

TSS Flying Club Constitution

TSS FLYING CLUB, INC.

CONSTITUTION

(REVISED JANUARY 25, 1986)

I. Structure

1. The purpose of the TSS Flying Club Inc. is to own, lease and maintain one or more aircraft for flight training, instruction, transportation, and other uses of its members at economical rates.
2. The Club shall be incorporated under the laws and regulations of the State of Maryland. This is the by-law of the club
3. The Corporate Seal of the Club shall be circular in form and contain the words: "TSS Flying Club Inc. – 1957 Maryland".
4. Membership shall be limited to twenty (20) in number for one aircraft and not more than fifteen (15) for each additional Club aircraft.
5. Specific rules and regulations of this Club other than those governed by the FAA or contained herein shall be listed in the Club Flight and Operating Rules.

II. Membership

A. Definition of Members

1. Charter member: Those members who formed membership at the time of Club incorporation by virtue of titling their jointly owned aircraft in the name of the Club. Such members have all the rights and privileges of regular members including a refund of membership value upon resignation.
2. Honorary member: Those members elected to this status by a two-thirds (2/3) vote of the membership-in-good-standing at a regular meeting following recommendation of the Board of Directors. An honorary member is exempt from dues and other Club financial assessments. However, he is responsible for any flying time charges he may incur at normal Club rates.
3. Regular member: All members of the Club not included in the previous two categories. Such members are responsible for all financial obligations to the Club including membership fee, other fixed Club assessments which may occur on a regular or irregular basis, and all flying time costs.
TSS Flying Club Member Information Package May 28, 2003
6
4. Member-in-good-standing: Any member of the Club who, by not being in arrears with his Club debts and not being under penalty by some decision of the Board of Directors, shall currently be eligible for all flying and other privileges accorded by the Club subject to the Constitution and Flight and Operating Rules. A member becomes in arrears if his debt to the Club is not received by the Treasurer on the 25th of the month during which it is due.
5. Family member: If one spouse is a regular member of the Club, his or her spouse may be a family member. A family member pays the full initiation fee and one-half the membership. Monthly dues for the family member are half those assessed a regular member. A family member shall be entitled to one vote at Club meetings. The Board of Directors from time to time will establish a limit on the total number of family members. For purposes of Article I,

Section D, the family member will not be counted. The membership may permit one child of a regular member to be a family member in lieu of the regular member's spouse.

B. Procedure for Admission of New Members

1. Admission of new members shall be initiated by approval of the Board of Directors. Following this approval, the prospective new member shall be subject to review by the entire Club membership at the earliest regular Club meeting at which the prospective new member is present. At this meeting, any member of the Club wishing to present admission of the new prospect shall be given a voice. A two-thirds (2/3) approval of the membership-in-good-standing present at the meeting will be required to uphold the Board approval.
2. Upon approval by the Board of Directors and the Club membership, a new member becomes a member-in-good-standing by payment of a Club membership at current value, payment of a nonrefundable \$50 initiation fee and payment of his first month's dues in advance.
3. Upon admission into the Club as a member-in-good-standing, a new member is given a trial period of sixty (60) days. If during this period he and/or the Club decide that he should resign, he will be allowed to do so with full refund of both his membership value and initiation fee less any debts to the Club he might have incurred during his trial membership. His withdrawal shall be immediate and override any of the conditions required for normal Club resignation.
4. To encourage members to recruit new members, any person bringing in a new member (excluding a replacement for the recruiter) will be entitled to a credit of one month's dues if the new member stays in beyond the 60-day probationary period. The credit may not be taken until that 60-day period has expired.
5. Upon payment of Club membership and all fees and advance dues, an applicant may be temporarily approved by the Board of Directors as a member-in-good-standing until the next regular meeting of the membership.

TSS Flying Club Member Information Package May 28, 2003

7

C. Meeting Attendance Requirements

1. Each member shall attend at least three (3) regularly scheduled meetings of the membership during the calendar year. If a member attends less than three (3) regularly scheduled membership meetings during the calendar year without good cause, the Board of Directors may ground the member or may approve other penalties in its discretion, including recommending expulsion.

