

**BYLAWS  
OF  
CAPE FEAR FLYING CLUB, INC.**

ARTICLE I

Name and Principal Office

The name of this organization is Cape Fear Flying Club, Inc. and it shall be hereafter referred to as “CFFC” for purposes of this document. The principal office of CFFC shall be located at 1919 Verrazano Drive, Wilmington, New Hanover County, North Carolina, or at such other place as the Board of Directors may determine. CFFC may also have offices and places of business at such other places within or without the State of North Carolina as the Board may determine or the business of CFFC may require.

ARTICLE II

Purpose

CFFC is organized and operated exclusively as a social and recreational flying club for the pleasure and recreation of its members and for other nonprofit purposes within the meaning of Section 501(c)(7) of the Internal Revenue Code of 1986, as amended (the “Code”) (or the corresponding provision of any future Federal tax laws). The social and recreational facilities of CFFC shall not be made available to the general public.

ARTICLE III

Membership

1. Eligibility for Membership. An individual may become a Member of CFFC only upon approval by the Board of Directors of such individual’s application for membership in CFFC on the form prescribed by the Board of Directors and after payment of the then current initiation fee. Final acceptance is deemed to have occurred when the Board of Directors approves membership for the prospective member. No corporation, partnership, limited liability company or other legal entity shall be eligible for membership in CFFC.

2. Status of Members. The status of each member shall be one of the following: active, inactive, or suspended.

a. Active Status. A member shall be deemed in good standing if such member has paid in full all previous annual dues for his or her membership and is not more than thirty (30) days overdue in the payment of such member’s current annual dues (“Active Members”). Active Members shall receive all of the rights and privileges of Membership. An Active Member must meet FAA, Insurance, and CFFC requirements prior to scheduling or operating any CFFC aircraft.

b. Inactive Status. An Active Member in good standing may apply to the Board of Directors for inactive status (“Inactive Members”). The Board of Directors, in its

reasonable discretion, may approve or deny a member's application for inactive status. Inactive Members shall not be required to pay annual dues and shall not be entitled to operate CFFC aircraft, to vote on any matter presented to the members for vote or to exercise any of the other privileges or benefits of Active Members. A Member may be reactivated from inactive status upon written notice to the Board of Directors and payment of annual dues for the year in which the member is reactivated from inactive status.

c. Suspended Status. Members may be temporarily denied all privileges and benefits of membership in CFFC by action of the Board of Directors and/or pursuant to these bylaws. Such member may be reactivated from suspended status at the discretion of the Board of Directors.

3. Termination of Membership. Members may terminate his or her membership by giving written notice of such resignation to CFFC at its principal office. In the event of such termination, the member shall no longer be entitled to any privileges or benefits of CFFC membership. A member may be expelled from CFFC, with stated cause, by majority vote of the Board of Directors.

4. Adherence to Bylaws. Each member of CFFC shall have read and shall have agreed in writing to observe and abide by all the provisions of these Bylaws and all other regulations of CFFC. CFFC shall maintain a permanent archive of each member's signed agreement.

## ARTICLE IV

### Meetings of Members

1. Regular Meetings. All meetings of the members, except as otherwise provided herein, shall be held at a place to be determined by the President.

2. Annual Meeting. Annual meetings of the members of CFFC shall be held on a date set by the Board of Directors during the last quarter of each fiscal year or the first quarter of the next fiscal year for the purpose of electing directors of CFFC and for the transaction of such other business as may be properly brought before the annual meeting. Notice of the annual meetings of the members shall be given by written notice emailed to each member at their last known email address and/or posted on CFFC's web site at least ten (10) days before such annual meeting.

3. Special Meetings. Special meetings of the members may be held at such time and place as the President may determine. Special meetings may be called by a majority of the directors or by written petition of at least seventy-five percent (75%) of the members. It shall be the duty of the Secretary to call such meetings within thirty (30) days after such demand.

4. Notice of Meetings. Written notice stating the date, time and place of any members meeting shall be delivered to the members not less than seven (7) days before the date of any meeting of the members, either by personal delivery, by facsimile transmission, by

electronic transmission, U.S. mail, private carrier or other appropriate means, by or at the direction of the President or the Secretary. If all the then current members of CFFC shall be present at any gathering, any business may be transacted without previous notice. At any meeting of the members, a quorum shall consist of one-half of the members who are of active status. The President shall preside over all meetings.

