

Associated Pilots, Inc.

By-Laws

1 NAME AND ORGANIZATION

The name of this corporation is ASSOCIATED PILOTS, INC.

All references herein to Agreement of Association shall be construed to mean the agreement of the Association of Associated Pilots, Inc., dated 3 June, 1963.

The principal office of the Corporation shall be in the Commonwealth of Massachusetts.

These by-laws, the authority and powers of the Directors and members, and all matters concerning the conduct and regulation of the activities of the Corporation shall be subject to such provisions in regard thereto as may be set forth in said Agreement of Association.

ASSOCIATED PILOTS, INC shall be a non-profit and non-sectarian community service organization.

The fiscal year of the Corporation shall begin on the first day of June and end on the thirty-first day of May.

2 PURPOSES

To promote and advance the skills of pilots of private aircraft; to foster the knowledge and observance of flying regulations; to encourage safety in the maintenance and flying of the aircraft; and to own and provide aircraft to its members at an economical rate.

3 MEETINGS OF THE MEMBERS

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

The annual meeting of ASSOCIATED PILOTS, INC shall be held during the month of June at such time as the Board of Directors shall determine.

Notice of the annual meeting of members shall be given in writing and mailed or e-mailed to each member at his/her last known place of business or residence at least five (5) days before such annual meeting.

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 signed by at least 40% of the members and mailed, e-mailed or delivered to the President. It shall be the duty of the Clerk to call such meeting within thirty (30) days after such a demand.

Notice of the 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 annual meetings. If all members shall be present at any meeting, any business may be transacted without previous notice.

At any meeting of the members, a quorum shall comprise 30% of the members in good standing or seven (7) members, whichever is the larger number.

The President, or in his/her absence, the Vice-President, or, in the absence of the President and Vice-President, a chair elected by the members present shall call the meeting of the members to order and shall act as presiding officer of thereof.

At each annual meeting of the members, there shall be an election of a President, Vice-President, Clerk and Treasurer. Provided that there is a quorum present, a majority vote of the members present shall be sufficient to elect any officer or member of the Board of Directors.

At every meeting of the members, each member shall have only one (1) vote.

A majority vote of the members present is necessary and sufficient for the adoption of any resolution.

In lieu of a meeting of the members, any resolution, special election, or amendment to the by-laws can be passed by a simple majority of all the members of ASSOCIATED PILOTS, INC, polled by e-mail, phone or mail, indicating their approval, disapproval or abstaining. For this method to be used, all members so polled must be notified at least 7 days in advance by good-faith effort that the vote is being taken.

4 OFFICERS

The officers of the Corporation shall be: President, Vice-President, Treasurer, Clerk, and such other officers as may be elected by a majority vote of the members of the Corporation present at their annual meeting, or by a majority vote of the Board of Directors meeting at any other time, always provided that such officers are elected in conformity with the General Laws of the Commonwealth of Massachusetts, and that a quorum of the Board of Directors is present.

The officers shall be elected by a majority vote of the members present at the annual meeting of the Corporation for a one (1) year term, provided that a quorum is present, and shall hold office until their respective successors are elected and take office.

Vacancies among the officers which occur in the interval between annual meetings may be filled by the majority vote at any regular meeting of the Board of Directors or at any special meeting called for that purpose, among others, due notice of which meeting shall have been given to the members of the Corporation, or by mail, phone or e-mail as indicated by Article 3. An officer so elected shall hold office until the end of the term for which he/she has been elected and until his/her successor has been elected and taken office.

If the holder of any office shall be absent from three (3) consecutive meetings of the membership or three (3) consecutive meetings of the Board of Directors, if he/she be a member of the Board of Directors, his/her office may be declared vacant by a majority vote of the Board of Directors.

No compensation shall be paid to any officer for any service rendered to the Corporation except for professional services rendered which have been approved in advance of their performance by a majority of the Board of Directors at a meeting called for that purpose, among others, due notice of which meeting shall have been given to the members of the corporation.

