

RED BARON FLYERS, INC.

Effective Date: July 1968

Amended: August 2000

BY-LAWS

ARTICLE I - OFFICE

Section 1. The registered office of the Corporation shall be at the City of Caledonia, County of Houston and State of Minnesota, and the Corporation shall have such other offices at such places as the Board of Directors may from time to time designate. The principal office of the corporation shall be the corporation clubroom at Houston County Airport (CHU).

ARTICLE II - MEMBERSHIP MEETINGS

Section 1. All meetings of the membership shall be held in the City of Caledonia at the office of the corporation or at such other place designated by the Board of Directors.

Section 2. An annual meeting of the membership after the year 1968 shall be held on the first Tuesday after the fifteenth of July in each year. If that date shall fall on a holiday, then on the next succeeding business day, at 8:00 o'clock PM, when the membership shall elect by a majority vote a Board of Directors. The Directors so elected shall thereupon elect officers from their number as provided for in ARTICLE XI of the Articles of Incorporation of this Corporation.

Section 3. Written notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is being called. Such notice shall be mailed or personally delivered not less than five days prior to the date of the meeting by the Secretary, to each member of record entitled to vote at such meeting. In the case of adjournment of a meeting from time to time, no further notice of the adjourned meeting shall be necessary if an announcement is made at the meeting where the adjournment is had, specifying the place, day and hour of the adjourned meeting.

Section 4. Regular meetings of the membership shall be held on the first Tuesday after the fifteenth of each month. Special meetings of the membership may be called at any time upon request of the President, Vice President or a majority of the Board of Directors, or upon a request in writing to the President, Vice President or Board of Directors by three or more members.

Section 5. The presence, in person of six (6) members in good standing, shall constitute a quorum for the transaction of business. In the absence of a quorum, any meeting may be adjourned from time to time. The membership present at a duly called meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum. The President or in his absence, the Vice-President or any other person designated from time to time by the Board of Directors shall preside at all meetings of the membership.

Section 6. Business transacted at all special meetings shall be confined to the purposes stated in the notice.

ARTICLE III - MEMBERSHIP CLASSIFICATION AND PRIVILEGES

Section 1. Membership shall be classified as prospective, active pilot, non-pilot, inactive, and suspended.

Section 2. A prospective member shall be considered as one who has applied for membership in the corporation and is pending final approval by the membership or full payment of monies owed the corporation.

Section 3. An active pilot member shall be considered as one who has completed the application process, has been favorably voted upon by the membership of the corporation, has paid the required fee, holds at least a student certificate and who is not under suspension. He/she shall be entitled to all privileges and benefits afforded by membership in the corporation.

Section 4. A non-pilot member shall be considered as one, who has applied for membership in the corporation, has been favorably voted upon by corporate membership, has paid the required fee, and who is not under suspension. He/she shall be entitled to all privileges and benefits afforded by corporate membership with the following exceptions: such non-pilot member must, when using corporation equipment, arrange for an active pilot member to pilot the aircraft at all times when in their possession. Such non-pilot member shall be responsible for corporation equipment the same as an active pilot member. If at any time a non-pilot member wishes to become a pilot, he/she will become subject to pay the additional membership fee and monthly dues.

Section 5. A suspended member shall be considered as one who has been temporarily denied all the privileges and benefits afforded membership by action of the Board. Dues and assessments of this member shall continue, however, together with any responsibilities obligated to said member. A period of suspension shall be limited to thirty (30) days, at the end of which time the Board shall be required to take further action or the member shall automatically be restored to active status in his respective membership classification.

Section 6. An inactive member shall be considered as one who has applied for membership in the corporation, has been favorably voted upon by corporate membership, has paid the required fee and who is not under suspension. He/she shall be entitled to all privileges and benefits afforded by corporate membership with the following exceptions: such inactive member must, when using corporate equipment, arrange for an active pilot member to pilot the aircraft at all times when in his possession. Such inactive member shall be responsible for corporation equipment the same as an active pilot member. Such inactive member shall not have the privilege of voting either at regular or special meetings for normal business or for the purposes of amending the Articles, Flying Regulations or By-laws. Before a pilot member who is inactive may return to active status: a) such pilot must submit a request to return to active status in writing to a Board member and, b) a majority of active members attending the next duly called meeting must vote in favor of the return to active status. Before acting as pilot in command in any corporation plane, reactivated member must be checked out in that plane by a person designated by the Board of Directors.

