

Blue Horizons Flying Club By-Laws

PART A

ARTICLE I - PURPOSE

1. BLUE HORIZONS FLYING CLUB, INC., hereinafter referred to as the "Club" or by name, is an Ohio Non-Profit Corporation organized for the purpose of providing for the social fellowship of the Club's members through the ownership of private aircraft for the members personal, recreational and instructional flying. The mission of the club is to promote the camaraderie and fellowship of pilots and provide well-maintained aircraft for members' use at reasonable cost.

ARTICLE II - MEMBERSHIP

1. Membership in the Club is a voluntary privilege. The number of members in the club is limited to 130 total members. Membership in the Club is provisional and may be terminated by the Board of Officers at any time with or without cause. Any member whose membership in the club is terminated shall, upon return of the aircraft 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 of Officers for consideration as a Club Member and shall also provide such other documents as requested consistent with the individual's airmen certificate, as well as pay the aircraft deposit. An applicant shall be granted membership only upon the consent of at least 3 members of the Board of Officers, except in the case of a previous member who is re-applying, in which case approval is required by majority vote by the board members present at the next meeting of the Board of Officers.
 - a. All aircraft 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.

ARTICLE III - CLASSIFICATION OF MEMBERS

1. Club membership classifications are as follows:
 - a. Regular: Regular membership is open to all individuals of good moral character who are responsible and financially able to meet the obligations of the club, and who profess an interest in aviation. Regular members in good standing are entitled to hold office and to vote on all issues brought before the membership of the Club. Regular members are entitled to fly aircraft as set forth in Appendix A, consistent with their hours, airmen certificate, medical certificate and good standing with the Club. The regular membership deposit is \$1,250.

- b. Associate: Associate membership is open to all member's spouses and up to two dependent children. Associate members shall be sponsored by a Regular member who shall be responsible for the flying time and payment of the dues of the Associate member. Associate membership dues shall be one-half (1/2) of the current regular membership monthly dues. Associate members do not have to pay a deposit.
 - c. Inactive: 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 General Manager. Inactive membership is intended for members who have become, or anticipate becoming, physically, mentally, legally, financially 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.
 - d. Pinch Hitter: A Pinch Hitter membership is available to individuals that are sponsored by a Regular or Associate member in good standing. The intention of a Pinch Hitter membership is solely to improve safety by allowing instruction in Club aircraft; it is not to be used as a trial membership. A member may sponsor a maximum of 1 Pinch Hitter per 12 calendar months. A Pinch Hitter membership is valid for a maximum of 3 calendar months. A Pinch Hitter member may only operate club aircraft under the instruction of an approved instructor and may not receive any training intended for use towards a certificate or rating. A Pinch Hitter need not pay a membership deposit or monthly dues, but is subject to a nonrefundable \$100 application fee. In the event of non-payment, the sponsoring member will be held jointly liable.
 - e. The Board shall have the power to adjust the dues and/or rates for certain members for promotional purposes. This action must be designed, intended, and expected to benefit The Club as a whole. This action requires a unanimous vote of The Board to approve, and any such approved adjustment may be cancelled by a majority vote of The Board.
2. Good Standing: Member in Good Standing means that the member is current in the payment of the monthly dues and flying time. The Board of Officers is authorized to waive the payment of dues for individuals who devote substantial time or resources to Club affairs.
 3. Voluntary Surrender or Removal: Any Member may voluntarily surrender membership in the Club at any time. In the event of voluntary surrender or removal, the Club will refund the membership deposit paid less a ten percent administrative charge and any unpaid dues, flight time charges or other charges. However, any member who notifies the club within 30 days of joining of their intention to terminate their membership shall not be subject to the ten percent administrative charge. Club Memberships may not be sold. The Club will refund a membership deposit, less 10 percent and any outstanding charges, to the estate of a deceased member.
 4. Membership Ownership Interest: Membership in the Club denotes a non-exclusive ownership interest in the Club aircraft. 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.
 5. Voluntary or Involuntary Termination of the Club: Upon the termination of the Club's affairs, liquidation of Club assets, and payment of Club liabilities, all Regular Members

shall be entitled to the return of their membership deposit. The sum of \$10,000 shall be donated to the Bowling Green State University Aviation program, the sum of \$10,000 shall be donated to The Ohio State University Aviation Program, and the balance donated to the AOPA Air Safety Foundation, and the EAA Aviation Foundation, both IRC 501(c)(3) organizations, as the Board of Officers shall decide. If there are insufficient funds to accomplish all of the above, they will be executed in the order shown.

6. Club Obligations: Members may not cause the Club to incur any obligation, for maintenance or other services, nor aircraft or equipment, without prior approval of the General Manager or a Club Officer.
7. Social Events: All members in good standing, regardless of classification, may attend all social events.

