

# Ann Arbor Flyers By-Laws

## 1.0 GENERAL

### 1.1 Name of organization

The name of the organization is Ann Arbor Flyers, Inc. (“the Club” or “Club”)

### 1.2 Purpose [Filed with the State of Michigan, October 14 1940.]

The purpose of the Club is to:

- Provide a social club that will promote the growth of aviation through education and practical experience.
- Make aviation available to Members at reduced rates.
- Buy, sell, own and operate aircraft.
- Receive donations and gifts to further the purposes stated herein.

### 1.3 Notice and communication

Valid forms of communication for the conduct of business and provision of notice pursuant to these bylaws shall include printed or written materials delivered by hand, courier, the United States Postal Service, or other commercial delivery service; or electronic communication by means of electronic mail (email), facsimile transmission or other appropriate technology available to individual Members.

### 1.4 Non-interference

Each purpose specified in any clause or paragraph contained in this article shall be deemed to be independent of all other purposes herein specified and shall not be limited or restricted by reference to, or inference from, the terms of any other clause or paragraph of these articles.

## 2.0 MEMBERSHIP

All Members shall meet requirements for membership as defined in the operating rules and/or procedures (“the Operating Procedures”). Active and Inactive Members shall at all times maintain an equity deposit in the amount established by the Board of Directors (the “BOD”).

### 2.1 Classifications

The Members of the Ann Arbor Flyers shall be classified as Active or Inactive.

#### 2.1.1 Active Member

Any individual who meets the requirements for membership and for Active membership as defined in the Operating Procedures and pays Monthly Dues and Special Assessments in the amounts established by the BOD may be an Active Member.

### 2.1.2 Inactive Member

Any Member who cannot participate in Ann Arbor Flyers' activities for at least four consecutive calendar months, who has been an Active Member for at least 12 consecutive calendar months, has paid all dues and fees, and who petitions and receives an affirmative vote of the BOD, may be classified as an Inactive Member. Inactive Members shall not pay Monthly Dues and Special Assessments and shall not exercise the rights and privileges of an Active Member. A Member may remain in inactive status pursuant to the limitations established in the Operating Procedures.

## 2.2 **Membership Limitations**

The number of Members in each classification shall be defined in the Operating Procedures.

## 2.3 **Rights and Privileges of Membership**

All Members of the Ann Arbor Flyers shall possess the right to:

- Participate on a committee or task group
- Propose amendments to the bylaws
- Attend meetings of the Club
- Participate in Club-sponsored activities
- Petition the BOD

In addition to these rights and privileges, additional rights, privileges, and prohibitions of specific membership classifications are stipulated below.

### 2.3.1 Active Member

- May use, in accordance with the Operating Procedures, all Club aircraft they are qualified to fly.
- May vote in all elections and other matters placed before the membership by the BOD or in accordance with the Bylaws and Operating Procedures.
- May hold elective office

### 2.3.2 Inactive Member

- May not use or reserve Club assets, including aircraft
- May not vote
- May not hold elective office
- May petition the BOD in writing for reinstatement as an Active Member in accordance with the Operating Procedures, and upon approval may be reinstated after meeting all requirements of an Active Member and paying all special assessments levied during the period of Inactive membership.

## 2.4 Resignation

An Active or Inactive Member may resign from the Club by submitting said resignation in writing to the BOD. The resignation will be effective at the beginning of the month following acceptance of the resignation by the BOD. Upon the resignation becoming effective, the Member's equity deposit or portion thereof, calculated in accordance with the Operating Procedures, will be refunded.

