



INTERNATIONAL SOCIETY OF TRANSPORT AIRCRAFT TRADING
BYLAWS
AMENDED, RESTATED AND APPROVED - 10 JANUARY 2008

**International Society of Transport Aircraft Trading (ISTAT)
Bylaws**

The rules and regulations governing the organization heretofore set forth in a separate Constitution and Bylaws are hereby restated, combined and amended in the following Bylaws:

ARTICLE I – Name and Office

The organization shall be known as the International Society of Transport Aircraft Trading (hereafter “ISTAT” or “the organization”), incorporated under the laws of the State of Delaware and shall maintain its registered office and registered agent there. The organization may have such other offices within or outside of Delaware as the Board of Directors (the “Board”) shall determine.

ARTICLE II - Objectives

The organization is intended to be of the type described in section 501(c) 6 of the Internal Revenue Service Code. It was not organized for profit, and its net earnings shall not inure to the benefit of any private person.

The objectives of the organization shall be as follows:

1. To promote and provide a forum for improved communication among those involved in aviation and supporting industries who operate, manufacture, maintain, sell, purchase, finance, lease, appraise, insure or otherwise engage in activities related to commercial aviation.
2. To arrange for lectures, workshops and demonstrations.
3. To encourage and arrange for national and international conferences, receptions and exhibitions.
4. To provide news and information of general interest to the commercial aviation trading industry, with members being given the opportunity to describe their activities of such general interest to other members.
5. To establish and support a foundation for educational and other charitable purposes.
6. To develop standards governing certain practices and procedures in connection with the appraising of commercial aircraft.

ARTICLE III - Membership

Section 1. The membership shall comprised of individuals, corporations, educational institutions and others who support the goals of the organization.

Section 2. The Board may authorize categories of membership which may include but shall not be limited to individual memberships, corporate memberships, university and educator memberships, and airline memberships. Memberships shall be for a term to be determined by the Board.

Section 3. The Board will establish membership fees, and may adjust such fees or offer discounts for certain categories of memberships as it shall determine from time to time to encourage membership, and establish procedures for administration of membership applications and related matters.

Section 4. The Board may confer Member Emeritus status to 1) individuals who have retired from active involvement in the industry and have shown in the course of their participation with ISTAT as a member in good standing for a minimum of 10 years, a strong dedication and willingness to work to achieve the aims of the society, or 2) others who have made significant contributions to the industry or achieved eminence in the industry or in public life. Member Emeritus status will be free of annual dues and will include such other benefits as the Board shall determine.



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Section 5. At any meeting of the membership, only those present (in person or by telephone) are entitled to vote on matters presented for a vote. Proxy voting is not permitted.

ARTICLE IV – Governance

Section 1. The general management and control of the affairs, funds and property of the organization shall be vested in the Board as set forth in Article VIII below and in the officers as set forth in Article IX below. The Board shall consist of four (4) elected officers; the Immediate Past President, the Chairman of the International Appraisal Board of Governors, and the Chairman of the ISTAT Foundation (the three positions hereafter referred to as “Position Holders” and who serve as directors *ex officio*); and ten (10) additional directors elected at large; for a total of seventeen (17) directors if each seat is filled. The election procedures and qualifications for directors at large are as stated in Article VI, Section 1, and for Officers as stated in Article VI, Section 2.

Section 2. The four elected officers shall include the President, Vice President, Secretary and Treasurer. The officers shall hold office two years.

Section 3 (a). One year prior to each officer's term expiration, his/her successor will be elected by and from the Board to allow an orderly transition. A retiring Treasurer may continue in office for a period not to exceed sixty (60) days in order to allow time for closing and auditing his books. The books shall then be turned over to his successor who shall thereupon assume the duties of Treasurer, and who shall keep the records in such manner as directed by the Board. The immediate past President shall be a director for a term of two years following his term as President. An officer's term as a director on the Board will automatically be extended as necessary to correspond with such officer's term as an officer. If a Board Member's term has expired but that Board member has been elected to an officer's position or as a Position Holder, that Board Member's or Position Holder's Board seat will be filled by the election process described in these Bylaws and such retiring Board Member will remain as a director during the interim period between his/her existing Board term and the commencement of the newly elected Officer's position or Position Holder's position. In the two preceding cases, the total number of directors may temporarily be increased beyond 17. For purposes of clarification, if a Board Member's term is expiring at the end of their four year term, even if that Board Member has been elected to an Officer position that will commence one year following the expiration of their existing Board term, a new Director will be elected by the membership to fill the retiring Board Member's seat and an additional Board seat will be created during the interim year until the retiring Board Member takes office so that the retiring Board Member can remain on the Board during the interim year. In the event that a Board Member becomes an Officer and at the time he/she becomes an Officer he/she has a remaining term as a Board Member (the “Remaining Term”), the Board may elect another Board Member to complete the Remaining Term. No officer may serve in the same office for more than one (1) term except for the Treasurer who may serve for two (2) terms. No individual may serve for more than eight (8) consecutive years as an officer.