D. Limits of Individual Member Financial Liability

1. If damage, loss, or theft occurs to a TSS aircraft, the member responsible for the operation of the aircraft or found to be financially liable to the Club for such damage, loss, or theft by the investigation board of inquiry, is liable for the financial loss incurred (limited to maximum member responsibility of \$1,000) which is not otherwise compensated by Club insurance.

E. Termination of Membership

1. Any member desiring to terminate his membership in the Club shall submit a written resignation to both the Treasurer and Secretary at least fifteen (15) but not more than thirty (30) days prior to the effective date of resignation as specified in writing and should indicate whether he wants to remain active or inactive until the vacancy is filled. Resigned members shall be obligated for the amount of the monthly dues until such time as the vacancy created by his resignation is filled. This amount shall be deducted from his membership

value until replacement occurs.

2. When a resigning member is replaced, he will not receive the remainder of his share value until the replacement member stays in beyond the 60-day probationary period. The dues obligation of the replaced member will stop when the replacement joins and will start again if the replacement leaves the Club during the 60 day probationary period.

3. Resigned members who find their own replacement with a member acceptable as outlined in Article II, Section B, shall be afforded priority regarding the refund of their membership value less any charges due the Club. Furthermore, the Board may refund membership values, less charges due the Club to resigned members, without the replacement requirement at its discretion.

4. A member owing more than his membership value in outstanding charges to the Club will not be allowed to resign until such debts are paid.

5. When a member submits his resignation, he should indicate whether he wants to remain active or inactive. An active member will be billed monthly for dues and flying time and be expected to keep his account current or pay the penalties. A resigning member who elects to remain inactive may not fly Club aircraft, will not be billed, will not be assessed penalties, and will not receive newsletters. The monthly dues will be deducted from the member's TSS Flying Club Member Information Package May 28, 2003

8

share when he is replaced. If the unpaid dues or flying charges exceed the share value, the member is obligated to pay that deficiency. On the actual date of termination of membership, the resigned member must return all Club aircraft keys in his possession (50 cents per key will be credited to his account). Failure to return the above items will delay refund of his membership value and can lead to penalties deducted from his refund.

6. A Club member who has submitted written intention to resign will not be allowed to reconsider this action without permission of the Board.

7. Any member who has failed to pay any sum due the Club within ten (10) days after said sums become due, shall be considered a delinquent member and shall automatically be suspended from flying Club aircraft. When a delinquent member fails to pay any sum owed the Club or to make appropriate arrangements with the Board for payment thereof within sixty (60) days of the due date, the member shall automatically be considered as indicating his intention to withdraw.

8. A member may be expelled by a two-thirds (2/3) vote of the members voting at any annual or special or regular meeting of the members so long as ten (10) days notice shall be given to such members, who has a right to be heard either in person or by counsel at a meeting of the Club called for this purpose. A member so expelled may receive from the Club a sum equal to his membership value less any moneys he owes the Club, at the discretion of the Board or as provided for in the Constitution or Operating Rules.

III. Organization

A. Elections

1. Election of seven (7) Club members (who are members-in-good-standing, have held membership for at least the preceding six (6) months, and do not have a conflict of interest as described in Article III, Section B.9.) as members of the Board of Directors shall occur once a year at the annual Club meeting. The seven nominees receiving the largest number of votes shall be considered elected to the Board. Members voting have seven votes but may cast only one (1) vote for any one (1) member on the slate.

2. Following the election, elected members of the Board shall promptly hold a

private meeting to select the required Club officers from among their number (Article III, Section C). These officers shall then hold office for twelve months until their successors are elected and qualified.

3. In case of the existence of not more than two (2) vacancies on the Board, the remaining Directors shall select successors for such vacancies from the Club membership. If three (3) or more vacancies occur during one year, the next regular meeting shall be used to elect new replacement board members. In such a case, those board members serving by appointment rather than election shall also be required to obtain Club approval in order to continue their appointed positions.

TSS Flying Club Member Information Package May 28, 2003

9

B. Responsibilities of and Regulations Governing the Board

1. The powers, business, and property of the Club shall be exercised, conducted, and controlled by the Board of Directors which shall consist of the seven members elected pursuant to Article III, Section A and the Club's immediate Past President.

