

**MEMBERSHIP AGREEMENT
OF
SCOTTSDALE FLYING CLUB, INC.,
An Arizona Nonprofit Corporation**

Mission Statement

The objective of Scottsdale Flying Club, Inc. (the “Club”) is to provide excellent aircraft at a minimum cost consistent with quality maintenance for its Members. The Club is, in essence, a form of cooperative and differs from most FBOs and formal flight schools in that it relies heavily on mutual goodwill between Members. All Members are aviation enthusiasts and dialogue between Members is both welcomed and encouraged. The Club maintains its aircraft to the highest standards to comply with the applicable FAA regulations.

Membership

Membership

The Club requires all Members to maintain a current account with no outstanding balance to remain a member of the Club and to operate the aircraft. The Member agrees to adhere to all Club Bylaws outlined in this agreement. The Member must abide by all Club procedures as provided by the Club Manager and maintain an up-to-date personal profile on file with the Club Manager. The Club reserves the right to refuse membership to anyone, but not based on sex, race, color, religion, gender, age, mental or physical disability, medical condition, national origin, marital status, sexual orientation, or any other characteristic protected under Federal or State law or local ordinance.

Operations

Legal Requirements

Members are responsible for ensuring that they are legal to fly (i.e., current medical certificate, biennial flight review conducted by a club approved instructor, if carrying passengers, relevant FAA regulations concerning takeoffs and landings and, if IFR, relevant FAA regulations concerning currency). It should be noted that violation of these or any other FAA regulations may invalidate the insurance, leaving the member personally responsible for aircraft damage as well as any liability claims.

Initial Club Check Outs

An initial check flight will be required of all new Members. If a Member will be flying at night, an initial night check flight shall also be required. This may be given by any Club approved instructor or other Member as directed by the Club Manager and exemptions may be offered by the Club Manager on a case-by-case basis.

Aircraft Operations

The pilot of any Club aircraft must be a member in good standing. If the pilot is receiving flight instruction, the flight instructor must be a Club approved instructor and the member must be in good standing as determined by the Club Manager. Use of an aircraft for any reason by non-

members or those not in good standing is strictly prohibited. Instruction by a non-authorized instructor is strictly prohibited.

Flight Instructor Requirements

Flight Instructors must be current and have appropriate ratings to instruct in Club aircraft. Flight Instructors must also meet the requirements of the Club’s insurance policy and be approved by the Club Board of Directors, such approval shall not be unreasonably withheld by the Board of Directors.

Student Pilots

Every flight made by a student pilot must be under the supervision of an approved club instructor.

Fuel Reserves

Every flight in a club aircraft MUST meet the FAA minimum fuel requirements as delineated in part 61 & 91 of the FAA regulations. Failure to have sufficient fuel on board to meet the FAA regulations is considered gross negligent aircraft operation.

Preflight Operation

Prior to every flight the Member shall accomplish a thorough preflight check for airworthiness. Members will not start the aircraft by hand propping and Members shall not perform “preventative maintenance” on the Club’s airplanes except as specifically approved by the Board of Directors.

Postflight Operation

After every flight the Member shall log all hours in the accompanying logbook of the aircraft. The Member will return the aircraft to the Club hangar or shaded tie-down and secure the aircraft by tying down the aircraft or, as appropriate, securing the aircraft hangar door upon leaving the hangar. Failure to turn off the aircraft’s battery, secure the aircraft, clean the aircraft (including but not limited to wiping down leading edges of wings, windshield, and cockpit) will subject the Member to fees. Failure to notify a maintenance officer of a malfunction or damage will subject the Associate Member to fees and termination.

Unimproved Airport Operations

Operations from unimproved runways are prohibited. Off airport operations (e.g., highways, fields, etc.) are also prohibited.

