

## **BYLAWS OF CLASSIC JET AIRCRAFT ASSOCIATION. INC.**

These Bylaws (the “Bylaws”) govern the affairs of CLASSIC JET AIRCRAFT ASSOCIATION, INC., a nonprofit corporation (the “Association”) organized under the Texas Non-Profit Corporation Act (the “Act”).

### **ARTICLE 1 — OFFICES**

1.01 — Principal Office — The Association may have such other offices, either in Texas or elsewhere, as the Board of Directors may determine. The Board of Directors may change the location of any office of the Association.

1.02 — Registered Office and Registered Agent — The Association shall comply with the requirements of the Act and maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical to the Association’s principal office in Texas. The Board of Directors may change the registered office and the registered agent as provided in the Act.

### **ARTICLE 2 — MEMBERS**

2.01 — The Association shall have 3 (three) classes of membership —

- (a) Full Membership — must be an owner or LOA holder of one or more classic jet aircraft. Has full voting privileges.
- (b) Associate Membership — must have an interest in classic jet aircraft. Has no voting privileges.
- (c) Honorary Membership — conferred by the Board of Directors on individuals who have made exceptional contributions to aviation or the CJAA. Has no voting privileges.

2.02 — Admission of Members and Renewal of Membership — Natural persons may be admitted to membership in the Association by the Board of Directors or by a committee designated by the Board to handle such matters. The Board of Directors or a Board-designated committee may adopt and amend application procedures and qualifications for all classes of membership in the Association. An affirmative vote of the majority of the directors or a Board-designated committee present and voting shall be required for admission of any applicant who meets the membership qualifications then in effect. A member may renew membership by paying all required fees and dues.

2.03 — Membership Fees and Dues — The Board of Directors may set and change the amount of an initiation fee, if any, and the annual dues payable to the Association by all classes of membership. Dues shall be due and payable on or before December 31<sup>ST</sup> of the preceding year. Dues are delinquent the day of the annual meeting. The membership is suspended at the start of the membership meeting.

2.04 — Certificates of Membership — The Board of Directors may provide for the issuance of certificates evidencing membership in the Association. When a person has been admitted as a member and has paid all required fees and dues, the Association

shall issue a certificate of membership to the person. If a certificate is lost, mutilated, or destroyed, a new certificate may be issued.

2.05 — Voting Rights — Each Full Member shall be entitled to one vote on each matter submitted to a vote of the members.

2.06 — Sanction, Suspension, or Termination of Members — The Board of Directors may impose reasonable sanctions on a member, or suspend or expel a member from the Association, for good cause after a hearing. Good cause includes the default of an obligation to the Association to pay fees or dues for a period of ten (10) days following delivery of notice of default, or a material and serious violation of the Association Articles of Incorporation, Bylaws, or rules, or of law or ethics. No director, officer, or member may use or attempt to use the CJAA for personal gain. Such effort shall constitute grounds for removal from office and termination of membership, the sanction to be determined by the Board of Directors.

2.07 — Prohibited Acts — As long as the Association is in existence, and except with the prior approval of the Board of Directors, no member, director, officer, or committee member of the Association shall:

- (a) Do any act in violation of the Bylaws or of a binding obligation of the Association.
- (b) Do any act with the intention of harming the Association or any of its operations.
- (c) Do any act that would make it impossible or unnecessarily difficult to carry on the intended or ordinary business of the Association.
- (d) Receive an improper personal benefit from the operation of the Association.
- (e) Use the assets of this Association, directly or indirectly, for any purpose other than carrying on the business of this Association.
- (f) Wrongfully transfer or dispose of Association property, including intangible property such as goodwill.
- (g) Use the name of the Association (or any substantially similar name) or any trademark or trade name adopted by the Association, except on behalf of the Association in the ordinary course of business.

