

Bakalar Flying Club, Inc.

By-Laws

PART A

ARTICLE 1 - ORGANIZATION

1. This organization shall be known as Bakalar Flying Club, Inc., a non-profit corporation organized under the laws of the State of Indiana, operated in accordance with and enjoying all privileges of non-profit corporations under IC 23-17, and hereafter referred to as the "Club". This corporation is a mutual benefit corporation.
2. The purpose of the club shall be to promote and provide aviation education and recreation for its members' enjoyment. Substantially all of the Club's activities must be for pleasure, recreation and other non profitable purposes.
3. Other than as described in Section 2 above, no income of the Club shall inure to the benefit of any member of the Board of Directors, Officer, or a Member.

ARTICLE II - MEMBERSHIP

1. Membership in the Club is a voluntary privilege and open to all who have an interest in aviation. The number of members in the club is limited by the Board of Directors, hereafter referred to as the "board", to a level that maintains acceptable aircraft availability. Membership in the Club is provisional and may be terminated by the board at any time with or without cause. Any member whose membership in the club is terminated shall, upon return of the membership deposit, have no recourse against the Club, any member, or any officer of the Club.
2. All membership applicants shall provide a completed membership application to the board for consideration as a member and shall also provide such other documents as requested consistent with the individual's airman certificate, as well as pay the membership deposit. An applicant shall be granted membership only upon the consent of a majority of the board with the following stipulations:
 - a. All membership deposits paid by applicants who are not approved for membership shall be returned within 30 days.
 - b. The Club will not disclose members' personal information to outside parties except as required by law, in the due course of business (such as for insurance purposes), or as necessary in the interest of safety. Members are not to disclose the club roster to outside parties or use the roster for any commercial purpose, with the exception of occasional training related announcements, without prior permission of the board.

3. There shall be four classes of memberships available: Regular, Associate, Honorary, and Social. The classes shall have the following requirements, rights and responsibilities regarding voting, holding office, dissolution, redemption, recall, and transfer:
 - a. **Regular members** must have a valid airman certificate, shall have no voting privileges, may participate in an election of the board and shall be eligible to hold an elected or appointed office or position in the Club. Regular members are entitled to fly aircraft consistent with their hours, airman certificate, medical certificate and good standing with the Club.
 - b. **Associate members** shall have no voting privileges and shall not be eligible to hold an elected office in the Club, but shall be eligible to hold an appointed position in the Club. Associate members are entitled to fly aircraft consistent with their hours, airmen certificate, medical certificate and good standing with the Club. Associate members must be sponsored by a Regular member and shall carry the following requirements and stipulations:
 1. An applicant for an Associate membership shall be the spouse or child of a Regular member.
 2. Associate members must reside with the Regular member except for children temporarily living in a separate location while attending school on a full time basis.
 3. An Associate membership shall be terminated at the request of the Regular member or when the Regular membership is terminated.
 - c. REMOVED
 - d. **Social members** shall have no voting privileges; shall not be eligible to hold an elected office in the Club; and shall not be eligible to hold an appointed office in the Club. Social members should have a substantial interest in aviation and may be a former or prospective member. Social members are not entitled to fly club aircraft.
 - e. Unless otherwise stated in the Bylaws or Rules, the word "member" shall mean Regular, Associate and Honorary members.
4. Any member may voluntarily surrender their membership in the Club at any time by providing 90 days notice to the board. In the event of voluntary surrender or removal, the member may sell their membership to another party provided they are approved by the board. The board may assist in locating another interested party to sell the membership to, or may refund the membership deposit to the member. Membership deposit refunds shall only be granted when financially feasible for the Club and shall be approved by a majority vote of the board. The member shall pay all outstanding dues and fees upon termination.
5. An existing member who wishes to retain membership in the Club but is not able or does not desire to fly may retain membership as an inactive member by request to the board. Inactive membership is intended for members who have become, or anticipate becoming, physically, mentally, legally or geographically unable to fly with the Club and anticipate being so for at least 6 months. Inactive membership is not available to members who simply do not like to fly in cold weather, as the club's fixed expenses

covered by member's dues know no season. Inactive members who wish to become active members will be placed at the top of any waiting list. Inactive members who wish to immediately return to active status may do so by payment of all retroactive dues for the period of their inactivity.