## 2.5 Revocation of membership

Membership may be revoked by an affirmative vote of the BOD as long as the Member is 1) provided advance written notice, including the reason for revocation, 2) given the opportunity to contest the revocation in writing or in person before the BOD, and 3) final written notice of the decision of the BOD, for any of the following reasons:

- Fails to pay dues or other fees within timeframes established in the Operating Procedures
- Operates an aircraft in a reckless or negligent manner
- Acts in willful disregard of Federal Aviation Administration (FAA) rules; federal, state or local laws, regulations and ordinances deemed applicable to Club operations; or the Operating Procedures
- Provides fraudulent information or consistently fails to provide information required by these bylaws or the Operating Procedures
- Acts in a manner that is detrimental to the best interests of the Club or its Members
- Acts in other ways deemed egregious or in flagrant disregard for the Club, its Members, or the general public

## 3.0 GOVERNANCE

### 3.1 Quorum

#### 3.1.1 Board of Directors, Committees, and Task Groups

A quorum of the directors, committees, or task groups shall be a majority of the meeting body, present in person or direct voice communication, except as otherwise noted in these Bylaws.

#### 3.1.2 Membership Meetings

A quorum of the Members at any annual, regular, or special membership meeting or for any vote called by the presiding officer shall be one-third of the Active Members, unless otherwise specified in these bylaws.

#### 3.1.3 Notice

Notice of any meeting of the Members or BOD or call for vote shall be given not less than fourteen (14) calendar days prior to the time fixed for the meeting or vote.

## **3.2 Meetings of the Members**

### **3.2.1 Minutes**

Minutes of meetings of the Members shall be made readily available to the membership in writing or electronically within fourteen (14) calendar days after the Meeting by an approved communication method.

### **3.2.2 Annual Meeting**

An annual meeting of the Members (Annual Meeting) shall be held at least once per year at a time and place fixed by the BOD.

### **3.2.3 Regular Meetings of the Members**

Periodic, regular meetings of the Members (Regular Meetings) shall be held not less than four times per year at a time and place fixed by the BOD.

### **3.2.4 Special Meetings of the Members**

Special meetings of the Members (Special Meetings) may called by:

- The BOD to be held at a time and place fixed by the BOD
- Written petition to the BOD signed by not less than five (5) Active Members, to be held at a time, not more than thirty (30) days after receipt of the petition, and place fixed by the BOD.

## **3.3 Voting**

Except as otherwise provided in these Bylaws, every question that shall come before the Members, the BOD, or any committee, shall be decided by a majority vote once a quorum has been established. A proxy for a vote shall not be accepted under any circumstance.

Votes may be cast to the Secretary by any reasonable communication method or methods, providing the method or methods are specified in the notice of vote. Voting by show of hands, physical ballots, and electronic methods, including but not limited to electronic mail and web-based applications, is specifically allowed. The text of resolutions, descriptions of issues, or slate of candidates to be considered in this manner shall be provided to the Members consistent with Section 3.1.3, and votes shall be tallied and reported by the Secretary. Results of such votes shall be reported to the voting body not later than 72 hours after the close of voting.

### **3.3.1 Votes Requiring Fourteen-Day Voting Period**

Any question on these enumerated topics that shall come before the membership shall require a voting period of no less than fourteen days and shall require a majority of votes cast to pass.

#### **3.3.1.1 Manner of Vote**

This will be a roll call vote by Active Members, and votes may be submitted in person during Regular, Annual, or Special meetings or by electronic methods. An Active Member may not alter his/her vote once submitted nor submit a vote after the vote is closed.

### 3.3.1.2 Early Close of Vote

Should a majority of Active Members vote to either approve or reject the proposal prior to the end of the voting period the Secretary may close the vote early.

### 3.3.1.3 Vote Validation Period

Once the vote is closed the Secretary will communicate to each Active Member how his/her vote or lack of vote was recorded and initiate a three-day vote validation period during which Active Members may contest the recording of their vote. When the recording of a vote is contested, the Secretary shall either record the change or provide reasoning for not accepting the change and make such reasoning available to the entire membership.

### 3.3.1.4 Enumerated Topics

The enumerated topics for which this voting method will be used are:

- Modification of the value of the equity share,
- Special assessments levied on the Members, in whole or in part, that exceed \$1000 per Member within 12 calendar months,
- Acquisition and/or disposition of aircraft.
- Some Self-Insurance Fund disbursements as indicated in Section 7.6.4.
- Other specific items if indicated in other provisions of these By-Laws.

