

THE FLYING PARTICLES, INC.  
BYLAWS  
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[ARTICLE I. GENERAL](#)

- (1) The Flying Particles, Inc., hereinafter referred to as the "Club", is governed by the Articles of Incorporation, which establish the legal basis of the Club with the State of California, the Bylaws, and the Flight Regulations. The Articles of Incorporation, the Bylaws, and the Flight Regulations exist as separate documents.
- (2) In the performance of its activities, the Club and its individual members must comply with all applicable Federal Aviation Administration (FAA) regulations, federal regulations, state laws and local ordinances, as well as with the Bylaws and Flight Regulations of the Club.

[ARTICLE II. RULES OF ORDER](#)

- (1) All proceedings and actions of the Club will be conducted in accordance with Robert's Rules of Order except insofar as they may conflict with these Bylaws.

[ARTICLE III. MEMBERSHIP](#)

- (1) Any person may apply for membership in the Club. Applications shall be considered without regard to race, creed, color, sex or national origin.
- (2) A minor applying for membership must present the written consent of his or her parents or legal guardians. Such parents or legal guardians must co-sign for all debts incurred. Such parents or legal guardians must agree in writing to all terms contained in the membership application.

(3) There shall be six classes of members; regular members, family members, student members, inactive members, flight instructor members, and light sport members.

(a) A regular member is a person who:

1. has been approved by the Executive Board as a regular member; and has paid the required equity share. Such person assumes the rights (including voting), privileges (including flying), and responsibilities of regular membership.

(b) A family member is a person who:

1. is a member of the immediate family of a regular member of the Club,
2. has been admitted as a family member by the Executive Board; and,
3. has paid a one time non-refundable fee as specified in the Flight Regulations (Appendix A).

Family memberships may be granted by the Executive Board only when such membership will not create undue burden on the availability of Club aircraft. Family membership is available only to a regular member's spouse or to another person in regular member's immediate household who qualifies as a dependent of the regular member according to the Internal Revenue Code . The Executive Board shall periodically review family memberships to ensure that the family members continue to retain their qualifying status. The regular member in the family must co-sign for all debts incurred by the family member. A family member has all the responsibilities of a regular member, and may assume all rights (including voting) and privileges (including flying) of a regular member.

(c) A Student member is a person who:

1. does not hold a certificate that will allow that person to act as pilot in command in a Club airplane that is carrying passengers,
2. has been approved by the Executive Board as a student member; and,
3. has paid the required equity share as specified in the Flight Regulations (Appendix A). Such a person assumes the rights (including voting), privileges (including flying) and responsibilities of student membership. A student member may become a regular member at any time by submitting a proper application and by paying the required regular membership equity share.

(d) A Flight Instructor member is a person who:

1. is not covered under sections 3(a), 3(b), or 3(c) of Article III,
2. has been approved by the Executive Board as a flight instructor member, for the purpose of providing flight instruction to members.

3. has been approved by the Executive Board, and the FPI Safety Officer or a FPI-member CFI designated by the Executive Board before instructing in a FPI aircraft,
4. has paid the applicable equity share as specified in the Article XII Paragraph (2) of these Bylaws. Such a person assumes the appropriate rights (including voting), privileges, and responsibilities of flight instructor membership. A flight instructor member may change membership to regular or family class of membership provided they have met the applicable requirements of either 3(a), 3(b) of Article III,
5. is allowed to reserve and operate aircraft only for his/her annual checkout or a checkout in a new type or aircraft with new equipment, for the purpose of introducing a prospective member to the Flying Particles Club, for maintenance flights or when otherwise approved by the Board.

(e) An Inactive member is a former regular member;

1. whose equity share remains with FPI,
2. who does not pay dues,
3. who is not allowed to reserve aircraft.
4. There are no fees to return to regular status if inactive status has been effective for more than six (6) months. If it has been effective for less than six (6) months, all dues that would have been paid during the inactive period must be paid in full in order to return to regular status.

(f) A Light Sport member is a person who:

Has been approved by the Executive Board as a Light Sport member; holds a Sport Pilot Certificate or higher, and has paid the required equity share. Such person assumes the rights (including voting), privileges (including flying of only the Light Sport Aircraft designated to be in this category by both the club and the FAA), and responsibilities of Light Sport membership.

