

# BY-LAWS

## BEAVER VALLEY FLYING CLUB, INC



Adopted:

September 1981

Revised:

February 1982, January 1984, January 1985, April 1987, December 1987, July 1988, January 1991, June 1994, May 1996, June 2000, February 2005, April 2006, January 2008, September 2010, July 2012, April 2014, December 2016.

**ARTICLE I**  
**Membership, Classification and Privileges**

Section 1

The number of club members shall be a maximum of sixty (60).

Section 2

Membership shall be classified as active. An active member being:

- A. One who has paid the initial, one-time, membership fee.
- B. One who has full voting privileges.
- C. One who pays monthly dues, on a current basis.
- D. Active membership shall extend to a spouse and/or dependent child(ren) as defined by Internal Revenue Code (26 U.S.C.S. § 152); however, they shall not have voting privileges, or be required to pay additional monthly dues and initial membership fees.

Section 3

Only active members, their immediate families, instructors while instructing Club members or their immediate families, and maintenance personnel as permitted by the insurance company may pilot Beaver Valley Flying Club, Inc. (hereinafter called the "Club") aircraft. No member having more than one (1) active pilot in the family may utilize more than one (1) Club aircraft at any given time. An immediate family member is defined as a spouse and/or dependent child(ren) as defined by Section 2 (D) herein.

Section 4

At the discretion of the Board of Directors, an individual's membership may be suspended or terminated for cause. Suspension or termination shall take place at a date set by the Board of Directors.

Section 5

To encourage member participation in Club operations and for the perpetuation of the Club itself; each member will be required to:

- A. Perform at least two (2) work details and attend two (2) meetings each calendar year; or
- B. Serve in the capacity of a member of the Board of Directors of the Club; or
- C. Work as a Club Mechanic; or
- D. Perform a service to the Club as designated by the Board.

### Section 6

For those members who do not meet the obligations of Section 5 above, a surcharge of Seventy-Five (\$75.00) will be assessed for each work detail not completed. The surcharge will be assessed to the member's monthly bill on the month following when the work was to be completed. For those members who do not meet the monthly meeting requirement (two meetings per calendar year), they will be charged Twenty-Five (\$25.00) Dollars for each missed required meeting. This surcharge will be assessed in the January billing.

### Section 7

In order to facilitate Club communications within its membership and reduce postal expenses, it is required for members to maintain and utilize a current e-mail address with the Club. The e-mail address is to be maintained in the Club's aircraft scheduling system and used to distribute Club announcements, meeting minutes, billing invoices, and other club business not specifically requiring US Mail.

## **ARTICLE II**

### **Membership Applications**

#### Section 1 - New members

- A. Any person applying for membership in the Club must complete, in full, a membership application form, along with applications for any rated pilot dependents specified in Article I Section 2 D.
- B. The President will receive all applications for membership. The prospective new member will be advised of the status of the application (e.g. the position on the waiting list).

- C. The President shall read the application at a scheduled regular meeting and encourage all members with information on the applicant to contact a member of the Board of Directors.
- D. The member candidate shall be interviewed by a quorum of the Board of Directors prior to acceptance into the Club.
- E. After acceptance by the Board, the Safety Officer shall process the applicant into the Club. After final processing by the Safety Officer, the application shall be returned to the Secretary.
- F. Payment of the one-time Club initiation fee is required for new members upon acceptance by the safety officer. See appendix A.

### Section 2 – Documentation

- A. The new member is required to produce one of the following documents prior to being granted access to Club aircraft:
  - (1) Original or government-issued certified birth certificate for the United States, American Samoa, or Swains Island, plus a photo ID; or
  - (2) Current, valid (not expired) U.S. Passport (containing photo); or
  - (3) Original U.S. Naturalization Certificate with raised seal, plus a photo ID; or
  - (4) Original U.S. Citizenship & Immigration Services (USCIS) or Immigration & Naturalization Service (INS) form N-550 (or N-570), Certificate of Naturalization), plus a photo ID; or
  - (5) Original certification of birth abroad with raised seal or U.S. Department of State Form FS-545 (or Form DS-1350), plus a photo ID; or
  - (6) Original certificate of U.S. Citizenship with raised seal, USCIS or INS Form N-560 (or Form N-561 or Form N-581, with photo ID; or
  - (7) Department of Defense or Federal Agency written certification attesting to the Federal employee's U.S. citizenship or nationality, plus their government-issued photo ID; or
  - (8) United States Permanent Resident Card (USCIS Form I-155) informally known as a Green Card attesting to the permanent

residence status of an alien in the United States.

- B. The Club will retain copies of the appropriate documents for a minimum of five (5) years after the person is no longer a Club member.
- C. A Student Pilot Certificate or greater is required prior to obtaining access to aircraft for all members. This includes both the Primary Member and any subordinate members of his/her family. This may be waived by written approval of the Board of Directors on an individual basis, however, the Primary Member must have a Student Pilot Certificate or greater. This requirement cannot be waived.