Section 3 (b). The directors at large shall hold office for four years per term. Reasonable efforts will be made to ensure the composition of the Board fairly represents the broad interest and diversity of the membership. No two directors shall represent the same company. Directors may run for more than one term.

Section 3 (c). Any officer or director absent, either in person or by telephone, from three Board of Directors meetings in a 12 month period shall be deemed to have resigned his/her position.

Section 4(a). No vote may be taken without a quorum present either in person or by telephone. A quorum will consist of at least two-thirds of all of the directors. A majority vote of all members of the Board present or by telephone shall be required for all actions of the Board.

Section 4(b). In the event that the President determines that action needs to be taken prior to the next scheduled Board meeting a vote may be taken by electronic means. In the case of an electronic (e-mail) vote, the President shall submit the question(s) to all members of the Board in the same e-mail and each



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member will be given no less than 3 Business Days to cast their vote. Approval by two-thirds (2/3) of the Board is required for a valid board action taken outside a board meeting. The expiration date and time for voting will be clearly set forth in the President's e-mail. No vote will be counted unless the Board member's vote is sent to a committee of the Board established by the President. The committee shall include the Secretary and at least two other board members. The President will circulate to all Board

members the result of the vote and certify the result with the ISTAT Secretary for inclusion in the minutes of the next Board Meeting.

Section 5. There shall be an International Appraisal Board of Governors (IBG), which shall consist of a chairman and seven other ISTAT members in good standing. The chairman and two other members of the IBG shall have been accredited by ISTAT as Senior or Fellow Appraisers and the Chairman shall have been an ISTAT certified appraiser for at least ten (10) years and shall be elected by the appraiser members as outlined in the ISTAT "Aircraft Appraisers Program" as revised or modified by the ISTAT Board from time to time. The remaining five members shall represent other communities of interest within ISTAT and shall be elected by the ISTAT Board as set forth in the ISTAT "Aircraft Appraisers Program" as revised or modified by the ISTAT Board from time to time. . The chairman shall serve for a term of three years and the other members shall serve two-year terms.

This core group of professional aircraft appraisers will work cooperatively for the elevation of the appraisal profession within the world aviation community.

Each ISTAT member, who has satisfactorily demonstrated that he/she is qualified to appraise airline transport aircraft, has been granted the right to use one of the professional designations established by ISTAT. The use of such designations is predicated upon Society criteria: written examinations, submission of representative appraisal reports, full-time valuation experience, personal background check and participation in the Society's program of ongoing education.

Ethical practices and conduct required of the appraisers accredited by the Society are clearly defined in the ISTAT publication, *Principles of Appraisal Practice and Code of Ethics*.

Section 6. There shall be an ISTAT Foundation to provide scholarships, educational programs, grants and humanitarian initiatives to qualified entities that promote and further the advancement of commercial aviation. The management of the affairs of the Foundation will be governed by a separate set of Bylaws. The Chairman of the Foundation must be an ISTAT member.

Section 7. The organization may retain or employ compensated executive and administrative staff and other personnel to administer its affairs in accordance with these bylaws and the policies established by the Board. The Board may delegate duties of officers to such executive staff under the supervision of the officers.

The administration and day-to-day operations of ISTAT shall be the responsibility of a salaried staff head or in the case of a management firm; the chief staff member retained by the firm. This individual shall have the authority to execute contracts on behalf of ISTAT and the Foundation according to policies and procedures approved by the Board . He/She may carry out such other duties as specified by the Board and may attend and participate in all meetings of the Board, the Foundation Trustees and committees except otherwise provided by these by-laws.



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ARTICLE V - Meetings

Section 1. The annual meeting of the organization shall be held in the United States in the spring of each year.