(4). Membership in the Club may not be transferred or assigned.

(5) Suspension of flying privileges

- (a) At any time, any member may be suspended immediately from all flight privileges for up to and no more than 12 months by a majority of the Executive Board and specify the causes for which the member is suspended, for example: unsafe flight operation, nonpayment of dues, abuse of equipment. The Executive Board shall state the findings of facts and conclusions as to how the interests of the Club would be compromised by continued membership to the suspended member

(b) Any member suspended for more than 30 days may ask that the matter be referred to a vote of the membership at the next general meeting of the membership but not sooner than 15 days following the action of the Board. The matter of the suspension shall be placed on the agenda.

(c) The membership by a vote of a majority of the membership present may:

1. uphold the decision of the Board or,
2. modify said decision, but in no event may the member be suspended for more than 12 consecutive months.

(d) Suspended members are still responsible for all costs incurred.

(e) The member may request reinstatement by the Executive Board at any time.

1. If the member is reinstated by the Executive Board after a period of suspension of less than one year, dues will be assessed for the period of the suspension. Such dues will be waived only if the waiver is recommended by a majority of the Executive Board, the waiver is voted on by the membership at a general meeting, and the waiver is approved by a simple majority of those members voting.

#### (6) Termination of membership

(a) Any member may terminate his or her membership in the Club by notifying the Vice-President for Membership of his/her wishes in writing, and returning all Club property in the member's possession, including aircraft keys. The Vice-President for Membership shall determine the effective date of termination.

(b) A student membership automatically terminates at the end of the first monthly billing period following fifteen days after the student obtains a certificate that will allow such member to act as pilot in command of a Club aircraft that is carrying passengers. The student pilot must become either a regular or family member of the Club, or terminate all membership in the Club.

(c) Involuntary termination shall be for a stated cause. The Executive Board, or the majority of the Board may make such recommendation after stating the findings of fact and making a conclusion that continued membership of the person would compromise the interests of the Club. At a general meeting, upon a recommendation of two thirds of the Executive Board, or a written petition signed by at least 5 regular members and presented to the person chairing the meeting, a vote on whether or not to terminate a specific member's membership shall be taken. By that vote the membership may, by a two-thirds majority of those voting, terminate a member's membership.

(7) Any limit to the number of members or change in the qualifications required of members, may only be made if:

- (a) notice of the proposed change has been mailed or e-mailed to each member eligible to vote at least 14 days prior to a general meeting. The notice shall state the reasons for limiting the membership or changing the qualification requirements.
- (b) at that general meeting, a vote is taken, and,
- (c) the membership, by a simple majority of those casting a vote, so votes.
- (d) The Club shall make an effort to reach as many members as possible by mail or email to seek their opinions.

#### ARTICLE IV. VOTING

- (1) All members who have fully paid their Equity Share as specified in Article XII, Paragraph (2) of these Bylaws of the Club shall be entitled to vote, and each such member shall have only one vote.
- (2) Votes may be cast at any general meeting either in person, or by submitting a written, signed vote to the Secretary prior to counting the vote on any issue.
- (3) Wherever a vote is specified in either the Flight Regulations or Bylaws, a written ballot as specified in Article IV. Voting (4) may be used.
- (4) A written ballot may be required to be used for a vote by a majority vote of the membership at a general meeting, or by a majority vote of the Executive Board. Those persons who are voting members as of the date the vote is authorized shall be eligible to vote. Ballots shall be presented to the eligible membership without undue delay. The closing date shall be clearly stated on the ballot. The closing date shall be no earlier than 18 days and no greater than 25 days after the date the ballot distribution is started. All ballots received by the Secretary after the closing dates are void and shall not be counted. Ballots shall be received and counted by the Secretary. Any voting member may be present at the counting of the ballots or may review the outcome. In addition to the written ballots, members with voting rights present at a general meeting before the closing date for the written ballot may vote by a roll call vote taken at that general meeting.
- (5) A voting member may appoint any person to cast such member's vote by means of a written proxy. Such proxy may be limited in either subject, or time or both. Proxies remain in effect until they either expire, are canceled, or are superseded by a proxy of later date. Members giving proxy needs to initial that they have read all related materials for the vote.

