AOPA'S GUIDE TO STARTING A FLYING CLUB

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TABLE OF CONTENTS

1. INTRODUCTION 3
— First Steps 3
— A Word From AOPA General Counsel 4
— The Advisory Circular (AC) 00-25 5
— FAA Order 5190.6b 5

2. WHY A FLYING CLUB 6
— Affordable Flying 6
— Comparison: 12-Pilot Flying Club (Equity Owners) Vs. Individual Pilot Owners 7
— Social Scene 7
— Defining Your Club 8

3. ORGANIZING YOUR CLUB 9
— Unincorporated Association 9
— Corporation 10
— Limited Liability Company (LLC) 11
— Tax Exemption 11
— Organizing Paperwork 12

4. CHOOSING AIRCRAFT 13
— Choosing An Aircraft 14
— Options For Ownership 15
— Purchasing Aircraft 15

5. FINDING A HOME 17
— The Airport 17
— The Clubhouse 18
— Meeting Facilities 18
— Aircraft Storage 19
— Be A Good Neighbor 19

6. BUDGETING 20
— Club Inflows 20
— Club Expenses 21
— Building A Budget 22
— Sample Budget Form 22
— Keeping The Books 23

7. INSURANCE 24
— Cost Considerations 25
— Buying Insurance Coverage 27
— Kinds of Insurance 27

8. CLUB OPERATIONS 29
— Writing Rules 29
— Aircraft Management 30
— Accounting And Scheduling Programs 31

9. MARKETING YOUR CLUB 32
— Telling Your Story 33
— Marketing Tactics 33
— Signs And Banners 34
— Pilot Outreach 34
— Word Of Mouth 35
— Social Media 35

10. LEADING FOR LONGEVITY 36
— Creating Culture 36

11. FINAL THOUGHTS 39

12. APPENDIX 40
— FAA Order 5190.6B, section 10.6 41
— AOPA Sample Flying Club Membership Application Guidelines 43
— AOPA Sample Operating Rule Guidelines 45
— AOPA Sample Aircraft Lease Agreement 48
— Sample Articles of Incorporation for a Nonstock Corporation 54
— Sample Articles of Organization for an LLC 56
— By-laws: East Hill Flying Club 57
— By-laws: Blue Horizons Flying Club 64
— Member Regulations: West Valley Flying Club . . 73
— Operational Rules: Blue Horizons Flying Club . . 77

AOPA gratefully acknowledges the contributions of Ground Effect Advisors: Marc Epner, Todd McClamroch, Louis Bowers, and Al Waterloo.

INTRODUCTION

1

Congratulations on taking the first step toward starting a flying club! It often requires a special kind of perseverance to get a new club off the ground, but the reward at the end of the journey can make it worthwhile.

The oldest clubs in the United States were founded well before World War II, and they have introduced thousands of people to the fun and camaraderie of flying. As the general aviation industry seeks to reverse rising costs and diminishing pilot numbers, flying clubs are one solution: They offer affordability, community, quality instruction, and an entry (or re-entry) point to aviation.

FIRST STEPS

Let this guide be your copilot to getting a traditional flying club off the ground—a member-run organization that provides affordable access to aircraft but does not seek to make a profit.

Our research indicates that there are about 600 of these clubs in the United States. The "average" club has operated for around 40 years, flies about four aircraft, and has roughly 50 members. These numbers, however, mask significant variation. Almost half of all clubs operate just one or two aircraft and have fewer than 30 members, while several very large clubs have dozens of aircraft and almost 1,000 members.

To help you through the critical steps of starting a new club—of any size—each chapter in this kit will cover a specific topic of interest. We have also assembled a collection of sample documents, forms, and other useful resources for your reference.

Taken together, they will guide you through the intertwined pieces involved in forming a club. Marc Epner and the staff at Ground Effect Advisors suggests thinking of these as the "five Ps and a PIC." That is, getting your club off the ground requires people, philosophy, planes, place, policies, and, last, but certainly not least, a PIC to navigate start-up and growth.

The information contained in these pages will help you determine what kind and how many members you want your club to serve, as well as the philosophy, or mission, you have in mind. Together, these will drive other decisions, such as the leadership structure, fleet size and capabilities, location, annual budget, member fees, and insurance.

Likewise, you will begin to describe how and when your aircraft may be flown—safely and equitably—under club policies. Certainly, formality creates a more stable club atmosphere that lessens misunderstandings. Many clubs find they run smoothest when the number of unwritten rules is minimized.

Lastly, the PIC role is one that you, and your founding group of members, must assume to get the club off the ground. As leaders of a new club, bind the five "Ps" together with many early, important decisions like marketing, management, and the culture that will take your club from idea to reality.

As you get started, keep the finish line in mind. Use this kit to envision your ideal flying club, and then map out a process to get there. As you work through the start-up, there will certainly be speed bumps and your plans may evolve along the way. But with concrete goals and objectives, and some helpful advice, your new club will have the foundation and organization it needs to succeed for years.

These materials are not meant to be a step-by-step guide to forming a flying club. They are meant to identify some of the most important issues related to flying clubs. Also, remember that the attached samples and examples are not "approved" forms. They generally are documents that have been adopted by other clubs, but they may not be acceptable in your state or at your airport. Even if they are acceptable, you might want to adopt different or additional procedures/by-laws than the samples include. Please consult with appropriate professionals for more detailed assistance with your club.

Disclaimer: AOPA disclaims any liability or responsibility for any damages or losses arising out of your use of these forms or materials.

A WORD FROM AOPA GENERAL COUNSEL KEN MEAD:

As with all aviation activities that a pilot or aircraft owner becomes involved with, it is wise to become familiar with all available information and applicable rules. The FAA regulates most aspects of general aviation. Flying clubs are no different. The Federal Aviation Administration provides guidance for flying clubs in two documents that you will want to review.

THE ADVISORY CIRCULAR (AC) 00-25: *FORMING AND OPERATING A FLYING CLUB*

Forming and Operating a Flying Club was last updated in 1969. Although dated, it remains valid. This Advisory Circular was compiled by the Aviation Education Staff at FAA and was developed to "provide preliminary information to 'flight-minded' men and women who wish to form and operate a flying club."

THE FAA ORDER 5190.6B: *FAA AIRPORT COMPLIANCE MANUAL*

FAA Airport Compliance Manual was last updated in 2009. Order 5190.6B, especially section 10.6, is noteworthy for clubs that plan to operate on airports that are subject to "assurances" made by airport sponsors in return for receiving federal funds. There are several requirements in the Order that are of particular importance. The Order sets rather restrictive limitations on how instructors, mechanics, and other club members can be compensated. The club must also be a not-for-profit entity. The club may lease aircraft from others but they must be on a long-term lease that provides operational control and "owner-like" rights to the club. Our experience suggests that enforcement of these restrictions is mixed.

AOPA is actively engaging with the FAA to reduce the order's limitations on flying clubs in an effort to make flying clubs even more useful and accessible.

We have included the pertinent portions of 5190.6B section 10.6 in the Appendix. In addition, here are links to the complete content of these two documents: *FAA Advisory Circular 00-25, Forming and Operating a Flying Club:* **faa.gov/documentLibrary/media/Advisory_Circular/AC%2000-25.pdf** and *FAA Order 5190.6B, Airport Compliance Manual:* **faa.gov/documentLibrary/media/Order/5190_6b.pdf**.

WHY A FLYING CLUB?

2

First, flying clubs largely succeed in helping with the cost of aviation. They are, in effect, aviation co-ops—a group of people coming together to share the cost of ownership. The group brings down the cost of participating in aviation for the individual.

Without a doubt, spreading the acquisition cost of an aircraft—as well as its monthly recurring costs such as a hangar, annual maintenance, and insurance—among a pool of owners makes economic sense. Yet clubs also make sense for other reasons. They offer fellowship, flight training opportunities, a variety of aircraft, and an opportunity to build community.

AFFORDABLE FLYING

The club model is fundamentally a more efficient way to use expensive assets, like aircraft. The average active general aviation (GA) pilot flies only 70 hours per year, less than one percent of the 8,760 hours an aircraft is available. Even with a ratio of 12 pilots to every aircraft—about the average across all clubs in the United States—the aircraft will still fly less than 10 percent of the available time.

In fact, even the most active aircraft in a flying club spend much of their time on the ground. This should ease the minds of pilots who have never belonged to a club and are concerned about being able to fly whenever they want. AOPA's research has shown that members of flying clubs report scheduling as only a minor problem. This is especially true when clubs use internet-based schedulers.

COMPARISON: 12-PILOT FLYING CLUB (EQUITY OWNERS) VS. INDIVIDUAL PILOT OWNER

Example: 4-Seat Basic/IFR Fixed-Gear Aircraft (Cessna Skyhawk or Piper Archer): $50,000
Each pilot intends to fly 70-hours per year.

COST DESCRIPTION	12-PILOT CLUB: EACH OWNER/PILOT	INDIVIDUAL PILOT/OWNER
ACQUISITION COSTS		
20% Down Payment:	$ 834	$ 10,000
FIXED COSTS		
Monthly Loan Payment (15 years @ 7% on $40,000):	$ 30 /Month $ 360 /Year	$ 360 /Month $ 4,320 /Year
Insurance (Paid Yearly):	$ 250 /Year	$ 850 /Year
Hangar/Tie-Down (Hangar @ $300/Month)	$ 25 /Month $ 300 /Year	$ 300 /Month $ 3,600 /Year
Basic Flat-Rate Annual Inspection	$ 140 /Year	$ 1,050 /Year
Total Yearly Fixed Costs	$ 1,050 /Year	$ 9,820 /Year
HOURLY COSTS		
Fuel (8 Gal/Hr @ $5.75) & Oil:	$ 48 /Hour	$ 48 /Hour
Maintenance Beyond Base Annual Cost:	$ 5 /Hour	$ 15 /Hour
Engine Reserve for Overhaul:	$ 11 /Hour	$ 11 /Hour
Avionics Maintenance	$ 1 /Hour	$ 3 /Hour
Total Hourly Cost	$ 65 /Hour	$ 77 /Hour

SOCIAL SCENE

The value of a flying club often goes well beyond saving money. The most effective clubs bring people together and create a supportive environment of like-minded individuals who make it more likely any one individual will stick to his or her commitment to aviation. The club essentially acts as a "support group."

This social experience is one of the key differences between a club and other forms of shared-aircraft access, such as partnerships, fractional ownership, or renting from a fixed-base operator (FBO). In AOPA's 2012 Flying Club Survey, many members reported that, while cost savings first attracted them to a club, they found high lasting value in camaraderie.

But that's not all. Flying clubs benefit members other ways:

— FLIGHT TRAINING: About two-thirds of flying clubs allow members to undertake primary flight training in club aircraft, and almost all of them allow training for advanced ratings. Members often include one or more experienced flight instructors who join to pursue their own flying. The social environment of a club also encourages constant learning and improvement. By flying together, members share tips and experiences that further enhance the safety and proficiency of the club.

— DIVERSIFIED FLEETS: Many clubs offer a mix of aircraft in their fleet so members can fly a variety of aircraft types. For example, clubs may have a basic aircraft that is suitable for primary training and cross-country aircraft with greater speed and IFR capabilities. This not only makes the club more attractive and marketable, it also provides a sense of progression for members who want to expand their skills.

— UNIQUE TYPES OF FLYING: Some clubs are built around a particular aircraft or type of flying. For example, specialty clubs form around gliders, taildraggers, warbirds, aerobatic, and high-performance aircraft. These clubs give members access to a style or specific type of flying while creating a deep sense of mission and community.

— GIVING BACK: Flying club members take satisfaction in using aviation to give back to their communities through youth outreach, flying scholarships, medical and disaster relief flying, and similar activities. Finally, flying clubs create value not just for their membership, but also for the entire aviation community. They help create new pilots and encourage more flying hours, which translates to fuel purchases and work for aircraft mechanics.

DEFINING YOUR CLUB

When starting with a clean slate, you have an opportunity to decide how your club will provide value to members and create a unique opportunity for pilots to experience general aviation in your area.

One of the first steps is to determine the ideal members for your club. They may be prospective students, student pilots, newly certificated pilots, those seeking advanced ratings, pilots with considerable experience, or any combination of these. You should consider if you want to offer flight training, and if so, what kind. If you do, estimate the percentage of members who will be training at any given time, either for primary or advanced ratings, and evaluate if this training activity will be needed to sustain your fleet's flight hours.

Decide, too, how many members you want and need. Some clubs suggest 12 to 15 flying members per aircraft. A club needs enough members per aircraft to make each member's share of the expenses reasonably affordable but not so many that it is difficult to schedule flights.

Next, identify what makes your club unique—fleet, philosophy, pricing structure, or type of flying. Consider how you compare to other places in your area where pilots might be able to gain access to aircraft. Finally, reflect on whether your business model works. You must have a large enough target market—members must be able to afford the pricing model you offer—and the fleet you envision should satisfy the kind of pilots you are looking to attract as members.

ORGANIZING YOUR CLUB

3

One of the next decisions you will need to address is how the club will be legally organized. There are several choices available and we recommend that you carefully consider the advantages and disadvantages of each.

For most clubs, choices will boil down to an unincorporated association, a corporation, or a limited liability company ("LLC"). You may also consider filing for a tax exemption from the Internal Revenue Service (IRS) if your club is operated in a specific manner. In most cases, we recommend that you seek the assistance of qualified legal and accounting professionals to get your club off the ground.

UNINCORPORATED ASSOCIATION

The "unincorporated association" is simply a group of people who come together to perform a specific function—such as forming a flying club. It is an informal group with no special recognition as a separate legal entity. Unincorporated associations are sometimes used for non-profit groups including not-for-profit flying clubs.

The big advantage to the unincorporated association is you don't incur the expenses required in the formation of a corporation or LLC. Besides this, there are no other substantial advantages to forming an unincorporated association. This may not be the best choice in an endeavor involving aircraft where multiple members will be operating, as the big disadvantage is the exposure of members to personal liability. This is usually a deal-breaker for most clubs.

ADVANTAGES AND DISADVANTAGES

Each legal form of organization offers both advantages and disadvantages for a flying club.

	UNINCORPORATED ASSOCIATION	CORPORATION	LIMITED LIABILITY COMPANY (LLC)
PERSONAL LIABILITY	No protection from personal liability	Members generally protected from personal liability for negligence of other club members or obligations of the club	Members are generally protected from personal liability for negligence of other club members or obligations of the club
COST OF SET-UP	Low	Typically requires legal and accounting assistance	Typically requires legal and accounting assistance
PAPERWORK BURDERN	Low, but by-laws and operating rules are recommended	Requires organizational minutes, by-laws, and significant documentation of meetings and other functions	Operating agreement necessary for multi-member LLC and regular, documented meetings are recommended
IDEAL FLYING CLUB SIZE	Best suited for smaller clubs	Best suited for larger clubs with a formal hierarchy of directors and officers	Best suited for smaller clubs

For instance, with an unincorporated association flying club, each member is potentially liable for damages to other persons or property caused by fellow members using club aircraft. Furthermore, even though the unincorporated association may not have the same initial paperwork requirements as a corporation or LLC, it will still be required to file tax returns and may also be required to register with state offices. For example, an unincorporated association will still be liable for taxes on any income it generates, sales/use taxes, state aircraft registration fees, personal property taxes, etc. (as applicable under state law).

CORPORATION

Corporations require the highest level of formality when it comes to formation and maintenance. If you decide to form a corporation, you must first file articles of incorporation within the state. Corporations also require by-laws, which serve as the internal operating agreement for the club. Corporations are required to file income tax returns (Form 1120) annually. If the corporation's revenues exceed its expenses, it will need to pay tax on the profit. With flying clubs this is possible if the club is collecting "reserves" either separately or as a component of dues and/or hourly charges. As long as revenue exceeds expense (whether intentionally or not), taxes must be paid on net profit. If your club is tax-exempt—a consideration addressed below —the corporation will file an information report (Form 990) with the IRS.

Corporations are also required to keep minutes of director meetings and member meetings. Minutes are written records of discussions and decisions made by a corporation's directors or trustees. While they are not submitted to any state agencies, they should be kept as evidence of good corporate governance.

One of the big advantages for forming a corporation is they insulate members and shareholders from personal liability in many circumstances. In other words, members and shareholders generally cannot be held liable for obligations of the corporation and/or damages caused by the negligence of other members.

For instance, if a fellow member has an incident or accident with a club aircraft, as a general matter, other members would be shielded from personal liability for the damages caused by the negligence of the pilot. Naturally, you can always be held liable for your own negligence. That's something for the club officers, such as maintenance officers and safety officers, to remember.

The disadvantages of forming a corporation include the expenses for formation, which can vary considerably, and the formality of maintaining minutes, tax filings, and other legal documents. However, the formality of this structure makes it popular among many flying clubs because it offers a well-defined hierarchy of responsibility among officers, directors, and members. The inherent structure required for corporations will give a flying club a basic template for staffing certain key (and required) positions such as president, secretary, and treasurer. The need for regular elections and participatory self-governance will also likely require assistance from legal and accounting professionals.

LIMITED LIABILITY COMPANY (LLC)

LLCs are growing in popularity for many flying clubs. Similar to corporations, LLCs generally provide limited liability protection for members, similar to corporations; however, LLCs are more flexible in nature than corporations. They can be managed by all members (member-managed), by designated elected officers, or by a designated manager (manager-managed). Also, unlike corporations, LLCs do not require meetings or organizational minutes although they are generally considered advisable for several reasons.

To start an LLC, you need to file formal articles of organization with your state. Most clubs organized as LLCs will also want to prepare an operating agreement, which functions much like by-laws for a corporation. This provides internal guidance for the operation of the LLC. Samples of operating agreements are included in the Appendix.

If an LLC has more than one member, it will likely file a partnership tax return (IRS Form 1065). While the LLC itself would not pay taxes on excess revenue after expenses, any profits would be allocated to the various members and taxed to the individual members of the LLC. If the LLC is recognized as tax-exempt by the IRS, it must file an information report (Form 990) with the IRS. In addition, the annual fees charged by the states may be higher than for corporations.

In summary, the LLC is less cumbersome and formal to operate than a corporation, but it is still treated as an entity separate from its members.

TAX EXEMPTION

Many new flying clubs consider the question of whether to apply for an IRS tax exemption. If your club is going to pursue this, first consider the exemption that applies to social clubs. These organizations are referred to in Internal Revenue Code Section 501(c)(7) and are therefore commonly referred to as "c7s."

A social club is an entity organized and operated for pleasure, recreation and other similar purposes. In order to get recognition by the IRS as a social club, the club must submit an application to the IRS for a tax exemption (Form 1024). The form is comprehensive and your club will likely need professional legal and tax advice to complete the form and usher your application through the IRS process and to help you understand the relevant requirements of operating as a c7.

Be prepared to establish a projected budget that looks forward several years, as well as a detailed explanation of your club's purpose and operation. Perhaps the most important thing to keep in mind with a c7 is that you are applying as a *social club*. In Revenue Ruling 74-30, the IRS emphasizes the need for the social aspect of the club, and it makes clear that person-to-person association among club members is a critical ingredient.

