

MEADOW LAKE AIRPORT ASSOCIATION INC.

BYLAWS

RULES

AND

REGULATIONS

(Revised MAY 11, 2004)

BY LAWS
of the
MEADOW LAKE AIRPORT ASSOCIATION

ARTICLE I

USE OF AIRPORT

The Meadow Lake Airport shall be operated for the use and benefit of the general public. Meadow Lake Airport has been designated by the FAA as a Reliever Airport and, as such, shall at all times be open to use by all persons on nondiscriminatory, fair and reasonable terms.

ARTICLE II

OFFICES

Section 1. Location. The principal office of the Corporation shall be located at: 1 Cessna Drive, Meadow Lake Airport (00V), Peyton, Colorado 80831-6051. The Corporation may have such other offices within or without the State of Colorado as the Board of Directors may designate or the business of the Corporation may require.

ARTICLE III

MEMBERSHIP

Section 1. Classes of Membership. The Corporation shall have two classes of membership, namely, Regular Members (regular commercial members and regular residential members) and the subclass of Recreational Associate Member.

(a) *Regular Members* in the Association shall be those individuals, companies or associations of any kind who own real estate at the Meadow Lake Airport (Exhibit A). There shall be one membership per real estate parcel. Membership shall become effective on the date of purchase.

(b) *Recreational Associate Members* of the Association shall be those persons, companies or organizations (not regular members) which purchase fuel or purchase goods or services from any member of the Meadow Lake Airport Association, on the Meadow Lake Airport. Recreational Associate Members shall have no vote, but shall have all rights in regards to the Association afforded to the general public.

Section 2. Annual Meetings. An annual meeting of the regular membership for the election of Directors to succeed those whose terms expired and for the transaction of such other business as may properly come before the meeting shall be held on the 2nd Tuesday in May of each year. Should the annual meeting of the membership not be held on such day, the election of Directors may be held at any special meeting thereafter called for that purpose.

Section 3. Special Meetings. Special meetings of the members may be called by the President, the Board of Director, or members holding not less than one-tenth (1/10th) of the total number of votes of the Association.

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Section 4. Notice and Place of Meetings and Agenda. The notice of meeting shall designate the place of any and all annual or special meetings and agenda for said meeting, and the same may be held within El Paso County, State of Colorado, and all notices of meetings shall be deposited in the United States mail at least fifteen (15) days prior to the time of the meeting, addressed to the members at their known addresses as they appear on the records of the Corporation, with postage thereon prepaid.

Section 5. Quorum. The regular members holding a majority of the total votes of the Association which may be cast at any meeting, shall constitute a quorum at such meeting, and if a quorum is not present at any meeting of the membership, a majority of the members present may adjourn the meeting from time to time without further notice. If no quorum can be made upon the second adjourned meeting which shall be not less than one (1) month subsequent to the scheduled annual meeting or more than two (2) months after the scheduled annual meeting, then the meeting may be held and shall constitute an annual meeting if at least ten (10) separate land owners are represented and all regular members have been notified of this meeting and reminded of the lowered quorum requirement.

Section 6. Voting Rights. All regular members shall be entitled to vote and every regular member shall be entitled to one (1) vote for each full One Hundred Dollars (\$100.00) of taxable valuation of property within the property boundary of the Meadow Lake Airport which is currently included or which is added under the terms of Article 3, Section 11 to the list of property included in Exhibit A (attached). At the annual meeting, and as appropriate at special meetings of the membership, the management shall issue a certificate to each member indicating their voting strength. Each valuation for the purpose of taxation shall be that value assessed by the El Paso County tax assessor and so recorded upon the county tax rolls except Regular Residential Members residential property shall be assessed and shall be valued per the terms of Article V, Section 6, Minimum Assessments, as amended from time to time by the membership. No land owner who is in arrears in their Association indebtedness may vote at any regular or special election.

Section 7. Membership. Those who qualify for membership in the Association under Section 1, Article III, shall be accepted as members of the Association upon their first payment of Association dues and by said payment they hereby agree to abide by these by-laws and all their amendments or revisions as they exist at the time and further agree to make timely payment of all required assessments. A regular member shall cease to be such upon the sale of all the land under which he became a regular member. A Recreational Associate Member shall cease to be such when he ceases purchasing fuel or basing aircraft with any property owner or FBO.

Section 8. Use of Facilities. The management shall issue a grant for regular members in good standing to use the Association's facilities under the rules established. Recreational Associate members and members of the general public may use the Association facilities when said use is in compliance with all local, state and federal laws and regulations and when said member is in compliance with all Association rules and regulations.

Section 9. Proxies. Voting by proxy shall be allowed.

Section 10. Cumulative Voting. There shall be cumulative voting for Directors. There shall be no other cumulative voting.

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Section 11. Annexation.

