

BYLAWS
OF
WESTERN AERO CLUB, INC.

ARTICLE 1 – GENERAL

- 1.1 The following paragraphs contain provisions for the regulation and management of Western Aero Club, Inc., a California nonprofit corporation hereinafter referred to as the “Club”.
- 1.2 If there is a conflict between the provisions of these bylaws and a mandatory provision of the Articles of Incorporation of the corporation, or a mandatory provision of the laws of the State of California, the mandatory provision(s) of the laws of the State of California or of the Articles of Incorporation of this corporation shall control.
- 1.3 The Club is organized solely as a social and recreational organization, to provide for fellowship and commingling of its members in connection with aviation, including formal and informal airport social activities, fly-outs, aviation museum visits, seminars and discussions, aviation training, proficiency flights, rental of airplanes to its members, airplane cleaning, and other aeronautical activities, and to do any and all things necessary, convenient, or incidental for that purpose.
- 1.4 Tax Treatment: The Club intends to apply for exemption from income taxes under the provisions of Section 501(c) (7) of the Internal Revenue Code and Section 23071(g) of the California Revenue Code, and shall take such actions and conduct its activities and operations as necessary to obtain and maintain such status. The Board of Directors is hereby authorized, upon the advice of the Club’s tax advisor, to amend these Bylaws to obtain and maintain tax-exempt status under the Code and applicable California law.

ARTICLE 2 – OFFICES

- 2.1 The principal office of the corporation shall be located in the State of California. The corporation may have other offices, either within or outside the State of California, as the Board of Directors may require from time to time.
- 2.2 The registered office of the corporation of the corporation required by the laws of the State of California, to be maintained in the State of California may be, but need not be, identical with the principal office in the State of California, and the address of the registered office may change from time to time by the board of Directors.

ARTICLE 3 – MEMBERS

- 3.1 Eligibility: The Club has been formed for the purposes set forth in Paragraph 1.3. Any person with an interest in aviation and in the social and recreational activities of the Club, and whose place of residence and other circumstances permit him or her to participate in the Club's activities of personal contact, commingling, and face-to-face fellowship, may become a Member. No person shall be denied membership because of race, color, gender or religion.
- 3.2 Term of Membership: A Member shall continue to be a Member for so long as he or she is current in payment of dues and assessments, until he or she resigns or is expelled by the Board of Directors as provided in these Bylaws. A person who ceases to be a Member by reason of non-payment of dues or assessments may be reinstated upon payment of all arrearages.
- 3.3 Classes of Members: There shall be two classes of members: regular members and certified flight instructor member. A certified flight instructor (CFI) must be a regular member to be able to give flight instruction in club airplanes.
- 3.4 Non-Transferability: Membership shall not be transferable.
- 3.5 Dues and Assessments: The Club shall be supported by membership fees, dues, and assessments, which shall be set from time to time by the Board of Directors after review of financial results. In no case shall more than the percentage allowed by the Internal Revenue Service (currently 35%) be derived from sources outside the membership. No part of the net earnings or funds of the Club shall inure to the benefit of any member, Director, officer of the organization, or any private individual (except that reasonable compensation may be paid for services rendered to or for the organization other than in the capacity of a Director or Officer), and no member, Director, officer or any private individual shall be entitled to share in the distribution of any assets on dissolution of the Club.
- 3.6 A majority shall consist of fifty percent plus one member. A majority vote of those present in person is needed to conduct business.
- 3.7 At every meeting of the members, each member shall have only one vote.
- 3.8 A majority vote of the members present shall be necessary for the adoption of any resolution and for the election of Directors.

ARTICLE 4 – BOARD OF DIRECTORS

- 4.1 General Powers: The affairs of the corporation shall be managed by a Board of Directors, who shall be Members, who are eligible to vote as provided in this

Paragraph, and who are elected by the Members.