#### ARTICLE V. ELECTED OFFICERS

- (1) The elected officers of the Club shall be the President, the Vice-President for Membership, the Vice- President for Maintenance, the Vice-President for Scheduling and Utilization, the Secretary, and the Treasurer. Only regular, family, flight instructor, and inactive members of the Club may serve as elected officers.
- (2) The Executive Board shall consist of the elected officers of the Club.

- (3) The duties of the elected officers of the Club shall be as stated in the Articles of Incorporation, these Bylaws, and the Flight Regulations.
- (4) Nomination of elected officers. A Nominating Committee shall be formed by the Executive Board. The members of the Nominating Committee shall be regular members of the Club, and shall not currently hold Club office. The Nominating Committee shall nominate at least one person for each elective Club office.
- (5) Election of officers
  - (a) An election of officers shall be held at a general meeting during the month of September. Notice of the nomination process will be provided in the newsletter prior to elections.
  - (b) Nominations may be made from the floor.
  - (c) A statement of the pertinent qualifications, experience, and views of the candidate shall be made by, or on behalf of the candidate.
  - (d) Candidates shall file with the Club Secretary a full disclosure of rentals, sales, leases, or insurance dealings with the Club in excess of \$250 either during the past year or currently in effect. Such disclosures shall be communicated to the voting members prior to taking the vote.
  - (e) A ballot providing space for the voter to indicate his/her choice for each office shall be provided by the Secretary to each member that is eligible to vote.
  - (f) The candidate receiving the largest number of votes for an office shall be elected to that office.
  - (g) The term of office of each elected officer shall be one year.
  - (h) If a vacancy occurs, or if a new elective office is created, nomination and election of an officer to fill that office shall become the first order of new business scheduled at the next general meeting.
  - (i) A petition to recall one or more officer(s) that is signed by ten percent or more of the voting members shall require that a recall election be held. The petition may be submitted to any Club Officer. The Club Secretary shall mail or e-mail written notice of the recall election to each member eligible to vote within 14 days of the receipt of the recall petition by a Club Officer. A recall election shall be held at the first general meeting taking place after 14 days after the notice has been mailed or e-mailed.
  - (j) The recall of each officer whose recall is petitioned shall be voted on separately. A vote to recall an officer shall require a two-thirds majority vote of those members voting.
  - (k) In the event an officer is recalled, the election of his/her successor becomes the first order of new business at that same general meeting.

## (6) Appointment of Officers

- (a) The Flight Safety Officer shall be appointed by the Executive Board.
- (b) The Program Committee Chairman shall be appointed by the Executive Board.

## (7) Duties of Officers

(a) The duties of the President shall be to preside at all general meetings and all Executive Board Meetings, and to generally oversee all operations of the Club.

(b) The duties of the Vice President for Membership shall be to:

1. prepare and distribute literature and other appropriate materials for recruiting new members,
2. arrange, in cooperation with the Flight Safety and Training Committee, for personal interviews with all applicants for membership; examine the log books and aviation certificates, if any, of such applicants; examine personal references and such evidences of financial responsibility as are provided by the applicant; recommend to the Executive Board whether to accept or to reject each application for membership,
3. keep accurate records of pertinent information about each member of the Club, including pilot qualifications and such non-flying skills and interests of the members as may be useful to the operation of the Club,
4. ensure reasonable compliance by each member of the Club with the pilot in command standards of the Club as stated in Article 3 of the Flight Regulations; issue keys for those aircraft in which a member has been checked out,
5. prepare and disseminate publicity for the Club as appropriate; and
6. arrange work parties and/or social events at the request of the Executive Board, and coordinated with scheduling, and
7. report to the Executive Board any member who fails to comply with any provision of Article 3.6 of the Flight Regulations within 60 days of such delinquency.

