

BY-LAWS OF THE WEST MICHIGAN FLYING CLUB, INC.

PREAMBLE

These By-Laws establish the general policies and procedures under which the West Michigan Flying Club is governed.

Specific parameters for the day-to-day operation of the Club are set forth in a separate document called the "Rules". All members of the Club will be provided with a current copy of both the By-Laws and the "Rules".

DEFINITIONS

Unless specifically stated otherwise, the following definitions shall be assumed throughout these By-Laws and Rules:

1. The pronouns "he" and "his" shall be taken to mean "he or she" and "his or her".
2. The terms "W.M.F.C." or "the Club" shall be taken to mean "West Michigan Flying Club, Inc."
3. The term "Member" or "Club Member" shall be taken to mean "Active Member of W.M.F.C."
4. The term "member" or "any member" shall be taken to mean "any W.M.F.C. Club member, whether Active, Inactive or Suspended".
5. The term "Board" shall be taken to mean the W.M.F.C. Board of Directors.
6. The term "By-Laws" shall be taken to mean this document, incorporating its latest revision(s).
7. The term "Rules" shall be taken to mean the "Rules of W.M.F.C." incorporating their most recent revision(s), which form a companion to this document.
8. The terms P.I.C., C.F.I. and C.M.O. shall be taken to mean pilot-in-command, F.A.A. certified flight instructor, and W.M.F.C. Chief Maintenance Officer, respectively.

ARTICLE I MEMBERSHIP

W.M.F.C. was organized to encourage interest in aviation and to provide safe flight training and transportation to its Members, to advance knowledge of its Members in aeronautics and navigation subjects, and to bring to more people the social benefits and pleasures of flying.

The Club is chartered by the State of Michigan as a nonprofit corporation. The charter stipulates that: "The total number of shares of stock which the corporation shall have the authority to issue is 300 shares, with a par value of \$50.00 per share."

Because each member is required to purchase a block of 5 shares of stock, the Club's maximum membership is 60 people or any applicable insurance limitations.

With the exception of Board-approved C.F.I.'s giving instruction to a club member, the only people who are allowed to act as P.I.C. of a Club airplane are Active Club Members.

SECTION I Definition of an "Active Member"

To become and remain an Active Member of the Club, an individual must meet the following requirements:

- (1) Complete a membership application as instructed thereon, and submit it to the secretary of the Club.
- (2) Be approved by majority vote of the Club Members attending a meeting at which his proposed membership is considered.
- (3) Purchase a block of 5 shares of W.M.F.C. stock at \$50.00 per share, for a total of \$250.
- (4) Pay an additional \$250 Application Fee, refundable upon leaving the club.
- (5) Pay a onetime, non-refundable Initial Fee that allows the new member the right to use one specific Club aircraft (the initial aircraft). (See Rules Article I, Section I.)
- (6) Be current in all financial obligations to the Club. (See By-Laws Article II Section III).

SECTION II Definition of an "Inactive Member"

A Member may, with the approval of a majority of the Members of the Board of Directors, voluntarily become "Inactive" for up to 12 months (or longer at the discretion of the Board). An Inactive Member will be suspended from having to pay monthly dues, will forfeit voting rights, and will have no rights to use any Club equipment or facilities during the inactive period.

When a Member chooses to go on Inactive status, the purchase price of his shares in the club will be considered held in escrow by the Club, and his shares will be made available for purchase by any new Member applicant.

In the event of special or extenuating circumstances, an individual may be granted more than one term as an Inactive Member. (An example of such a case might be a college student asking to "go Inactive" for each term away at school.)

In order to "go Inactive", the Member must make a formal request to the Treasurer or Secretary and then settle any outstanding financial obligations. The request to become Inactive will be approved or denied by the Treasurer or Secretary, with confirmation of the decision by the Board at its next meeting.

