

BYLAWS OF PLUS ONE FLYERS, INC.

A California Nonprofit Mutual Benefit Corporation
P.O. Box 23784, San Diego, CA 92193-3784
Voice: (858) 454-7174 Fax: (858) 454-7246
(Amended September 9, 2009)

The following are the Bylaws of Plus One Flyers, Inc. a California non-profit corporation. The Club expects each member to be familiar with, and abide by, these Bylaws.

ARTICLE I NAME

1.1 Name. The name of this Club shall be Plus One Flyers, Inc., herein referred to as "the Club".

ARTICLE II PRINCIPAL OFFICE

2.1 Location: The principal office of the Club is located at:

3717 John J Montgomery Dr.
San Diego, CA 92123
County of San Diego

The location of the principal office may be changed from time to time. Any change shall be noted by the Secretary, but shall not be considered an amendment of these Bylaws.

ARTICLE III CLUB PURPOSE AND ACTIVITIES

3.1 Purpose. The purpose of the Club is to:
3.1.1 promote the training, safety, and security of general aviation within the United States,

3.1.2 to make general aviation accessible to the community and our country,

3.1.3 to provide a diverse fleet of well-maintained aircraft, and to facilitate high-quality flight instruction for its members, all at a reasonable cost; and,

3.1.4 any such other activities, properly authorized by the Board of Directors, and consistent with the Club's Articles of Incorporation and with these Bylaws.

ARTICLE IV MEMBERSHIP

4.1 Pilot Certificate Required. Applicants for membership must hold or be in the process of obtaining a Pilot Certificate.

4.2 Application Procedure. Applicants become full members in good standing once:

4.2.1 the Club receives a properly completed membership application,

4.2.2 the applicant attends a briefing on Club operation presented by an Operations Officer, Safety Officer, or member appointed by an Operations Officer and approved by the President,

4.2.3 the applicant pays the initiation fee and dues; and,

4.2.4 the applicant's application is approved by at least two (2) Club Officers.

4.3 Flight Restriction. No applicant or full member shall operate any Club aircraft until the applicant or member:

4.3.1 receives a safety briefing given by a Plus One Safety Officer,

4.3.2 satisfactorily completes a flight check in a Plus One aircraft given by an authorized Plus One flight instructor (student pilots receiving flight training from such a flight instructor are considered to have fulfilled this requirement); and,

4.3.3 receives a Club aircraft key from an authorized Club designee.

4.4 Airplane Lessors as Members. Aircraft owners who lease aircraft to the Club ("Airplane Lessors") must be members of the Club if they desire to operate their own aircraft and exercise any other privileges of membership.

4.5 Applicable Rules. Each member privileged to pilot Club aircraft shall be subject to all Club Bylaws, Operational Rules, and Financial Rules.

4.6 Accidents and Incidents. Any member operating a Club aircraft that is involved in an accident or incident resulting in airplane damage, other property damage, or personal injury, shall be automatically and immediately terminated as a member and shall retain no member privileges. Re-application of said member shall be subject to timely review by the Board of Directors.

4.7 Suspension of Membership. Any Club member who operates an airplane in a reckless manner, or is careless with a Club aircraft so that the aircraft is damaged or unfit to fly by the next Club member, or violates these Bylaws, Operational Rules, or Financial Rules, may be suspended for a time period not to exceed 90 days by either the Club's Safety Officer or a Club Operations Officer. The Board of Directors will be made aware of the suspension and may at its next meeting revoke the member's privileges or fashion other appropriate remedies.

4.8 Revocation of Membership. Membership is a privilege and can be revoked at any time by majority vote of the Board of Directors for actions determined by the Board not to be in the best interest of the Club.

4.9 Action By Majority Vote. As used in these Bylaws, the phrase "majority vote of the Board of Directors," "majority vote of the members" and similar phrases, except as expressly otherwise provided herein, shall mean a majority of the votes cast by a quorum of Directors, or members, as applicable.