2.08 — Resignation — Any member may resign from the Association by submitting a written resignation to the Secretary. The resignation need not be accepted to be effective. A member's resignation shall not relieve the member of any obligations to pay any dues, assessments, or other charges that had accrued and were unpaid prior to the effective date of the resignation.

2.09 — Reinstatement — A former member (one who has been terminated by the Board of Directors ) may submit a written request for reinstatement of membership. The Board of Directors may reinstate membership on any reasonable terms that the Board deems appropriate.

2.10 — Transfer of Membership — Membership in the Association is not transferable or assignable, and terminates on dissolution of the Association. Membership is not a property right that may be transferred upon a member's death.

2.11 — Waiver of Interest in Association Property — All real and personal property, including all improvements located on the real property, acquired by the Association, shall be owned by the Association. A member shall have no interest in specific property of the Association. Each member hereby expressly waives the right to require partition of all or part of Association property.

### ARTICLE 3 — MEETINGS OF MEMBERS

3.01 — Annual Meeting — The Board of Directors shall hold an annual meeting of the members at the annual convention or at another time the Board of Directors designates. The annual meeting may be held on a Saturday, Sunday, or legal holiday. At each annual meeting, the Members shall elect directors, as their terms may require and transact any other business that may properly come before the meeting. If, in any year, the election of directors is not held on the day designated for the annual meeting, or at any adjournment of the annual meeting, the Board of Directors shall call a special meeting of the Members as soon thereafter as possible to conduct the election of directors.

3.02 — Special Meetings — Special meetings of the members may be called by the Board of Directors, or not less than one-third (1/3) of the Full Members.

3.03 — Place of Meeting — The Board of Directors may designate any place, either within or without the State of Texas, as the place of meeting for any annual meeting, or for any special meeting called by the Board of Directors. It is the intention of the Association to hold the annual meeting at the annual convention.

3.04 — Notice of Meetings — No notice of the annual meeting need be given if it is held during the annual convention. Written or printed notice of any other meeting of members, including an annual meeting not held during the annual convention, shall be delivered to each Member entitled to vote at the meeting not less than fifteen (15) days nor more than fifty (50) days before the date of the meeting. If more than one-half of the Members meet and consent to the holding of a meeting, any action may be taken at the meeting regardless of a lack of proper notice. Notice may be by first-class mail, fax or e-mail, from addresses and fax numbers on file with the Association.

3.05 — Quorum — A majority of those members eligible to vote who register during the first day of any meeting, and any duly recorded proxies - not to total less than 40 (forty) - shall constitute a quorum for the remainder of that meeting. Should enough members thereafter leave during the meeting so there is less than the initially established quorum, those remaining may continue to transact the business of the Association by majority vote.

3.06 — Action of Membership — The membership shall endeavor to act by consensus. However, the vote of a majority of Members in good standing, present and entitled to

vote at a meeting at which a quorum is present, shall be sufficient to constitute the act of the membership unless the vote of a greater number is required by law or the Bylaws. A member in good standing is one who has paid all required fees and dues and is not suspended as of the start of the meeting. Voting shall be by ballot, voice or show of hands, except that any election of directors shall be by ballot.

3.07 — Proxies — A member entitled to vote may do so by proxy, in accordance with the conditions set forth in section 12.03.

3.08 — Voting by Mail — The Board of Directors may authorize Full Members to vote by mail on the election of directors and officers and any other matter that may be voted on by a Full Member.

3.09 — Agenda — The Secretary shall prepare an agenda, approved by the Association's officers. It shall cover any items which the officers in good faith believe should be considered by the membership. The agenda shall be included in the notice of any meeting. Failure to list an item shall not prevent its being raised at the meeting.

#### ARTICLE 4 — BOARD OF DIRECTORS

4.01 — Management of the Association — The affairs of the Association shall be managed by the Board of Directors.

4.02 — Number, Qualifications, and Tenure of Directors — The number of directors shall be seven (7). A director need not be a resident of Texas. A director must be a Full Member of the Association. A director must be an owner or Experimental Aircraft Rating/LOA holder of one or more classic jet aircraft. Membership lapse constitutes an automatic termination of the directorship. A director's term is three (3) years.

