

K S FLYING CLUB, INC.

d/b/a K-STATE FLYING CLUB, INC.

BY-LAWS

AS AMENDED OCTOBER 26, 2014



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ARTICLE I – NAME AND PURPOSE

SECTION 1.1 Name. The name of this Kansas not-for-profit corporation is: K S FLYING CLUB, INC., d/b/a K-STATE FLYING CLUB, INC., (hereinafter the “Corporation”), duly organized and existing under the laws of the State of Kansas, with its principal office in the City of Manhattan, State of Kansas.

SECTION 1.2 Purpose. The Corporation shall be and exist, insofar as is consistent with the laws of the State of Kansas, subject to the Articles of Incorporation, By-Laws and Policy and Procedures Manual of the Corporation and with the express purposes of promoting interest in general aviation, to provide well-maintained aircraft for the use of its members and to conduct all lawful business as allowed under Kansas law.

ARTICLE II - PLACE OF BUSINESS AND OFFICES

SECTION 2.1 Place of Business. The Corporation shall function and operate in the City of Manhattan, and surrounding territory situated in Riley County, in the State of Kansas.

SECTION 2.2 Offices. The Corporation shall maintain a registered office in the State of Kansas. The Corporation may have offices at such other places within and without the State of Kansas or the City of Manhattan as the Board of Directors may from time to time determine.

ARTICLE III – OFFICERS AND TERMS

SECTION 3.1 Officers. The officers of the Corporation shall consist of the following five positions: President, Vice-President, Secretary, Treasurer, and Chief Pilot. These officers shall be elected at the spring (President and Secretary) and fall (Vice-President, Treasurer and Chief Pilot) semi-annual meetings of the corporate membership, and shall constitute the Board of Directors of the Corporation. The Board of Directors shall have authority to appoint an Assistant Treasurer and Maintenance Officer whom shall serve at the sole direction of the Board of Directors.

SECTION 3.2 Terms of Office. The President, Vice-President, Secretary, Treasurer, and Chief Pilot shall serve for a term of one (1) year and until their successors are nominated and elected.

SECTION 3.3 Interim Terms of Office. A vacancy in any office shall be filled by a majority vote of the Board of Directors, and the person so elected shall serve until a successor is nominated and installed at the next spring or fall semi-annual meeting of the corporate membership.

ARTICLE IV - MEETINGS

SECTION 4.1 Semi-Annual Meetings of Members. The semi-annual meetings for the general corporate membership shall be held for the purposes of transacting appropriate corporate business and maintaining Corporation aircraft in the spring and fall of each year.

SECTION 4.2 Special Meeting of Members. Special meetings of the members of the Corporation may be called by the Secretary upon the request of the President or upon the written request of at least three-fourths of the members in good standing. The purpose of each special meeting shall be stated in the notice and may only include purposes that are lawful and proper for members to consider.

SECTION 4.3 Notice of Semi-Annual and Special Meetings of Members. Written notice stating the place, date and time of any semi-annual meeting or special meeting of the members shall be delivered via e-mail at the member's e-mail address then on file in the Corporation's records, to the Corporation's listserv or via any other means as allowed by law. The President shall give notice to the members at least thirty (30) days before each semi-annual or special meeting of the general membership.

SECTION 4.4 Waiver of Notice. A written waiver of notice signed by a member, whether before or after a semi-annual meeting shall be equivalent to the giving of such notice to said member. Attendance of a member at a semi-annual or special meeting shall constitute a waiver of notice of such meeting, except when the member attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

SECTION 4.5 Quorum. One-third (1/3) of the members in good standing of the Corporation shall constitute a quorum for the transaction of business at any semi-annual or special meeting of the Corporation. A vote of a majority of the quorum at a semi-annual or special meeting is required when membership approval of a matter is necessary under these By-Laws or applicable law.

SECTION 4.6 Proxies. Every member in good standing may authorize another person or persons to act for him or her by proxy. Every proxy shall be in writing and shall be signed and dated by the member or his or her otherwise duly authorized attorney-in-fact. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the member executing it, except as otherwise provided by the laws of the State of Kansas or other applicable law.

