

**CLOUD ONE FLYING CLUB, INCORPORATED
BY-LAWS**

November 28, 1990

Amended: June 5, 2002

Amended: June 2, 2004

Amended: October 6, 2010

Amended: December 1, 2010

The By-Laws of the corporation are the guide for transaction of normal business within the guidelines and purposes of the corporation and are established by the Articles of Incorporation, Duly filed With the Secretary of State of the State of Missouri.

ARTICLE I: BY-LAWS

These by-laws may be amended and changed by vote of the Board of Directors.

- A. Amendments to these by-laws must be submitted in written form to the directors of the corporation.
- B. The vote required to pass a by-law change is two-thirds of the directors present at a duly called meeting.

ARTICLE II: OFFICERS

In accordance with the corporate charter and the Laws of the State of Missouri, the officers of the corporation are elected by the directors of the corporation.

- A. Board of Directors. Every stockholder is a member of the Board of Directors and has an equal vote on all business of the corporation.
- B. The Board of Directors will elect the following officers to transact the normal business of the corporation in accordance with these by-laws.
 1. Chairman of the Board
 - a. The Chairman will preside at all board meetings.
 - b. The Chairman has the power to call special meetings of the board as necessary to transact corporate business in accordance with these by-laws.
 - c. The Chairman will vote when necessary to break a tie and in other circumstances in accordance with the by-laws of the corporation.
 - d. Appoint special committees and chairman of said committees as necessary to transact the business of the corporation.
 - e. Oversee and supervise the safe keeping of all assets and business transactions to insure the safe keeping of the assets of the corporation.
 - f. Maintain proper order of operations of the corporation including Operating Rules and the enforcement thereof.

2. Executive Vice-Chairman

- a. The Executive Vice-chairman will assist the Chairman in the discharge of the responsibilities of the Office of Chairman at the direction of the Chairman.
- b. In the absence of the Chairman, the Executive Vice-Chairman will preside at all board meetings of the corporation.
- c. Should the Chairman of the Corporation sell his stock interest in the corporation, expire, or otherwise not be capable of maintaining the affairs of the corporation, the Executive Vice Chairman will assume the office of Chairman in accordance with these by-laws.

3. Treasurer.

- a. The Treasurer is responsible for the accounting and control of the cash and other assets of the corporation as required by the State of Missouri.
- b. The Treasurer is responsible for the financial activities of the corporation which includes the following:
 - 1) Bill the operating income accounts to each member monthly and other receivables due the corporation.
 - 2) The payment of approved bills received in a timely manner and the maintenance of the assets of the corporation within the limits and in keeping of the by-laws of the corporation,
 - 3) The audit and review of each bill and action to insure the accuracy of all bills.
 - a) Issue checks payable up to \$ 100.00.
 - b) Issue checks in excess of \$ 100.00 after approval of the Board of Directors,
 - c) The Chairman of the Board may authorize payment of a bill that would otherwise become delinquent before the meeting date of Board of Directors.
 - 4) There shall be a bi-monthly operating statement prepared to accurately provide each director with an exact accounting of all financial transactions in the preceding two month period.
 - 5) This statement is to provide:
 - a) Cash on hand and in Banks,
 - b) Bank Deposits made since the previous meeting,
 - c) Income generated by source, such as dues, flight operations, sale of assets, interest income, or any other source,

- d) Accounts Receivable including unpaid dues and amounts due from other sources,
- e) Deposits and other prepaid expense,
- f) Accrued expenses and reserves established as required by the Operating Rules of the corporation,
- g) Expenses paid during the period by check and amount and identification as to the reason for the expense,
- h) The net cash balance of the corporation as of that meeting date,
- i) Advise the directors of members who are in excess of two statements past due.

4. Secretary

The Secretary will file each calendar year the statements and other documents as required to maintain the charter of the corporation in good standing with the Secretary of State of the State of Missouri.

- a. The minutes of all business meetings of the corporation will be prepared and submitted as required by law.
- b. The by-laws, minutes of the meetings, and operating rules will be current and in written order with current copy provided to each stockholder in a timely Banner after each meeting when there are changes and revisions.

