

TROY OAKLAND PILOTS FLYING CLUB, INC.

BYLAWS

November 2018

ARTICLE I

Purpose and Laws Governing

Section 1. Purpose

The purpose of the Troy Oakland Pilots Flying Club, hereinafter referred to as “the Club”, is to provide safe and economical flying to its members in a social setting and to promote all aspects of general aviation.

Section 2. Laws Governing

Whenever applicable, the Michigan Non-Profit Corporation Law, and the Articles of Incorporation become a part of these Bylaws. The Club will be governed and operated thereunder, exclusively for and in furtherance of its charter purpose. Whenever an inconsistency occurs between the provisions of these Bylaws, the Article of Incorporation and the Michigan Non-Profit Corporation Law, the inconsistency will be resolved by giving precedence in the following order: (A) the Law, (B) the Articles of Incorporation and (C) these Bylaws.

Section 3. Fiscal Year

The Fiscal year will commence on July 1st and end on June 30th of the following year.

ARTICLE II

Principal Office

Section 1. Principal Office

The principal office for the transaction of the business of the Club is as may be hereinafter fixed and located by the Board of Directors, within the County of Oakland, State of Michigan. The Board of Directors may at any time or from time to time change the location of the principal office from one location to another in said County.

ARTICLE III

Membership

Section 1. Classes of Membership

There will be four (4) classes of membership: Individual, Family, Associate and Inactive.

a. Individual Membership

This membership class will entitle the member to all rights, privileges and responsibilities of the Club.

b. Family Membership

This membership class will entitle the primary family member to all rights, privileges and responsibilities of the individual members. Other family members will be entitled to all the rights and privileges and will share in the responsibilities of the Club to the same extent as the individual members except for the right to vote or share in the assets of the Club upon dissolution. However, a family member can serve on the Board of Directors and thus be exempted from voting restrictions.

c. Associate Membership

This membership class will consist of authorized Club flight instructors who are not individual, or family members. Associate membership will entitle authorized Club flight instructors to provide flight instruction to Club members in Club aircraft, to schedule Club aircraft in the reservation system, and to act as PIC of club aircraft (including solo) when authorized to do so by the Chief Pilot.

d. Inactive Membership

This membership class will consist of those members with personal circumstances, such as temporary transfer, medical restrictions, etc., that prevent active participation in the flight activities of the Club. Inactive members may not vote. However, an inactive member can serve on the Board of Directors and thus be exempted from voting restrictions.

Section 2. Qualification and Eligibility for Membership

- a. All members must be of good moral character, legally responsible and financially able to meet the obligations of the Club. They must possess or have the ability to procure all licenses, certificates or permits required by any governmental agency for the operation of Club aircraft.
- b. Those persons who are members of the immediate family of a club member will be qualified for a family membership.
- c. The President, with the approval of the Board of Directors, may change a member's status to inactive. Inactive members will continue to have their membership security deposit retained by the Club but will not be charged dues. Inactive members may return to active status upon approval of the Board of Directors, and payment of a fee to be determined by the Board.

Section 3. Ownership of Assets and Right Upon Dissolution

In the event of the dissolution of the Club, liabilities attributable to the Club will be paid out of its assets, prior to distribution of assets to the members. The remaining assets will be divided among the individual active members and primary family members.

Section 4. Membership – Transferability

No membership, or certificate of membership, will be transferred, sold, assigned, bailed, alienated or hypothecated.

Section 5. Termination of Membership – Voluntary

- a. Membership may be terminated by a member at will by submitting a written notice of resignation to either the Club President or the Membership director.
- b. Member privileges are suspended immediately upon the Club's receipt of resignation.
- c. At the discretion of the Club, the resigned member's deposit, or portions thereof, may be applied toward the member's liability to the Club.
- d. Resignation of a primary family member will operate to terminate all other family members thereunder effective on the date of such resignation.
- e. A resigned member's account will be reconciled by the end of the month of resignation, providing that all charges due the Club are fully paid and the hangar key(s) are returned. A resigned member will remain liable as a member until all such charges are fully paid.

