

**OPERATING AGREEMENT FOR ADDISON FLYERS, LLC**

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**OPERATING AGREEMENT FOR ADDISON FLYERS, LLC**

**INTRODUCTION**

The undersigned are all of the Members of Addison Flyers, LLC, a Limited Liability Company formed under the laws of the State of Texas. The undersigned hereby adopt the following Operating Agreement pursuant to the LLC laws of the State of Texas, and do hereby certify and agree as follows:

**ARTICLE I – PURPOSE**

1. The purpose of the Corporation shall be to provide for its members convenient means for flying at the most economical rates. All flying for this corporation is intended to be for RECREATIONAL PURPOSES ONLY, under guidelines of the FAA and IRS.

**ARTICLE II – NAME**

1. The name of the Company is Addison Flyers, LLC. The business of the Company may be conducted under such trade or fictitious names as the Members may determine.

**ARTICLE III – OFFICES AND REGISTERED AGENT**

1. The principal office of the Company is located at ----- . The Company may have other offices, inside or outside the State of Texas as the Members may designate.

2. The registered office of the Company in the State of Texas is located at ----- . The registered agent of the Company for service of process at that address is Business Filings Incorporated at 8025 Excelsior Drive, Ste 200, Madison, WI 53717.

**ARTICLE IV – MEMBERS**

1. The names of each initial Member, their capital contributions, and percentage interests are as follows:

<u>Name</u>	<u>Capital Contribution</u>	<u>Percent Interest</u>
On File		

2. Additional Members may be admitted upon the consent of a majority of Members.

3. With majority vote of Members, a Member may withdraw from the Company according to the terms stipulated by the remaining Members.

**ARTICLE V – MEETING OF MEMBERS**

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

2. The annual meeting of the Corporation shall be held during September at such time as the Board of Directors shall determine.
3. Notice of the annual meetings of the members shall be given by written or email notice to each member at his last known physical or email address at least ten (10) days before such annual meetings.
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 three (3) members. It shall be the duty of the Secretary to call such meetings within thirty (30) days after such demand.
5. Notice of special meetings of members, stating the time and in general terms the purpose thereof, shall be given in a like manner as the notice required for the regular annual meetings. If a majority of the members shall be present at any gathering, any business may be transacted without previous notice.
6. At any meeting of the members, a quorum shall consist of a majority of the members who are in good standing. A member in good standing will be defined as having no unresolved issues with the Board of Directors and have paid all monies, dues or fines owed to the corporation.
7. The President, or in his absence the Vice President, or in the absence of the President and Vice President, a Chairman elected by the members present shall call the meetings of the members to order and shall act as the presiding officer thereof.
8. At every meeting of the members, each member shall have only one vote. A member may vote either in person or by proxy executed in writing by the member. An electronic mail (email) message to the Secretary or another form of electronic transmission, including telephone or facsimile transmission by the member, shall be treated as an execution in writing for purposes of this Article provided the Secretary receives the proxy prior to the meeting. Votes cast by mail or email will be accepted provided they are received by the Secretary prior to the meeting when the vote is to be taken.
9. A majority vote of the members is necessary for the adoption of any resolution and for the election of a member to the Board of Directors.
10. When urgent Corporation business is required between meetings, an electronic vote may be called for and votes may be cast by electronic means in accordance with this Agreement.
11. Parliamentary procedures will be followed and minutes will be kept at all meetings.

## **ARTICLE VI – DIRECTORS**

1. The powers, business, and property of the Corporation shall be exercised, conducted, and controlled by a board of directors of up to five (5) members.

2. The Board of Directors of the Corporation shall consist of the five (5) elected officers of the Corporation.
3. In case of a vacancy in the Board, the vacancy shall be filled by vote of the members at a meeting duly called.
4. Regular meetings of the Board of Directors shall be called at a time and place to be determined by the President. The meeting may be conducted by electronic means, if agreed to by the majority of the Board of Directors.
5. Special meetings of the Board of Directors shall be called at any time on the order of the President or on the order of two (2) Directors.
6. Notice of special meetings of the Board of Directors stating the time and, in general terms, the purpose shall be mailed, emailed or personally given to each Director not later than three days before the day appointed for the meeting. If all Directors shall be present at any meeting, any business may be transacted without previous notice.
7. A majority of Directors shall constitute a quorum of the Board at all meetings and the affirmative vote of at least two (2) Directors shall be necessary to pass any resolution or authorize any act of the Corporation.
8. Each member of the Board of Directors shall serve without any compensation or reward, except as otherwise provided in these bylaws.
9. The Board of Directors shall cause to be kept a complete record of all its acts and proceedings of its meetings and to present a full statement at the regular meeting of the members, showing in detail the condition of the affairs of the Corporation.
10. The Board of Directors may assign to any member any duty or office which the Board deem appropriate and necessary to the conduct of the Corporation and which is not otherwise expressly provided of in these bylaw.
11. The Board of Directors may engage salaried personnel from outside the Corporation membership to perform such service in behalf of the Corporation as the Board deems appropriate and necessary.
12. The Board of Directors shall have the power an authority to promulgate and enforce all rules and regulations pertaining to the use and operation of Corporation property and to do and perform or cause to be done and performed any and every act which the Corporation may lawfully do and perform.