4.03 — Nomination of Directors — While directors are encouraged to nominate individuals for director, and include their names in the agenda, any member may do so from the floor at the annual meeting.

4.04 — Election of Directors — Directors shall be elected by the vote of the Full Members of the Association. Each director shall hold office until the end of his or her term. A director may not be re-elected until he or she has been off the Board for at least two (2) years.

4.05 — Vacancies in the Board of Directors — Any vacancy occurring in the Board of Directors: whether by resignation, inability to perform the duties of a director, death or removal by the Board, shall be filled by an Alternate to the Board, for the remainder of that Directors term.

4.06— Number, Qualifications and Tenure of Alternates to the Board of Directors — The number of Alternates to the Board shall be two (2). An alternate need not be a resident of Texas. An alternate shall be a Full Member of the Association. An alternate must be an owner, operator or LOA holder of one or more classic jet aircraft. Membership lapse constitutes an automatic termination of the alternate position.

4.07 — Nomination of Alternates to the Board of Directors — While directors are encouraged to nominate individuals for an Alternate to the Board, and include their names in the agenda, any Full Member may do so from the floor at the annual meeting.

4.08 — Election of Alternates to the Board of Directors — Alternates shall be elected by the vote of the Full Members of the Association. An alternate's term is for one (1) year.

4.09 — Vacancies of an Alternate Position — Any vacancy of an alternate to the Board position ; whether by resignation, inability to perform the duties of alternate, death or removal by the Board, shall be filled by an appointee of the Board selected from the qualified membership, to serve the remainder of the term of that alternate.

4.10 — Annual Meeting — The annual meeting of the Board of Directors shall be held immediately after, and at the same place, as the annual meeting of Members. No notice is required.

4.11 — Regular Meetings — The Board of Directors may provide for time and date of regular meetings by resolution stating the time and place of such meetings. They may be held either within or without the State of Texas. Should the resolution not specify otherwise, they shall be held at the Association's registered office in Texas. The Secretary, as a reminder, shall send a notice of any meeting to the directors at least five (5) days before scheduled. Meetings may be held by telephone conference.

4.12 — Special Meetings — Special meetings of the Board of Directors may be called at the request of any four directors. The person or persons authorized to call a special meeting of the Board may fix any place, either within or without the State of Texas, as the place for holding any special meeting of the Board called by them, and notify the Association Secretary of the time and place, and any other information required to be in the notice of the meeting. The Secretary shall give notice to the directors as required by the Bylaws. Meetings may be held by telephone.

4.13 — Agenda — The President or his designee shall conduct meetings of the Board of Directors, ensure that a meeting agenda is prepared, adhered to and disseminated to each director. The designee must be a director.

4.14 — Notice — The Notice of any regular or special meeting of the Board of Directors shall be delivered to each director and alternate not less than five (5) nor more than thirty (30) days before the date set. It shall state place, day, time, a contact phone number, names of the directors who called the special meeting and the purpose or purposes for which it was called. Notice may be by first class mail, fax or E-mail.

4.15 — Quorum — A majority of directors shall constitute a quorum for the transaction of business. The directors present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough directors leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least four (4) directors. If a quorum is present at no time during a meeting, a majority of the directors present may adjourn and reconvene the meeting one time without further notice.

4.16 — Duties of Directors — Directors shall exercise ordinary business judgment in managing the affairs of the Association. In acting in their official capacity as directors of the corporation, Directors shall act in good faith and take actions they reasonably believe to be in the best interests of the Association and that are not unlawful. In all other instances, the Board of Directors shall not take any action that they should reasonably believe would be opposed to the Association's best interests or would be unlawful. A director shall not be liable if, in the exercise of ordinary care, the director acts in good faith, relying on written financial and legal statements provided by an accountant or attorney retained by the Association.