### **ARTICLE III**

#### **Membership Obligation, Terminations, and Expulsions**

##### Section 1 - Membership obligations

- A. To assure the financial stability of the Club, each member will be responsible for payment of dues, flying charges, and any other assessments on an annual and recurring basis.
  - (1) Each year prior to February 28<sup>th</sup>, continuing active club members are required to complete the "re-up" form located in Appendix D.
  - (2) Once an active member completes this form and submits it to the Treasurer, they agree to pay monthly dues electronically for the upcoming year (April 1<sup>st</sup> to March 31<sup>st</sup>).
  - (3) Monthly dues will be computed (on an annual basis) and presented no later than the March regular meeting.

##### Section 2 - Membership termination

- A. Effective January 1, 2017 all active members will be given a one-time \$450 credit, which is the equivalent to available rebate. The credit can be applied to future or previous balance or can be in cash after monetary obligations to the club are met.
- B. Active members who fail to return the "re-up" form by the annual date (February 28<sup>th</sup>) will be considered as not wishing to continue as an active member.
  - (1) These members will be contacted by a member of the Board of

Directors in order to verify their request.

- (2) They are responsible for any charges and or fees for the term of their membership and must pay them in full immediately.
- (3) They will forfeit all claims to Club membership and be advised as such in written correspondence from the Board of Directors.
- (4) Should they wish to join the Club at another time, they will be required to pay the initiation fee.

### Section 3

Effective January 1, 2017, inactive members that present themselves to the Board are eligible for the one-time \$450 credit or payment of the rebate.

## **ARTICLE IV** **Operating Procedures**

### Section 1

Operating procedures deemed necessary by the Board of Directors shall have the same forces and effect as if published in these By-Laws. It is mandatory that all members comply with such procedures or face disciplinary action by the Board of Directors.

## **ARTICLE V** **Quorum and Voting Rights**

### Section 1

A quorum shall consist of a minimum of five (5) members in good standing and include at least one (1) officer. A quorum will be necessary to transact business at a regular or special meeting of the Club.

### Section 2

The active member in good standing in attendance at a meeting will be entitled to one (1) vote (only one vote per Primary Member). No member shall vote by proxy.

## **ARTICLE VI**

## **Election of the Board of Directors**

### **Section 1**

The Board of Directors (hereinafter, the "Board") shall consist of the six (6) Club officers and three (3) Directors, each elected for one (1) year.

### **Section 2**

Any active member in good standing for at least one (1) calendar year shall be eligible to hold office.

### **Section 3**

The Board of Directors shall appoint a Nominating Committee in November.

### **Section 4**

At the regular December meeting the Nominating Committee will present the slate. The President will request any further nominations from the floor.

### **Section 5**

The election shall be held by mail ballot. A ballot with a special return envelope will be sent to each member with the January billings. This ballot shall be returned, in a sealed envelope, to the Club no later than the regular March meeting. Three (3) tellers shall be appointed at the March meeting and the results of the election will be tabulated at that meeting.

### **Section 6**

When a Special Election is required to fill an unplanned vacancy, it may be conducted at a Regular or Special meeting called for the Election to fill the vacancy.

- A. A notice announcing the Special Election shall be communicated in writing to all members stating the office(s) to be filled and making reference to this Section of the By-Laws at least ten (10) days prior to the meeting date.
- B. The Special Election shall be held no longer than thirty (30) days from the event that required it.
- C. Nominations and elections will be held at the Special Election. Election

will be by secret ballot at the Special Election. An individual not present at the Special Election may only be nominated if the individual making the nomination has a signed statement from the individual concerned indicating a willingness to serve in the office.

## **ARTICLE VII**

### **Duties of the Board of Directors, Officers and Members**

#### Section 1

The Board of Directors shall conduct the regular activities of the Club and shall be composed of the President, Vice-President, Secretary, Treasurer, Aircraft Maintenance Officer, Safety Officer, and three (3) Directors. A quorum shall consist of three (3) members of the Board at regular or special Board meetings. A majority vote with a minimum of three (3) affirmative votes is required to approve any motion.

#### Section 2 - The President shall:

- A. Be the Chief Executive of the Club, and preside at all meetings of the Club and the Board. The President shall execute with the Secretary or the Treasurer, in the name of the Club, all legal instruments and agreements following their approval by the Board. The dates of approval and execution will be recorded in all cases.
- B. Assure that all other officers are carrying out their prescribed duties.
- C. Insure compliance with all Club rules, regulations, and directives.
- D. Appoint, at his/her discretion, an advisor to the Board from the membership.
- E. Each November solicit the Board of Directors to appoint a Nominating Committee. This Committee shall consist of three (3) Club members who do not intend to run for office. These Committee members will not be ineligible for nomination from the floor.
- F. Insure compliance with all Club rules, regulations, and directives.
- G. Appoint, at his/her discretion, an advisor to the Board from the membership.