ARTICLE V DIRECTORS

5.1 Powers. Except as provided herein, the Club's activities and affairs shall be managed, and all corporate powers shall be exercised by, or under, the direction of the Board of Directors.

5.2 Number of Directors. The authorized number of Directors shall be fifteen (15).

5.3 Composition of Board. The Board shall be comprised of 5 aircraft non-owners and 10 aircraft owners. In the event that there are insufficient owners who are willing to stand for election, up to two non-owners may be elected to fill vacant owner seats.

5.4 Election of Directors. Directors shall be elected by the membership at the first membership meeting in July for a two-year term in office, provided, however, that for the first election of Directors under these Bylaws, the three (3) Non-Owner Directors and the five (5) Owner Directors receiving the largest number of votes shall serve for a two-year term, while the remaining elected Directors shall serve for a one-year term. Thereafter, approximately one-half of the Director positions shall become open for election each year. Each director's term of office shall begin immediately upon election.

5.5 Voting. Only full members are allowed to vote in Club elections.

5.6 Nomination of Directors. At the meeting of members to elect Directors, any member present may place the name of any member in nomination, including his or her own. Each nominee must have been a member in good standing for at least six months prior to the election meeting as shown by Club records.

5.7 Nomination by Notification. At least thirty (30) days before the date of a membership meeting for the purpose of electing Directors, any member desiring to be nominated for election to the Board of Directors shall so notify the Secretary. The Secretary shall forward to each member, with the notice of meeting

required by Sections 8.6 and 8.7 of these Bylaws, a list of all candidates.

5.8 Solicitation of Votes. The Board shall formulate procedures that allow a reasonable and equal opportunity for the nominee's candidacy, a reasonable opportunity for the nominee to solicit votes, and a reasonable opportunity for all members to choose among the nominees.

5.9 Use of Club Funds to Support Nominee. No Club funds may be expended to support any nominee.

5.10 Vacancies. If any Director position becomes vacant, whether by resignation, removal, or otherwise, the Board of Directors shall appoint a successor for the unexpired term.

5.11 Quorum. One-third of the Directors shall constitute a quorum for the transaction of business.

5.12 Majority Vote Required. To successfully gain approval, any piece of business before the Board will require a majority vote of the Board of Directors.

5.13 Director Fees. Directors may receive such compensation for their services as may be approved by Board resolution.

5.14 Removal of Directors. Any Director may be removed from the Board of Directors with or without cause by a majority vote of the members.

5.15 Regular Meetings. Regular Board meetings shall be held at least four times per year at such time and place as the Board may fix, provided that the first meeting of the Board shall be held no later than August for the purpose of selecting officers.

5.16 Special Meetings. Special meetings of the Board may be called at any time by the President, Vice President, Secretary, or two Directors provided, however, that at least 7 days written notice is provided electronically, or is mailed via first-class mail, to all Directors to the address given by the Director to the Club's Secretary.

5.17 Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect the books, records, documents of every kind, and physical properties of the Club.

5.18 Duty of Confidentiality. Directors shall treat as confidential all non-public information and documents received from the Club in their capacity as board members. Directors shall take the necessary steps to ensure that no unauthorized persons gain access to such information. Directors shall not make statements to the club's members or the public regarding matters which are dealt with by the Board of Directors and which are not publicly known.

ARTICLE VI OFFICERS

6.1 Officers of the Club. The Officers of the Club shall be a President, a Vice President, a

Secretary, a Chief Financial Officer, a Membership Officer, one Operations Officer for each airport of operation, and a Safety Officer. Any number of offices may be held by the same person.

6.2 Election of Officers. The Officers of the Club shall be chosen annually by the Board of Directors, no later than August, for a one-year term of office and shall serve at the pleasure of the Board. Procedures for selecting Officers shall be prescribed by the Board of Directors. The officers' terms of office shall begin immediately upon selection.

6.3 Vacancy in Office. If any office becomes vacant, whether by resignation, removal, or otherwise, the Board of Directors shall appoint a successor for the unexpired term.

