

## Article 1: Purpose

1. SKYCOMBERS FLYING CLUB CORPORATION (CORPORATION) is a Non Profit Mutual Benefit Corporation organized under the California Nonprofit Mutual Benefit Corporation Law.
2. The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under such Law and to provide enjoyment and recreation for its Owners through the medium of general aviation.

## Article 2: Ownership

1. Ownership in the Corporation shall be open to any person agreeing to abide by the Articles of Incorporation, the by-laws of the Corporation and the Operating Procedures and any amendments thereto.
2. There shall be no more than ten flying Owners per aircraft.
3. To be designated a "flying Owner," the Owner must have received approval by the Corporation's Chief Pilot (see Article 5, below) and maintain "currency" as specified in the Corporation's Operating Procedures.
4. A student pilot may not be an Owner.
5. Ownership may be obtained by the purchase of a property interest in the Corporation and following a vote of acceptance by the Board of Directors.
6. The Board of Directors shall establish the value of the original property interest also known as Original Share, from time to time.
7. An Owner is any person who has purchased a Share in the Corporation and who pays his dues and who is not delinquent in his account with the Corporation.
8. An Owner may terminate his share of the Corporation by providing written notification to the Secretary 30 days prior to the termination date. The terminating Owner shall forfeit the amount he paid for his Original Share at the effective date of the termination.
9. An Owner may elect to sell his share to another person for whatever amount mutually agreed between him and the new owner, and the transfer must occur within 30 days of notice of termination. The new owner's ownership is subject to the acceptance by a vote of the Board of Directors. Regardless of the selling/purchasing price, the purchasing owner is deemed to have paid the amount that the selling Owner originally paid for his Original Share. A

transfer fee of two hundred and fifty dollars (\$250.00) shall be paid by the Owner to the corporation.

10. An Owner may be expelled by a two-thirds vote of the Owners voting at any regular or special meeting of the Owners. Ten-day notice shall be given to such Owner who shall have the right to be heard either in person or by counsel at a special meeting of the Corporation Owners called for this purpose.
11. Any Owner whose account is delinquent in an amount greater than one thousand dollars (\$1,000) or any owner who does not pay his bills to the Corporation for three consecutive months shall become a Suspended Owner. Suspended Owner shall have all flying and voting privileges suspended until his account is paid in full and shall be subject to expulsion. If, in the opinion of the Board of Directors, extenuating circumstances warrant the retention of the Owner, the delinquency period may be extended on a month-to-month basis, but shall not exceed a total of six (6) months. The Treasurer shall promptly provide notice to the delinquent Owner and to the Board of Directors when an owner becomes delinquent. Suspended Owner continues to have the obligations to pay monthly dues until the date of their expulsion from the Corporation.
12. Use of Corporation airplanes by a Suspended Owner shall be cause for immediate expulsion from the Corporation without hearing.
13. Any Owner who flies Corporation aircraft without a currently valid pilot's certificate or current medical shall be subject to immediate expulsion from the Corporation without hearing.

#### ARTICLE 3: Voting

1. Each Owner shall be entitled to one vote on any business brought to the Corporation for a vote.
2. Adoption of the by-laws and amendments thereto shall be effected by a two-thirds (2/3) vote of all Owners.
3. Adoption of the Operating Procedures and amendments thereto shall be effected by a two-thirds (2/3) vote of Owners present at the meeting in which such adoption or amendment is voted on provided that a quorum is established.

4. A quorum is established when a majority of Owners entitled to vote or their proxies are present.
5. Unless otherwise stated in these by-laws, all other business brought to the Corporation for a vote shall be decided by a two-thirds (2/3) vote of those voting when a quorum is established.

