

BYLAWS OF MOUNTAIN FLYERS, INC

Purposes

The purposes for which the corporation is organized are: to foster, promote, encourage, sponsor and teach the art of flying; to lease, buy, own, maintain, operate and sell private light aircraft for the purpose of teaching flying or advancing the flying proficiency of the members of the organization, and to furnish the members of this organization a means of low cost flying in light aircraft. The organization currently is a non-profit corporation of North Carolina pursuant to 501-C-7 tax exempt organizations.

General Provisions

Article One

Section 1 - Principal Office

The principal office of the organization (hereafter known as the club) shall be: Mountain Flyers, Inc., P.O. Box 1651, Hendersonville, NC 28793

Section 2 - Registered Office

The registered office is the same as the principal office set out in Section 1, above.

Article Two

Section 1 - Directors

The Board of Directors shall manage the business and affairs of the corporation.

- a. Number, term and qualifications

The number of the Board of Directors of the club shall be up to a total of twelve. The Directors shall serve a one-year term and shall be elected from the membership of the club as long as there are members. In the event there are no members, Directors may be elected without restriction.

- b. Election of Directors

Directors shall be elected at the annual meeting of the members. If there are no members, Directors shall be elected at the next succeeding Directors meeting by the Directors. Vacancies on the Board of Directors shall be filled at a special meeting of the Directors of the club called for the purpose of electing a Director or Directors to fill the unexpired term(s).

c. Meetings

The annual meeting of the members of the club and the Board of Directors shall be on the second Monday in June each year. Additional meetings of the Board of Directors shall be designated by the President of the Board of Directors.

d. Quorum

A quorum of the duly elected and acting Directors shall be five for the transaction of business. Except as may be otherwise provided, the act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

e. Removal of Directors

Any Director may be removed by the persons authorized to elect or appoint him (her) whenever in their judgement; the best interest of the club will be served thereby. In the event an officer or Director of the club is expelled as a member of the club, such expulsion shall automatically remove him (her) from office as officer or Director.

f. Record Keeping.

The Board of Directors shall cause to be kept a record of all its acts and proceedings at its meetings and to be presented a full statement showing in detail the condition and affairs of the club.

Section 2 - Officers

The officers of the club shall consist of a President, a Vice President/programs, a Secretary and a treasurer/business manager. Additionally, up to seven persons may serve as Directors.

a. Election of Officers and Directors

Officers and up to six Directors are to be elected by the members of the club by mail and annually at the annual meeting. Newly elected Officers shall

automatically become members of the Board of Directors for the coming year. No person shall hold more than one of the offices of President, Vice President, Secretary or Treasurer.

b. Managers

The Board of Directors may designate individual Directors to manage certain functions, such as Operations Manager, Membership Manager, Avionics Manager, etc.

c. Appointment of Director at Large

The Board of Directors may appoint one member as a Director at Large with voting privileges of the Board of Directors.

d. Removal of Officers

Officers may be removed in the same manner as Directors and their expulsion as a member shall automatically remove them from office as an officer of the club, and the vacancy so created shall then be filled in the same manner as vacancies on the Board of Directors. The designated managers may have their responsibilities changed by a vote of the Board of Directors.

Article Three

Section 3 - Shares

a. Shares

Membership shares will be issued by the club to provide ownership of the club and its assets.

b. Equity

Each membership share will have equity in the assets of the club as described in Article four, Section 2.

c. Number of Shares

The number of shares authorized will be determined by the Directors, taking

into account the degree of utilization and expenses of the club's aircraft and other relevant factors.

Article Four

Section 1 - Shareholding Members

a. Definitions

A shareholding member is defined as a person owning one Membership Share and is limited to one Membership Share.

b. Members in Good Standing

A member in good standing is a member who owns a Membership Share and has no Mountain Flyer's account outstanding for more than sixty days, for which appropriate statements have been rendered at least monthly. Each member in good standing shall be entitled to one vote.

c. New Members

New Members will be on probation for a period of three months with approval for continued membership to be at the discretion of the Board of Directors. (new member qualifications, or lack thereof should be brought to the attention of the Board of Directors by qualified members). Full membership fee shall be refunded to any member not accepted after the end of the probation period.

d. Grounds for Expulsion or Suspension

A member may be expelled or their membership privileges suspended for any of the following reasons:

1. Non-payment of the full amount of any bill due more than 60 days and for which statements have been rendered at least monthly.
2. Gross and/or willful misuse of club equipment as determined by the unanimous vote of the Board of Directors. This includes attempted use of an aircraft while impaired by drugs or alcohol, including prescription drugs referred by a physician or pharmacist.
3. Any action endangering the equipment of the club as determined by the unanimous vote of the Board of Directors.