4.17 — Duties of Alternates — Alternates will attend the meetings of the Board of Directors and become familiar with the issues and workings of the Board. Alternates do not have a vote on the Board.

4.18 — Actions of Board of Directors — The Board of Directors shall try to act by consensus. However, the vote of a majority of directors present and voting at a meeting at which a quorum is present shall be sufficient to constitute action of the Board of Directors unless the act of a greater number is required by law or the Bylaws. A director who is present at a meeting and abstains from a vote is not considered to be present and voting for the purpose of determining the decision of the Board of Directors. For the purpose of determining the decision of the Board of Directors, a Director who is represented by proxy in a vote is considered present.

4.19— Proxies — A director may vote by proxy executed in writing by the director. The written proxy must be dated, signed by the director, specify the meeting for which it is intended and whether it is a general proxy or is limited to a specific issue. A copy of the written proxy must be delivered to the director who will hold the proxy and one (1) other Director. The proxy will expire at the end of the specified meeting or in thirty (30) days.

4.20 — Compensation — Officers, directors and members serve without compensation, unless a special service is required which reasonably requires reimbursement for time or costs expended.

4.21— Removal of Directors — The Board of Directors may vote to remove a director at any time for good cause. Good cause for removal of a director shall include the unexcused failure to attend three consecutive meetings of the Board of Directors and for any matter set forth in Section 2.06 of these Bylaws. A meeting to consider the removal of a director may be called and notice provided following the procedures provided in these Bylaws. The notice of the meeting shall state that the issue of possible removal of the director will be on the agenda and the possible cause for removal. The director shall have the right to present evidence at the meeting as to why he or she should not be removed. The director shall have the right to be represented by an attorney at and before the meeting. At the meeting, the Association shall consider possible arrangements for resolving the problems that are in the mutual interest of the Association and the director. A director may be removed by the affirmative vote of four (4) directors.

4.22 — Removal of Alternates — The Board of Directors may vote to remove an alternate at any time for good cause. Good cause for removal of an alternate shall include the unexcused failure to attend three consecutive meetings of the Board of Directors and for any matter set forth in Section 2.06 of these Bylaws. A meeting to consider the removal of an alternate may be called and notice provided following the procedures provided in these Bylaws. The notice of the meeting shall state that the issue of possible removal of the alternate will be on the agenda and the possible cause for removal. The alternate shall have the right to present evidence at the meeting as to why he or she should not be removed. The alternate shall have the right to be represented by an attorney at and before the meeting. At the meeting, the Association shall consider possible arrangements for resolving the problems that are in the mutual interest of the Association and the alternate. An alternate may be removed by the affirmative vote of four (4) directors.

## ARTICLE 5 — OFFICERS

5.01 — Officer Positions — The officers of the Association (corporation) shall be a President, a Vice President, a Secretary and a Treasurer. Officers must be Full Members and directors.

5.02 — Election and Term of Office — The officers of the Association shall serve terms determined annually by the Board of Directors.

5.03 — Removal — Any officer may be removed by the Board of Directors with good cause.

5.04 — President — The President shall be chief executive officer of the Association, and shall supervise and control all business and affairs of the Association. The President shall preside at meetings of the membership and the Board of Directors; and execute any deeds, mortgages, bonds, contracts, or other instruments that the Board of Directors has authorized to be executed. The President shall perform other duties prescribed by the Board of Directors and all duties incident to the office of President. The President must be a director.

5.05 — Vice President — When the President is absent, is unable to act, or refuses to act, the Vice President shall perform the duties of the office. He or she shall be elected at the annual meeting of the Board to serve until the end of the term of the current President.

5.06 — Secretary — The Secretary shall:

- (a) Give all notices as provided in the Bylaws or as required by law.
- (b) Take minutes of the meetings of the members and of the Board of Directors and keep them as part of the Association's records.
- (c) Maintain custody of the Association's records and corporate seal.
- (d) Affix the corporate seal to all documents as required.