Another possible route for flying clubs is a tax exemption under Internal Revenue Code Section 501(c)(3), or the type of exemption commonly referred to as a "c3." Some consider the c3 the most beneficial form of exemption because, unlike the c7, donations to a c3 are also tax-deductible. However, a typical flying club probably would not qualify as a c3. The club would need to be organized and operated exclusively for charitable, scientific, educational, or religious purposes, and because of this, a c3 is probably too restrictive for most clubs.

So what are the advantages and disadvantages of a tax exemption? With a tax exemption, a club can generally avoid paying income taxes if revenues exceed expenses. Again, revenues could potentially exceed expenses due to member assessments for capital improvements, the sale of club assets, aircraft maintenance and replacement reserves, among other things. So, in this very relevant sense, a tax exemption could be valuable. But the tax exemption does require IRS application fees and related professional costs, and it might restrict your freedom in operating the club.

Determine early whether your club is best served by a tax exemption. Data compiled by AOPA indicates that approximately half of the flying clubs in the United States are tax exempt, and many have found it to be well worth the initial effort and expense for the reasons stated above.

ORGANIZATION PAPERWORK

While you are considering advantages and disadvantages of various forms of legal organization, you may be tempted to use "canned" legal forms and internet legal service providers. You may save money if you turn to an online service provider for routine forms, but those services should come with a warning label, especially if you are contemplating a tax exemption for your club.

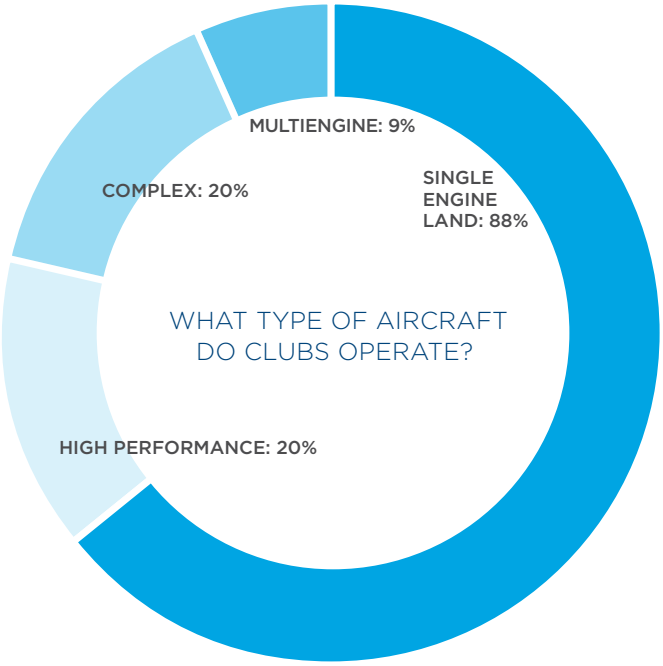
In most cases, these services will not be able to appropriately "customize" your filings to suit a tax exemption application with the IRS. The IRS expects certain wording in your articles of incorporation or organization that deal with your club's statement of purpose. Even if you closely match statutory requirements, IRS examiners often want to see this specific language and they may require an amendment to your filings if it is not there. These applications require some hands-on expertise and the critical eye of expert counsel. In our experience, if you are going to seek tax exemption, you should be working with qualified legal counsel from the start. In most cases, a local lawyer who is familiar with obtaining tax exemptions from the IRS will be capable of assisting you. If you are a member of the AOPA Legal Services Plan, you are also entitled to a free half-hour consultation with a panel attorney.

CHOOSING AIRCRAFT

4

Obviously, your passion for airplanes and flying has led you down the flying club path, so choosing the aircraft you will gather around is an exciting undertaking.

Your choice of an aircraft should satisfy a number of considerations, including the cost and availability of your desired model. There are other considerations to make too, such as direct operating costs—fuel, oil, and maintenance—and insurance, which can vary widely in cost depending on the aircraft type and may include pilot qualification requirements. Ultimately, the aircraft must meet your club's mission, whether that is primary training, ultra-affordable flying, or access to modern equipment, such as glass-panel cockpits.



CHOOSING AN AIRCRAFT

Across the United States, classic single-engine, fixed-gear airplanes dominate the flying-club fleet. This should come as no surprise as these aircraft are proven, affordable, insurable, and maintainable. They are multipurpose aircraft that can be used for basic and advanced flight training, pleasure flying, and as meaningful transportation. They provide comfortable flying qualities for a broad segment of pilots and they also enjoy an aftermarket of parts and aircraft upgrades.

That is not to say that clubs based around other aircraft types cannot be successful. Numerous clubs operate light sport aircraft (LSA), taildraggers, complex and technically advanced aircraft, twins, warbirds, aerobatic airplanes, and even homebuilts.

In some cases, the aircraft is selected first and a club forms around it. This method can be successful, but it also has pitfalls, especially when the aircraft is unusual and the market for pilots is not large enough.

Initiate your club's search for an aircraft by seriously considering your finances and deciding how much the club can afford to spend for the initial purchase and for ordinary fixed costs such as hangar fees, insurance, and annual inspections. Not all clubs will approach cost and intended use in the same way. Some will decide how much they can spend while others may wish to decide what airplane to buy and then try to raise the money. Either way, ensure that you know your club's financial limitations and be prepared to make some compromises.

Avoid mistakes in a purchase decision by involving your members. Ideally, the kind of flying these pilots want to do should guide the choice of aircraft. If the club is about bringing new people into aviation, with a focus on private or instrument training, then traditional aircraft options can be excellent choices. Private pilots looking for short trips of less than 150 nm will be quite satisfied with the same aircraft. But if the focus is on commercial training, or cross-country trips for business or family reasons, then a higher performance aircraft with four to six seats, and perhaps retractable gear, may be a better place to start.

The decision to acquire multiple aircraft for startup depends largely on the number of members, their financial means, and how often the aircraft is estimated to fly. One aircraft for a small group of people may be the most appropriate place to start.

Understand that use patterns differ for aircraft focused on short flights from those designed for multi-day, cross-country trips. The former provides more frequent rental opportunities and they usually generate more flying hours than the latter. Keep this in mind as you think through the specifics of your fleet; it will affect member satisfaction.

OPTIONS FOR OWNERSHIP

There are two basic ownership options for club aircraft: equity (club members own an equal share of the aircraft either directly or through an ownership interest in the corporation (club)) and non-equity (club members do not own the aircraft).

Equity clubs come in two distinct flavors. Some are operated very formally, where members buy a share of club assets. For example, a club might have a Cessna 177 Cardinal valued at $60,000 and a membership cap of 20. To join this club, members buy an equity stake at $3,000. This share is usually resalable upon leaving the club (a member can sell the stake back to the club or a new member).

Others have found it easier to attract new members if the price of entry is lower. They charge a smaller initiation fee, usually in the range of $250 to $1,000, which is commonly non-refundable (or only partially refundable).

In the first example, a club that is just starting out may find it difficult to initially get enough members to acquire an equal equity share aircraft. This can often be remedied by one or more founding members purchasing the aircraft then selling shares as new members join the club.

In non-equity clubs, the aircraft are typically leased, often from a club member. Non-equity clubs may also acquire an aircraft from a third-party entity, such as a corporation or a branch of the U.S. military.

The initiation cost for non-equity clubs is often based on an amount that will be handled as a security deposit against aircraft rental receivables plus an amount will be added to club reserves to pay for scheduled or unscheduled maintenance. The reserve portion is typically not refunded while the deposit amount is.
Each of these options offers a viable way to structure aircraft ownership and we have seen many highly successful examples of both equity clubs and non-equity clubs. Some clubs even operate on a hybrid model, where the club owns some aircraft and leases others.

Each option has advantages and disadvantages and can be tailored to your specific club situation. In general, the equity model offers control, fleet stability, a stronger sense of ownership among members, and lower hourly rates. Conversely, a non-equity club has the lowest startup costs and it can also quickly adapt to changing member needs.

A club that is leasing an aircraft will likely have slightly higher rental rates. Even though the club may be a non-profit organization, most aircraft owners that are providing a leased aircraft are expecting some profit on their investment. Insurance costs may also be higher for an aircraft leased to a club versus one that is owned by the club.

It is essential that you check in advance with your local airport to determine if there are any applicable requirements for flying clubs that may mandate or prohibit a particular ownership model, particularly at airports that have accepted federal funds.

PURCHASING AIRCRAFT

The key to aircraft financing is having a relationship with a lender, such as a local bank or a national organization that is willing to work with the unique needs of your club. You might also consider financing options for avionics upgrades during your discussions with lenders.

Financing will depend on the type of aircraft you purchase, the willingness of members to invest in their club, and type of ownership model you choose. Each club is a unique environment, especially in the start-up phase, so you may need to use some creativity when purchasing your aircraft.

In the non-equity model, capital costs are not carried by the club so financing is not a major fixed cost, but you will need to negotiate a lease agreement with the aircraft owner. The Appendix offers a sample lease agreement to get you started.

In an equity club, an aircraft purchase requires capital. The club will need to create a structure with a large buy-in, convince a member to loan the club money, or finance a large portion of the purchase with a commercial lender. But when it comes to loans, most banks want to see your club's ability to repay, so they may require a member or members to cosign.

AOPA, through its Aviation Finance Company (AAF), has a new program that offers up to 50 percent financing with no personal guaranties for established clubs and, on an exception basis, for larger start-up clubs. If a member of the flying club is able to guarantee the loan, Aviation Finance Company (AAF) has programs with up to 70 percent financing. Learn more at **finance.aopa.org**.

FINDING A HOME

5

There is a lot to be excited about when you start a flying club, so naturally much of your attention will be focused on selecting an aircraft. But questions of "place" are just as important.

These matters of place include choosing the airport to base your club, meeting or clubhouse facilities, hangars or tie downs, and how to fit into the airport community. All are important factors that require thoughtful consideration, because in the end, the goal is not to just find a place for your club, but to find a great home.

THE AIRPORT

Deciding what airport will serve as your base of operations goes beyond throwing a dart at a map. Choosing an airport is like buying a home with the most important feature being location. But the airport also has to meet all your requirements, including size, amenities and available services.

A few flying clubs operate from multiple airports, but the majority choose a single location. Your club will have the easiest time attracting members if the airport is convenient to their homes or offices.

Once you have identified suitable airport options, evaluate additional criteria. Ensure there are available facilities to store the aircraft and host ground-based activities, and that the runway(s) are in good condition and of sufficient length to support the mission of your club. Likewise, decide if you need instrument approaches, on-field maintenance, and other services to support your fleet. Finally, make sure you understand all the costs and determine if they are within budget and reason.

Besides physical attributes and available services, you should also ensure the airport will work with a flying club. Communicate with the airport management and other stakeholders early in order to confirm that your club is welcome.

THE CLUBHOUSE

About two-thirds of flying clubs have a "clubhouse," a place their members call home. This space serves as a base of operations, hosts activities such as member meetings, flight planning, studying, and "hangar flying."

Ideally, you want a clubhouse that is close to your fleet. If your airplanes are in a community hangar, look into whether that building has offices or storage rooms that can be renovated. Other options include seeking space from the FBO or renting or buying an unoccupied airport building. Enough space is needed to accommodate all the members and some guests for formal meetings. If your space has a window with a view to the runways and ramp, even better—that goes a long way toward making the clubhouse a fun place for members to hang out.

Furnish your clubhouse with "hand-me-down" couches from members—or even old airline seats. A fridge and other amenities provide additional levels of comfort that draw people together. Add a computer with internet access for flight planning, weather briefings and scheduling, and stream in a live feed of the airport's air traffic control or common advisory frequencies to complete the "pilot cave" experience.

Also consider your ability to expand in the future. As your club grows, you may want to exercise the option of remodeling and enlarging your meeting space. That extra space could eventually provide a place for instructors to conduct ground training in privacy or even house a flight training device (FTD). FTDs are a great way to grow clubs, provide the ability to practice approaches at new airports and help members save money on training.

In the event that a clubhouse facility is not available, you must consider how you will manage aircraft keys. If you do not issue a set of keys to each member, consider purchasing a lockbox to store the keys and any other important items, like flight and maintenance logs. Another option is simply utilizing a locked filing cabinet inside the FBO. Swipecards are usually safer than keys for accessing aircraft keys and documents. If a member leaves the club, their card can simply be deactivated.

It is also important to note that a clubhouse can be off airport property. Many clubs meet at community centers, diners, or at members' homes.

MEETING FACILITIES

Beyond impromptu get-togethers at the airport, a well-run club schedules regular meetings. If possible, a consistent location for these meetings will help to develop a sense of having a "home base."

Some things to consider for these meetings are audio-visual needs, seating arrangement, level of privacy required, and whether you plan to invite guests. If you choose an off-airport location, promote the value of recurring meetings with the vendor to encourage discounts or upgrades.

Of course, special events may require different facilities. For example, you may hold your holiday party at a country club, while you host a summer hot dog lunch or pancake breakfast at your hangar or on the airport ramp.

AIRCRAFT STORAGE

Keeping your fleet in hangars is generally preferable to tie-downs. It protects the aircraft from weather and it provides for a comfortable and relaxed preflight space regardless of outside conditions. If the aircraft is in a community hangar, an FBO will often move the aircraft out to the ramp or appropriately "stack" aircraft the evening prior to make it easier to move it out the next day.

If your club's designated aircraft storage location is a T-hangar, lobby for one close to your clubhouse and as your fleet grows, try to lease additional T-hangars in the same area. Keeping your fleet together is not only more convenient, but it will also help to develop club culture.

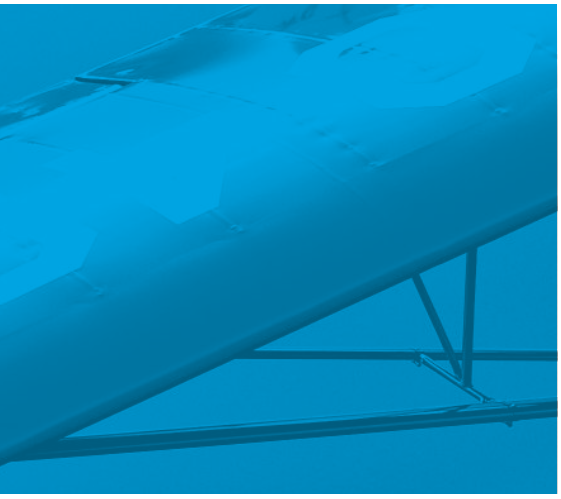
BE A GOOD NEIGHBOR

Just as you desire to have good neighbors, others will look for the same from your club. Airports are under constant pressure to fit into their communities. Non-pilot homeowners and businesses near the airport often complain about noise, voice their fears about potential accidents, and at times seek alternative use of the land they think would provide greater economic impact.

Supporting your airport's management by establishing positive relationships with both internal and external stakeholders can go a long way. Frequenting the airport restaurant, pilot shops, and establishing a relationship with the FBO are all ways to give your club a positive reputation and help generate business.

If the airport holds a community event, offer to participate—or better yet take an active role in making it happen.

Treat the people and facilities with respect, and they will return the favor. You may find that partners (for example, the FBO) will support your club's events by donating food, seating, or services for your airport events. You may also want to consider using your good relationship to negotiate discounted fuel prices based on the size of your fleet and the amount of flying your club plans to do.



BUDGETING

6

Organizing and managing your club's budget is a critical element for success. While flying clubs are not usually designed to generate profit, they should still operate in a businesslike manner. Cash is the lifeblood of your club, and financial mismanagement or inadequate funding is the number one cause for flying club failures.

CLUB INFLOWS

A flying club's "revenue" represents items such as initiation fees, monthly or annual membership dues, assessments for special events, and aircraft rental revenue.

At the end of the day, revenue needs to equal or exceed expenses. Therefore, the budgeting process often starts with a projection of expenses for the year. Expenses that are fixed such as debt service, hangar fees, insurance premiums, or recurring maintenance may be best covered by fixed contributions such as dues or monthly fixed assessments of all members (regardless of aircraft use). Obviously, the more members per airplane, the lesser the coverage needed per member with respect to fixed costs. On the other hand, direct

operating costs that are variable in nature such as fuel, oil, and engine reserves are generally best covered by hourly charges on aircraft use.

You should also consider the timing of revenue and collections. In most cases, members will pay what they owe in full and on time. However, members may sometimes owe payments to the club or they will pay late. Keep this difficulty in mind as you determine if cash flow is sufficient to ensure club operations. Many clubs raise enough revenue over the course of a year to stay viable, but total annual collections do not count for everything. The timing of payments is just as important. Some clubs require members to pay directly following each flight, while others bill the members once each month for both flight time and monthly dues. Billing monthly keeps a steady flow of funds to pay expenses, and is beneficial to keep members in the club who may not be able to commit for a full year or longer. On the other hand, collecting annual dues can help ensure there is a sufficient supply of funds should an unexpected expense arise, and it is less of a burden on the member responsible for finances.

CLUB EXPENSES

As noted above, a critical and sometimes difficult chore in the budgeting process is projecting expenses. Because flying clubs rely on member fees to generate cash, identifying as many expenses up front minimizes the chance that a surprise will derail an otherwise sound plan.

Club expenses generally fit into three areas: capitalization and formation costs; recurring fixed operating costs; and recurring variable operating costs.

Capitalization and formation costs include all the expenses a new club pays prior to its first day of operation. For equity-based clubs, this includes everything related to the purchase of its aircraft including pre-purchase inspections, title searches, the non-financed portion of purchase prices, sales taxes, registration and licensing fees, and any maintenance, reconditioning, or installation required prior to starting normal club activity.

In addition to the cost of acquiring aircraft, your new club will need to create its legal entity, as described in Chapter 3. For budgeting purposes, plan to work with an attorney and accountant to determine and implement the most advantageous structure. Depending on your location and the complexity of the club's circumstances, the fees and costs for this kind of work might range from $500 to over $2,000. Depending on your club's state of domicile, you may also face various state aircraft registration requirements.

Other start-up costs include marketing expenses to build awareness for your club, such as launching a website or posting flyers, as well as office supplies and IT-related items. For these, you may save a few dollars by using secondhand furniture and hardware from club members. You might consider charging an up-front assessment to the founding members to help cover the start-up costs.

After working through these formation costs, identify your fixed expenses—the cost of doing business each month. Many successful clubs design their revenue structure so that monthly or annual dues exceed the fixed costs for that period, which allows the club to sustain operations even if members fly zero flight hours during a month. Typically, these expenses could include aircraft insurance, directors and officers insurance, hangar or tie-down fees, financing payments, annual aircraft maintenance costs, annual business licensing and taxes, office and meeting space rental, additional meeting expenses, IT-related costs (such as website hosting and server maintenance), or income tax preparation.

Finally, your variable operating costs represent the expenses of flying your aircraft or hosting special events such as barbecues or training programs. Typical aircraft variable costs include fuel, oil, and maintenance reserves for services that are incurred based upon usage rather than annually, for example 100-hour inspections, oil changes, upgrades and engine and propeller replacement.

Your variable operating costs fluctuate based upon factors such as how much flying the members are actually doing. To best estimate these costs, ask members to give realistic estimates of the amount of flying they plan to do and work up an events calendar early in the year.

BUILDING A BUDGET

After estimating each of these pieces, put everything together in a comprehensive budget that maps out your cash requirements over a monthly, yearly, and multi-year period. Keep in mind that your start-up budget is a living document; it will evolve over time as you manage the number of unknowns. Consider the budget below as a good place to start.