5. Voting. At every meeting of the members, each member shall have only one vote. Votes cast by mail will be accepted provided the Secretary receives them at least seven (7) days prior to the meeting when the vote is to be taken. Proxy votes in writing will be accepted. Any Inactive Member, Suspended Member or member whose annual dues payment is more than thirty (30) days overdue at the time of any annual or special meeting of Members shall not be entitled to vote at such Meeting. Action on a matter by the Members is approved if the votes cast favoring the action exceed the votes cast opposing the action, unless a greater vote is required by law, the Articles of Incorporation or these Bylaws.

6. Parliamentary Procedures. Parliamentary procedures will be followed and minutes will be kept at all board meetings.

## ARTICLE V

### Board of Directors

1. General Powers. All corporate powers shall be exercised by or under the authority of, and the business and affairs of CFFC shall be managed and controlled under the direction of a board of directors. The Board of Directors shall consist of no fewer than three (3) and no more than seven (7) duly elected members of active status.

2. Election. Except as otherwise provided in this Article, the directors shall be elected at the annual meeting of the members. Those persons who receive the highest number of votes at such meeting shall be deemed to have been elected. If any member so demands, election of directors shall be held by ballot.

3. Terms. The term of each director shall be for two (2) years, and shall expire at the next annual members meeting nearest the end of the director's two-year term, or upon such director's death, resignation or removal. Any director may be reelected to succeed himself. The terms of directors shall be staggered so that the terms of no more than one-third of the directors shall expire each fiscal year. In all cases, current directors shall serve until their successors shall have been elected and qualified.

4. Removal. Any director may be removed at any time, with or without cause, by a vote of members if the number of votes cast to remove such director exceeds the number cast against removal of such director. A director may not be removed by the members at a meeting unless the notice of the meeting states that the purpose, or one of its purposes, is removal of the director.

5. Vacancies. In case of a vacancy in the Board of Directors, the remaining directors shall fill such vacancy by appointment from CFFC membership. If three (3) or more vacancies occur at any one time, they shall be filled by vote of the members at a meeting duly called for such purpose.

## ARTICLE VI

### Meetings of Directors

1. Meetings. Regular meetings of the Board of Directors shall be called at a time and place to be determined by the President.

2. Special Meetings. Special meetings of the Board of Directors shall be called at any time by or at the request of the President or on the order of three (3) directors.

3. Notice; Quorum; Voting; Compensation. Notice of special meetings of the Board of Directors stating the time and, in general terms, the purpose shall be emailed or personally given to each director not later than 10 days before the day appointed for the meeting. Should the special meeting be of an urgent nature impacting the viability and overall health of CFFC, no prior notice is required. If all directors shall be present at any meeting, any business may be transacted without previous notice. A majority of directors in office immediately before the meeting shall constitute a quorum. Once a director is present for any purpose, he or she is deemed present for quorum purposes for the remainder and adjournment of that meeting. The affirmative vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. Each member of the Board of Directors shall serve without any compensation or reward, except as otherwise provided in these bylaws. The board of directors shall cause to be kept a complete record of all its acts and proceedings of its meetings. The Board of Directors may engage compensated personnel from outside CFFC membership to perform such services in behalf of CFFC, as the Board deems appropriate and necessary.

4. Rules and Regulations. The Board of Directors shall have the power and authority to promulgate and enforce all rules and regulations pertaining to the use and operation of CFFC property and to do and perform, or cause to be done and performed, any and every act which CFFC may lawfully do and perform.

5. Directors and Officers Insurance. The Board of Directors may be provided with directors and officers insurance at the expense of CFFC.

## ARTICLE VII

### Officers

1. Number. The officers of CFFC shall consist of a President, Vice-President, Secretary and Treasurer. Members of active status shall fill all offices. The President shall be selected from the members of the Board of Directors. Other officers, including one or more Vice Presidents (whose seniority and titles, including Executive Vice Presidents and Senior Vice

Presidents, may be specified by the Board of Directors), Assistant Secretaries, and Assistant Treasurers, may from time to time be elected by the Board of Directors.