- (e) Keep a register of the mailing address of each member, committee member, director, officer, and employee of the Association, unless otherwise delegated by the President.
- (f) Perform such other duties as may be assigned by the President or Board.
- (g) Perform all other duties customarily incident to the office of Secretary.

5.07 — Treasurer — Except as may otherwise be established by the Board of Directors, the Treasurer shall:

- (a) Have charge and custody of and be responsible for all funds, securities and other financial matters of the Association.
- (b) Receive and give receipts for monies due and payable to the Association from any source.
- (c) Deposit all monies in the name of the Association in the banks, trust companies, or other depositories, as provided in the Bylaws, and authorized by the Board of Directors or the President.
- (d) Write checks and disburse funds to discharge obligations of the Association. Funds may not be drawn from the Association or its accounts for amounts greater than \$1000.00 without the signature of the President or other Board authorized officer, in addition to the signature of the Treasurer. However, the Board may authorize other individuals, who need not be members, to write checks and disburse funds to discharge obligations of the Association, subject to limitations it shall prescribe.
- (e) Maintain the financial books and records of the Association.
- (f) Prepare annual financial reports, and others as may be required by the President or Board.
- (g) Perform such other duties as may be assigned by the President or Board.
- (h) If required by the Board of Directors, give bond for the faithful discharge of his or her duties in a sum and with a surety as the Board may determine.
- (i) Perform all other duties appropriate to the office of Treasurer.

## ARTICLE 6 — COMMITTEES

6.01 — Establishment of Committees — The Board of Directors may adopt a resolution establishing one or more committees delegating specified authority to a committee, and appointing or removing members of a committee. If the Board of Directors delegates any of its authority to a committee, the committee shall consist only of directors. The Board of Directors may establish qualifications for membership on a committee. The Board of Directors may delegate to the President its power to appoint and remove members of a committee if that committee has not been delegated any authority of the Board of Directors.

The establishment of a committee or the delegation of authority to it shall not relieve the Board of Directors, or any individual director, of any responsibility imposed by the Bylaws or otherwise imposed by law. No committee shall have the authority of the Board of Directors to:

- (a) Amend the Articles of Incorporation.

- (b) Adopt a plan of merger or a plan of consolidation with another corporation.
- (c) Authorize the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Association.
- (d) Authorize the voluntary dissolution of the Corporation.
- (e) Elect or remove a director of the Association.
- (f) Approve any transaction to which the Association is a party and that involves a potential conflict of interest as defined in paragraph 7.04, below.
- (g) Take any action outside the scope of authority delegated to it by the Board of Directors.
- (h) Alter or modify the activities, scope or membership of the Board of Directors.

6.02 — Authority — The Board of Directors shall define the activities and scope of authority of each committee by resolution.

6.03 — Chair and Secretary — One member of each committee shall be designated as the chairman of the committee and another member of each committee shall be designated as the Secretary. The chairman shall call and preside at all meetings of the committee.

6.04 — Compensation — Members may not receive salaries or compensation for their services.

6.05 — Rules — Each committee must adopt rules for its own operation not inconsistent with the Bylaws and with rules adopted by the Board of Directors as published in the CJAA Leadership Manual.

6.06 — Removal of Committee Members — The Board of Directors may vote to remove a committee member at any time, only for good cause. Good cause for removal of a committee member shall include the unexcused failure to attend meetings of the committee and for any matter set forth in Section 2.06 of these Bylaws.

## ARTICLE 7 — TRANSACTIONS OF THE ASSOCIATION

7.01 — Contracts — The Board of Directors may authorize any officer or agent of the Association to enter into a contract or execute and deliver any instrument in its name and on its behalf. This authority may be limited to a specific contract or instrument or it may extend to any number and type of possible contracts and instruments. Any obligation in excess of \$1,000.00 must be authorized by the Board.

7.02 — Deposits — All funds of the Association shall be deposited to its credit in banks, trust companies, or other depositories as authorized by resolution of the Board.

