

# **THE EAST HILL FLYING CLUB, INC.**

## **BYLAWS**

Rev. December \_\_\_\_, 2010

### **ARTICLE ONE**

#### **NAME**

The name of this corporation shall be The East Hill Flying Club, Inc. (hereafter “Club” or “Corporation”).

### **ARTICLE TWO**

#### **PURPOSES**

The following are the purposes for which this club has been organized:

1. To own or lease and maintain one or more aircraft for the education, transportation and general use of the members of this Club or their families.
2. To acquire, own, hold, sell, lease, pledge, mortgage or otherwise dispose of any property, real or personal, necessary to the operation of the Club.
3. To borrow money, contract debts, make contracts, and to exercise any and all such powers as a natural person could lawfully make, do, perform or exercise which may be necessary, convenient or expedient for the accomplishment of any of its objects or purposes, providing the same be not inconsistent with the laws of the State of New York, and to that end, enumeration of such powers as set forth herein shall not be deemed inclusive.
4. To advance the science of aeronautics, to develop aviation and to educate pilots in every way to safe operations.
5. To provide for its members convenient means for private flying and the improvement and maintenance of their flying skills at reasonable rates.

The pronouns she, he, her, him, hers, as used in these bylaws, rules and regulations, are interchangeable and denote either gender equally.

### **ARTICLE THREE MEMBERSHIP**

#### Section 1.     Membership.

Members shall be those who have paid dues and those whose Club individual account is current (as defined by terms established by the Board of Directors) for the current fiscal year, and who are thereby active members of the Corporation, as established by the Board of Directors. Categories of membership (including whether voting rights exist or not), criteria for membership, and a schedule of dues and member benefits shall be adopted by the Board of Directors and reviewed periodically. Members may be removed from membership by a 2/3 affirmative vote of the entire board.

#### Section 2.     Meetings.

Meetings of the membership shall be held at a time and place to be determined by the Board of Directors. Within this Article, the words “membership,” “member,” and “members” shall refer to active members in good standing.

#### Section 3.     Annual Meeting.

The Annual Meeting of the Club shall be held in December at such time and place as the Board of Directors shall determine. At the annual meeting of the members, the President and the Treasurer shall present an annual report showing in appropriate detail the following information:

- (a) A complete financial statement of the Corporation for the fiscal year immediately preceding the date of the report showing the assets and liabilities, principal changes in assets and liabilities, revenue, receipts, expenses and disbursements of the Corporation; and

(b) A summary of the activities of the Corporation during the preceding year. The annual report shall be filed with the minutes of the annual meeting of members.

Section 4. Notice.

Notice of the Annual Meeting of the members shall be given by written notice mailed to each member at his/her last known place of business or residence at least five days before such annual meeting.

Section 5. Special Meetings of Members.

Special meetings of the members may be held at such time and place as the President may determine, or may be called by a majority of the Directors or by written petition of at least one-fourth of the membership. It shall be the duty of the Secretary to call such meetings within thirty days after such demands; stating the time and in general terms the purpose thereof, and shall be given in like manner as the notice required for the regular annual meetings.

Section 6. Quorum and Voting at Meetings of Members.

At any meeting of the members, a quorum shall consist of 16 members in good standing, or the lowest number permitted by the New York Not-For-Profit Law, as amended from time to time. At every meeting of the members, each member shall have only one vote. A majority vote of the members present shall be necessary for the adoption of any resolution and for the election of officers.

Section 7. Presiding Officer.

The President, or in his/her absence, the Vice-President, or in the absence of the President and Vice-President, a Chairman elected by the members present shall call the meeting of the members to order and shall act as presiding officer thereof.

Section 8. Election of Directors and Officers.

At the Annual Meeting of the members, the members shall elect by ballot the Executive Officers and Board of Directors as constituted by these Bylaws, for the next calendar year commencing January 1.

**ARTICLE FOUR**  
**BOARD OF DIRECTORS**

Section 1. Authority.

(a) All the affairs, property, business and policies of the Corporation shall be under the charge, control and direction of the Board of Directors.