4. Willful and flagrant violation of Federal Aviation Administration Regulations or Club rules (bylaws) as determined by the unanimous vote of the Board of Directors. The membership of any expelled member shall not be transferred and shall not be transferable. Expulsion may be appealed to the share-holding membership at the next regular meeting. If appealed, a simple majority of a quorum may sustain or rescind the expulsion action.

e. Expulsion

Any member expelled by the corporation shall have no property rights in any of the assets of the club and would be personally liable for unauthorized use of club property and forbidden from further use.

Section 2 - Costs, Dues and Meetings

a. Cost of a Membership Share

The cost of a membership share in the club shall be set by the Board of Directors. In setting this price, the Board of Directors shall consider the portion of the net worth of the club which one membership share represents.

b. Cost of Monthly Dues

The Board of Directors will establish monthly dues to underwrite the fixed expenses of the club which are unaffected by the number of hours which club aircraft are flown, based on the number of members. Dues and flying charges are payable upon receipt of monthly statements. If a member joins between the 10TH and the end of the month, his/her dues for the first month will be pro-rated from the day of joining.

c. Shareholders Meeting

Shareholding members shall meet annually on the second Monday in June of each year, and at such place as may be designated in the notice of meeting.

d. Special meetings

Special meetings may be called by:

1. The President
2. A majority of the Board of Directors or
3. An affirmative vote by 20% or more of the shareholding members

Notice of all such meetings shall be given by mail at least ten days prior to the meetings.

e. Quorum

Fifty percent of the members in good standing shall constitute a quorum at any annual or special meeting of the membership, and the action taken by the majority of those so present shall be the deed and act of the entire membership.

f. Withdrawal from Membership

If a member who purchased a share prior to December 1, 1983 elects to do so, that member may request in writing that the club repurchase his or her share at a price equal to 50% of the price which he or she paid. Shares purchased on and after December 1, 1983 will be repurchased at a price of One Hundred Dollars (\$100). A withdrawing member will be entitled to a refund of the above amount, less unpaid flying expenses and/or dues for the month following receipt of his written notice of withdrawal.

g. Equity Distribution

In the event of the dissolution of the club, the net assets shall be distributed among the then-current and paid up shareholding members as follows:

1. From the balance of the net assets, each membership share shall be repurchased from each shareholding member for a price to be set by the Board of Directors between the then-in-effect membership share value and 50% of that value.
2. The remainder of the net assets shall be divided among the shareholding members according to the following formula: the base for proportioning shall be the total paid shareholding membership months of the then-current and paid up members.
3. The percentage of the balance of the net assets of the club shall be in proportion to the total number of shareholding membership months of any one shareholding member.

Article Five

Section 1 - Books and Accounts

The Treasurer shall keep a correct and complete record of the financial activities of the club. The Secretary shall keep the minutes of the proceedings of the members and of the Board of Directors' meetings, and shall keep at the registered office a record of the names and addresses of the members in good standing. All other records, books and minutes may be kept by the Secretary or Treasurer at any safe place convenient to them. All books and records of the club may be inspected by any member of the club in good standing, his agent or attorney for any proper purpose, at any reasonable time.

Section 2 – Depository

The funds of the club shall be kept and deposited in such banks and/or financial institutions as may be designated from time to time by the Board of Directors.

Section 3 – Checks

Checks shall be signed by the Treasurer of the club or in his absence by the President or Secretary.

Section 4 - Accounting Periods

The club shall operate on a calendar year basis and all records, reports, accounts and tax returns shall be made on that basis.

