



**TWIN TIER AVIATION  
ASSOCIATION, INC.  
FLYING CLUB**

**BY-LAWS**

**Adopted:  
April 27, 2008**

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

**Section 1.** The number of Full members shall be limited to 10 and the number of additional casual members to be determined by the Board of Directors on an ongoing basis by board vote.

**Section 2.** The membership will be classified as Full, and Casual.

- 1) **Full Membership.** Full members are those who have made an initial investment of four thousand (\$4000.00) dollars. A full member shall have the following rights and privileges:
  - a) Voting privileges equal to one (1) full vote;
  - b) Reduced monthly dues;
  - c) Reduced flying charges; and
  - d) Special use of the aircraft for two (2) consecutive three day periods per calendar year. (Must follow reservation procedures)
- 2) **Casual Membership.** Casual members are those who pay annual dues. A Casual member can rent the aircraft at a 25% discount from the established retail rate. Casual members do not have any voting rights, but may petition the board for special privileges on a case-by-case basis.

**Section 3.** **Active Members.** Active members are those who are described in Section 2, and are current with all financial obligations to the Twin Tier Aviation Association, Inc. (hereinafter the “Club”).

**Section 4.** Only active members, Club authorized Club Instructors, and maintenance personnel as permitted by the insurance company may pilot Club aircraft.

**Section 5.** 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 the date set by the Board of Directors.

**Section 6.** To encourage member participation in Club operations and for the perpetuation of the Club itself; each member will be required to;

- a) 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) Perform at least two (2) work details; or
- d) Perform a service to the Club as designated by the Board.

**Section 7.** For those members who do not meet the obligations of Section 6 above, a surcharge of One Hundred (\$100.00) dollars will be assessed on January's monthly bill.

## **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.
- 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 member candidate shall be interviewed by a quorum of the Board of Directors prior to acceptance into the Club.
- d) After acceptance by the board, a Club authorized CFI shall process the applicant into the Club. This includes, but is not limited to being checked out in the club aircraft. After final processing by the CFI, the application shall be returned to the Secretary.
- e) The new member is required to produce one of the following documents prior to being granted access to the 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 photo ID; or
  - 4) Original U.S. Citizenship & Immigration Service (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 or U.S Citizenship with raised seal, USCIS or INS Form N-560 (or Form N-561 for 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.

- f) 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.
- g) Unless with a Club authorized Flight Instructor, a Student Pilot Certificate or greater is required prior to obtaining access to aircraft for all members.

### **ARTICLE III**

#### **Membership Termination and Expulsions**

**Section 1.** Membership Obligation.

- a) To assure the financial stability of the Club, each member will be responsible for payment of dues, flying charges and any other assessments until a replacement member is accepted into the Club. Under special circumstances, the Club Treasurer will take dues, flying charges and other assessments out of the departing member's proceeds when their investment is sold to a replacement member. Should this amount be exhausted prior to departure, the member will again be responsible for these amounts.
- b) It is preferable that the departing member secure an acceptable replacement. However, if this is not feasible, the member will be entered on a departing member waiting list and will be released from the Club obligations when a replacement is found.

**Section 2.** Payment of Proceeds to Former Members. Upon Leaving the Club a member may choose one (1) of the following three (3) options. The choice is up to the terminating member. Selection of option A or C cannot be changed. An individual may change from option B to A or C at any time. A member terminated under Article VIII, Section 6, for non-payment of charges will forfeit any amounts owed to the Club, plus 50%.

- a) Upon replacement, a terminating member will receive a refund of their buy-in investment, minus 150% of the monies owed the Club. Under no circumstances may a member sell their share for more than the club authorized buy-in amount.
- b) In lieu of receiving a return of investment described in Article III, Section 2.a above, a terminating member may choose to become an "Inactive Member". In return for leaving the investment on deposit with the Club, the Inactive Member will receive the following benefits:

- 1) He/she will remain on the Club's mailing list.