## 3.4 **Parliamentary Procedure**

The current edition of Robert's Rules of Order (Robert's Rules) shall govern the proceedings of the BOD and committees except as otherwise stated in these Bylaws. The BOD may, at their discretion, allow use of an abbreviated version of Robert's Rules, which will have foundation in Robert's Rules, but be designed to make the requirements clearer and more efficient for BOD and committee Members.

## 3.5 **Operating Procedures**

The BOD shall prepare, or cause to be prepared, Operating Procedures for managing the operations and finances of the Club. The BOD or any Active Member may propose amendments to the Operating Procedures. Additions, deletions or modifications to these operating Rules may be made by the Board of Directors or by a majority of active members present at any regular or special meeting, attended by at least a quorum, where such changes are proposed.

## 4.0 **BOARD OF DIRECTORS**

The governing body is the BOD, which has the authority and responsibility for governance of the Club. The BOD sets the direction of the Club through strategic planning, establishes and monitors policy in the form of the Operating Procedures, and is responsible for the financial and operational and management of the Club. The BOD has the authority to act in the name of Members in all matters not requiring a vote of the membership.

## 4.1 Composition

The BOD shall consist of the elected officers of the Corporation: a President, who acts as the Chairperson of the Board, a Vice-President, Secretary, Treasurer, and Flight Supervisor who shall be Active Members at the time of election and thereafter throughout the term of office.

## 4.2 Duties and Responsibilities

The officers and directors shall have the following responsibilities and any others specified in position descriptions or Operating Procedures approved by the BOD and membership.

### 4.2.1 Board of Directors shall:

- Be the governing body of the Club in accordance with these Bylaws and the Operating Procedures. The Board has the authority to act in the name of Members in all matters not requiring the vote of the membership.
- Establish the fiscal year of the corporation.
- Develop the Annual Budget and obtain approval of the membership.
- Establish Operating Procedures in accordance with Section 3.5 of the Bylaws.
- Manage the financial affairs and transactions of the Club in accordance with the Bylaws and Operating Procedures.
- Except as provided in the Operating Procedures, approve the selection and retention of employees, contractors and consultants.
- Discipline, ground, or expel Members in accordance with Section 2.5 of these Bylaws.
- Determine in accordance with the Operating Procedures the refundable part of the membership fee of any Member who resigns until settlement of claims and charges incurred in the Club by the Member.

### 4.2.2 President shall:

- Preside at all meetings.
- Appoint committees and serve as ex-officio Member of such committees without a vote, except in the event of tie votes.
- Secure in writing, approve, and bind the Club in all contracts for goods or services valued at more than the amount specified in the Operating Procedures.
- Sign checks and other financial instruments.

### 4.2.3 Vice-President shall:

- In the absence of the President, act on behalf of the President in all matters except in the appointment of committees.
- Be responsible for all matters relating to membership recruiting.
- Be responsible for all correspondence, documents, and activities related to membership status and attendance.
- Be responsible for maintaining an asset scheduling process.

- Sign checks and other financial instruments.

#### 4.2.4 Secretary shall:

- Record, distribute and maintain minutes of all meetings of the Members.
- Conduct all correspondence for the Club, except such as may be delegated to another officer, director or committee.
- Provide proper notice to all Active Members for all meetings of the membership.
- Provide notice to all Active Members of proposed and approved changes to the Operating Rules and By-Laws.
- Conduct all elections and votes on all issues placed before the membership, collect and tally all votes, report the results, and maintain records of all elections and votes.
- Receive on behalf of the BOD all records of financial reviews or audits.
- Organize and retain corporate documents and records not maintained by other officers.

#### 4.2.5 Treasurer shall:

- Collect money due the Club.
- Deposit all receipts in a depository approved by the Board.
- Pay all bills associated with the Club's normal operation and other Club expenditures approved by the Board.
- Maintain records of all financial transactions, insurance policies, and other financially related documents.
- Prepare all periodic financial reports and filings required by the Federal, State, and local Governments, including Bank Account Authorization and other.
- Manage on behalf of the BOD all financial reviews and audits approved by the BOD.
- Sign checks and other financial instruments.
- Organize and retain Club financial documents and records.