Article Six

Section 1 - Income Distribution

The club shall not distribute income or declare any dividend in any way or manner whatsoever to the members or incorporators or to any officers or Directors, provided, however, this shall not be construed to prohibit distribution of assets to members upon dissolution of the club.

Section 2 – Indemnification

The club may, by resolution of the Board of Directors, provide for indemnification by the club of any and all of its Directors or former Directors against expenses actually and necessarily incurred by them in connection with the defense of any action, suit or proceeding, in which they or any of them are made parties, or a party, by reason of having been Directors of the club, except in relation to matters as to which such directors shall be adjudged in such action, suit or proceedings to be liable for negligence or misconduct in the performance of their duty and to such matters as shall be settled by agreement predicated on the existence of such liability for negligence or misconduct.

Section 3 - Amendment to Bylaws

Except for Articles One through Six, these Bylaws shall become effective upon adoption by the Board of Directors. The first six articles of the Bylaws, including this article shall not be amended except by a vote of the members in good standing of the corporation and provided that copies of the proposed amendments have been submitted in writing to all members at least ten days prior to the date of vote. The vote may be by letter ballot or at a regular or special meeting of the members. The vote shall be considered as invalid if less than a quorum response is obtained. A quorum is as defined in ARTICLE 4, Section 2, Paragraph e. All other articles of the Bylaws may be amended by the Board of Directors at anytime, provided a quorum of the Board is present as defined in ARTICLE 2, Section 1, Paragraph d.

Operating Procedures

Article Seven

Section 1 - Flying Time

Flying time commences when the aircraft is started and ends when the aircraft returns to the flight line and the engine is shut down. Flight time shall be entered in the aircraft flight log to the nearest tenth of an hour per the Hobbs engine hour meter in the aircraft, and also entered in the record book in the South ramp office.

Section 2 - Payment for Flying Time

The Board of Directors shall establish the hourly rate schedule for use of the club aircraft, based on the actual and anticipated direct costs resulting from such use, including cost of fuel, oil, inspections, maintenance and repairs and accruals for same. Payment for flight time is due as indicated on the monthly bill.

Section 3 - Flight Instruction

- a. Flight instruction in Mountain Flyers, Inc. aircraft must be obtained from an instructor approved by the Board of Directors.
- b. Club members in good standing only shall be instructed in club aircraft, and only by club approved flight instructors, as in Section 3, paragraph a, above. The only exception to this rule shall be the instruction of family members in emergency survival training such as AOPA's "Pinch Hitter" courses.

Article Eight

Section 1 – Scheduling

- a. All flights in Mountain Flyers, Inc. aircraft shall be scheduled in advance on the scheduling website () and entered in the record book in the South ramp office prior to take-off. Repetitive scheduling, which is defined as scheduling similar time periods each week, is not permitted, except with prior clearance from the President or his deputy, and the aircraft Maintenance Manager.
- b. Members will be charged for a minimum of 1 hour flight time per 24 hours when any aircraft is away from home field except when weather or required maintenance delays the return. Unusual conditions will be reviewed by the Board upon the return of the aircraft.
- c. Necessary maintenance (whether periodic, scheduled or unscheduled) and repairs, will take precedence over any pre-scheduling.
- d. Reservations for local flying may be made not more than three weeks in advance of flight, but may be made anytime up to take-off time. Reservations for cross country flights and flight tests may be made anytime in advance; however, no member may have more than one holiday reservation in Club aircraft in any rolling 370 day period. Holidays for the purposes of this section shall consist of: New Year's Day, Easter, Memorial Day, July 4th, Labor Day, Thanksgiving Day and Christmas Day.
- e. Any member who is unable to use a scheduled period shall cancel his/her reservation as soon as possible and notify the membership via the scheduling website e-mail system. Any member returning earlier than planned must notify the membership of the availability of the aircraft for the remainder of that day using the scheduling website.