2. Regular meetings of the Board shall be called at least once a month at a place to be determined by the President or acting President. Members other than Directors can attend such meetings in part or in their entirety at the President's discretion.

3. Special meetings of the Board can be called at any time by order of the President or by order of any two (2) Directors. Members other than Directors can only attend these meetings upon invitation of the Board. Notice of special meetings of the Board stating time, place and general purpose shall be mailed for delivery or delivered personally to each Director no later than the date preceding the meeting date. If all Directors shall be present at any meeting, any business may be transacted without prior notice.

4. A majority of the Directors shall constitute a quorum of the Board at any meeting and an affirmative vote of at least four (4) Directors shall be necessary to pass any resolution or authorize any act of the Club.

5. Each member of the Board shall serve without any compensation or reward.

6. The Board shall keep a complete and permanent record of all its acts and the proceedings of its meetings and shall present a full statement at the regular meetings of members showing in detail the conditions of the affairs of the Club.

7. The Board shall have the power and authority to promulgate and enforce all rules and regulations pertaining to the use and operation of Club property and to do and perform, or to cause to be done and performed, any and every act which the Club may do or perform.

8. A member of the Board who acts in a manner unbecoming a Director of the TSS Flying Club, Inc. or shows no interest in pursuing his responsibilities can be liable for impeachment and/or censure by the remainder of the Board. The above requirement includes maintaining membership-in-good-standing while serving on the Board.

9. No member of the Board may conduct a business or business practice which provides a service to the Club and which in the opinion of a majority of the membership, causes that member to have interests contrary (or potentially contrary) to those of the Club. Such businesses shall include leasing of aircraft to the Club, selling aviation insurance to the Club, selling advertising or mailing list services to the Club, and selling aircraft or aircraft parts to the Club.

TSS Flying Club Member Information Package May 28, 2003

C. Officers And Their Duties

1. President

a) The President shall be the chief executive officer of the Club. He shall preside at all meetings of the Club and the Board of Directors. He may call any special meeting of the Board of Directors and shall have, subject to the advice and control of the Directors, general charge of the business of the Club, shall execute with the Secretary, in the name of the Club, all aircraft title documents, contracts, notes, deeds and other instruments which have first been approved by the Board of Directors. The President shall countersign with the Treasurer all checks in the name of the Club.

b) The President shall be responsible to the Board of Directors for the operation of the Club. He shall make and enforce decisions with Board approval regarding the suitability of all equipment and the qualifications of all members for every type of flight operation. He shall recommend for approval of the Board all operational rules of the Club and shall report with recommendations all violations of such rules by any member of the Club. He shall determine what committees are necessary for the Club and shall designate the members and chairmen of said committees.

2. Vice-President

a) The Vice-President shall be vested with all the powers of and shall perform the duties of the President in case of absence or disability of the President.

b) The Vice-President shall also perform such duties connected with the operation of the Club as he may undertake at the suggestion of the President.

c) The Vice-President shall chair the Membership Committee and shall inform the Club's insurer of changes in membership.

3. Secretary

a) The Secretary shall keep a permanent record of the minutes of all proceedings of meetings of the members and of the Board of Directors in books provided for that purpose. He shall attend to the giving and serving of notices of all meetings of the Board and otherwise. He shall keep a proper membership list showing the name of each member of the Club, the copy of the Constitution, the book of Flight and Operating Rules, the Club seal, and such other books and papers as the Board may direct. He shall execute with the President, or in the absence or disability of the President with the Vice-President, in the name of the Club, all aircraft title documents, contracts, notes, deeds and other instruments which have first been approved by the Board.

b) The Secretary shall prepare or have prepared a list of current Club members twice a year. This list shall be distributed to all Club members.
TSS Flying Club Member Information Package May 28, 2003

11

c) The Secretary shall prepare a monthly newsletter containing updated information concerning operation and status of Club aircraft, maintenance problems, and other news pertinent for the smooth operation of the Club. He shall include any important Board decisions made in the previous monthly Board meeting.

d) The Secretary shall perform all other duties incident to the office of Secretary, subject to control of the Board of Directors. He also shall perform such duties connected with the operation of the Club as he may undertake at the suggestion of the President.