ARTICLE IV - MEMBERSHIP APPLICATIONS, RESIGNATIONS, AND EXPULSIONS

Section 1. The number of members in the corporation may be limited from time to time at the discretion of the Board. Such exercise of discretionary limits shall be reasonably based on the amount of equipment and the average amount of time the equipment is in use to the end that each member shall be afforded opportunity for reasonable use of the equipment without undue restriction.

Section 2. An application form for membership shall be addressed to the Secretary, who shall, not later than the next regular membership meeting, bring such application to the attention of the Board for proper action.

Section 3. Upon approval of such application by the Board, the Secretary shall place the name of such applicant on the waiting list provided for applicants if that list be in force. New members must be accepted in order received to fill vacancies from the waiting list. Any resignation of a membership shall be addressed to the Secretary, who, with regard to both new applicants and resignations shall notify all members of such applications to afford them proper opportunity to vote. A prospective member, active pilot or non-pilot member shall be deemed duly elected when he/she shall have received 2/3rds vote of the membership present at a duly called meeting.

Section 4. Resignations shall be addressed to the Secretary who shall, not later than the next regular meeting, inform the Board thereof so that indicated action can be taken.

Section 5. Resignations shall become effective not more than thirty (30) days from the date formal requests are received by the Secretary, but in no event before all monies due the corporation shall have been collected from such resigning member. A member must re-sell his share to the corporation and the corporation shall repurchase such share per ARTICLE VII, Section 1, TABLE 1 and shall have a period of 12 months from the date of offer in which to exercise such right of re-purchase and to make remittance therefore. No membership shall be transferable from one member to another or from a member desiring to resign to a non-member who wishes to become a member.

Section 6. At the discretion of the Board, in conjunction with two-thirds of the active pilot members by secret ballot, an individual's membership may be discontinued. Suspension shall take place immediately upon such action and the final expulsion at a date set by the corporation membership but in no event before all money due the corporation shall have been collected. Upon such action, the member in question shall be required to relinquish their membership upon repurchase of original share.

ARTICLE V - DUTIES OF BOARD OF DIRECTORS, OFFICERS AND MEMBERS

Section 1. The Board of Directors shall consist of six members as provided for in ARTICLE X of the Articles of Incorporation. The six members of the Board shall hold the positions of; President, Vice President, Treasurer, Secretary, Maintenance Officer and Safety Officer. The duties of the Board of Directors shall be to act on all matters of policy, conduct such business deemed necessary, determine the initiation fees, monthly dues and flying charges, act in a judicial capacity on violations of corporation rules, protect the corporation's interest and safeguard its welfare, submit its findings and recommendations to the meetings for approval, and to audit the records and testify thereto. It shall be the duty of all Board of Directors to conduct the activities of the corporation in an efficient and businesslike manner, and to safeguard the interest of the corporation at all times.

Section 2. The President shall preside at the meetings of the corporation, appoint all committees, acting as an ex-officio member thereon, and perform all other duties properly pertaining to his office.

Section 3. The Vice President shall act as President in the absence of the President. In the event of the absence of both President and Vice President at any regular or special meeting, a chairman shall be chosen by the membership present to preside over such meeting. The Vice President shall have the complete charge of all elections except for the replacing of the Vice President, in which case an officer chosen by the Board shall preside. The Vice President will develop a slate of candidates for the Board to be presented for election at the July meeting.

Section 4. The Secretary shall conduct all correspondence at the direction of the corporation or its officers, take the minutes of the meetings, and make an accurate record of all business and proceedings. Minutes of meetings are to be typed and kept on file.