#### Section 3 - The Vice-President shall:



- A. Act as President in the absence of that officer.
- B. Perform such other duties as the President may prescribe. (e.g. work party assignments and enforcement)

#### Section 4

The three (3) members of the Board of Directors shall perform such duties as are prescribed by the President.

#### Section 5 - The Secretary shall:

- A. Keep minutes of the general meetings and Board meetings, serve notice of all meetings, handle Club correspondence, and disseminate pertinent information to the membership.
- B. Maintain a record of member attendance to club meetings.
- C. Execute, with the President, in the name of the Club, contracts and other legal instruments following their approval by the Board as described in Section 2(A), above.
- D. Have on hand at all meetings reference copies of the Club By-Laws and Operating Regulations.
- E. Perform other duties as prescribed by the President.

#### Section 6 - The Treasurer shall:

- A. Under the direction of the President and under the control of the Board, prepare checks for expenditures in the name of the Club.
- B. Prepare an Annual Financial Statement (to include the Club's Debt/Equity Ratio, Engine Overhaul Allocations and Capital Equipment Fund Allocation) and an Aircraft Usage Report, for dissemination to the Board and general membership.
- C. Collect and submit data for preparation of monthly bills.
- D. Execute, with the President, in the name of the Club, contracts and other legal instruments following their approval by the Board as described in Section 2(A), above.

Section 7 - The Aircraft Maintenance Officer shall:

- A. Be responsible for all maintenance performed on Club aircraft and related equipment.
- B. Originate and supervise all tests, inspections and major overhauls of each Club aircraft and insure the compliance of all applicable federal aviation regulations and Airworthiness Directives.
- C. Be responsible for maintaining current information in the log books of the aircraft.
- D. Be responsible for all documents required to be carried in the aircraft and for the execution of all required documents upon the completion of inspections and major repairs.
- E. Be responsible for conducting a proper maintenance program.
- F. Perform all appropriate duties as prescribed by the President.
- G. Establish and maintain a current inventory of Club tools and equipment and report any losses or changes to the Board.
- H. It is not required that the Aircraft Maintenance Officer be a licensed A&P.

Section 8 - The Safety Officer shall:

- A. Be responsible for an ongoing comprehensive safety program.
- B. Promote good relations with local airports and flying groups.
- C. Keep records of medical, annual and biennial check rides, and notify each member of the Club when one of the above is due.

Section 9

The duties of the Board shall be to action all matters of policy which shall include, but not be limited to, the following items:

- A. To interview all prospective members for acceptance into the Club.
- B. To determine the monthly dues and flying charges based on the methods set forth in Appendices "B" and "C".

- C. To act in a judicial capacity on interpretation of Club rules, FAA regulations, or general safety practices. To conduct a hearing with any member involved in an incident, accident, or pertaining to damage of equipment, or any unusual circumstance.
- D. To discipline members of the Club for violations of Club rules, federal, state or Club regulations, and general safety practices.
- E. To have power of suspension of flying privileges and/or expulsion from the Club.
- F. To determine the proper compensation for mechanics.
- G. To protect the Club's interests and safeguard its welfare.
- H. To report its actions to the Club membership.

Section 10 - The duties of Members shall be:

- A. To attend at least two (2) meetings per calendar year.
- B. To uphold the dignity of the Club at meetings and on the flying field, to be alert and mindful of the Club's interests.
- C. To be responsible for the care and proper use of all Club aircraft and equipment. To leave aircraft and equipment in good operating condition.
- D. To report immediately any damage, accident, incident, unusual circumstances, etc., to a member of the Board.
- E. To exercise due caution and safety in flying.
- F. To observe all federal, state, local and Club rules and regulations.
- G. To elect each March, by mail ballot, appropriate officers to take office April 1 of each year.
- H. To if needed, to participate in recall procedure by the General Membership against one or more of the Board Members.
  - (1) Any Board Member who defames the good name of the Club, acts irresponsibly in carrying out his duties, as set forth in the By-Laws, or causes gross financial loss to the Club may be recalled from office.

- (2) Recall will be accomplished by the following procedure:
- a. Notification to all members by mail that a recall is being considered and a special meeting will be called to discuss the seriousness of the charges.
  - b. During that special meeting, it will be voted on whether or not to mail a recall ballot to all members along with a description of the charges. This action will require a two-thirds (2/3) vote of the members present at such meeting. This mailing should include a statement by the Board Member(s) being recalled.
  - c. A two-thirds (2/3) affirmative vote from all members by mail will be required to remove an officer from office. The votes will be counted thirty (30) days from the date the recall ballot was mailed.
  - d. The vacated position will be filled as described in Article VII, Section 12, below.

### Section 11

In the absence of the President and the Vice-President the order of succession shall be Secretary, Treasurer, Maintenance Officer and then Safety Officer.