SAMPLE BUDGET FORM

CASH OUTFLOWS	OCT 2014	NOV 2014	DEC 2014
START-UP COSTS			
Legal Entity Formation			
Initial Marketing			
IT (Computers, Servers, Etc.)			
Website			
Accounting			
Office Furniture & Supplies			
MONTHLY OPERATING COSTS			
Aircraft Insurance			
Hangar Lease			
Office Space Lease			
D&O Insurance			
Ground School			
Contract Services			
Office Expenses			
Monthly Meetings			
Holiday Dinner			
Summer BBQ			
Other Events			
Admin & Cleaning			
Contingency Reserve			
TOTAL CASH OUTFLOWS			
CASH INFLOWS			
Initiation Fees			
Other Start-Up Funds			
Other Inflows			
Monthly Dues			
Aircraft Rental Revenues			
TOTAL CASH INFLOWS			
NET SURPLUS (DEFICIT)			

KEEPING THE BOOKS

We recommend that you tie everything discussed in this chapter together with an accounting system. There are many off-the-shelf software and internet-based options to choose from. For software-based formats, you acquire the software and install it on your own computer where club data is also stored. If you decide to adopt an internet-based system, a subscription allows you to use the software online and your club data is stored remotely.

In your decision, look for the following capabilities:

- Managing club cash flow
  - Capability to compare budgets with actual results so users can track progress on an ongoing basis
- Processing and monitoring collections of outstanding bills
- Preparing local, state, and federal income tax returns, as applicable
  - A strong accounting system leaves an audit trail, which will be helpful should you need to produce historical data and trends

Your club will operate most efficiently and effectively if a capable member—or small team of members—assumes responsibility for the accounting system. This includes reconciling the books on a monthly basis and providing a regular summary to board members. For example, a condensed balance sheet and operating statement can provide important financial indicators such as cash balances, unpaid member balances, membership dues receipts, payments to aircraft owners, and hours flown. To ensure your club thrives, evaluate your finances proactively with annual and multi-year analyses to cast an eye on long-term stability.

INSURANCE

7

Every club should have liability insurance to protect the club and its individual members, and almost all clubs will also carry hull insurance.

Insurance premiums may be one of the largest expenses in the club's budget, so ensure you have a clear understanding of what you are buying, how insurance is priced, and what you can do to get the best value. Here are some answers to frequently asked insurance questions.

INSURANCE FOR A SMALL FLYING CLUB IS ONE THING, BUT WHAT ABOUT THAT BIG JUMP WHEN MEMBERSHIP EXCEEDS FIVE PILOTS? A flying club insurance policy is not all that different than the policy an individual owner would purchase. In fact, small start-up clubs (3-5 members) will find that excellent coverage is easily available and very affordable. As clubs grow, the insurance must grow and change with them and that often involves creating broader and more flexible insurance policies. Traditionally, there has been a

very large spike in the cost of flying club insurance when the membership exceeded five; however, by working with a national "A-rated" insurance underwriter, AOPA Insurance Services has recently introduced a flying club insurance program that "smooths" the premium change and allows clubs to grow, without that big spike.

WHAT INSURANCE SHOULD YOU BUY, AND WHAT DOES IT DO? While flying club insurance for small clubs is similar to that of private individuals, the insurance needs of the club are different. The average club aircraft operates more intensively; typically flying more hours each year and used by a greater number of pilots who come with a range of ages, experience, and currency. The club insurance policy must, therefore, provide for the protection of the club itself, the individual club members, and the protection of one club member from another (cross-liability). It should also provide coverage for individuals that accept responsibility for officer positions—the club maintenance officer, for example. Your club policy provides many protections and your agent or broker can provide you with a more complete explanation of your coverage.

WHAT ARE THE "TRIGGERS" THAT CAUSE CLUB RATES TO INCREASE? Club rates can be significantly greater than those paid by a private individual. The primary triggers that cause these include:

- More pilots
- Less experienced pilots (or the inclusion of student pilots)
- Less currency if there are many members, or inactive pilots
- Pilot control/tracking (medicals, flight reviews, currency requirements) in poorly run clubs
- More complex aircraft (complex or high performance)
- Increased aircraft values
- Higher liability coverage limits
- Increased premises exposure (i.e., in or around the hangar or clubhouse)

These triggers can, of course, be controlled. Clubs want to encourage membership, but make sure your insurance company allows you to list active versus social or inactive pilots to control the rate. Social, or inactive, members are a separate category of member, and are often charged a reduced membership fee and dues. Lesser experienced or student pilots are one of the big reasons for having a club in the first place, but you can expect a club with student pilots to pay more than a club with only experienced pilots. Pilot currency and club controls will show up in the claims performance of a club, and insurance companies have traditionally not been forgiving (i.e., willing to renew coverage, or at least not renew coverage without significant premium increases) for clubs that do not maintain good member/pilot controls. Finally, if your club is fortunate enough to have a hangar or a clubhouse… great! Be sure to tell your agent/broker so that arrangements can be made for the coverage needed for such facilities.

COST CONSIDERATIONS

Many factors influence flying club insurance rates, and we've arranged the top 10 in roughly their order of importance.

	COST DRIVER	NOTES
1	Type and value of aircraft being flown	Most aircraft can be insured in a club format of some type, but the price can vary widely. Expect to pay more if the club includes high-performance, retractable, tailwheel, multi-engine, experimental, unusual, or rare aircraft. In addition to higher premiums, the insurer may also impose operational restrictions for pilots, such as higher total times, higher times in type, or a requirement for special training. Almost every club carries hull insurance for protection against loss or damage to its aircraft, but the higher the value of that aircraft, the higher

Continued on next page.

	COST DRIVER	NOTES
1	Type and value of aircraft being flown *(continued)*	the price of insurance. Care should be taken not to over-insure or under-insure. While some clubs do elect to self-insure for hull damage, you should only choose this option after very careful consideration and discussion of other insurance options with your agent. If you are leasing or financing the aircraft, hull insurance will be required.
2	Ratings, and experience of club members	Clubs with a large percentage of inexperienced or student pilots may pay higher premiums. Most clubs include student pilots, and it is recommended that clubs include at least one single-engine, fixed-gear aircraft under 200 horsepower. Larger clubs might also include Cessna 182s or retractable gear aircraft, some even include twins, but the student pilot club members are generally restricted to the more basic two- and four-seat aircraft.
3	Amount of liability insurance being purchased	This protects the club and its members from the liability associated with the use of the club aircraft, including the destruction of property and bodily injury or death. The most common policy provides $1 million of overall coverage, with a sublimit of $100,000 per passenger. Amounts up to $2 million and $250,000 per passenger or more are sometimes available for a higher premium, but higher limits will be difficult for a start-up club to obtain at any price.
4	Extent of club supervision over operations	You can build confidence in your club—and get and keep lower rates—by providing evidence that you are a claim-free, well-organized, responsible group that cares about high standards. This would include documentation of a quality safety program, robust pilot checkout procedures, and good maintenance practices. AOPA member discounts also apply to many flying club policies.
5	Proficiency of members	Underwriters are interested in how often your members fly, because a current pilot is a safer pilot. Clubs that encourage regular flying by their members (such as applying part of the monthly dues toward flight time) are preferred as better “risks” by the insurance companies.
6	Nature of flight instruction	The majority of clubs allow instruction as a basic member privilege, but some clubs seek to mitigate costs by not allowing primary instruction in more complex club aircraft. You can improve your standing with insurance companies by showing that you have a cadre of high-quality instructors who operate within a structured program.
7	Additional types of insurance	In addition to aircraft insurance, the circumstances of your club may require other types of insurance. For example, you may want premises insurance if you own a hangar or clubhouse, insurance to cover special events, and insurance for directors and officers. Some clubs encourage or require members to carry non-owners insurance, as a means to deflect risk from the club, or reduce club hull insurance costs, but extreme care must be taken to ensure that such policies are valid and payable, as there are provisions within such policies regarding the allowable percentage of ownership by the club member or his family, and whether the regular availability of the aircraft might cause the denial of coverage.

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	COST DRIVER	NOTES
8	Accident history	A club will often get a claim-free discount from the first year. Establishing and keeping a good claim history is one of the best ways to keep the cost of insurance down.
9	Deductibles	The club may elect to receive a modest premium saving by accepting a higher deductible, but such deductible increases seldom help much. Whatever the deductible, make sure the club's by-laws are clear about who is responsible for paying it—the club or the member who had the incident.
10	Storage facilities and airport characteristics	A hangared aircraft is considered more secure than one tied down outside, and as a result, an insurance discount is provided. The location of the club airport may also affect your premium or your insurability. Most insurance companies want club aircraft based on airports with runways of at least 2,000 feet, but that can vary depending upon the make and model of the aircraft. The basing of aircraft on grass strips is an underwriting consideration, especially if the club operates complex or retractable gear aircraft.

BUYING INSURANCE COVERAGE

Buying aircraft insurance need not be a complicated process. A good broker who understands the unique needs of your flying club, and can match the needs of the club to the policies offered by up to a dozen different insurance companies, is invaluable. Your broker should be able to explain to the club what coverage they have purchased and the price of such coverage. While nobody wants to over-pay for insurance, don't fall into the trap of just looking at price. The cheapest policy may not be your best option, and members will often prefer to pay a little more to get better coverage. Clubs should always know what their insurance covers, and periodically look over the insurance policy to be sure its coverage is keeping pace with your equipment and its membership. As equipment changes and membership increases, there's a good chance your insurance needs and costs will change also. Look for a broker that will take the time to get to know the club, and then be that go-to contact on aviation insurance matters. Yes, shop for the best deal, but remember this process is about finding the best balance of cost and coverage that suits the specific needs of your club. Your insurance broker is your partner. He will answer any questions you might have for him, and needs you to respond completely and honestly to any questions he might have for you. More information is available online, or by calling AOPA Insurance Services at 800-622-AOPA (2672).

KINDS OF INSURANCE

All flying clubs should carry liability and hull insurance coverage for both the club's and the individual member's financial protection. Most insurance companies consider aircraft ownership by more than three persons to be a flying club. This is important to know because as your club grows, you will need a flexible insurance policy to grow with you. New, recently developed, club programs can accommodate clubs from three, to a virtually unlimited number of pilots per plane.

Most flying clubs operate single engine fixed gear aircraft, and often include student pilot members. These are the easiest and least expensive aircraft for clubs to insure. Those clubs operating retractable gear, or high performance aircraft, should expect to pay higher insurance premiums. Flying club insurance rates are influenced by many factors, but several of the most important include;

— the make and model aircraft being operated,
— the insurance coverage limits needed (aircraft value and liability limits),

— the number of members per aircraft, and
— the ratings, experience, proficiency, and claim-experience of members.

Liability Insurance: The primary purpose of liability insurance is to protect the club and its individual members from the risk that they may be sued and held legally liable for a negligent action; including the destruction of property, bodily injury, disease, or death sustained by a nonmember whenever any of these are the result of, or arise from, the ownership, maintenance, or use of a club aircraft. Liability insurance covers the legal costs of such actions and payments, up to the maximum allowed by the policy, for which the insured (the club and the individual members thereof) would be responsible if found legally liable. Clubs should review the insurance needs of each member to arrive at a consensus of the limits required. Be sure to ask your insurance agent about optional coverage limits, or if there are policies available to club members individually, should they wish to increase their protection beyond that offered by the club's primary insurance policy. Note that this is not Life Insurance or Accidental-Death-and-Dismemberment coverage. If the individual members should wish that type of coverage, they should request it of their broker.

Cross-liability is coverage for club members if they are sued by another club member, claiming injury from an accident. Although cross liability is not available from all insurance companies, this important protection is included under the AOPA flying club insurance program.

Physical Damage Protection: Physical Damage Insurance, often called "Hull" insurance, is the protection against loss of or damage to a club's aircraft. Physical Damage insurance is generally divided into four categories; (1) all risks ground and flight, (2) all risks ground and taxi (Note that takeoffs and landings are considered in-flight operations rather than ground operations), (3) ground not in motion only (i.e. the aircraft is not moving under its own power), and (4) no hull insurance at all.

Most clubs will carry all risk ground and flight physical damage insurance, but there are occasions where clubs may decide to carry the more limited ground and taxi or ground not-in-motion physical damage insurance (such as when an aircraft is down for extended repair or an engine change). Insurance companies require this more limited type of ground-only coverage be in force for at least three months, before they will apply a reduced coverage credit.

All large aircraft lenders, and most local banks, require clubs to carry "all risks ground and flight" coverage, and for their insurance company to provide a "Breach of Warranty" endorsement. This endorsement guarantees payment to the mortgage holder for the outstanding principle due should the insured aircraft be damaged or lost, and coverage under the club's policy be voided due to an action or the lack of a required action by a club member. An example of such a situation would be if the club member were required to receive a check-ride and written approval of a CFI prior to solo and then, not having done so, damaged the plane on landing. In such cases the insurance company would pay the bank the outstanding loan amount, and then seek to collect from the aircraft owner (i.e. the flying club) the amount that was paid on their behalf. A Breach of Warranty endorsement does NOT release the club, or its members, from the responsibility associated with that loan.

Medical Payments: Medical payments ($5,000-$10,000 per person) is generally an included coverage, paying for medical expenses (or the death) of an injured person without regard to the legal liability of the club or club members." Medical Payments will cover expenses for medical, surgical, and dental services for a person who is injured or killed while in a club aircraft, or while getting into or out of the aircraft.

CLUB OPERATIONS

8

Formal operating rules are a necessity. They lay the foundation that allows your club to operate safely and efficiently, and they set the standards for the members to be good partners to their peers.

To be most effective, operating rules need to define not only how members should fly and care for club aircraft, but also how to schedule flights, perform maintenance, and deal with other details so club airplanes are available for use.

WRITING RULES

Your operating rules will reflect the decisions you make during startup. Determining exactly what works best may be difficult at this stage, but it will become more apparent with time.

Your rules should include everything from when to top-off fuel to what happens in the event of a maintenance problem away from your home airport. They may also include proficiency requirements that members must meet in order to act as pilot

in command, such as annual, rather than bi-annual flight reviews as required by the Federal Aviation Regulations (FARs); guidelines on minimum flight hours per quarter; and night restrictions. A word of caution here: Increasing pilot proficiency standards, while sounding good in concept, may be a double-edged sword. Adopting these types of standards can create additional liability for clubs, especially if the club is not able to enforce all of the standards.

Depending on the vision you identified during formation, your operating rules can also shape your members' sense of ownership. For example, your rules may state that each pilot is responsible for cleaning the aircraft after each flight, which demonstrates your expectations for care of club aircraft. This may be a new experience for pilots who are more familiar with a rental environment where that responsibility falls on someone else.

The Appendix provides a few samples of operating rules from various clubs that can be modified to fit your needs.

Creating your operating rules does not have to be a daunting task, but it does require consensus among your members. Many GA pilots have not operated within formal rules, other than the FARs. However, corporate and airline operations make wide use of them and each segment has a good safety record largely because of the standards. Your club members may not be professional pilots, but following operating rules will decrease the risks.

Remember that over time, your club will evolve and you will need to periodically update your operating rules. Include provisions to reflect the experience gained as a club, improvements to operations, and successful ways you have solved problems.

AIRCRAFT MANAGEMENT

A good set of operating rules covers more than flying the aircraft; they also describe how pilots should reserve aircraft and when the club will schedule maintenance. Coordinating these actions requires the use of an online scheduling tool that allows member access at any time.

Certainly, shared access to an aircraft can create conflicts when your means for reserving aircraft does not inform other pilots. Fortunately, gone are the days of paper-based scheduling and in its place, you'll find multiple online options that help members reserve individual aircraft, block off instructor time, and communicate with each other. Finances permitting, a scheduler can also interface with your accounting software to create accurate reports of aircraft usage, invoices, and collections. Some allow recordkeeping, such as pilot activity and maintenance tracking.

Some factors to consider when choosing scheduling software include ease of use, cost, scalability (should the club's membership grow or shrink dramatically), ability to interface with your accounting system, club data storage and backup, and product support. You have many options, and while AOPA does not specifically endorse any one product, we have identified programs that work well.

ACCOUNTING AND SCHEDULING PROGRAMS

NAME	WEBSITE	COST	ACCOUNT INTEGRATION	MAINT. TRACKING	PILOT TRACKING
Aircraft Clubs	aircraftclubs.com	Paid	•	•	•
Schedule Master	schedulemaster.com	Paid	•	•	•
Flight Schedule Pro	flightschedulepro.com	Paid	•	•	•
My FBO	Myfbo.com	Paid	•	•	•
Fly4FunScheduling	fly4funscheduling.com	Paid		•	•
Schedule Pointe	schedulepointe.com	Paid	•	•	•
Tak-off	tak-off.com	Paid			•
Pilot Schedule	pilotschedule.com	Free		•	
Hold Short	holdshort.com	Paid		•	•
Planiamo	planiamo.com	Paid		•	•
Schedule Fire	schedulefire.com	Free			
Flying Club Manager	fcmgr.com	Paid		•	•

Once your make your selection, appoint an individual or team to oversee the scheduler's use. Chief among these tasks will be ensuring that all members know how to properly use the system, policing members' compliance with club policies, and limiting access to active members, which includes granting and removing access when pilots join or quit.

MARKETING YOUR CLUB

9

The *Field of Dreams* notion, "If you build it, they will come," is far from aviation reality. Every business at your airport has learned to work hard for their customers, and each will tell you that marketing is an ongoing effort.

Marketing can play a vital role in getting your flying club off the ground and help it to succeed in the long-term. Promoting your club requires you to invest time and effort away from the flight line, but these tips will help—both now and as you work to maintain a successful club for years to come.

Your marketing plan should include:

- A summary of your market position and goals
- A definition of what you expect to accomplish in a specific time period (For example, "We will sign-up 5 new members in the first three months.")
- A list of target audiences
- An appropriate strategy for each audience

— Marketing expenses and resources, and how they will be allocated
— A list of marketing channels you will use to attract target customers.

Include benchmarks in your plan. Use these benchmarks to take stock of whether your marketing efforts are paying off or if you should rethink your approach.

TELLING YOUR STORY

When you know your target audience, the kind of flying you aspire to pursue, and those factors that make your club unique, you can craft a marketing message that communicates your benefits in a way that attracts these specific prospects. The first place you will use that message is your club's website, if only because that will be where you send prospects in your marketing materials to learn more about you.

You should not have too much trouble finding someone technically savvy enough to design a simple site, but because your website is such an important part of your marketing, make sure it has an attractive, professional look and feel. First impressions matter, and an eye-catching, organized, updated, and well-crafted site will help persuade prospective members to reach out and join.

Use your website to collect information on prospects. Use a "lead capture tool" (such as a free download offer) to attract prospects and generate interest.

Information to include on your website:

— MEMBERSHIP: Provide information on how to become a member, as well as details of initiation fees and monthly dues

— WHY JOIN: Explain why a pilot should consider joining your club, including your mission and competitive advantage. Provide an email link that allows your prospects to conveniently ask questions.

— FLEET: Identify the aircraft you have now—or anticipate having—and the rates

— EVENTS: Promote upcoming events (keep this list current)

— LOCATION: Identify your home airport and facilities

— CONTACT: Give clear methods to reach you. Be sure to access your email regularly and respond promptly.