(c) The duties of the Vice-President for Maintenance shall be to:

1. represent the Club in negotiations for maintenance, inspection, repairs, and modifications of Club aircraft,
2. perform, or arrange for the performance of, routine maintenance and inspection of Club aircraft,
3. ensure that all maintenance, inspection, repair, and modification work on Club aircraft is performed expeditiously and monitor the quality of all such work,

4. maintain all aircraft and engine logbooks, a copy of the current Club Bylaws and Flight Regulations, check lists, aircraft documents, and aircraft records in order,
5. keep accurate records of maintenance, repairs, and modifications, and accurate records of fuel and oil consumption, for each Club aircraft; and,
6. recommend to the Club, with the approval of the Flight Safety and Training Committee, such operating procedures or flight rules for each type of Club Aircraft as will minimize maintenance expenses,
7. notify the Vice President of Scheduling and Utilization as soon as possible whenever an aircraft is scheduled to be taken out of service for maintenance, whenever an airplane cannot be returned to service at the expected time due to maintenance delays, and whenever an airplane scheduled for maintenance is returned to service more than six hours early. If the Vice President of Scheduling and Utilization cannot be reached, the Vice-President for Maintenance shall carry out duty #4 in place of the Vice President for Scheduling and Utilization,
8. Attempt to respond, within 24 hours, to telephone calls of members. If the officer is absent, he shall designate a person to deal with the inquiries and provide information.
9. In case an aircraft for which a member holds an advance reservation is needed for routine maintenance, not affecting airworthiness, the Maintenance Chairman shall consult the member holding the reservation prior to removing the aircraft from the line.

(d) The duties of the Vice President for Scheduling and Utilization shall be to:

1. prepare for the Treasurer, promptly after the 15th of each month, a statement of the time flown by each member in each of the Club aircraft
2. periodically examine the log of reservations for Club aircraft to ensure reasonable compliance with the Club's reservation rules as expressed in Article 4 of the Flight Regulations; and,
3. make recommendations as appropriate to the Club for revisions in the reservation and minimum flight time rules as expressed in Article 4 of the Flight Regulations. The purpose of these recommendations shall be to ensure efficient utilization of Club aircraft and good access by the membership.
4. attempt to contact all Club members whose reservations will be affected by a change in schedule when notified that an aircraft will be out of service for maintenance or any other reason. In the case of an aircraft for which a member holds advance reservation is needed for routine maintenance, not affecting airworthiness, the member holding the reservation will be contacted as soon as possible prior to removing the aircraft from the line.

(e) The duties of the Secretary shall be to:

1. keep all corporate records other than financial records of the Club in good order, and to maintain the Club's Bylaws and Flight Regulations,
2. record and publish the minutes of all general meetings and all Executive Board meetings; maintain accurate copies of those minutes for reference by any member; present for approval at each general meeting the minutes of the previous general meeting,
3. issue to the membership of the Club all written notices that are required by the Bylaws or Flight Regulations,
4. issue all written ballots authorized by either the Executive Board or the membership,
5. ascertain the number of voting members present at each general meeting, determine the quorum for the next subsequent meeting, ensure that only voting members participate in voting,
6. execute such correspondence as the Executive Board or the membership may direct,
7. maintain a reading file of all Club correspondence.

(f) The duties of the Treasurer shall be to:

1. maintain a complete and accurate set of accounts, recording all financial transactions of the Club,
2. pay all lawful obligations of the Club in a timely fashion, taking special care to maintain the credit standing of the Club and to avoid additional interest or penalty charges; maintain appropriate credit accounts for the purchase of fuel and oil for Club aircraft,
3. gather all information necessary to bill each Club member at the end of each fiscal month; perform, or arrange for the performance of, data processing needed to prepare individual bills for each member; present those bills to the members for payment,
4. receive all payments to the Club and to deposit all such receipts in demand or time accounts held in the name of the Club,
5. prepare and distribute to the membership appropriate summaries of the Club's financial transactions and accounts at least once each fiscal quarter; assist and advise the membership in understanding and interpreting these summaries and their implication with regard to the Club's expenses and revenues,
6. maintain continued awareness of the financial condition of the Club; make suitable recommendations to the Executive Board and/or the membership whenever appropriate,
7. prepare the annual report to the California Franchise Tax Board concerning the tax-exempt status of the Flying Particles Inc.; file this report for the fiscal year during which the treasurer served,

8. prepare any required report to the State Board of Equalization,
9. prepare a summary of major equipment sales and purchases as an addendum to each annual report to the Club's membership.