- 4.2 Number, Tenure and Qualifications: The number of Directors of the corporation shall be not less than five (5) and no more than seven (7). Each Director shall hold office for two (2) years from the date of their election. The terms of the Directors of the corporation will begin immediately following their election. The members of the Board of Directors shall be elected at annual meeting or at a special meeting called for that purpose. All current Directors shall be entitled to participate in the annual election of Directors. Directors shall be natural persons of the age of eighteen (18) years of age or older.

A Director shall maintain his Membership during his or her term of office; a failure to do so shall terminate the service of such Director and his or her place shall be vacant. At the initial election of Directors, three Directors shall be elected for a term of one year, but thereafter Directors shall be elected for term of two years, resulting in a staggered Board. No Director shall have a close family connection with any other Director.

- 4.3 Vacancies: Any Director may resign at any time by giving written notice to the president or to the secretary of the corporation. Such resignation shall take effect at the time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any vacancy occurring on the Board of Directors and any Directorship to be filled by reason of an increase in the number of Directors may be filled by the affirmative vote of a majority of the remaining Directors. Upon affirmative acceptance of election or appointment to office, such Director shall be installed immediately.
- 4.4 Regular Meetings: Regular board meetings shall be held monthly, regular membership meetings shall be held quarterly, and a regular annual general membership meeting shall be held during the month of January of each year for the purpose of electing the Directors and for transacting any other business that may come before the club. The elected directors will determine the offices of the club.

Meetings may be held with notice if the time and place of the meetings are posted on the group site. Special meetings of the Board may be held upon four days' notice by email or 48 hours' notice delivered personally or by telephone, including a voice messaging system. Such notice for a special meeting shall specify the purpose or agenda. Members of the Board may participate in a meeting through the use of conference telephone or other communications equipment provided each member participating in the meeting can communicate with all other members concurrently. No meeting shall be held without proper notice being given.

At the annual meeting each member shall be eligible to vote in person, and not by mail or proxy. The voting by the Members may be via voice or by ballot; provided, however, elections for Directors shall be by secret written ballot. The membership may elect the Directors by voice acclamation only when there are

no more declared candidates for the Directorships than are necessary to fill the open Directorships. The total number of votes each eligible Member may cast for Director shall be equal to the number of Director Position openings on the ballot and each member may cast no more than one vote per candidate. Member voting shall not be cumulative. The Director candidates receiving the most votes shall fill the open positions. The Board of Directors may fill any vacant positions for the remaining term thereof.

- 4.5 Special Meetings: Special meetings of the Board of Directors may be called by the request of the President and any two Directors. The person or persons authorized to call special meetings of the Board may fix any place, either within or without the State of California, as the place for holding any special meeting.
- 4.6 Place of Meeting: The Board of Directors may designate any place, either within or without the State of California, as the place of meeting for any annual or special meeting of the Board of Directors.
- 4.7. Notice: Notice of the annual meeting and any other regular or special meeting of the Board of Directors shall be given at least four (4) days prior to the meeting by written notice delivered personally or sent by mail or electronic notice, to each Director and member at the Director's or member's address or email address as shown in the records of the corporation. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the Board need be specified in the notice of notice of such meeting, unless specifically required by law.
- 4.8 Quorum of Directors: A majority of the minimum number of Directors fixed by paragraph 4.2 of this Article shall constitute a quorum for the transaction of business. The act of the majority of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.
- 4.9 At every meeting of the Directors, each Director shall have only one vote.
- 4.10 A majority vote of the Directors present shall be necessary for the adoption of any resolution.

ARTICLE 5 – OFFICERS

- 5.1 General: The Officers of the Club shall include the President, Vice President, Treasurer, Secretary, and Membership elected by the Board of Directors at a meeting held immediately after the organizational meeting or annual meeting. The Officers shall hold office for a term of one year until the following year's Organizational Meeting. The Board may, by formal resolution, establish additional offices and prescribe the duties thereof. Any officer may be removed at any time by the Board. The officers of the corporation shall be natural persons of the age of eighteen (18) years or older. In all cases where the duties of any

officer or employee are not described by the bylaws or by the Board of Directors, such officer or employee shall follow the orders of the president.