6. The board shall maintain a waiting list in the event that the the amount of interested parties exceeds the available memberships in the Club. There shall be no fee to join the waiting list.
7. Regular membership in the Club denotes a non-exclusive ownership interest in the Club assets. Members are not entitled to the distribution of any operating surplus or net savings in the Club. All surplus remaining after all operating costs and other expenses are paid shall be retained by the Club to accomplish its purpose.
8. The Club shall not discriminate on the basis of race, color, religion (creed), gender, gender expression, age, national origin (ancestry), disability, marital status, sexual orientation, or military status, in any of its activities or operations.
9. Members may not cause the Club to incur any obligation, for maintenance or other services, nor aircraft or equipment, without prior approval of a Club Officer.

ARTICLE III - OFFICERS

1. The officers of the Club shall be: President, Vice President, Secretary, Treasurer and Maintenance & Safety Director. The five officers of the organization shall constitute the Board of Directors to conduct the business of the Club and shall represent the interest of the overall club membership.
2. The duties for each position shall be as follows:
 - a. The **President** shall enforce the Bylaws and shall preside at all meetings of the Club and the Board of Directors and provide a means to annually audit the books of the Club.
 - b. The **Vice President** shall assume the duties of the President in the absence, incapacity or resignation of the President, as well as any other duties assigned by the Board of Directors.
 - c. The **Secretary** shall keep a neat and correct journal of the proceedings of the organization. The Secretary shall read the minutes of each meeting at each succeeding meeting and maintain a record of attendance. The Secretary shall be responsible for all membership activities including selling new memberships, screening new applicants and executing contracts in accordance with Bylaws and Rules of the Club.
 - d. The **Treasurer** shall handle the receipts and disbursements of the Club and shall report on the financial condition of the Club at each meeting. The Treasurer shall arrange for the preparation of an annual financial report, including a balance sheet, income statement and sources and uses of funds statement for each year's operations and submit it to Club members when completed by the auditor.

The Treasurer shall prepare an annual budget to be approved by the Board of Directors as described in Article VI below.

- e. The **Maintenance & Safety Director** shall oversee all maintenance and safety activities in the Club. Duties of the Maintenance & Safety Director shall include:
 - i. Maintaining the Club's aircraft in an airworthy condition, and for compliance with all Federal Aviation Regulations and Airworthiness Directives
 - ii. Maintaining all aircraft documentation, including all aircraft, engine, avionics and propeller logbooks
 - iii. Investigating all occurrences which cause any damage, except normal wear and tear, to Club owned equipment
 - iv. Maintaining a list of approved flight instructors
 - v. Recommending safe operating and flying procedures for the Club, as well as overseeing their implementation as appropriate
 - vi. Dissemination of appropriate training and flying information to the members
 - vii. Reviewing members' qualifications and currency as specified under the bylaws and rules of the Club.
 - f. The President and Treasurer shall have signature authority on all Club bank and credit accounts.
3. In accordance with the Federal Aircraft Regulations for aircraft registration, the President and at least 75% of the board must be U.S. Citizens.
 4. All Officers shall have a two year term with no term limit.
 5. The election of Officers shall be held at the annual meeting each year for all offices that are up for election. All nominations will be closed prior to the call to vote. All Regular Members and Officers shall have one vote.
 - a. At the annual meeting, the membership may submit nominations for the positions to be filled. In the event there are insufficient nominations for the open positions, the President may appoint a nominating committee of three members to present a slate to the membership.
 - b. All uncontested offices may be confirmed by acclamation by a majority of the members present entitled to vote. Contested offices will be decided upon by written ballot.
 - c. Absentee ballots will not be used.
 6. In the event that any elected officer resigns, is incapacitated or is otherwise unwilling or unable to continue their duties:
 - i. The position may be left vacant with its duties reassigned by the President; or
 - ii. The board may appoint a replacement for that position on an interim basis not to exceed 120 days by majority vote of a quorum the remaining board if enough board members remain to constitute a quorum. If insufficient board members remain to form a quorum then a unanimous vote is required.

- iii. The interim board member may be affirmed for the remaining duration of the original term by vote of the general membership at a meeting held for such purpose with at least 30 days notice. The quorum for such vote shall be the members present that are eligible to vote.
 - iv. In the event that a quorum of the membership does not vote at such a meeting, the position shall be filled on an interim basis again as described in paragraph (i)
7. Upon completion of the election, the new board may appoint one or more positions or committees for the purpose of conducting Club business.