## **ARTICLE VII – OFFICERS**

1. The elected officers of the Corporation shall have a President, Vice President, Secretary, Treasurer, and an Aircraft Maintenance Officers.
2. The President, Vice President, Secretary, Treasurer, and Aircraft Maintenance Officer shall be elected by the members at the first meeting after organization of the

corporation and thereafter at the regular annual meeting of the members and shall hold office for twelve (12) months and until their successors are elected and qualified.

3. All officers shall serve without compensations or reward.

#### **ARTICLE VIII – PRESIDENT**

1. The President shall be the Chief Executive Officer of the Corporation. He shall preside at all meetings of the Corporation and The Board of Directors. He may call any special meeting of the Corporation and the Board of Directors. He may call any special meetings of the members or the Board of Directors and shall have, subject to the advice and control of the Directors, general charge of the business of the Corporation, and shall execute with the secretary, in the name of the Corporation, all certificates of membership, contracts, and instruments other than checks which have been first approved by the Board of Directors.

2. The President shall be responsible to the Board of Directors for the operation of the Corporation. He shall make and enforce decisions regarding the suitability of all equipment and the qualifications of all members for each type of flight operation. He shall recommend for approval to the Board of directors all operational rules of the Corporation and shall report with recommendations all violation of such rules by any member of the Corporation.

#### **ARTICLE IX – 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 Corporation as he may undertake at the suggestion of the President.

3. The Vice President shall serve as the Safety Officer and function as Chairman of the Safety Board.

#### **ARTICLE X – 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 shall attend to the giving and serving of notices of all meetings of the members and of the Board of directors and otherwise. He shall keep a proper membership book showing the name of each member of the Cooperation, the book of bylaws, the Corporation seal, if any, and such other books and papers as the Board of Directors may direct. In the absence or disability of the Treasurer and under the direction of the President he shall execute in the name of the Corporation checks for expenditures authorized by the Board of Directors. He shall also maintain an appointment book for the operation of the aircraft, unless this task is otherwise assigned.

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

3. The Secretary shall perform such duties connected with the operation of the Corporation as he may undertake at the suggestion of the President.

#### **ARTICLE XI – TREASURER**

1. The Treasurer shall receive and deposit all funds of the Corporation in the bank selected by the Board of Directors, which funds shall be paid out only by check as herein before provided. He shall also account for all receipts, disbursement, and balance on hand.

2. The Treasurer will provide a quarterly report of the financial status of the Corporation to the Board of Directors. The Treasurer shall provide, upon request, the latest completed report of financial status to any member.

3. The Treasurer will inform the President on the twentieth (20th) of each month if any members are delinquent and notify him when such delinquency plus any fines have been paid.

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

5. The treasurer shall also perform such duties connected with the operation of the Corporation as he may undertake at the suggestion of the President.

6. The Treasurer shall execute with the President, in the name of the Corporation, all certificates of membership, contracts, and instruments which have been first approved by the Board of Directors.

7. The Treasurer shall also maintain a manual or electronic appointment book for the operation of the aircraft, unless this task is otherwise assigned.

#### **ARTICLE XII – AIRCRAFT MAINTENANCE OFFICER**

1. The Aircraft Maintenance Officer shall be responsible for maintaining current information in the logbooks 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 power plant mechanic, and for obtaining all inspections, major overhauls and for compliance with all service bulletins for the aircraft.

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

4. The Aircraft Maintenance Officer shall not be held liable for any failure of the aircraft, even due to negligence. It is the Operator's (Lessee) responsibility to ensure the function and airworthiness of the aircraft for every flight.