Additional officer positions, including but not limited to Safety Officer, Maintenance Officer, and Website Master officer may be created upon an affirmative vote of a majority of the Board of Directors at a regular board meeting. Individuals appointed to, and the terms and duties of such officer positions, shall be as established and amended by an affirmative vote of a majority of the Board of Directors as necessary and from time to time. These bylaws shall be amended as necessary to reflect the addition or deletion of additional officer positions.

- 5.2 Appointment and Term of Office: The offices of the corporation shall be appointed by the Board of Directors at each annual meeting of the Board of Directors. Each officer shall hold office until the first of the following to occur: until his or her successor shall have been duly appointed; or until his or her death; or until he or she has resigned or until he or she has been removed in the manner hereinafter provided.
- 5.3 Removal: Any officer may be removed by the Board of Directors when in their judgment the best interests of the corporation will be served thereby. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer so removed. Appointment of an officer or agent shall not of itself create contract rights.
- 5.4 Vacancies: A vacancy in any office, however occurring, may be filled by the Board of Directors for the unexpired portion of the term.
- 5.5 When specified by the Board, any officer's term of office may be temporary from its inception, so long as such limitation is expressed and discussed prior to the creation of such office or acceptance of such office.
- 5.6 Any officer may resign voluntarily at any time from his or her office.
- 5.7 Any and all instruments executed in the name of (or binding) the Club, as approved by the Board, shall be executed by the President or by the President's designee. Such designation shall be made in writing and shall contain such appropriate limitations as he or she may deem necessary or desirable.
- 5.8 In the event of the permanent legal disability, infirmity, death, termination, resignation or withdrawal of the President, the Vice President shall succeed his office as the President Pro Tem until such time as the Board may convene to appoint a new President.
- 5.9 No more than one of the offices President, Vice President, Secretary, Treasurer, may be held by the same person at the same time. The Board may elect to allow an officer to perform another officer's duties on a temporary or emergency basis

during times when such performances of duties are necessary to the day to day activities of the Club.

- 5.10 The President: The "president" shall be the principal executive officer of the corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the corporation. The president shall, when present, preside at all meetings of the Board of Directors, and may sign, with the Secretary or any other proper officer of the corporation authorized by the Board of Directors, all documents which the Board of Directors has authorized to be executed; and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time.

The president shall preside at all Membership meetings and Board of Directors Meetings. The President shall have signatory authority on all Club bank accounts and to collect and disburse the Club funds, be signatory authority on contracts, act as an ex-officio member of any and all committees and perform other duties incidental to such office. Checks or other fund disbursements in excess of \$200.00 shall also be signed by the Treasurer or by the Vice President in the absence of the Treasurer.

- 5.11 The Vice President: Shall perform the duties of the President in the absence or disability of the President; have complete charge of all elections in the absence of the President. He shall also assist the other officers in their duties, as necessary, and prescribed by the President and shall have signatory authority on all Club bank accounts.

- 5.12 The Secretary: The secretary shall:

- (a) Keep minutes of the proceedings of the Board of Directors in one or more books provided for that purpose;
- (b) See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;
- (c) Be custodian of the corporate records; and
- (d) In general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned by the president or by the Board of Directors.

Shall maintain minutes of all meetings of the membership and Board of Directors, cause to be published a monthly newsletter (which can be published electronically), distribute notices, maintain a record of correspondence and membership and perform all other duties that pertain to the office.

- 5.13 Treasurer: The treasurer shall be the principal financial officer of the corporation and shall have the care and custody of all funds and other personal property of the corporation and shall deposit the same in accordance with the instructions of the Board of Directors. The treasurer shall receive and give receipts for monies due and payable to the corporation, deposit all such monies in the name of the corporation in such depositories selected by the corporation, and shall pay out of the funds on hand all bills and other just debts of the corporation.