ARTICLE IV - MEETINGS

1. The Club shall hold one annual meeting per year, one regular meeting per month, and special meetings as necessary.
2. Three members of the board shall constitute a quorum for the transaction of business. If a quorum is lacking, the President shall have the authority to transact the business of the Club.
3. The annual meeting shall be held within 90 days after the end of the fiscal year. Notice of the annual meeting shall be sent to the member's last known physical address or email address and shall normally be posted on the Club's website and social media sites.
4. The regular monthly meeting shall be held each calendar month on a date determined by the board and shall include the following business:
 - a. Call to order
 - b. Reading, correction and adoption of minutes of previous meeting
 - c. Financial report
 - d. Maintenance report
 - e. Safety report
 - f. Membership report
 - g. Committee reports if applicable
 - h. Unfinished business
 - i. New business
 - j. Adjournment
5. A Board of Directors meeting shall be held to review club operations, finances, and to address any member concerns or grievances at least every 120 days. An officer who participates via teleconference shall be deemed "present." Annual, special, and regular meetings qualify as meetings of the Board of Directors as long as the quorum requirement is met. "Approval by the Board of Directors" is defined as approval of the majority number of the Officers present at any meeting of the Board of Directors.
6. A special meeting shall be held if an emergency arises such that a decision must be made before the annual meeting, the President or the Vice President, may call a special meeting upon 10 days notice to the membership. Any action taken at a special meeting shall be binding on the membership.

7. Member attendance at meetings is voluntary. However, members in good standing are encouraged to attend all of the meetings and take an active role in the Club. All members, whether attending or not are bound by the decisions made at any Club meetings.

ARTICLE V - MEMBERSHIP DEPOSIT AND MONTHLY DUES

1. All members are required to pay the membership deposit upon application to join the Club along with the first month's dues. Current rates for deposits and dues are listed in APPENDIX A.
2. Monthly dues are intended to cover fixed costs of the club whereas the aircraft usage rates are intended to cover operational costs including short and long term maintenance. Monthly dues and aircraft usage rates may be changed to reflect operational costs and financial needs of the Club on an as needed basis by the board.
3. Monthly dues are assessed in advance at the beginning of every month and are included with a statement of the previous months flying time. Any member whose unpaid balance is carried forward to the next month's billing cycle is classified as past due. The flying privileges will be suspended for any member who is past due until the current balance is paid in full.
4. In the event of unusual or extreme circumstances, the board is authorized to levy special assessments on the membership for the purpose of meeting such situations.
5. The board may award credits or discounts to any member based on service rendered to the club or in extenuating circumstances.

ARTICLE VI - ACCOUNTING PRACTICES AND EXPENDITURES

1. A statement shall be mailed or emailed by the 7th day of each month to all members who have incurred charges payable to the club as of the time of preparation of the statement.
2. Dues, flying time, other charges and any previous balance carried forward are required to be received by the club by the 25th of each month. Statements not paid by the 25th of each month will incur a charge of 1.5% per month on the unpaid balance. Flying privileges will be suspended for any member who is past due until the current balance is paid in full. Failure to pay may result in termination of club membership.
3. An electronic journal shall be kept of all payments by members, fuel credits and other credits, indicating the bank deposit in which any payment was included. The sum of all member payments and other income included in a particular deposit shall be reconciled as equaling the amount of the bank deposit. All payments submitted by members shall be deposited within 10 days of receipt.
4. No cash asset account shall be opened or closed and no loan shall be applied for without the approval of the board.
5. The financial statements prepared by the Treasurer will adhere to and reflect continuous use of generally accepted accounting principles and will include an audit trail to all source documents. The chart of accounts shall include as a minimum the following:

- a. Income:
 - i. Aircraft usage charges
 - ii. Membership dues
 - iii. New member deposit income
 - iv. Interest
 - v. Aircraft sales
 - b. Fixed Expense:
 - i. Aircraft insurance
 - ii. Aircraft loan payments
 - iii. Annual Inspections
 - iv. GPS database subscriptions
 - v. Periodic licenses and registration fees
 - vi. Airport use charges and hangar fees
 - vii. Aircraft reservation system charges
 - viii. Accounting software charges
 - ix. Non-aircraft loan payments or expense
 - x. Taxes
 - xi. Office expense
 - c. Aircraft operating expense:
 - i. Fuel & Fuel credits
 - ii. Oil
 - iii. Parts (for club-performed maintenance)
 - iv. Maintenance (non-club performed maintenance)
 - v. Engine rebuilds/replacement
 - d. Other:
 - i. Aircraft purchases
 - ii. Miscellaneous expense
 - iii. Membership deposits refunded to members
 - iv. Club social activities
6. With the exception of expenditures to which the club is legally obligated, and parts purchases or approved maintenance services, no purchase may be made, no asset disposed of and no service contracted for an amount exceeding \$500 without the approval of the board.
7. The fiscal year of the Club shall be the calendar year.
8. The Board of Directors shall review and approve an annual budget of the Club that is to be submitted by the Treasurer. The annual budget shall be approved by the end of the previous fiscal year.