4.1 PRESIDENT

The President shall be the chief executive officer of ASSOCIATED PILOTS, INC, and shall preside at all meetings of the Corporation and shall preside at all meetings of the Board of Directors unless a Chair shall be elected to preside at any such meeting by a lawful quorum of the meeting, and is present so to act.

The President shall appoint chairs and members of committees, and advisory boards authorized by the members at the annual meeting or by the Board of Directors at any special or regular meeting unless the vote of the members of the Corporation or the Directors shall otherwise provide by a majority vote.

The President shall appoint an Operations Manager and Aircraft Maintenance Managers, such appointments being subject to ratification by a majority vote of the Board of Directors or the members at an annual meeting or as indicated by Article 3. Alternatively, these positions can be filled by nomination and election by members at the annual meeting.

The President shall have general charge of the business of ASSOCIATED PILOTS, INC; shall discharge such other duties as the Board of Directors shall determine by majority vote, and shall discharge such other duties as are not inconsistent with these by-laws and which are properly and reasonably incidental to the nature of his/her office.

The President shall, jointly with the Clerk, execute all certificates or membership and all written instruments except for checks, promissory notes, mortgages and other evidence of indebtedness, which certificates and instruments shall have received prior approval by a majority of the Board of Directors.

The President shall, jointly with the Treasurer, execute promissory notes, mortgages and other evidence of indebtedness after said instruments have received prior approval by a majority of the Board of Directors.

The President shall recommend for approval to the Board of Directors all operational rules of ASSOCIATED PILOTS, INC and shall report with recommendations for action all violations of such rules by any member of ASSOCIATED PILOTS, INC.

In the absence or incapacity of the Treasurer, the President shall execute checks in the name of ASSOCIATED PILOTS, INC. for expenditures authorized by the Board of Directors.

4.2 VICE–PRESIDENT

The Vice President shall be vested with all of the powers and shall perform the duties of the President in case of absence or disability of the President.

The Vice President shall also perform such duties connected with the operation of ASSOCIATED PILOTS, INC as he may be properly required by the President.

4.3 TREASURER

The Treasurer shall execute checks, and, jointly with the President, promissory notes, mortgages and other evidences of indebtedness after the said instruments have received prior approval by a majority of the Board of Directors. He shall receive all monies of ASSOCIATED PILOTS, INC and deposit all monies in the depository selected by the Board of Directors, which funds shall be paid out only by check as hereinbefore provided. He shall keep books of account, maintained according to sound accounting practices, showing all receipts and disbursements and the balance on hand.

The Treasurer shall perform all duties normally incident to his/her office, subject to supervision and control of the Board of Directors.

The Treasurer shall also perform such duties connected with the operation of ASSOCIATED PILOTS, INC as he may be properly required to perform by the President.

The Treasurer shall distribute to the members a full financial report of the Corporation at each annual meeting. The annual report shall include statements of all receipts and disbursements, and statements showing the assets and the liabilities of the Corporation. The annual report shall cover the current year and the next preceding year, and any additional year that the Board of Directors may request.

The Treasurer shall periodically, and in any case no less than once each year, review the operational expenses of ASSOCIATED PILOTS, INC and provide the Board of Directors with his/her estimate of future trends in costs and revenues, and suggest rates in accordance with the principles of financial operation set forth in Article 7.

4.4 CLERK

The Clerk shall serve as the Recording Secretary of the Corporation. He/she shall keep the permanent minutes of all meetings of the members and of the Board of Directors. These notes shall be recorded in manner and format for ready transfer from computer to computer. He/she shall attend to the giving and serving of notices for all meetings. He/she shall keep a list of the members showing name and address. He/she shall keep under his/her control the By-Laws, Operation Rules and such other books and documents as the Board of Directors may direct. To the extent possible, they shall be kept in electronic form for easy transfer from computer to computer.

The Clerk shall, jointly with the President, execute all certificates of membership and all written instruments except for checks, promissory notes, mortgages and other evidences of indebtedness, which certificates and instruments shall have received prior approval by the majority of the Board of Directors. In the absence or disability of the Treasurer, he/she shall execute checks in the name of ASSOCIATED PILOTS, INC for expenditures authorized by the Board of Directors.