ARTICLE V –NOMINATION OF OFFICERS AND BOARD OF DIRECTORS

SECTION 5.1 Nominating Committee. The President shall serve as chairperson of the Nominating Committee. The Nominating Committee shall be composed of the Board of Directors. This committee shall meet prior to each spring and fall semi-annual meetings and shall nominate one (1) candidate for each of the offices of President, Vice-President, Secretary, Treasurer, and Chief Pilot, as applicable. The proposed slate of officers shall be circulated to the membership at large not less than ten (10) calendar days prior to the spring and fall semi-annual meetings. Thereafter, the membership will have the opportunity to submit to any Board member any additional nominations for any respective corporate officer up to but excluding the actual day of the spring and fall semi-annual meetings. No nominations will be accepted from the floor of the membership at the spring and fall semi-annual meetings. Nominations for Chief Pilot shall

be limited to members in good standing who are Certified Flight Instructors. The President will present all valid nominations to the members for vote at the spring and fall semi-annual meetings.

SECTION 5.2 Approval of Officers and Directors. The names of all candidates duly nominated in accordance with the provisions of Section 5.1 shall be approved and voted on by the members at the semi-annual meetings held in the spring and fall of each year.

SECTION 5.3 Installation of Officers and Directors. The Officers and Directors so nominated and approved shall be installed in office and shall assume the duties of their respective offices immediately following the spring and fall semi-annual meetings, or, in the case of Assistant Treasurer and Maintenance Officer, immediately upon the appointment by the Board of Directors.

ARTICLE VI – BOARD OF DIRECTORS

SECTION 6.1 Governing Body. The governing body of the Corporation shall be the Board of Directors.

SECTION 6.2 Powers. All corporate powers shall be exercised by or under authority of, and the business affairs of the Corporation shall be managed under the direction of, the Board of Directors. The powers of the Board of Directors shall be such as prescribed in these By-Laws, the Articles of Incorporation and the laws of the State of Kansas. A Corporation resolution containing the signatures of all members of the Board of Directors is required for any loan obtained by the Corporation.

SECTION 6.3 How Constituted. The President, Vice-President, Secretary, Treasurer, and Chief Pilot nominated and approved in accordance with Article V of these By-Laws shall constitute the Board of Directors. The number of Directors may be increased or decreased from time to time by an amendment to the By-Laws, but no decrease shall have the effect of shortening the term of any current Director.

SECTION 6.4 Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors electing a member to fill the vacancy; provided however, if there are less than three (3) remaining Directors, the vacancies shall be filled by a vote of the members at a special meeting called for that purpose by the President or any other Officer presiding or by any two (2) Directors. A Director elected to fill a vacancy shall hold office for the term specified by the Board of Directors or members during the term to fill the vacancy, but such term shall not extend beyond the term of the vacated position being filled.

SECTION 6.5 Removal/Suspension. Any Officer or Board Member of the Corporation may be summarily suspended by the Board of Directors whenever, in its judgment, the best interests of the Corporation will be served thereby. The Secretary, Treasurer, Vice-President, Chief Pilot or Maintenance Officer may be summarily suspended by the President subject to subsequent action by the Board of Directors. The President may be summarily suspended by a

majority vote of the Vice-President, Treasurer, Secretary, and Chief Pilot, subject to subsequent action by the Board of Directors. Any such suspension must be in writing.

SECTION 6.6 Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of Corporation business at any meeting of the Board of Directors. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

SECTION 6.7 Meetings. Regular monthly meetings of the Board of Directors shall be held. The Board of Directors shall designate the time and place of all meetings as may be held in their judgment.

SECTION 6.8 Special Meetings. Special meetings of the Board of Directors may be called by the President upon due notice having been given to all members of the Board of Directors, when, in his or her judgment such special meetings are necessary, or upon the request of two (2) members of the Board of Directors.

SECTION 6.9 Notice and Waiver. Regular meetings of the Board of Directors may be held with or without notice and at such place as shall be determined from time to time by the Board of Directors. Special meetings of the Board of Directors designated thereby may be held upon two (2) days' notice. Attendance of a Director at a meeting shall not constitute a waiver of notice of such meeting if such attendance is for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting unless required by the By-Laws.

SECTION 6.10 Order of Business. The order of business of each regular meeting of the Board of Directors shall be set by the President.