Section 6. Termination of Membership – Involuntary

- a. Membership will be terminated by the death of a member.
- b. The Club President, with approval of the Board of Directors, may terminate the membership of any member, with or without cause. Upon notice to the member so terminated, all rights and privileges of membership in the Club will cease. Upon such termination, the terminated member will have no recourse whatsoever against the Club, its assets, members, directors, officers, agents or employees, beyond the deposit refund as provided in this section.
- c. At the discretion of the Club, the terminated member's deposit, or portion thereof, may be applied toward the member's liability to the Club.
- d. If at the time of termination a member is indebted or obligated to the Club, the amount of indebtedness or obligation will be satisfied by the member and will continue as an indebtedness or obligation until so satisfied without regard to any action taken to terminate such membership.
- e. Termination of a primary family member will operate to terminate all other family members thereunder effective on the date of such termination, provided that all charges due the Club are fully paid.
- f. A terminated member's account will be reconciled by the end of the month following the month of termination, providing that all charges due the Club are fully paid and the hangar key(s) are returned.

Section 7. Membership Dues, Security Deposit, Charges and Assessments

- a. Each individual member and primary family member will be assessed monthly dues as fixed by the Board of Directors. Dues for the primary family member will be established to cover other family members involved.
- b. An application fee and a membership security deposit, fixed by the Board of Directors, will be charged each applicant for membership, except Associate members, and collected prior to acceptance of the applicant. The membership security deposit will be refunded by the Club, net of outstanding unpaid obligations to the Club, within one hundred eighty (180) days of termination of membership.

- c. The primary family member will be responsible for any security deposit, dues or charges incurred by all family members thereunder.
- d. Members of the Club will be billed monthly for time flown, at hourly rates fixed by the Board of Directors.
- e. In unusual or extreme circumstances, special assessments of members may be made by the Board of Directors.
- f. The Club may impose a service charge on delinquent accounts at a rate to be determined by the Board of Directors, not to exceed the lawful rate of interest in the State of Michigan. The Club President, with approval of the Board of Directors, will have authority to declare a delinquent member inactive, and deny him the use of Club aircraft, or to involuntarily terminate such delinquent member in accordance with Section 6 and 7 of this Article.
- g. The Club's financial status, including a balance sheet and a profit and loss statement, will be provided to the members at least annually.

ARTICLE IV Meetings of Members

Section 1. Place of Meeting

All meetings of members will be held at the principal office of the Club, or at any other place within or without the State of Michigan, which may be designated by the Club President or Board of Directors.

Section 2. Annual Meetings

The Annual Meeting of members will be in November in each year at a time and place designated by the President. At such meetings, Officers and Directors will be elected for the following year, and any other business may be transacted which is within the power of the officers and members.

Section 3. Special Meetings

A Special Meeting of the members may be called at any time for any purpose whatsoever either by the President or by a majority of the Board of Directors, to be held at such time and place as he or they may designate. In addition, 10% or more of the members may call such a meeting by causing a written request to be sent by certified mail, delivered electronically or delivered personally to the President or Secretary.

Section 4. General Meetings

General Membership Meetings will be scheduled in such a manner as determined by the Board of Directors.

Section 5. Notice of Meetings

Notice of each General, Annual and Special Meeting will be given to each member entitled to vote at such meeting, and to each nonvoting member, either personally, electronically or by regular mail addressed to such member at his or her address appearing on the books of the Club. Such notices will be sent by the Club President, together with the Secretary, not less than ten (10) days or more than ninety (90) days before each meeting and will specify the place, day and hour of the meeting and will state the general nature of the business to be considered at such meeting. The notice of the Annual Meeting will designate it as such. Notices given to a primary family member in accordance with the foregoing will constitute notice to other family members. Prior to the Annual Meeting, the Membership Director will provide the President with a list of all voting members and nonvoting members of the Club and will certify that the list is complete and current.

Section 6. Quorum

- a. The presence in person or by proxy of 25% of the voting membership will constitute a quorum for the transaction of business at Annual Meetings and at Special Meetings.
- b. The presence in person of 20% of the voting membership will constitute a quorum for the transaction of business at General Membership Meetings.

