

ARIZONA FLYERS CLUB INCORPORATED
Tucson, Arizona
Version 7
May 2008

Rules and Regulations for Operation and Maintenance of Aircraft

A. FOREWORD

The following rules and regulations with respect to the operation, care and maintenance of aircraft of Arizona Flyers Club Inc., have been promulgated by the officers and Board of Directors of the corporation pursuant to the authority contained in the Corporate Bylaws.

B. FEDERAL AVIATION REGULATIONS

The Federal Aviation Regulations (FARs), of the Federal Aviation Administration (FAA), are to be complied with in all respects to the operation, care and maintenance of the aircraft of the corporation; and these rules and regulations of the corporation are not in abrogation or for avoidance thereof, but in addition thereto.

C. PILOTS AND PILOTS-IN-COMMAND

C.1. Authorized pilots of corporation aircraft shall be limited to the holder of a share of the stock in the corporation, his or her spouse, son, or daughter, provided they are members of the same household (hereafter referred to as 'Family Membership' clause. No other pilot, friend or relative shall be allowed use of corporation aircraft, as pilot.

a. Each 'Family Membership' shall be limited to two pilots. When both pilots of a 'Family Membership' are aboard a corporation aircraft, the holder of a share of stock of this corporation shall be deemed to be the pilot and member; the other pilot of the 'Family Membership' shall not be deemed to be a member, but shall be deemed to be a passenger.

b. Each 'Family Membership' shall be limited to the use of one corporation aircraft at any one time.

C.2. The pilot-in-command shall be deemed to be the pilot in the left front seat of the aircraft, or an instructor pilot approved by the Board of Directors of the corporation and occupying the right front seat of the aircraft. To be pilot-in-command from the right seat, other than an instructor pilot, a letter, signed by an approved instructor pilot, must be on file with the Secretary which states that the shareholder may operate corporation aircraft from the right seat.

C.3. Instructor pilots (CFIs) are required to:

a. Be approved by the Board of Directors of the corporation prior to any instruction or flight reviews in corporation aircraft.

b. Evaluate flight skills, flight planning skills, judgment and attitude as part of all flight reviews and report any concerns they may have in ANY of these areas to Arizona Flyers Club Board of Directors.

c. Remain current per FAR requirements and provide documentation of currency to the corporation.

C.4. A valid pilot's license and current medical certificate must be upon the person of the pilot-in-command of corporation aircraft. All pilots otherwise authorized to use corporation aircraft are and shall be automatically grounded, as to corporation aircraft, upon the expiration of their respective medical certificates and until a current medical certificate is obtained. All medical certificates shall be displayed to an appointed officer of the corporation, who shall maintain a record of the expiration date thereof.

C.5. Minimum logged total flight hours

To operate as pilot-in-command of corporation aircraft, a pilot must have acquired the following minimum logged total flight hours and an initial check out by a Club CFI in aircraft to be flown:

Cessna 172 - no minimum hours.

Cessna 182 - 150 hours.

Cessna R182 - 250 hours. Plus:

- a. 50 hours of retractable time or 10 hours of instruction in make and model.
- b. High performance and complex endorsements.

Club members may use a club authorized CFI to obtain the hours needed for compliance.

C.6. In order to maintain flying privileges each member must meet **ALL** insurance requirements and **ALL** of the following criteria:

- a. Maintain a current BFR.
- b. Maintain a current medical.
- c. One flight in the most complex corporation aircraft that the pilot is current in within the preceding 90 days. If currency lapses, members must complete a flight review as described in (d).
- d. A flight review with a club authorized instructor within the preceding 6 months in the most complex aircraft the member is permitted to fly. Instructors are to evaluate flight skills, flight planning skills, judgment and attitude as part of the flight review and report any concerns they may have in ANY of these areas to Arizona Flyers Club Board of Directors.
- e. Six-month flight reviews shall be accomplished with a different club authorized instructor than was accomplished on the previous six-month flight review.
- f. Attend a ground instruction class within the preceding 365 days on the topic of club aircraft systems and emergency procedures. The club will offer at least two of these classes per year. A member may also become current with this ground instruction by completing and documenting one hour of instruction on club aircraft systems and emergency procedures with a club authorized CFI.