#### 4.2.6 Flight Supervisor shall:

- Provide oversight of all Club flight operations in accordance with the Operating Procedures.
- Enforce Operating Rules pertaining to Aircraft operation and inform the Board of any violations thereof.
- Establish and enforce flight safety standards.
- Be responsible for the annual maintenance budget.
- Be responsible for the maintenance of the Club's Aircraft and authorize routine repairs and maintenance as defined in the Operating Procedures.
- Maintain airplane and engine logbooks as required by FAA regulations.
- Approve and manage flight instructors

### **4.3 Term of Office**

The officers shall serve two-year terms of office. No officer may serve more than two consecutive terms of office. An appointment to a vacant office, that occurs less than or equal to one year prior to the scheduled election for that office, shall not be deemed a term of office for calculation of term limit.

### **4.4 Vacancies**

A vacancy on the BOD shall be declared by the President whenever a serving Officer voluntarily resigns the position in writing, becomes an Inactive Member, or is removed by a two-thirds (2/3) vote of the Active Members. Vacancies shall be filled by appointment of the President and approved by a majority vote of the remaining Officers and Directors. A Member appointed to the BOD shall serve the remaining term of the vacated position.

### **4.5 Meetings**

Meetings of the BOD may be held in person or by electronic means, such as a conference call or web-based meeting, in which all participating Members are in direct voice communication.

#### **4.5.1 Regular Meetings**

There shall be no less than one BOD meeting per calendar quarter of the fiscal year, of such duration as decided by the President. The time and place of these meetings is to be determined by the President after consultation with other Members of the BOD.

#### **4.5.2 Special Meetings**

The President or any three (3) Members of the BOD (acting together) may call a special meeting of the BOD to consider one or more resolutions presented by the President or other officer. The text of resolutions considered in this manner shall be provided to the BOD not later than the date of meeting notice. If voting on a resolution is by electronic means, voting shall commence on the day of notice and conclude on the date of the special meeting, and votes shall be tallied and reported by the Secretary. Results of such votes shall be reported to the BOD not later than 24 hours after the close of voting.

#### **4.5.3 Notice**

Notice of any meeting of the BOD shall comply with Section 3.1.3.

#### **4.5.4 Minutes**

Minutes of the BOD meetings shall be recorded and maintained by the Secretary and made readily available to the membership in writing or electronically within fourteen (14) calendar days after each meeting in a manner determined by the BOD.

### **4.6 Indemnification**

To the greatest extent permitted by applicable Michigan Law, any present or former Director or Officer of the Corporation, or other such persons so designated in the discretion of the BOD, or the legal representative of such person, who was or is a party,



or is threatened to be made a party to, any threatened, pending, or completed action, suit, or proceedings by reason of having been a Director or Officer, or serving or having served the Corporation in any capacity shall be indemnified by the Corporation against all reasonable expenses (including attorney fees), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation and had no reasonable cause to believe his or her conduct was unlawful. This includes any civil, criminal, administrative, or investigative proceedings, whether formal or informal (other than an action by or in the right of the Corporation).

## 5.0 ELECTIONS

Elections of officers shall be held annually not less than 30 days prior to the end of the fiscal year.

### 5.1 Qualifications for Positions

Candidates for elective position shall be qualified in accordance with the requirements described in these bylaws and defined job position descriptions adopted by the BOD, as well as other standards established in the Operating Procedures.

### 5.2. Insufficient Nominations to Fill Slate

In the event that any position to be filled does not receive a qualified nominee in the prescribed period, the President shall appoint, with approval of the BOD, a qualified candidate prior to the start of the term of office. The term of office shall be for one year, with the position being placed on the ballot during the next election. The term of office of the subsequently elected office holder shall expire in accordance with Section 5.4

### 5.3 Election Results

Ballots shall be tallied, and the count verified by the Secretary. All elective positions shall be filled by a plurality of the votes cast. The Secretary shall notify the President and each of the candidates of the election results. Election results shall be announced to the membership before the terms of office begin. Tie votes shall be resolved according to the Operating Procedures.

