

# PML Aero Club

## BYLAWS

*Drafted by the Organizational Structure Committee 5/20/08 Revised 1/20/09, Revised 1/23/09, Revised 5/24/09, revised 8/07/09, Revised 9/04/10.*

### **ARTICLE I – PURPOSE / NAME**

Section 1. The sole purpose of PML Aero Club is to support General Aviation, promote flying as an enjoyable activity, and to make flying as safe and affordable as possible for all members.

Section 2. The name of this organization shall be hereafter referred to as the “Club”.

### **ARTICLE II - GOVERNING AUTHORITY**

Section 1. Whenever applicable, the California Limited Liability Company Act and the Articles of Incorporation shall become part of these Bylaws in furtherance of the chartered purposes of the Club. The Club shall be registered as an LLC under the provisions of the California Limited Liability Company Act.

Section 2. Further to these Bylaws, the Club, through action of its Board of Directors, shall maintain a document of Operating Policies and Procedures that shall contain the detailed procedural information required by each member of any class to enable the proper execution of his responsibilities as a member.

Section 3. Whenever an inconsistency occurs between the provisions of the Operating Policies and Procedures, bylaws, articles of incorporation, and the California Limited Liability Company Act, the inconsistency shall be resolved by giving precedence in the following order: (i) the Act, (ii) the Articles of Incorporation, (iii) these Bylaws, and (iv) the Operating Rules

### **ARTICLE III - MEMBERSHIP**

Section 1. The members of the Club shall be divided into three classes: Full, Associate and Limited.

Section 1.1. A full member is a person of good character and must be responsible and financially able to meet their obligations to the Club and be insurable by the Club’s insurance carrier. Full members shall be entitled to all rights and privileges of the Club, and shall share in its responsibilities.

Section 1.2. The Club also accepts family membership. A family membership may have up to a maximum of four related people living under the same roof. Family members shall only have one vote. The Board of Directors shall establish a special initiation fee and monthly dues for family members.

Section 1.3. An associate member is a person who by nature of special contributions to the club, is allowed to participate in activities of the club including voting and holding office. An Associate member is prohibited from flying club aircraft until converting membership classification to full. An associate member must be approved / designated by the Board of Directors.

Section 1.4. A limited member shall be an instructor; A&P mechanic, inspector, or other such person approved by the Board of Directors, and shall meet the qualifications of full membership. A limited member shall have no rights in the club and shall only be entitled to operate club aircraft for the specific purposes as may from time to time be determined by the Board of Directors.

Section 2. The status of each member shall be one of the following: active, inactive, probation, or suspended.

Section 2.1. Active status applies to one who is current in his financial obligations to the Club and shall receive all the rights and privileges of his membership class.

Section 2.2. Inactive status may be requested by a member if he/she is unable to participate in club activities due to poor health, financial hardship or because he/she has moved from the area, or for reasons approved by the Board of Directors. Upon receiving written request for change of status from the member, the Board of Directors must approve change to this status. In the Inactive membership status, the member may not fly club aircraft as Pilot in

Command, does not pay monthly dues, or have a vote at club meetings. The member does retain his/her equity share in the club. To regain active status, the member must request change of status from the Board of Directors and pay a \$200 fee.

Section 2.3. Probation status applies to members who are unable to maintain financial currency for a period of ninety days or longer. A member of inactive status is not allowed to operate Club aircraft until financial currency requirements are met. In order to maintain membership in the Club, all financial responsibilities to the Club must be met while on inactive status.

Section 2.4. Suspended status applies to members who have been temporarily denied all privileges and benefits of membership in the Club either by action of the treasurer for failure to meet financial responsibilities to the Club, or by action of the Board of Directors.

Section 3. The duties of the membership shall be to conduct themselves in a proper and fitting manner; to attend regularly scheduled and special Club meetings; to participate in Club sponsored projects; to uphold the dignity of the Club at meetings, on the flying field, and in the community; to be alert and mindful of the Club's interest; to exercise caution and safety in flying; and to observe all Federal, state, local and Club rules and regulations.

Section 4. The number of active members shall be limited at the discretion of the board, based on the amount of equipment and average time the equipment is in use, so as to allow reasonable use to each active member without undue restriction.

Section 5. Members may terminate their membership upon written notice of resignation of membership. In the event of such termination, neither the member, nor his personal representatives, heirs nor devisees shall have any right, title or interest in the Club or its assets. Resignations shall become effective 30 days after the treasurer of the Club receives a dated formal resignation request.

Section 6. A member of any class may be expelled from the Club, with stated cause, recommended by the Board of Directors and approved by a majority vote by the members. An expelled member forfeits application fees and dues up to the month of termination. If the expelled member has submitted a \$1,000.00 or \$4,000 check for aircraft acquisition, the terminated member is responsible for selling his ownership to a new approved member applicant.