C.7 New Arizona Flyers Club members shall be designated as 'new members' and shareholders with the same voting rights as regular members in the corporation. During this time all new members must complete and comply with the following:

- a. All flight requirements to become current.
- b. A flight review by two different Arizona Flyers CFI's. Each CFI will report the results to the Arizona Flyers board of directors by email or at a board meeting in person before an associate member is permitted to fly without an instructor.
- c. To fly **ANY** club aircraft solo a new member must complete an initial checkout with a Club CFI in that aircraft.
- d. Following completion of (a) and (b), the board or President will decide if the new member will be permitted to fly solo and become a regular member of the club. There is no appeal of the board's or President's decision.

D. OPERATION, MAINTENANCE, CARE OF AIRCRAFT

D1. Scheduling of aircraft shall be on a first-come-first-serve basis. Only one corporation aircraft may be operated per 'family membership' at any time, unless prior approval from the Board of Directors has been given. A corporation aircraft shall be reserved by accessing the online scheduling system and entering the times for which the reservation is required and in accordance with the following:

- a. The online scheduling system or other procedures will notify members of upcoming expirations of BFR, medical, or currency requirements.
- b. The online scheduling system shall be programmed to revoke scheduling privileges and cancel all scheduled flights of a club member until an expired BFR, medical, insurance currency requirement, or Arizona Flyers Club currency requirement has been satisfied.

D.2. For station-to-station cross-country schedules, whereby the aircraft is rendered unavailable to other club members, the scheduling member shall be responsible for a minimum of one hour of billable flight time per day for the aircraft involved. Any exception to this rule shall require prior approval by the Board of Directors. Advance approval of the Board of Directors or of the officers of the corporation is required before any corporation aircraft may be scheduled for more than fifteen (15) days consecutively. In the event that the

corporation has only one 'trainer' aircraft (C-172) available to its membership, the corporation's 'trainer' aircraft may be scheduled for no more than nine (9) consecutive days unless advance approval of the Board of Directors or of the officers of the corporation is obtained. The cross-country designated corporation aircraft may be scheduled for a maximum of fifteen (15) consecutive days unless advance approval of the Board of Directors or of the officers of the corporation is obtained.

D.3. No take off is to be made by a corporation aircraft when ground winds exceed fifty percent (50%) of the power off stall speed of the particular aircraft.

D.4. The share of corporate stock under which any pilot is authorized the use of corporate aircraft shall be subject to forfeiture, as hereinafter provided, if any pilot is found to have operated a corporation aircraft in violation of either FAR 91.17 (Operations while under the influence of liquor or drugs) or FAR 91.19 (Carrying controlled substances).

D.5. Air races and aerobatics are prohibited in corporation aircraft, except as, and to the extent, required by or in preparation for FAA flight proficiency examinations.

D.6. Pilots holding only a student pilot license are prohibited from carrying passengers other than corporation approved instructor pilots. Any student pilot who is found in violation of this restriction shall be subject to forfeiture of the share of corporate stock under which he or she is authorized the use of corporate aircraft, according to the procedure set forth in these rules.

D.7. Operation of corporation aircraft shall be to and from FAA designated airports only, except that in addition thereto, the Board of Directors may maintain a list of other club approved airports. Any landing location not meeting these criteria will require advance approval by the Board of Directors.

D.8. Mexico flights are permitted in accordance within the Arizona Flyers Club Inc. (AZFC) Mexico Flights Authorization, as approved 14 March 2006:

Guidelines and Requirements;

FINANCIAL-

Annual participating Pilot commitment;

- a. \$50* / Pilot / aircraft (Need 5 Pilot minimum per aircraft) Covers Mexico flight liability insurance, customs decal, Mexico multi entry permit, etc.
- b. \$100* / Pilot / Contribution - Maintenance Reserve Fund (10-15 authorized Pilots/yr = \$1,000-\$1,500/yr contribution to a dedicated maintenance reserve fund for exclusive benefit of AZFC participating aircraft. Flight damage deductible is responsibility of Pilot (same as domestic flights currently) secured by \$1000 stock holding of member Pilot.
- c. \$25* covers pre & post flight prop inspection by AZFC AP.
- d. \$20* post trip clean-up charge (vacuum, etc.) charged to Pilot if required upon post flight prop inspection.

* Present fees that maybe adjusted/amended in accordance to AZFC approval.