2. Term of Officers. Officers elected pursuant to this Article shall take office at the annual meeting of the members immediately following their election. Each officer's term shall extend to the annual members meeting following the meeting at which such officer took office or, if earlier, until such officer's death, resignation, or removal in accordance with these Bylaws. The term of an officer elected or appointed to fill a vacancy expires at the next annual meeting of the members. Despite the expiration of an officer's term, such officer shall continue to serve until a successor shall be elected and qualified.

3. Removal. Any officer may be removed at any time, with or without such cause, by a vote of the Board of Directors if the number of votes cast to remove such officer exceeds the number cast not to remove him. An officer may not be removed by the Board of Directors at a meeting unless the notice of the meeting states that the purpose, or one of its purposes, is removal of the officer. If any officers are so removed, new officers may be elected at the same meeting.

4. President. The President shall serve as the chairman of the Board of Directors and shall supervise and direct all of the business and affairs of CFFC. He/she shall, when present, preside at all meetings of the Board of Directors and of the members. He/she shall sign, with the Secretary, or with any other officer authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which may be lawfully executed on behalf of CFFC, except where required or permitted by law to be otherwise signed and executed, and except where the signing and execution thereof shall be delegated by the Board of Directors or these bylaws to some other officer or agent of CFFC; and, in general, he/she 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 recommend for approval to the Board of Directors all operational rules of CFFC and shall report with recommendations all violations of such rules by any member of CFFC.

5. Vice-President. The Vice-President shall be vested with all the powers and shall perform the duties of the President in case of the absence or disability of the President. The Vice-President shall also perform such duties connected with the operation of CFFC as may be undertaken at the suggestion of the President.

6. Secretary. The Secretary shall:

(a) keep the minutes of the meetings of members and of the Board in one or more books provided for that purpose;

(b) see that all notices are duly given in accordance with the provisions of these by-laws or as required by law;

(c) be custodian of the corporate records and of the seal of CFFC and see that the seal of CFFC is affixed to all documents, the execution of which on behalf of CFFC under its seal is duly authorized;

(d) keep a register of the post office address of each member which shall be furnished to the Secretary by such member;

(e) keep or cause to be kept in the State of North Carolina at CFFC's registered office or principal place of business, a record of CFFC's members, giving the names and addresses of all members, and prepare or cause to be prepared, voting lists prior to each annual meeting of members; and

(f) in general, perform all duties as from time to time may be assigned to him/her by the President or by the Board. The Board may appoint one or more Assistant Secretaries from the membership of the Board.

7. Treasurer. The Treasurer, along with the President, shall have the power to sign, in the name of CFFC, checks for the expenditures authorized by the Board of Directors. He/she shall receive and deposit all funds of CFFC in the bank selected by the Board of Directors, which funds shall be paid out only by check as herein before provided. The Treasurer shall also account for all receipts, disbursements and balance on hand. The Treasurer will provide a monthly report of the financial status of CFFC to the Board of Directors and an annual report to every member. The annual report may be in the form of a presentation at the annual meeting. The Treasurer will arrange for any reporting required by state or federal agencies including the IRS 990 form. The Treasurer will inform the Board of Directors on a monthly basis if any members are delinquent and notify the board when such delinquency plus any fines have been paid. The Treasurer shall perform all duties incident to the Office of the Treasurer, subject to the control of the Board of Directors. The Treasurer shall also perform such duties connected with the operation of CFFC as may be undertaken at the suggestion of the President.

8. Vacancies. If any office, other than that of President, becomes vacant for any reason, the President shall appoint an interim successor until such time as the Board of Directors shall elect a successor from the membership who shall hold office for the unexpired term. If the office of President becomes vacant, the Vice-President shall become President and the Board of Directors shall elect a new Vice-President from the membership.

## ARTICLE VIII

### Indemnification

1. Definitions. The following terms shall have the specified definitions for purposes of this Article:

Covered Person: A covered person shall include (i) any person who at any time serves or has served as a director of CFFC; and (ii) any person who at any time serves or has served as an officer of CFFC.