Section 12 - A vacant position on the Board shall be filled as follows:

- A. The position of President shall be filled by the Vice-President and the Vice-President's position shall then be considered vacant.
- B. All Board positions, other than President, shall be filled by a majority vote of the remaining Members of the Board.
- C. Exceptions:
  - (1) The position of President shall not be filled by a Vice-President who was elected by the Board. In this event the President shall be elected by a special Election as described in Article VI, Section 6.
  - (2) In the event of more than three (3) positions on the Board being vacant at the same time, the vacant positions will be filled by a Special Election as described in Article VI, Section 6.

- (3) When the position of Vice-President is being filled due to a vacancy in the position of President, it shall not be counted to determine if more than three (3) positions are vacant.

### Section 13 – Indemnification

The Officers and Directors of the Beaver Valley Flying Club, Inc. shall not be personally liable for monetary damages as such for any action taken, or failure to take any action, unless:

- A. The Officer or Director has breached or failed to perform the duties of his office under Section 8363 of the Director Liability Act, 1986, November 18, P.L. 1458, No. 145, Section 1; 42 Pa.C.S.A. §8363.
- B. The breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.
- C. Limitations of Liability and Indemnification of Members of the Board of Directors, Officers and Other Indemnified Representatives:

- (1) Definitions: The following words and phrases, when used in these By- Laws shall have, unless the context clearly indicates otherwise, the meanings given to them in this section:

Indemnified Capacity - Any and all past, present, and future service by an Indemnified Representative in one or more capacities as a member of the Board of Directors, Officer, employee, or agent of the Club, or, at the request of the Club, as a director or officer.

Indemnified Representative - Any and all members of the Board of Directors and officers of the Club, and any other person designated as an indemnified representative by the Board of Directors (which may, but need not, include any person serving at the request of the Club, as a director, officer, or fiduciary).

Liability - Any damage, judgment, amount paid in settlement, fine, penalty, punitive damages, excise tax assessed, or cost or expense of any nature (including, without limitation, attorneys' fees and disbursements reasonably incurred).

Proceeding - Any threatened, pending or completed action, suit, appeal, or other proceeding of any nature, whether civil, criminal, administrative, or investigative, whether formal or informal, and

whether brought by or in the right of the Club, a class of its members, or security holders, if any, or otherwise.

(2) Limitation of Liability of Members of the Board of Directors.

A member of the Board of Directors shall not be personally liable for monetary damages, as such, for any action taken, or any failure to take any action, unless he or she has both;

- (a) breached or failed to perform the duties of his or her office under 42 Pa. C.S.A. §5713 relating to performance of a Director's duties and
- (b) such breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.
- (c) The foregoing exemption from liability shall be retroactive to the fullest extent permitted by law. This exemption from liability shall not apply to the responsibility or liability of a member of the Board of Directors pursuant to any criminal statute or the liability of a member of the Board of Directors pursuant to any criminal statute or the liability of a member of the Board of Directors for the payment of taxes pursuant to local, State, or Federal law. Any repeal or modification of this subsection shall be prospective only, and shall not adversely affect any limitation on the personal liability of a member existing at the time of such repeal or modification.

(3) Indemnification of Members of Board of Directors, Officers and Other Indemnified Representatives.

- (a) The Club shall indemnify an Indemnified Representative against any liability incurred in connection with any proceeding in which the Indemnified Representative may be involved as a party or otherwise, by reason of the fact that such person is or was serving in an Indemnified Capacity, including without limitation, liabilities resulting from any actual or alleged breach or neglect of duty error, misstatement or misleading statement, negligence, gross negligence, or act giving rise to strict or products liability, except where such indemnification is expressly prohibited by applicable law or where the conduct of the Indemnified Representative has been determined to constitute willful misconduct or recklessness within the meaning of 42 Pa. C.S.A. §8365(b) or any superseding

provision of law, or similar law sufficient in the circumstances to bar indemnification against liabilities arising from the conduct.

- (b) If an Indemnified Representative is entitled to indemnification in respect of a portion, but not all, of any liabilities to which such person may be subject, the Club shall indemnify such Indemnified Representative to the maximum extent for such portion of the liabilities.
  - (c) The termination of a proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the Indemnified Representative is not entitled to indemnification.
- (4) Proceedings Initiated by Indemnified Representatives. Notwithstanding any other provision of this Article, the Club shall not indemnify under this Article an Indemnified Representative for any liability incurred in a proceeding initiated (which shall not be deemed to include counter-claims or affirmative defenses) or participated in as an intervenor or amicus curiae by the person seeking indemnification unless such initiation of or participation in the proceeding is authorized either before or after its commencement, by the Board of Directors. This section does not apply to reimbursement of expenses incurred in successfully prosecuting or defending the rights of an Indemnified Representative granted by or pursuant to this Article.
- (5) Denial of Right to Indemnification. Indemnification under Article VII, Section 13, of the By-Laws shall be made by the Club unless a determination is reasonably and promptly made that the indemnification of an Indemnified Representative is not proper in the circumstances because of grounds for denying indemnification under this Chapter or under applicable law. Such determination may be made only by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to the proceeding.
- (6) Expenses in Successful Defense. Notwithstanding any other provision of this Article, to the extent that an Indemnified Representative has been successful on the merits or otherwise in defense of any proceeding referred to in Article VII, Section 13, of the By-Laws or in defense of any claim, issue, or matter therein, he or she shall be indemnified against liabilities actually and