Section 7. Voting at Meetings

- a. At General Meetings, each member will be entitled to one (1) vote. Votes may be taken by voice, by show of hands or by ballot. Voting members will have no right to cumulate their votes. Nonvoting members will be entitled to be present and be heard.
- b. At Annual and Special Meetings, every member entitled to vote will have the right to do so, either in person or by agent authorized by a written proxy filed with the Secretary of the Club. Nonvoting members will be entitled to be present and be heard.

Section 8. Conduct of Meeting

Meetings will be conducted in accordance with Roberts Rules of Order.

Article V Board of Directors

Section 1. Number and Qualification

There will be a minimum of seven (7) Directors elected from and by the membership. Directors will be the following: President, Secretary, Treasurer, Chief Pilot, and at least three (3) Directors elected at large.

One (1) person cannot run for or hold more than one (1) of these Director's positions at any one (1) time. (Exception: From time to time situations may occur that warrant having an existing board member administer the duties of an additional office on an interim basis. This situation does not include additional voting rights.)

Section 2. Term of Office

- a. The term of office of a director will be from December 1 until November 30th following the elections at the November Annual Meeting.

- b. Any vacancy created by the death, resignation or inability of any director to serve will be filled by the vote of the members at a General Membership Meeting or a Special Membership Meeting within forty-five (45) days of the creation of the vacancy and failing to do so, the Board of Directors will appoint such director.
- c. Any director not in attendance for any three (3) successive regularly scheduled Board of Directors meetings, or four (4) meetings during the course of the fiscal year, may have their position declared vacant at the discretion of the Board of Directors and a replacement will be selected in accordance with this section.

Section 3. Powers

Subject to the limitations of the Articles of Incorporation, of these Bylaws and the Michigan Non-Profit Corporation Law as to action to be authorized or approved by the members, and subject to the duties of the Directors as prescribed by these Bylaws, all corporate powers will be exercised by or under the authority of, and the business and affairs of the Club will be controlled by, the Board of Directors. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Directors will have the following powers, to wit:

- a. To appoint and remove all appointive officers, managers, plane captains, agents and employees of the Club and to prescribe such powers and duties for officers, agents and employees as may not be inconsistent with law, with the Articles of Incorporation or these Bylaws.
- b. To conduct, manage and control the affairs and business of the Club, and to make such rules and regulations therefore not inconsistent with law, with the Articles of Incorporation or these Bylaws, as they deem best.
- c. To change the principal office of the Club, as deemed necessary for the transaction of its business, from one location to another in the County of Oakland, State of Michigan; to adopt, make and use a corporate seal and to alter the form of such seal from time to time as in their judgment they will deem best; provided such seal will at all times comply with the provisions of the law.
- d. To borrow money and incur indebtedness for the purposes of the Club, and to cause to be executed and delivered therefore in the Club's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt, and securities therefore.
- e. To manage, in such manner as they will deem best, all funds and property, real and personal, received and acquired by the Club.
- f. To determine the quantity and type of aircraft and equipment to be used by the Club.
- g. To determine the limits on the total number of members of the Club.

Section 4. Place of Meeting

Regular meetings of the Board of Directors will be held at any place within or without the State of Michigan, which has been designated by resolution of the Board of Directors, or by consent of all members of the Board of Directors. In the absence of such designation, regular meetings will be held at the principal office of the Club.

Section 5. Special Meetings

Special meetings of the Board of Directors may be called at any time for any purpose or purposes by the President, or, if he is absent or unable to act or refuses to act, by any three (3) Directors. Notice of the time and place of special meetings will be given personally to the Directors, sent electronically or sent to each Director by mail or other form of written communication, charges prepaid, addressed to him at his address as shown upon the records of the Club. In case such notice is mailed, it will be deposited in the United States mail at least forty-eight (48) hours prior to the time of the holding of said meeting. In the event such notice is delivered personally to each Director, it will be so delivered at least twenty-four (24) hours prior to the time of the holding of said meeting.

Section 6. Quorum

A majority of the authorized number of Directors will be necessary to constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present will be regarded as the act of the Board of Directors, unless a greater number be required by law, or by the Articles of Incorporation or by these Bylaws.