In order to become an Active Member again, the Inactive Member must make a formal request to the Treasurer or Secretary. The request will normally be granted immediately and confirmed by the Board at its next meeting. If there are no membership openings, the member must remain Inactive on the waiting list to become Active, ahead of any new applicants. Inactive Members regaining Active status will be given credit for any Initial Fees previously paid.

SECTION III Definition of a Suspended Member

A Member may be suspended from Active status by a majority decision of the Board of Directors. Under these circumstances, the Secretary will notify the member in writing of the reason for the suspension and what his rights to appeal are.

Also, suspension will be automatic in certain cases wherein the financial requirements set forth in these By-Laws are not met. Automatic suspension will be brought to any member's attention on his billing statement, and will be considered rescinded as soon as his financial obligations are met.

A Suspended Member, will forfeit voting rights, will have no rights to use any Club equipment, and will not be liable for having to pay monthly dues for the period during which he is suspended.

SECTION IV Termination of Membership

Any member wishing to voluntarily cease membership in the club must notify the Treasurer or Secretary in writing. Upon such notification the Treasurer will review the member's account (taking into account his stock ownership and refundable Application Fee) and determine if there is any outstanding debit or credit balance. Any outstanding debit balance must be settled before the membership can be considered terminated. Any outstanding credit balance will be sent to the former member by check within 30 days.

Any member who fails to comply with these By-Laws and Rules may be expelled from the Club and have his membership terminated by majority decision of the Board. Should this occur, the Treasurer will review the member's account (taking into account his stock ownership and refundable Application Fee) and determine if there is any outstanding debit or credit balance. The member will be invoiced for any outstanding debit balance, which will be payable upon receipt. Any outstanding credit balance will be sent to the former member by check within 30 days.

ARTICLE II FEES, ASSESSMENTS AND DUES

SECTION I Initial Fees

The initial financial obligations that must be met to become a Club Member are:

- (1) Purchase of a stock certificate representing 5 shares of stock in the Corporation. These shares are valued at \$50.00 each, so that the purchase price is \$250.00. This amount is refundable to the member upon leaving the club.
- (2) Pay an Application Fee of \$250.00, refundable when the member leaves the club.
- (3) Payment of a non-refundable Initial Fee to be eligible to fly one specific Club aircraft (the initial aircraft). (See Rules, Article I, Section I.)

In order to fly and act as P.I.C. in other Club aircraft, a Member must first pay the appropriate non-refundable Initial Fee (See Article II, Section I of the "Rules".), then satisfy the necessary training and experience qualifications of the FAA and of the Club.

A Member wishing to transition to other Club aircraft (subsequent aircraft) may do so in any order. If the Club trades, sells or suspends use of aircraft, and the "hourly rate" order of the planes changes, the Board will determine how former eligibility status is applied to the new "hourly rate" order.

SECTION II Assessments

On occasion, there may arise the need to levy a special assessment on all members. Such assessment would be to pay for something the normal dues and flying fees could not be expected to cover. Any assessment that is levied against the membership will effect all members equally.

An assessment may only be levied in the following manner:

- (1) The Board must decide, by majority vote, that an assessment is necessary.
- (2) All voting Members must be sent notice of a Special Meeting that will take place to discuss the issue. This notice must contain a statement of the problems faced by the Club, and Board's opinion of the amount of the assessment it feels is necessary.
- (3) In order for the assessment to be levied, the majority of the Members at the special meeting must approve it.
- (4) Once an assessment has been levied, it will become a financial obligation on each Member, and the regulations regarding timely payment (including interest accumulation) will apply. Inactive or Suspended Members will be required to pay any assessments passed during their non-Active period, immediately prior to resuming Active status.

SECTION III Monthly Dues & Flying Fees

Each Member of the Club will pay monthly dues in the amount set by the Board. (See Rules Article II, Section II.) Fees for flight time will be at the rates set out in the Rules Article II Section III. A statement of dues, flying fees and other financial obligations will be mailed monthly to each Member.

Payment of each monthly statement is due within 30 days of the statement issue date. Any balance outstanding beyond 30 days from the statement date will accrue interest at a rate set forth in the Rules Article II, Section IV.