Section 2. Meetings of the members of the organization, other than the annual meetings, may be called at any time by the Board upon not less than ten (10) and not more than sixty (60) days written notice including by electronic communication to all members. Special meetings shall be held within sixty days (60) days of the receipt by the President of a petition requesting such a meeting that is signed (including by electronic communication) by a minimum of thirty percent (30%) of the active members of the organization in good standing.

Section 3. Special meetings of the Board may be called at any time by the President, and shall be called by him on the written request of any five (5) Board Members.

ARTICLE VI Elections

Section 1. Election of Directors. Members of the Board shall be elected at the Annual Meeting of the organization. A Nominating Committee chaired by the Immediate Past President if available or by another Board member appointed by the President if the Immediate Past President is unable or unwilling to serve shall be formed to seek candidates for specific vacancies on the Board to be created by term expiration or otherwise. Nominations may be made by any director or active member. A notice will be sent to all members inviting nominations. Nomination must be received by the nominating committee not less than forty-five (45) days prior to the annual meeting. Not less than thirty (30) days prior to the Annual Meeting, the Chairman of the Nominating Committee will submit to the Board a slate of candidates for election to fill the various vacancies on the Board. All nominated individuals who (1) have been a member in good standing for at least the prior two years, (2) have submitted a written statement to the Board signifying their willingness and availability to serve on the Board, and (3) have not been rejected by at least eighty percent (80%) of the full Board (in which case they will be notified by the Chairman of the nominating committee), shall be included in the slate of candidates to be presented to the membership. Nominations for the Board will be considered by the Board and a final slate of candidates selected no less than fifteen (15) days prior to the Annual Meeting. Voting will take place at the annual meeting with only those present voting. Votes will be counted by the President, Past President and one other officer.

Section 2. Election of Officers. At the Board meeting held approximately three (3) months prior to the Annual Meeting each year, the Board will determine a slate of candidates for each office that will be vacated at the second following Annual Meeting. Subject to the term limits set forth in Article IV 3(a) above, any Board Member may nominate himself or herself for any specific officer vacancy or vacancies, although no person may be nominated to become an officer who has not been a member of the Board for the preceding two (2) years prior to the date such nominee would take the elected office. The President shall be in charge of the election and the election shall be by secret ballot conducted no less than seventy-five days (75) days prior to the next Annual Meeting. Each member of the Board shall be entitled to one vote. Votes shall be counted by both the President and two other Board Members randomly selected. The vote counters will be changed if any of the aforesaid is running for an office. The first vote will be for the position of President. Once the President position is filled, any candidates for that office that did not win the election for President, may, at the candidates request, be added to the ballot for any of the other offices. The same process shall be followed for the remaining officer positions to be filled in the order of Vice President, Secretary and Treasurer. The candidates receiving the most votes for each vacant position shall be awarded the positions. For the purpose of clarification, the above timing for officer elections is necessary so that it can be determined well in advance of the Annual Meeting how many Director vacancies will need to be filled.

ARTICLE VII - Vacancies

In the event of a vacancy on the Board or among the officers as a result of resignation, incapacitation or death during a term of office, recommendations to fill remaining term for such vacancy shall be provided by the Officers and voted by a majority vote of the Board.



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ARTICLE VIII- Duties and Powers of the Board of Directors

Section 1. The Board's first duty shall be the general management and control of the affairs, funds and property of the organization.

Section 2. The Board shall motivate the membership toward the goals of the organization. To this end, the Board will implement, or direct the officers and committees of the organization to implement, such activities as may be prescribed by Board resolution.

Section 3. The Board shall instruct the Treasurer to provide regular reports to the Board regarding the accounts of the organization. The Board also shall direct the Treasurer to arrange for an annual independent audit of the accounts.

Section 4. The President shall recommend and the Board shall appoint such committees and committee chairpersons as are deemed desirable to execute the business of the organization, and direct such committees to perform such duties as the Board may prescribe by resolution.

Section 5. The Board shall direct the Secretary to keep minutes of its proceedings, to send notices to members of the Board and to the membership.

Section 6. The Board may contract for professional, administrative and consulting services to assist it in the performance of its duties, but no person engaged may hold an elected or appointed position in the organization.