(g) The duties of the Flight Safety Officer shall be to:

1. inform the Club of any unsafe or illegal conditions or practices which would affect the operation of any Club aircraft; inform the Club of any procedures or equipment that would enhance flight safety; make such changes in aircraft checklists as may enhance flight safety;
2. inform the Club of any new regulations (FAA or other) or operating procedures which may affect flight safety;
3. distribute flight safety newsletters or to organize flight safety projects when appropriate;
4. present, whenever possible, the Club's views on either pending legislation or proposed rule making that would affect flight safety;
5. approve, for the purpose of flight instruction as outlined in Flight Regulation 2.1, flight instructor and regular members who hold CFI certificates interested in exercising instructional privileges with the Club;
6. distribute to flight instructor members copies of the Bylaws, Flight Regulations and other routine administrative materials relating to the operation of the Club.

(h) The duties of the Chairman of the Program Committee shall be to:

1. arrange, whenever possible, for a presentation about some educational, informative or entertaining aspect of aviation to be given at each general meeting;
2. maintain in reasonable order for reference by the Club's members the Club's subscriptions to aviation journals, FAA Advisory Circulars, and other pertinent literature;
3. survey the membership from time to time for either suggestions for, or offers of, presentations.

## ARTICLE VI. STANDING COMMITTEES

(1) All appointments of members of the Club to serve on standing committees shall be made by the President, with the approval of the Executive Board, and with the advice of the Committee chair.

(2) The following committees shall be standing committees of the Club:

(a) the Maintenance committee, to be chaired by the elected Vice-President for Maintenance.

- (b) the Flight Safety and Training Committee.
  - (c) the Program Committee.
  - (d) the Purchasing Committee, to be chaired by the elected Treasurer.
  - (e) the Finance and Rate Committee, to be chaired by the elected Treasurer.
- (3) The duties of standing committees shall be as stated in the Flight Regulations and Bylaws.
- (a) the Vice-President for Membership shall be assisted in the performance of his or her duties by the appointed members of the Membership Committee.
  - (b) The Vice-President for Maintenance shall be assisted in the performance of his or her duties by the appointed members of the Maintenance Committee. Individual members of the Committee may be delegated specific responsibilities for certain of the Club aircraft.
  - (c) The Flight Safety Officer shall be assisted in the performance of his or her duties by the appointed members of the Flight Safety and Training Committee.
  - (d) The Chairman of the Program Committee shall be assisted in the performance of his or her duties by the appointed members of the Program Committee.
  - (e) The Purchasing Committee shall collect and maintain catalogs of those items normally required for the upkeep and repair of club aircraft and facilities; establish and maintain a good working relationship with vendors; order parts on the request of the Vice-President for Maintenance and maintain a stock of spare parts, when economically advantageous to the Club; maintain records for each aircraft including the complete description and quantity of replacement and added parts; and other duties requested by the club Treasurer.
  - (f) The duties of all other committees shall be as stated in these Bylaws, the Flight Regulations, or by the instructions of the Executive Board or by a majority of the membership.
- (4) A majority of a standing committee shall constitute a quorum of that committee. Vacancies in these committees shall be filled by appointment within a month.

## ARTICLE VII. MEETINGS

- (1) At least one general meeting shall be held each calendar month, at a time and place announced in advance by mail or e-mail to each member eligible to vote.
- (2) At least once a year an Executive Board meeting shall be held as needed to conduct business of the club, at a time and place announced in advance by mail or e-mail to each member eligible to vote.

- (3) The President may call a special general meeting or an Executive Board meeting at any time.
- (4) Any five regular members may, by signed petition, instruct the President to call a special general meeting. In the absence of the President, the petition may be served on any member of the Executive Board. The Executive Board member receiving the petition shall call the special general meeting to be held at a time no more than ten days after the receipt of the petition.
- (5) A special general meeting shall require receipt of notification of the meeting by a majority of the membership prior to the meeting by mail or e-mail.
- (6) Two thirds of the average number of voting members attending the previous five general meetings shall constitute a quorum for a general meeting.
- (7) A majority of the Executive Board shall constitute a quorum, except that in no case shall the quorum be less than three members.
- (8) In the absence of the President, any executive board member may preside over an Executive Board meeting or a general meeting.

#### ARTICLE VIII. INSURANCE

- (1) No Club aircraft may be operated unless covered by Public Liability and Property Damage insurance.