Use a domain name that is easy to remember. If you can include "flying club" in your address (for example, **LeadingEdgeFlyingClub.com**), you will have a leg up on search engines when prospects browse key terms, such as "flying club" and your city. You can create a free website for your club at **weebly.com**.

Create search engine friendly content that will help drive visitors to your website. Google has a good guide and tips: **https://support.google.com/webmasters/answer/35291?hl=en**. Once your site is up, ask a few people to review the site for feedback and give them different tasks (e.g. find a piece of information, then determine how long it takes to find it).

MARKETING TACTICS

With your marketing plan and website completed, you can share your enthusiasm for your club with prospective members by using a variety of traditional and social media techniques. Many clubs have a database of club prospects that simplifies communication with this important group. Regardless of the kind of marketing effort you use, always make it easy for the prospect to respond and/or contact you.

FLYERS, MAILINGS, AND E-NEWSLETTERS

Flyers serve as a quick, inexpensive way to build awareness of your club and can be hung not only at flight schools, FBOs, pilot shops, and airport restaurants, but on community bulletin boards at coffee shops or libraries to spark interest with the general public. Additionally, postcards and letters help you reach a large number of pilots with a relatively small budget (the FAA will even provide you a mailing list). Follow these suggestions to create both:

— **Stay focused.** Offer one core message in each marketing piece, with a headline that grabs readers' attention and brief text that explains what you offer.

— **Sell benefits.** Promote the reasons why prospective members should join your club by answering the question "What does this mean for me?"

— **Avoid jargon.** Leave out the acronyms and aviation expressions so that your message is clear to all prospects.

— **Design wisely.** Keep it simple and uncluttered to make it easy to scan.

— **Brand yourself.** Display your club name and logo clearly so that it's easily identifiable among other mailings or flyers prospects might see.

— **Give instructions.** Finish your marketing piece with a clear call to action with your website, email address, and phone number.

PILOT ADDRESSES

The FAA maintains the Airmen Certification Database, a comprehensive list of all certificated pilots. The database is updated monthly and includes mailing addresses, which can be sorted by zip code, city, or state. If you have budget for direct mail, this resource allows you to target pilots who live near your airport. Design a simple postcard or letter announcing your club, and invite them to learn more about joining.

As of this printing, the database can be downloaded at **faa.gov/licenses_certificates/airmen_certification/releasable_airmen_download/**. Or simply search online for "Airmen Certification Database."

E-newsletters can be emailed to your list of prospects and cost virtually nothing, other than the time and effort, to create them.

SIGNS AND BANNERS

If your club has physical space on your airport, hang a sign or banner that is visible—and readable—to prospects who pass by. Like other print materials, keep the message simple by using a headline with a singular message, your logo, and a clear method of contact for additional information.

Even if you do not have a physical presence, ask your airport to allow you to hang a banner on a perimeter fence. At the very least, leverage a banner by posting it at every airport event.

PILOT OUTREACH

You can build your club's reputation by offering gatherings at your airport that attract pilots and aviation enthusiasts. These events are also great places to build your prospect list, so collect names and contact information from each of the attendees. You build excitement and value among these prospects with such events as:

— Aviation safety seminars
— Fly-ins
— Aircraft showcases with local aircraft sales reps
— A "Learn to Fly" day at the airport

Promotion for these events can be done through radio announcements (which some stations will do for free), flyers on community bulletin boards, postings on community calendars, newspaper announcements, or around the airport at FBOs, flight schools, and association chapters.

AOPA FLYING CLUB FINDER

AOPA is building a national network of flying clubs. The Flying Club Finder allows you to find a club in your area or promote your established club (**aopa.org/Pilot-Resources/Flying-Clubs.aspx**).

Inviting prospective members to an open house can also help build a connection where they can visit club facilities, inspect the aircraft and equipment or take a free introductory flight. Even if the club is currently full, wait-listing prospective members and keeping them in the loop regarding club activities can assist if a member decides to leave or the club decides to expand.

WORD OF MOUTH

Word-of-mouth marketing is one of the most effective marketing tools—and it certainly is one of the least expensive—but it takes some legwork. Recruit your founding members to talk up the club to fellow pilots and give them a few key message points that explain what makes your club special. Ensure your members also know how prospects can learn more about you. For example, provide each a stack of business cards with your club's phone number, email, and web address.

SOCIAL MEDIA

Social media, as a whole, is effectively word of mouth for the digital age. Tap into such sites as Facebook and Twitter to build awareness.

FACEBOOK: Create a club "fan page." Not only will it help you share news with your members, but it also allows them to share posts that express their joy of flying with their friends and family. Setup is easy and free (visit **facebook.com/pages/create/**), and once you create the page, encourage your founders, members, and prospects to share it with their aviation friends.

FACEBOOK ADS: Facebook offers this additional resource to help you generate interest in a cost effective way. Unlike other online advertising options, Facebook ads (**facebook.com/about/ads/**) allow you to target specific audiences by location, demographics, and interests they share in their own Facebook posts. For example, Facebook identifies 94,000 people within 25 miles of Chicago who have an interest in aviation, flying clubs, general aviation, or flying. Depending on your budget, you can decide how many of these prospects you would want to expose to your ads.

TWITTER: Like many other social media tools, Twitter connects subscribers who have a common interest. Use the Twitter search functionality to find people near you who are interested in flying, create an account for your club, and start engaging with these pilots and aviation enthusiasts to share news and join conversations.

LEADING FOR LONGEVITY

10

The best start-up plan means nothing if your flying club does not thrive in the long run. Longevity comes from providing value in good times and bad, and that means your club will need to weather its share of storms—a sluggish economy, leadership turnover, an aircraft accident, or other challenges.

Attending to your culture and providing positive experiences that are meaningful to members in the good times will help you retain those same members in hard times.

CREATING CULTURE

In marketing terms, a person has a "moment of truth" when he or she interacts with an organization. Whether that is a conversation with a member, an advertisement, or a flight in one of your airplanes, they will come away with an impression that defines your club in their mind. Over time, consistently positive experiences will grow your reputation. You shape this reputation with your culture and the tangible expression of whatever you value, such as community, service, conscientiousness, and proficiency. In this sense, your culture shows why and how your club exists—that is, not just what you do, but also what you are all about.

For example, the tagline for Leading Edge Flying Club in suburban Chicago is "Great Planes…Great People." The club includes a diverse group of pilots who share a passion for aviation and a desire to share it with others. These members keep their fleet pristine regardless of aircraft age or installed equipment. They also cut an opening in the wall of their hangar/ clubhouse to install a window with a ramp camera so members can see airport activity. All of these items define the club's culture.

Ironically, while you may have an idea of what your culture should be now, you cannot establish it until your club operates for a while. Like an aircraft, you can hangar it and give it an annual inspection, but you must also give it constant care. For your club, that includes events, meetings, and constant communication.

EVENTS

Club events often revolve around food and flight. Either your meeting provides food or your members fly together to, say, their favorite airport restaurant. But events can encompass so much more, including a worthwhile purpose, demonstration of club values, and a strong message about what motivates your club.

Members look to the club to satisfy their aviation itch, which usually comes by way of training, social interactions, and flying. But you can also build and sustain energy with events that gather your members together as a community, or even a "family." Ideas for gatherings include:

Training: Periodic training events send a message of "safety first," but they also provide member interaction, improved proficiency, and increased flight hours. Adding a club meal to the schedule creates an enjoyable routine and cultivates a strong connection among members. But, you do not even need to plan and host every training session. Consider attending a GA seminar (like an AOPA Air Safety Institute seminar) as a group.

Charity Flights: Supporting charitable causes, such as Angel Flight, Young Eagles, or the Veterans Airlift Command, builds pride in your club through a sense of giving back and it offers purposeful flying to your pilots. As a bonus, this outreach also sends a positive message to prospective members about your club's values.

Celebrations: Taking time to recognize both individual and team accomplishments generates excitement and builds tight bonds that reinforce your community. Beyond sending an email to the club when someone makes a first solo or passes a check ride, give that pilot a special mention at your next meeting. Likewise, to celebrate special milestones, throw small, ad-hoc parties or host larger special-recognition events every month or so.

Parties: Hosting parties that include family and friends makes your club more than just a sideline for your members. In December or January, go with the holiday theme and celebrate with a club gala. You do not have to pay for the entire event, but keep an eye on the cost to each member and, if necessary, subsidize a portion so it remains affordable. Similarly, plan a summer cookout to recognize your supporters—such as individuals from the FBO, the line crew, air traffic controllers, airport management, fire department, and police department—to thank them for their help. If the weather is nice, you may even want to take some of these valuable stakeholders up for flights.

Special Projects: Breaking the routine to improve the club unifies the membership and adds energy to your slow season. You can try something as simple as creating a new website or something as significant as acquiring a new aircraft. Either way, putting a special team together to achieve a specific goal pays cultural, as well as practical, benefits. When members play active roles in moving the club forward—especially when they are not part of your formal leadership—you demonstrate the club belongs to everyone while you leverage the diverse skills found in any group. You will instill a sense of accomplishment and pride, especially when you recognize those who contribute.

MEETINGS

Membership meetings ensure the club shares information in a consistent and social way. Sharing club information openly will prevent an "us" versus "them" mentality between club leadership and the general membership.

Schedule general membership meetings at least monthly; follow an informal but consistent agenda; discuss club status, aviation current events, and member accomplishments; have a special guest present on an interesting or unique aspect of aviation; and provide a meal to create a culture of camaraderie. Hold the meetings at a convenient time to optimize participation, and encourage members to bring guests, both to show off their club and to cultivate a pool of new prospects. We recommend that you hold a "shareholder's meeting" at least once a year to report on club finances, elect directors or other similar officials (as required by law and/or by-laws, discuss the status of the previous year's goals, and establish new goals for the following year.

Separate from general member meetings, the board of directors or trustees must also meet regularly in accordance with your by-laws. Use a formal agenda and proper procedures, and publish minutes so members view the club as a professional, durable entity. If board members are unable to attend in person, use a conference call or other technology (such as Skype) to ensure a quorum is present (if permitted by applicable law and the by-laws). This way, the board can decide on important topics in an expeditious way, which builds members' confidence that their board keeps their interests at the forefront of club operations.

COMMUNICATIONS

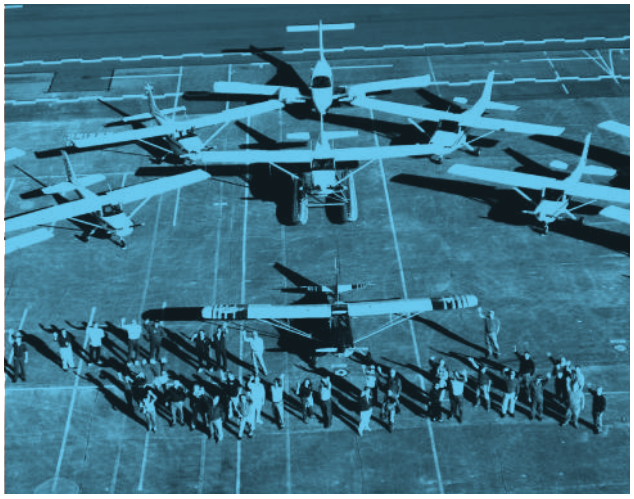
Of all the things your club leaders do, communicating with members is the one of their most important jobs. Without consistent communication, members may assume there is little club activity, feel distant from the club, and miss out on the true value of their membership. Communicate everything from local events and impending temporary flight restrictions to club meeting announcements and special thanks to volunteers.

When you send out emails, get straight to the point, but do so in a way that creates energy in a fun, professional manner. Additionally, a weekly or monthly newsletter can keep other members or prospective members up to date on club activities and allow them to share their unique experiences with others in the club.

And if you need to make decisions that affect everyone, consider conducting a survey with a free online survey tool like Survey Monkey. This allows you to create a short, easy-to-answer poll so each member's opinions may be heard.

FINAL THOUGHTS

11



Community is made up of two root words: "Common" and "Unity." It describes those things that bind us together.

When it comes to the flying club community, this is not just pilots and aircraft, but also passion for aviation and a desire to share it with those around us. By the mere fact that you read this guide, you are part of this community. As part of the family, you have two of the most important traits needed for success: vision and passion. This document was created to support you in your efforts.

Once again, congratulations on starting your journey of building a flying club that is unique and valuable to both your local community and to general aviation.

APPENDIX

A

FAA DOCUMENTS

— FAA Order 5190.6B, section 10.6

AOPA SAMPLE DOCUMENTS

— AOPA Sample Flying Club Membership Application Guidelines
— AOPA Sample Operating Rule Guidelines
— AOPA Sample Aircraft Lease Agreement
— Sample Articles of Incorporation for a Nonstock Corporation
— Sample Articles of Organization for an LLC

EXAMPLES OF CURRENT CLUB BY-LAWS, REGULATIONS, AND RULES (USED WITH PERMISSION)

— By-laws: East Hill Flying Club
— By-laws: Blue Horizons Flying Club
— Member Regulations: West Valley Flying Club
— Operational Rules: Blue Horizons Flying Club

Extracts from FAA Order 5190.6B, titled "FAA Airport Compliance Manual", Section 10.6. Flying Clubs.

The extracts below have been individually listed because of their potential effect on how your club operates on a federally funded facility. Section 10.6 offers additional information on club rules, membership, etc. it can be reviewed through the Link to the full order.

a. Definition. FAA defines a flying club as a nonprofit or not-for-profit entity (e.g., corporation, association, or partnership) organized for the express purpose of providing its members with aircraft for their personal use and enjoyment only.

b. General. The ownership of the club aircraft must be vested in the name of the flying club or owned by all its members. The property rights of the members of the club shall be equal; no part of the net earnings of the club will inure to the benefit of any individual in any form, including salaries, bonuses, etc. The flying club may not derive greater revenue from the use of its aircraft than the amount needed for the operation, maintenance and replacement of its aircraft.

c. Policies. A flying club qualifies as an individual under the grant assurances and, as such, has the right to fuel and maintain the aircraft with its members. The airport owner has the right to require the flying club to furnish documents, such as insurance policies and a current list of members, as may be reasonably necessary to assure that the flying club is a nonprofit organization rather than an FBO or other commercial entity. The FAA suggests several definitions and items as guidance for inclusion by airports in their minimum standards and airport rules and regulations. These items include:

(1). All flying clubs desiring to base their aircraft and operate at an airport must comply with the applicable provisions of airport specific standards or requirements. However, flying clubs will not be subject to commercial FBO requirements provided the flying club fulfills the conditions contained in the stated airport standards or requirements satisfactorily.

(2). Flying clubs may not offer or conduct charter, air taxi, or aircraft rental operations. They may conduct aircraft flight instruction for regular members only, and only members of A flying club qualifies as an individual under the grant assurances and, as such, has the right to fuel and maintain the aircraft with its members. The airport owner has the right to require the flying club to furnish documents, such as insurances policies and a current list of members, as may be reasonably necessary to assure that the flying club is a nonprofit organization rather than a fixed-base operator or other commercial entity that purports to be a flying club.

(3). No flying club shall permit its aircraft to be used for flight instruction for any person, including members of the club owning the aircraft, when such person pays or becomes obligated to pay for such instruction. An exception applies when the instruction is given by a lessee based on the airport who provides flight training and the person receiving the training is a member of the flying club. Flight instructors who are also club members may not receive payment for instruction except that they may be compensated by credit against payment of dues or flight time.

(4). Any qualified mechanic who is a registered member and part owner of the aircraft owned and operated by a flying club may perform maintenance work on aircraft owned by the club. The flying club may not become obligated to pay for such maintenance work except that such mechanics may be compensated by credit against payment of dues or flight time.

(5). All flying clubs and their members are prohibited from leasing or selling any goods or services whatsoever to any person or firm other than a member of such club at the airport, except that said flying club may sell or exchange its capital equipment. All flying clubs and their members are prohibited from leasing or selling any goods or services whatsoever to any person or firm other than to a member of such club at the airport, except that the flying club may sell or exchange its capital equipment.

(6). A flying club at any airport shall comply with all federal, state, and local laws, ordinances, regulations and the rules and regulations of the airport.

(7). The flying club should file periodic documents as required by the sponsor, including tax returns, insurance policies, membership lists, and other documents that the sponsor reasonably requires.

d. Violations. A flying club that violates the requirements for a flying club – or that permits one or more members to do so – may be required to terminate all operations as a flying club at all airports controlled by the airport sponsor.

AOPA Sample Flying Club Membership Application Guidelines

INTRODUCTION

This document is intended as a guide to creating a membership application for your club. The document can be amended or adopted completely to fit the needs of your club. An example of an addition would be: Does your club include student pilots? This document does not address this and an addition would need to be made such as: Are you a Student?

APPLICANT INFORMATION

NAME:			
ADDRESS:			
PHONE:	EMAIL:	SSN:	DOB:
EMERGENCY CONTACT NAME:			
PHONE:	EMAIL:		
ADDRESS:			

EMPLOYER INFORMATION

EMPLOYER:	
ADDRESS:	
PHONE:	OCCUPATION:

PILOT INFORMATION

FLYING HOURS/TOTAL:	LAST 6 MONTHS:
TIME IN CLUB A/C TYPES:	
CERTIFICATES HELD:	MEDICAL CLASS:
MEDICAL DUE:	BFR DUE:
HOW MANY HOURS DO YOU PLAN TO FLY NEXT YEAR?	
DATE OF LAST FLIGHT:	

Have you been (check all that apply):

In any aircraft accidents or incidents _____ Y _____ N
Charged with violation of FAA regulations _____ Y _____ N

In any motor vehicle accidents in past 3 years _____ Y _____ N
Issued moving traffic citations in past 3 years _____ Y _____ N

Please include copies of Driver's license, current medical and pilot certificate with this application.

I understand that the Board of Directors and the membership of the _____ Flying Club determine my acceptance in the Club. If I am accepted, I agree to adhere to the procedures and regulations as outlined in the Club's constitution, by-laws, membership rules and decisions set forth by the Board of Directors.

Applicant Signature:_____ Date:_____

APPROVAL

BOARD MEMBER INITIALS:	BOARD MEMBER INITIALS:
BOARD MEMBER INITIALS:	BOARD MEMBER INITIALS:
APPLICATION RECEIVED:	DATE APPROVED:

AOPA Sample Operating Rule Guidelines

INTRODUCTION

This document is intended as a guide to creating operating rules for your club. These sample operating rules will likely need to be modified to fit the unique needs of your flying club.

ARTICLE I – THE CLUB

1. The _____ club is a nonprofit or not-for-profit entity (e.g., corporation, association, or partnership) organized for the express purpose of providing its members with aircraft for their personal use and enjoyment only. All members of the Club shall comply with all Federal Aviation Regulations, state, airport, and Club rules while operating Club aircraft.

ARTICLE II – CLUB MEMBERSHIP

1. Membership in the _____ Flying Club is contingent upon approval of the application for membership by the Board of Directors and such membership may be revoked by the Board of Directors.
2. The applicable initiation fee, security deposit, and current dues must be paid in full before a membership application can be approved.
3. When any member is in default in the payment of dues for _____, membership may be terminated by the Board of Directors.
4. A member is eligible to fly Club aircraft only if the membership is valid in all respects.