4. Treasurer

- a) The Treasurer shall execute in the name of the Club all checks, countersigned by the President or, in the absence or disability of the President and the Vice President, countersigned by any other available member of the Board of Directors for the expenditures authorized by the Board of Directors. He shall receive and deposit all funds of the Club in the bank selected by the Board, which funds shall be paid out only by check, countersigned as provided herein. He shall also account for all receipts, disbursements and balance on hand.
- b) The Treasurer may appoint, at his discretion, a committee from the Club membership to assist him in his regular duties other than check signing and other official Club duties requiring his signature.
- c) The Treasurer shall perform all duties incident to the Office of the Treasurer, subject to the control of the Board of Directors. He shall also perform such duties connected with the operation of the Club as he may undertake at the suggestion of the President.

5. Aircraft Maintenance Officer

- a) The Aircraft Maintenance Officer shall be responsible for maintaining current information in the logbooks of Club aircraft.
- b) The Aircraft Maintenance Officer shall be responsible for maintaining the aircraft in proper operating condition, by or under the supervision of a properly certified aircraft and powerplant mechanic; and for obtaining all checks, inspections, major overhauls; and for compliance with all service bulletins and airworthiness directives for the aircraft.
- c) The Aircraft Maintenance Officer shall be responsible for all papers required to be carried in the aircraft and for the executions of all papers required upon the completion of major repairs and inspections.
- d) The Aircraft Maintenance Officer shall immediately, upon his election, appoint for each aircraft a plane captain and an assistant plane captain responsible for keeping a continual check of the maintenance requirements on his designated aircraft. The Aircraft Maintenance Officer and plane captains shall comprise the maintenance committee.
TSS Flying Club Member Information Package May 28, 2003
12
- e) The Aircraft Maintenance Officer shall report on the condition of all Club aircraft at the meetings of the membership and of the Board.

6. Training Safety Officer

- a) The Training-Safety Officer shall, when able, schedule training and safety sessions to upgrade the ability of members in flying and related procedures.
- b) The Training-Safety Officer shall keep and publish a list of Club approved instructors. Club approved instructors shall be Club members who are flight instructors and other instructors approved by the Board of Directors. To meet approval, such instructors shall demonstrate knowledge of the Club rules and requirements over and above those normally required by FAA regulations.
- c) The Training-Safety Officer shall supervise the annual proficiency check of Club members. The requirements of the proficiency check shall be published and distributed to Club members and made known to all instructors authorized to administer it.

d) The Training-Safety Officer shall have the power to immediately ground any Club member whom he feels is performing in a Club aircraft in a manner not in accordance with Club purpose or rules. This Club member shall then be allowed a special Board hearing to determine whether the grounding should continue.

7. Member-At-Large

a) The seventh member of the Board shall be designated Member-At-Large. He shall be responsible for scheduling of aircraft. He shall be responsible for keeping the rules of the Club updated and suitable for efficient Club operation. He shall also give assistance to other officers in the Club when possible.

8. Immediate Past President

a) The immediate Past President shall, in addition to his duties as a member of the Board, perform any duties assigned him by the President.

9. All Members of The Board

a) In the absence, unavailability, or disability of the Treasurer, any other available member of the Board may countersign checks for expenditures approved by the Board.

IV. Meetings of Members

TSS Flying Club Member Information Package May 28, 2003

13

1. All meetings of the members, except as herein otherwise provided, shall be held at a time and place to be determined by the President. Questions of procedures shall be resolved through Robert's Rules of Order Revised.

2. An annual meeting of the Club shall be held. Notice of each annual meeting of the members shall be given by written notice mailed to each member at his last known place of business or residence at least 5 days before such meetings.

3. 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 five (5) members. It shall be the duty of the President to call such meetings within thirty (30) days after said demand. Notice of special meetings of members, stating the time and in general terms the purpose thereof, shall be given in a like manner as the notice required for the regular annual meetings. If 2/3 of all the members shall be present at any meeting, any business may be transacted without previous notice.