Insurance Requirements

Current insurance requirements are published separately and will be provided by the Club upon acceptance of membership as a Member. As these requirements change due to policy and carrier changes, it is the responsibility of each member to ensure personal compliance with the insurance requirements for any particular aircraft. If the member does not satisfy the insurance requirements, the insurance may be invalid, and the member is therefore uninsured and personally responsible for all property damage and liability claims.

Restricted Use of Plane

No person other than a Member in good standing and covered by the Club's insurance policy shall be permitted to be pilot in command of the airplane either dual or solo, except in the case of a Club approved instructor.

Use of Intoxicants

No Associate Member shall receive instructions or act as pilot-in-command in the Club's airplane while under the influence of, or using intoxicating liquor, beer, wine, cocaine, marijuana, or other habit-forming drugs during such desired flight. Any Member violating the provisions of this Section shall be subject to dismissal from the Club and forfeit any dues or payments made.

Smoking, Animals and Trash

There is no smoking allowed in any Club aircraft. There are no animals allowed (dogs, cats, etc.) in any Club aircraft with the exception of service animals as permitted by State and Federal Law. The Club's aircraft are to be used and returned in a clean condition. A cleaning fee of \$50 may be charged for dirty aircraft (due to vomit, trash, food / beverage spills, etc.) at the discretion of the Club's Board of Directors.

Dues, Fees, and Payments

Payment Procedures

Members are expected to log their flights upon completion. Members will receive invoices for the cost of flight hours flown as well as Club dues. The invoice must be paid by the date indicated on the invoice or else the Member will have an outstanding balance. The method of payment must be made in the manner as specified by the Club: 1) Pay by a check to the address as listed on the invoice sent by the Club. For any outstanding balance, if the Associate Member does not pay by the due date indicated on the invoice, the Club will take any legal remedies available to collect the outstanding balance. The Member is also responsible for all returned check fees, collection costs, legal fees, and interest at the legal rate in the event his/her account becomes delinquent. In any case, if a Member has an outstanding balance, the Member will be denied access to aircraft and the aircraft scheduling webpage.

Club Fees

The Club currently imposes a one-time Club initiation membership fee of \$1,500.00. This fee is partially refundable provided that another prospective member is available to join the Club and take the departing Member's place.

The Club currently charges Members a non-refundable monthly dues of \$125.00. This amount is subject to change based upon a vote of the majority of the Board of Directors.

The Club charges its Members a non-refundable flat hourly rate to cover fuel and all other maintenance costs for the aircraft usage. This rate is calculated by Hobbs time flown by the Member and includes fuel. The rate is currently \$175.00 per hour or fractional percentage to the next highest tenth of a percent of an hour. The Hobbs time must be recorded using the Hobbs

meter installed in the aircraft. The Club may, with 30 days advance notice change the hourly rate or, based upon market conditions, institute a fuel surcharge as needed by directions of the Club's Board of Directors.

Duration of Membership

Membership to the Scottsdale Flying Club shall start on the first day of the month in which the Membership agreement is signed. The Member shall be obligated to maintain a Membership for a minimum term of 1 year from the first day of the month in which the Associate Membership agreement is signed. Thereafter, the membership shall be renewed on a month-by-month basis. The Board of Directors reserves the right to terminate any month-to-month agreement without further notice and require a new Club Membership Agreement to be signed for continuation of membership in the Club.

Cancellation of Membership and Penalties

Cancellation of membership in the Club prior to the end of the minimum term of 1 year shall result in payment due in full of all monthly membership dues for the remaining term of 1 year. The 1-year term shall extend from the first day of the month in which the Membership agreement is signed and continue until a period of 12 months has elapsed. If the Club has a waiting list and a new Member is able to take the departing Member's position, the Board of Directors, in its discretion, may waive the unpaid dues. After a period of 1 year, the Membership will convert to a month-to-month membership. Cancellation of a month-to-month Membership shall require a 30-day notification in writing of the Membership agreement termination. Failure to notify the Flying Club Manager of the Associate Membership agreement termination shall result in a two-month penalty of Scottsdale Flying Club monthly membership fees.