Any member who maintains an outstanding debit balance and fails to make any payment for a period of 90 days or more is liable to suspension in accordance with the By-Laws Article I Section III.

Also, any member whose monthly invoice outstanding balance exceeds the amount of his stock ownership shall have his membership automatically suspended. In order to return to Active membership status, his account balance must be paid in full. The return to Active status will be considered automatic as soon as a bona fide check for the amount outstanding is mailed to the Treasurer or left in the Treasurer's mailbox in the Club hangar.

Any member notified of suspension in accordance with either of the above paragraphs who fails to settle his balance within 30 days, shall be liable to expulsion from the Club as set out in the By-Laws Article I, Section IV.

Any member who cannot meet his financial obligations may appeal to the Board for more time to solve temporary problems. The Board may, with a majority vote, allow the member up to 90 days in which to meet his obligations, during which time the member remains Suspended. If the obligations are not met within the allotted time, the membership will be terminated.

ARTICLE III BOARD OF DIRECTORS AND OFFICERS

SECTION I Number and Term

The governing body of the Club is a seven-member Board of Directors. Each Member of the Board will serve a two year term, beginning with the election process at the October Club meeting and ending two years hence on "election night".

The Secretary will issue notice in August to the effect that anyone who wants to seek a seat on the Board may make their desire known by notifying any Board Member not later than September 1st. (Notification of intent to run can also be made by return mail to the Secretary).

In September of each year, the Secretary will mail notice to all voting Members of the Club detailing which Board Member's terms are expiring, and which Club Members are running for those vacancies. This notice will also provide all Members who cannot attend the October meeting with the opportunity to vote by mail.

At the October Club meeting each year, there will be an election to fill the seats of the Members of the Board whose terms expire that year. On even number calendar years, the terms of three Members will expire, and on odd number years the other four seats will be open to election.

Only Active Members may serve on the Board. A Member of the Board may serve any number of consecutive terms.

SECTION II Duties of the Board

It is the duty of the Board of Directors to conduct and govern the affairs of W.M.F.C. within the guidelines of the State Laws that effect such non-profit Corporation, and within the Club's By-Laws and Rules.

The Board of Directors will establish Rules with regard to the use and maintenance of aircraft and other equipment, and with regard to any other matters that may be in the best interests of the Club. These Rules will be kept in a formal manner by the Secretary. A copy of these By-Laws and Rules will be provided to each Club Member. Each Member will be given written notice of any change to the Rules as may be decided by the Board.

In the event of a vacancy occurring on the Board, the remaining Board Members will appoint an Active Member of the Club to serve out the rest of the open term.

SECTION III Election of Officers

Immediately after each October meeting the new Board will meet and select people from among its ranks to serve in the positions of President, Vice-President, Secretary and Treasurer. Each Officer will serve a one-year term, from October meeting to October meeting.

The Board will discuss the duties of each Officer position and the suitability of each Board Member to serve in the various capacities, and then elect the Officers.

After selecting the new Officers for the coming year, the Board will also appoint a Chief Maintenance Officer (C.M.O.)

SECTION IV Duties of the Officers

President: The President will preside at meetings of the Club, and at meetings of the Board. He will appoint committees as necessary to plan and carry out functions, and will serve as an ex-officio Member of such committees.

The President is responsible to communicate with any members as necessary to maintain Club By-Laws, Rules, and general order. When any Club Officer has need to talk to any Club Member regarding an infraction of the rules, the President is personally responsible to carry out the communication.

Vice-president: The Vice-President will assume the duties of the President in the latter's absence and will assist the President as needed.

Treasurer: The Treasurer will keep all the financial records of the Club. He will make a verbal report to the Membership at each meeting as regards the then current state of the Club's affairs. Any Board Member may request further written detail at his discretion.

The Treasurer will make available to the Board, a written quarterly report that states at least the following items:

1. The current balance in any and all Club bank accounts.
2. The current accounts receivable and accounts payable, with detail.
3. An itemized account of all moneys paid out and received since the last report.