ARTICLE IV - INITIAL FEE AND MONTHLY DUES

1. All Regular Members are required to pay the regular membership deposit upon application to join the Club along with the first month's dues. Monthly dues are intended to cover fixed costs of the club whereas the flight time rates are intended to cover operational costs including short and long term maintenance. Monthly dues and aircraft hourly rates may be changed to reflect operational costs and financial needs of the Club on an as needed basis by the board of officers. Current rates are depicted in Appendix A.
2. 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.
3. In the event of unusual or extreme circumstances, the Board of Officers is authorized to levy special assessments on the membership for the purpose of meeting such situations.
4. The Board of Officers may reduce the monthly dues of any member based on service rendered to the club or in extenuating circumstances.

ARTICLE V - MEETINGS

1. Membership Meetings
2. Organizational: The Club Organizational meeting shall be held within 90 days of the end of the fiscal year. This is the Club's annual meeting. A quorum at any membership meeting shall be the members present. Notice of any Organizational meeting shall be sent to the member's last known physical address or email address and shall normally be sent along with the monthly statement. The Newsletter may also be used to give notice to Members. Notice is effective upon mailing to the Member. Members are responsible for keeping the Club advised of any changes in address.
 - a. Special: If an emergency arises such that a decision must be made before the annual meeting, the President and any two other officers, or the Vice President and any two other officers, 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.
 - b. General: General meetings may also be called by any three officers upon the recommendation of any member wishing to organize the meeting for the purpose of information sharing among members and the Board of Officers. Any such general

meeting will be communicated in the monthly newsletter. General meetings shall also be called for social events, safety meetings, and classes.

- c. Attendance: 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 the Club Membership meetings.
3. Meetings of the Board of Officers
 - a. Board of Officers. The Board of Officers shall meet to review club operations, finances, and to address any member concerns or grievances at least every 120 days. The presence of four Officers is required to constitute a quorum and conduct club business. An officer who participates via teleconference shall be deemed "present" by a majority vote of the Officers present in person. Organizational, special, and general meetings qualify as meetings of the Board of Officers as long as a the Officer quorum requirement is met. "Approval by the Board of Officers" is defined as approval of the majority number of the Officers present at any meeting of the Board of Officers.
 - b. The general membership is encouraged to attend Meetings of the Board of Officers. The Board of Officers reserves the right to remove any member from such meeting if the member creates such a disturbance as to prevent the due process of the meeting.

ARTICLE VI - ELECTIONS

1. The election of Officers shall be held at the Organizational meeting each year. All nominations will be closed prior to the call to vote. All ordinary Members and Officers shall have one vote.
2. At the Organizational 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.
3. 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 appropriate for the offices to be elected.
4. Absentee ballots will not be used. Any member entitled to vote and unable to attend the election meeting may designate another voting member as a proxy. All proxies shall be designated and announced as such prior to the call to vote.

ARTICLE VII - OFFICERS

1. The Club Officers shall consist of a President, Vice President, Secretary, Treasurer, Safety Officer, and Maintenance Officer, who shall comprise the Board of Officers. The Officers are elected to represent the interests of the overall club membership. The term of office for the Officers begins immediately upon election and runs until the next election. The duties of each office are as follows:
 - a. President: The President shall preside at all meetings and be responsible for the conduct of all Club activities. The President is the chief executive officer of the Club. The President shall also have signature authority on all Club accounts and shall assume the function of the Treasurer in the event that the Treasurer is absent or incapacitated.

- b. Vice President: 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 Officers.
 - c. Secretary: The Secretary shall take the minutes of all meetings and insure that all officers receive a timely copy of the minutes. The Secretary is charged with the additional function of Club Historian.
 - d. Treasurer: The Treasurer is responsible for all financial matters of the Club. The Treasurer shall maintain such accounts as are appropriate for the Club. All disbursements shall be through a Club checking account whenever possible. The Treasurer shall also prepare and submit a balance sheet and income/expense statement for the fiscal year and budget for the coming fiscal year for the review and approval by the Membership at the Organizational meeting. The Treasurer shall also be responsible for the preparation of a financial forecast in accordance with sound financial practices.
 - e. Safety Officer: The Safety Officer is responsible for recommending safe operating and flying procedures for the Club, as well as overseeing their implementation as appropriate. The Safety Officer shall be responsible for dissemination of appropriate training and flying information to the Members. The Safety Officer is also designated as the Club Chief Pilot.
 - f. Maintenance Officer: The Maintenance Officer is responsible for maintaining current information in the logbooks of the aircraft, for maintaining the Club's aircraft in proper operating airworthy condition, and for compliance with all Federal Aviation Regulations and Airworthiness Directives. The Maintenance Officer shall be responsible for all maintenance documents, including all aircraft, engine, avionics and propeller logbooks, and for the execution of all documents required for the completion of major repairs and overhauls.
 - g. General Manager: A General Manager shall be designated by the Board of Officers to manage the day to day administrative and routine managerial functions of the Club. The General Manager shall be responsible to and accountable to the Board of Officers.
 - h. Newsletter Editor: A Club Newsletter Editor will be designated by the Board of Officers. The Newsletter Editor is responsible for publication of the monthly Newsletter. If the Newsletter Editor is designated from the membership, such individual shall not be considered an Officer solely by reason of such position.
2. In the event that any elected officer resigns, is incapacitated or is otherwise unwilling or unable to continue their duties:
- a. The position may be left vacant with its duties reassigned by the President; or
 - b. 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.
 - c. 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.
 - d. 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 (a).