Fuel and Oil Purchases

The Member is responsible for checking fuel levels and oil levels prior to flight. If the oil level is low, the Member must use oil which is provided in the Club aircraft and notify the Club's Maintenance officer so the oil can be replenished. Fuel is provided by a supplier as determined by the Club. The Club provides information to Members of the current fueling policies and procedures. The airplane must be refueled after each use by an Associate Member. If at another airport, the Member may purchase and be reimbursed for oil and fuel purchases within reasonable market prices as determined by the Flying Club Manager, significant differences between market prices for the region where fuel is purchased, and fair market value may be the Associate Members responsibility with discretion up to the Board of Directors. Fuel and oil receipts must be submitted in electronic format or the original receipt to the Club's Treasurer within two weeks of the flight for reimbursement. 100LL is the only fuel to be used in club aircraft.

Master Switch

Members who leave the master switch on will be assessed a \$50.00 battery fund fee. If the battery life of the battery is ended after an incident of the master switch being left on, the Associate Member who left the master switch on will incur all costs associated with replacing the battery.

Scheduling

Scheduling of Aircraft

No member may at any time schedule an aircraft for or on behalf of any other member or non-member. Flight instructors are strictly prohibited from scheduling aircraft for their students, other than for a “first flight” with a prospective member.

Damage

Broken Aircraft Policy

In the event of accidental damage, the member is responsible for the insurance deductible. If the damage is the result of willful violation of the Associate Membership Agreement, a review of the incident will be undertaken by the Board of Directors, and appropriate action will be taken, up to and including expulsion from the club.

Delayed Return and Recovery

In the event of a delay in returning from a trip due to weather, mechanical problems caused by a Member, etc., the Member is responsible for ensuring the eventual return of the aircraft. The Club is not responsible for expenses incurred by a Member as a result of such delay (i.e., hotel, food, transportation, etc.), including unforeseen maintenance problems beyond the control of the Member or the Club. Members are required to notify the Club by telephone if such an event is occurring or has occurred. If the aircraft is abandoned and the Club has to recover the aircraft, the Member is responsible for the expenses incurred unless it is due to mechanical problems not caused by the Member.

Authorization for Repairs

No Member may authorize expenditures or otherwise incur financial obligations in the name of Club except on a case-by-case basis with approval from the Flying Club Manager. Any repair not preauthorized by the Maintenance Officer, and which incurs expenses exceeding two hundred (\$200.00) dollars shall be the personal financial responsibility of the Member authorizing the expense.

Incidents and Accidents

All aircraft accidents and incidents shall be reviewed by the Board of Directors. The Board of Directors will hold a hearing to ascertain all relevant information required to make a judgment of cause. The Board of Directors will take appropriate action, up to and including expulsion from the Club. The Member shall report all incidents and accidents to the Club’s Maintenance Officer or President immediately.

Member Conduct and Club Policy

The Board of Director’s may terminate any Member’s membership if the Member’s conduct is not consistent with the best interests of the Club. Members are expected to conduct themselves in a manner conducive to maintaining a positive club environment. Actions such as, but not limited to, financially deceiving the Club, negatively promoting the Club, negatively affecting other Club members or the Club’s interests, or causing undue financial burden to the Club or its

property or assets, stealing, vandalism, are basis for temporary suspension or permanent termination of the offending Member's membership and all associated privileges. Further, any violation of this Member Agreement may be deemed as a basis for Membership suspension or termination. In the event of such a decision by management, that decision shall be considered final, and all fees paid to Club are non-refundable.

Computer System Privacy

The Club respects the individual privacy of its members. Nevertheless, a Member cannot expect privacy rights to extend to Club-related conduct or the use of Club equipment or supplies. Although Members have individual credentials to the Club's website calendar, these systems are accessible at all times by other Members and the Board of Directors. Members are prohibited from using any of the Club's electronic intellectual property in any way that may be disruptive or offensive to others. The Club cannot be held responsible for any theft or loss of personal information due to illicit access to email or computer systems beyond its control.