- 2) He/she will be permitted to rejoin the Club at the first available opening after indicating that he/she wants to rejoin the Club, for no additional investment. This will be before any person on the waiting list that is not previous member of the Club, but after any other previous member that has also indicated a desire to rejoin the Club. Except for waiving of the investments of a new member, he/she will be required to meet all other requirements of a new member.
- 3) At any time the previous member may request to receive a return of their investment and forfeit the above benefits.

Leaving the above mentioned investment on deposit with the club in no way entitles the terminating member any benefits of membership, as he/she will no longer actually be a member of the Club.

- c) In lieu of receiving a return of investment, or leaving the investment on deposit with the Club, as described above, a terminating member may assign his/her membership to a non-dependent child or parent. In choosing this option the member gives up membership in the Club and the child/parent becomes the full owner of the terminating member membership, and thus becomes an active member. The child/parent must be accepted into the Club as any other member, will go through the interview process and required background checks. However, there will be no investment required. The departing member gives up all rights to any return of investment and the child/parent now controls the membership and any investment.

**Section 3.**      Role of the Club.

- a) The Club will endeavor to assist in the securing of replacements for terminating members.
- b) Any new member accepted into the Club without naming a member to be replaced will be applied opening in the following order:
  - 1) First is to fill any vacancies at the full membership level.

## **ARTICLE IV**

### **Operating Regulations**

**Section 1.** Operating regulations deemed necessary by the Board of Directors shall have the same forces and effects as if published in these By-Laws. It is mandatory that all members comply with such regulations 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 51% full members in good standing and include at least one (1) officer. No member shall vote by proxy.

**Section 2.** The active members in good standing in attendance will be entitled to the following voting rights:

- a) Full members will have one (1) full vote.
- b) Casual members have no voting rights.

## **ARTICLE VI**

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

**Section 1.** The Board of Directors (hereinafter, the “Board”) shall consist of 5 Club officers, each elected for two (2) years.

**Section 2.** Any Full member in good standing shall be eligible to hold office.

**Section 3.** The President 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 for the floor.

**Section 5.** The election shall be held by mail ballot. A ballot with a special return envelope will be sent to each voting 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.** The installation of the Board of Directors shall take place and the new Board shall assume the duties of the office April 1.

**Section 7.** When a Special Election is required, it may be conducted at a Regular or Special meeting called for the election.

- a) A notice announcing the Special Election shall be mailed to all voting members stating the office(s) to be filled and making reference to the 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 had 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.** It shall be the duty of the board to conduct the activities of the Club. A quorum will consist of 51% members of the Board at regular or Special Board meetings, with an affirmative vote of majority required for any action taken.

**Section 2.** The President shall.

- a) Be the Chief Executive of the Club, and preside at all meetings of the Club and 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 year before officers term expire, in the month of November, appoint a Nominating Committee. This Committee

shall consist of three (3) Club members. These Committee members will not be ineligible for nomination from the floor.

**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.

**Section 4.** The Secretary shall.

- a) Keep minutes of the general meeting and Board meeting, serve notice of all meeting, handle Club correspondence, and disseminate pertinent information to the membership.
- b) 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.
- c) Have on hand at all meetings reference copies of the Club By-Laws and Operating Regulations.
- d) Perform other duties as prescribed by the President.

**Section 5.** 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) Send out bank statement monthly, with Club dues billing.

**Section 6** The Aircraft Maintenance/Safety 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 Club aircraft and insure the compliance of all applicable federal aviation regulations and Airworthy 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 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.
- i) Be responsible for an ongoing comprehensive safety program.
- j) Promote good relations with local airports and flying groups.
- k) Keep records of medical, annual and biennial check rides, and notify each member of the Club when one of the above is due.

**Section 7.** Authorized Certified Flight Instructor. (Two (2) Positions-NOT a Board Position)

- a) To work as an independent contractor under Part 14.C.F.R.61.
- b) To Promote Club membership to Student Pilots.
- c) To provide Secretary and/or Safety Officer with all Student Pilot information required by federal, state, local and Club regulations.
- d) To promote safe flying.
- e) Authorized CFI's can not use club aircraft to instruct non-club members.