SECTION 6.11 Conference Telephone Calls. Members of the Board of Directors may participate in a meeting of such Board of Directors by means of a conference telephone call or similar communications equipment by means of which all persons participating in the meeting can hear each other at the substantially same time and participation by such means shall constitute presence in person at such meeting.

SECTION 6.12 Action Without Meeting. Action required or permitted to be taken at a Board of Directors meeting may be taken without a meeting if the action is taken by all members of the Board of Directors. The action must be evidenced by one or more written consents describing the action taken, signed by each Director in favor of the action, and included in the minutes or filed with the corporate records reflecting the action taken. Action taken under this section is effective when the last required Director signs the consent, unless the consent specifies a different effective date. A consent signed under this section has the effect of a meeting vote and may be described as such in any document.

ARTICLE VII – EMERGENCY BY-LAWS

SECTION 7.1 Emergency Powers.

- (a) In anticipation of or during an emergency defined in subsection (d), the Board of Directors of the Corporation may:
 - (1) modify lines of succession to accommodate the incapacity of any director, officer, employee, or agent; and
 - (2) relocate the principal office, designate alternative principal offices or authorize the officers to do so.

- (b) During an emergency defined in subsection (d), unless emergency By-Laws provide otherwise:
 - (1) notice of a meeting of the Board of Directors need be given only to those Directors whom it is practical to reach and may be given in any practical manner, including verbally or by publication and radio; and
 - (2) one or more members of the Corporation present at a meeting of the Board of Directors may be deemed to be Directors for the meeting, in order of seniority as a club member, as necessary to achieve a quorum.

- (c) Corporate action taken in good faith during an emergency under this section to further the ordinary business affairs of the Corporation:
 - (1) binds the Corporation; and
 - (2) may not be used to impose liability on a Corporation director, officer, member, or agent.

- (d) An emergency exists for purposes of this section if a quorum of the Corporation's Directors cannot readily be assembled because of some catastrophic event.

ARTICLE VIII - DUTIES OF OFFICERS

SECTION 8.1 President. It shall be the duty of the President to preside at semi-annual and special meetings of the Corporation, and of its Board of Directors, and to perform such other duties as ordinarily pertain to this office.

SECTION 8.2 Vice-President. It shall be the duty of the Vice-President to preside at semi-annual meetings and special meetings of the Corporation and of its Board of Directors, in the absence of the President, introduce new members to Corporation procedures and policies contained in the Policies and Procedures Manual and aircraft, and to perform such other duties, as ordinarily pertain to this office, and such as may be prescribed by the Board of Directors.

SECTION 8.3 Secretary. It shall be the duty of the Secretary to record all votes and preserve the minutes of Board Meetings and semi-annual meetings or any special meetings lawfully convened, to make such reports as are required by the Board of Directors, and to perform such other duties as ordinarily pertain to this office, and such as may be prescribed by the Board of Directors.

SECTION 8.4 Treasurer. It shall be the duty of the Treasurer to collect all fees, dues and assessments, and to hold the same subject to the order of the Board of Directors and to make disbursement on checks as the Board of Directors may designate. The Treasurer shall keep all records of the Corporation, except the engine logs and the airframe logs. The Treasurer shall keep a correct account of all receipts and disbursements and shall furnish a monthly statement of the finances of the Corporation to the Board of Directors, and a semi-annual report to the members at the semi-annual meetings of the Corporation. The Treasurer shall deposit the funds of the Corporation at such times and in such bank or places of deposit as the Board of Directors may direct and shall be responsible for the timely filing of State and Federal tax returns for the Corporation. Further, the Treasurer shall perform such other duties as ordinarily pertain to this office, and such as may be prescribed by the Board of Directors.

SECTION 8.5 Chief Pilot. It shall be the duty of the Chief Pilot to obtain and maintain the flight qualifications and currency status for all Corporation members and Corporation-approved CFI's. The Chief Pilot shall formulate for approval by the Board of Directors such rules and activities deemed necessary to maintain flight safety and pilot proficiency among the members, including maintaining qualifications standards and check-out criteria for Corporation-approved CFI's. Further, the Chief Pilot shall perform such other duties as may be prescribed by the Board of Directors.