- f. Any member who is more than 30 minutes late for his/her reservation will forfeit the balance of that reservation to any other member desiring to fly. This shall not apply in the case of a member scheduling an all-day or multi-day trip (See paragraph g, below) in which case the scheduler forfeits only the remainder of that hour. No member shall keep an aircraft away from home flight line beyond the time scheduled by him/her unless unavoidable circumstances prevent the timely return of the aircraft. In this case, the member must contact the maintenance manager, report the circumstances and expected return date/time, and notify the next scheduled member(s) whom the delay will affect.
- g. Mountain Flyers' aircraft may be scheduled away from home field for a maximum of seven (7) consecutive calendar days. If additional time is required, prior permission must be obtained from the President and the Maintenance Manager for that aircraft.
- h. Members must sign their name in the record book in the South ramp office before taking the aircraft, as an indication of their intent to use the aircraft for the time scheduled. Members must also enter their Hobbs time in this record book and in the flight log in the aircraft at the beginning and end of the flight.

Article Nine

Section 1 - Former Board of Directors Members

Any former Board member who has served as a director for at least two years and who has resigned from the corporation in good standing shall be given preference over other applicants for membership upon submitting a written application for membership to the Corporate Secretary.

Article Ten

Section 1 - Restriction of Use

- a. No person, except a member in good standing, a certificated and approved club flight instructor giving dual instruction to such a member, or a qualified person conducting authorized flight tests, shall be permitted to fly any Club aircraft.

- b. All flights are to be made within the limits of the FAA certificate of the pilot in command, and all FAA and local airport regulations.
- c. In order to fly any Club aircraft, a member must meet the requirements (if any) set forth in the corporate insurance policy relating to such airplane. The club may also, from time to time, promulgate requirements to be met by members prior to being allowed to schedule and fly Club airplanes.
- d. Any officer of the club is authorized to restrict operation or deny the use of club aircraft to any individual for good cause, pending review of the circumstances by a meeting of the available members of the Board of Directors within 72 hours.
- e. Any incident causing damage to a Club aircraft, or a violation of an FAA Regulation while operating a Club aircraft in which charges are issued by a Federal, State or local law enforcement official, will result in immediate suspension of the involved member from use of any Club aircraft until an investigation and a review is completed by a committee appointed by the Club President or the Board of Directors.
- f. All members shall provide written documentation as to medical certificate and BFR currency to the Club Business Manager. Scheduling shall be restricted to members who have on file evidence of current BFR and medical certificate status.

Section 2 - Drugs and Contraband

- a. No member will carry any quantity of illegal drugs or contraband aboard Mountain Flyers, Inc. aircraft.
- b. No member will allow any passenger or crew member to carry any quantity of illegal drugs or contraband aboard corporate aircraft. In the event that a corporate aircraft is seized or confiscated by any government, law officer or customs official, the member responsible will be expelled and will be required to bear all costs for legal fees and retrieval fees.

Article Eleven

Section 1 - Flying Fields Available for Use

No member shall land a club aircraft on any but an FAA approved landing field, or

other suitable landing area, except in case of emergency. In landing at fields other than home base, the pilot is responsible for any landing and tie-down fees accrued, and is responsible for assuring that the plane is properly parked and secured in an approved area.

Article Twelve

Section 1 - Securing Corporation Aircraft

Each pilot flying club aircraft is responsible for:

- a. Returning the aircraft to the appropriate area of the ramp for hangaring or tie-down, unless the next member intending to use the aircraft is present to assume responsibility.
- b. Recording in the aircraft flight log and in the "Squawks" section of the record book in the South ramp office any observations of abnormal or unsafe performance of the aircraft or avionics.
- c. Any member detecting a defect, that in his/her opinion makes the aircraft unsafe to fly, or that requires maintenance, shall immediately notify the aircraft Maintenance Manager or a Board member via e-mail and via phone call. All contact details are kept in the south ramp office record book. In the case of an aircraft that is deemed unsafe to fly, the member shall post a "Do Not Fly" notice in the aircraft flight log and in a prominent location in the aircraft.

Article Thirteen

Section 1 - Maintenance

No member shall be permitted to attach any object to any plane or make adjustments or repairs except under the supervision of a licensed A&P mechanic, or in the case of the aircraft Maintenance Manager or Avionics Manager to conduct such periodic maintenance as is specifically permitted by the FAA.

Section 2 - Authorization of Maintenance

The responsibility for authorizing general maintenance shall rest with the aircraft Maintenance Manager, or, in his absence, by any member of the Board of Directors.