Section 7. Action Without Meeting

Any action required or permitted to be taken by the Board of Directors may be taken without meeting, if all members of the Board of Directors will individually or collectively consent to any action. Such consent or consents will be recorded in the minutes of the proceedings of the following Board of Directors meeting. Such action will have the same force and effect as a unanimous vote of such Directors.

Section 8. Compensation of Directors

All Directors will serve without direct compensation for services rendered as Directors. Directors may, however, earn task points as Club members as described in the Operating Rules. Directors may be reimbursed for legitimate and reasonable expenses incurred in the performance of their duties, if such reimbursement is approved by the Board of Directors. The foregoing will not preclude the Board of Directors from authorizing one (1) or more paid employees.

Section 9. Indemnification of Directors

The Club will indemnify any Director, or former Director, for expenses, costs and attorney fees actually and necessarily incurred in connection with any claim asserted against that Director, in Court or otherwise, because of his having been, or being, a Director; except where such expenses, costs and attorney fees are proven to have been incurred through that Director's own negligence or misconduct.

- a. No member of the Board of Directors of the Club who is a volunteer Director, as that term is defined in the Michigan Non-Profit Corporation Act (the "Act") MCL 450.2102 et seq. and no volunteer Officer, shall be personally liable to this Club or its members for monetary damages for a breach of the Director's or Officer's fiduciary duty; provided, however, that this provision shall not eliminate or limit the liability of a Director or Officer for any of the following:
 1. A breach of the Director's or Officer's duty of loyalty to the Club or its members or the stockholders, if any;
 2. Acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of the law;

3. A violation of section 551 (1) of the Michigan Non-Profit Corporation Act (M.C.L.A. –Section 450.2551 (1));
 4. A transaction from which the Director or Officer derived an improper personal benefit;
 5. An act or omission of a volunteer Director occurring before the date of filing these Articles;
 6. An act or omission that is grossly negligent;
- b. The Club hereby assumes the liability to any person, other than the Club, for acts or omissions of a volunteer Director or a volunteer Officer incurred in the good faith performance of the director’s duties if all the following are met:
1. The volunteer Director or volunteer Officer was acting or reasonably believed he or she was acting within the scope of his or her authority.
 2. The volunteer Director or volunteer Officer was acting in good faith.
 3. The volunteer Director’s or volunteer Officer’s conduct did not amount to gross negligence or willful and wanton misconduct.
 4. The volunteer Director’s or volunteer’s Officer’s conduct was not an intentional tort.
 5. The volunteer Director’s or volunteer Officer’s conduct was not a tort arising out of the ownership, maintenance or use of a motor vehicle for which tort liability may be imposed as provided in section 3135 of the Insurance Code of 1956, Act No. 218 of the Public Acts of 1956, being section 500.3135 of the Michigan Compiled Laws.
- c. If the Act is amended after filing this Article to authorize the further elimination or limitation of the liability of the Directors or Officers of nonprofit corporations, then the liability of members of the Board of Directors and of Officers of the Club, in addition to the limitation, elimination and assumption of personal liability contained in this Article, it shall be assumed by the Club or eliminated or limited to the fullest extent permitted by the Act as so amended. No amendment or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any member of the Board of Directors or Officers of this Club for or with respect to any acts of omissions of such Director occurring prior to the effective date of any such amendment or repeal.

Section 10. Organization of Board of Directors

At the first board meeting of the fiscal year, the Board of Directors will elect one (1) person who will be empowered to substitute for the Chairperson when the Chairperson is incapacitated or otherwise unable to attend board meetings.

**ARTICLE VI
Officers and Managers**

Section 1. Number and Selection

The elective officers of the Club will be a President, Secretary, Treasurer, Chief Pilot.

The positions of Maintenance Director and Membership Director will be appointed by the Board of Directors from among current Directors.