(b) The corporate powers of the Corporation shall be vested in a Board of Directors consisting of no less than six (6) and no more than fifteen (15) persons, who shall supervise, control, direct and manage the property, affairs and activities of the Corporation. The Board of Directors shall have all powers consistent with New York law. The number of directors may be changed at any annual or special meeting of the members by a majority vote of the member

Section 2. Election and Term of Directors.

(a) The Board of Directors shall be divided into three (3) classes of Directors, with one class elected each year on a rotating basis by a majority vote of the members at the annual meeting of the Corporation.

(b) All Directors elected in due course at an annual meeting of the Corporation shall be elected to serve a term of three (3) years, and shall succeed the incumbent directors whose terms of office expire that year. Nominations of candidates for director(s) shall be submitted by

the Nominating Committee to the members at least ten (10) days prior to the annual meeting of the Corporation. Directors shall be at least eighteen (18) years of age. A director may not be an employee of the Corporation, except the Executive Director who is an ex officio Director, without voting privileges.

(c) A director may only serve two three-year terms on the Board of Directors consecutively. The request of any director desiring to serve more than 2 terms, shall be considered on a case-by-case, as needed basis, as determined by a majority vote of the members.

### Section 3. Annual Meeting of the Board.

The Board of Directors shall hold an annual meeting in the month of December at a convenient time and location designated by the Board. Written notice of the annual meeting shall be mailed to each director at least one week in advance of the meeting.

### Section 4. Regular Meetings of the Board.

The Board shall hold regular meetings at least four (4) times per year at convenient times and locations designated by the Board President. Written notice of all regular meetings shall be mailed to each Director not less than seven (7) days before the date fixed for such meeting.

### Section 5. Special Meetings of the Board.

Special meetings may be called at any time by the President, and shall be called by the President or the Secretary within fourteen (14) days of receipt of a written request from any two (2) members of the Board of Directors. Notice of special meetings shall be given in person, by telephone or by mail to each member of the Board at least two (2) days before the date of such special meetings. The notice shall state the business for which the special meeting has been called, and that no business other than that stated in the notice shall be transacted at such special meetings.

Section 6. Waiver of Notice.

Notice of any meeting of the Board need not be given to any Director who submits a waiver of notice either before or after the meeting, or who attends the meeting without protesting prior thereto or at its commencement the lack of notice to him.

Section 7. Place and Time of Board Meetings.

The Board may hold its meetings at the office of the Corporation or at such other places within or without the State of New York as it may from time to time determine.

Section 8. Quorum of Directors.

(a) The presence in person of six (6) Directors shall be necessary to constitute a quorum at all meetings of the Board for the transaction of business.

(b) A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the adjournment shall be given to all Directors who were absent at the time of the adjournment.

Section 9. Action by the Board.

(a) Each Director shall be entitled to one (1) vote on each matter submitted to the Directors for action at all meetings of the Board. Unless otherwise required by law or provided in these Bylaws, the vote of a majority of Directors present at the time of the vote at a duly convened meeting shall be the act of the Board.

(b) Any action required or permitted to be taken by the Board or any committee thereof may be taken without a meeting if all members of the Board or the Committee thereof consent in writing to the adoption of a resolution authorizing the action. The resolution and written consent thereto by the members of the Board or Committee shall be filed with the minutes of the proceedings of the Board or Committee.

(c) Any one or more members of the Board, or of any committee thereof, may participate in a meeting of such Board or Committee by means of a conference telephone or similar equipment that allows all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at such a meeting.

Section 10. Minutes.

The Secretary or his designee shall maintain complete and accurate minutes of each Board meeting and shall retain each unanimous written consent executed by a Board member. Said minutes and written consents shall be maintained in the permanent records of the Corporation. Minutes of the meetings of the governing authority and the committees shall be retained for three years from the date of the meeting.

Section 11. Newly Created Directorships and Vacancies.

Newly created directorships resulting from an increase in the number of directors and vacancies occurring on the Board for any reason shall be filled by vote of a majority of the members of the Board then in the office following nomination by the Nominating Committee, and shall hold office until the next meeting of members of the Corporation. A director elected to fill a vacancy caused by resignation, death, disability, or removal shall be elected to hold office for the unexpired term of his predecessor. Vacancies may be filled at any meeting of the Board, and directors so appointed shall serve until the next meeting of members of the Corporation.