- reasonably incurred by the Indemnified Representatives in connection therewith. The Club shall also make such other indemnification as shall be required by statute.
- (7) **Right of Claimant to Bring Suit.** If a claim under this Article is not paid in full by the Club within 30 days after a written claim has been received by the Club, the claimant may at any time thereafter bring an action against the Club to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any required, has been tendered to the Club) that the claimant has not met the standards of conduct which make it permissible under applicable law for the Club to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Club. Neither the failure of the Club (including the Board of Directors or independent legal counsel) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct, nor an actual determination by the Club (including its Board of Directors or independent legal counsel) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant is not entitled to indemnification.
- (8) **Securing of Indemnification Obligations.** To further effect, satisfy, or secure the indemnification obligations provided in this Article or otherwise, the Club may maintain insurance, obtain a letter of credit, act as self-insurer, create a reserve, trust, escrow, cash collateral, or other fund or account, or use any other mechanism or arrangement whatsoever in such amounts, at such costs, and upon such other terms and conditions as the Board of Directors shall deem appropriate. Absent fraud, the determination of the Board of Directors with respect to such amounts, costs, terms and conditions shall be conclusive and shall not be subject to void ability.
- (9) **Discharge of Duty.** An Indemnified Representative shall be deemed to have discharged his or her duty to the Club if he or she relied in good faith on information, advice or an opinion, report, or statement prepared by:



- (a) one or more officers or directors of the Club whom such Indemnified Representative reasonably believes to be reliable and competent with respect to the matter presented;
- (b) legal counsel, public accountants or other persons as to matters the Indemnified Representative reasonably believes are within the professional expert competence of such person; or
- (c) a committee of the Board of Directors on which he or she does not serve as to matters in its area of designated authority, which committee he or she reasonably believes to merit confidence.

(10) Contract Right, Amendment or Repeal.

All rights to indemnification under this Article shall be deemed a contract between the Club and the Indemnified Representative pursuant to which the Club and each Indemnified Representative intend to be legally bound. Any repeal, amendment, or modification of this Article shall be prospective only and shall not affect any rights or obligations then existing.

(11) Scope of Article.

The indemnification of Indemnified Representatives as authorized by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any statute, agreement, vote of disinterested Directors, or otherwise, both as to action in an official capacity and as to action in any other capacity. The indemnification and advancement of expenses provided by or granted pursuant to this Article shall continue as to a person who has ceased to be an Indemnified Representative in respect of matters arising prior to such time, and shall inure to the benefit of the heirs, executors, administrators, and personal representatives of such a person.

(12) Reliance on Provisions.

Each person who shall act as an Indemnified Representative of the Club shall be deemed to be doing so in reliance upon the rights of indemnification provided by this Article.

#### D. Interpretation

The provisions of this Article have been approved and ratified by the members of the Club and are intended to constitute By-Laws authorized by 15 Pa. C.S.A. §5504. The provisions of this Section shall not apply to the responsibility or liability of a Director pursuant to any criminal statute or the liability of a Director for the payment of taxes to local, state or federal law.

## **ARTICLE VIII**

### **Finances**

#### Section 1

Financial stability on a self-supporting basis will be a prime responsibility of the Board, in accordance with the prescribed Initial Membership Fee, Monthly Dues and Flying Cost per Hour determination methods set forth in Appendices A, B and C, respectively.

#### Section 2

Any other special or one-time financial assessments shall be determined by the Board on an "as needed" basis.

#### Section 3

Except for aviation fuel, no member can financially obligate the Club, other than as set forth in Section 5 of this Article.

#### Section 4

In the event of damage to any Club equipment or property belonging to others, the following rules shall apply, except as provided for elsewhere in the Club regulations:

- A. If any damage is caused as a result of violations of federal, state or local regulations, gross negligence, recklessness and/or carelessness; the member(s) at fault (at the discretion of the Board) shall be personally liable for the damages, either through payment of the insurance deductible or complete payment of any repairs.
- B. In the event the member(s) at fault is unable to pay for the damages, the monies shall be taken from the Club treasury. The account of the member(s) shall be charged with the amount, and, if necessary, action will be taken by the Board to collect all amounts due including costs of

collection, court costs and attorney's fees.

- C. The Board will determine the final disposition of incidents or accidents, including what the Club member(s) will be financially responsible for.

### Section 5

Any member of the Club finding it necessary to purchase parts or have any repair work performed on the equipment of the Club, in an emergency situation or on a cross-country flight, may do so, only after contacting the Maintenance Officer (or other Board Member if the Maintenance Officer is not available) and receiving permission. However, any necessary purchases under \$250.00 will be deemed incidental and no such permission will be required. Upon presentation of a properly receipted bill of sale and/or services, the member shall be reimbursed by the Treasurer.