ARTICLE III – FLIGHT RULES

1. A member must perform a thorough preflight inspection of the aircraft, including a visual inspection of the fuel quantity, prior to commencing flight. Any damage or discrepancies discovered by a member will be assumed to be the responsibility of the last user unless it has been reported previously to the Maintenance Officer. If a condition is discovered which may affect the airworthiness of the aircraft, the aircraft shall not be flown until cleared by the Maintenance Officer.
2. Each member must ascertain that the airworthiness and registration certificates, appropriate operating limitations information, and operator's manual are in the aircraft prior to commencing the flight.
3. All aircraft operating limitations must be observed. Aerobatic maneuvers are prohibited except those which are permissible under the operating limitations when the aircraft is operated in the utility category.
4. Flight plans must be filed with the FAA for flights over sparsely populated areas; mountainous, wooded, or desert terrain; or for extended overwater flight; and for all student solo cross-country flights in excess of fifty (50) miles.
5. Each member must have flown a check ride with a qualified and approved instructor during the preceding 12 months, subject to the following:
   a. A pilot not having flown Club aircraft within a three (3) month period must take a check ride with a qualified and approved flight instructor.
   b. A pilot qualified and approved to fly more than one type of aircraft in the club will take the annual check ride in the heaviest/fastest of such aircraft and the check ride will qualify the pilot to fly all other aircraft in which he/she has been approved to fly. The ranking of the Club's aircraft for this paragraph will be made by the Safety Director.

c. The check ride will include maneuvers and procedures appropriate to the aircraft flown and the pilot certificate held.
d. Other specialized aircraft may be subject to additional rules.

6. Members using Club aircraft for Instrument Flight Rules (IFR) flights must have had an instrument proficiency check during the past 12 months with a qualified and approved flight instructor.
7. Members with less than _____(_____) hours shall not fly Club aircraft when weather conditions are less than _____feet ceiling and _____miles visibility or when the surface winds exceed _____miles per hour.
8. Except in emergencies, Club aircraft shall be flown from and landed on airfields approved by the club. As a guideline these are generally hard-surfaced runways in good condition with suitable length and width for the proposed operation.
9. Club aircraft may not be used to give flight instruction to anyone except Club members and, upon approval by the Board of Directors, members of their immediate families.

ARTICLE IV – AIRCRAFT CARE AND MAINTENANCE

1. Upon completion of a flight, the pilot must tidy up the aircraft. Waste paper and extra charts (a sectional chart for the local area should be kept in the aircraft) will be removed, seat belts will be straightened, etc.
2. Refueling of the aircraft should be completed at the end of a flight unless other arrangements have been made.
3. No member (except the Maintenance Officer) may perform any maintenance on Club aircraft, other than preflight inspection, without authorization from the Maintenance Officer.

ARTICLE V – SCHEDULING

1. Weekend and holiday* reservations: Only one (1) pending reservation that includes a weekend day or holiday is permitted at any given time. A second reservation that includes a weekend day or holiday may be entered only after the first weekend day or holiday reservation has been flown off or cancelled. A single reservation means any reservation of any length of time.
   *Holidays include New Year's Day, Martin Luther King, Jr. Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving and the following Friday, and Christmas Day.
2. Weekday reservations: Only three (3) reservations that include a weekday are permitted at any given time. A fourth reservation that includes a weekday may be entered only after a prior weekday reservation has been flown off or cancelled. A single reservation means any reservation of any length of time.
3. General rules
   a. Same day exception: If an aircraft is available for the current day, a member may schedule it for that day only without jeopardizing any future schedules.
   b. Owners' exemption: The owners of an aircraft have made a significant investment in the plane and the club. Therefore, they are exempt from the reservation policy. They have shown a willingness to be flexible on a repeating schedule, and are open to requests for a change in their schedule.
   c. Use of stand-by schedule: All members are encouraged to submit standby reservations. In the case of a cancelled flight, they will be notified of the aircraft's availability.
   d. Multi-day trips are subject to a two-hour per day minimum.
   e. Multi-day "local" trips with limited hours planned are discouraged. The club will work with the member to ferry the plane back during the time the plane would not be used.
   f. Reserving a plane for multiple days in order to ensure "as-needed" availability will not be permitted.

4. Violation of reservation policy
   a. Any reservation violating this policy may be immediately stricken by the board of directors.

ARTICLE VI – INSURANCE

1. Liability: All club aircraft are included in a policy that includes liability protection for the club and its individual members that arise out of the ownership, maintenance, or use of a club aircraft. Such coverage will include protection for club members who are liable for the injuries to another passenger or bystander club member. Coverage limits are to be determined by the consensus of the club members, and availability of coverage. Individual pilots/club members are not protected for their own injuries. AOPA members may purchase life insurance and/or accidental-death-and-dismemberment coverage at their own and separate expense. The insurance company will allow for inactive or social members without charge, subject to reasonable restrictions. Club members are required to provide accurate and current flight hours, as well as dates of recent fight reviews and renewal of airman medical certification.
2. Hull: All club aircraft to be insured against loss or damage as determined to be necessary by the consensus of the club.
3. Director's and Officer's Liability:
   Some clubs may desire to purchase a separate (non-aviation) policy called Director's and Officer's Liability Insurance. This coverage, usually called D&O, provides protection for the officers of the club (or the organization itself) for defense costs or losses that result from alleged wrongful acts in their capacity as club officers.
4. The club aircraft policy will include limited coverage for damage to rented or leased hangar facilities.
5. Medical Payments: Insurance to include medical payments for medical, surgical, and dental services.
6. Policy Territory: To include U.S., Canada, Mexico, Bahamas, Central America, and Islands of the West Indies

AOPA Sample Aircraft Lease Agreement

INTRODUCTION:
This document is intended as a guide to creating an aircraft lease agreement for your club. The document can be amended or adopted completely to fit the needs of your club.

ARTICLE 1 - PARTIES:
This aircraft lease agreement is entered into effective this ___ day of [MONTH], 201__, by and between _____, hereafter referred to as the "Lessor," and _____, hereafter referred to as the "Club." The Lessor is a [SELECT APPROPRIATE DESIGNATION---CORPORATION INCORPORATED UNDER THE LAWS OF THE STATE OF _____ /LIMITED LIABILITY COMPANY ORGANIZED UNDER THE LAWS OF THE STATE OF _____ /UNINCORPORATED ASSOCIATION /INDIVIDUAL] Lessor's address is _____. The Club is a [SELECT APPROPRIATE DESIGNATION---CORPORATION INCORPORATED UNDER THE LAWS OF THE STATE OF _____ /LIMITED LIABILITY COMPANY ORGANIZED UNDER THE LAWS OF THE STATE OF _____ /UNINCORPORATED ASSOCIATION /INDIVIDUAL] The Club's address is _____.

ARTICLE 2 – AIRCRAFT, TITLE:
Lessor hereby leases to the Club one _____ with FAA registration number _____, hereinafter called the "aircraft." The Club shall have possession of the aircraft for use at its discretion, but Lessor shall retain title at all times.

Manufacturer of Aircraft: _____
Model: Serial number: _____
FAA Registration No.: _____
Engine Make: _____
Equipment and Accessories: _____

ARTICLE 3 – INITIAL AIRCRAFT LOCATION AND CONDITION:
The Lessor will provide the above listed aircraft to the Club at _____ airport in an airworthy condition, with a current inspection, and in compliance with all current airworthiness directives. Upon delivery of the aircraft by Lessor to Club, the Club shall have the right to conduct an inspection of the aircraft to determine its condition, including non-standard equipment. The results shall be noted on Appendix A which shall be attached to and incorporated into this agreement by reference.

ARTICLE 4 – TERM:
This agreement shall commence on the _____ day of _____, _____ and end one year after the date of commencement. Subject to termination rights set out in this agreement, this agreement shall renew automatically for successive one-year terms.

ARTICLE 5 – PAYMENTS:
1. Club shall pay to Lessor as rental for the use of the Aircraft _____ Dollars ($_____) per month or _____ Dollars ($_____) per flight hour as recorded on the Aircraft Hobbs meter, whichever is greater. The first monthly payment shall be

due on _____ and shall compensate Lessor for the use of the Aircraft during the period beginning _____ and ending _____. Subsequent payments shall compensate Lessor for the use of the Aircraft during subsequent months ending the same day of each succeeding month thereafter throughout the expiration or termination of this Agreement. Payments shall be due to Lessor within _____ (__) days after the conclusion of each monthly period. Club shall be responsible for providing Lessor with monthly reports of the use of the Aircraft with the monthly payments without waiting for an invoice from Lessor.

2. Club shall pay all costs, expenses, fees and charges incurred in connection with the delivery, possession, use and operation of the Aircraft and each item of Equipment, when due, directly to the person to whom such payment is due.

3. Club shall be liable for and shall pay on or before their due dates, all sales taxes, use taxes, personal property taxes, business property taxes, and assessments, or other taxes or governmental charges imposed on the Aircraft or the ownership, possession or operation thereof or otherwise assessed in connection with this Agreement, except that nothing contained herein shall be construed to require Club to pay or reimburse Lessor for any franchise taxes imposed on Lessor or any tax computed on the basis of Lessor's income and/or assets other than the Aircraft. Lessor shall promptly notify Club and send Club any notices, reports, and inquiries of taxing authorities concerning any taxes, assessments, fees, or other charges which may be received from time to time by Lessor with respect to the Aircraft.

4. If any taxing authority requires that a tax required to be paid by Club hereunder be paid to the taxing authority directly by Lessor, Club shall, within thirty (30) days of its receipt of written notice from Lessor, pay to Lessor the amount of such tax, unless such tax is being contested pursuant to Section 5(5) hereof.

5. Club shall have the right at Club's own expense to contest the validity or amount of any tax required to be paid by Club hereunder by legal proceedings promptly instituted and diligently conducted.

6. Club shall be liable for and shall pay any and all fees for licenses, registrations, permits, and other certificates as may be required for the lawful operation of the Aircraft. Club shall pay any and all liabilities, fines, forfeitures or penalties for violations of any applicable governmental regulations relating to the Aircraft and shall reimburse Lessor for any amounts expended by Lessor on account of such violations except as set forth in Section 14 herein.

7. Club hereby agrees to reimburse Lessor for any amount paid by Lessor on behalf of Club or otherwise for any of Club's obligations hereunder with respect to the Aircraft within thirty (30) days after Club's receipt of a written demand for such reimbursement from Lessor together with supporting invoices relating to such payments.

ARTICLE 6 – MAINTENANCE:

1. Club, at its own cost and expense, shall service, repair, maintain and overhaul, test or cause the same to be done to the Aircraft during the term of this Agreement (i) to keep the Aircraft in good operating condition and appearance and (ii) to keep the Aircraft in such operating condition as may be necessary to enable the airworthiness certification of the Aircraft to be maintained in good standing at all times under all applicable

governmental rules and regulations. Club shall maintain all records, logs and other materials required by the United States Department of Transportation or the Federal Aviation Administration to be maintained in respect to the Aircraft and shall promptly furnish to Lessor, upon Lessor's request, such information as may be required to enable Lessor to file any reports required to be filed with any governmental authority because of Lessor's interest in the Aircraft. Lessor shall not be under any liability or obligation in any manner to provide services, maintenance, repairs, or parts for the Aircraft.

2. Club, at its own expense, shall make alterations and modifications in and additions to the Aircraft as may be required to be made from time to time during the term of this Agreement under any applicable law, regardless upon whom such requirements are, by their terms, nominally imposed.

ARTICLE 7 – INSURANCE:
The Club will purchase and maintain during the term of this agreement an insurance policy with at least the following coverages: (a.) total bodily injury/property damage liability of _____/incident, with sub-limits of no less than _____ per person, and _____Hull Coverage (the "Club Insurance")> The Club Insurance shall cover the uses intended by this agreement and shall also name the Airport Authority and Lessor as additional insured parties. The Club will pay any insurance deductible resulting from a claim against the Club Insurance and if a loss is not covered by Club Insurance, the Club will take reasonable efforts to collect the repair costs from the party at fault. The exception to this is if the Lessor is determined at fault for the accident or in violation of the Club Flight Rules, in which case the Lessor will pay the amount specified in The Club Operating Agreement.

ARTICLE 8 – RENEGOTIATION OF RATES:
Each year during the month of December the Lessor and The Club will have an opportunity to renegotiate the lease rates and the maintenance reserve amount and such agreement will be included as amendments to this lease. The new rate will take effect on January 1st of the following year. In the event the parties have not agreed upon rates and reserve amounts prior to December 15 of each year, then this agreement shall automatically terminate on December 31 of that year and the aircraft shall be returned to Lessor as provided in Article 14 – Return.

ARTICLE 9 – ADDITIONAL CLUB AGREEMENTS:
The Club additionally agrees to the following:

1. To establish Club Flying Rules that make a reasonable effort to minimize damage or misuse of the Aircraft.

2. To provide an annual statement to the Lessor summarizing all payments made to the Lessor and any payments made to the Club by the Lessor in addition to his club dues and hourly usage.

ARTICLE 10 – ADDITIONAL LESSOR AGREEMENTS:
The Lessor additionally agrees to the following:

1. In order to be able to fly the aircraft during the lease, the lessor must become a memberof the Club and agree to follow all Club rules.
2. The Club has exclusive use of the aircraft during the lease, thus the owner will not enter into any other use agreement for the period of this lease.

ARTICLE 11 – TERMINATION FOR CONVENIENCE:
Either party may submit a notification of termination for convenience by giving sixty (60) day prior written notice of termination to the other party. In order to terminate for convenience

with less than 60 days notice, both parties must agree in writing to a different time period. After this time period, all use of the aircraft will be stopped by the Club and the Club has 30 days to pay all agreed upon costs to the Lessor, and this lease will be terminated. Upon the effective date of termination, all rights and obligations specified herein shall cease and be of no further force or effect.

ARTICLE 12 – INTENT TO TERMINATE FOR CAUSE:
While not required for termination for cause, either party may submit a notification of intent to terminate for cause if they feel that this contract has been breached but that a solution may be reached between the two parties. This notification must list the contract item or item(s) that the party feels have been breached, and any possible actions that could be taken to avoid termination and the timeframe in which those actions must be taken.

ARTICLE 13 – TERMINATION FOR CAUSE:
Either party may submit a notification of termination for cause if they feel that this contract has been breached. The notification must list the contract item or item(s) that have been breached, the reason the party feels they have been breached, whether or not immediate use of the aircraft must cease, and why they feel that an agreeable solution cannot be reached. The Club has 30 days to pay all agreed upon costs to the Lessor. The effective date of the termination will be at the end of this 30 days. Upon the effective date of termination, all rights and obligations specified herein shall cease and be of no further force or effect.

ARTICLE 14 – RETURN:
Upon termination of this Agreement for any reason, the Club shall return the Aircraft to the Lessor at the same location where it was received with all of the equipment listed in Appendix A unless that equipment was replaced due to maintenance or at the direction of the Lessor or was removed at the direction of the Lessor. The Aircraft shall be returned in the same condition in which it was received from Lessor, ordinary wear and tear excepted.

ARTICLE 15 – NOTICE:

1) Any notice in connection with this Agreement shall be in writing and delivered personally to the appropriate party or
   a) Sent via a nationally recognized overnight courier service, or
   b) Mailed to the appropriate party by registered or certified mail, postage prepaid, return receipt requested, at the address set forth in the introduction to this Agreement. Notices shall be sent to:

   To Lessor: _____
   [Address]: _____

   To Club: _____
   [Address]: _____

2) Notice shall be deemed effectively given when: (a) Delivered personally to the other party for whom intended: (b) one (1) day following the deposit of a nationally recognized overnight courier; or (c) five (5) days following deposit of the same into the United States mail, certified mail, return receipt requested, first class postage prepaid, addressed to such party at the address set forth herein. Either party may designate a different address by notice to the other given in accordance herewith.

ARTICLE 16 – ASSIGNMENT:
This Agreement may not be transferred or assigned by either party without prior written approval signed by the other party.

ARTICLE 17 – ATTORNEY FEES:
In the event any action is filed in relation to this Agreement, each party shall be responsible for its own attorney's fees.

ARTICLE 18 – WAIVER:
Either party's failure to enforce any provision of this Agreement against the other party shall ot be construed as a waiver thereof so as to excuse theother party from future performance of that provision or any other provision.

ARTICLE 19 – SEVERABILITY:
The invalidity of any portion of the Agreement shall not affect the validity of the rremaining portions thereof.

ARTICLE 20 – PARAGRAPH HEADINGS:
The headings to the paragraphs to this Agreement are solely for convenience and have no substantive effect on the Agreement nor arethey to aid in the interpretaion of the Agreement.

ARTICLE 21 – ENTIRE AGREEMENT:
This Agreement constitutes the entire Agreement between the parties. No statements, promises, or inducements made by any party to this Agreement, or any agent or employees of either party, which are not contained in this written contract shall be valid or binding. This Agreement may not be enlarged, modified, or altered except in writing signed by the parties. This lease agreement, along with Appendix A has been reviewed by the undersigned, who are or represent the parties of the agreement, and has been found acceptable and thus executed on the _____ day of _____, _____.

[CLUB]:

_____
BY: [PRINTED NAME]
ITS: [TITLE]

[LESSOR]

_____
BY: [PRINTED NAME]
ITS: [TITLE]

APPENDIX A

List of Non-Standard Equipment and Logs in Aircraft at Time of Lease Signing and Condition

Date of inspection: _____

Club representative(s) present:

_____

_____

_____

TTAF: _____ TSMOH: _____ TSPOH: _____

Radios and condition:

_____

_____

_____

Navigation equipment and condition:

_____

_____

_____

Other:

_____

_____

_____

Additional condition notes:

_____

_____

_____

Logs/dates turned over:

_____

_____

_____

Interior/paint/glass/seals condition:

_____

_____

_____

AOPA Sample Articles of Incorporation for

_____ Flying Club, Inc.

*A NONSTOCK CORPORATION**

***PLEASE NOTE THAT THIS FORM IS NOT STATE SPECIFIC. EVERY JURISDICTION HAS ITS OWN PARTICULAR REQUIREMENTS THAT MUST BE MET WHEN FILING ARTICLES OF INCORPORATION. THIS FORM IS NOT INTENDED FOR A FLYING CLUB THAT WISHES TO PURSUE A TAX EXEMPTION. THE IRS REQUIRES SPECIFIC LANGUAGE FOR TAX EXEMPT ORGANIZATIONS. QUALIFIED TAX AND LEGAL COUNSEL SHOULD BE CONSULTED TO ASSIST IN DRAFTING ARTICLES FOR TAX EXEMPT ENTITIES.**

FIRST: The undersigned _____ whose address is _____, being at least eighteen years of age, do(es) hereby form a corporation under the laws of the State of _____.

SECOND: The name of the corporation is _____, FLYING CLUB, INC.

THIRD: The corporation is formed for the purpose of operating a flying club and to engage in any other lawful act or activity for which a corporation may be organized under the laws of the State of _____.

FOURTH: The street address of the principal office of the corporation in _____ is: _____ _____.

FIFTH: The name of the resident agent of the corporation in _____ is _____ _____.

SIXTH: The address of the resident agent in _____ is _____ _____.

SEVENTH: The corporation has no authority to issue capital stock.