5. Director of Aircraft Maintenance

The Director of Maintenance is responsible for coordination of upkeep and maintenance of the aircraft in accordance with Federal Aviation Regulations and other normal requirements. All Directors are responsible for determining that the aircraft are airworthy prior to flying. The areas of responsibility are:

- a. Mechanical Maintenance
 - 1. Aircraft Physical condition.
 - a) Coordinate and schedule periodic required inspections and maintenance such as Annual Inspections, System Certifications, and oil changes.
 - b) Aircraft Cleanliness and appearance. Coordinate the washing and polishing of aircraft exterior and the interior cleaning and condition of the aircraft.
 - c) Avionics Maintenance. Schedule repair to correct any known problems that make the aircraft unsuitable, or not airworthy, for flight in Instrument Meteorological Conditions. Repair or improvements that are not required to

maintain airworthiness shall be performed only upon the approval of the Board.

- d) Coordinate repairs that are necessary to correct known deficiencies to maintain the aircraft in airworthy condition, or to return the aircraft to airworthy condition after a deficiency is found. All Directors are responsible for determining that the aircraft are airworthy prior to flying, and shall ground the aircraft and notify the Director of maintenance when a condition is discovered that would make the aircraft unairworthy.

b. Supplies.

- 1. Purchase and stock an adequate supply of oil of the proper weight for the season and temperatures for each of the aircraft. Each Director shall check the oil level during each pre-flight inspection, and if the oil stocked in the airplane is consumed, that Director shall replace it with a quart from the Cloud One Storage Cabinet.

- c. The Director of Maintenance will have the authority to incur expenses for the repair of the aircraft of up to \$ 500.00 without approval of the directors, and up to \$1,500 for emergency repairs with the consent of the Chairman.

6. Director of Insurance / Certification

The Director of Insurance/ Certification is responsible for the continual review of all members and their individual compliance with F.A.A. pilot certification and insurance compliance as related to the operation of the aircraft.

- a. The Director of Insurance/Certification is to be in continual contact with each member to assist any member with maintaining or obtaining additional ratings and be knowledgeable of the ratings and proficiency of each member.
 - 1. The status of each member and ratings will be provided to the insurance carrier of the corporation as necessary, These records will be continually updated for Corporation and insurance use.
 - 2. There should be a roster of instructors available to the members for all ratings.
- b. This officer should be knowledgeable of the insurance coverage at all times and any conditions which would be detrimental to the corporation.

1. This officer should be involved with sources of insurance and knowledgeable of insurance costs and details.
 2. Should there be an insurance loss, this officer will communicate the details and be involved with the insurance companies and all other parties to insure a proper and expeditious resolve is obtained not only protecting the interest of each director but also protecting the assets of corporation
- C.** All stockholders acknowledge that the elected Officers are serving in an uncompensated volunteer position, and that no additional personal liability shall be assigned or incurred by the Officers due to the operations of the club. For that reason, the Directors agree that all stockholders will defend and hold harmless all other Directors against any claim related to the operations of Cloud One Flying Club, Incorporated and which claim is also not related to the individual Director's operation of an aircraft as Pilot In Command.

ARTICLE III: TERM OF OFFICE

The term of office for all officers will be for two years.

- A. Succession of Office,
The succession of Office shall be:
1. Chairman of the Board
 2. Vice Chairman of the Board
 3. Secretary
 4. Director - Insurance-Certification.
 5. Director - Aircraft Maintenance.
 6. Director at Large.
 7. Director at Large.
- B. Should any officer resign or vacate an office, the Board of Directors will elect a replacement at the next scheduled board meeting,
1. The new officer will fulfill the office for the remaining duration of the office.

ARTICLE IV: MEETINGS

- A. Regular Meetings. The regular scheduled meeting of the Board of Directors will be held the First Wednesday commencing in February and held every other month thereafter.
- B. Special Meetings. The Chairman can call a special meeting at anytime it is determined necessary to transact the business of the corporation.

1. Every director will be notified by phone should be or provided written notice,
 2. Should there be a vote required for the sale or change in "the disposition of corporate assets, all directors must be notified by mail of the special meeting.
- C. Order of Business. Roberts Rules of Order shall be the guide for conducting the order of business at the meetings of the corporation.
- D. Absentee balloting. Should any Director not be present, he has the right and privilege to assign his representation to vote by a written proxy to any other director.
- E. A quorum shall consist of 6 or more directors at any meeting.

ARTICLE V: ELECTION DATES

The election of officers will be held at the first meeting of an odd numbered year.