6.4 President. Subject to the control of the Board, the President of the Club shall supervise, direct, and control the Club's activities, affairs, and Officers. The President shall preside at all members meetings and at all Board meetings.

6.5 Vice-President. The Vice President shall be knowledgeable of all club activities and affairs and shall perform any duties reasonably delegated by the President. Should the President be absent or disabled, the Vice President shall have all the powers of and be subject to all restrictions of the President.

6.6 Secretary. The Secretary shall keep a book of minutes of all the meetings, proceedings, and actions of the Board. The Secretary shall keep in a safe place the

corporate seal, and a copy of the Articles of Incorporation and Bylaws of the Club, as amended to date.

The Secretary of the Corporation hereby is authorized and directed to compile and certify copies of the Bylaws as amended and to place one copy in the Corporation's minute book and keep another copy at the Corporation's principal executive office where it shall be open to inspection at all reasonable times during office hours, as provided in Section 213 of the Corporations Code.

The Secretary shall publish and distribute the Club's quarterly newsletter. The Secretary shall give, or cause to be given, notice of all meetings of members, and notice of all Board and Board Committee meetings as required by these Bylaws.

6.7 Chief Financial Officer. The Chief Financial Officer shall keep and maintain adequate and correct books and accounts of the Club's assets and transactions. The Chief Financial Officer shall send or cause to be given to the members and Directors such financial statements and reports as required to be given by law, by these Bylaws, or by the Board and shall cause the Club's tax returns to be timely filed.

The Chief Financial Officer shall deposit money and valuables in the name and to the credit of the Club, shall disburse the Club's funds as the Board may order, shall render to the Board, when requested, an account of all transactions

and an account of the financial condition of the Club.

6.8 Membership Officer. The Membership Officer shall keep in a safe place, all new and renewal membership applications, a record of the Club's members, showing each member's name, address, telephone number, a copy of their pilot certificate, current medical, and other relevant information, shall assist applicants and members with membership questions, and be primarily responsible for setting up, collecting, and maintaining the Club's membership records.

6.9 Operations Officers. Each Operations Officer shall coordinate and manage the daily operations for Club aircraft at the airport of their responsibility, including, but not limited to, aircraft lease arrangements, collection activities, flight payment deposits, pilot squawks, and monthly aircraft operations work sheets.

6.10 Safety Officer. The Safety Officer shall conduct Safety Briefings for new members, mentor new CFIs, assist with Club flight reviews, facilitate CFI safety meetings including meeting topics and speakers, investigate safety issues, accidents or incidents, enforce Club safety policies, and monitor aircraft operations safety.

6.11 Additional Powers. Any Officer shall have such additional or revised powers, duties, and responsibilities as the Board or the Bylaws may prescribe.

6.12 Compensation and Reimbursement. Officers may receive such compensation for their services, and such reimbursement of

expenses, as may be approved by Board resolution.

6.13 Removal of an Officer. An Officer may be removed from an Officer position, with or without cause, by a majority vote of the Board of Directors.

ARTICLE VII FISCAL RESPONSIBILITY

7.1 Fiscal Year. The Club's fiscal year begins on July 1 and continues until the following June 30.

7.2 Monthly Dues. The monthly dues, sufficient to cover the fixed and administrative costs of Club operation, shall be established by the Board of Directors.

7.3 Waiver of Dues. In recognition of their contributions to the Club, the Club waives the monthly dues requirement for Club Officers, or any member currently serving on the Club's Board of Directors. Additionally, monthly membership dues will be waived for a member who is an Aircraft Lessor and whose airplane is currently available for use by Club members; however, in the event of any aircraft having multiple Aircraft Lessors, only the dues of one Aircraft Lessor will be waived for each aircraft available for Club use.

7.4 Payment of Dues. Dues are charged to members monthly and are automatically charged to members' credit cards. Members are required to keep their credit card information current with the Club's Membership Officer. If members choose not to have the membership

dues automatically deducted from their credit cards, they have the option to prepay their dues through the end of each membership year.