### **ARTICLE XIII – VACANCIES**

1. If the Office of President becomes vacant, the Vice President shall become President and the members shall elect a new Vice President.
2. If any other Office becomes vacant for any reason, the members shall elect a successor at the next meeting. The newly elected officer shall hold office for the unexpired term.

### **ARTICLE XIV – SAFETY BOARD**

1. A safety Board shall be designated by the Board of Directors for each aircraft accident involving either a member of the Corporation or any equipment or person, providing such accident resulted in damage or personal injury exceeding the sum of One Thousand dollars (\$1,000.00).
2. The Safety Board shall consist of three (3) Board of Directors of the Corporation who were not involved in the accident, one of which will be the Safety Officer. The Safety Officer will be the highest ranking company officer on the Safety Board.
3. The Safety Board shall take all steps necessary to ascertain the facts, conditions, and circumstances for the 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.
4. The Safety Officer shall serve as Chair of the Safety Board.

### **ARTICLE XV – HEARINGS**

1. The Board of directors, upon receipt of the findings of the Safety Board, shall offer to all parties involved in the accident the opportunity of a hearing. After the hearing, or if such hearing is waived by all the parties involved in the accident, the Board of directors shall decide the financial responsibility. The decision of the Board of Directors shall be final.
2. The Board of Directors shall not impose financial responsibility on any member in excess of the insurance deductible limits for any one accident, unless the damage results from a violation which is not covered by insurance carried on the aircraft; then the party responsible for the damage shall be liable for the full amount. Recommendation of the Board shall be approved by majority recorded vote of all Corporation members.
3. All financial obligations imposed on any member as a result of the decision of the Board of directors shall be satisfied within thirty (30) days of written notice. Otherwise, the member's share is forfeited. The member remains responsible for any remaining financial obligation that is not satisfied by the forfeiture of the share value. The share value shall be determined by the Board of Directors.

## **ARTICLE XVI – MEMBERSHIP**

1. New members may be admitted to the Corporation only after being approved by a unanimous vote of the members. Membership shall be limited to five (5) members per aircraft.
2. Upon purchase of shares of the assets of the Corporation and approval by the membership, the Corporation shall issue to each member a certificate of membership on a form approved by the Board of Directors.
3. Share-Replacement Withdrawal – (Transferring Share) – A member may withdraw from the Corporation upon notification to the Secretary in writing thirty (30) days in advance and said member may make withdrawal final within the next ninety (90) days without further notification provided that the withdrawing member has disposed of all share in the assets of the Corporation to a new member acceptable to the Corporation. The Corporation shall have the first option to purchase the share of a member wishing to withdraw from the Corporation, at the established share value, and the Corporation shall have thirty (30) days from the withdrawal notice to exercise this option.
4. Non-Share-Replacement Withdrawal – (Relinquishing Share) – A members may request to withdraw from the Corporation upon notification to the Board in writing. The Board may complete the withdrawal within ninety (90) days of the request by notifying the member in writing. The member must be in good standing, and not delinquent. The member will forfeit his share and value of the share back to the Corporation. This action must have Board approval.
5. A member may be expelled by a two-thirds vote of the members voting at any regular or special meeting by the members. Ten (10) days notice shall be given to each member who shall have the right to be heard in person at a meeting of the Corporation called for this purpose. A member so expelled shall receive from the Corporation a sum equal the established value of the share of the Corporation less any monies, dues or fines owing to the Corporation.
6. In the event of the death of a member, the Corporation shall have the first option to purchase from the estate the member's share in the assets of the Corporation. If a member wishes to name in his/her will a beneficiary of his/her share in the assets of the Corporation, the named beneficiary must be acceptable to the Corporation.

## **ARTICLE XVII – MEMBER PAYMENTS**

1. Dues. Each member shall be assessed monthly dues, paid one (1) month in advance. The amount of monthly dues may be changed by a simple majority vote of the members.
2. Flying Hours. Members will record their flying hours, based on tachometer readings, in a log book that will be kept in each aircraft. The Treasurer will compile, for invoicing and recording, the flying hours for each member following the end of each

month. The hourly aircraft rate may be changed by a simple majority vote of the members.