Section 12. Removal.

A Director may be removed from office with or without cause at any regular or special meeting by an affirmative vote of a majority of the entire Board.

Section 13. Resignation.

A Director may resign at any time by giving notice to the Board, the President, or the Secretary of the Corporation. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the Board or such officer, and the acceptance of the resignation shall not be necessary to make it effective.

Section 14. Attendance at Meetings.

Attendance at each meeting of the Board shall be recorded by the Secretary in the minutes thereof. Absence from a meeting may be excused, for good cause shown. Unexcused absences from three (3) or more regular or special meetings of the Board during a twelve (12) month period may constitute cause for removal.

Section 15. Compensation.

Directors shall be reimbursed for reasonable expenses incurred in the performance of Corporation duties with such prior approval of the Board.

Section 16. Property Rights of Directors.

No Director of the Corporation shall have any rights or interests in or to the property or assets of the Corporation. In the event that the Corporation is liquidated or dissolved or ceases to actively carry on its business, all of the remaining property and assets of the Corporation after necessary expenses thereof shall be distributed to such organizations as shall qualify under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, subject to an order of a Justice of the Supreme Court of the State of New York.

Section 17. Honorary Members of the Board.

Any individual who has been a member of the Board of Directors for three (3) or more three-year terms may be elected by the Board as an honorary director. An honorary director shall

be given notice of all Board meetings and shall be encouraged to attend, observe and participate, but shall not be considered in determining a quorum or be entitled to vote.

Section 18. Proxy Voting.

Any Director may give his proxy in writing to another Director to attend any meeting of the Board of Directors and to vote on issues that come before it at such meeting. The proxy may be either a specific proxy and instruct the other individual to vote in a certain manner, or it may be a general proxy, without direction as to affirmative or negative vote on an issue.

**ARTICLE FIVE  
OFFICERS**

Section 1. Designation and Election of Officers.

The officers of the Corporation shall be selected from among the Board and shall consist of a President, one or more Vice Presidents, a Treasurer, a Secretary, and such other officers as the Board may authorize. All officers shall be nominated by the Nominating Committee and shall be elected by the members at its annual meeting. Except when an officer resigns, is removed, or becomes disabled, officers shall hold office for a period of one (1) year or until their successors shall have been duly elected and qualified. Officers may be removed by a vote of the membership at any time, with or without cause. Any vacancy occurring in said offices may be filled by the Board of Directors at any meeting, and such officer shall hold office until the next meeting of members. Except for the office of President, any two or more offices may be held by the same person.

Section 2. President.

The President shall preside at all meetings of the Board of Directors, shall oversee the general management of the Corporation, shall act as a liaison between the Board and the

Corporation's Executive Director, and shall carry out the policies of the Board and its committees. He or his designee shall report to the Board at each meeting concerning the financial condition and operation of the Corporation.

Section 3. Vice Presidents.

During the absence or disability of the President, the Vice President, or if there are more than one, the Vice President designated by either the President or the Board, shall have all of the powers and functions of the President. Each Vice President shall perform such other duties as the Board shall prescribe.

Section 4. Treasurer.

The Treasurer shall have responsibility to:

- (a) Keep custody of all funds and general oversight of funds of the Corporation;
- (b) Render to the President and the Board at the regular meetings of the Board, or whenever they require it, an account of the financial condition of the Corporation;
- (c) Render a full financial report at the annual meeting of the Board and of members;
- (d) Perform such other duties as are given to him by these Bylaws or as from time to time are assigned to him by the Board or the President.

Section 5. Secretary.

The Secretary shall:

- (a) Send appropriate notices and prepare agendas for all meetings of the Board and members;
- (b) Be responsible for keeping and reporting of complete and accurate minutes of all meetings of the Board and members and all unanimous written consents executed by Board members and membership; and

(c) Perform such other duties as pertain to the office or as may be prescribed by the Board.

**ARTICLE SIX**  
**EXECUTIVE DIRECTOR**

Section 1. Executive Director.