Those members choosing to prepay their dues shall prepay their annual dues for renewing in June for the forthcoming membership year.

7.5 Refund of Dues. Members may receive a refund of unused monthly dues after they have been in the Club for six months or longer.

Refunds will be issued only after the member:

7.5.1 submits a written letter of

resignation, thirty (30) days before the proposed resignation date,

7.5.2 returns the Club aircraft key; and,

7.5.3 has no outstanding debts with the Club.

7.6 Hourly Flying Rates. The hourly flying rate for each individual aircraft is determined solely by the Aircraft Lessor and provided to the Club in the Aircraft Lease Agreement.

7.7 Payment for Flying Time. Members shall pay for flying time immediately upon completion of each flight. Acceptable forms of payment are credit cards, money orders, personal checks, receipts for member paid expenses, and Club-issued certificates, but in no case shall cash be an acceptable form of payment. For some flights, a Club officer may request the member to pay a pre-flight reservation deposit.

7.8 Collection and Returned Check Fees.

Members may be required to pay a collection fee if they fail to pay for the flight immediately upon completion of the flight, or pay an insufficient amount for the flight, or pay for the

flight with a check that is returned, or attempt to pay with another form of payment that is not honored. The collection fee, initiation fee, reinstatement fees, and all other fees will be in an amount determined by the Board of Directors to reasonably reimburse the Club for its expenses and deter further non-payments. The above fees may be reduced or waived by any Club Officer under special circumstances.

7.9 Aircraft Insurance. The Club shall maintain a liability and hull insurance policy covering each aircraft, in an amount specified by the aircraft lessor owner and acceptable to the insurance company. A copy of the Club's aircraft insurance policy will, at the request of any member, be made available for that member to review. Members are encouraged to read the insurance policy to understand the terms of the coverage.

7.10 Member Responsibility for Aircraft Losses. Any damage or abuse to a Club aircraft shall be charged to the member using the aircraft at the time of the damage or abuse, whether or not the member is responsible for the damage or abuse.

7.11 Insured Loss. Whenever the Club aircraft insurance policy applies, even when the Club does not file an insurance claim because the loss is less than the deductible amount, the member shall be liable for the amount of the Club's insurance policy deductible as described in subsection 7.12 and the amount of downtime compensation to the aircraft owner as determined in accordance with subsection 7.13 below.

7.12 Insurance Deductible. The member shall be liable to the Club for the insurance deductible amount or the entire loss, whichever is less.

7.13 Aircraft Downtime. When the aircraft is returned back to service, the member shall be liable to the Club for an amount equal to one-third (1/3) of the aircraft's hourly rental rate for each and every day the aircraft was out of service for repairs, for a maximum period of thirty (30) days. In turn, the Club shall pay this aircraft downtime compensation to the aircraft owner after a valid insurance claim has been processed or after Board approval. In the event of a total loss, the number of downtime days shall be zero (0).

7.14 Uninsured Loss. Whenever the Club aircraft insurance policy does not apply, whether because the damage arises from causes not covered by the policy, because the policy limits have been exceeded, or because the policy has been canceled or voided due to the acts, omissions, negligence, or misconduct of the member, the member shall be liable for the total cost of the loss not covered by the insurance policy, including, but not limited to, compensation for downtime and any decrease in aircraft value due to damage history.

7.15 Indemnification and Assumption of Risk. In addition to all other provisions of this Article VII, each member, and their heirs, successors, personal representative and assigns, release, acquit and covenant not to sue, and shall indemnify, defend, and hold harmless the Club, its officers, directors, agents, and employees for any liability, losses, or damages the Club may suffer as a result of an act by, or negligence of,

the member while operating a Club aircraft. Each member must acknowledge and agree that he or she is accepting and using the Club's aircraft in a used, "as is" condition, and that the Club does not and has not repaired, reconditioned, or maintained any Club aircraft. Each member must agree to assume all risks, and assumes full responsibility for risk of bodily injury, death or property damage associated with any Club aircraft and not to seek to hold the Club legally responsible for any such defects in Club aircraft before being allowed to use and fly Club aircraft.