EDUCATION, PROFICIENCY, & REQUIREMENTS-

Established & monitored by Mexico Flight Committee appointed by Board;

- a. Annual guided Mexico & Baja orientation trip required for AZFC member's first Mexico flight provided by Mexico Flight Committee. Initial committee: Director, 2 Arizona Flyers members appointed by Board and 2 experienced Mexico flight CFI's.
- b. Complete Mexico Flight Operations & Procedures Class by Mexico Flight Committee. Flight equipment checklist i.e.: survival list examples, flotation jackets, etc.
- c. Complete aircraft check-out by a designated "Mexico CFI" for short field landings, dirt strip operations, etc.
- d. All Mexico flight landing destinations to be approved by Mexico Flight Committee.
- e. R182 (RG) Restricted to Government & Municipal Paved Airports (No unpaved airfields)

D.9. In the event of damage to a corporation aircraft, the pilot-in-command at the time of the incident shall be responsible for the deductible amount provided by the insurance contracts and policies held by the corporation. The corporation shall maintain in force and effect such contracts and policies as will indemnify the corporation from such damage in excess of the deductible amount as approved by the Board of Directors. This responsibility and liability of the pilot-in-command shall not be effective when it is determined, by either the FAA or the Board of Directors of this corporation, after investigation, that such damage to the aircraft was not caused by pilot error or other omission of due care by the pilot-in-command.

D.10. Members are encouraged to participate in the FAA Wings Program.

D.11. Corporation aircraft shall be refueled according to current club policies. If upon completion of your scheduled use of aircraft and 2 hours of flight time has accrued since refueling, refuel aircraft if possible.

D.12. Aircraft Manuals Keys and Security Badges; Aircraft manuals and keys will be provided to each member for safe operation and use of the aircraft. Upon leaving AZFC, members shall return serviceable manuals and keys to the corporation. If the manuals and keys are not returned an appropriate fee will be charged to replace the manuals and keys. Security badges must be obtained from the Tucson Airport Authority (TAA) to allow members access to the aircraft. The cost to obtain the badges is the responsibility of the AZFC member. Upon leaving AZFC, members will return the badges to TAA and provide a letter indicating the badges were returned to AZFC. For badges not returned a fee will be imposed to cover the charge from TAA, as AZFC is responsible for badges issued through our landlord on Tucson International Airport.

E. DUES AND CHARGES FOR AIRCRAFT USE

E.1. Each stockholder of the corporation shall pay a fixed sum per month, the same to be paid in advance for the month commencing on the first day and ending on and including the last day of each calendar month. The monthly dues for a 'family membership' may include additional fees, which reflect added insurance premiums, or other charges deemed fair and appropriate by the Board of Directors. The amount of this monthly sum, or dues, shall be set by the Board of Directors, based upon the fixed costs of the corporation.

E.2. In addition to the monthly charge provided herein, charges will be levied for the flight time computed by the respective tachometers of the respective corporation aircraft. These hourly flight time charges shall be 'wet' charges and shall be set by the Board of Directors based upon operating costs of the respective aircraft.

E.3. Gas and oil purchases shall be made and paid for by the respective pilots authorized to operate corporation aircraft, and the cost thereof will be deducted from flight time charges. Fuel purchases shall be recorded on the time sheets provided in the respective aircraft, and the sales slips for all such purchases will be delivered to the treasurer or bookkeeper as proof of the purchase and to substantiate credit given. No purchase shall be made against the credit of the corporation, except upon specific authority of the Board of Directors or an officer of the corporation. All charges shall be computed for the period of time beginning with and including the first day and ending with and including the last day of each calendar month.

E.4. Charges for regular monthly dues, charges for flight time, and any other charges shall become due and payable on the fourteenth day of the month following that in which they were made, and shall become delinquent five (5) days thereafter. Delinquent accounts are subject to a 10% late-payment fee assessed on the shareholder's unpaid balance. Any pilot-in-command, otherwise authorized to operate the corporation aircraft, whose account with the corporation, as herein provided, is in excess of the monthly dues amount and is delinquent, is automatically grounded; and his/her right to operate corporation aircraft is suspended until his/her account with the corporation becomes current. Any shareholder whose account with the corporation is forty five (45) days delinquent, may be expelled from the corporation, and his/her share of stock of the corporation may, thereupon, revert to the corporation without compensation of any kind there from; but this forfeiture of stock will not act to prevent the corporation from the collection of any amounts due to the corporation. Any such forfeiture of the stock of the corporation may be affected only after notice to the shareholder, by registered or certified mail, and the expiration of ten (10) days thereafter without the account being brought into current status.

F. PENALTIES FOR INFRACTIONS OF RULES AND REGULATIONS

F.1. Members are expected to conduct their Arizona Flyers affairs in ways that are in the best interests of the Corporation. Conduct which is not in the best interest of the Corporation may be addressed by the assessments of penalties as described in section **F.2**. Flagrant or repeated misconduct may be addressed by termination as described in section **F.3**.