The treasurer shall perform all other duties incident to the office of Treasurer and, upon request of the Board of Directors, shall make such reports to it as may be required at any time or as required by law. The treasurer shall have such other powers and perform such other duties as may be from time to time prescribed by the Board of Directors or the president.

The treasurer shall also be the principal accounting officer of the corporation, and shall maintain the methods and systems of accounting to be followed, keep correct and complete books and records of account, and prepare and file all local, state, and federal tax returns.

The treasurer shall be responsible for all money received and maintain an accurate account of such funds while managing any/all Club bank accounts; shall have signatory authority on said accounts; shall disburse these funds on authorization of the President and/or Board of Directors; to make monthly reports to the membership on the financial standing of the Club; to accept membership dues; prepare the yearly budget from reports submitted by various chairmen, said budget to be prepared and presented to the Board at the November Board meeting of each year.

- 5.14 Additional officer positions, including but not limited to Safety Officer and Maintenance Officer may be created upon an affirmative vote of a majority of the Board of Directors at a regular board meeting. Individuals appointed to, and the terms and duties of such officer positions, shall be as established and amended by an affirmative vote of a majority of the Board of Directors as necessary and from time to time. These bylaws shall be amended as necessary to reflect the addition or deletion of additional officer positions.

- 5.15 The Maintenance Officer: Shall originate and supervise all tests, inspections, and major overhauls of each Club aircraft in the accordance with FAA and/or ASTM regulations. She/He shall also maintain the proper maintenance records, be responsible for all papers required to be carried in the aircraft, and report monthly to the Board the status of all Club equipment. It shall be the responsibility of each member to notify and advise the maintenance officer by phone or by email of any squawks and she/he shall take prompt action to confirm and correct any listed problems by contracting with qualified personnel. She/He shall obtain authorization from the Board if the cost of the repair exceeds the club

maintenance policy.

- 5.16 The Membership Officer: Through the use of a scheduling program, she/he shall enter each new member's information into the scheduling program, shall ascertain each member's flying status, and insure each member meets all Club and FAA regulations before using Club aircraft. She/He will do the same for any CFI's to be used to train members in Club aircraft. She/He will supervise the general membership records and ensure that all members are notified of their impending anniversary dates as well as advise the club of the number of members on the role at the monthly board and membership meetings.
- 5.17 The Website Master Officer shall: Create and maintain the Club website. Post meeting notices, meeting times, places, and agenda. Make updates to airplane status and performance specifications.
- 5.18 Duties of the Board: The duties of the Board shall be to attend all meetings and act on all matters of policy to determine the initiation fees and flying charges; to act in a judicial capacity on violations of Club rules; to investigate accidents; penalize members of the Club for violation of good flying practices; to have power of expulsion for unsafe operation or for cause; to protect the Club's interests and safe-guard its welfare; to submit its findings and recommendations to the general meetings for approval; and to audit the records and testify thereto.
- 5.19 The Board will create special posts of responsibility, whose occupants will function as chairs of committees, and need not be Directors or officers, but a Director or officer may hold such a post. These posts will have duties and responsibilities set by the Board, such as safety, flight operations, social and activities.
- 5.17 Expulsion: For cause, the Board may discontinue an individual's membership. Expulsion shall take place immediately upon such action by the Board. All monies owed to the Club will be due immediately or legal means of collection may then commence.

ARTICLE 6 – FIDUCIARY MATTERS

- 6.1 Scope of indemnification: The Corporation shall indemnify each Director, officer, and volunteer of the corporation to the fullest extent permissible under the laws of the State of California, and may in its discretion purchase insurance insuring its obligations hereunder or otherwise protecting the persons intended to be protected by this Section. The corporation shall have the right, but not the obligation, to indemnify any agent of the corporation not otherwise converted by this Section to the fullest extent permissible under the laws of the State of California.