Section 5. The Treasurer shall receive all corporate funds and maintain a corporation account in a depository approved by the Board. The Treasurer shall maintain an accurate record of the financial activities of the corporation, make an annual and monthly report of his official transactions, and perform all other duties as properly pertaining to his office. He shall keep and maintain necessary aircraft records and maintain records of money due the corporation from individual members. The Treasurer shall disburse corporation funds only upon approval of the Board. In the absence of the Treasurer, the President may disburse corporation funds in the manner herein provided.

Section 6. There shall be a Maintenance Officer whose duties shall include the proper maintenance of all corporation equipment and the preparing and rendering of a monthly report on the status of corporation equipment. The maintenance officer shall keep necessary records for proper accounting of the operation of the equipment in close cooperation of the Treasurer, performing such work, as he is able to perform within FAA Regulations. He shall have the power to ground corporation equipment when the interests of safety, in his own discretion, require such actions.

Section 7. A Safety Officer shall be responsible for the overall safety concerns of the corporation. From time to time safety or educational programs may be presented to the membership. The Safety Officer shall keep accurate records of members' medical certificate and FAA Biennial or "Wings" certification. Members found not in compliance will be grounded immediately. Members found flying corporation aircraft illegally are subject to severe disciplinary action by the Board.

Section 8. The duties of the members shall be to attend monthly meetings. Members are expected to attend at least two meetings per year. To serve on committees as assigned by the President. To conduct themselves in a proper and fitting manner, uphold the dignity of the corporation at meetings and on the flying fields and elsewhere. Be alert and mindful of the corporation's interest, refrain from debate or discussion of corporate activities in the presence of persons not members of the corporation, exercise due caution and safety in flying, observe all state, local, corporate, insurance and FAA, policies regulations.

ARTICLE VI - GENERAL FINANCES

Section 1. All property, including aircraft, equipment, and accessories, purchased by the corporation, purchased jointly by the corporation membership or donated shall be owned outright in the name of the corporation.

Section 2. In the event of any damage to any equipment belonging to the corporation, except where provided for elsewhere in corporate regulations, the cost of repairs or replacement not covered by insurance shall be raised by an equal assessment of the active members of the corporation. The following specific rules shall apply:

- Any member is liable to the corporation for any damage resulting from his own carelessness or negligence.
- In the event of the person at fault not being able to pay the total damages, the balance of the repair bill shall be assessed upon that person's membership of the corporation and taken from the corporation treasury.
- In case of doubt as to the cause of an accident, the Board shall meet to determine such cause and liability if any. The Board has the power to investigate accidents and penalize one or more members of the corporation for violation of good flying practices.

Section 3. From time to time assessments may be levied to include, but not limited to, large expenditures such as major engine overhaul or purchase new aircraft or equipment.

Section 4. All assessments shall be due and payable by each and every member so assessed within thirty (30) days or such other date as may be designated by the Board.

Section 5. Any member of the corporation, finding it necessary to purchase gas, oil, or parts, or to have any repair work performed on the equipment of the corporation, in an emergency or on a cross country, may do so in his own name. Upon presentation of a properly receipted bill for such sales and or services, such bill having been approved by the Board shall be reimbursed or given credit by the Treasurer.

Section 6. Compensation to officers or members of the corporation for any services rendered may be made in a reasonable amount commensurate with duties performed as determined by the Board, with final approval of the corporation membership.

Section 7. Any member who is in arrears of any monies due the corporation for any reason whatsoever at the regular meetings, and who fails to make full payment within thirty (30) days, shall be automatically suspended and be denied use of all corporation equipment. The Treasurer shall take immediate steps to notify the President who shall restrain that member from such use. The suspension in this case shall be for thirty (30) days, at the end of which time, unless full payment is made, the member may be declared by the Board as resigned and shall forfeit all interest, rights, privileges, and share in corporation assets. Any amount due this member shall be held in the corporation treasury until such time as a majority of the members provide for its disposal and then returned only after all debts to the corporation have been deducted therefrom. If amount in treasury of such member is not sufficient to pay his debts to the corporation, then the corporation may take legal action to recover balance due.