- A. Elections will be held to fill vacancies at regular scheduled board meetings.
1. The Chairman will appoint a nominating committee at the December meeting of even years.
 - a) The nominating committee will review the offices and those directors who would be best suited and qualified to hold an office in effort to maintain strong officer leadership,
 - b) The nominating committee will submit the proposed ballot at the February meeting each odd year .
- B. The Election Process.
The election process will be conducted by ballot.
1. Election of all officers will be by simple majority of the voting Members at the scheduled meeting.
 2. Ties will be settled by re-vote until such time as there is a majority vote for a candidate.

ARTICLE VI: DISCIPLINARY ACTIONS

Actions may be taken against directors (shareholders) who violate these by-laws or the operating rules of the corporation,

- A. Should a director of the corporation commit an act contrary to the law of any municipality, county, state, or the United States or Federal Aviation Regulations which would or could result in damages and liability to the corporation, action, shall be taken to remedy the violation.
1. The director will be immediately suspended from office and a meeting of the elected officers shall be called by the Chairman of the Board.
 - a. Review of the details and circumstances will be made to determine the legal implications and damages to the corporation and stockholders.

- b. If officer deemed guilty of any act as described in this article, the majority of officers may vote to call a meeting of all directors.
 - 1) The directors may take disciplinary action against the offending director as deemed appropriate and to the best interest of the corporation.
- B. Violation of Operating Rules. Should any member be in violation of the Operating Rules of the corporation the Board of Directors are authorized to invoke a penalty in the best interest of the corporation.
- C. Penalties. The directors of the corporation can invoke the following actions against a Director.
 - 1. Suspend flying privileges.
 - 2. Impose monetary fines.
 - 3. Demand and take actions to recover stock owned by offending director.
 - 4. Recover monetary damages from the violating member

ARTICLE VII: ASSETS AND EQUITY

The Board of Directors may purchase and sell assets of the corporation in accordance with the following conditions.

- A. Default in payment of amounts and moneys due the corporation. The Secretary shall Treasurer shall notify the chairman of any director who is ninety days past due in payment of has account or moneys due the Corporation.
 - 1. The Chairman Will contact the director and make arrangements to resolve the past due condition.
 - 2. The conclusion of the meeting between the Chairman and the Director will be presented at the next meeting of the corporation.
 - 3. The directors of the corporation may take action as recommended by the Chairman and as outlined in Article VI, paragraph C.
- B. Purchase and Sale or Disposal of Assets.

The Board of Directors can acquire or dispose of the assets of the corporation providing: Two-Thirds of the directors agree to the action by either vote in person, or by proxy,
- C. Repair and Maintenance.

The Director of Aircraft Maintenance may create a bill for repair and maintenance of the aircraft of up to but not to exceed \$ 500.00 without approval of the board, \$ 1,500.00 for emergency repairs to keep the aircraft airworthy with the approval of the Chairman of the Board.

ARTICLE VIII: INTERNET E-MAIL VOTING

Directors may make motions, second them, discuss them, and vote on them using Internet E-mail. When doing so, the following procedures will be followed:

- A. Motion. A director may make a motion by sending an email to the Cloud One email list, with a Subject that begins with the word MOTION.
- B. Second. Any other director may second the motion by replying to the MOTION email, and adding the word SECOND to the beginning of the Subject. If a MOTION email is not seconded within 72 hours of being sent, the MOTION fails for lack of a second.
- C. Discussion. Once the MOTION is seconded, a 5 day discussion period opens. E-mails sent to discuss the MOTION should be limited to just that.
- D. At the end of the discussion period, the President will send an email calling for a vote.
 - 1. The body of that email will state the motion being voted on. This begins a 5 day voting period.
 - 2. Votes must be cast by replying to the President's email calling for a vote. No other emails will be considered valid ballots.
 - 3. Once cast, a Director's vote may not be changed.
 - 4. To vote in favor of the motion, the body of the reply will contain "Yes".
 - 5. To vote against the motion, the body of the reply will contain "No".
 - 6. At the end of the 5 day voting period, the President will count the votes, and announce the result in an email. A majority of the votes cast will decide the question
- E. The President may, at his/her discretion, postpone a vote on a motion until the next meeting of the Board of Directors. This must be done before the beginning of the voting period.

These By-Laws were submitted and approved by the Board of Directors of Cloud One Flying Club Incorporated this 1st Day of December, 2010.

Terry Davis
Chairman of the Board

Sean O'Toole
Secretary