The Clerk shall distribute at least once each year a copy of the current Operations Rules to each member and shall furnish a copy of these rules and a copy of the By–Laws to each new member on his/her joining ASSOCIATED PILOTS, INC.

The Clerk shall perform all duties normal incident to the office of Clerk and those normally performed by the Secretary of a Corporation, all subject to the control of the Board of Directors. The Clerk shall also perform such duties connected with the operation of ASSOCIATED PILOTS, INC. as are properly required by the President.

4.5 DIRECTORS

The powers, business and property of ASSOCIATED PILOTS, INC. shall be exercised, conducted and controlled by the Board of Directors

The Board of Directors shall comprise seven (7) members, of whom four (4) shall be the duly elected officers and three (3) others shall be elected as provided in Article 3. The other elected officers, such as Maintenance Managers or Operations Manager can be made automatic members of the seven-member Board of Directors at the will of the membership.

In case of a vacancy on the Board, the remaining members of the Board of Directors can fill the vacancy by a majority vote of the Board or by the method of election in Article 3.

Meetings of the Board of Directors may be called at any time by order of the President or on order of three (3) directors. Notices of meetings of the Board of Directors, stating time and, in general terms, the purpose, shall be mailed, phoned, e-mailed or hand delivered to all members. All meetings but disciplinary hearings shall be open to all of the members.

Four (4) directors shall constitute a quorum of the Board at all meetings and the affirmative vote of at least a majority of the directors present shall be necessary to pass any resolution or authorize any act of ASSOCIATED PILOTS, INC. Alternatively, with the exception of disciplinary hearings, decisions can be reached by e-mail. All directors must be polled and agreement by at least four (4) directors shall be necessary to pass any resolution or authorize any act of ASSOCIATED PILOTS, INC. E-mail discussion, debate and voting should be broadcast to all members.

Each member of the Board of Directors shall serve without any monetary remuneration or compensation, except as otherwise provided in these By-Laws.

The Board of Directors shall cause to be kept a complete record of all its acts and proceedings of its meetings and to keep the members informed of its decisions and findings. Electronic distribution of minutes and resolutions shall constitute compliance with this obligation.

The Board of Directors shall have the power and authority to promulgate and enforce through fines, grounding and other suitable measures, all rules and regulations pertaining to the use and operation of ASSOCIATED PILOTS, INC. property and to do and perform, or cause to be done and performed, any and every act which ASSOCIATED PILOTS, INC. may lawfully do and perform.

4.6 OPERATIONS MANAGER

The Operations Manager shall be directly responsible to the President, and shall make and enforce decisions regarding suitability of all equipment and the qualifications of all members for every type of flight operation. By checking with the President, Clerk and Treasurer, he/she shall keep advised of the good standing of each member. The Operations Manager is empowered to refuse flight time to any member not in good standing.

4.7 AIRCRAFT MAINTENANCE MANAGER(S)

The Aircraft Maintenance Manager(s) shall be responsible for maintaining the current information in the logbooks of the aircraft.

They shall be responsible for maintaining the aircraft in proper operating condition, by or under the supervision of a properly certificated aircraft and engine mechanic, and for obtaining all checks, inspections and major overhauls and for compliance with all service bulletins for the aircraft.

They 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 inspection and major repairs.

Using e-mail or phone, members shall inform the appropriate Maintenance Manager of any and all aircraft problems. Using e-mail, the Maintenance Manager(s) shall alert the membership to these problems as well as coordinating repairs and the use of the aircraft.

5 SAFETY BOARD

The Board of Directors, at its option, may appoint an ad hoc Safety Board for any aircraft accident or incident or violation for the federal air regulations or corporate operations rules of these bylaws involving either a member of ASSOCIATED PILOTS, INC. or any equipment belonging to ASSOCIATED PILOTS, INC.

The Safety Board shall comprise the Operations Manager as Chair, together with two (2) other members of ASSOCIATED PILOTS, INC. not involved in the accident.