Section 2. Duties of the President

The President will be the chief executive of the Club, and chairperson of the Board of Directors, and will, subject to the control of the Board of Directors, have supervision, direction and control of the business and affairs of the Club. The President, or his/her designee, will be the official spokesperson of the Club. The President will preside at all meetings of the Board of Directors and of the Members. The President will be ex officio a member of all standing committees and will have the general powers and duties usually vested in the office of the President of a Corporation, and he will have such other powers and duties as may be prescribed by the Board of Directors or by these Bylaws. The President will keep or cause to be kept and maintained, adequate and correct accounts of Club assets, liabilities, disbursements, gains and losses. The books of account will be at all times open to inspection by any member of the Club.

Section 3. Duties of the Secretary

The Secretary will keep or cause to be kept at the principal office of the Club, or such other place as the Board of Directors may order, a book of minutes of all meetings of directors and members. The Secretary will give the notices of all meetings as provided in these Bylaws. The Secretary will perform such duties as may be required by law, or as may be prescribed or required from time to time by the Board of Directors or by these Bylaws.

Section 4. Duties of the Treasurer

The Treasurer will keep and maintain or cause to be kept and maintained adequate and correct accounts of cash receipts and disbursements of the Club. The Treasurer will deposit all monies and other valuables in the name of and to the credit of the Club with such depositories as may be designated by the Board of Directors. The Treasurer will disburse the funds of the Club as ordered by the Board of Directors and will render to the President and the Directors upon request, an account of all Treasury transactions. Electronic transfer of funds, either for deposits or disbursements may be used to facilitate the conduct of club business. The Treasurer will perform such other and further duties as may be required by law or as may be prescribed or required from time to time by the Board of Directors or by these Bylaws.

Section 5. Duties of the Chief Pilot

The Chief Pilot will have overall responsibility to designate authorized flight instructors and determine that all authorized flight instructors are in compliance with FAA requirements, as well as any additional Club requirements, for flight instruction in Club aircraft. This responsibility is limited to maintaining records to assure that authorized flight instructors hold current certificates and liability insurance. Authorization to be a Club flight instructor can be removed at any time at the sole discretion of the Chief Pilot. The Chief Pilot will have authority to ground pilots and ground aircraft he deems not airworthy. The Chief Pilot will have a Certified Flight Instructor Certificate and be deemed to be an authorized flight instructor within the Club.

Section 6. Duties of the Maintenance Director

The Maintenance Director will have overall responsibility for maintaining the airworthiness of Club aircraft and associated equipment. The Maintenance Director will cause all required maintenance, inspections, overhauls and Airworthiness Directive compliance to be performed in accordance with Federal Aviation Regulations under the supervision of a Certified Airframe and Powerplant mechanic and will insure proper log book entries and execution of all required forms. The Maintenance Director will maintain a system to provide for notification and response of corrective maintenance actions required.

Section 7. Duties of the Membership Director

The Membership Director will recruit, screen, recommend and assist prospective Club members. The Membership Director will maintain a membership roster containing the names and addresses of each member. The Membership Director will indoctrinate new members to Club procedures and regulations and distribute aircraft handbooks and information, Club Bylaws, rules and procedures, etc. to new members.

Section 8. Duties of Managers and Plane Captains

The Board of Directors may appoint other Managers and Plane Captains as the business of the Club may require, each of whom will serve for such period of time and have such authority and perform such duties as are provided in these Bylaws or as the Board of Directors may from time to time determine. One (1) person may hold two (2) or more positions.

Section 9. Removal of Officers, Managers and Plane Captains

- a. Appointive managers may be removed with or without cause at any meeting of the Board of Directors by the affirmative vote of a majority of all the Directors.
- b. Elected officers may be removed with or without cause at a Special Meeting of the members, called for that purpose, by a majority of those voting.

Section 10. Disbursement of Funds

The Treasurer is authorized to disburse funds for routine items with no further authorization from the board. (An item is deemed to be routine if it occurs on a regular basis for items such as insurance, rent, utilities, maintenance etc...) No other funds will be disbursed by the Club unless there is a record indicating that two officers so authorized by the Board of Directors approved the disbursement. No disbursement in excess of \$5,000.00 will be made without approval from a majority of the Board of Directors.

Section 11. Compensation and Reimbursement of Officers, Managers and Plane Captains

Officers and Managers may be compensated for their services upon recommendation of the Board of Directors, subject to approval by the membership. Officers, Managers and Plane Captains may be reimbursed for legitimate and reasonable expenses incurred in the performance of their duties if such reimbursement is approved by the Board of Directors.