6.2. General Standards of the Conduct for Directors and Officers

- A. Discharge of Duties: Each Director shall discharge the Director's duties as a Director, including the Director's duties as a member of a committee of the board, and each officer with discretionary authority shall discharge the officer's duties under that authority in (i) good faith; (ii) with the care an ordinary prudent person in a like position would exercise under similar circumstances and (iii) in a manner the Director or officer reasonably believes to be in the best interest of the corporation.
- B. Reliance on Information, Reports, or Its Members: In discharging duties, a Director or officer is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by: (i) one or more officers of the corporation whom the Directors or officers reasonably believe to be reliable and competent in the matters presented; (ii) legal counsel, a public accountant or another person as to matters the Director or officer reasonably believes are within such person's professional or expert competence; or (iii) in the case of a Director, a committee of the board of Directors of which the Director is not a member if the Director reasonably believes the committee merits confidence.
- C. Liability to Corporation or Its Members: A Director or officer shall not be liable as such to the corporation or its members for any action taken or omitted to be taken as a Director or officer, as the case may be, if, in connection in such action or omission, the Director or officer performed the duties of the position in compliance with this Section.

6.3 Conflicts of Interest

(a) Definitions: A conflict of interest arises when any "reasonable person" or any "party related to a reasonable person" has an "interest adverse to the corporation." A "responsible person" is any individual in a position to exercise substantial influence over the affairs of the corporation, and specifically includes, without limitation, Directors and officers of the corporation. A "party related to a responsible person" includes his or her extended family (including spouse, descendants, siblings, and their respective spouses and descendants) an estate or trust in which the responsible person or any member of his or her extended family has a beneficial interest or a fiduciary responsibility, or an entity in which the responsible person or any member of his or her extended family is a Director, trustee or officer or has a financial interest. "An interest adverse to the corporation" includes any interest in any contract, transaction or other financial relationship with the corporation, and any interest in an entity whose best interests may be impaired by the best interests of the corporation including, without limitation, an entity providing any goods or services to or receiving any goods or services from the corporation, an entity in which the corporation has

any business or financial interest, and an entity providing goods or services or performing activities similar to the goods or services or activities of the corporation.

(b) Disclosure: If a responsible person is aware that the corporation is about to enter into any transaction or make any decision involving a conflict of interest, (a "conflicting interest transaction"), such person shall: (i) immediately inform those charged with approving the conflicting interest transaction on behalf of the corporation of the interest or position of such person or any part related to such person; (ii) aid the persons charged with making the decision by disclosing any material facts within the responsible person's knowledge that bear on the advisability of the corporation entering into the conflicting interest transaction; and (iii) not be entitled to vote on the decision to enter into such transaction.

(c) Approval of Conflicting Interest Transactions: The corporation may enter into a conflicting interest transaction provided either: (i) The material facts as to the responsible person's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the board of Directors or to a committee of the board of Directors that authorizes, approves or ratifies the conflicting interest transaction, and the board or committee in good faith authorizes, approves or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested Directors on the board or committee, even though the disinterested Directors are less than a quorum; or (ii) The material facts as to the responsible person's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the members, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the members entitled to vote thereon; or (iii) The conflicting interest transaction is fair as to the corporation.

6.4 Liability of Directors for Unlawful Distributions

(a) Liability to Corporation: A Director who votes for or assents to a distribution made in violation of law or the articles of incorporation of the corporation shall be personally liable to the corporation for the amount of the distribution that exceeds what could have been distributed without violating the law or the articles of incorporation if it is established that the Director did not perform the Director's duties in compliance with the general standards of conduct for Directors set forth herein.

(b) Contribution: A Director who is liable under Section 4 for an unlawful distribution is entitled to contribution: (i) from every other Director who could be liable under Section 4 for the unlawful distribution; and (ii) from each person who accepted the distribution knowing the distribution was made in violation of law or the articles of incorporation, to the extent the distribution to that person exceeds what could have been distributed to that person without violating the laws of the state of or the articles of incorporation.