### 5.4 Terms of Office

All Elected positions shall begin their term on the first day of the fiscal year following the election. The terms of elective positions shall be staggered to preserve continuity of the BOD. The President and Flight Supervisor shall be elected in alternate years with respect to the Vice President, Secretary, and Treasurer.

## 6.0 COMMITTEES

The BOD may from time to time establish, and specify the membership of, ad hoc committees for a defined purpose or reason, after establishing a written mission description. These committees may be referred to as Committees or Task Groups. Chairpersons shall be appointed by the BOD and shall be Active Members in good

standing. The BOD may dissolve ad hoc committees when their mission has been accomplished or is no longer relevant to Club operations.

## 7.0 FINANCES

The BOD shall manage the finances of the club in accordance with the Bylaws and Operating Procedures of the Club.

### 7.1 Tax Status

The Club shall be a tax-exempt corporation, organized and operated consistent with IRC Section 501(c)(7) requirements.

### 7.2 Fiscal Year

The BOD shall establish the fiscal year.

### 7.3 Budget

The annual operating budget (“the Annual Budget”) for the Club shall be developed by the BOD and approved by the membership before the beginning of each fiscal year.

#### 7.3.1 Approval

The BOD shall seek approval from the membership of the Annual Budget not later than thirty (30) calendar days before the beginning of each fiscal year. The budget shall be presented to the membership not later than thirty (30) calendar days before the budget approval vote is held. The vote shall be conducted per Section 3.1.2 and approved per Section 3.3.

#### 7.3.2 Amendment

The BOD may amend the Annual Budget as follows:

- The BOD may amend the Annual Budget without further approval of the membership as long as the approved total operating expenses are not exceeded.
- Provided however, all individual expenses greater than established in the Operating Procedures or that were not included in the previously approved Annual Budget or amended Annual Budget must be approved by the membership. The vote shall be conducted per Section 3.1.2 and approved per Section 3.3.
- All amendments to the Annual Budget that result in total expenses greater than in the previously approved Annual Budget or amended Annual Budget must be approved by the membership. The vote shall be conducted per Section 3.1.2 and approved per Section 3.3.

### 7.4 Accounting and Financial Records

The Treasurer shall maintain accounting and financial records of the Club. Resources may be committed, and money may be spent, only for items that conform to the approved Annual Budget, as amended.

## 7.5 Asset Management

Operating and invested capital shall be managed in a prudent manner. Operating and investment accounts and instruments shall be approved by the BOD and managed as described in the Operating Procedures

## 7.6 Self Insurance Fund

A self-insurance fund shall be established to provide funds for an airframe loss or damage event typically covered by insurance, where the Club has elected to forgo insurance coverage. The Fund may also be used for a loss in lieu of submitting the loss to insurance, or for payment of deductibles on insurance claims. Other than exceptions stated above and in section 7.6.4, this fund may not be used for any purpose other than the repair or replacement of an aircraft necessitated by such a loss or damage event, up to the fair market value of the aircraft prior to loss. The self-insurance fund does not include bodily injury or wear and tear.

**7.6.1 Fund Target Values** – Fund Target Values shall be determined using values for only Club aircraft not covered by full insurance:

The Minimum Fund Target shall be 150% percent of the value of the single aircraft with the highest value.

The Maximum Fund Target shall be the Minimum Target or 50% of the combined value of all aircraft, whichever is higher.

7.6.1.1 Fund Target Values shall be determined using airframe fair market values based on Vref or similar appraisal method and approved in the Club budget per By-law section 7.3.

7.6.1.2. Fund Targets Values shall be updated annually, or upon any change to the fleet, or any change to insurance coverage, or any disbursement from the Fund.

**7.6.2 Fund Contributions** – Contributions will be made when insurance is purchased or renewed, using the difference between the full-coverage insurance rate and the actual purchased coverage rate, considering the Target Fund Target Values as follows:

Fund Value below Minimum Target – 100% contribution of insurance rate difference

Fund Value between Minimum & Maximum Target – 50% contribution of insurance rate difference

Fund Value above Maximum Target – no contribution required

7.6.2.1 If insurance rates cannot be obtained, contributions shall be based on prior year contributions with adjustment proportional to actual coverage rate change.