**Section 8.** The duties of the Board shall be to action all matters of policy which shall include, but not 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 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 circumstances.
- d) To penalize 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 privileged 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.

- i) To appoint up to two (2) Certified Flight Instructors (CFI) to act as Authorized CFI's. These will be the only CFI authorized to use Club equipment while conducting business under all sections of Part 14 C.F.R. 61. These positions have no term limits, however, appointment may be withdrawn, and privileges terminated, for good cause by two-third (2/3) vote of the Board. The CFI being terminated must receive a the (10) day notice of the Boards attempt to terminate, and have the right to address the Board before the vote to terminate. Every effort must be made to meet at a time convenient to the recalled CFI, but in no instance should this meeting take place more than thirty (30) days after the above mentioned notice is mailed.

**Section 9.** The duties of membership shall be:

- a) To attend at least two (2) meeting 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 Club aircraft and all 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 bi-annually, by mail ballot and /or e-mail, appropriate officers to take office.
  - 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 voting by mail that a recall is being considered and a special meeting will be called to discuss the seriousness of the charges.
    - b) During the special meeting, it will be voted on whether or not to mail a recall ballot to all voting members along with a description of the charges. This action will require a two-thirds (2/3) vote of the members, with

voting rights, 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 with voting rights 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 9, below.

**Section 10.** In the absence of the President and the Vice President the order of succession shall be Secretary, then Treasurer, then Maintenance/Safety Officer.

**Section 11.** 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 on the Board.
- c) Exceptions.
  - 1) The position of President shall not be filled by a Vice President who was elected by the Board. In the 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. 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 12** The Directors of the Twin Tier Aviation Association, Inc., shall not be personally liable for monetary damages as such for action taken, or failure to take any action unless:

- a) The Director has breached or failed to perform the duties of his/her office under Section 8363 of the Director Liability Act, 1986, November 19, 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.

The provisions of the Section shall not apply to the responsibility of 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 fees, investments, monthly dues, mandatory flying charges and flying cost per hour determine 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 the amounts due including costs of collection, court costs and attorneys fees. This will result in total loss of investment and membership by forfeiture.
- c) The Board will determine the final disposition if 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 Members if the Maintenance Officer

is not available) and receiving permission. However, any necessary purchases under one hundred fifty (\$150.00) dollars will be deemed incidental and no such permission will be required. Upon presentation of a properly receipted bill of sale and/or service, the member shall be reimbursed by the Treasurer.

**Section 6.** Any member, who for any reason has not paid his /her monthly bill by the thirtieth (30) day after the billing date, shall be automatically suspended and denied the use of the Club aircraft. After an additional one hundred twenty (120) days in this suspended status, the member shall be terminated. The Club then shall have the right to sell the suspended members membership, deduct one fifty percent (150%) of the amount owed the Club, and then provide the terminated member with the balance, if any. The terminated member remains responsible for the remainder if a balance is still due and the Club may take collection action as described in Section 4(b). All other interests, rights and privileges in the Club will be forfeited and the terminated member will be so notified in writing by the Board.

**Section 7.** Special audits may be requested by the Board.

**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.

## **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 (if possible) 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 limited to:
  - 1) Tools used in maintaining Club aircraft;
  - 2) Engines;
  - 3) Office equipment;
  - 4) Hanger space; and
  - 5) Items costing less than one thousand (\$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 one thousand (\$1,000.000) dollar limit is exceeded. The Board shall inform the voting membership at least ten (10) days prior to purchasing items under the provisions of this paragraph.

- b) Capital Equipment; shall include, but not limited to (except items included in Article IX, Section 2(a)(5), above):
  - 1) Aircraft;
  - 2) Upgrade 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 Sale.