7.03 — Gifts — The Board of Directors may accept on behalf of the Association any contribution, gift, bequest, or devise to be used for the general purposes or for any special purpose of the Association. The Board of Directors may make gifts or charitable contributions only for the benefit of the Association as a whole.

7.04 — Potential Conflicts of Interest — The Association shall not make any loan to a director, officer, or member of the Association. A member, director, officer or committee member of the Association may not lend money to the Association.

#### ARTICLE 8 — BOOKS AND RECORDS

8.01 — Required Books and Records — The Association shall keep records of account and other records of the Association and its activities. The Association shall keep correct and complete books and records of account. The Association books and records shall include:

- (a) A file-endorsed copy of all documents filed with the Texas Secretary of State relating to the Corporation, including, but not limited to, the Articles of Incorporation, and any articles of amendment, restated articles, articles of merger, articles of consolidation, and statement of change of registered office or registered agent.
- (b) A copy of the Bylaws, and any amended versions or amendments to the Bylaws.
- (c) Minutes of the proceedings of the members, Board of Directors and committees having any of the authority of the Board of Directors.
- (d) A list of the names and addresses of the members, directors, officers, and any committee members of the Association (Corporation).
- (e) A financial statement showing the income and expenses of the Association for the three most recent fiscal years.
- (f) All rulings, letters, and other documents relating to the Association's federal, state, and local tax status.
- (g) The Association's federal, state, and local information or income tax returns for each of the Association's three most recent tax years.

8.02 — Inspection and Copying — Any Full Member of the Association may inspect and receive copies of all books and records of the Association required to be kept by the Bylaws. Such a person may inspect or receive copies if the person has a proper purpose related to the person's interest in the Association and if the person submits a request in writing. Any person entitled to inspect and copy the Association's books and records may do so through his or her attorney or other duly authorized representative. A person entitled to inspect the Association's books and records may do so at a reasonable time no earlier than two (2) working days and no later than five (5) working days after the Association's receipt of a proper written request. The Board of Directors may establish reasonable fees for copying the Association's books and records by members. The fees may cover the cost of materials and labor. The Association shall provide requested copies of books and records no later than ten (10) working days after receipt of a proper written request.

#### ARTICLE 9 — FISCAL YEAR

9.01 — The Association's fiscal year shall be the calendar year.

## ARTICLE 10 — INDEMNIFICATION

### 10.01 — When Indemnification is Required, Permitted and Prohibited —

- (a) The Association shall indemnify a director, officer, committee member, employee, or agent of the Association who was, is, or may be named defendant or respondent in any proceeding as a result of his or her actions or omissions within the scope of his or her official capacity in the Association. For the purposes of this article, an agent includes one who is or was serving at the request of the Association as a director, officer, partner, joint venturer, proprietor, trustee, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise. However, the Association shall indemnify a person only if he or she acted in good faith and reasonably believed that the conduct was in the Association's best interests. In a case of a criminal proceeding, the person may be indemnified only if he or she had no reasonable cause to believe that the conduct was unlawful. The Association shall not indemnify a person who is found liable to the Association or is found liable to another on the basis of improperly receiving a personal benefit. A person is conclusively considered to have been found liable in relation to any claim, issue, or matter if the person has been adjudged liable by a court of competent jurisdiction and all appeals have been exhausted.
- (b) The termination of a proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent does not necessarily preclude indemnification by the Association.
- (c) The Association shall pay or reimburse expenses incurred by a director, officer, member, committee member, employee, or agent of the Association in connection with the person's appearance as a witness or other participation in a proceeding involving or affecting the Association when the person is not a named defendant or respondent in the proceeding.
- (d) In addition to the situations otherwise described in this paragraph, the Association may indemnify a director, officer, member, committee member, employee, or agent of the Association to the extent permitted by law. However, the Association shall not indemnify any person in any situation in which indemnification is prohibited by the terms of paragraph 10.01(a) above.
- (e) Before the final disposition of a proceeding, the Association may pay indemnification expenses permitted by the Bylaws and authorized by the Association. However, the Association shall not pay indemnification expenses to a person before the final disposition of a proceeding if the person is a named defendant or respondent in a proceeding brought by the Association or the person is alleged to have improperly received a personal benefit or committed other willful or intentional misconduct.
- (f) If the Association may indemnify a person under the Bylaws, the person may be indemnified against judgments, penalties, including excise and similar taxes, fines, settlements, and reasonable expenses (including attorney's fees) actually incurred in connection with the proceeding. However, if the proceeding was brought by or on behalf of the Association, the indemnification is limited to reasonable expenses actually incurred by the person in connection with the proceeding.