Section 7. Each member of the Club shall have read and shall have signed a written agreement to observe and abide by all the provisions of these bylaws and other regulations of the Club. The secretary shall maintain a permanent archive of each member's signed agreement.

Section 8. Membership in the Club shall be selected and approved by a unanimous vote of the Board of Directors.

Section 9. Membership in this club is not transferable or assignable unless approved by a unanimous vote of the Board of Directors.

## **ARTICLE IV - MEETINGS OF MEMBERS**

Section 1. Regular meetings shall be held monthly, except when otherwise decreed by the Board of Directors, on such day and at such time and place as shall be determined by the board. No less than five regular meetings shall be held during each year. Notices of such meeting shall be provided in advance thereof.

Section 2. The annual meeting shall be held in the month of January of each year at such time and place as determined by the Board of Directors. Notice of the annual meeting shall designate it as such.

Section 3. Special meetings may be called by the president upon his own volition, upon request of the Board of Directors, or upon written request of ten or more percent of the active members of the Club. The purpose of such meetings shall be set forth in the notice to the members, said notices shall be provided at least four days prior to the date of the meeting. No business, other than that for which the meeting was called shall be transacted.

Section 4. Only full members in good standing shall be allowed to vote on any matter requiring a vote and they shall be entitled to only one such vote. A member is considered in good standing provided all dues, fees, and flight time payments are current.

Section 5. A full member in good standing may vote on any matter by a signed written proxy executed and dated by him, and filed with the Club secretary. No proxy shall be valid for more than thirty days from the date of execution.

Section 6. The vote of a majority of the members having voting rights shall be necessary for the adoption of any matter, except as otherwise provided for in these bylaws.

Section 7. Meetings of members shall be conducted in accordance with Robert's Rules of Order.

## **ARTICLE V - OFFICERS**

Section 1. The officers of the Club shall be a president, vice-president, treasurer, secretary, and a safety and training officer, each appointed by the Board of Directors.

Section 2. All offices shall be filled by full or Associate members in good standing having licensed private pilot privileges or higher

Section 3. The president shall preside at all meetings of the Club and the Board of Directors, appoints all committees, acting as an ex-officio member thereon, and performs all the duties as properly pertain to his office. The president shall also be chairman of the membership committee.

Section 4. The vice-president shall act as president of the membership or special meetings in the cases of request, absence, disability or refusal to act of the president. He shall have principal charge of all Club membership activities, and will arrange, or see to the arrangement of meeting programs. The vice-president shall also serve as the Club maintenance officer and shall keep and maintain records of engine and airframe inspection schedules, instrument calibration schedules, or other maintenance related schedules for the various Club aircraft. He shall notify the Board of Directors of any maintenance action, scheduled or unscheduled, requiring the purchase of materials or service. The maintenance officer shall report to the Board of Directors and members of the Club each month as to the airworthiness of each Club aircraft.

Section 5. The treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and the business transactions of the Club, including accounts of its members, its assets, liabilities, receipts, disbursements, gains, and losses. The treasurer shall deposit all monies and other valuables in the name of and credit of the Club, with such depositories as may be designated by the Board of Directors. The treasurer shall disburse the funds of the Club as ordered by the Board of Directors and shall render to the president and the directors, upon request, an account of all his transactions as treasurer. The treasurer shall provide a statement of the financial condition of the Club to the full members at the close of each fiscal year. The treasurer shall also serve as the Club operations officer and shall be responsible for overall daily flight operations. This shall include, but not limited to, the Club's scheduling service and security lock maintenance and combination changes as required. In addition, the treasurer shall perform such duties as may from time to time be prescribed by the Board of Directors.

Section 6. The secretary shall conduct all correspondence at the direction of the Club or its officers, shall record the minutes of all meetings, shall maintain and be custodian of all files and records of a permanent nature, and shall perform all other duties that properly pertain to his office. The secretary shall publish, or cause to be published, meeting notices or other pertinent information as necessary, to be distributed to the membership.

Section 7. The safety and training officer shall conduct and/or set-up all ground school classes, safety seminars, flight training films, etc. to maintain members' flight proficiency and knowledge of current FARs. He shall provide for periodic flight checks as needed to determine member proficiency in operation of the Club's aircraft. He shall also coordinate a corps of flight instructors sufficient to meet the needs of the Club.

## **ARTICLE VI - DIRECTORS**

Section 1. The Board of Directors shall consist of five duly elected full members in good standing, and shall include President, Vice President, Secretary, Treasurer and one Director duly elected from the membership. The Board of Director members may serve as officers.

Section 2. The duties of the board shall be to establish policy and provide guidance and direction toward the furtherance of the Club and act on all matters of policy; to determine fees, charges, and assessments not otherwise provided for; to act in a judicial capacity on all intra-Club disputes and regulation violations; to direct investigations when deemed necessary; to protect the Club's interest and safeguard its welfare; and to arrange for an audit of the Club's financial records at the end of each fiscal year.