### Section 6

Any member, who for any reason has not paid his or her monthly bill by the thirtieth (30th) day after the billing date, shall be automatically suspended and be denied the use of all Club aircraft. After an additional sixty (60) days in this suspended status, the member continues to be responsible for monthly dues until the term of his/her yearly agreement as specified in Article III Section 1.

- A. At the end of the yearly membership agreement specified in Article III Section 1, the member shall be terminated and forfeit all interests, rights and privileges in the Club and be so notified by the Board in writing.
- B. This member will forfeit any claim to any initiation fee paid to the Club.
- C. At any point prior to the written notification by the Board specified in A above, the member may reconcile all past due monies and deposits. This will remove the member from suspension, but place their membership in a probationary status for a period not to exceed twelve (12) months.
- D. Probationary status is defined as limiting the member to monthly dues and one (1) hour of flight time per monthly statement, unless payment is made in advance of the proposed flight.
- E. The Board of Directors will take action to collect all past due accounts. The terminated member agrees and will be responsible for all recovery fees, legal fees, and or court costs associated with the collection of past

due accounts.

### Section 7

Club financial records shall be audited annually by a three member internal committee appointed by the Board of Directors. An external audit will be accomplished every three years or with the change of the Treasurer's office and the results reported to the membership. Special audits may be made if requested by the Board. The audit should be completed no later than April 1. One audit will be sufficient for each fiscal year.

### Section 8

The Board of Directors will have the discretionary authority to allocate monies received as a surcharge (e.g. Article I, Section 6 and Appendix C, Section 4) where needed and/or as deemed appropriate, given the financial condition of the Club.

### Section 9

Club officers with bank account authorization must be bonded.

## **ARTICLE IX**

### **Equipment**

### Section 1

Recognizing that the success of the Club is dependent on satisfying the needs and desires of the membership; a variety of aircraft and support equipment must be acquired, maintained and disposed of; as these needs and desires arise and/or change.

### Section 2

Any equipment purchased, leased, rented or acquired by the Club in any manner, shall be divided into two (2) classes:

A. Semi-durable and expendable; shall include, but not be limited to:

- (1) Tools used in maintaining Club aircraft;
- (2) Engines;
- (3) Office equipment;

- (4) Hangar space; and
  - (5) Items costing less than \$1,000.00. This includes those items that would otherwise be considered as capital. Capital purchases should not be divided to meet this requirement. All items determined to be needed/desired at the same time will be considered together when determining if the \$1,000.00 limit is exceeded. The Board shall inform the membership at least ten (10) days prior to purchasing items under the provisions of this paragraph.
- B. Capital Equipment; shall include, but not be limited to (except items included in Article IX, Section 2(A)(5), above):
- (1) Aircraft;
  - (2) Upgraded avionics;
  - (3) Other vehicles used in Club operations; and
  - (4) Real estate purchases or leases made in the name of the Club solely for Club operations.

Section 3 - Equipment purchases or sales.

- A. Semi-durable and expendable. It shall be the responsibility of the Board to make timely purchases and/or sales of this class of equipment so as to assure flight safety and efficient Club operations.
- B. Capital Equipment. The purchase, sale or lease of Capital Equipment shall reflect the needs and desires of the membership. To this end, the following provisions shall apply:
- (1) The Board shall appoint and maintain an Equipment Review Committee to:
    - a. Monitor the needs and desires of the membership through personal contact, telephone or written communications;
    - b. Evaluate the condition of the existing fleet;
    - c. Recommend to the Board purchases and/or sales based on these needs, desires and the condition of the fleet; and
    - d. Approximate the financial consequences to the Club of the

recommended course of action.

- C. The appointments of the Equipment Review Committee shall be appointed by the Board and shall include at least one (1) Board member.
- D. From these recommendations and other data at their disposal, the Board shall make written "notice" of proposals to the membership. These notices shall be mailed to the membership a minimum of ten (10) days in advance of a regular or special meeting giving the time, date and place of the meeting. A vote of the membership at that meeting will be held. a two-thirds (2/3) vote of the member's present will be required to approve any proposal.
- E. Given this approval of the membership, the Board shall have the responsibility to act in the best interest of the Club in consummating the necessary negotiations and agreements.

#### Section 4 - Equipment repair and refurbishing.

- A. As deemed necessary, the Board is authorized to make expenditures for avionics repairs, airframe repairs, aircraft systems repair and engine repairs, so as to keep Club aircraft operating safety and efficiently.
- B. Major expenditures for things such as aircraft repainting or interior refurbishing, will be considered Capital Equipment expenditures and will be subject to membership approval in accordance with Section 3(B) of this Article.

#### Section 5

Replacement of Capital Equipment totally lost. In the case of total loss, the Board is authorized to secure a replacement piece of equipment without prior approval from the General Membership. However, the following rules on this replacement must be adhered to:

- A. The replacement must be of the same model, kind and type, unless not available, wherein a similar model, kind and type will be acquired.
- B. In acquiring this replacement, the Board is authorized to pay no more than twenty-five (25%) percent over and above the (non-damaged) value of the equipment prior to the loss.