ARTICLE VII - DETERMINATION OF DUES AND AIRCRAFT USAGE RATES

1. Monthly dues shall be computed so as to cover anticipated fixed expenses, future aircraft purchases and upgrades, a base amount to cover annual inspections, and

reserves. However, a portion of individual aircraft insurance and/or aircraft loan payments or allocatable purchase charges or anticipated upgrade expenses may be covered instead by:

- a. Aircraft usage charges for a particular aircraft so as to cover that portion of the expense that is excessive compared to the average club aircraft; or
 - b. An additional monthly dues charge for members authorized to fly the aircraft in question.
2. Aircraft usage rates shall be "wet rates" (fuel included with purchases reimbursable) and shall be set based on anticipated expenses and flight time including the following:
- a. Anticipated flight time
 - b. Fuel cost based on typical hourly consumption rates and the standard fuel reimbursement rate stated in APPENDIX A. The standard fuel reimbursement rate shall be set by the board. The standard fuel reimbursement rate is the rate at which members are reimbursed for their fuel purchases.
 - c. Anticipated maintenance expense and adjustments for past maintenance costs
 - d. Escrow for engine, propeller, and other Time-between-overhaul based expenses
 - e. Anticipated annual inspection cost in excess of the base amount covered under the monthly dues calculation
 - f. Insurance in excess of the base amount covered under the monthly dues calculation
 - g. Aircraft purchase-related or upgrade-related expenses in excess of the base amount covered under the monthly dues calculation
3. The formulas for monthly dues and aircraft usage rates, assumptions of all variable factors and estimated costs, and the resultant calculated dues and rates are to be developed, documented, and approved by the board at least once during the fiscal year. All documentation and calculations thusly approved shall be available to any member upon request.
4. The board and any member designated by the board shall be charged the discounted hourly usage rate shown in APPENDIX A. The list of members receiving the discounted rate will be established at each monthly meeting.

ARTICLE VIII - LIABILITY AND DAMAGE TO CLUB AIRCRAFT

1. The Club shall maintain insurance on all aircraft against damage to the hull from ground and flight damage, and liability insurance to protect the Club and its members against liability, actions, suits for damages, or judgements of third persons. The Board of Directors shall determine the adequacy of all insurance coverage. The Club assumes no responsibility to a member for the results of any act or omission while operating Club aircraft except for the protection afforded by such policy or policies of insurance carried by the Club.
2. Damage to any aircraft shall be promptly reported to the Maintenance & Safety Director. Members are directly responsible for the safe operation of any aircraft under their control. All aircraft are to be operated in accordance with the applicable Federal Aviation

Regulations, the operating limitations of the aircraft as set forth by the manufacturer and Club Operational Rules. In the event of damage to a Club aircraft, its engine or equipment, in which damage is proximately caused by an act or omission of a Club member, such member shall be liable for the damage sustained and may be assessed the uninsured, non-reimbursable cost of repair or replacement.

3. If any member is found by the board to have caused loss, damage, destruction, or injury to the Club or its aircraft, engines, or equipment through gross negligence or willful violation of any regulation or rule of the Federal Government, any state or the Club or while under the influence of drugs, alcohol or other substances, the member or the member's estate will be held liable for all such loss, damage, or destruction.

ARTICLE IX - OPERATIONAL RULES

1. The Club Operational Rules are attached as Part B, incorporated by reference, and have the effect of the Club By-Laws.

ARTICLE X - AMENDMENTS

1. Any amendment or modification to these By-Laws shall require the approval of a majority of the Board of Directors at a meeting called for such a purpose after 30 days written notice. EXCEPTIONS - The Board of Directors may make decisions as to aircraft acquisition and disposition, set aircraft usage rates, the initial membership deposit, other Club or aircraft fee, and set monthly dues. PART B or APPENDIX A may be modified at any meeting of the Club at which a quorum of the board is present.