The Board shall either appoint and employ, or contract for, a qualified administrator to serve as Executive Director of the Corporation, who shall be or become a member of the Corporation. The Executive Director shall be chief executive and operating officer of the Corporation. The Executive Director shall report directly to the Board and shall serve at the pleasure of the Board. The Executive Director shall be a non-voting ex officio member of the Corporation's Board of Directors. The powers and responsibilities of the Executive Director shall be as follows:

(a) Plan and direct all aspects of the Corporation's policies, objectives, activities and initiatives; and

(b) Maintain the Corporation's Policies and Procedures Manual, including but not limited to Safety Procedures and Practices found in Part 141.93 of the FAA's Rules of Operation, and all other flight-related operations and the Corporation's Membership Manual that addresses all other club operations and activities

(c) Insure that communication and fund-raising activities are smoothly run; and

(d) Coordinate between staff, advisors, and board members and members in order to achieve the Corporation's goals; and

(e) Develop strategies for creating the Corporation's financial reserve; and

(f) Network with kindred organizations; and

- (g) Expand base of contacts; and
  - (h) Oversee communications that effectively describe and promote the Corporation;
- and
- (i) Create and implement the annual plan, executing all agreed-upon strategies, and direct/coordinate the activities incorporated in the plan; and
  - (j) Oversee the budget from its creation through implementation; and
  - (k) Serve as the primary interface with the Board, and as the external face outside the organization; and
  - (l) Educate the Board and members regarding new regulations and policies; and
  - (m) Educate the Board and members regarding safety issues; and
  - (n) Coordinate corporate compliance with all applicable laws and regulations and interaction with regulatory authorities; and
  - (o) Employ or contract for a Chief Instructor and other flight instructors as needed for the Corporation who shall report to the Executive Director; and
  - (p) Attend meetings of the Board and members; and
  - (q) Keep full and accurate accounts of receipts and disbursements in the corporate books; records of financial transactions shall be retained for eight (8) years from the date of transaction;
  - (r) Deposit of all money and other valuables in the name and to the credit of the Corporation in such depositories as may be designated by the Board;
  - (s) Disburse the funds of the Corporation as may be ordered or authorized by the Board and preserve proper vouchers for such disbursements;

(t) Designate from the staff a Safety Coordinator who shall be a member of the Safety Committee;

(u) Be furnished by all corporate officers and agents at his request with such reports and statements as he may require regarding the financial transactions of the Corporation;

(v) Act to see that a true and accurate accounting of the financial transactions of the Corporation is made, that reports of such transactions are presented to the Board, and that all expenditures are made to the best possible advantage; and

(w) Act as a custodian of all records and reports of the Corporation;

(x) Perform such other duties as may be required by the Board or are incidental to the foregoing.

## **ARTICLE SEVEN**

### **COMMITTEES OF THE BOARD OF DIRECTORS**

#### Section 1. Appointment of Committees.

Committees of the Board shall include standing committees and special committees. Standing committees shall include an Executive Committee, a Nominating and Bylaws Committee, a Safety Committee, an Internal Operations Committee, and a Community Activities Committee. Except as otherwise provided in these Bylaws, the chairmen and all members of these committees shall be appointed annually by the President at the annual meeting.

#### Section 2. Executive Committee.

The Executive Committee shall consist of the President, who shall be the Chairman, and the Vice President, the Treasurer, the Secretary, and two (2) other directors nominated by the President and confirmed by the Board.

The Executive Committee shall represent the Board of Directors, and shall have power to transact all regular business of the Corporation during the period between meetings of the Board, except that the Executive Committee shall not have authority: (1) to fill vacancies on, or remove directors from, the Board or any committee, (2) to fix the compensation of officers, directors or committee members, (3) to amend, repeal or adopt Bylaws, (4) to amend or repeal any resolution of the Board which by its terms is not so amendable or repealable, (5) to make capital or operating expenditures above limits established by the Board, (6) to change the number of directors, or (7) to authorize indemnification under these Bylaws. In addition, the Executive Committee shall make recommendations to the Board with respect to managing and conducting the affairs of the Corporation, and shall meet and act as otherwise instructed by the Board.