#### ARTICLE IX. DISBURSING

- (1) Except as provided in Article X, all expenditures of Club funds in excess of \$3,000.00 for a single purpose other than fuel, oil, maintenance costs, routine management costs, and other routine fixed expenses, must be voted on at a general meeting and approved by a majority of those voting.
- (2) Non-routine expenditures of \$1,000.00 or less may be authorized by a majority vote at an Executive Board Meeting.
- (3) Non-routine expenditures of \$100.00 or less may be authorized by any Executive Board member.
- (4) All checks greater than \$10,000.00 drawn against the Club funds shall bear signatures of two members of the Executive Board. Whenever possible, one of these signatures shall be the Treasurer's.
- (5) A set of financial records shall be maintained. These records shall show income and expenditures for the Club, accurate and detailed records of each member's account with the Club, and any other pertinent fiscal data. The records shall be available for inspection by any member of the Club upon 15 days written notice to the Treasurer.

#### ARTICLE X. ACQUISITION AND DISPOSAL OF AIRCRAFT

Whenever the term "lease" is used in this Article, it shall mean an arrangement for access to an aircraft during some period of time that obligates the Club to make payments of either fixed or minimum amounts for the privilege of access to that aircraft. Whenever the term "rental" is used in this Article, it shall mean an arrangement for access to an aircraft, whether or not for a stated period of time, that obligates the Club to make payments for the privilege of access to that aircraft based solely on the actual time used.

- (1) Acquisition of aircraft for use by Club members may be by purchase, lease, or rental.
- (2) The Executive Board may not either:
  - (a) enter into any legally binding agreement to buy or to sell any aircraft on behalf of the Club;
  - (b) commence any lease of aircraft for use by Club members; or
  - (c) terminate prior to its expiration any lease of aircraft for use by Club members; unless:
    1. prior notice of the intent to do so has been mailed or e-mailed to each member eligible to vote at least 5 days before a general meeting,
    2. a vote is taken at the meeting; and,
    3. the Executive Board is authorized to do so by a two-thirds majority of those members voting.
- (3) Each authorization to acquire or to dispose of aircraft shall state the expiration date of that authorization. Postponements of the expiration date shall require that:
  - (a) prior notice of the intent to do so has been given in writing by mail or e-mail to a each voting member before a general meeting,
  - (b) a vote on the matter is taken at that general meeting; and,
  - (c) the Executive Board is authorized to do so by a simple majority of those members voting.
- (4) The Executive Board may make or cancel agreements for the rental of aircraft for use by the Club members whenever it finds such actions to be in the best interests of the membership. Members shall pay all rental costs, unless the Executive Board is providing the rented aircraft as a temporary, emergency replacement for a Club aircraft.

#### ARTICLE XI. COMPENSATION

- (1) No compensation shall be paid to anyone except as a reasonable allowance for service actually rendered to or for the Club.
- (2) Compensation of officers and committee members shall be as stated in the Flight Regulations.

## ARTICLE XII. EQUITY SHARES AND FEES

- (1) All regular, student and flight instructor members shall pay into the Club treasury a membership equity share of which part shall be refunded according to terms of the Flight Regulations subsequent to the members termination and final settlement of the member's account with the Club.
- (2) The amount of the membership equity share shall be:
  - (a) Student Members: \$500.00
  - (b) Family Members: \$0.00
  - (c) Regular Members: \$2500.00
  - (d) Flight Instructor Members: \$300
  - (e) Inactive Members: \$2500
  - (f) Light Sport Members: \$500.00
- (3) The amount and terms of the membership equity share shall be changed only if:
  - (a) 30 days written notice by mail or e-mail to each member eligible to vote that a change in the equity share is to be considered at a general meeting; and,
  - (b) the change is passed by a two-thirds majority vote at the general meeting.
- (4) 100% of the regular membership, student membership and flight instructor membership equity share, must be paid before a new member may receive flying privileges. The Executive Board may approve, in the case of regular membership only, that a partial payment of the regular membership equity share will be sufficient to receive flying privileges subject to the following constraints: the partial payment is not less than 50% of the full equity share, the remainder of which must be paid in a series of payments over the next 24 months.
- (5) In the event of the dissolution or liquidation of the Club, the share distributed to each regular member shall be the amount of his equity share, multiplied by the ratio of the Club's net worth to the total of the members equity shares, not to exceed the amount of his/her equity share. After payment of all debts of the Club and distribution of such shares, any remaining funds will be disposed of consistent with the laws of the State of California concerning the dissolution of a non-profit corporation.
- (6) Upon termination of membership and upon payment of all indebtedness to the Club, the amount of equity share refundable to a regular member shall be the lesser of the member's paid up equity share or the figure-of-merit times the member's paid up equity share. The figure-of-merit is defined as the ratio of the Club's retained value plus the total of all member equity shares to the total of all member equity shares
- (7) It shall be the policy of the Club to maintain the retained value, (defined as the net worth of the Club minus the member's equity shares), at a positive value within the range of 20% to 40% of the total of member's equity shares. Due consideration shall be given to normal fluctuations when estimating the values and trends of these quantities.