Action: An action shall include any threatened, pending, or completed civil, criminal, administrative, investigative, or arbitral action, suit or proceeding, whether or not brought by or on behalf of CFFC, any appeal therefrom, and any inquiry or investigation that could lead to such an action, suit or proceeding.

Covered Expenditures: With respect to any action, covered expenditures shall mean (i) reasonable expenses, including without limitation attorneys' fees and expenses, incurred by the covered person in connection with the action; (ii) reasonable payments made by the covered person in satisfaction of any judgment, money decree, fine (including without limitation any excise tax assessed with respect to an employee benefit plan), penalty, or settlement for which the covered person may have become liable in the action; and (iii) reasonable costs, expenses and attorney's fees incurred by the covered person in enforcing the indemnification rights provided in this Article.

2. General. Except as provided in Section 5 of this Article, CFFC shall indemnify a covered person against covered expenditures with respect to any action arising out of (i) the covered person's status and/or activities as a director, officer, employee of the corporation, or (ii) if such status was obtained by the covered person at CFFC's request, the covered person's status and/or activities as a director, officer, partner, trustee, manager, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, limited liability company, or other enterprise or as a trustee or administrator under an employee benefit plan, in each case ((i) or (ii)) whether or not the status or activities exist or occur before or after the adoption of this Article.

3. Advanced Payment of Expenses. Covered expenditures described in clause (i) of the definition of covered expenditures in Section 1 of this Article, shall be paid by CFFC in advance of final disposition of the action, upon receipt of an undertaking by the covered person to repay such amounts to CFFC if it is later determined that the covered person is not entitled to be indemnified by CFFC against such covered expenditures.

4. Standard of Care. CFFC shall not indemnify a covered person for covered expenditures with respect to an action arising out of the covered person's acts or omissions that were, at the time taken, known or believed by the covered person to be clearly in conflict with the best interests of CFFC. CFFC shall have the burden of proving by a preponderance of the evidence that the covered person's acts or omissions were, at the time taken, known or believed by the covered person to be clearly in conflict with the best interests of CFFC.

5. Determination and Evaluation of Indemnification. The determination as to whether, and the extent to which, indemnification is required under this Article, shall be made:

(a) By the Board of Directors by majority vote of a quorum consisting of Directors not at the time parties to the action that is the subject of the indemnification determination;

(b) If a quorum cannot be obtained under subdivision (a), by majority vote of a committee duly designated by the Board of Directors (in which designation Directors who are parties to the action may participate), consisting solely of two or more Directors not at the time parties to the action;

(c) If a quorum of the Board of Directors cannot be obtained under subdivision (a) and a committee cannot be designated under subdivision (b), then by special legal counsel selected by a majority vote of the full Board of Directors (in which selection Directors who are parties to the action may participate).

(d) Evaluation as to reasonableness of covered expenditures shall be made in the same manner as the determination that indemnification is required under this Article, except that if such determination is made by special legal counsel, evaluation as to reasonableness of covered expenditures shall be made by those entitled under subdivision (c) above to select the special legal counsel.

6. Reliance. A covered person shall be deemed to be serving CFFC in reliance upon, and as consideration for, the rights provided the covered person in this Article. Such rights shall inure to the benefit of a covered person's successors by reason of the death of the covered person. Any repeal or modification of this Article shall not affect the rights and obligations of a covered person and CFFC under this Article with respect to matters arising out of the covered person's status and/or activities existing or occurring prior to such repeal or modification. Any revocation or other termination of the designation by the Board of Directors of a person as a covered person shall not affect the rights and obligations of such person and CFFC under this Article with respect to matters arising out of such person's status and/or activities existing or occurring prior to such revocation or other termination.

7. Non-exclusivity. The rights provided in this Article shall not be exclusive of any other rights to which a covered person may be entitled, including, without limitation, statutory rights to indemnification and benefits under policies of insurance.



## ARTICLE IX

### General Finance and Liability

1. Expenditures. No member may authorize expenditures or otherwise incur financial obligations in the name of CFFC except as expressly provided for in these bylaws or other regulations duly promulgated by CFFC membership.