The Board may request an independent audit of the Club's financial records at any time.

The Treasurer will be responsible to see that each Member receives a monthly statement of his account with the Club. The Treasurer will receive a credit to his Club account equal to the monthly dues to help defray the time spent in compliance with the duties of the Office.

Secretary: The Secretary will be responsible for all Club correspondence, and for all non-financial record keeping. He will maintain the Club Membership records, and will be responsible for the paperwork involved in signing up new members, turning over all moneys collected to the Treasurer. He will keep a detailed record of all Club meetings. This record will be kept in an organized binder, with a copy available at the Club's meeting place.

The Secretary will receive a credit to his Club account equal to the monthly dues to help offset the time used to perform these duties.

Chief Maintenance Officer: The C.M.O will be responsible to the Membership for the maintenance of all Club airplanes and other equipment, as detailed in Article IV, Section II of these By-Laws. He will be responsible for the indoctrination of all new Members into the day-to-day practices involved in using Club equipment and aircraft.

Each month the C.M.O will receive a credit to his Club account equal to the monthly dues, to help offset the time involved in pursuit of Club duties.

ARTICLE IV MAINTENANCE

SECTION I PERSONNEL

The Club will have a maintenance organization with the following staffing:

1. A Chief Maintenance Officer who is a Club Member appointed by the Board. (The C.M.O. need not be a Board Member, but will be expected to attend all Board meetings.)
2. A Maintenance Officer for each airplane. A volunteer from among the voting Membership. The Chief Maintenance Officer will select all Maintenance Officers, with approval by the Board.
3. An Alternate Maintenance Officer will be assigned to each airplane. These volunteers from among the voting Membership will be appointed by the Chief Maintenance Officer, with approval by the Board.

SECTION II Duties

The C.M.O., working through his staff of volunteers, will see that all aircraft and all other Club equipment is kept in good operating order.

The C.M.O. will be encouraged to fly up to 2 hours per month at Club expense. This time is to be distributed among the various aircraft, and used to ensure that each plane is in fact being properly maintained.

Compensation for maintenance flight time by Maintenance Officers and Alternates will be at the discretion of the C.M.O.

The C.M.O., individual Maintenance Officers and their Alternates will determine how and where any needed maintenance and/or repairs are carried out on Club aircraft. Any maintenance on Club aircraft performed by members must be within the limitations prescribed by the F.A.A. regulations.

SECTION III Expense Limits

The C.M.O., the Maintenance Officers and the Alternate Maintenance Officers will each have a limit to the amount of money they can spend on any one repair without getting approval from the Board. (See ARTICLE V, Section I of the Rules)

ARTICLE V FINANCES

SECTION I Ownership of Property

All property purchased by or donated to the Club will be considered owned by the West Michigan Flying Club, Inc.

SECTION II Damage to Equipment

Each member is responsible for damage caused to any Club aircraft or other property being used by him or in his care, or for damage caused by his guest(s). Any such damage caused must be reported to the Board as soon as possible.

In the case of such damage, the member will automatically be assessed the cost of repair or replacement of the damaged property, up to \$1,000 or if commercially insured the total value of the insurance deductible. Any member wishing to dispute such assessment may appeal to the Board, then if necessary appeal his case to the membership at a regular meeting. A majority vote of all Active Members at such a meeting will decide the amount of the assessment, if any. Any such assessment will be added to a Member's account balance and the rules for timely payment will apply.

SECTION III Reimbursement for Fuel and Oil

All Club aircraft rates are “wet”. That is, the Club will reimburse the Member for fuel and oil purchased to fly and maintain the planes. Landing fees, fees for tie-downs, hangar or overnight stays, customs fees and the like are not reimbursable.

A Member must attach the original receipt for any such fuel or oil purchase to the back of the flight record slip for the flight during which the expense was incurred. Credit for such purchases will be given on the next monthly invoice, subject to audit by the Treasurer.