The Safety Board shall take all steps necessary to ascertain the facts, conditions and circumstances of the accident; shall arrive at conclusions regarding the probable cause and the responsibility for said accident; and shall make known to the Board of Directors and to all parties involved in the accident its findings in the form of a written report. The report may be delivered electronically.

The Safety Board is empowered to investigate any and all violations of the FAA rules and regulations hereinafter covered in Article 9 of these By-Laws and report to the Board of Directors.

5.1 HEARINGS

The Board of Directors, upon receipt of the findings of the Safety Board, shall offer to all parties involved in the accident, incident or violation the opportunity of a hearing. After the hearing, or if such hearing is waived by all parties involved in the accident or violation, the Board of Directors shall fix the financial or other responsibility, if any, such decision to be final. In no event shall the said financial responsibility be more than the insurance deductible.

Financial responsibility shall not be assessed under the following paragraph, unless the Board of Directors determines that the accident or damage is the result of a violation of FAA rules and regulations or the By-Laws or Operation Rules and Regulations of ASSOCIATED PILOTS, INC., in which case the party responsible for the accident or damage may be assessed up to the insurance deductible.

All financial obligations imposed on any members as a result of the decision of the Board of Directors under this Article shall be satisfied within thirty (30) days of written notice.

The Board of Directors is empowered at its discretion to cancel the membership in ASSOCIATED PILOTS, INC. of any member failing to satisfy the provision of the preceding paragraph and to take any necessary action to collect the sum due.

The Board of Directors is empowered to cancel the membership of any member who is found to have willfully violated FAA rules and regulations or the By-Laws or Operation Rules and Regulations of ASSOCIATED PILOTS, INC.

6 MEMBERSHIP

Membership in the Corporation may be conveyed at any time to an applicant approved written form by at least three (3) members of the Board of Directors. Members will participate in the assets of ASSOCIATED PILOTS, INC. upon its dissolution, the extent of such participation being based on a prorated share as determined by the member's refundable investment.

The Board of Directors may from time to time determine the maximum number of members of ASSOCIATED PILOTS, INC. consistent with the following limitations:

A member in good standing cannot be deprived of membership by a reduction in the authorized maximum number of members.

The membership may not exceed ten (10) per aircraft, except that up to five (5) new members may be admitted within the six months period preceding the acquisition of an additional aircraft.

A person admitted to membership in accordance with Article 6 shall become a member with full rights and privileges upon payment of an initial fee, the amount of which shall be determined by the Board of Directors from time to time. Upon payment of the initial fee, the new member shall be entitled to receive a certificate of membership on a form approved by the Board of Directors.

A member who is not in default of any obligation to the Corporation and is not then in violation of any of the provisions of these By-Laws may resign from the Corporation upon thirty (30) days notice in writing to the Clerk. The Board of Directors may, in their absolute discretion, refund any part of said resigning member's initial fee.

Under normal circumstances, it shall be the policy of ASSOCIATED PILOTS, INC. to refund the initial fee less seven hundred and fifty dollars (\$750), with a pro rata reduction for engine overhaul determined as follows:

The Treasurer shall determine if a deficit exists in the engine overhaul account and what the resigning members share is of that deficit, based on hours flown. If there is a disagreement on this determination, the decision of the Board of Directors shall be final. The assessment to cover the pro-rata share of the engine overhaul deficit must be settled upon resignation.

In case the resigning member does not recruit his/her own replacement, normal dues may in addition be deducted from the refund until a replacement member is found, or, up to a maximum of six months if no replacement member is found within that period. So long as dues are being deducted from the refund, the resigning member may continue to exercise the full privileges of membership.

Members shall pay monthly dues as assessed by the Board of Directors.

Members shall pay hourly charges for use of ASSOCIATED PILOTS, INC. equipment and facilities, to be determined by the Board of Directors from time to time according to the principles set forth in Article 7.