SECTION 8.6 Assistant Treasurer. It shall be the duty of the Assistant Treasurer, if one is appointed by the Board of Directors, to assist the Treasurer with duties connected with the operation of the Corporation as said Assistant Treasurer may undertake at the suggestion of the Treasurer and the Board of Directors. The Assistant Treasurer shall have no authority to contract on behalf of the Corporation or expend money on behalf of the Corporation.

SECTION 8.7 Maintenance Officer. It shall be the duty of the Maintenance Officer, if one is appointed by the Board of Directors, to ensure that Corporate aircraft are in proper working condition, by or under the supervision of a properly certificated aircraft and power plant mechanic, and for obtaining all inspections, major overhauls and to ensure all Corporation aircraft are compliant with all airworthiness directives. The Maintenance Officer shall be responsible for all documentation required to be carried in Corporation aircraft and for the execution of all documentation required upon the completion of inspections and major repairs. The Maintenance Officer shall be responsible for maintaining current and correct information in the logbooks or Corporation aircraft. Further, the Maintenance Officer shall perform such other duties as may be prescribed by the Board of Directors. In the event a Maintenance Officer is not designated by the Board, or is unable to serve, the Chief Pilot shall assume and be responsible for all duties described in this Section 8.7

ARTICLE IX - COMMITTEES AND APPOINTED OFFICES

SECTION 9.1 Committees. The only standing committee of the Corporation shall consist of the Nominating Committee. However, the President with the approval of the Board of Directors shall have the power to designate and establish one or more additional committees, each committee to consist of one or more Directors of the Corporation. The Board may designate one or more Directors as alternate members of a committee, who may replace an

absent or disqualified member at a meeting of the committee. In the absence or disqualification of a member of a committee, the members thereof present at a meeting and not disqualified from voting, whether or not they constitute a quorum, may unanimously appoint another member of the Board to act at the meeting, and each member thereof, shall serve at the pleasure of the Board of Directors.

SECTION 9.2 Authority. A committee designated pursuant to this Article, to the extent authorized by the Board of Directors, may exercise all powers and authority of the Board of Directors in the management of the business affairs of the Corporation, subject to Board of Directors approval.

SECTION 9.3 Denial of Authority. No such committee shall have authority to (a) approve or declare any distributions of monies or amounts of Corporation funds, (b) designate candidates for the office of Director or fill vacancies on the Board of Directors, or any committee thereof, (c) amend the By-Laws, (d) nominate Officers of the Corporation, (e) increase or decrease their own number or qualification or authority, (f) make any contracts and guarantees and incur liability or debt on behalf of the Corporation, (g) spend any money, or take any other action without the approval of the Board of Directors of the Corporation.

ARTICLE X – AMENDMENT OF ARTICLES OF INCORPORATION AND BY-LAWS

SECTION 10.1 Amendment. The Corporation may amend its Articles of Incorporation and By-Laws from time to time for any lawful and proper cause.

SECTION 10.2 Procedure. The Board of Directors may propose amendments to the Articles of Incorporation and/or By-Laws for submission to the members. For the amendment or amendments to be adopted at other than a semi-annual meeting, the Board must call a special meeting of the members to consider the amendments. The notice of the special meeting of the members must set forth the proposed amendment in full and comply with any other statutory requirements. A three-fourths vote of the members in good standing at such meeting must approve the proposed amendment.

ARTICLE XI – STOCK AND CORPORATE PROPERTY

SECTION 11.1 Form. The certificates for shares of the capital stock, of any class, of this Corporation shall be in a form consistent with the Articles of Incorporation and in conformity with the laws of the State of Kansas, as shall be prepared or be approved by the Board of Directors. The certificate shall be signed by or in the name of the Corporation by the President or Vice President and the Secretary of this Corporation, certifying the number of shares owned by the holder thereof in the Corporation.