(a) No new easement or access to Meadow Lake Airport shall be granted to any person or property without an affirmative vote of the membership under the terms outlined below.

(b) No new lot or portion of land shall be added to Exhibit A, without the ownership of the property agreeing to the By Laws, rules and regulations, and special covenants, and without an affirmative vote of the membership under the terms outlined below.

(c) Process.

(1) A written notice of the proposed easement, access, or annexation must be mailed to the entire regular membership by the petitioning member (whose names and addresses shall be supplied by the Secretary or Treasurer) or by the Board of Directors by majority vote. Such notice shall contain exact wording of the proposed change, and must be postmarked not less than fifteen (15) days prior to an annual or special meeting.

(2) All voting for easement, access, annexation changes must be done in writing on ballots prepared by an officer of the corporation. The ballot shall show the member's name and amount of authorized votes and contain the exact wording of the change followed by a yes or no selection.

(3) No vote on the proposed easement, access or annexation shall occur without the President or authorized meeting chairman first determining the exact number of votes present, and notifying the Secretary who shall record the name and authorized votes of all members present in the meeting minutes, and assuring that more than fifty percent (50%) of the entire voting interest is present, and that more than two thirds (66.667%) total voting interest of the entire total number of voting interests of the Association have voted in favor of the change either in person or through written proxy. Voting interests must comply with Article III, Section 6. Entire total number of voting interest of the Association shall be defined as the total voting interest of all members in good standing at the time of the vote.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the Corporation shall be managed by the Board of Directors which shall exercise all the powers of the Corporation, with the following limitations:

(a) Properly delegated powers shall be exercised by the person/persons they were delegated to.

(b) The power to obligate or commit Corporation funds in excess of \$25,000 for procurement of equipment, facilities or land must be placed before the general voting membership at the annual meeting or a special meeting. The Board of Directors may enter into contracts to commit a greater sum of moneys, provided the contract is contingent upon the approval of the general membership.

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The Board of Directors is authorized to adopt Rules and Regulations for the Association which are not in conflict with these By Laws.

Section 2. Number, Qualification and Term. The number of Directors of the Corporation shall be seven. All members of the Board of Directors shall be regular members of the Association elected at the annual meeting. If no annual meeting is called or no quorum attained, such Directors shall continue in office until any subsequent meeting that elects a new Board of Directors or until they resign. A Director need not be a resident of the State of Colorado to serve, but must be a regular member in good standing of the Association. The regular term of each Director shall be one year, commencing with the annual meeting.

At the regular meeting of the Board of Directors held at least 30 days prior to the annual meeting, a nominating committee of five regular members shall be appointed by the Directors. It shall be the duty of this committee to nominate candidates for the positions to be filled at the annual meeting. The nominating committee shall report at the annual meeting. Before the election at the annual meeting, additional nominations from the floor shall be permitted.

Section 3. Annual Meeting. The annual meeting of the Board of Directors shall be held immediately following the annual meeting of the membership. The elder of the elected Directors shall serve as chairman pro tem until a permanent chairman of the Board is elected from the Directors under Robert's Rules of Order.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called at the request of the President or any two (2) Directors, and the meeting shall be held at a convenient place upon notice to the Directors by the Secretary of the Board of Directors by telephone, telegram or by the United States mail addressed to the Directors at their addresses on the records of the Corporation, all notices having been made at least three (3) days prior to the time of the meeting.

Section 5. Regular Meetings. If the Board of Directors decides to hold regular meetings, it may provide by resolution the time, place and manner of giving notice for holding such meetings.

Section 6. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board.

Section 7. Vacancies. Any vacancy occurring on the Board of Directors shall be filled immediately by the Board of Directors and each Director when so elected shall serve the remaining term of the directorship so vacated.

Section 8. Informal Action by Directors. Any action required to be taken at a meeting of Directors, or any other action which may be taken at a meeting of Directors, may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all of the Directors.

Section 9. Acceptance of Position. Elected Directors shall immediately accept their positions in writing to the President or Officer presiding over the election, who shall then certify in the minutes of the Corporation the roster of the elected person accepting the position and responsibility of administering the duties prescribed herein. A quorum accepting these positions shall constitute the new Board. The failure to accept by an elected person shall void his election whereupon that position may be filled by continuation of the election. Nominees on the ballot who are unable to attend the annual meeting may

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submit letters of acceptance to the Board prior to the annual meeting.

Section 10. Resignation of Position. A Director may resign himself of all duties as a Board member by letter to the Secretary of Board of Directors which shall become effective immediately.

Section 11. Directors' Compensation. A Director shall receive no compensation but shall be reimbursed for "out-of-pocket" expenses upon sole approval or direction of the Board.