Club Policy on Harassment and Discrimination

The Club is committed to providing an environment that is free of harassment or discrimination. In keeping with this policy, the Club strictly prohibits harassment or discrimination of any kind, including on the basis of sex, race, color, religion, gender, age, mental or physical disability, medical condition, national origin, marital status, sexual orientation, or any other characteristic protected under Federal or State law or local ordinance.

Relationship of the Parties

Notices

All notices and demands of any kind, except those sent electronically by the Club, shall be personally delivered, or sent by first-class mail to the Club address as provided by the Board of Directors. Any such notice or demand shall be effective immediately upon personal delivery, or forty-eight (48) hours after deposit in the United States Mail, as the case may be.

Entire Agreement

This Membership Agreement supersedes any and all other agreements, either oral or in writing, between the parties and constitutes the entire agreement between them with respect to the subject matter. No modification or amendment of this Agreement shall be binding unless executed in writing by all of the parties. It is intended that each paragraph in this Agreement shall be viewed as separate and visible, and in the event that any paragraph shall be held to be invalid, the remaining paragraphs shall be held to be in full force and effect.

Governing Law

This Agreement shall be construed in accordance with, and governed by, the laws of the State of Arizona.

Arbitration

Any controversy or claim arising out of or related to this Agreement, or the breach thereof shall be settled by arbitration in accordance with and governed by, the laws of the State of Arizona

and the current rules of the American Arbitration Association. The prevailing party in arbitration shall be entitled to recover its attorneys' fees and costs.

Amendments

This Membership Agreement may be repealed or amended by the Board of Directors, in whole or in part, provided that at least a 10 days notice of such changes has been given to a Member. The notice shall be mailed to the last known mailing address gleaned by the profile provided by the Member and shall include the specific language as adopted by the Board of Directors. If the Member does not agree to the change, then the Member may terminate membership within 30 days post mark of receipt of notice and writing to the Scottsdale Flying Club mailing address as specified by the Flying Club Manager without penalty.

Limitation of Liability

In consideration of Membership of the Club the Member, intending to be legally bound hereby, that the Club SHALL NOT BE LIABLE FOR MY DEATH OR INJURY TO MY PERSON, ANY PASSENGERS, AND PERSONS ON THE GROUND OR IN THE AIR FOR ANY LOSS FOR DAMAGE TO MY PROPERTY OR THE PROPERTY OF OTHERS EITHER IN THE AIRPLANE OR DUE TO IMPACT OF OBJECTS OR PERSONS IN THE AIR OR ON THE GROUND caused in any manner whatsoever, whether attributable to the negligence of the Member, or for any other reason, occurring during the time that I am in, entering or exiting from an aircraft piloted by or under the control of or owned by the Club, and I do hereby waive any right of action against the Club from any and all causes or claims that I may have against them from the beginning of time. The Member and the Member's Estate and Heirs agree not to sue on any such cause or claim. This agreement shall not release liability for gross negligence or willful misconduct of the Club. I agree to indemnify and hold the Club or any of its Members harmless for any losses, judgments or damages the Member may incur, including but not limited to attorney's fees, arising out any lawsuit related to the flight and/or enforcement of or legal challenge to this agreement. It is the Club's intention that this agreement be interpreted and enforced to the maximum extent allowed by Arizona State law.

Stipulation

I, the undersigned Member, have read and fully understand the Club Membership Agreement. I hereby stipulate to adherence thereto for the extent of my membership. I further understand any violation thereof may suspend or terminate my membership with the Club.

EXECUTED this _____ Day of _____ Month _____ Year.

Member Printed Name

Scottsdale Flying Club, Inc.

Member Signed Name

By: Dr. John E. Shearer
Its: President

Initial _____