Section 3. The Board of Directors shall meet at least quarterly or at the call of the president, or a call of any three directors, providing timely notification is given to all board members.

Section 4. A quorum for the transaction of business shall consist of a majority of the board, whether in person or by proxy. A vote of a majority of the directors present in person, or by proxy, shall be necessary for the adoption of any

matter, except as otherwise provided in these bylaws. Any decision by the Board of Directors that may result in an assessment against the members shall require a vote by those members.

## **ARTICLE VII - ELECTIONS, VACANCIES, AND REMOVAL OF OFFICERS AND DIRECTORS**

Section 1. The directors of the Club shall serve for a term of one year or until a successor is installed. Any director may be reelected to succeed himself.

Section 2. At the regular October meeting of the Club, a nominating committee shall be appointed by the President. This committee shall consist of at least three full voting members of the Club. The duties of the committee shall be to form a list of nominations, with consent of the nominated, for the election of directors. The list of nominations shall include at least as many nominees as are director positions being filled.

Section 2.1. At the regular November meeting of the Club, the nominating committee shall present to the members present, a list of the nominees. At that time, the nominating committee shall accept nominations from the floor of the meeting.

Section 2.2. If, at the conclusion of floor nominations, the total number of nominees equals the number of director positions being filled, the nominees shall be declared elected.

Section 3. If the total number of nominees exceeds the number of director positions being filled, the nominating committee shall prepare a written ballot of nominees and have said written ballot available at the November meeting.

Section 3.1. The election shall be valid only when the number of ballots received by the nominating committee chairman exceeds fifty percent of the eligible full members of the Club. Written voting ballots will be accepted by e-mail and, if necessary, by mail.

Section 3.2. The chairman of the nominating committee shall tally the votes and rank the nominees according to the number of votes received. The nominee receiving the most votes will fill a director position. The nominee receiving the second most votes will fill the second director position and so on until the total number of director positions being elected has been filled. The chairman shall announce the results at the annual meeting. In the event of a tie for the last director position, the chairman of the nominating committee shall designate a run-off election to follow, in accordance with the procedures of this Article, except the votes for the second election shall be collected and tallied at the next regular membership meeting. Only the nominees tying shall be included on the second ballot.

Section 4. The term of office of the elected candidates shall commence on the day following the annual meeting.

Section 5. Any vacancy created by the death, resignation, or inability of any director to serve shall be filled by special election from a list of nominees prepared by the board and presented to the membership at the next regular or special membership meeting, in accordance with the procedures of this Article, except that the election shall occur and the position filled within sixty days of the vacancy. Any vacancy, created by any reason, of any officer shall be filled by vote of the Board of Directors.

Section 6. Any director may be removed from office, with stated cause, if two-thirds of the full-voting members vote for removal or upon unanimous consent of the four remaining directors. Any officer may be removed, with stated cause, by vote of the Board of Directors.

## **ARTICLE VIII - GENERAL FINANCE AND LIABILITY**

Section 1. Adequate and proper personal and property liability insurance shall be carried at all times by the Club to protect the membership from liability. No expense or obligation whatsoever shall be incurred by the Club except as incurred and set forth within the articles of incorporation or other regulations. The Club shall not be responsible for any accident, incident, injury or death of a member or any passenger while operating or riding in any aircraft owned or operated by the Club. The club highly recommends that members seek their own individual "renters insurance" to protect themselves from subrogation claims.

Section 2. The Board of Directors may, upon majority vote, indemnify any officer or director, or former officer or director, for expenses, costs, attorney's fees actually and necessarily incurred by that officer or director in connection with any claim asserted against him, in court or otherwise, because of his having been, or being such

officer or director, except where such expenses, costs, or attorney's fees are proven to have been incurred through that officer's or director's own negligence or misconduct.

Section 3. Member Co-Signing for Aircraft Bank Loan. Banks require co-signers (usually between one and three) for aircraft bank loans to flying clubs. This service will be voluntarily provided by PML Aero Club members to assist the overall purpose and mission of the PML Aero Club and is not intended to provide any additional benefits to the co-signing club members. For this reason, no additional liability is assigned to or assumed by the co-signers for this service. For this service, the PML Aero Club shall name the loan co-signers as additionally insured on the aircraft liability insurance. In the event that the club defaults on the bank loan and the co-signers are forced to make good on the loan for any reason, then the title to the aircraft will be transferred to the co-signers by the PML Aero Club at no additional charge or obligation to the co-signers.

Section 4. All Club property purchased by the Club shall be owned by the Club, subject to liens thereto, if any.

Section 5. In the event of any accident, incident, or damage to any equipment owned or operated by the Club, except where provided for elsewhere in the Club regulations, the member at fault shall be responsible for any portion of the costs not covered by the Club insurance.