#### Section 6 - Airport and Club Security

- A. Each Primary Club Member will be supplied with a key code to activate the hangar locks.
- B. It is a Club violation to duplicate or possess any key to any Club aircraft, hangars or equipment storage cabinets without the express written consent of the Board.
- C. The Board will keep an inventory of all keys issued for all aircraft, hangars and equipment storage lockers.
- D. Any violation of this Section is grounds for immediate suspension up to and including termination. After investigation of the circumstances, an incident of stolen or missing keys may be reported to the Department of Homeland Security and/or the Transportation Security Agency (TSA) and/or the Federal Aviation Administration (FAA).

## **ARTICLE X** **Dissolution**

### Section 1

Should it be determined by general consensus that Club activities be terminated, and the Club dissolved, the following procedure will be undertaken:

- A. Notification to all members by mail that dissolution is being considered, and that a special meeting will be held to discuss the reasons for such action. This notice will be mailed at least thirty (30) days in advance of that meeting, and contain the date, time and place of such meeting.
- B. During this meeting, it will be voted on whether or not to mail a dissolution ballot to the general membership. This will require a two-thirds (2/3) vote of the members present.
- C. A two-thirds (2/3) affirmative response from the membership by mail will be required for dissolution, and thus authorize the Board to wrap up the business activities of the Club and begin to liquidate Club assets as soon as possible, but in no event later than seven (7) days after the ballot count. No further purchases will be made in the name of the Club after an affirmative ballot count.

### Section 2

No later than thirty (30) days after all Club assets have been liquidated and

all Club debts satisfied in full, each member of record in good standing will receive his/her pro rata share of the net liquidation proceeds.

## **ARTICLE XI**

### **By-Laws**

#### Section 1 - Adoption

These By-Laws will become effective immediately upon approval by the Club membership. Adoption will take place upon an affirmative two-thirds (2/3) vote of the membership present at a pre-designated adoption meeting.

#### Section 2 - Amendments and revisions

- A. Revision to these By-Laws may be proposed by the President, the Board or by a petition addressed to the Secretary and signed by twenty (20%) percent of the membership in good standing. The President or Board may appoint a committee to develop the proposed revision. Revision proposed by petition shall be promptly considered by the Board and shall be submitted to the members with the recommendation of the Board, as required in Section B, below, within three (3) months of the date the petition was received.
- B. Any proposed revision or amendment will be mailed to all members for review at least thirty (30) days in advance to the designated meeting at which a vote for adoption will be taken. Written notice will be sent to all members at least ten (10) days in advance of such meeting. The meeting notice may be included with the proposed revision.
- C. A two-thirds (2/3) vote of the members present is required to adopt the proposed revision or amendment.
- D. Changes may be made to the proposed revision(s) at the adoption meeting.
- E. Notice that the revision was adopted (or not adopted) shall be sent to all members, along with any changes made under Section D, above, within sixty (60) days form the adoption meeting. The revision shall be effective immediately.



**APPENDIX A**  
**Initial Membership Fee**

Section 1

An initiation fee of \$500.00 will be charged each new member upon actual acceptance in the Club. The initiation fee is non-refundable.

Section 2

Members who were on a list to become inactive or leave the Club at or before the December 7, 2016 revision, may leave the club immediately provided that all past monies due the Club are paid in full. If a member fails to pay past monies due the club, they will be held on the list of active members and charged monthly dues until April 1, 2017. At this time, their failure to "re-up" will constitute their resignation. They will give up all claims to Club membership and be subject to collection of any monies due to the Club in accordance with Article VIII Section 6 E.

Section 3

The Board of Directors shall review this amended Section on an Annual basis, and have authority to change the initiation fee in Section 1 without membership approval.

## **APPENDIX B**

### **Monthly Dues**

#### Section 1

Monthly dues shall be determined by the Board, based on the total fixed costs associated with operating the Club on a financially sound basis. Fixed costs include, but are not limited to:

- A. Aircraft payments.
- B. Insurance premiums.
- C. Hangar fees.
- D. Internet service and Internet scheduling service.
- E. Monthly billing costs.
- F. Office supplies.
- G. Reasonable costs associated with occasional social functions.

#### Section 2

Recognizing that it is desirable to upgrade Club aircraft and avionics from time to time; the Treasurer shall, at the end of each calendar year, make a separate accounting of all Monthly Dues in excess of total fixed costs and emergency disbursements for the preceding year.

- A. This allocation (or accounting) of excess income shall be called a Capital Equipment Fund, and will be included as a separate item in the Treasurer's Annual Financial Report to the Board and the general membership.
- B. This "Fund" shall be available for use as a cash payment toward Capital Equipment purchases, thus allowing the Club to maintain reasonable financing costs on the balance, if any.
- C. The above-provisions however, will not preclude the Board from allocating these monies for the following:
  - (1) Unforeseen emergency expenses.