ARTICLE VII
Liability

Section 1. Insurance

- a. The Club will, at all times, cover all aircraft with hull insurance against ground and flight damage, and will carry property damage and public liability insurance to protect the Club as a Corporation, the Board of Directors individually and collectively and its members against actions, suit for damage or judgments of third persons or members. The amount of insurance will be that considered adequate in the judgment of the Board of Directors. Each member will be provided a

summary of the insurance coverage as set forth in the Club's applicable policies of insurance. Such summary will be updated from time to time as changes are made.

- b. Certified Flight Instructors (CFIs) are not covered under the Club's liability insurance policy. Flight instructors are required to provide, at their own expense, appropriate liability insurance and provide proof of said coverage to the Chief Pilot.

Section 2. Damage to Aircraft

The Club member will be responsible for the safe operation of the Club aircraft. In the event of damage to a Club aircraft, its engine or equipment to which damage is proximately caused by act or omission of the member, such member will be liable for the damage sustained and may be assessed part or all of the uninsured non-reimbursable cost of repair or replacement, except as noted in Section 4 of this Article. The maximum limit to members for damage to aircraft will be \$1,000.00 if Section 4 of this article does not apply. This allows the Club to effectively manage assets and resources and minimize the financial risk attributed to hangar rashes and prop strikes etc. The Club submits insurance claims for catastrophic or extremely expensive losses to minimize spikes in insurance rates and avoid cancellation and the ensuing difficulty of securing alternate insurance.

Section 3. Accident Investigation Board

In the event of an accident, damage, destruction or loss of Club aircraft, engine or equipment for which liability may be assessed under Section 2 of this Article; an Accident Investigation Board consisting of the President, Chief Pilot and Maintenance Director (or other Directors appointed by the board if these positions are not filled by three (3) separate individuals) will be convened. This Board will then investigate and report its findings on fact and its recommendations to the Board of Directors. The Board of Directors will then take whatever action is deemed appropriate under Sections 2 and 4 of this Article.

Section 4. Liability for Gross Negligence, Willful Violation of Law and Flight Under the Influence of Intoxicants or Drugs

In the event that any member be found by the Accident Investigation Board to have caused loss, damage, destruction or injury to the Club or its aircraft, engines or equipment through or by reason of gross negligence, or willful violation of any law, regulation or rule of the Federal Government, or of the State of Michigan, or of the Club, or while under the influence of intoxicating liquors or drugs, the member or his estate may be held liable for all such loss, damage, destruction or injury. The limitation of liability set forth in Section 2 of this Article will not be applicable in such event.

Section 5. Family Members

As used in this Article, the term "Members" includes family members: provided, however, that primary family members will be liable to the Club for loss, damage, destruction or injury sustained by the Club which is proximately caused by act or omission of family members.

ARTICLE VIII Equipment

Section 1. General

The Club will be authorized to own, lease, rent or charter aircraft for the operation by Club members. Aircraft will be suitable and adequate for training and cross-country operation and will be equipped with instruments, navigational aids and other equipment as may be deemed advisable by the Board of Directors.

Section 2. Approval of Contracts

All contracts for the sale, purchase, lease, rental or charter of aircraft require the approval of the Board of Directors.

Section 3. Maintenance

Aircraft, engines and equipment will be maintained in accordance with FAA regulations.

**ARTICLE IX
Amendments and Interpretation of Bylaws**

Section 1. Amendments

Bylaws may be adopted, amended or repealed by the vote of a majority of voting members. A special meeting of members will be called for this purpose according to the Articles of Incorporation or these Bylaws.

Section 2. Interpretation

The President will be responsible for interpretation of these Bylaws.

**ARTICLE X
Club Website**

Section 1. Official Communication

The official Club website, as designated by the Board of Directors, will be used to announce general and special meeting dates and locations and communicate official procedures and policies to Club members. Electronic communication to the membership will be utilized for all club communications.

Section 2. Website Authorization

The content of the Club Website must be authorized by the President or his/her designate.