- a. Away from Home Field: The pilot-in-command shall be responsible for the authorization of emergency maintenance. Maintenance in excess of \$500 shall require prior approval of the aircraft Maintenance Manager or member of the Board of Directors. (See also Section 2, paragraph c).
- b. Home Field Maintenance: Routine maintenance will be scheduled and authorized by the aircraft Maintenance Manager or Avionics Manager. (See also Section 2, paragraph c).
- c. Overtime Charges for Maintenance: Any overtime maintenance, which results in an extra charge or surcharge (i.e. call-ins, after hours, etc.) regardless of location, shall be approved by the aircraft Maintenance Manager, the Club President or a Board member. Any charges for overtime maintenance which are not pre-approved by one of the above named officers shall be billed to the member authorizing the overtime.

Section 3 - Additional Capital Investment

- a. Expenditures for accessories for existing aircraft which are deemed necessary and desirable for safety of flight or member convenience may be authorized by the Board of Directors.
- b. Additional capital required for the operation of the club (above that available in the treasury) may be obtained by means of a conventional mortgage or by the sale to members of interest bearing Capital Shares as deemed by the Directors to be in the best interest of Mountain Flyers and its members.

Section 4 - Responsibility for Damage to Aircraft - Insurance Coverage and Liability

- a. The Club will maintain insurance coverage on the aircraft to the extent determined by the Board of Directors to be in the best interest of the Club. This insurance will cover both liability and damage to the aircraft.
- b. It shall be the responsibility of the individual member involved in any accident to cover the losses not covered by this insurance. The member involved will be responsible for up to the full value of the net loss suffered by the club as a result of the accident.
- c. A copy of the insurance policy is in the record book in the south ramp office. It shall be the responsibility of each member to familiarize him/herself with the provisions thereof.
- d. Violations of FAR's such as: operating club aircraft with expired Biennial Flight Review, and/or expired Medical Certificate, or other regulations, can result in voiding the Club's insurance coverage. In such circumstances, the member responsible for the damage shall be liable for all losses incurred.

- e. ALL incidents involving damage of ANY dollar amount to Mountain Flyers, Inc. aircraft shall be promptly reported to the Board of Directors by the pilot in command, or person associated with the incident.

The pilot in command at the time of the incident shall complete and sign a "Pilot's Incident Report." The completed Incident Report shall be communicated to the appropriate Maintenance Manager and President of the Club within twenty-four (24) hours of the incident. The Pilot's Incident Report form may be found on the Mountain Flyers website (www.mtnflyers.com) or may be obtained by e-mailing a request to any member of the Board.

The President of Mountain Flyers, Inc. shall subsequently convene and chair within 10 days of the receipt of the Incident Report, an "Investigating Committee," consisting of the Insurance Manager, the appropriate Maintenance Manager and a Certified Flight Instructor appointed by the President. The Investigating Committee shall employ guidelines to ensure that all safety issues, FAA regulations, pilot competence, insurance issues and other pertinent matters are properly accounted for and documented. The Investigating Committee shall report its findings and recommendations to the Board of Directors at the next regularly scheduled meeting, or earlier, if time is deemed to be of the essence.

Article Fourteen

Section 1 - Aircraft Condition

Smoking in Club aircraft is prohibited. It shall be the responsibility of each member prior to each flight to see that the aircraft is airworthy and that all accessories appropriate to the planned flight are complete and in good working order, and that fuel and oil supplies are sufficient for the intended flight with required reserves. Any member finding a defect in aircraft structure or accessories shall note this deficiency in the record book in the South ramp office. If the defect appears to be of a serious nature, the member observing the defect shall consult with the aircraft Maintenance Manager, or other Board member to determine if flights may be made. See ARTICLE TWELVE, Section 1.

Section 2 - Post Flight Condition

After each flight, the aircraft shall be left in a clean and orderly condition. Remove all cups, trash and extraneous paper, etc.

These Bylaws re-issued this 12th day of June, 2017, with changes authorized by vote of the Board of Directors of Mountain Flyers, Inc.

Attest: 
William Keith, President of the Board of Directors

Attest: 
Steve Burney, Secretary of the Board of Directors