A. Proxy

1. Any member may designate another member as his proxy at any meeting of the members. The designation of a proxy must be in the form of a written proxy certificate signed by the member. The proxy certificate shall be delivered to the Secretary of the corporation at the beginning of the meeting at which it is effective.

2. Any member may designate a restricted proxy to act for him on a particular item of business at any meeting. The designation of a restricted proxy must be in the form of a restricted proxy certificate signed by the member. This certificate shall be delivered to the Secretary at the beginning of the meeting at which it is effective.

3. Members represented by restricted proxy shall not be included in the constitution of a quorum.

4. At any meeting of the members, the presence (in person or by proxy) of a

third of the members-in-good-standing shall constitute a quorum for the transaction of business of the Club.

5. A majority vote of the members-in-good-standing present (in person or by proxy) is necessary for the adoption of any resolution except as otherwise provided in the Constitution.

6. At every meeting of the members, each member present (in person or by proxy) shall have only one vote on any one issue.

7. The President, or in his absence, the Vice-President, or in their absence, a Chairman elected by the members present shall call the meeting to order and shall act as the Presiding Officer thereof.

TSS Flying Club Member Information Package May 28, 2003

14

V. Treatment of Aircraft Accidents

A. Safety Board

1. A Safety Board of inquiry shall be appointed by the Board of Directors, to be composed of Club members in good standing, for each aircraft accident, loss, theft, or damage involving any equipment belonging to the Club.

2. The Safety Board shall consist of three members (3) of the Club who were not involved in the accident or incident.

3. The Safety Board shall take all steps necessary to ascertain the facts, conditions and circumstances of the accident or incident; shall arrive at conclusions regarding the probable cause and responsibility for said accident or incident; and shall make known to the Board of Directors and to all parties involved in the accident or incident its findings in the form of a written report.

B. Accident or Incident Hearings

1. The Board of Directors, upon receipt of the findings of the Safety Board, shall offer to all parties involved in the accident or incident the opportunity of a hearing. After such hearing, or, if such hearing is waived by all parties involved in the accident or incident, the decision of the Board of Directors shall be final.

2. The Board of Directors shall not impose financial responsibility on any one member because of any accident or incident in an amount exceeding the actual cost or loss to the Club of said Accident of Incident. The recommendation of the Board of Directors as to the amount of such financial responsibility must be approved by not less than two-thirds (2/3) of Club members present at a regular membership meeting at which the matter is discussed.

3. All financial obligations imposed on any member as a result of the decision of the Board of Directors shall be satisfied within thirty (30) days of written notice. Otherwise, all such unsatisfied moneys together with any other moneys due to the Club may be deducted from the membership share value, the remainder of which, if any, may be thereupon returned to the member with a cancellation of membership in the Club at the discretion of the Board of Directors. Such action shall not be construed as meeting the liability of said member to the Club and such action as is necessary shall be instituted by the Board to recover the balance due the Club.

VI. Surplus

The net savings or surplus, if any, remaining after all operating costs and other expenses have been paid, shall remain in the Club's treasury for the purpose of reducing the hourly rates for flying, for purchase of equipment, or for purposes of furthering the interest of the Club, as shall be determined by the Board of Directors.

VII. Amendments

This Constitution may be repealed or amended or new articles adopted only in the following way:

1. The motion for repeal, amendment, or additional new articles must be read at a regular Club meeting. It must then be tabled until the next regularly scheduled Club meeting at which time discussion concerning the motion plus alteration of the original motion can take place.
2. Once the final motion has been agreed upon, a minimum of 2/3 majority vote of the membership in good standing present at the meeting is required for the motion to pass.
3. Constitutional amendments, Operating Rule changes, Policies and Practices are to be announced in the monthly newsletter prepared by the Secretary.

VIII. Dissolution of the Corporation

1. In the event unforeseen circumstances require dissolution of the corporation, the corporation shall be dissolved according to the laws of the State of Maryland.
2. All members will receive an even portion of the funds available for immediate distribution less any amount due the corporation. Other funds necessary to settle the debts and obligations of the corporation will be withheld until such business is completed.
3. In the event certain fixed costs occur from aircraft in the process of being sold, Club members shall be liable for continuation of dues until such costs are eliminated.