ARTICLE VIII - ACCOUNTING PRACTICES AND EXPENDITURES

1. Monthly statements to members: A statement shall be mailed by the 5th 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. The 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. Handling of accounts receivable: 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. Cash asset accounts and loans: No cash asset account shall be opened or closed and no loan shall be applied for without the approval of the Board of Officers.
5. Financial statements: 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. Flight time charges
 - ii. Tie-downs and hangar rental
 - iii. New member share income
 - iv. Interest
 - v. Aircraft sales
 - b. Fixed Expense:
 - i. Aircraft insurance
 - ii. Periodic licenses and registration fees
 - iii. Property insurance
 - iv. Airport use charges (Metcalf)
 - v. Aircraft reservation system
 - vi. Utilities
 - vii. Non-aircraft loan payments or expense
 - viii. Taxes
 - ix. Office expense
 - x. Publications
 - c. Aircraft operating expense:
 - i. Fuel credits
 - ii. Oil
 - iii. Parts (for club-performed maintenance)
 - iv. Maintenance (non-club performed maintenance)
 - v. Annual inspections
 - vi. Engine rebuilds/replacement
 - d. Other:
 - i. Miscellaneous expense

- ii. Membership deposits refunded to members
 - iii. Aircraft purchases and loan payments
 - e. Club social activities
6. Expenditures: With the exception of expenditures to which the club is legally obligated, and parts purchases or maintenance services approved by the Maintenance Officer, no purchase may be made, no asset disposed of and no service contracted for an amount exceeding \$500 without the approval of the Board of Officers.

ARTICLE IX - DETERMINATION OF DUES AND AIRCRAFT FLIGHT TIME HOURLY RATES

1. Monthly dues shall be computed on a not-for-profit basis 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. Flight time 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. Flight time hourly rates shall be "wet rates" (fuel included with purchases reimbursable) and shall be set on a not-for-profit basis 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 of Officers. The standard fuel reimbursement rate is the rate at which members are reimbursed for their fuel purchases.
 - c. Anticipated routine 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 flight time hourly 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 of Officers at least once during the fiscal year. All documentation and calculations thusly approved shall be available to any member upon request.

ARTICLE X - TRUSTEES

1. All duly elected Officers are also the Trustees of the Club during their term of office. The relationship of elected Officers and Trustees is one of dual status, and, as such, the Officers have the same powers as Trustees under Ohio law, including by way of illustration and not limitation, the power to remove members and to fill certain vacancies of Officers until the next Annual Meeting.

ARTICLE XI - COMMITTEES

1. The Club shall have the following Standing Committees:
 - a. Accident Investigation Committee: The Accident Investigation Committee shall be co-chaired by the Club Maintenance Officer and Club Safety Officer and shall consist of those individuals and up to three other non-Officer Members appointed by the President. The Accident Investigation Committee shall be responsible for investigation of all club accidents or incidents. The Accident Investigation Committee is empowered to fix liability if the Board determines that such liability is warranted under the circumstances of the Accident or Incident. Any member who is assessed liability by the Accident Investigation Committee is entitled to a hearing of the circumstances before the membership at a Special Meeting called for such a purpose or at the Annual Meeting.
 - b. Safety Committee: This committee is chaired by the Safety Officer and shall consist of all Certificated Flight Instructors authorized to give instruction in Club Aircraft. The Safety Committee is responsible for the review and implementation of safe flying practices and training. Operation of any club aircraft in violation of applicable Federal Aviation Regulations or in an unsafe manner will not be tolerated.
 - c. The Club Officers are authorized to appoint as many Ad Hoc committees of Regular Members as are necessary to fulfill the Club purposes, e.g., for the Club social activities.

ARTICLE XII - LIABILITY AND DAMAGE TO AIRCRAFT

1. Insurance: 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 Officers 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 Aircraft: Damage to any aircraft shall be promptly reported to the Club General Manager, the Club Maintenance Officer or any other Club Officer. 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, 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. Gross Negligence or Willful Damage: If any member is found by the Accident Investigation Committee 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 XIII - 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 XIV - AMENDMENTS

1. Any amendment or modification to these By-Laws shall require the approval of two-thirds of the voting membership present at a meeting called for such a purpose after 30 days written notice. Twenty percent (20%) of the number of active members shall constitute a quorum for Amendment or modification purposes. EXCEPTIONS - The Board of Officers may make decisions as to aircraft acquisition and disposition, set hourly flying rates, the initial membership fee and High Performance/Complex or other designated aircraft fee, and set annual dues. A simple majority of the members present at any meeting called for such purpose may modify the Club Operational Rules or Appendix A.

BLUE HORIZONS FLYING CLUB, INC. Adopted by unanimous vote of a membership quorum and entered on the official records of the Club this 19th day of August, 2012, in Pemberville, Ohio.

ATTEST:

President

Secretary