- 6.5 Loans to Directors and Officers Prohibited: No loans shall be made by the corporation to any of its Directors or officers. Any Director or officer who assents to or participates in the making of any such loan shall be liable to the corporation for the amount of such loan until the repayment thereof.

ARTICLE 7 - CONTRACTS, CHECKS, DEPOSITS AND FUNDS

- 7.1 Contracts: The Board of Directors may authorize any officer(s) or agent(s) of the corporation, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.
- 7.2 Checks, Drafts, etc.: All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer(s), agent(s) of the corporation in such manner as shall from time to time be determined by resolution of the Board of Directors. No such instrument shall be issued or presented for payment by the corporation in an amount greater than five hundred dollars (\$500) unless it bears the signature of at least one officer and one other officer or Director.
- 7.3 Expenditures: All unbudgeted expenditures in an amount greater than one hundred dollars (\$100) shall be approved by the Board prior to payment.
- 7.4 Deposits: All funds of the corporation shall be deposited solely to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE 8 - COMMITTEES

- 8.1 Committees: The Board of Directors may establish such committees as it deems necessary to carry out the duties of the Board. The members of each committee shall be appointed by the President and approved by the Board of Directors. The Board of Directors shall by resolution provide for the rules of operation for each committee established.

ARTICLE 9 – FISCAL YEAR

- 9.1 The fiscal year of the Club shall begin on January 1st of each year and shall end on December 31st of each year.

ARTICLE 10 – POLICIES AND RULES

- 10.1 The Board of Directors may cause to be created, amended, repealed and distributed to the Members, a Financial Policy, a Flight Standards Policy, a Safety Policy, and such other policies as it determines. These Policies shall have

the same effect as these Bylaws.

- 10.2 The Board of Directors shall cause to be created, amended, repealed and distributed to the Members, Operational Rules deemed necessary for safe and efficient flying operations. Said Operational Rules shall be appended to these Bylaws and shall have the same effect and force as though incorporated into these Bylaws.

ARTICLE 11 – LIABILITY OF MEMBERS

- 11.1 A Member using a Club aircraft (including aircraft owned by the Club or entrusted to the Club for Club use) may be held responsible, to the extent provided by law, for damage to the aircraft, and for any liability imposed upon the Club or owner of the aircraft solely by reason of ownership. This paragraph shall not be construed as an assumption of liability beyond that imposed by law, so as to impair the applicability of any non-owned aircraft liability policy of insurance of the Member.

ARTICLE 12 – AMENDMENTS

- 12.1 New Bylaws may be adopted or these Bylaws may be amended or repealed by the vote of the voting membership as provided in paragraph 2.3.
- 12.2 A copy of any amendment or redraft of these Bylaws shall be distributed to all Members no less than ten (10) days prior to any meeting at which said amendment or redraft shall be voted upon.

ARTICLE 13 – DISSOLUTION

- 13.1 Upon dissolution of the Club, other than incident to a merger or consolidation, the net assets of the Club shall be distributed to an aviation-related fund, foundation or Club, organized and operated only for charitable and/or nonprofit purposes.
- 13.2 Upon dissolution, three Directors shall be designated as trustees who shall pay any existing liabilities from the Club funds & shall determine the recipient of remaining net assets to an organization as specified in 10.1.

The undersigned do hereby certify:

1. That we are the duly elected and acting Executive Board of the Western Aero Club, Inc., a California Nonprofit Mutual Benefit Corporation in organization;
and

2. That the foregoing Bylaws constitute the Bylaws of said corporation duly adopted at the meeting by the Board of Directors thereof duly held on August 15, 2016.

IN WITNESS WHEREOF, I hereunto subscribe our names this ____ day of _____, 2016.

Secretary, William Brandt