10.02 — Procedures Relating to Indemnification Payments —

- (a) Before the Association may pay any indemnification expenses (including attorney's fees), the Association shall specifically determine that indemnification is permissible, authorize indemnification and determine that expenses to be reimbursed are reasonable, except as provided in paragraph 10.02(c) below. The Association may make these determinations and decisions by any one of the following procedures:
  - (i) Majority vote of a quorum consisting of directors who, at the time of the vote, are not named defendants or respondents in the proceeding.
  - (ii) If such a quorum cannot be obtained, by a majority vote of a committee of the Board of Directors, designated to act in the matter of a majority vote of all directors, consisting solely of two or more directors who at the time of the vote are not named defendants or respondents in the proceeding.
  - (iii) Determination by special legal counsel selected by the Board of Directors by vote as provided in paragraph 10.02(a)(i) or 10.02(a)(ii), or if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all directors.
- (b) The Association shall authorize indemnification and determine that expenses to be reimbursed are reasonable in the same manner that it determines whether indemnification is permissible. If the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and determination of reasonableness of expenses shall be made in the manner specified by Paragraph 10.02(a)(iii), above, governing the selection of special legal counsel. A provision contained in the Articles of Incorporation, the Bylaws, or as resolution of members of the Board of Directors that requires the indemnification permitted by paragraph 10.01 above, constitutes sufficient authorization of indemnification, even though the provision may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.
- (c) The Association shall pay indemnification expenses before final disposition of a proceeding only after the Association determines that the facts then known would not preclude indemnification and the Association receives a written affirmation and undertaking from the person to be indemnified. The determination that the facts then known to those making the determination would not preclude indemnification and authorization of payment shall be made in the same manner as a determination that indemnification is permissible under paragraph 10.02(a) above. The person's written affirmation shall state that he or she has met the standard of conduct necessary for indemnification under the Bylaws. The written undertaking shall provide for repayment of the amount paid or reimbursed by the Association if it is ultimately determined that the person has not met the requirements for indemnification. The undertaking shall be an unlimited general obligation of the person, but it need not be secured and it may be accepted without reference to financial ability to make repayment.

- (d) Any indemnification or advance of expenses shall be reported in writing to the members of the Association. The report shall be made with or before the notice or waiver of notice of the next membership meeting, or with or before the next submission to members of a consent to action without a meeting. In any case, the report shall be sent within the 12-month period immediately following the date of the indemnification or advance.

#### ARTICLE 11 — NOTICES

11.01 — Method — Any notices required by these Bylaws may be accomplished by first-class mail, telegram, facsimile (fax), or e-mail. Delivery is effected or demonstrated by: (a) depositing it in the United States mail; (b) a stamped copy of the Western Union telegram acknowledging transmission; (c) a print-out of the fax machine showing the respondent station acknowledged the transmission; (d) print-out from the computer acknowledging that the e-mail has been delivered. Only the addresses, telephone and fax numbers of the recipient, as they appear on the records of the Association shall be used.

11.02 — Signed Waiver of Notice — Whenever notice is required by law, the Articles of Incorporation, or Bylaws, a waiver in writing, whether signed before or after the time required for serving it, is deemed to be equivalent to the giving of the notice.

