOARD, OFFICERS, AND COMMITTEES

Section 1: Board. Members will elect a Board of Directors consisting of a President, Vice President, Secretary, Treasurer, and Director at Large; the offices of Secretary and Treasurer may be held by the same person. Elected Board Members must be Members and must be elected by the participation of the minimum required number of the Members. Directors may succeed themselves if so elected. The Board will handle day-to-day affairs of the Association and other duties as delegated by the members.

Section 2: Elections and Term of Office. Members will elect Directors at the first meeting of the year or as soon thereafter as practical. Directors will serve for one year or until the next Board elections. Any vacancy occurring on the Board will be filled by an election at the next members meeting after the vacancy arises. Any elected Director may be removed, either for or without cause, at any regular or special meeting of the members by the affirmative vote of the minimum required number of Members.

Section 3: President. The President acts as the chairperson at membership meetings and Board meetings and act as general supervisor of the day-to-day activities of the Association. In the absence of the President, his or her duties will be performed, and powers may be exercised by the Vice President, unless otherwise determined by the members.

Section 4: Vice President. The Vice President shall generally assist the President and have the powers and perform the duties delegated to him or her by the President, the Board, or the members.

Section 5: Secretary. The Secretary shall see that the schedule of regular meetings and notice of special meetings are sent to members and shall keep accurate records of all Board and membership meetings. He or she shall generally perform all the usual duties of a secretary of a non-profit corporation.

Section 6: Treasurer. The Treasurer shall be the chief accounting and financial officer of the Association and keep records of receipts and expenses and of dues owed and paid. The

Treasurer shall generally perform all the usual duties of a treasurer of a non-profit corporation.

Section 7: Committees. Members will elect a Common Areas Committee with a chair and one or more additional members to study and recommend desired improvements and effective maintenance methods for the common areas. The Common Areas Committee will communicate with the Board to ensure that maintenance efforts are well-coordinated.

Members may establish additional committees, including, Budget, Finance, Maintenance Committee, etc. as needed.

Section 8: Director's Compensation. No Director or committee member shall receive compensation for his or her services as a Director or committee member. However, Directors and committee members may receive reimbursement for expenses incurred on behalf of the Association.

ARTICLE FOUR – NOTICES

Manner of Giving Notice. Unless otherwise specified by law or the Articles of Incorporation or these Bylaws, required notice may be given in writing by mail, postage prepaid, addressed to the member at his or her address as it appears on the records of the Association and shall be deemed to be delivered when deposited with the United States Postal Service. As an alternative, members may agree to accept notice by email, with a copy sent to Board members as proof of delivery.

ARTICLE FIVE – MEMBERSHIP, DUES & SPECIAL ASSESSMENTS

Section 1: Membership. Membership in the Association will be primarily made up of all property owners of the Aero Estates Subdivision. Membership shall consist of:

Owner Members are the property owners of record within the Aero Estates Airpark subdivision, whether one or more persons or entities, of a fee simple title to any lot or lots, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation. Membership is limited to a single membership per member household and not intended to apply to each individual in cases of shared ownership regardless of number of lots owned.

Section 2: Dues. The Association will establish Annual dues amount to be paid by all Owner Members. Dues are payable per Owner Member, as previously defined. Dues are

payable for each, and every lot owned within Aero Estates Subdivision. An exception is granted to an Owner Member who owns two or more adjoining lots intended as a single building site; where a single fee for the first two of such consecutive lots will be assessed as one lot and each additional lot owned will be assessed as individual lots. Dues for the Association are set according to the Association's currently published fee schedule. A vote of 67% participation of Owner Members shall be required to change the fee schedule and require an affirmative vote of 50% +1.

Section 3: Special Assessments. The Association may also approve special assessments to be paid by all Owner Members. Assessments are payable for each Member Owned lot in Aero Estates Subdivision. An exception is granted to Owner Members who own two or more adjoining lots intended as a single building site; where a single assessment for the first two of such consecutive lots would be assessed as one lot and each additional lot owned will be assessed as individual lots. A vote of 67% participation of Owner Members shall be required to approve a special assessment and require an affirmative vote of 50% + 1.

ARTICLE SIX– MISCELLANEOUS

Section 1: Dividends Prohibited. No part of the net income of the Association shall inure to the benefit of any private individual and no dividend shall be paid and no part of the income of the Association shall be distributed to the Directors.

Section 2: Loans to Board Members Prohibited. No loans shall be made by the Association to its Directors.

Section 3: Signature of Negotiable Instruments. All checks or other instruments for the payment of money shall be signed by elected Directors or other officers or agents as determined by the members. All negotiable instruments for payment of money shall require two signatures.

Section 4: Fiscal Year. The fiscal year end of the Association shall be December 31 of each year.

Section 5: Statement of Non-Discrimination. The Directors and committee members of the Association shall be selected entirely without discrimination as to age, ethnic background, handicap, race, religion, or sex. Activities of the Association will be planned on a similar nondiscriminatory basis.

ARTICLE SEVEN – INDEMNIFICATION OF DIRECTORS

The Association shall have the power to indemnify any Director or former Director of the Association for all expenses, judgments, liabilities, fines, and settlement amounts paid in connection with any claim, action, suit, or proceeding asserted or threatened against him or her due to his or her position as Director, except in matters where he or she shall have been guilty of negligence or misconduct.

ARTICLE EIGHT – DISTRIBUTION OF ASSETS UPON DISSOLUTION

Upon the dissolution of the Association, the members shall, after paying or making provision for the payment and satisfaction of all liabilities and obligations of the Association, distribute all of the assets of the Association to such individuals and organizations as the members shall determine and pursuant to a plan of distribution adopted as provided by the Texas Non-Profit Corporation Act.

ARTICLE NINE – AMENDMENTS

These Bylaws may be altered, amended or repealed, or new Bylaws may be adopted at any regular or special meeting requiring 67% participation of the members and by the affirmative vote of 67% of these members, provided notice of the proposed change is given at least fourteen (14) day prior to such meeting.

APPROVED ADMENDMENTS TO THE BYLAWS

Approved 04-07-2007 Changes to create dues payable by lot with exception for 2 consecutive as single building site.

Record of Amendments 05-2015 - Changes to bring Bylaws in compliance with 2012 Texas Statutes Changes

Change percentage from 80 to 67%, and remove “in good standing” phrase - to conform to the 2011 Texas POA Code.

Change in amount of notice to be given for meetings.

Developer Member article mention no longer applicable, removed from Article Three, Section 1; Article Five, B.

Changed the Quorum requirements and affirmative vote from 67% to 50% + 1, for Budgeting and elections, based on the voting results of the membership meeting of Dec 2016 (membership voted 70% in favor of the change)