7.16 Attorney Fees. In the event of suit, collection costs and reasonable attorney fees are payable to the prevailing party.

ARTICLE VIII MEMBERSHIP MEETINGS

8.1 Meetings. Membership Meetings will be held quarterly on a date, time, and place determined by the Board of Directors.

8.2 Quorum. Ten percent (10%) of the membership shall constitute a quorum for the transaction of business at any meeting of members. To transact new, unannounced business from the floor of the meeting, at least one-third of the total membership must be present. Otherwise, only matters published in the meeting notice may be transacted once the 10% quorum is met.

8.3 Manner of Casting Votes. Voting may be by voice or ballot, except that any election of Directors must be by ballot.

8.4 Voting Requirements. Each member entitled to vote shall be entitled to cast one vote on each matter submitted to a vote of the members. Cumulative voting shall not be allowed.

8.5 Approval by Majority Vote. Except as otherwise specifically provided herein, if a quorum is present at a meeting of members, or if a quorum is represented by the ballots submitted in response to a solicitation of written ballots, the vote of the majority of the majority of the voting members shall prevail.

8.6 Notice Requirements for Members' Meeting. Whenever members are required or permitted to take any action at a meeting, written notice of the meeting shall be given, in accordance with these Bylaws, to each member. The notice shall specify the place, date, and hour of the meeting and those matters that the Board, at the time the notice is given, intends to present for action by the members. The notice of any meeting at which Directors are to be elected shall include the names of all persons who are nominees when notice is given.

8.7 Manner of Giving Notice. Notice of any meeting of members shall be in writing and shall be given at least twenty (20) but no more than thirty (30) days before the meeting date. The notice shall be given either personally or by mail, or electronically by email addressed to the individual member, and shall be addressed to each member entitled to vote, at the address of that member appearing on the books of the Club.

ARTICLE IX AMENDMENTS

9.1 Changes. These Bylaws may be amended by the majority vote of a quorum of the Board of Directors at any time, or by a two-thirds vote of a quorum of the membership.

ARTICLE X OPERATIONAL AND FINANCIAL RULES

10.1 Operational Rules. Operational Rules deemed necessary for safe and efficient flying operations shall be established, revised, or revoked by the Board of Directors.

10.2 Financial Rules. Financial Rules, not inconsistent with these Bylaws, deemed necessary for the financially safe and operationally efficient running of the Club shall be established, revised, or revoked by the Board of Directors. These Financial Rules may include, but are not necessarily limited to, the following: minimum liability and hull insurance standards, aircraft rental rates, initiation fees and monthly dues for members, responsibility of members for damage to aircraft, terms of the Insurance Deductible Plan (IDP) maintained by the Club, and payment requirements and amounts for fees, dues, and/or aircraft rentals. Should a Financial Rule be found inconsistent with these Bylaws, the Financial Rule shall be nullified and the Bylaw rule applied.

ARTICLE XI INDEMNIFICATION AND INSURANCE

11.1 Right of Indemnity. To the full extent permitted by law, the Club shall indemnify its directors, officers, employees and other persons described in Section 7237 of the California

Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any "proceeding," as that term is used in such Section and including an action by or in the right of the Club, by reason of the fact that such person is or was a person described by such Section.

11.2 Advancement of Expenses. To the full extent permitted by law and except as is otherwise determined by the Board of Directors in a specific instance, expenses incurred by a person seeking indemnification under these Bylaws in defending any proceeding covered by these Bylaws shall be advanced by the Club prior to the final disposition of the proceeding upon receipt by the Club of an undertaking by or on behalf of such person that the advance will be repaid unless it is ultimately determined that such person is entitled to be indemnified by the Club therefore.

11.3 Insurance. The Club shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees and other agents of the Club, against any liability asserted against or incurred by an officer, director, employee or agent in such capacity or arising out of the officer's, director's, employee's or agent's status as such.