- 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 purchases, sale or lease of Capital Equipment shall reflect the needs and desires of the voting 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 voting membership through personal contact, telephone or written communication.
    - b) Evaluate the conditions of the existing aircraft.
    - c) Recommend to the Board purchases and/or sale based on these needs, desires and the condition of the aircraft; and
    - d) Approximate the financial consequences to the Club or the recommended course of action.
  - 2) The appointments of the Equipment Review Committee shall be appointed by the Board and shall include at least one (1) Board member.
  - 3) From these recommendations and other data at their disposal, the Board shall make written “notice” of proposals to the voting membership. These notices shall be mailed to the voting 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 voting membership at that meeting will be held.

A two-thirds (2/3) vote of the voting members present will be required to approve any proposal.

- 4) Given this approval of the voting 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 system repairs and engine repairs, so as to keep Club aircraft operations safely and efficiently.
- b) Major expenditures for thing such as aircraft repainting or interior refurbishing, will be considered Capital Equipment expenditures and will be subject to voting membership approval in accordance with Section 3(b) of this Article.

**Section 5.** Replacement of Capital Equipment totally lost. In the case of a total loss, the Board is authorized to secure a replacement piece of equipment without prior approval from the General voting 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 loss.

**Section 6.** Airport and Club Security.

- a) Each Full Club member will be supplied with one (1) hanger key and pin number.
- b) It is a Club violation to duplicate or possess any key to any Club aircraft, hangers or equipment storage cabinets without the express written consent of the Board.
- c) The Board will keep an inventory of all keys issued for the aircraft, hangers and equipment storage locker.
- 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 reports to the Department of Homeland Security and/or the Transportation Security Agency (TSA)

and/or the Federal Aviation Administration (FAA) and/or local law enforcement agencies.

## **ARTICLE X**

### **Dissolution**

**Section 1.** Should it be determined by general consensus that Club activities be terminated, and the Club dissolved, the following procedures 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 by voting members whether or not to mail a dissolution ballot to all voting members. This will require a two-thirds (2/3) vote of the voting members present.
- c) A two-thirds (2/3) affirmative response from the voting 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 will receive his/her pro rata share of the net liquidation proceeds. This will be determined by each member percentage of total investment.

## **ARTICLE XI**

### **By-Laws**

**Section 1.** Adoption: These By-Laws will become effective immediately upon approval by the Club voting membership. Adoption will take place upon affirmative two-thirds (2/3) vote of the voting membership present at a pre-designated adoption meeting.

**Section 2.** Amendments and Revision:

- a) 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 voting 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 voting 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 voting 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 mailed to all voting members 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 voting 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 mailed and/or e-mail to all members, along with any changes made under Section D, above, within sixty (60) days from the adoption meeting. The revision shall be effective immediately.

## **APPENDIX A**

### **Initial Membership Fee & Investment**

**Section 1.** Full members will have an initial investment as follows:

- 1) Full members will have an initial investment of four thousand (\$4,000.00) dollars.
- 2) Casual memberships availability, investment and dues to be determined by the Board. (Not a calendar year, but annually from the first month of membership).

**Section 2.** The Board of Directors shall review this Appendix Annually and make adjustments as necessary to meet Club financial needs.

**APPENDIX B**  
**Monthly Dues & Minimum Flight Charges**  
**&**  
**Transfer of Flight Hours**

**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) Hanger 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 have the Club aircraft fly often, and to realize Club success and financial stability, every Full member must guarantee a minimum purchase of (15) flight hours per year, at the pre-determined rate established by the Board. In addition, flight hour obligations may be transferred to another Full member in good standing.-

**Section 3.** 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 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 maintenances expenditures through Flying Cost per hour rate adjustment, 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 4.** The Board, at their discretion, may increase the Monthly Dues when it becomes apparent that total fixed cost disbursements are approaching or exceeding total receipts. Conversely, Monthly Dues may be lowered if warranted by unreasonable high excess income.

## **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 the aircraft. These variable costs include, but are not limited to:

- 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 separate 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 the aircraft’s actual hourly costs 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.

**Section 4.** A base hourly rate will be established under Appendix C, Section 1. An additional fuel rate will be adjusted monthly and posted on the Club website, the first day of the month.