The Executive Committee shall also be responsible for the general supervision of the financial operations of the Corporation and for supervising the management of all funds of the Corporation. Funds shall be invested with one or more banks duly authorized to conduct such business in this State. It shall have authority to make investment changes recommended by such bank and shall report such changes at the next regular meeting of the Board of Directors.

The Executive Committee shall meet regularly at least quarterly and more often if deemed necessary or advisable by the President, the Committee or the Board. The Committee shall keep minutes of each of its meetings, which shall include a record of its activities and business transactions. Said minutes and records shall be presented to the Board at its next regularly scheduled meeting. The activities of the Executive Committee shall be deemed to have been ratified by the Board following presentation of the Committee's minutes and records, unless the Board adopts a resolution overruling the Committee.

Section 3. Nominating and Bylaws Committee.

The Nominating and Bylaws Committee shall be composed of at least three (3) members of the Board. It shall have the duty of nominating at the annual meeting of the Corporation, and at other meetings when vacancies are to be filled, candidates to be elected as officers and members of the Board. Directors may propose names to the Nominating Committee at least thirty (30) days before the annual meeting for consideration as Board nominees by the Nominating Committee. Directors may also propose names to the Nominating Committee to fill vacancies as they occur. The Nominating Committee shall periodically evaluate the composition of the Board, set objectives for new Directors and evaluate the participation of existing Directors. It shall review the bylaws at least annually and make an annual report of its recommendations to the Board for appropriate action.

Section 4. Safety Committee.

The Safety Committee shall be composed of the President, the Corporation's Safety Coordinator (staff member), the Executive Director, and one other Board member appointed by the President. This Committee shall investigate safety incidents upon its own initiative or as referred to it by members of the Corporation. In a timely manner, after consideration of the inquiry, the Safety Committee shall make a recommendation to the Board of Directors concerning any incident or inquiry. The Safety Committee shall also make recommendations to the Board of Directors regarding safety issues and policies for the Corporation in general.

Section 5. Internal Operations Committee.

The Internal Operations Committee shall be composed of at least three (3) members of the Club, at least one of whom shall also be a member of the Board of Directors. This Committee will develop, implement and monitor Club activities such as Club facilities, the

condition of Club owned aircraft, maintenance operations and recommendations and other activities undertaken routinely by Club members and where the Board of Directors has asked the Committee to consider and review such action. This Committee will also provide reports and recommendations to the Board of Directors concerning long range planning for the Club.

Section 6. Community Activities Committee.

The Community Activities Committee shall be composed of at least three (3) members of the Club, at least one of whom shall also be a member of the Board of Directors. This Committee will conduct marketing on behalf of the Club, will conduct recruitment to obtain new Club members, will assess and address issues identified by current members, will plan, execute and evaluate activities for the general public, and activities as well, to facilitate the development of friendship and camaraderie within the organization.

**ARTICLE EIGHT  
INDEMNIFICATION**

Section 1. Indemnification.

The Corporation may, to the full extent permitted by law, indemnify its directors, officers, members, employees and other personnel.

Section 2. Insurance.

The Corporation will purchase directors' and officers' liability insurance, subject to approval by the Board of Directors.

**ARTICLE NINE  
CONFLICT OF INTEREST**

Section 1. General.

Directors, officers and administrative employees shall exercise the utmost good faith in

all transactions touching upon their duties relating to the Corporation and its property. In their dealings with and on behalf of the Corporation they will be held to a strict rule of honesty and fair dealing between themselves and the Corporation. They shall not use their positions, or knowledge gained there from, in such a manner as to create a conflict between the Corporation's interests and that of the individual.

Full disclosure of all facts of any transaction or relationship which may entail a conflict shall be made to the President of the Board immediately when the potential conflict arises. The President of the Board shall, at the regular meeting of the Board of Directors immediately following the receipt of information concerning any transaction or relationship which may constitute or indicate a conflict of interest, report the same to the Board of Directors for such action as they deem appropriate or legally required.

The Board may from time to time establish policies concerning potential conflicts of interest.