ARTICLE IX - Duties and Powers of the officers

Section 1. The officers of the organization shall have the following duties and powers:

Section 1 (a). President: Shall motivate the membership toward the goals of the organization; shall chair Board and general membership meetings when present; and shall perform such other duties and have such other powers as are normally performed by the chief executive officer of not-for-profit organizations.

Section 1.1 (b). Vice President: Shall act as deputy for the President in his absence and be responsible for administrative matters and furthering the goals of the organization.

Section 1.1 (c). Secretary: Shall maintain the records of the organization in an orderly manner and in compliance with all applicable laws and regulations; and shall be responsible for ensuring that members are notified of meetings, and to perform such other duties customarily performed by the Secretary of a not-for-profit corporation.

Section 1.1 (d). Treasurer: Shall be responsible for the finances of the organization; prepare an annual budget for approval by the Board; recommend annual dues and initiation fees; arrange an annual audit of the finances of the organization; keep the Board regularly advised of the financial condition of the organization; and perform such other duties and have such other powers as normally performed by the Treasurer of not-for-profit organizations.

Section 2. The officers shall be empowered to oversee the day to day operations of the organization administered by the executive staff. The officers are authorized to spend up to \$10,000 on any single expenditure outside the budget provided that a majority of the officers have agreed in writing to such expenses without the requirement of prior Board approval. All such expenses shall be accounted for and reported to the Board at the next Board meeting.

Section 3. The Chief Staff Officer shall have the authority to sign all checks up to \$5,000.



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ARTICLE X- Dues

Section 1. An initial administrative fee for new members and the annual dues for all members shall be established from time to time by resolution of the Board. Different fees and dues may be established for specific categories including but not limited to such categories as retired persons, government or airline employees.

Section 2. Any member whose annual dues shall remain unpaid for ninety (90) days after written notice that they have become due shall be deprived of all privileges and honors of membership until such dues shall be paid. The Treasurer or Chief Executive or their designee shall cause each delinquent to be properly notified of the delinquency and suspension and potential loss of membership privileges.

Section 3. The Board may establish a reinstatement fee for any member suspended or terminated for nonpayment of dues.

ARTICLE XI - Removal of Member

Membership in the organization is deemed to be a privilege. Any member who conducts himself or herself in a manner bringing discredit to the organization, or for violation of these bylaws or policies of the organization, or for other due cause including failure to pay dues when due shall be subject to suspension or termination of membership, upon the two-thirds (2/3) vote of those members of the Board present at a meeting at which a quorum is present. Prior to such vote, the member subject to termination shall be notified in writing by the President of proposed action and accorded the right to respond fully in writing or in person before the Board.

ARTICLE XII- Indemnification and Insurance

Section 1. The organization shall indemnify any person who is or was an officer, director, Position Holder, committee member, employee or authorized agent of the organization against any threatened or pending civil, criminal, administrative or investigative action, suit or proceeding (other than an action by or on behalf of the corporation) against expenses (including attorneys' fees), judgments, fines and settlements reasonably incurred by the person arising out of his/her service on behalf of the organization to the full extent permitted by and in accordance with the provisions of Delaware law. Such persons shall not be indemnified against their intentional or criminal wrongdoing.

Section 2. The organization may purchase and maintain insurance on behalf of any person referenced in Section 1 of this Article against any liability incurred in his or her capacity under Section 1 of this Article, whether or not the organization would have the power to indemnify such person against such liability.

ARTICLE XIII- Dissolution

In the event of liquidation, dissolution or winding-up of the organization, whether voluntary, involuntary or by operation of law, the Board, as required by the laws of the State of Delaware or any other applicable law or statute, have the power to dispose of all of the property of the organization in such manner as said Board in its discretion may deem advisable by the affirmative vote of a majority of the directors entitled to vote who shall then be in office. The directors may distribute assets to aviation related entities, including charities or other non-profit organizations such as trade associations, educational institutions, or safety foundations. In any event, no assets may be disposed so as to inure any benefit to any director or member of this organization.

ARTICLE XIV - Amendments of Bylaws

Section 1. The Bylaws of the organization may be amended by the favorable vote of two-thirds (2/3) of all the members of the Board.

Section 2. No proposition to amend the Bylaws of the organization shall be acted upon at any meeting of the Board unless the text thereof is presented to the full Board in writing at least thirty (30) days prior to the meeting at which action will be taken.

Amended, Restated and Approved By Action of The ISTAT Board of Directors - 10 January 2008