#### ARTICLE 4: Directors and Officers

1. The Board of Directors will consist of the PRESIDENT, VICE-PRESIDENT, SECRETARY, and TREASURER who also are the Officers of the Corporation.
2. The Directors and Officers shall be elected by a two-thirds (2/3) vote of Owners present at the meeting in which such election is taking place provided that a quorum is established.
3. The Board of Directors shall be responsible for determining policy and shall have the power and authority to promulgate and enforce rules pertaining to the use and operation of the Corporation property.
4. The tenure of each Director and Officer of the Corporation shall be for a period of one year.
5. Directors and Officers shall serve without any compensation and rewards except when provided in these by-laws.
6. The Directors and Officers shall not be empowered to levy any assessment against Owners.
7. Directors and Officers may be removed from office at any time by a two-thirds (2/3) vote of the Owners. A new Director or Officer shall be elected immediately to replace any Director or Officer so removed.
8. The Officers and Owners of the Board of Directors are authorized to sign legal documents as well as checks required to conduct business matters on behalf of the Corporation.
9. The President shall be responsible for coordinating all Corporation activities, shall preside at meetings and will call other meetings as necessary.
10. The Vice President shall preside at meetings and act as President in the absence of the President.
11. The Treasurer shall be responsible for the monthly billing of Owners for all charges such as dues, flying time, etc., and shall maintain records of all

financial transactions. The Treasurer shall be responsible for the timely collection of monies due to the Corporation and timely payment of the Corporation's obligations. The Treasurer shall submit an annual budget to the Owners for approval at the annual general meeting in February. The Treasurer shall submit to the Directors a monthly financial report which includes:

- a) Total dues collected plus itemized listing of all expenditures.
- b) For each airplane, total-flying charges collected and total of all expenditures by category of expenditure and reserve accumulations related directly to operation.

12. The Secretary shall record and publish the minutes of all meetings and shall be responsible for the maintenance of Corporation correspondence except monthly billings and shall maintain the by-laws and approved resolutions.
13. An Audit Committee shall be established to audit the Corporation financial records. The Audit Committee shall include three Owners at least one of who is not a current Officer of the Corporation. Members of the Audit Committee shall be elected by a simple majority vote of all Owners.
14. The Treasurer shall cooperate with members of the Audit Committee and provide the Audit Committee members with complete access to the Corporation's financial records including bank accounts, cancelled checks invoices or any other pertinent information. The Audit Committee shall provide a report to the Owners at each regular general meeting of its findings.
15. All routine communications of the Corporation shall be conducted by email. It shall be the responsibility of each member to provide for the receipt of such communications.

#### ARTICLE 5: Chief Pilot

1. The Corporation shall from time to time designate one or more of its members as Chief Pilot. The Chief Pilot shall be designated based upon actual experience in each specific category, class and type aircraft owned by the Club as well as general flying qualifications. The Board of Directors shall review the total qualifications of each proposed Chief Pilot and shall make the designation. Once designated the Chief Pilot shall serve in that capacity at the will of the Board of Directors.

2. It shall be the duty of the Chief Pilot(s) to perform flight checks of all new Club members seeking to establish full Pilot in Command operation rights in each category, type and class aircraft owned by the Corporation. The Chief Pilot shall provide written guidelines for this review that have been approved by the Board of Directors to the prospective member. This review is restricted solely to certified private pilots or greater. When the Chief Pilot is satisfied that an Owner is sufficiently familiar with the operational characteristics of each category, type and class aircraft owned by the Corporation, he shall inform the Club. The Owner must then receive an approved check ride from a Certified Flight Instructor as is required for insurance purposes.

#### ARTICLE 6: Meetings

1. The Corporation shall have one regular general meeting a year. The first regular general meeting shall be in January or February, at which time the President, Vice President, Treasurer, and Secretary shall be elected.
2. Written notice of the time, date, and location of any general meeting shall be provided each Owner at least two (2) weeks prior to the meeting.
3. Any four Owners can petition in writing to the President to call for a general meeting to discuss items requiring the attention of all Owners. The President shall promptly call for a general meeting when such written petition is received.
4. The President shall present to the Owners a report on the general status and condition of the Corporation and its assets and properties at each regular general meeting.
5. The Treasurer shall present to the Owners a detailed financial report on the financial condition of the Corporation. Such Financial report shall include the assets and liabilities of the Corporation, itemized incomes and itemized expenses, cash balances and reserves, status of unpaid bills and uncollected invoices, proposed budget and deviations from budget and any proposed capital improvements at each regular general meeting.