F.2. The Corporation shall have the right and power to assess penalties for infractions of any of these rules and regulations. Such power shall be vested in the Board of Directors with the right of appeal to the total membership. Such power shall be limited, except where the above provides for other and additional penalties, to: a) the grounding of a pilot, with respect to Corporation aircraft, for a period of time not to exceed thirty (30) days; b) the imposition of a fine, not to exceed the current value of one share of corporate stock; or c) the requirement for remedial training; or d) any combination of the above. Any sums received by the Corporation as a penalty shall be received into the general fund of the Corporation. Board of Directors actions under this section require a majority vote of the Board and appeals to the membership require a majority vote of those present in order for the complaint to prevail.

F.3. In the case of conduct that is detrimental to the best interests of the Corporation, the Corporation shall have the right and power to terminate the offending member's ownership. Such power shall be vested in the Board of Directors with the right of appeal to the total membership. In the event of such termination the shareholder will forfeit his/her ownership interest in the Corporation and the Corporation will return to the member the member's investment less initial cost and other monies owed the Corporation. Such termination of ownership shall not act to prevent collection of any amounts or sums otherwise due the Corporation. Board of director's actions under this section requires a two-thirds vote of the quorum present for the complaint to prevail.

F.4. Any member-pilot otherwise authorized to operate corporation aircraft shall have the right to be heard before the Board of Directors at a time when it shall consider the assessing of any penalty against him/her, and shall have the right to appeal to the next following special or annual meeting of the shareholders from any adverse judgment by the Board of Directors.

F.5. Any shareholder of the corporation may bring a charge against any pilot-in-command otherwise authorized to operate corporation aircraft, and such charge could result in the assessment of a penalty against the pilot or a stockholder. The secretary, upon demand of any shareholder, shall prepare a complaint against the alleged violator, and cause the alleged violator to receive a copy thereof, together with notice of the date when the same will come before the Board of Directors.

G. EXTRAORDINARY SAFETY REVIEWS

Any two-board director members may request a safety review of any member. A safety review is a flight review by two Arizona Flyers Club CFIs (**C.7.b**). Each CFI will report the result of the safety review to the Arizona Flyers Club board of directors at a board meeting in person or by email. Based on this report, the board may take action including termination of membership as set forth in **F.2** and **F.3**.

H. GENERAL PROVISIONS

H.1. These rules and regulations may be amended, altered, or rescinded by a two-thirds majority vote of the Board of Directors or by a two-thirds majority vote of the shareholders of the corporation at any annual or special meeting thereof. Nothing in these rules and regulations is intended to be contrary to any provision of the Articles of Incorporation or the Bylaws of this corporation.


H.2. These rules and regulations shall be published to and receipted for by all shareholders, and the secretary is directed to provide a place for the receipt of the shareholders at the end of these rules, and to place a copy thereof in the minute book of the corporation, indicating the acceptance thereof by the shareholders, and by any subsequent shareholders.

H.3. Effective thirty (30) days following the adoption of these rules and regulations by the Board of Directors, and the publishing thereof to the shareholders, all pilots otherwise authorized to operate corporation aircraft

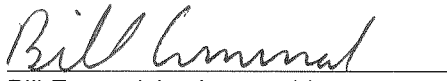
shall be grounded, and that authority suspended, until such time as the shareholder under whose authority said pilots operate corporation aircraft has acknowledged receipt of these rules and regulations and has indicated his/her acceptance thereof.

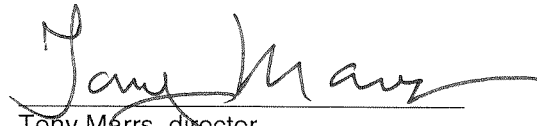
Adopted by a resolution of the Board of Directors of

Arizona Flyers Club Incorporated May 13, 2008.



Steve Criswell, president

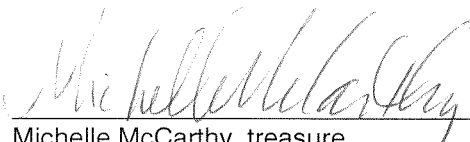

Blaise Richard, Maintenance


Bill Emmerich, vice president


Tony Marrs, director


Steve Criswell, secretary


Ed Farr, director


Michelle McCarthy, treasure


Keith Azlin, director


Howard Skolnik, director

Matt Bentson, director