SECTION 11.2 Par Value. The Corporation shall issue shares of stock, valued at six hundred (\$600.00) dollars per share, which shall be purchased by members. A sixty (\$60.00) dollar administrative fee shall be collected at the time of any stock purchase and shall be in addition to the per share price as stated above. Each member of the Corporation in good standing shall be limited to owning one (1) share of stock in the Corporation and permitted only one (1) vote per share. A member not in good standing or registered as Inactive Status is not authorized

to vote his or her share of stock and said member shall not be counted in the determination of a quorum. The buying and selling of shares shall be negotiated by the Vice-President, and the Vice-President shall receive ten (\$10.00) dollars of the above mentioned sixty (\$60.00) dollar administrative fee for each share of Corporation stock sold. No member of the Corporation may exercise any privileges afforded to Corporation members until payment of the share price and administrative fee, then existing, has been paid and received by the Corporation. Notwithstanding anything to the contrary in this Section 11.2, any member of the Corporation who is a member in good standing when these By-Laws are adopted shall not be required to pay any additional amounts to the Corporation to increase his or her investment in his or her share of stock, it being the specific intent herein to “grandfather” such member and allow such member to remain a stockholder of the Corporation based on said member’s current share value.

SECTION 11.3 Transfer of Stock. Shares of Corporation stock cannot be transferred, pledged, hypothecated or otherwise negotiated to any third party. Relinquishment of membership in the Corporation can be made only upon the sale or transfer, by the Vice-President, of a member’s share to the Corporation. Upon transfer or surrender of stock back to the Corporation, members shall receive the actual amount paid for their respective share of Corporation stock, at the time of issuance, less any outstanding balance owed to the Corporation. All obligations to the Corporation must be paid in full before a transfer or surrender of stock shall be considered valid or accepted by the Corporation.

SECTION 11.4 Corporate Property. Any property, including but not limited to, aircraft, aircraft accessories or components or parts, computers, sectional charts, electronic devices, oil, windscreen cleaner and other property of any kind, purchased by the Corporation with Corporation funds shall be owned outright by the Corporation.

ARTICLE XII – OFFICIAL CORPORATION DOCUMENTS

SECTION 12.1 Articles of Incorporation, By-Laws, Policy and Procedures Manual. The official corporate documents shall consist only of the Articles of Incorporation, By-Laws and Policy and Procedures Manual, and any supplemental documents created or enacted in furtherance of the operation of the Corporation by the Board of Directors, as approved by a majority of the members in good standing at a semi-annual or special meeting of members, all as supplemented by and in addition to existing Kansas law.

SECTION 12.2 Binding Authority. Each member shall be fully and legally bound to abide by the provisions of any Corporation documents and existing applicable law described in Section 12.1. Each member of the Corporation is responsible for becoming familiar with the provisions of all official Corporation documents. Said Corporation documents shall be accessible on the Corporation website located at www.kstateflyingclub.com unless otherwise communicated to the membership in writing by mail or e-mail. Each member is assumed to have reviewed all Corporation documents then existing, before use or operation of any Corporation property or aircraft.

ARTICLE XIII - MEMBERSHIP ELIGIBILITY, REQUIREMENTS, DUTIES AND LIABILITIES

SECTION 13.1 Eligibility. A person shall be eligible for membership in the Corporation if all of the following qualifications are met:

- (a) Must own one share of Corporation stock and have paid any applicable administrative fee associated with the purchase of said Corporation stock;
- (b) Must be at least eighteen (18) years of age, unless a parent or legal guardian signs the membership contract and is responsible for all membership obligations;
- (c) Must be approved for membership by a majority vote of the Board of Directors;
- (d) Must agree to comply with and be in compliance at all times with the provisions of the Articles of Incorporation, the By-Laws, and the Policy and Procedures Manual;
- (e) Must operate Corporation aircraft in compliance with all applicable Federal Aviation Regulations or other applicable laws, rules or regulations applicable to aircraft operations; local, state and federal law; and any and all local field rules;
- (f) Must agree to make good faith attempts to attend semi-annual meetings and pay the associated fine for any semi-annual meeting not attended;
- (g) Must be interested in furtherance of the purposes of the Corporation.

SECTION 13.2 Membership. It shall be the responsibility of the Treasurer to maintain detailed records as to all members and prospective members of the Corporation. No more than sixty-five (65) total members shall be allowed at any one time.