Section 8. An annual report of the corporation's financial books and records shall be made prior to the election of officers.

ARTICLE VII - INITIATION FEES, RE-PURCHASE, DEPOSITS, AND ASSESSMENTS

Section 1. An initiation fee or membership fee per TABLE 1 shall be charged each new member. New members shall pay at least 50% of said sum at the time of application for membership and shall have sixty days to pay the balance, or when such applicant solos, whichever event occurs first.

TABLE 1

<u>As of Date</u>	<u>Initiation/Membership Fee</u>	<u>Re-Purchase Price</u>
July 1968	\$350.00	\$262.50
June 1991	\$1000.00	\$500.00
September 1998	\$1350.00	\$500.00

Section 2. Monthly dues per TABLE 2 shall be levied and is payable by all members on or before the next succeeding regular monthly meeting date. This policy also applies to charges for aircraft flight time. Past due accounts will be charged interest and positive balances will accrue interest as determined by the Board.

TABLE 2

<u>As of Date</u>	<u>Monthly Dues</u>
	\$15.00
December 1988	\$20.00
November 1991	\$25.00
September 1995	\$50.00 (w/\$20.00 credited toward flying, if used that month)
October 2002	\$60.00 (w/\$20.00 credited toward flying, if used that month)

Section 3. Assessments as provided for in Article VI, Sections 2, 3, & 4 may be made on members of the corporation in the event expenditures threaten to deplete the corporation treasury below a practical working capital as determined by the Board.

ARTICLE VIII - FLYING RATES

Section 1. Charges for flying time per TABLE 3 shall be determined by the Board and approved by the membership based on actual cost of operation.

TABLE 3

<u>As of Date</u>	<u>C177</u>	<u>C172</u>	<u>C150</u>	
	\$25.00	\$25.00	\$17.50	
December 1988	\$30.00	\$30.00	\$20.00	
September 1998	\$35.00	\$35.00	\$25.00	
June 2000	\$40.00	\$40.00*	\$30.00	
June 2005	\$44.00	\$44.00*	\$33.00	
July 2006	\$48.00	\$48.00*	\$36.00	*includes sales tax

Section 2. A minimum charge equal to the cost of one-hour flying time shall be paid for each twenty-four (24) hour duration. No minimum charge shall be made for a period for which a member presents evidence satisfactory to the Board that flying was prohibited by circumstances beyond the pilot's control.

Section 3. The Board, at its discretion, shall levy an appropriate fine on members who abuse the one-hour flying time privilege referred to in Section 2.

ARTICLE IX - FLYING REGULATIONS

Section 1. Flying Regulations and any other regulations and policies deemed necessary by the membership of the corporation shall be adopted and have the same force and effect as if a part hereof.

Section 2. Each member of the corporation shall thoroughly familiarize themselves with all Flying Regulations, the content of these By Laws, and the Articles of Incorporation of this corporation. Each member shall moreover familiarize himself with local field rules of any and all airports or any field where the corporation equipment is based. Members must comply with all Federal Aviation Administration regulations and observe all such rules, regulations and requirements set forth in this document to the best of their ability as a condition precedent to final acceptance and active membership in the corporation. Membership may be called upon to attest to the requirements of this article and subsection in writing upon order of the Board of Directors.

Section 3. The Board except where a specific penalty may be provided shall determine penalty for violation of any of the provisions of corporate regulations

ARTICLE X - AMENDMENT

Section 1. Amendments to these By Laws may be effected by a two-thirds favorable vote of the active pilot membership present at a duly called meeting.

Section 2. Amendments to these By Laws shall be forthwith incorporated herein by the Secretary and thereupon each member of the corporation shall receive a copy of such amendments.. Similarly, a copy of the original By Laws shall be provided each of the members of the corporation upon the adoption of such By Laws and written receipt shall be made therefore to the Secretary. The Secretary or his designee shall keep the master record of this document on computer as well as a hard copy.

{Original master copy signed by 48 members including 8 founding members}