The Board of Directors and the Officers shall hold monthly meetings to discuss and resolve the affairs of the Corporation. The agenda of the Board of Directors monthly meeting shall include a review of the Corporation finance, the insurance

of Corporation airplanes, the airworthiness and maintenance status of Corporation airplanes and the status of the medical certificate and currency of each of the pilots operating Corporation airplanes. Such monthly meeting can be conducted by telephone conference call or other electronic means. All Board of Directors meetings are open to all Owners. All Owners are encouraged to attend all meetings and actively participate in the activities of the Corporation.

ARTICLE 7: Assessments, dues, and flying rates

1. Monthly dues shall be paid by Owners and Suspended Owners in an amount established by a two-thirds (2/3) vote of all Owners, for the express purpose of defraying fixed expenses of the Corporation. Monthly dues established pursuant to this section shall be published and be made part of the Operating Procedures.
2. In recognition of their contribution certain Owners may have their monthly dues waived or reduced by resolution passed by a two-thirds (2/3) vote of all Owners.
3. Special assessments may be levied against Owners only by a two-thirds (2/3) vote of all Owners.
4. Monthly statements shall be sent to each Owner by the 10<sup>th</sup> of each month and payment is due 20 days later.
5. Owners who have a dispute with the billings shall promptly notify the Treasurer. Treasurer and Owners shall meet to resolve the dispute. If the dispute cannot be resolved then it will be referred to the Board of Directors for resolution. Owners' account is deemed to be non-delinquent while the dispute is reviewed by the Board of Directors.
6. Flying rates shall be determined by a simple majority vote of all Owners. Flying rates established pursuant to this section shall be published and be made part of the Operating Procedures.
7. The Board of Directors at its discretion may grant inactive status to certain Owner due to extenuating circumstances (temporary loss of medical certificate, severe illness, job relocation etc.). Inactive Owner shall not have any flying or voting privileges until the conditions no longer exist and Inactive Owner resumes his obligations to pay monthly dues. Inactive Owner shall not be considered as Suspended Owner. Inactive Owner status shall be

limited to a period no longer than 9 months. The Board of Director shall promptly inform all Owners when such special status is granted.

#### ARTICLE 8: Miscellaneous

1. The corporation shall at all times cover all aircraft with hull insurance against flight and ground damage, and shall carry property damage and public liability insurance to protect the corporation and the Owners against liability actions, suits for damage, or judgments of third persons or Owners. The insurance shall be for an amount judged to be adequate by the Board of Directors.
2. The Corporation assumes no responsibility to the Owners the results of their acts or omissions while operating Corporation aircraft except insofar as protection is afforded by the policies of insurance carried by the Corporation.
3. No Owner may act as Pilot in Command of a Corporation aircraft unless the Owner has a valid pilot's certificate and a current medical certificate. Owners are required to provide copies of such certificates to the Secretary.
4. Only Owners, Corporation-authorized FAA certified flight instructors and Corporation-authorized certified FAA aircraft and powerplant mechanics who are holders of a current FAA airman rating are authorized to act as pilot in command of Corporation aircraft.
5. It shall be solely the Owners' responsibility to adhere to all Federal Aviation Regulations while in command of a Corporation aircraft. Failure to comply may result in grounding of the offender at the option of the Board of Directors.
6. Corporation aircraft are not to be used for business or for hire as interpreted in FAA regulations.
7. Corporation aircraft are not to be used for instruction in obtaining a pilot's license.
8. Any Owner finding a defect, which involves safety of flight, shall ground the airplane by posting a warning note in a conspicuous place in the aircraft and must immediately notify an Officer.