All fuel, oil etc. purchases must be initially paid for by the Member. Charging of expenses to the club by Members is not permitted.

SECTION IV Reimbursement for Aircraft Repair Expenses

When renting an aircraft, the Member understands that in the eventuality of mechanical problem(s), he may have to change his plans or cancel his trip. Since the Club is a non-profit organization run by volunteers, it can accept no responsibility for any costs incurred or inconvenience caused by such mechanical problems.

In the case of “off-home-airport” mechanical problems, a member should contact one of the following (in the order given) for authorization before having any repairs done:

1. The Chief Maintenance Officer
2. The Maintenance Officer for the particular aircraft being flown
3. The Club President
4. The Club Vice-President
5. Any other Board Member

A list of Phone numbers will be kept in each aircraft.

The Officer or Director contacted will, after consultation with others as needed, advise what action to take and/or what repairs will be authorized by the Club. If no contact is made and the aircraft is beyond 150 nm from the home airport, then the Member is authorized to spend up to a maximum set in the Rules Article V Section IV to have the problem diagnosed and/or repaired. However, if the problem concerns avionics, and the aircraft is capable of being flown legally in daytime VFR conditions with at least one working communications radio, this authorization does not apply.

Any repairs requested by a member must be initially paid for by that member. Reimbursement of expenses for which original receipts are turned in will be provided by the Club subject to compliance with the above conditions and satisfactory review by the Board.

SECTION V Reimbursement for Other Expenses

Any member who purchases small sundry items for the Club (e.g. cleaning supplies, coffee etc.) will be reimbursed for the cost of those items provided an original receipt is turned in to the Treasurer. Officers who incur expenses in the course of Club business will be reimbursed in the same way.

SECTION VI Purchase and Sale of Aircraft

The purchase or sale of any aircraft must first be approved by the Board. A Special Meeting will then be called to discuss the proposal, and it will only be adopted with the approval of a majority of Active Members present at the Special Meeting, plus any mail-in votes.

ARTICLE VI QUORUM AND MEETINGS

SECTION I Board of Directors Meetings

The Board of Directors will meet prior to each regular monthly meeting of the Club Membership. A quorum for a Board of Directors meeting will be four (4) Members.

A majority vote at any meeting will decide all issues before the Board.

The Board can be called into special session by the President, or in his absence by the Vice-President, with three days notice. An “immediate” special session can be called if notice is waived by all Board Members.

SECTION II Membership Meetings

The Club Membership will meet in regular session once each month or as otherwise decided by the Board. The date and time of regular meetings will be in accordance with the Rules, Article I, Section II.

Special Meetings of the voting Membership may be called by the Secretary sending out a notice by first class mail or other commonly accepted delivery method including email postmarked or sent no later than five days before the Meeting date. Any such notice of a Special Meeting will include a detailed explanation of the issue that is to be discussed and voted upon, as well as the date, time and venue of the meeting.

A quorum for voting at any Membership meeting will be 15% of the Active Members. A majority of the Members attending a meeting plus any mailed-in or e-mailed in (or other commonly accepted delivery method) votes will decide any issue voted upon.

ARTICLE VII INSURANCE

The Club is responsible to maintain suitable liability insurance to protect the Club and its Members from potential financial disaster. Any major changes in insurance coverage, rates or carrier must be approved by the Board of Directors. A copy of the current insurance policy will be kept in the pilot’s lounge available for Members’ review.

Members are encouraged to purchase their own “Renter’s Insurance” to protect themselves against financial liability.

ARTICLE VIII DISSOLUTION

The Club may only be dissolved with the majority vote of the Active Membership at a Special Meeting. Upon dissolution of the Club, the Officers will liquidate the assets of the Corporation and pay all existing debts and liabilities. If there is still a deficit, the stockholders will be assessed the amount necessary to meet the debts. Any surplus will be distributed equally among the shareholders of the Corporation.

ARTICLE IX AMENDMENTS

Any changes in these By-Laws must be approved by a majority of the Club Membership at a Special Meeting.