- (2) Extraordinary maintenance costs, provided the Board recovers these maintenance expenditures through Flying Cost per Hour rate adjustments, thus restoring the Capital Equipment Fund to its original status.
- D. The Treasurer will not be required to keep these monies physically separated from the Club's general fund; however, the Board may authorize the segregation of these monies at any time deemed appropriate.

### Section 3

The Board, at their discretion, may increase the Monthly Dues annually on April 1<sup>st</sup> when it becomes apparent that total fixed cost disbursements are approaching or exceeding total receipts. Conversely, Monthly Dues may be lowered annually if warranted by unreasonably high excess income.

### Section 4

To realize Club success, financial stability, and to encourage actual flight activity; the Quarterly Minimum Flying Charge shall be equal to three (3) hours of flying time in the Club's least costly aircraft. The Quarterly Minimum Flying Charge shall be computed by taking the average of the three (3) actual months cost for the least costly aircraft having been charged each month during a quarter. The Club shall bill monthly dues and actual flying charges on a recurring monthly basis no later than the 7<sup>th</sup> of each month. The actual monthly flying charges will be deducted from the Quarterly Minimum Flying Charge and billed on the following schedule:

- A. 1st Quarter Minimum Flying April 7<sup>th</sup> 2nd Quarter Minimum Flying July 7<sup>th</sup>  
3rd Quarter Minimum Flying October 7<sup>th</sup> 4th Quarter Minimum Flying  
January 7<sup>th</sup>.
- B. The Board will make every effort to apply and redistribute income received from Quarterly Minimum Flying Charges during the succeeding quarter as follows:
  - (1) Reduction of Hourly Maintenance Charges
  - (2) Capital Equipment Fund Allocation
  - (3) Reduction of the monthly Dues on an annual basis.
- C. Any member who is not allowed to fly Club aircraft as pilot-in-command

because of medical restriction, may petition the Board in writing for an exception to the Quarterly Minimum Flying Charge as defined above. The Board may waive this charge only after thirty (30) days of such flight restriction, at a rate of three (3) hours per quarter for a maximum of thirty-six (36) months, provided acceptable medical proof is furnished throughout the period. Members who request this waiver, are required to the "medical waiver" form located in Appendix D and forward it to the Club Secretary.

- D. Members in the US Armed Services, who are activated for military duty and or deployed, may have their Quarterly Minimum Flying charges waived by the Board of Directors provided sufficient proof of their deployment or activation is received by the President of the Club.

## **APPENDIX C**

### **Hourly Flying Charges**

#### Section 1

Hourly Flying Charges shall be determined by the Board based on the actual cost of operating and maintaining each aircraft. These variable costs include, but are not limited:

- A. Fuel and oil.
- B. Maintenance estimates.
- C. Engine overhaul or engine replacement; recognizing that "time-to-overhaul" is a function of the average number of hours flown each month.

#### Section 2 - Engine Overhaul Fund

- A. Engine overhaul or engine replacement allocations will be accounted for separately by the Treasurer, and included as a separate item in the financial reports to the Board and the general membership.
- B. The Treasurer will not be required to keep these funds physically separated from the Club's general fund, however, the Board may authorize the segregation of these funds at any time deemed appropriate.
- C. Should an aircraft be sold prior to utilizing the engine overhaul or replacement monies previously allocated, the Board may authorize that these funds be used toward the purchase of the replacement aircraft, after determining that sufficient monies will be available in the Engine Overhaul Fund to meet future needs.

#### Section 3

The Board shall have the discretion to arbitrarily raise or lower the Hourly Flying Charges for the purpose of adjusting each aircraft's actual hourly cost of operation for depreciation associated with that aircraft. The Board may also raise or lower these Hourly charges for other extenuating financial or flight circumstances. These arbitrary increases or decreases shall be limited to ten (10%) percent of the charge determined under Section 1 of this Appendix.

Section 4

A one hundred (100%) percent surcharge shall be assessed for any hours flown in excess of fifteen (15) in any one calendar month between June 1 and October 1. The surcharge shall be based on the aircraft flown and hours in the aircraft that are in excess of fifteen (15). This surcharge may be waived for one (1) trip per calendar year. This waiver will normally be applied to the first such occasion however, the member may request that the waiver be delayed to a future month if the request is made no later than one (1) week after the billing for which the waiver is applied.

**APPENDIX D**  
**Required Club Forms**

Section 1

The following forms are required to be used by members for membership changes. All forms must be signed by the member, and forwarded to the Club Secretary for processing. The Club Secretary will coordinate with the appropriate members of the Board of Directors upon receipt of any of the forms attached to this appendix:

Contents:

- A. Club "Re-Up" Form (to be completed no later than February 28<sup>th</sup> by all members)
- B. Club Medical Wavier Form
- C. Club Changes in Dues Billing Credit Card Form
- D. Club Change of Address/Email/Contacts Form