Section 12. Indemnification of Directors. The Association shall defend, indemnify and hold harmless any Director for any reasonable expenses of settlement, judgment, award, costs or attorneys fees from any claim or lawsuit against the Director arising out of performance of the Director's duties as authorized by the Board of Directors or these By Laws. Indemnification will be provided so long as the Director's conduct was in good faith and the Director reasonably believed that the conduct was in the Association's best interests or the conduct was at least not opposed to the Association's best interests. The Association will not indemnify the Director when the Director has been found to be liable to the Association or when the Director derived an improper personal benefit from his conduct.

Section 13. Directors' Duties. It shall be the duty of each Director to administer the responsibilities, properties and uses of the Association's assets in a manner that will be most beneficial to the Airport, its operation and its growth. The several property owners have granted easements, rights-of-way, real estate, improvements and controls to the Association to be held in perpetual trust for this purpose.

Section 14. Removal of Directors. A Director may be removed during his term by an affirmative vote of the membership pursuant to Article III, Section 6 at a special meeting of the membership called for such purpose. Prior to a special meeting being called, a written recall petition must be submitted to the board with the signatures of at least twenty-five (25)% of the regular members. The challenged director will be allowed to address the membership at the Special Called Meeting.

ARTICLE V

BUSINESS MANAGEMENT

Section 1. The Management. The Board of Directors may appoint a person as the Manager of the Airport who shall have and may exercise such authority as the Board of Directors shall designate. Such person shall operate the corporate business within the written directives, budgets and policies instituted from time to time by the Directors. The manager shall be paid as may be deemed appropriate by the Board of Directors. In the event the Board does not appoint a Manager, the management responsibilities rest with the Board of Directors. The Board of Directors may appoint an Executive Committee of not less than three (3) Directors which shall have and may exercise the authority of the Board of Directors. The Board of Directors may establish such other committees as it chooses to study areas of concern and make recommendations to the Board for action.

Section 2. Management Qualifications. The manager or managers need not be regular or associate members.

Section 3. Meetings. If the business manager decides to hold regular meetings he shall provide for the time, place and manner of giving notice for holding such meetings.

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Section 4. Duties. The duties of the management shall be to administer in every way the airport facility as it relates to finances, administrative procedures, safety, method of operation of the airport system and taxiways, and to recommend to the Directors such rules and regulations for the enforcement of the same, including disciplinary action to be taken against the membership of the Association. In compliance with the section, the Manager or Executive Committee, whichever is designated by the Board of Directors, shall exercise control of all commercial activity on the airport which utilizes the common property of the Association and no such commercial activity shall be engaged in without this approval.

Section 5. Assessment. Regular members in the Association shall be assessed annually by the management and shall pay to the Association an amount of money each year equal to one percent (1%) to twenty-five percent (25%) of Personal Property taxes on portable hangars, and one percent (1%) to twenty-five percent (25%) of the actual real property taxes on the real property owned or leased by that particular regular member as assessed by the County Assessor for the County of El Paso, State of Colorado. The intent is to collect one assessment per unit of real estate and portable hangar erected as a personal property item. Any and all additional amounts assessed will be based upon that particular regular members annual contribution or assessment in relation to the total assessment of the Association for the regular members in any one particular year, on a pro-rata basis, required for the actual operating expenses of the Association for that particular year in the event that the actual operating expenses exceed the twenty-five percent (25%) formula or assessment. However, in no event shall the maximum assessment be greater than one half (½) of the total amount of real property or personal property taxes on each regular member's property. Regular Residential members shall be assessed per the terms of Article V, Section 6 for their residential property for any calendar year said property based any aircraft, or member made use of any of the Association's taxiways, or other facilities, at any time during that calendar year.

Section 6. Minimum Assessment. Each property, whether improved or not, shall be valued at Four Thousand Dollars (\$4,000) minimum assessed value by the Association. Minimum assessment of each item of Airport property is \$75.00. A penalty of one and one half percent (1½%) per month on delinquent dues, plus the cost of collection to include attorney's fees, shall be added as an additional assessment. This provision shall be in lieu of the El Paso County Tax Assessor's assessed value if such assessed value should be lower than the Four Thousand (\$4,000). This provision further applies to any subdivisions of real estate hereafter recorded in the County records.

Section 7. Disciplinary Action. Dues and assessments are a legal debt of the member/members who owns the land in question. Unpaid dues and assessments are collectible by civil action brought by the Association. Past due amounts draw interest at 1½% per month.

The Association may withdraw the right to use runways, taxiways and other Association facilities from members (or tenants of members) that are in default on payment of assessments of dues.

The Association may sue to enforce deed covenants and, also, any offended landowner in the deed covenant area may sue to enforce deed covenants. Remedies shall include injunctive relief and damages.

The Association may sue to enforce rules and requirements under Article VI, Architectural Control Committee, and shall be entitled to injunctive relief and damages. Also, any member may sue to enforce said rules and requirements.