SECTION 13.3 Member In Good Standing. Any member who is in violation of the Articles of Incorporation, the By-Laws or the Policy and Procedures Manual, including but not limited to, failure to pay monthly dues, usage fees or other amounts due and owing to the Corporation, or who fails to remain in compliance with all Federal Aviation Regulations or other applicable laws (local, state or federal) governing the operation of aircraft, shall not be a member in good standing of the Corporation.

SECTION 13.4 Safety Board and Damage to Corporation Aircraft or Property

- (a) Members are required to report to the Chief Pilot, as soon as practicable by e-mail or telephone, any accident, incident, or event which causes damage to Corporation property. Upon such notification, the Chief Pilot shall notify the other Directors.
- (b) A Safety Board shall be designated by the Board of Directors for each aircraft accident involving either a member of the Club or any equipment belonging to the Club. The Safety Board shall consist of five (5) members in good standing who were not involved in the accident, and who are not a members of the Board of Directors.
- (c) The Safety Board shall take all steps necessary to ascertain the facts, conditions, and circumstances for the accident and shall arrive at conclusions regarding the probable cause and the responsibility for said accident; and shall make known to the Board of Directors, and to all parties involved in the accident, its findings in the form of a written report.

SECTION 13.5 Hearings.

- (a) The Board of Directors, upon receipt of the findings of the Safety Board, shall offer to all parties involved in the accident the opportunity for a hearing. After the hearing, or if such hearing is waived by all the parties involved in the accident, the Board of Directors shall decide the financial responsibility of the member(s) involved in damaging Corporation property. The decision of the Board of Directors shall be final. A written report of the decision shall be filed with Corporation records.
- (b) The Board of Directors shall not impose financial responsibility on any one member in excess of one thousand (\$1,000) dollars for any one accident, unless:
 - 1. the Safety Board finds and the Board of Directors affirms by a unanimous vote that the accident was the result of gross negligence; then maximum financial responsibility to any one member shall not exceed five thousand (\$5,000) dollars; or:
 - 2. the damage results from an action prohibited by FAA rules, the Corporation By-Laws, or the Policies and Procedures Manual which results in denial of an insurance claim for the damage, in full or in part; in which case the party responsible for the damage shall be liable for the full amount of the denied insurance claim.
- (c) The Corporation has no obligation to submit any accident, damage or incident for insurance coverage.
- (d) 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.

SECTION 13.6 Use of Corporation Property. No member of the Corporation shall use any equipment or property of the Corporation in any way other than as afforded said member as a student or private pilot except that a member of the Corporation who is a Corporation-approved CFI may provide dual instruction to members of the Corporation in Corporation aircraft. The Board of Directors shall have the power and authority to promulgate and enforce all rules and regulations pertaining to the use and operation of Corporation property, including but not limited to all Corporation owned aircraft, and to do and perform or cause to be done and performed any and every act which the Corporation may lawfully do and perform. No persons other than Corporation members, Corporation-approved CFI giving dual instruction to Corporation Members, or FAA certified airframe and power plant mechanics performing maintenance on Corporation aircraft shall pilot the Corporation's aircraft.

SECTION 13.7 Maintenance of Corporation Aircraft. Maintenance work on the Corporation's aircraft shall at all times be conducted under the supervision of FAA certified airframe and power plant mechanics.

SECTION 13.8 Member Contact Information. Each member of the Corporation shall maintain their current contact information within the currently used scheduling utility. Such contact information shall include the member's primary and/or mobile phone number, current mailing address, and an e-mail address which is checked by the member on a regular basis. Any changes in a member's contact information shall be brought to the attention of the Treasurer as soon as practical so that all Corporation records can be updated.

SECTION 13.9 Using a Plane Scheduled by another Member. A member must wait sixty (60) minutes and attempt to contact the member who has scheduled an aircraft before said member may take the aircraft. The member who then takes the aircraft must overlay or otherwise amend the schedule to the extent possible to indicate the member who has possession of the aircraft. Members may seek help from an Officer in completing this task.

ARTICLE XIV - FINANCES

SECTION 14.1 Monthly Membership Dues. Each member shall pay monthly membership dues in the amount of seventy-five (\$75.00) dollars per month. The monthly membership dues shall be applied to fixed operating costs of the Corporation or as otherwise deemed necessary by the Board of Directors.