EIGHTH: The number of directors of the corporation shall be _____ which number may be increased or decreased pursuant to the bylaws of the corporation. The name(s) of the director(s) who shall act until the first meeting or until their successors are duly chosen and qualified are: _____ _____ _____.

IN WITNESS WHEREOF, the undersigned signs these Articles of Incorporation and acknowledges that these articles are their act and that to the best of their knowledge, information and belief, and under penalties of perjury, the matters and facts set forth above are true in all material respects.

_____ Date: _____

Printed Name: _____

RESIDENT AGENT CONSENT

I hereby consent to my designation in this document as the resident agent for the corporation.

_____ Date: _____

Printed Name: _____

RETURN TO:

_____

AOPA Sample Articles of Organization*

_____ Flying Club, Inc.

***PLEASE NOTE THAT THIS FORM IS NOT STATE SPECIFIC. EVERY JURISDICTION HAS ITS OWN PARTICULAR REQUIREMENTS THAT MUST BE MET WHEN FILING ARTICLES OF ORGANIZATION. THIS FORM IS NOT INTENDED FOR A FLYING CLUB THAT WISHES TO PURSUE A TAX EXEMPTION. THE IRS REQUIRES SPECIFIC LANGUAGE FOR TAX EXEMPT ORGANIZATIONS. QUALIFIED TAX AND LEGAL COUNSEL SHOULD BE CONSULTED TO ASSIST IN DRAFTING ARTICLES FOR TAX EXEMPT ENTITIES.**

The undersigned, with the intention of creating a _____ limited liability company, files the following Articles of Organization:

FIRST: The name of the Limited Liability Company is: _____, LLC.

SECOND: The purpose for which the Limited Liability Company is filed is to operate a flying club and to engage in any other activity authorized under the laws of the State of _____.

THIRD: The address of the Limited Liability Company in _____ is _____ _____.

FOURTH: The resident agent of the Limited Liability Company in _____is _____.

FIFTH: The address of the resident agent of the Limited Liability Company in _____ is _____.

IN WITNESS WHEREFORE, I have signed these Articles of Organization and acknowledge them to be my act on this _____ day of _____.

_____, Member

RESIDENT AGENT CONSENT

I hereby consent to my designation in this document as the resident agent for the company.

_____, Resident Agent Date: _____

Printed Name: _____

RETURN TO:

_____

East Hill Flying Club, Inc.
Ithaca, NY

By-Laws
Rev. November 22, 2002

Article One
Organization

1. The name of this organization shall be THE EAST HILL FLYING CLUB, INC.
2. The organization shall have a seal which shall be in the following form:
3. [**Incorporated under the MEMBERSHIP CORPORATIONS LAW (now-repealed), the organization currently is a not-for-profit corporation of Type B pursuant to NOT-FOR-PROFIT CORPORATION LAW §113. (4/97)**]

Article Two
PURPOSES

The following are the purposes for which this club has been organized:

1. To own or lease and maintain one or more aircraft for the education, transportation and general use of the members of this Club or their families.
2. To acquire, own, hold, sell, lease, pledge, mortgage or otherwise dispose of any property, real or personal, necessary to the operation of the Club.
3. To borrow money, contract debts, make contracts, and to exercise any and all such powers as a natural person could lawfully make, do, perform or exercise which may be necessary, convenient or expedient for the accomplishment of any of its objects or purposes, providing the same be not inconsistent with the laws of the State of New Your, and to that end, enumeration of such powers as set forth herein shall not be deemed inclusive.
4. To advance the science of aeronautics, to develop aviation and to educate pilots in every way to safe operations.
5. To provide for its members convenient means for private flying and the improvement and maintenance of their flying skills at reasonable rates.

Article Three
MEETINGS OF MEMBERS

1. Meetings of the membership shall be held at a time and place to be determined by the Board of Directors. Within this Article, the words “membership”, “member”, and “members” shall refer to active members in good standing.
2. The Annual Meeting of the Club shall be held in December at such a time and place as the Board of Directors shall determine.

3. Notice of the Annual Meeting of the members shall be given by written notice mailed to each member at his/her last known place of business or residence at least five days before such annual meeting.
4. Special meetings of the members may be held at such time and place as the President may determine, or may be called by a majority of the Directors or by written petition of at least one-fourth of the membership. It shall be the duty of the Secretary to call such meetings within thirty days after such demands.
5. Notice of special meetings of members, stating the time and in general terms the purpose thereof, shall be given in like manner as the notice required for the regular annual meetings.
6. At any meeting of the members, a quorum shall consist of 15 members in good standing.
7. The President, or in his/her absence, the Vice-President, or in the absence of the President and Vice-President, a Chairman elected by the members present shall call the meeting of the members to order and shall act as presiding officer thereof.
8. At the Annual Meeting of the members, the members shall elect by ballot the Executive Officers and Board of Directors as constituted by these By-Laws, for the next calendar year commencing January 1.
9. At every meeting of the members, each member shall have only one vote.
10. A majority vote of the members present shall be necessary for the adoption of any resolution and for the election of officers.

Article Four
DIRECTORS

1. The business of the Club shall be conducted and controlled by a Board of Directors of fourteen members.
2. The Board of Directors shall consist of the President, Vice-President, Immediate Past President, Treasurer, Assistant Treasurer, Secretary, Aircraft Maintenance Officer, Avionics Officer, Safety Officer, Social Activities Officer, Building Maintenance Officer, Publicity Officer and two Directors at Large. If the President was also President for the last calendar year past, there shall be no Immediate Past President for the current year, and an additional Director at Large shall be elected as soon as may be possible.
3. Regular meetings of the Board of Directors shall be held at any time and place as determined by the President.
4. Special meetings of the Board of Directors may be called at any time on the order of the President or on the order of two Directors.
5. Notice of special meetings of the Board of Directors stating the time and in general terms, the purpose, shall be mailed, or orally given to each Director not later than the day before the day appointed for the meeting. If all Directors shall be present at any meeting, any business may be transacted without previous notice.
6. Six Directors shall constitute a quorum of the Board at all meetings and the affirmative vote of at least four Directors shall be necessary to pass any resolution or authorize any act of the Club.
7. The Board of Directors shall cause to be kept a record of all its acts and proceedings at its meetings and to be presented a full statement showing in detail the condition of the affairs of the Club.

8. 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 Club property and to do and perform, or cause to be done and performed any and every act which the Club may lawfully do and perform. Each member of the Board of Directors may enforce all said rules and resolutions in the first instance until action of the Board.

9. The Board of Directors shall hire and fix the compensation of any and all employees which they in their discretion may determine to be necessary in the conduct of the Business of the Club.

Article Five
OFFICERS

1. The Officers of the Club shall be a President, Vice-President, Secretary, Treasurer, Assistant Treasurer, Aircraft Maintenance Officer, Social Activities Officer, Building Maintenance Officer, Safety Officer, Avionics Officer and Publicity Officer.

2. The Officers shall be elected from the active membership by the Club membership at the Annual Meeting of the Club, and shall hold office for the ensuing year or until their successors are approved by the Board.

Article Six
INDEMNIFICATION

1. The Club may, by resolution of the Board of Directors, provide for indemnification by the Club of any and all of its Directors or former Directors against expenses actually and necessarily incurred by them in connection with the defense of any action, suit or proceeding, in which they or any of them are made parties, or a party, by reason of having been Directors of the Club, except in relation to matters as to which such Directors shall be adjudged in such action, suit or proceedings to be liable for negligence or misconduct in the performance of duty and to such matters as shall be settled by agreement predicted on the existence of such liability for negligence or misconduct.

Article Seven
PRESIDENT

1. The President shall preside at all meetings of the club and the Board of Directors. He/she shall post an agenda for Board meetings five days in advance of the meeting. He/she may call any special meeting of the members of the Board of Directors and shall have, subject to the advice and control of the Directors, general charge of the business of the Club, shall execute with the Secretary, in the name of the Club, all certificates of membership, contracts and instruments other than checks which have been first approved by the Board of Directors. He/she shall appoint committees as necessary and be a member ex-officio of such committees.

2. The President shall assign such duties connected with the operation of the Club to other officers.

Article Eight
VICE PRESIDENT

1. 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.

2. The Vice-President shall also perform such duties connected with the operation of the Club as he/she may undertake at the direction of the President.

Article Nine
SECRETARY

1. The Secretary shall keep the minutes of all proceedings of the members and of the Board of Directors in books provided for that purpose. He/she shall attend to the giving and serving of notices of all meetings of the members and the Board of Directors and otherwise. He/she shall keep a proper membership book showing the name of the each member of the Club, the book of By-Laws, an up-to-date compilation of Club Policies, the Club Seal and such other books and papers as the Board of Directors may direct. He/she shall execute with the President, in the name of the Club, all certificates of membership, contracts and instruments which have been first approved by the Board of Directors.

2. The Secretary shall perform all duties incident to the office of the Secretary, subject to the control of the Board of Directors.

3. The Secretary shall also perform such duties connected with the operation of the Club as he/she may be directed by the President

Article Ten
TREASURER AND ASSISTANT TREASURER

1. The Treasurer and the Assistant Treasurer shall execute in the name of the Club all checks for expenditures authorized by the Board of Directors. They shall receive and deposit all funds of the Club in the bank selected by the Board of Directors which funds shall be paid out only by check as herein before provided. They shall also account for all receipts, disbursements and balance on hand to the Board of directors in a timely way. They shall provide timely financial statements that indicate revenue, expenditures, assets, liabilities and net worth of the Club.

2. The Treasurer and Assistant Treasurer shall perform all duties incident to the office of the Treasurer, subject to the control of the Board of Directors.

Article Eleven
AIRCRAFT MAINTENANCE OFFICER

1. The Aircraft Maintenance Officer shall be responsible for the maintenance of current information in the log books of the aircraft.

2. The Aircraft Maintenance Officer shall be responsible for maintaining the aircraft in proper operating condition, by or under the supervision of a properly certified aircraft and engine mechanic, and for obtaining all checks, inspections, major overhauls and for compliance with all Airworthiness Directive Notices and service bulletins for the aircraft.

3. The Aircraft Maintenance Officer shall be responsible for all papers required to be carried in the aircraft and for the execution of all papers required upon the completion of inspections and major repairs.

Article Twelve
AVIONICS OFFICER

1. The Avionics Officer shall be responsible for maintaining the aircraft radios and avionics in proper operating condition. This shall include normal preventative maintenance and necessary repairs by or under the supervision of qualified technical personnel.
2. The Avionics Officer shall be responsible for all licensing of radios in Club aircraft.

Article Thirteen
SAFETY OFFICER

1. The Safety Officer shall work in cooperation with the Chief Instructor and the FAA to conduct Safety Seminars.
2. The Safety Officer shall be responsible for fire fighting equipment and overall fire safety.
3. The Safety Officer shall be responsible for building and equipment safety.
4. The Safety Officer shall be responsible for securing adequate insurance coverage for the building and aircraft and enforce the necessary provisions of that insurance.

Article Fourteen
PUBLICITY OFFICER

1. The duties of the Publicity Officer shall be to assume responsibility for all advertising and promotional activity for the Club.

Article Fifteen
BUILDING MAINTENANCE OFFICER

1. The Building Maintenance Officer shall assume responsibility for the care and maintenance of the building contents (other than aircraft), and grounds. Article Sixteen

Article Sixteen
SOCIAL ACTIVITIES OFFICER

1. The Social Activities Officer shall assume responsibility for social functions of the Club.

Article Seventeen
DIRECTORS AT LARGE

1. The Directors at Large shall perform such duties connected with the operation of the club as assigned by the President.

Article Eighteen
VACANCIES

1. If any vacancy occurs on the Board of Directors, or among the Officers of the Club, the Board of Directors shall select a successor to hold office for the unexpired term.
2. If three or more vacancies shall occur at any one time, they shall be filled by a vote of the members at a meeting duly called.

Article Nineteen
CLUB MANAGEMENT

1. The Board of Directors shall make and promulgate rules and regulations governing the operation of Club aircraft and property.
2. The Chief Pilot shall act as day-to-day manager of Club operations, under direction of the President and shall have the option of performing in the capacity of Aircraft Maintenance Officer, Avionics Officer, Safety Officer and/or Building Maintenance Officer to enhance Club operations and to assure compliance with FAR Part 141 and the Rules of Operation.

Article Twenty
AMENDMENTS

1. These By-Laws may be amended at any regular or special meeting of the Club, provided that notification of the proposed amendment be communicated to the entire membership at least ten days in advance of the meeting.
2. A two-thirds vote of the members present at any such meeting shall be required to adopt any proposed amendment.

Article Twenty-One
PARLIAMENTARY AUTHORITY

1. Robert's Rules of Order Revised shall be the parliamentary authority and shall serve as a guide for conduct of all meetings of the Club.

Article Twenty-Two
DISTRIBUTION OF ASSETS UPON DISSOLUTION

1. [Article Twenty-Two (added 4/97) In the event of the dissolution of this corporation, or in the event it shall cease to carry out the objects and purposes herein set forth, all the business, property, and assets of the corporation shall go and be distributed:

   (a) first, to general creditors of East Hill Flying Club, including those holding long term loans to the Club which will be paid back with interest to date;

   (b) second, to Club members proportional to and not exceeding the amount of their refundable deposits, without interest; and

   (c) last, to such non-profit charitable corporation, municipal corporation, or corporations, as may be selected by the board of directors of this corporation so that the business properties and assets of this corporation shall then be used for, and devoted to, the purposes of carrying on nonprofit aviation, and aviation safety, education . In no way shall any of the assets or property of this corporation, or the proceeds of any of the assets or property, in the event of dissolution, go or be distributed to members (except as stated in (b) above), either for the reimbursement of any sums subscribed, donated, or contributed by such members, or for any other such purpose, it being the intent in the event of the dissolution of this corporation, or upon its ceasing to carry out the object and purposes herein set forth, that the property and assets then owned by the corporation shall be devoted to the following nonprofit charitable purpose: Aircraft Owners and Pilots Association (AOPA) Safety Foundation.] 3/27/97

Blue Horizons Flying Club By-Laws

PART A

ARTICLE I - PURPOSE

1. BLUE HORIZONS FLYING CLUB, INC., hereinafter referred to as the "Club" or by name, is an Ohio Non-Profit Corporation organized for the purpose of providing for the social fellowship of the Club's members through the ownership of private aircraft for the members personal, recreational and instructional flying. The mission of the club is to promote the camaraderie and fellowship of pilots and provide well-maintained aircraft for members' use at reasonable cost.

ARTICLE II - MEMBERSHIP

1. Membership in the Club is a voluntary privilege. The number of members in the club is limited to 130 total members. Membership in the Club is provisional and may be terminated by the Board of Officers at any time with or without cause. Any member whose membership in the club is terminated shall, upon return of the aircraft deposit, have no recourse against the Club, any member, or any Officer of the Club.
2. All membership applicants shall provide a completed membership application to the Board of Officers for consideration as a Club Member and shall also provide such other documents as requested consistent with the individual's airmen certificate, as well as pay the aircraft deposit. An applicant shall be granted membership only upon the consent of at least 3 members of the Board of Officers, except in the case of a previous member who is re-applying, in which case approval is required by majority vote by the board members present at the next meeting of the Board of Officers.
    a. All aircraft deposits paid by applicants who are not approved for membership shall be returned within 30 days.
    b. The club will not disclose members' personal information to outside parties except as required by law, in the due course of business (such as for insurance purposes), or as necessary in the interest of safety. Members are not to disclose the club roster to outside parties or use the roster for any commercial purpose, with the exception of occasional training related announcements, without prior permission of the board.

ARTICLE III - CLASSIFICATION OF MEMBERS

1. Club membership classifications are as follows:
    a. Regular: Regular membership is open to all individuals of good moral character who are responsible and financially able to meet the obligations of the club, and who profess an interest in aviation. Regular members in good standing are entitled to hold office and to vote on all issues brought before the membership of the Club. Regular members are entitled to fly aircraft as set forth in Appendix A, consistent with their hours, airmen certificate, medical certificate and good standing with the Club. The regular membership deposit is $1,250.

b. Associate: Associate membership is open to all member's spouses and up to two dependent children. Associate members shall be sponsored by a Regular member who shall be responsible for the flying time and payment of the dues of the Associate member. Associate membership dues shall be one-half (1/2) of the current regular membership monthly dues. Associate members do not have to pay a deposit.
c. Inactive: An existing member who wishes to retain Membership in the Club but is not able or does not desire to fly may retain Membership as an inactive Member by request to the General Manager. Inactive membership is intended for members who have become, or anticipate becoming, physically, mentally, legally, financially or geographically unable to fly with the Club and anticipate being so for at least 6 months. Inactive membership is not available to members who simply do not like to fly in cold weather, as the club's fixed expenses covered by member's dues know no season. Inactive members who wish to become active members will be placed at the top of any waiting list. Inactive members who wish to immediately return to active status may do so by payment of all retroactive dues for the period of their inactivity.
d. Pinch Hitter: A Pinch Hitter membership is available to individuals that are sponsored by a Regular or Associate member in good standing. The intention of a Pinch Hitter membership is solely to improve safety by allowing instruction in Club aircraft; it is not to be used as a trial membership. A member may sponsor a maximum of 1 Pinch Hitter per 12 calendar months. A Pinch Hitter membership is valid for a maximum of 3 calendar months. A Pinch Hitter member may only operate club aircraft under the instruction of an approved instructor and may not receive any training intended for use towards a certificate or rating. A Pinch Hitter need not pay a membership deposit or monthly dues, but is subject to a nonrefundable $100 application fee. In the event of non-payment, the sponsoring member will be held jointly liable.
e. The Board shall have the power to adjust the dues and/or rates for certain members for promotional purposes. This action must be designed, intended, and expected to benefit The Club as a whole. This action requires a unanimous vote of The Board to approve, and any such approved adjustment may be cancelled by a majority vote of The Board.

2. Good Standing: Member in Good Standing means that the member is current in the payment of the monthly dues and flying time. The Board of Officers is authorized to waive the payment of dues for individuals who devote substantial time or resources to Club affairs.
3. Voluntary Surrender or Removal: Any Member may voluntarily surrender membership in the Club at any time. In the event of voluntary surrender or removal, the Club will refund the membership deposit paid less a ten percent administrative charge and any unpaid dues, flight time charges or other charges. However, any member who notifies the club within 30 days of joining of their intention to terminate their membership shall not be subject to the ten percent administrative charge. Club Memberships may not be sold. The Club will refund a membership deposit, less 10 percent and any outstanding charges, to the estate of a deceased member.
4. Membership Ownership Interest: Membership in the Club denotes a non-exclusive ownership interest in the Club aircraft. Members are not entitled to the distribution of any operating surplus or net savings in the Club. All surplus remaining after all operating costs and other expenses are paid shall be retained by the Club to accomplish its purpose.
5. Voluntary or Involuntary Termination of the Club: Upon the termination of the Club's affairs, liquidation of Club assets, and payment of Club liabilities, all Regular Members

shall be entitled to the return of their membership deposit. The sum of $10,000 shall be donated to the Bowling Green State University Aviation program, the sum of $10,000 shall be donated to The Ohio State University Aviation Program, and the balance donated to the AOPA Air Safety Foundation, and the EAA Aviation Foundation, both IRC 501(c)(3) organizations, as the Board of Officers shall decide. If there are insufficient funds to accomplish all of the above, they will be executed in the order shown.