Members will be assessed interest for late payment of monies due ASSOCIATED PILOTS, INC., the rate of interest to be determined by the Board of Directors and to be established in general conformity with prevailing interest rates for commercial installment purchases. If a member fails to pay all monies, or to make appropriate arrangements with the Board of Directors for the payment thereof within sixty (60) days of the due date, the member shall be suspended from flying ASSOCIATED PILOTS, INC. aircraft, and the Board of Directors shall determine whether expulsion or other action against the delinquent member is called for.

Members in violation of the Corp. Operations Rules or FAA Regulations may be disciplined by the Board of Directors through fines, grounding, or other appropriate measures. A member made subject to such disciplinary action shall, on his/her request, be granted a hearing before the Board of Directors.

Except as otherwise provided in Article 5.1, a member can be expelled by a vote of at least eighty (80) percent of the members present at a regular meeting, provided that the question of his/her possible expulsion was included in the notice of such regular meeting or of a special meeting of the members called for that purpose.

Each member shall maintain an e-mail account and check it regularly for API communications.

A member who is to be absent from the Boston area for an extended period of time may request and the Board of Directors may grant a suspension of activity during which the member pays no dues and makes no use of the equipment. Such a member is still responsible for assessments and may continue to exercise his/her right to vote and participate in decisions by e-mail.

7 FINANCIAL OPERATION

With the advice of the Treasurer, the Board of Directors shall periodically review and adjust all rates to maintain ASSOCIATED PILOTS, INC in a sound financial position and to avoid the need for extra assessments upon the members. The following policies should serve as guidelines but are not binding upon the Board of Directors. Whenever the Board of Directors deviates substantially from these policy guidelines, a rationale of the rate structure should be provided to the members.

The hourly charge for the aircraft should be adjusted to meet as nearly as possible all direct operating expenses of oil and maintenance, including small maintenance charges arising from minor negligence and including suitable reserves for periodic inspections and major overhauls.

The dues should be adjusted to meet as nearly as possible all fixed expenses, including but not limited to insurance, tie-down and hangaring, scheduling service, and interest and principle on mortgages.

ASSOCIATED PILOTS, INC. shall maintain a separate account for engine overhaul and in the annual report, this asset shall be compared to the liability of engine depreciation. (Passed at the annual meeting, 1997)

Should an assessment be required for engine overhaul, each member's share will be proportional to the number of hours that that member has flown on that engine since the last overhaul. (Passed at the annual meeting, 1997)

8 AMENDMENTS

These By-Laws, with the exception of Article 1, may be repealed or amended by new By-Laws adopted at any meeting of the members called for that purpose or at any regular meeting of the members by a two-thirds majority vote of such members, provided that any contemplated change is included in the written notice of such meeting or by an e-mail vote in which two-thirds of the total membership vote affirmatively to adopt such changes.

ASSOCIATED PILOTS, INC shall not be dissolved without approval by written ballot of eight (80) percent of the active members in good standing.

Article 1 of the By-Laws cannot be repealed or amended without approval by written ballot of eighty (80) percent of the active members in good standing.

9 INCORPORATION OF FAA REGULATIONS

All rules, laws and regulations of the FAA (Federal Aviation Agency) which would be applicable to the operation of any aircraft that shall be operated by ASSOCIATED PILOTS, INC., are hereby made a part of the By-Laws of ASSOCIATED PILOTS, INC., and any violation of FAA rules, laws and regulations by a member of ASSOCIATED PILOTS, INC shall automatically become a violation of the By-Laws of ASSOCIATED PILOTS, INC., and such a member or members shall be subject to investigation by the Safety Board or Committee and any subsequent disciplinary or other action covered by Article 5.1 (Hearings).

10 SEAL OF THE CORPORATION

The corporate seal of the Corporation shall comprise two concentric circles, between which shall be the name of the Corporation and the word "Massachusetts", and there shall be inscribed in the center thereof "Incorporated 1963".

11 CERTIFICATION

The above ten (10) articles represent the By-Laws of ASSOCIATED PILOTS, INC., as amended at the special meeting on Monday, 7 December 2009 and duly recorded by the undersigned.

Ted Lester
President of the Corporation
7 December 2009