Section 6. The fiscal year of the Club shall be January 1 through December 31.

Section 7. The billing period closes on the 20<sup>th</sup> day of the month. Billing shall be made within ten days of the closing of the books each month. Payment of Club bills is due on or before the 10<sup>th</sup> of each month. Returned checks shall have an assessment determined by the board added to the bill.

Section 8. Any account delinquent more than ten days shall automatically place the member in suspended status.

Section 9. The books of accounts shall, with reasonable notice, be open to inspection by any director, officer, or full member of the Club.

Section 10. All expenditure authorizations, checks and expense statements shall be signed by the treasurer and one additional member of the Finance Committee. In the absence of the treasurer, one of the other members of the Finance Committee may sign. There shall be four qualified members of the Finance Committee, including the Treasurer, on the banks signature card.

Section 11. The Board of Directors may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these By-Laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 12. All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the treasurer or an assistant treasurer and countersigned by the president or a vice president of the corporation.

Section 13. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

Section 14. The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the corporation.

## **ARTICLE IX - DUES, FEES, AND ASSESSMENTS**

Section 1. Each member, regardless of status or class, shall be assessed monthly dues, the amount to be established by the Board of Directors. The monthly dues shall be determined each January based on the fixed expenses expected for the coming year and the number of members of the Club at that time. In no case shall the monthly dues be less than \$75 per member. The monthly dues for family members shall be 1.5 times the monthly dues of individual members. The Board of Directors may adjust the monthly fees at any time if financial conditions of the Club warrant the adjustment.

Section 2. All new members, including those purchasing a membership of a resigning or terminating member shall be approved by a majority vote of the Board of Directors.

Section 3. Limited members shall be waived from the payment of dues.

Section 4. An initiation fee shall be required of each new full or student member, the amount to be established by the Board of Directors. The initiation fee is non-refundable. The initiation fee for family membership shall be 1.5 times the initiation fee for an individual membership.

Section 5. The Board of Directors shall establish the hourly rate for use of Club aircraft. The hourly rate shall consist of fuel costs based on prices at PML Airport, engine replacement reserve fee, avionics replacement reserve fee, and painting reserve fee.

Section 6. A deposit may be required of a member, the amount to be established by the Board of Directors. If a deposit is required of a member, the deposit shall be refundable, in accordance with, the following conditions:

- A) All funds due the Club by the member are paid in full and,
- B) A signed and dated formal resignation request is received by the treasurer of the Club at least 30 days prior to the requested resignation date and,
- C) Termination occurs after a minimum of six months of active membership or,
- D) Termination is due to member being transferred away from the area by his employer or,
- E) Termination is due to extenuating circumstances, in which case the board may vote to refund the deposit.

The amount of the refunded deposit shall be the lesser of (1) the amount deposited, or (2) the amount deposited less any negative member equity as reported by the treasurer.

Section 7. The Board of Directors, at its discretion and subject to approval by a vote of the members, may levy special assessments as are reasonable and necessary to meet the current operating expenses of the Club. The due date of such payments shall be as prescribed by the Board of Directors.

## ***ARTICLE X - COMMITTEES***

Section 1. In the event of an incident resulting in damage, destruction, or loss of Club aircraft, engine or equipment for which liability may be assessed under the Club's insurance carrier's policy, the president shall appoint an Incident Investigation Committee of three full members of the Club, one of which shall be a Club instructor. The committee shall investigate and report its findings of fact and recommendations to the Board of Directors.

## ***ARTICLE XI - AMENDMENTS***

Section 1. These bylaws may be adopted, amended, or repealed by a four-of-five vote of all Board of Directors, subject to the limitations of Section 2 of this Article. Bylaws changed or adopted in accordance with this section shall be ratified by majority vote of members having voting rights present in person, or by proxy, at the next regular or special Club meeting.

Section 2. The Board of Directors shall not amend these bylaws in conflict with the wishes of the voting members and may not take action to implement a contested bylaw change during the interval of such conflict.

## ***ARTICLE XII – MEMBERSHIP TERMINATION***

Section 1. A termination of membership for cause shall be initiated by the Board of Directors. A vote of a quorum of the Board is needed to execute the termination.

Section 2. A member electing to terminate their membership shall provide signed, written notification to the club secretary.

Section 3. In either case above, the club shall reserve the right to purchase the membership, but is under no obligation to do so.

## ***ARTICLE XIII - DISSOLUTION***

Section 1. In the event the corporation shall dissolve, dissolution of the Club shall be in accordance with the California Limited Liability Corporation Act.

Section 2. In the event of dissolution, after all debts against the corporation are satisfied, each full member of the Club, in good standing, shall be entitled to an equal share in the corporate assets available for distribution, based on a pro-rata portion of the acquisition amounts contributed.