## Section 2. Permitted Transactions

All acts of directors, officers, members and administrative employees shall be for the sole benefit of the Corporation in any dealing which may affect it adversely. They should avoid, directly or indirectly, participating in any arrangement, agreement, investment or other activity which could result in personal benefit at the expense of the Corporation's interests. It is expected that each director, officer, member and administrative employee will abstain from voting on or actively supporting any motion or resolution, the approval or disapproval of which might directly or indirectly result in personal benefit to such person.

However, no contract or other transaction between the Corporation and one or more of its directors, officers or members, or between the Corporation and any other corporation, firm,

association or other entity in which one or more of its directors, officers or members are directors, officers or members, or have a substantial financial interest, shall be either void or voidable for this reason alone or by reason alone that such director(s), officer(s), or member(s) are present at the meeting of the Board of Directors or the Corporation which authorizes such contract or transaction or that his or their votes are counted for such purpose, if the material facts as to each such director's officer's or member's interest in such contract or transaction and as to any such common directorship, officership, or financial interest are disclosed in good faith or are known to the Board, and the Board authorizes such contract or transaction by vote of two-thirds (2/3) of the entire Board of Directors.

#### Section 3. Other Employment

Directors, officers and administrative employees shall avoid outside employment or activities that involve obligations that may be in conflict with the interests of the Corporation.

#### Section 4. Definitions

For the purposes of this section, a person shall be deemed to have an "interest" in a contract or other transaction if he is the party (or one of the parties) contracting or dealing with the Corporation, or is a director, trustee, or officer of, or has a significant financial or influential interest in, the entity contracting or dealing with the Corporation.

### **ARTICLE TEN NON-PROFIT OPERATION**

(a) The Corporation shall at all times be operated on a non-profit basis, and shall be operated for the exempt purposes for which the Corporation was created, and no director, officer, member or employee of or person connected with the Corporation, or any other private

individual, shall receive at any time any of the net earnings or pecuniary profit from the operations of the Corporation, provided that this shall not prevent the payment to any such person of such reasonable compensation for services rendered to or for the Corporation in affecting any of its purposes as shall be fixed by the Board of Directors; and no such person or persons shall be entitled to share in the distribution of any of the corporate assets upon the dissolution of the Corporation.

(b) Notwithstanding any other provision of these Bylaws, no director, officer, member, employee or person connected with the Corporation, or any other private individual, shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization exempt from federal income taxation under Section 501(c)(7) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent federal tax laws (the "Code"), and all regulations promulgated there under.

(c) In the event of the dissolution of this corporation, all the business, property, and assets of the corporation shall go and be distributed:

(1) first, to general creditors of East Hill Flying Club, including those holding long term loans to the Club which will be paid back with interest to date;

(2) second, to Club members proportional to and not exceeding the amount of their refundable deposits, without interest; and

(3) last, to such non-profit charitable corporation, municipal corporation, or corporations, as may be selected by the board of directors of this corporation so that the assets of this corporation shall then be used for, and devoted to, the purposes of carrying on nonprofit aviation, and aviation safety, and aviation education. In no way shall any of the assets or property of this corporation, or the proceeds of any of the assets or property, in the event of

dissolution, go or be distributed to members (except as stated in (2) above), either for the reimbursement of any sums subscribed, donated, or contributed by such members, or for any other such purpose, it being the intent in the event of the dissolution of this corporation that the property and assets then owned by the corporation shall be devoted to the following nonprofit charitable purposes: nonprofit aviation, aviation safety, and aviation education.

**ARTICLE ELEVEN**  
**RULES OF ORDER AND AMENDMENTS**

Section 1. Rules of Order

Meetings of the Board and the Corporation shall be governed by Robert's Rules of Order, as they may exist from time to time, except in cases otherwise provided for by these Bylaws.

Section 2. Amendments.

These Bylaws may be altered, amended, or repealed and new Bylaws may be adopted by vote of a majority of the members present at any regular or special meeting, provided a quorum is present and provided that a statement of the purport of such proposed amendment shall have been published in the notice calling the meeting.

AMENDED AND RESTATED BYLAWS ADOPTED ON \_\_\_\_\_, 2010.