SECTION 14.2 Waiver of Fees. Elected and appointed officers of the Corporation and Corporation-approved CFI's actively engaged in providing flight instruction to Corporation members shall be exempt from paying fifty (50) percent of the monthly membership dues; in addition, the Treasurer shall receive a monthly stipend of flight time equal to one hundred (\$100.00) dollars; and the President, Vice-President, Secretary and Chief Pilot shall each receive a monthly stipend of flight time equal to forty (\$40.00) dollars. The monthly stipend and wavier of any applicable monthly charges of the Maintenance Officer and Assistant Treasurer, if applicable shall be determined by the Board of Directors, in its sole and complete discretion.

SECTION 14.3 Inactive Status. Inactive Status may be granted to members upon written application to the Board of Directors when said member is away from the Corporation headquarters of Manhattan, Kansas for more than sixty (60) days at a distance that would make the use of Corporation aircraft either impossible or impractical, or when the member is physically unable or medically unfit to fly. Members on Inactive Status shall pay fifty (50) percent of the membership dues then in effect and shall not have flying privileges in Corporation Aircraft. Members on Inactive Status are not subject to assessments for failing to attend a wash and wax and are not counted in the determination of a quorum at meetings and shall not vote their share of stock. No member may change to or from Inactive Status more than once during any twelve (12) month period.

SECTION 14.4 Payment of Account.

- (a) The monthly billing cycle of the Corporation shall begin at 000 hours on the 1st day of each month, and shall end at 000 hours on the last day of that month.
- (b) A statement detailing each member's aircraft usage fees, monthly dues, and other charges incurred as provided for in the By-Laws, shall be issued by the Treasurer or his/her designate as soon as practicable at the conclusion of the billing month.
- (c) The statement shall be itemized for each expense and credit applied, and shall indicate the member's account balance ("Balance Due"). Account balances are payable immediately upon receipt of the statement, and are considered overdue if not paid in full within thirty (30) days after the end of the billing month in which the charges are incurred.
- (d) Any dispute of billed charges must be made within ninety (90) days of the date of the disputed charge.

- (e) Members that make payment by mail shall send the payment early enough to allow sufficient time for the payment to be received before the due date. Any member with an overdue balance shall pay one and one half percent (1.5%) interest per month on the unpaid overdue balance.
- (f) Any member with an overdue balance shall voluntarily ground him/herself until the overdue balance is paid and said payment is in the physical possession of the Treasurer. Such members shall also present an acceptable payment plan to the Treasurer by the 18th of the following month or legal action will be taken to recover the current balance due and expulsion will be considered by the Board of Directors. If the payment plan is not adhered to, legal action and expulsion will be considered immediately.
- (g) In the event legal action is necessary to recover any amount due from a member to the Corporation, whether in the nature of monthly charges, flight charges, or for any damage caused to Corporation property, including aircraft, or otherwise, said member agrees to pay all reasonable costs and expenses incurred by the Corporation, including attorneys' fees, collection agency fees, and other court costs, as allowed by law.
- (h) If a member with an overdue balance flies a Corporation aircraft, that member is subject to immediate expulsion from the Corporation. The President, Vice President, or Treasurer will telephone and write a letter or e-mail to inform the member of his or her expulsion, effective on the date of that member's unauthorized flight. Any flights by an expelled member will be considered an illegal use of Corporation aircraft and will be reported to local law enforcement as a theft and will constitute conversion of Corporation property. The only exception to grounding for non-payment will be by prior written permission from the President. The permission to deviate from this provision must be renewed each month that the member is unable to pay his or her overdue unpaid balance by the end of the billing cycle. The Treasurer will attempt to notify the member by phone and in writing or e-mail that he/she is grounded, however, lack of such notification will not be considered an acceptable reason to fly an aircraft while an overdue unpaid balance is owed.

SECTION 14.5 Fiscal Year. The fiscal year of this Corporation shall be July 1 to June 30. The fiscal year may be changed from time to time by resolution of the Board of Directors.