11.03 — Waiver of Notice by Attendance — The attendance of a person at any meeting requiring prior notice shall constitute a waiver thereof, unless the person attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

#### ARTICLE 12 — SPECIAL PROCEDURES CONCERNING MEETINGS

12.01 — Meeting by Telephone — The members, Board of Directors, and any committee of the Association may hold a meeting by telephone conference-call procedures in which all persons participating in the meeting can hear each other. The notice of a meeting by telephone conference must state the fact that the meeting will be held by telephone as well as all other matters required to be included in the notice. Participation of a person in a conference-call meeting constitutes presence of that person at the meeting.

12.02 — Decision Without Meeting — Any decision required or permitted to be made at a meeting of the Members, Board of Directors, or any committee of the Association may be made without a meeting. A decision without a meeting may be made if a written consent to the decision is signed by all of the persons entitled to vote on the matter. The original signed consents shall be placed in the Association minute book and kept with the Association's records.

12.03 — Voting by Proxy — A Full Member in good standing, by virtue of paid-up dues as of December 31st prior to the annual membership meeting, may vote by proxy. Proxies are limited to five (5) carried by one individual attending. To be valid: the proxy must be a signed, witnessed, dated, an original and designate the meeting, or meetings,

for which it is intended. The person authorized to exercise the proxy must be a Full Member in good standing and present at the meeting for which the proxy is intended. A person authorized to exercise a proxy may not do so unless it is delivered to the Secretary of the Association or his/her designee, no less than forty-eight (48) hours before the start of the meeting. The Secretary or other person taking the minutes of the meeting shall record in the minutes the name of the person who executed the proxy and the name of the person authorized to exercise it. If the person who duly executed the proxy does, in fact, attend the meeting, the proxy is null and void. Any proxy filed with the Secretary or his/her designee shall remain in force and effect until revoked in writing, expires under its own terms, at the termination of the meeting or after three (3) months have elapsed from the date of execution.

#### ARTICLE 13 — AMENDMENTS TO THE BYLAWS

13.01 — Changes to Bylaws — Bylaws may be altered, amended, or repealed, and new Bylaws may be adopted by a majority vote of members attending the annual meeting, a special meeting or by mail vote.

#### ARTICLE 14 — POLITICAL ACTION COMMITTEE

14.01 — The Board of Directors is authorized to establish a Political Action Committee (PAC).

14.02 — Members of the PAC shall be appointed by the Board of Directors and shall act under its direction.

14.03 — Members of the PAC may solicit Association members and non-members for funds. The PAC shall maintain its own financial accounts, with copies filed with the Secretary. The Board of Directors may contribute money to the PAC.

#### ARTICLE 15 — MISCELLANEOUS PROVISIONS

15.01 — Legal Authorities Governing Construction of Bylaws — The Bylaws shall be construed in accordance with the laws of the State of Texas. All references in the Bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time.

15.02 — Legal Construction — If any bylaw provision is held to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provision and the Bylaws shall be construed as if the invalid, illegal, or unenforceable provision had not been included in the Bylaws.

15.03 — Headings — Headings used in the Bylaws are used for convenience and shall not be considered in construing the terms of the Bylaws.

15.04 — Gender — Wherever the context requires, all words in the Bylaws in the male gender shall be deemed to include the female or neuter gender, all singular words shall include the plural, and all plural words shall include the singular.

15.05 — Seal — Board of Directors may provide for a corporate seal. Such a seal should consist of two concentric circles containing the words “CLASSIC JET AIRCRAFT ASSOCIATION, INC.,” “Texas,” in one circle and the word “Incorporated” together with the date of incorporation of the Association in the other.

15.06 — Power of Attorney — A person may execute any instrument related to the Association by means of a power of attorney if an original executed copy is provided to the Association’s Secretary to be kept with its records.

15.07 — Parties Bound — The Bylaws shall be binding upon and inure to the benefit of the paid-up members.