- (8) It shall be the policy of the Club to maintain the total of the member's equity shares at least 40% of the value of the aircraft and equipment owned by the Club. Due consideration shall be given to normal fluctuations when estimating the values and trends of these quantities.
- (9) It shall be the policy of the Club to maintain the fixed income (dues, fees, interest income, etc.) at a level that covers the larger of either:
  - (a) two thirds of the total fixed costs of the Club, (interest, taxes, tie down fees, etc. for Club owned aircraft, monthly lease payments, Club overhead, etc.) or,
  - (b) the sum of Club overhead expenses (officer reimbursement, postage, answering service), plus 25% of the total annual cost of owning leasing and operating all Club Aircraft, excluding fuel costs.
- (10) It shall be the policy of the Club to use fixed income to cover all Club overhead expenses and a portion of owning, leasing and operating the fleet.
- (11) At least twice a year, the Executive Board shall examine the Club's financial records and shall recommend to the membership such changes in the equity shares, dues and rates for the use of Club aircraft as are necessary to implement the above policies.
- (12) At a regular meeting the membership may vote on proposed changes in dues and rates for the use of Club aircraft. Such changes, if approved, shall become amendments to the Flight Regulations.

### ARTICLE XIII. PENALTIES AND FINES

- (1) A majority of the Executive Board may impose any penalty or fine authorized herein. In imposing a fine, the Board shall state to the affected member its findings and conclusions as to why the fine is warranted.
- (2) The levying of a penalty or fine may be appealed to the members at the next general meeting but not sooner than 15 days following the action of the Board. The matter of the penalty or fine shall be placed on the agenda. The agenda item shall state the findings and conclusions of the Board. The membership, by a majority vote of the members present, may
  - (a) uphold the decision of the Board or,
  - (b) modify said decision.
- (3) Neither the Board nor the members may impose any penalty or fine upon any member for a violation of the Flight Regulations in excess of the current amount of the regular members equity share.
- (4) It shall be the duty of any member claimed to be in violation of any Club Flight Regulation to supply the Board with all written reports and findings relating thereto, as prepared or compiled by any Federal, State or local authority, which said report or findings may be in possession of the member, upon demand by the Board.

#### ARTICLE XIV. AMENDMENTS AND INTERPRETATIONS

- (1) These Bylaws may be amended only at a general meeting, and only by a two-thirds majority of those members present that are eligible to vote.
- (2) A Rules Review Committee shall be appointed annually to review the Bylaws and the Flight Regulations of the Club and to make proposals for amendments to those documents that would improve the operation of the Club.
- (3) The proposed amendments generated by the Rules Review Committee shall be voted on at the general meeting in January. Amendments may be proposed at the general meeting in January by any voting member, and may be voted on at that meeting without 14 day notice.
- (4) Proposals at other times for amendments to these Bylaws may only be made by either:
  - (a) a majority vote of the Executive Board, or
  - (b) a written petition signed by at least five regular members.
- (5) Proposed amendments may not be voted on at any general meeting except during the month of January, if texts of the proposed amendments have not been mailed or e-mailed to each member eligible to vote at least 14 days prior to that general meeting.
- (6) The Executive Board shall rule on all questions of interpretation of these Bylaws. At a general meeting, a vote may be taken, and the membership may, by a two-thirds majority of those voting, modify the Executive Board's interpretation of these Bylaws.