SECTION 14.6 Assessments. Assessments upon Corporation members may be levied when recommended and approved by the Board of Directors as outlined herein;

- (a) The fine for failing to appear at a Wash and Wax shall be forty (\$40) dollars unless the member is currently registered as Inactive Status or the fine is waived by the Board of Directors.
- (b) The fine for failing to file an FAA flight plan as outlined in the Policies and Procedures Manual shall be ten (\$10) dollars.
- (c) The fine for failing to turn off an aircraft's Master switch which results in draining the battery shall be equal to the cost of servicing or replacing the battery.

ARTICLE XV - METHOD OF VOTING

SECTION 15.1 Voice Vote. The business of the Corporation shall be transacted by voice vote, except upon request of three (3) members in good standing; a vote by secret ballot shall be taken on any matter coming before the Corporation. Further, to the extent not contrary to any applicable law, any vote submitted by electronic means, i.e. facsimile, email or other instantaneous electronic media, shall constitute a member vote.

ARTICLE XVI - FORFEITURE OF MEMBERSHIP

SECTION 16.1 Forfeiture. Membership in this Corporation shall be forfeited by any member:

- (a) For failure to pay dues as set forth in Article XIV of these By-Laws, or
- (b) For engaging in immoral, disreputable or unlawful activities, or
- (c) Upon conviction of a felony by a Court of competent authority, or
- (d) Upon a majority vote of the Board of Directors, for any reason as deemed appropriate by the Board of Directors, in its sole and complete discretion, including any suspected violations of the By-Laws, the Policy and Procedures Manual, Articles of Incorporation or Federal Aviation Administration rules or regulations.

ARTICLE XVII - RULES OF ORDER

SECTION 17.1 Rules. The current edition of Roberts Rules of Order (newly revised) applies to meetings of the Board of Directors and members to the extent that such rules are consistent with these By-Laws and with the rules and policies of the Board of Directors and the Corporation.

ARTICLE XVIII – POLICY AND PROCEDURES MANUAL

SECTION 18.1 Policy and Procedures Manual. The Board of Directors is responsible for maintaining a Policies and Procedures Manual. It will include policies and procedures for scheduling and using aircraft and other Corporation property; requirements for piloting Corporation aircraft; rates to be charged for Corporation aircraft and other property; other fees assessable; penalties for non-compliance with Corporation rules; fuel reimbursement rates; and other policies and procedures as the Board of Directors in its sole and complete discretion believes advances the business interests of the Corporation.

SECTION 18.2 Restrictions. Notwithstanding anything contained in Section 18.1, nothing in the Policy and Procedures Manual may impose monetary assessments, fees or financial penalties against a member other than rates for use of aircraft and other Corporation property, and monthly dues. In addition, the Policy and Procedures Manual may not provide for payments, special privileges or exemptions to any Director that are not also extended to Corporation members in general. The Policy and Procedures Manual may not be amended in

such a way as to circumvent or negate any provision in the By-laws or Articles of Incorporation and in the case of a conflict, the By-Laws and Articles of Incorporation prevail.

SECTION 18.3 Amendments. Any amendments to the Policy and Procedures Manual shall be communicated to the membership by posting the amended Policy and Procedures Manual on the Corporation's website at www.kstateflyingclub.com and notifying members that the Policy and Procedures Manual has been amended. Notification of members shall be via the member's e-mail address then on file in the Corporation's records.

ARTICLE XIX – GENERAL PROVISIONS

SECTION 19.1 Indemnification. To the extent the law permits, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he or she is or was a Director, Officer, or agent of the Corporation, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

SECTION 19.2 Insurance. The Corporation may purchase and maintain insurance on behalf of an individual who is or was a Director, Officer, or agent of the Corporation, against liability asserted against or incurred by him or her in that capacity or arising from his or her status as a Director, Officer, or agent, whether or not the Corporation would have power to indemnify him or her against the same liability under Section 19.1. Further, the Corporation may purchase and maintain insurance against liability or damage to Corporation property.

The foregoing were adopted as the Amended Bylaws of KS Flying Club, Inc., d/b/a K-State Flying Club, Inc., a Kansas not for profit corporation, existing under the laws of the State of Kansas, at the meeting of its Members on the 26th day of October 2014.

s/ David S. Fricke
President, KS Flying Club, Inc.

ATTEST:

s/ Michael R. Munson
Secretary, KS Flying Club, Inc.