2. Officer Expenditures. An Officer is authorized to expend CFFC funds in payment for all normal fixed costs of CFFC and all operating costs not in excess of Two Hundred Fifty Dollars (\$250). Such officer must obtain approval from the Board of Directors for any unusual expenditure and all expenditures in excess of Two Hundred Fifty Dollars (\$250).

3. Other Fees. Members are personally responsible for hangar fees, ramp fees, preheat and de-ice services, oxygen services, and any other fees not covered by the documented aircraft rental fees.

4. Contracts. No member, officer, director or any other individual shall obligate CFFC to any purchase, repair, and service or in any manner act on behalf of CFFC without the approval of the Board of Directors.

5. Insurance. Insurance shall be carried at all time by CFFC to protect the membership from liability.

6. Liability. CFFC shall not be responsible for any accident, incident, injury or death of a member or any passenger while operating or riding in any aircraft owned or operated by CFFC.

7. Member Responsibility. In the event of any accident, incident, or damage to any equipment owned or operated by CFFC, except where provided for elsewhere in CFFC regulations, the member at fault shall be responsible for any portion of the costs not covered by CFFC insurance.

8. Fiscal Year. The fiscal year of CFFC shall be January 1 to December 31.

9. Books of Account. The books of account shall be at all times open to inspection by any director, officer, or active member of CFFC.

10. Authorizations. All expenditure authorizations, requests for checks and expense statements shall be signed by the treasurer or the president, or, in the absence of either, by an appointee of either the treasurer or the president who shall have been approved by the Board of Directors.

11. Deposits. The net savings or surplus remaining after all operating costs and other expenses have been paid shall remain in CFFC's treasury for the purchase of new equipment, for contingencies, for the purpose of reducing the hourly rates for flying or other purposes as shall

be determined by the Board of Directors. The net savings in any event shall not be distributed to the members for their individual use.

12. Other Rules and Regulations. The Board of Directors from time to time may adopt, amend, repeal, and waive rules and regulations governing the use of CFFC's facilities, CFFC's various activities and programs, and all other matters and things necessary or appropriate and not specifically covered by the Articles of Incorporation or these Bylaws.

## ARTICLE X

### Dues, Fees and Assessments

1. Initiation Fee. An initiation fee, unless waived by the Board of Directors, shall be required of each new member, the amount to be established by the Board of Directors.

2. Dues. Each member of active or suspended status shall be assessed annual or monthly dues, the amount to be established by the Board of Directors. Dues and fees established by the Board of Directors will be subject to periodic reevaluation and adjustment in order to meet CFFC's operating costs.

3. Hourly Aircraft Rates. The Aircraft Owner shall determine hourly aircraft rates after conferring with the Board of Directors. Should CFFC own the aircraft, the Board of Directors shall determine the hourly rate.

4. Club Bills. Payment of CFFC bills is due immediately upon receipt. Balances unpaid thirty (30) days after the billing period shall be subject to a penalty on the unpaid balance, and shall be cumulative for each month of lapse thereafter. Returned checks shall have an assessment determined by the Board of Directors added to the bill.

5. Delinquency. Any member who has failed to pay the dues, hourly aircraft rate charges or any other sum due CFFC within thirty (30) days after said sums shall be due, shall be considered an inactive member and shall be automatically suspended from flying CFFC aircraft and engaging in any other CFFC activity. The Board of Directors shall determine and establish any additional penalties and interest. When a delinquent member fails to pay any sum owed to CFFC, or at the discretion of the Board of Directors, to make suitable arrangements with the board for payment thereof within sixty (60) days of the due date, the member shall automatically be considered as indicating an intention to withdraw from CFFC.

## ARTICLE XI

### Amendments

These bylaws may be repealed or amended or new bylaws adopted at any meeting of the members called for that purpose or any regular meeting of the members by a two-thirds majority vote of such members or the unanimous vote of the Board of Directors. A quorum or the members or Board of Directors shall be determined as defined previously.

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by the initial Board of Directors of the Cape Fear Flying Club.

CAPE FEAR FLYING CLUB, INC.

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\_\_\_\_\_, Secretary