7.6.2.2 Additional contributions will be made for Club aircraft carrying full insurance coverage, based on an hourly rate surcharge indicated in the Club budget.

7.6.2.3 Additional contributions can be made with approval of the membership, or via Special Assessment per By-Law section 3.3.1.4.

7.6.2.4 Fund Contributions shall be adjusted immediately upon any change to Fund Target Values per section 7.6.1.

**7.6.3 Fund Investment** – The Fund shall be maintained in a separate account from other Club funds and invested in a medium risk investment as determined by the investment committee, or in the absence of an investment committee, by the Board. The investment committee or Board will act in a fiduciary capacity when selecting investments.

**7.6.4 Fund Disbursements** – Disbursement of funds shall require approval as follows:

- a. Loss or Damage Event under \$20,000 – approval by Board
- b. Loss or Damage Event \$20,000 or more – approval by Board and membership approval at a duly called Regular or Special meeting
- c. Loss or Damage Event \$100,000 or more – approval by Board and majority vote of Active members per By-law section 3.3.1.

7.6.4.1 Excess Target Fund Value –Fund amount over 125% of Maximum Fund Target Value may be disbursed to the general operating fund by majority vote of Active members per By-law section 3.3.1.

7.6.4.2 This provision does not alter the Board's authority to decide and direct aircraft repair using Club general operating funds.

7.6.5 This provision is not intended to mandate or constrain insurance coverage selected by the Club.

7.6.6 Nothing in this provision waives, limits, or diminishes the club's subrogation rights.

## 8.0 AMENDMENT TO THE BYLAWS

The Bylaws may be amended from time to time by the processes set forth herein.

### 8.1 Proposed Amendments

Amendments to the Bylaws may be proposed in writing at a regular or special meeting of the membership by the Secretary as representative of the BOD or any Member of the Club in person, or by submission of a written petition signed by no less than twenty (20) percent of the Active Members representing support of the measure. The proposed amendment may be modified, with the consent of the proposer, prior to issuance of a notice for vote of the membership.

### 8.2 Notice of Proposed Amendment

The Secretary shall publish, by an approved method of communication, a proposed amendment to the Bylaws within seven (7) calendar days after the meeting at which the amendment was proposed. The publication shall include the text of the proposed amendment and the date proposed. The membership shall be provided an opportunity to comment on proposed amendments at a meeting of the membership held after the meeting at which the amendment was proposed or by an electronic forum available to

all Members.

### **8.3 Approval by the membership**

A notice for vote of the membership on a proposed amendment to the Bylaws shall be issued in compliance with Section 3.1.3. The notice shall include the text of the proposed amendment and the date proposed, the scheduled date for the vote on the measure, and the number of affirmative votes required for approval. An affirmative vote of a majority of the Active Members shall be required for adoption.

## **9.0 DISSOLUTION**

The Club may be dissolved by a two-thirds (2/3) majority vote of the Active Members using the same procedures as required for amendments to the Bylaws. If the Club is dissolved, outstanding debts shall be paid from the assets of the Club. Assets remaining after all outstanding debts are paid shall be distributed equally between the Active and Inactive Members, up to the amount of each Member's equity in the Club. Any remaining assets after the Member's equity is distributed shall be distributed as decided by a two-thirds (2/3) majority vote of the Active Members in accordance with the applicable laws of the State of Michigan.

## **10.0 STATUS OF THIS DOCUMENT**

These By-Laws replace all previous By-Laws and shall be known as the Ann Arbor Flyers By-Laws, Revision 15, adopted 5/30/2022.

For reference, the previous versions are known as the:

Ann Arbor Flyers By-Laws, Revision 14, dated 11/29/2021

Ann Arbor Flyers By-Laws, Revision 13, dated 11/17/2018.

Ann Arbor Flyers By-Laws, Revision 12, dated 6/24/2017

Ann Arbor Flyers By-Laws, Revision 11, dated 11/30/2016

Revision 11 replaced a prior version dated 11/14/2001. Prior revisions can be found in Google Docs under Superseded Versions in Membership Docs.