6. Club Obligations: Members may not cause the Club to incur any obligation, for maintenance or other services, nor aircraft or equipment, without prior approval of the General Manager or a Club Officer.
7. Social Events: All members in good standing, regardless of classification, may attend all social events.

ARTICLE IV - INITIAL FEE AND MONTHLY DUES

1. All Regular Members are required to pay the regular membership deposit upon application to join the Club along with the first month's dues. Monthly dues are intended to cover fixed costs of the club whereas the flight time rates are intended to cover operational costs including short and long term maintenance. Monthly dues and aircraft hourly rates may be changed to reflect operational costs and financial needs of the Club on an as needed basis by the board of officers. Current rates are depicted in Appendix A.
2. Monthly dues are assessed in advance at the beginning of every month and are included with a statement of the previous months flying time. Any member whose unpaid balance is carried forward to the next month's billing cycle is classified as past due. The flying privileges will be suspended for any member who is past due until the current balance is paid in full.
3. In the event of unusual or extreme circumstances, the Board of Officers is authorized to levy special assessments on the membership for the purpose of meeting such situations.
4. The Board of Officers may reduce the monthly dues of any member based on service rendered to the club or in extenuating circumstances.

ARTICLE V - MEETINGS

1. Membership Meetings
2. Organizational: The Club Organizational meeting shall be held within 90 days of the end of the fiscal year. This is the Club's annual meeting. A quorum at any membership meeting shall be the members present. Notice of any Organizational meeting shall be sent to the member's last known physical address or email address and shall normally be sent along with the monthly statement. The Newsletter may also be used to give notice to Members. Notice is effective upon mailing to the Member. Members are responsible for keeping the Club advised of any changes in address.
    a. Special: If an emergency arises such that a decision must be made before the annual meeting, the President and any two other officers, or the Vice President and any two other officers, may call a special meeting upon 10 days notice to the membership. Any action taken at a special meeting shall be binding on the membership.
    b. General: General meetings may also be called by any three officers upon the recommendation of any member wishing to organize the meeting for the purpose of information sharing among members and the Board of Officers. Any such general

meeting will be communicated in the monthly newsletter. General meetings shall also be called for social events, safety meetings, and classes.

c. Attendance: Member attendance at meetings is voluntary. However, members in good standing are encouraged to attend all of the meetings and take an active role in the Club. All members, whether attending or not are bound by the decisions made at the Club Membership meetings.

3. Meetings of the Board of Officers
   a. Board of Officers. The Board of Officers shall meet to review club operations, finances, and to address any member concerns or grievances at least every 120 days. The presence of four Officers is required to constitute a quorum and conduct club business. An officer who participates via teleconference shall be deemed "present" by a majority vote of the Officers present in person. Organizational, special, and general meetings qualify as meetings of the Board of Officers as long as a the Officer quorum requirement is met. "Approval by the Board of Officers" is defined as approval of the majority number of the Officers present at any meeting of the Board of Officers.
   b. The general membership is encouraged to attend Meetings of the Board of Officers. The Board of Officers reserves the right to remove any member from such meeting if the member creates such a disturbance as to prevent the due process of the meeting.

ARTICLE VI - ELECTIONS

1. The election of Officers shall be held at the Organizational meeting each year. All nominations will be closed prior to the call to vote. All ordinary Members and Officers shall have one vote.
2. At the Organizational meeting, the membership may submit nominations for the positions to be filled. In the event there are insufficient nominations for the open positions, the President may appoint a nominating committee of three members to present a slate to the membership.
3. All uncontested offices may be confirmed by acclamation by a majority of the members present entitled to vote. Contested offices will be decided upon by written ballot. appropriate for the offices to be elected.
4. Absentee ballots will not be used. Any member entitled to vote and unable to attend the election meeting may designate another voting member as a proxy. All proxies shall be designated and announced as such prior to the call to vote.

ARTICLE VII - OFFICERS

1. The Club Officers shall consist of a President, Vice President, Secretary, Treasurer, Safety Officer, and Maintenance Officer, who shall comprise the Board of Officers. The Officers are elected to represent the interests of the overall club membership. The term of office for the Officers begins immediately upon election and runs until the next election. The duties of each office are as follows:
   a. President: The President shall preside at all meetings and be responsible for the conduct of all Club activities. The President is the chief executive officer of the Club. The President shall also have signature authority on all Club accounts and shall assume the function of the Treasurer in the event that the Treasurer is absent or incapacitated.

b. Vice President: The Vice President shall assume the duties of the President in the absence, incapacity or resignation of the President, as well as any other duties assigned by the Board of Officers.
c. Secretary: The Secretary shall take the minutes of all meetings and insure that all officers receive a timely copy of the minutes. The Secretary is charged with the additional function of Club Historian.
d. Treasurer: The Treasurer is responsible for all financial matters of the Club. The Treasurer shall maintain such accounts as are appropriate for the Club. All disbursements shall be through a Club checking account whenever possible. The Treasurer shall also prepare and submit a balance sheet and income/expense statement for the fiscal year and budget for the coming fiscal year for the review and approval by the Membership at the Organizational meeting. The Treasurer shall also be responsible for the preparation of a financial forecast in accordance with sound financial practices.
e. Safety Officer: The Safety Officer is responsible for recommending safe operating and flying procedures for the Club, as well as overseeing their implementation as appropriate. The Safety Officer shall be responsible for dissemination of appropriate training and flying information to the Members. The Safety Officer is also designated as the Club Chief Pilot.
f. Maintenance Officer: The Maintenance Officer is responsible for maintaining current information in the logbooks of the aircraft, for maintaining the Club's aircraft in proper operating airworthy condition, and for compliance with all Federal Aviation Regulations and Airworthiness Directives. The Maintenance Officer shall be responsible for all maintenance documents, including all aircraft, engine, avionics and propeller logbooks, and for the execution of all documents required for the completion of major repairs and overhauls.
g. General Manager: A General Manager shall be designated by the Board of Officers to manage the day to day administrative and routine managerial functions of the Club. The General Manager shall be responsible to and accountable to the Board of Officers.
h. Newsletter Editor: A Club Newsletter Editor will be designated by the Board of Officers. The Newsletter Editor is responsible for publication of the monthly Newsletter. If the Newsletter Editor is designated from the membership, such individual shall not be considered an Officer solely by reason of such position.

2. In the event that any elected officer resigns, is incapacitated or is otherwise unwilling or unable to continue their duties:
   a. The position may be left vacant with its duties reassigned by the President; or
   b. The board may appoint a replacement for that position on an interim basis not to exceed 120 days by majority vote of a quorum the remaining board if enough board members remain to constitute a quorum. If insufficient board members remain to form a quorum then a unanimous vote is required.
   c. The interim board member may be affirmed for the remaining duration of the original term by vote of the general membership at a meeting held for such purpose with at least 30 days notice. The quorum for such vote shall be the members present that are eligible to vote.
   d. In the event that a quorum of the membership does not vote at such a meeting, the position shall be filled on an interim basis again as described in paragraph (a).

ARTICLE VIII - ACCOUNTING PRACTICES AND EXPENDITURES

1. Monthly statements to members: A statement shall be mailed by the 5th day of each month to all members who have incurred charges payable to the club as of the time of preparation of the statement.
2. Dues, flying time, other charges, and any previous balance carried forward are required to be received by the club by the 25th of each month. Statements not paid by the 25th of each month will incur a charge of 1.5% per month on the unpaid balance. The flying privileges will be suspended for any member who is past due until the current balance is paid in full. Failure to pay may result in termination of club membership.
3. Handling of accounts receivable: An electronic journal shall be kept of all payments by members, fuel credits and other credits, indicating the bank deposit in which any payment was included. The sum of all member payments and other income included in a particular deposit shall be reconciled as equaling the amount of the bank deposit. All payments submitted by members shall be deposited within 10 days of receipt.
4. Cash asset accounts and loans: No cash asset account shall be opened or closed and no loan shall be applied for without the approval of the Board of Officers.
5. Financial statements: The financial statements prepared by the Treasurer will adhere to and reflect continuous use of generally accepted accounting principles and will include an audit trail to all source documents. The chart of accounts shall include as a minimum the following:
   a. Income:
      i. Flight time charges
      ii. Tie-downs and hangar rental
      iii. New member share income
      iv. Interest
      v. Aircraft sales
   b. Fixed Expense:
      i. Aircraft insurance
      ii. Periodic licenses and registration fees
      iii. Property insurance
      iv. Airport use charges (Metcalf)
      v. Aircraft reservation system
      vi. Utilities
      vii. Non-aircraft loan payments or expense
      viii. Taxes
      ix. Office expense
      x. Publications
   c. Aircraft operating expense:
      i. Fuel credits
      ii. Oil
      iii. Parts (for club-performed maintenance)
      iv. Maintenance (non-club performed maintenance)
      v. Annual inspections
      vi. Engine rebuilds/replacement
   d. Other:
      i. Miscellaneous expense

ii. Membership deposits refunded to members
iii. Aircraft purchases and loan payments
e. Club social activities

6. Expenditures: With the exception of expenditures to which the club is legally obligated, and parts purchases or maintenance services approved by the Maintenance Officer, no purchase may be made, no asset disposed of and no service contracted for an amount exceeding $500 without the approval of the Board of Officers.

ARTICLE IX - DETERMINATION OF DUES AND AIRCRAFT FLIGHT TIME HOURLY RATES

1. Monthly dues shall be computed on a not-for-profit basis so as to cover anticipated fixed expenses, future aircraft purchases and upgrades, a base amount to cover annual inspections, and reserves. However, a portion of individual aircraft insurance and/or aircraft loan payments or allocatable purchase charges or anticipated upgrade expenses may be covered instead by:
   a. Flight time charges for a particular aircraft so as to cover that portion of the expense that is excessive compared to the average club aircraft; or
   b. An additional monthly dues charge for members authorized to fly the aircraft in question.
2. Flight time hourly rates shall be "wet rates" (fuel included with purchases reimbursable) and shall be set on a not-for-profit basis based on anticipated expenses and flight time including the following:
   a. Anticipated flight time
   b. Fuel cost based on typical hourly consumption rates and the standard fuel reimbursement rate stated in Appendix A. The standard fuel reimbursement rate shall be set by the Board of Officers. The standard fuel reimbursement rate is the rate at which members are reimbursed for their fuel purchases.
   c. Anticipated routine maintenance expense and adjustments for past maintenance costs
   d. Escrow for engine, propeller, and other Time-between-overhaul based expenses
   e. Anticipated annual inspection cost in excess of the base amount covered under the monthly dues calculation
   f. Insurance in excess of the base amount covered under the monthly dues calculation
   g. Aircraft purchase-related or upgrade-related expenses in excess of the base amount covered under the monthly dues calculation
3. The formulas for monthly dues and aircraft flight time hourly rates, assumptions of all variable factors and estimated costs, and the resultant calculated dues and rates are to be developed, documented, and approved by the Board of Officers at least once during the fiscal year. All documentation and calculations thusly approved shall be available to any member upon request.

ARTICLE X - TRUSTEES

1. All duly elected Officers are also the Trustees of the Club during their term of office. The relationship of elected Officers and Trustees is one of dual status, and, as such, the Officers have the same powers as Trustees under Ohio law, including by way of illustration and not limitation, the power to remove members and to fill certain vacancies of Officers until the next Annual Meeting.

ARTICLE XI - COMMITTEES

1. The Club shall have the following Standing Committees:
   a. Accident Investigation Committee: The Accident Investigation Committee shall be co-chaired by the Club Maintenance Officer and Club Safety Officer and shall consist of those individuals and up to three other non-Officer Members appointed by the President. The Accident Investigation Committee shall be responsible for investigation of all club accidents or incidents. The Accident Investigation Committee is empowered to fix liability if the Board determines that such liability is warranted under the circumstances of the Accident or Incident. Any member who is assessed liability by the Accident Investigation Committee is entitled to a hearing of the circumstances before the membership at a Special Meeting called for such a purpose or at the Annual Meeting.
   b. Safety Committee: This committee is chaired by the Safety Officer and shall consist of all Certificated Flight Instructors authorized to give instruction in Club Aircraft. The Safety Committee is responsible for the review and implementation of safe flying practices and training. Operation of any club aircraft in violation of applicable Federal Aviation Regulations or in an unsafe manner will not be tolerated.
   c. The Club Officers are authorized to appoint as many Ad Hoc committees of Regular Members as are necessary to fulfill the Club purposes, e.g., for the Club social activities.

ARTICLE XII - LIABILITY AND DAMAGE TO AIRCRAFT

1. Insurance: The Club shall maintain insurance on all aircraft against damage to the hull from ground and flight damage, and liability insurance to protect the Club and its members against liability, actions, suits for damages, or judgements of third persons. The Board of Officers shall determine the adequacy of all insurance coverage. The Club assumes no responsibility to a Member for the results of any act or omission while operating Club aircraft except for the protection afforded by such policy or policies of insurance carried by the Club.
2. Damage to Aircraft: Damage to any aircraft shall be promptly reported to the Club General Manager, the Club Maintenance Officer or any other Club Officer. Members are directly responsible for the safe operation of any aircraft under their control. All aircraft are to be operated in accordance with the applicable Federal Aviation Regulations, the operating limitations of the aircraft as set forth by the manufacturer and Club Operational Rules. In the event of damage to a Club aircraft, its engine or equipment, which damage is proximately caused by an act or omission of a Club member, such member shall be liable for the damage sustained and may be assessed the uninsured, non-reimbursable cost of repair or replacement.
3. Gross Negligence or Willful Damage: If any member is found by the Accident Investigation Committee to have caused loss, damage, destruction, or injury to the Club or its aircraft, engines, or equipment through gross negligence or willful violation of any regulation or rule of the Federal Government, any state or the Club or while under the influence of drugs, alcohol or other substances, the member or the member's estate will be held liable for all such loss, damage, or destruction.

ARTICLE XIII - OPERATIONAL RULES

1. The Club Operational Rules are attached as Part B, incorporated by reference, and have the effect of the Club By-Laws.

ARTICLE XIV - AMENDMENTS

1. Any amendment or modification to these By-Laws shall require the approval of two-thirds of the voting membership present at a meeting called for such a purpose after 30 days written notice. Twenty percent (20%) of the number of active members shall constitute a quorum for Amendment or modification purposes. EXCEPTIONS - The Board of Officers may make decisions as to aircraft acquisition and disposition, set hourly flying rates, the initial membership fee and High Performance/Complex or other designated aircraft fee, and set annual dues. A simple majority of the members present at any meeting called for such purpose may modify the Club Operational Rules or Appendix A.

BLUE HORIZONS FLYING CLUB, INC. Adopted by unanimous vote of a membership quorum and entered on the official records of the Club this 19th day of August, 2012, in Pemberville, Ohio.

ATTEST:

_____

President

_____

Secretary

West Valley Flying Club

MEMBER REGULATIONS

"It takes team work to make the dream work"
Version 5.1 Last Updated 02/16/2011

The following are the membership regulations of the West Valley Flying Club, Inc. ("the Club"), a California non-profit corporation. Changes or additions to these regulations may be announced from time to time by the Board of Directors and published in the Club Newsletter. The Club expects each member to be familiar with, and abide by, all Club regulations. Any member, who violates these Member Regulations, or any applicable parts of the Federal Aviation Regulations, is subject to penalty or loss of membership.

GENERAL

The purpose of the Club is to rent well-maintained aircraft and provide first-class flight instruction to its members. Only Club members may act as Pilot-In-Command, receive flight instruction, or otherwise operate Club aircraft. Only FAA Certificated Flight Instructors who are also Club members and have been authorized in writing by the Club Management and the Chief Pilot may give flight instruction in Club aircraft. The Club does not rent aircraft nor provide flight instruction to the general public.

For the convenience of members, there are three ways to participate in the Club: Regular membership, Associate membership, and Family membership. Regular members enjoy full Club privileges including those flight operations for which they are qualified and approved. Associate members participate in the Club social and educational activities, use the front desk for scheduling, and maintain member level access to WVFC websites, but do not have flight privileges. A Regular member can cycle multiple times from Regular to Associate and back again. Family memberships pay ½ of the primary member's club dues. Family members have the same privileges as the primary account holder's membership status. (Family Regular, or Family Associate), Club CFI's must maintain Regular member status in order to instruct in Club aircraft. Members having their aircraft maintained by WVFC must also maintain a regular membership.

APPLICATION & TERMINATION

Applicants for membership will be charged an application fee and last months dues, an additional security deposit may be required. The Board of Directors sets the amount of the application fee and security deposit. The application fee may be waived at the discretion of the General Manager.

Members wishing to terminate their membership in the Club must send written notification to the Accounting Department on or before the last day of the month in which they wish to terminate. Once the member's last month's dues and security deposit have been credited towards the final balance, any amount owed will continue to accrue interest and late penalties until the balance has been paid in full. Any refund due upon termination will be credited to the members' credit card, if applicable, or a check will be mailed.

SCHEDULING

To schedule an aircraft the pilot must be a Regular member in good standing. Prior to operating a Club aircraft, a member must request a reservation and receive a confirmation. Reservations may be made directly by the member via the club's web based scheduling tool (CASSi), or via the telephone during normal business hours.

For flights outside the local area or overnight, the request should include the destination airport and a contact number where the member may be reached. When scheduling via the Internet, this information can be input in the notes section of the CASSi schedule. For flights over 48 hours and out of state or a new member joining to take an extended flight, the member is required to complete an Extended Rental Request, which must be approved by the Chief Pilot before the flight can be made.

Members who are not current or checked out for aircraft are not allowed to pre-reserve aircraft for solo flight until solo flight privileges has been authorized by the chief-pilot's office.

It is the member's responsibility to determine if an overnight flight satisfies the Club minimum flight time requirements of two hours per 24 hour period on weekdays and three hours per 24 hour period on a weekend. Members will be charged the difference if their flight did not meet the minimums. If the proposed flight will result in aircraft charges of $2,000 or more, the member may be required to make an advance payment.

Please let the Front Desk know if you will be more than 30 minutes late for your aircraft reservation. Aircraft not dispatched within 30 minutes of the scheduled time may be released to another member.

Members are expected to return the aircraft keys and the key-book to the Club at or before the scheduled return time. Any member who is unable to return on time must inform the Club office. Repeated lateness, other than that caused by weather or mechanical delays may make the member subject to penalty.

The Club must be notified of all flight cancellations regardless of reason (poor weather, illness, etc.). Failure to notify the Club at least 24 hours in advance, (to permit rescheduling of the aircraft), may result loss of CASSi privileges. The Club will not penalize a member for cancellations due to illness or weather.

AIRCRAFT CHECKOUT & CURRENCY REQUIREMENTS

Every member must demonstrate his or her knowledge and abilities in the aircraft he or she wishes to fly, to the satisfaction of a designated Club flight instructor. The checkout will consist of, at a minimum, a review of aircraft systems, club rules and procedures, pilots desired use/missions, ground handling, and flight maneuvers for which the aircraft and the pilot are certificated. Some aircraft may require a phase check. Please review WVFC aircraft checkout requirements. For six-passenger aircraft, the checkout will include a demonstration with the aircraft at full gross weight.

A member may be required to submit to a check-ride by a Club flight instructor any time it is deemed necessary by the Chief Pilot or General Manager. Any member may request a review or recheck by a different instructor if the member feels there is a difficulty in completing the required checkout.