3. Late Payment Penalties. Members shall be invoiced for Flying Hours, less accumulated account credits, and Dues by the fifth (5<sup>th</sup>) day of the current month. A member's accumulated account credits shall not reduce the member's monthly dues. Payment is due when invoices are received. Members are solely responsible for remitting payment directly into Addison Flyers bank account either by bank-to-bank electronic transfer or by personal check. If payment is not credited to Addison Flyers bank account by the close of business on the eighteenth (18<sup>th</sup>) day of the current month, the Treasurer is authorized to debit the delinquent member's account by \$25. In addition to other penalties that may apply, should the delinquent member fail to pay the outstanding current month balance and remain in delinquent status, the Treasurer is authorized to debit the delinquent member's account an additional \$25 on the first day of any and all subsequent months the member remains delinquent. If a member is scheduled for lengthy travel or vacation, early payment is authorized by pre-arrangement with the Treasurer. The amount of late payment penalties may be changed by a simple majority vote of the members.

4. Delinquency. Any member who has failed to pay Dues, Flying Hours, or any other sum due the Corporation that is past due more than 90 days shall be considered delinquent and a member not in good standing (subject to the discretion of the Board), implemented by majority vote of the Board of Directors. At this point the member shall be automatically suspended from flying the Corporation aircraft and engaging in any other Corporation activity. At the discretion of the Board of Directors, the member shall be considered in default and proceedings may take place to revoke the member's share and privileges. If implemented, the member will receive no refund of any share value or credit balances, but will be responsible for any outstanding amounts due to the Corporation.

## **ARTICLE XVIII – CORPORATION FINANCES**

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

2. The Treasurer is authorized to expend Corporation funds in payment for all normal fixed costs of the Corporation and all operating costs. The Treasurer must obtain approval from the Board of Directors for any unusual expenditure and all expenditures in excess of One Thousand dollars (\$1,000.00).

3. The Maintenance Officer may authorize work on Corporation aircraft in an amount up to One Thousand dollars (\$1,000.00) without seeking approval from the Board of Directors. The Maintenance Officer must consult with the Treasurer before authorizing any work to determine whether there are sufficient funds to pay for the work.

4. Individual members will be reimbursed for any reasonable expenditure, as determined by the Board of Directors, when such expenditures are for Corporation

aircraft repairs or maintenance necessary to safely complete a trip back to Addison Airport.

5. No member, officer, Director, or any other individual shall obligate the Corporation to any purchase, repair, or service in an amount in excess of Two Hundred Fifty dollars (\$250.00) without the approval of a majority of Board of Directors, except as otherwise authorized within these Agreements.

#### **ARTICLE XIX – FLIGHT PROFICIENCY PROGRAM AND FLIGHT RULES**

1. The Board of directors shall develop, or cause to be developed, a Flight Proficiency Program for all members to include, but not necessarily limited to, periodic check rides with qualified flight instructors, minimum number of flight hours per month, minimum number of landings per month, and periodic refresher courses. The Flight Proficiency Program must be approved by a majority of the Corporation members.

#### **ARTICLE XX – SURPLUS**

1. The net savings or surplus remaining after all operating costs and other expenses have been paid shall remain in the Corporation's treasury for the purchase of new equipment, for engine overhaul, for contingencies, or for the purpose of reducing the hourly rates for flying as shall be determined by the Board of Directors. The net savings in any event shall not be distributed to the members for their individual use.

#### **ARTICLE XXI – AMENDMENTS**

1. These bylaws may be repealed or amended or new bylaws adopted at any meeting of the members called for that purpose or any regular meeting of the members by a two-thirds majority vote of such members.

#### **ARTICLE XXII – DISSOLUTION**

1. Dissolution shall be and assets distributed after obligations have been met.

#### **ARTICLE XXIII – MISCELLANEOUS PROVISIONS**

1. This Operating Agreement embodies the entire agreement and understanding among the Members with respect to the subject matter within. This Operating Agreement supersedes any and all other agreements, either oral or written, among the Members with respect to the subject matter within.

2. Every provision of this Operating Agreement is intended to be severable. The invalidity or illegality of any particular provision of this Operating Agreement will not affect the other provisions, and this Operating Agreement will be construed in all respects as if such invalid or illegal provisions were omitted.

3. This Operating Agreement may be amended or revoked at any time by the written consent of all of the Members.

4. This Operating Agreement will be governed by, construed, and enforced in accordance with the laws of the State of Texas.

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THE UNDERSIGNED, being all of the Members of Addison Flyers, LLC evidence their adoption and ratification of the foregoing Operating Agreement of the LLC.

Dated: \_\_\_\_\_

Signatures on File