To act as Pilot in Command, Pilots must be appropriately certificated, have a current medical and BFR. In order to act as pilot-in-command of a particular Club aircraft a member must log one full hour of flight time and make 3 takeoffs and landings to a full stop in a Club aircraft of the same make and model, or a Club aircraft which the Club has designated as satisfying the currency requirements for that make and model, within the preceding 30, 60 or 90 as outlined in the Club's Aircraft Currency Matrix.

A mountain checkout (or low mountain checkout) will be required for any member who wishes to take a Club aircraft to any airport with an elevation higher than 2,000 ft. MSL, or over mountainous terrain higher than 8,000 ft.

Formation flight in Club airplanes is strictly forbidden unless a waiver is received in writing by the Chief Pilot's or General Manager's office.

FLIGHT OPERATIONS

Members are expected to exercise caution when starting or operating aircraft near other aircraft, vehicles or people. Pilots are held liable for any damages created by prop wash from their aircraft.

Members are requested not to drive or park their vehicles on ramp areas except temporarily to unload baggage. Club aircraft are to be taxied slowly; at a speed no faster that one could still stop with a loss of brakes, on all ramp areas, or at any airport. No member may taxi an aircraft through or into a tie-down. When parking an aircraft the pilot should stop on and parallel to the taxiway centerline and push the aircraft back into the tie-down using a tow bar, if provided. When two moving aircraft are on the same taxiway, and aligned in opposing directions the arriving aircraft is required to shutdown and push back out of the way.

Members are required to plan to land with a minimum of one hour of fuel (assuming cruise flight conditions).

The Club member who has reserved the airplane in CASSi is 100% responsible for all damage to the airplane during the scheduled period. The WVFC insurance policy offers full hull coverage, $1 million in liability, with a per-seat limitation of $100,000. A $3,500 deductible applies for no fault claims and a $5,000 deductible if the pilot is at fault. West Valley offers a Deductible Waiver Plan, $125 for 12 months coverage. This Deductible Waiver Plan does not cover excessive wear and tear, which includes but is not limited to: flat spotted tires, dead batteries etc.

Only West Valley approved flight instructors may fly from the right seat, or rear seat of a tandem seat aircraft. Flight Instruction students may apply for a right seat checkout during their instructional period.

No primary student touch-and-goes are allowed in Club aircraft on any runway less than 4000 feet unless accompanied by a Club flight instructor. Touch-and-goes are not permitted at any time in retractable aircraft or aircraft with more than 200 total horsepower, turbo-charged, or which have a placard prohibiting touch-and-goes.

All turbocharged aircraft must be given, at a minimum, a five-minute “cool down” period after exiting the runway.

Intentional spins may only be done in designated airplanes and must be done with an approved Club CFI on board or after the completion of an aerobatics phase check.

All aerobatic maneuvers must be done at or above 3,000’AGL unless a written waiver is given by the Chief Pilot’s or General Manager’s office.

Except in emergencies, operations on dirt, sod, or gravel runways — or at any airport that is not listed in the Airport/Facility Directory — requires prior approval by the Club Manager or Chief Pilot. Dual flights in any of our primary trainers are allowed to Frazier Lake and Columbia. In addition, it is the responsibility of the member to obtain proper permission from the airport operator/owner prior to using any restricted or private use airport.

The Club strongly encourages all members to file a flight plan with the local Flight Service Station and/or to use ATC flight following for all flights of 100 NM or more.

Commercial use of Club aircraft is not permitted. Members may not conduct “for hire” operations of any kind.

RESPONSIBILITIES

Foremost among the concerns of the Club is that all flight and ground operations be conducted in the safest possible manner. Each member is expected to practice safe and courteous flying consistent with all airport, state and federal aviation regulations. **This includes conforming to local noise abatement procedures.**

The Club strives to maintain its aircraft to higher standards than required by the letter of the law and to therefore provide the membership with well-maintained, airworthy aircraft in compliance with FARs. It is, however, the responsibility of the pilot-in-command to ensure that the aircraft that will be operated are, in fact, airworthy, and meets the member’s flight requirements. Members are required to check the MX status of the aircraft prior to every flight. Due to circumstances beyond the control of the Club, such as unforeseen maintenance or the delayed return of an aircraft by another member, there may be occasions where aircraft are removed from service or otherwise made unavailable on short notice. When these situations arise, the Club will do everything possible to provide another aircraft for a scheduled flight, but cannot be held responsible for any inconvenience or expense incurred by the member.

In the event of an accident or incident, resulting in **any** damage to Club aircraft, contact Club staff as soon as practical. Any Club member who is involved in an accident or incident, resulting in any damage to Club aircraft, may not exercise his or her privileges as pilot-in-command in a Club aircraft until he or she has the approval of the Chief Pilot or General Manager. If a Club aircraft is involved in an accident or incident, the pilot-in-command of that aircraft shall be responsible for all costs associated with returning the aircraft to the Club.

It is the member’s responsibility to disclose any accident or incident resulting in damage to non-Club aircraft while acting as pilot-in-command.

It is the member’s responsibility to return aircraft to the appropriate WVFC facility. If the member is unable to do so, any costs incurred in recovering the aircraft will be charged to the member. These costs may include, but are not limited to, the rental charge for a ferry aircraft and the cost of the ferry pilot.

Members are responsible for any personal costs associated with a flight wherein the aircraft experiences mechanical difficulties; however, the cost of returning the aircraft to the Club will not be charged to the member unless the member is found responsible for the difficulty.

AIRCRAFT CARE

Each member is responsible for Club aircraft in his or her charge at all times and is expected to treat the aircraft with the utmost care. The member is required to report all trouble, malfunctions, or damage to a Club aircraft by both recording it on a discrepancy sheet in the key-book and notifying the front desk (if open) upon return.

Animals are permitted in Club aircraft only if carried in a cage. Members will be charged the full expense for cleaning or damage resulting from the transport of an animal.

Smoking is not permitted at anytime in or near Club aircraft, i.e. on the ramp.

Members will be charged for any damage or abuse not previously squawked. Any aircraft damage found by a member during pre-flight inspection must be entered in the discrepancy sheet and initialed by Club personnel or Club CFI before operating the aircraft. Failure to identify and report previously un-documented significant damage (such as flat spots on tires) will result in the member being charged for the damage. In the case that a member notices a discrepancy after/before office hours, the member must make a note on the discrepancy sheet and notify maintenance either by email, maintenance@wvfc.org or telephone (650)856-2030 Ext. 202. If the discrepancy is not reported prior to engine start, the member may be charged for the damage.

Members are expected to conduct their flight operations in a manner that will allow normal climbs, cruises and descents consistent with careful and considerate operation of the aircraft. In particular, descents from altitude shall be planned in a manner to prevent shock cooling of the aircraft engine due to rapid power reduction. No member may knowingly exceed the operating limitations, or WVFC permitted use of the aircraft except during an emergency.

Off-taxiway operations are prohibited for any reason except aircraft parking. Aircraft operations on gravel or other non-paved areas are to be undertaken with the utmost care and concern for the aircraft and surroundings. Members will be held accountable for the total cost of any damage caused by off-pavement operations, i.e., propeller, paint, cleaning, etc.

At the conclusion of the flight, the aircraft is to be returned to its assigned parking place and properly secured with tie down ropes or chains. All control locks, pitot tube covers, and other aircraft protective devices must be replaced. The aircraft interior is to be left neat and clean with all personal belongings and trash removed. In addition, the aircraft ignition and master switch must be turned off. Failure to properly shut down, secure, and clean the aircraft will result in the appropriate charges.

AIRCRAFT CHARGES

Each member is required to record aircraft or simulator usage in the equipments log. The entry must include the member's number, name, date, and beginning and ending Hobbs and tachometer readings (as appropriate). When entering ending time, if the lowest meter digit has begun to move, the next higher number is to be used. If a member encounters a discrepancy between the previous log entry and the current Hobbs or tachometer reading, it must be reported to the office prior to engine start. If a club CFI is present they will document the difference in the logbooks, and office notification will not be necessary. In the case that a member notices a discrepancy after/before office hours, the member must make a note on the log sheet and notify accounting either by email, accounting@wvfc.org or telephone (650)856-2030 Ext. 302. If the discrepancy is not reported prior to engine start, the member may be charged for the entire time.

If a Club aircraft requires maintenance during a rental flight, the member must obtain approval from the Club prior to authorizing any maintenance work on the aircraft. If such approval cannot be obtained, the member must use his or her best judgment in authorizing work, and may be held accountable for expenses for such work. FAA certificated mechanics or repair stations must do any maintenance work performed on Club aircraft. The member must obtain an invoice and/or statement describing all work performed on the aircraft, including the signature and license number of the mechanic or repair station and a maintenance entry/sticker for the airplane's logbook.

It is the member's responsibility to provide original receipts for gas, oil, or maintenance charges paid directly by the member. The Pilot's Club member number and the aircraft tail number must be included on all receipts. No credit shall be given for receipts submitted more than 60 days after the rental period.

BILLING

Monthly dues are charged to each member whether or not the member made any use of the Club services or aircraft during the month. There is no prorating of dues. All members are required to have a valid credit card on file. All flight charges are due and payable upon completion of the flight. All members must authorize autopayment on the credit card on file. To avoid the credit card on file from being charged, a member must maintain a positive balance through other means.

In the event a credit card charge is decline, a member will be considered past due and may be subject to membership limitations such as suspension of Club flight and scheduling privileges.

Past due accounts are subject to a finance charge of 1.5% per month on the unpaid balance (less any security deposit and last month's dues on account). Members with accounts more than 90 days past due are subject to termination and/or legal action, and will be sent to collections. The member is responsible for all costs incurred in the collection process. Any member whose payment record is unsatisfactory will be required to increase the security deposit with the Club.

Blue Horizons Flying Club Operational Rules

General

1. Aircraft provided by the Club are for the exclusive use of its members and their passengers. Members are required to conduct themselves in a manner that is a credit to the Club.
2. Only Club Members, FAA designated examiners and those instructors approved by the board, are authorized to pilot Club aircraft.
3. A member may use Club aircraft for personal transportation, for training of the member, or the member's pleasure. Club aircraft may not be used for commercial operation as defined by Federal Aviation Regulations. The club objective is to maintain an average ratio of 15 members per aircraft. A member who utilizes club aircraft to the extent that they are impeding other member's ability to utilize the aircraft may have a maximum flight time limit imposed at the discretion of the General Manager or Board of Officers.
4. Certificated Flight Instructors approved by the Club are the only individuals who are authorized to give flight instruction in Club aircraft. Instructors are independent contractors and are not provided by the Club.
5. Members may pilot only the Club aircraft for which they have received instruction from an Instructor approved by the Club. Additionally, members must satisfactorily complete a check ride with an approved Instructor in an aircraft of the same major model as the aircraft to be flown. Keys to the various aircraft are to be obtained from the Club hanger on Monday evenings, unless other arrangements are made mutually agreeable to the member and the General Manager.
6. Club aircraft may be flown solo only by individuals who have a current medical certificate and who have completed a flight review as set forth in FAR 61.56, or by student pilots that have flight instructor authorization for solo operation. Members are reminded that insurance coverage is not available if Club aircraft are flown without an up to date flight review and medical.
7. Smoking is not permitted in Club aircraft.
8. Members should obtain an Aircraft Flight Manual/Pilot Operating Handbook for each Club aircraft flown. Flight Manuals and POH's may be ordered from the Parts Department of Crow Executive Air.
9. Monday evenings from 6:00 until 9:00, are designated as Club Membership Aircraft Maintenance Night. All members are encouraged to attend and learn maintenance practices and procedures for Club aircraft as well as enjoy fellowship with all Club members.

Reservation of Club Aircraft

1. No member may fly a Club aircraft without scheduling time for the flight.
2. Aircraft may be scheduled at www.aircraftclubs.com. Login information will be provided for each member by the Board of Officers.
3. Reserve only the time in which you will be using the aircraft.
4. Reservation times are valid for 30 minutes after the time of initial reservation. After the 30 minute period, the reservation lapses and the reservation is forfeited.
5. If the aircraft cannot be returned at the time stated in the schedule, update the schedule. Notify any other members affected by the change.
6. If a member is unable to keep a reservation or arrives back early from a flight, the schedule should be updated so as to allow the aircraft to be used by other members.

Reporting Time and Expenses

1. All flight time will be reported from the Hobbs meter in each aircraft based on each 1/10th of an hour that the aircraft is operated with the engine running. If at least half of the next 1/10th digit is displayed, that number is to be used as the ending time. Discrepancies should be noted in the flight log kept in each aircraft. If the Hobbs meter is inoperative, tachometer time may be used to report time of total operation. The use of tachometer time to report time of operation may be adjusted for billing purposes based on historic ratios between Hobbs and tachometer.
2. PRINT your name neatly and fill out the flight log form completely. Members who fail to document their flying time or do so in an illegible manner will be assessed a $10 administrative fee.
3. If fuel is purchased a receipt must be obtained to receive fuel credit. The reimbursement policy for fuel purchases will vary from time to time. The current rate for reimbursement is depicted in Appendix A at the end of this section. The receipts should be obtained for purchase of other products, such as oil. Credit will be given for the dollar amount of such purchases. Expense statements must be turned in promptly with the monthly statement for credit. Any maintenance services purchased must have approval of the Club Maintenance Officer or the Club General Manager prior to having the service performed. Any maintenance performed outside of these guidelines could become the financial responsibility of the member who authorized the work.
4. All maintenance squawks should be reported in the log kept in the aircraft, followed by notification of the Maintenance Officer or General Manager. If the aircraft is unfit for flight contact the Maintenance Officer or General Manager immediately, and alert any members who had the aircraft reserved within the next 24 hours.
5. Check and follow the procedures for shutdown and securing the aircraft at the completion of all flights.

Club Annual Review

All active members, except those using student pilot certificates, are required to complete the Club annual review within the preceding twelve (12) calendar months to be eligible to act as PIC in Club aircraft. The Club annual review is accomplished by completing one of the following:

1. Completing the Club annual recurrent training program as set forth in Exhibit 1; or
2. Passing an FAA check ride for a pilot certificate, rating, or part 135 check, and completing the biographical portion of the club annual recurrent training form as Exhibit 1; or
3. Club instructors successfully completing the Club Instructor Proficiency Check (CIPC) and completing the biographical portion of the club annual recurrent training form as Exhibit 1.

Club Instructors

Only FAA Certificated Flight Instructors approved by the board of directors are allowed to provide instruction in Club aircraft. The Safety Officer will recommend and evaluate club instructors to the board.

1. The list of approved club instructors is published on the club web site, and is also available from the club general manager.
2. Club instructors are prohibited from providing instruction in club aircraft unless both the instructor and pilot are classified as members in good standing.

The club annual recurrent training program and flight review (hereinafter "Club Review") is designed to ensure member pilots are proficient to legally, safely, and properly, operate club aircraft.

The Club Review exceeds the requirements of FAR 61.56. Pilots who successfully complete the Club Review will also receive an endorsement for completion of the flight review of FAR 61.56. This review shall be conducted by a club instructor using club aircraft.

The Club Review shall consist of a minimum of one (1) hour of ground instruction and evaluation of aeronautical knowledge, and a minimum of one (1) hour of flight instruction and evaluation of piloting skill.

Satisfactory performance
Satisfactory performance means that the member pilot has consistently demonstrated aeronautical knowledge and skill that meets or exceeds the standards set forth in this exhibit.

Upon successful completion of the Club Review, the Club instructor shall endorse the pilot's logbook for the completion of the flight review of FAR 61.56 (see AC61-65E for endorsement language), and certify that the pilot has successfully completed the BHFC Club Review of Club By Laws Part B, Exhibit 1 on a specified date in a manner acceptable to the Safety Officer.

The certifying instructor must have given training meeting these requirements in their entirety. Instruction is not transferable between instructors.

Unsatisfactory performance
Unsatisfactory performance means that the member pilot has not yet consistently demonstrated aeronautical knowledge and skill in the areas set forth in this exhibit. Any training should be logged as instruction received in the usual manner. No endorsements are issued for an unsatisfactory performance.

Should a member pilot's performance be disputed, the club Safety Officer shall be the final authority as to resolving the dispute.

Ground Instruction and Evaluation
The member pilot shall demonstrate sufficient aeronautical knowledge of the following areas, appropriate for the class of pilot certificate held (i.e. Private, Commercial, ATP):

- Club By Laws Part B - Operating Rules.
- Club By Laws Appendix A.
- Aircraft systems (for each type of aircraft pilot is enabled to fly):
    - Engine and propeller.
    - Electrical system.
    - Vacuum system.
    - Pitot-static system.
    - Flight controls.
    - V-Speeds.
    - Limitations.

    - Emergency procedures.
- Special emphasis areas:
    - Positive aircraft control.
    - Stall / spin awareness.
    - Collision avoidance.
    - Wake turbulence avoidance.
    - Land and hold short operations.
    - Runway incursion avoidance.
    - Controlled flight into terrain.
    - Aeronautical decision making and risk management
    - Checklist usage.
- Radio communication procedures.
- FAR Part 61. Sections applicable to maintaining pilot and medical certificates.
- FAR Part 91. Sections pertaining to operations and flight rules.

Flight Instruction and Evaluation

The member pilot shall demonstrate sufficient aeronautical skill in the following areas of operation, appropriate for the class of pilot certificate held (i.e. Private, Commercial, ATP):

- Preflight operations.
- Normal Takeoff and Landing.
- Crosswind takeoff and landing.
- Short field takeoff and landing.
- Soft field takeoff and landing.
- Go-Around / rejected landing.
- Steep turns.
- Maneuvering during slow flight.
- Power Off Stalls (straight and turning):
- Flight by Reference to Instruments:
    - Straight and level flight.
    - Constant airspeed climbs and descents.
    - Turns to headings.
    - Recovery from unusual attitudes.
- Emergency Operations:
    - Emergency approach and landing.
    - Emergency descent.
    - Equipment malfunctions.

Appendix A
Blue Horizons Flying Club Operational Rules
Effective: January 1st, 2013

Monthly Dues

1. Active members: $125.00
2. Associate members: 50% of active membership
3. Inactive members: $16.80

Hourly Rates (including fuel)

1. Piper Warrior II N8115B: $84.00
2. Cessna 172S N315ME: $97.00
3. Piper Cherokee Six N110CF: $149.00

"Wet" Reimbursement Rates

1. $6.00 per gallon AvGas

Requirements to act as PIC in N110CF

1. Private, Commercial, or ATP Pilot certificate.
2. Minimum of 150 hours total time in aircraft.
3. Minimum of 5 hours in type (Piper PA-32).
4. Minimum of 1 hour of instruction by a club approved CFI, including 3 takeoffs and landings, at an aircraft weight within 200 pounds of maximum gross weight; may be part of 5 hour requirement in item #3.
5. Logbook endorsement by a club-approved CFI.
6. Three (3) hours in type within the preceding 6 calendar months, or flight check in type by a club CFI within the preceding 12 calendar months.
7. Primary instruction prohibited.
8. Minimum of 10 hours in an aircraft with a similar fuel system, subject to instructor's discretion.

The club safety officer may waive any of these requirements that are not mandated by insurance on a case-by-case bas