

MONTICELLO FLYING CLUB - DIRECTIONS FOR MANAGERS

As outlined in the Operating Agreement, the Managers (hereinafter “Board of Directors”) have been given the rights of management of Monticello Flying Club LLC (hereinafter the “Club”) from the club members. The following document outlines the procedures, roles and responsibilities of these directors and what responsibilities they may delegate to members. These roles and responsibilities must be made available to any member upon request. These roles and responsibilities take effect upon e-mail approval of the Directors and may be amended or revised by a unanimous vote of all Board of Directors at any point, but notice must be given, along with a reminder of the right to view the amendments or revisions. If there is any conflict between this document and the Operating Agreement, the Operating Agreement will supersede.

Article I – General Directions

Section 1 – General: Being a Director is a weighty responsible and all Directors must generally endeavor to act in the best interest of all Club members. The primary responsibilities of the Board of Directors include, but are not limited to the following:

- A) Entering into, making and performing contracts, agreements and other undertakings, binding the Club as may be necessary, appropriate or advisable in furtherance of the purposes of the Club and making all decisions and waivers thereunder.
- B) Opening and maintaining bank accounts and arranging, drawing checks and other orders for the payment of money, and designating individuals with authority to sign or give instructions with respect to those accounts and arrangements.
- C) Collecting funds due to the Club.
- D) Acquiring, utilizing for the Club's purposes, maintaining and disposing of any assets of the Club.
- E) To the extent that funds of the Club are available therefor, paying debts and obligations of the Club.
- F) Engaging, removing, and changing the authority and responsibility of attorneys, accountants, and consultants.
- G) Obtaining insurance for the Club.
- H) Proposing amendments to the Articles and the Operating Agreement.
- I) Interviewing and approving perspective members.
- J) Determining dues, fees, and flying charges to keep the Club solvent.
- K) Suspension of Director(s) in emergency cases where the assets of the Club are at risk.
- L) Compliance with the Operating Agreement
- M) Conduct in accordance with Virginia Code Ann. § 13.1-1024.1. titled *General Standards of Conduct for a Manager, or Its Successor*.

Section 2 – Seniority: While each Director has an equal vote, the order of seniority for all other purposes is President, Vice-President, Secretary, Treasurer, Maintenance Officer, Safety Officer, and then the non-officer director.

Section 3 – Ownership of Documents: The Club owns all documents, both paper and electronic, created for Club purposes by the Club officers or outside consultants, including those not kept on Club premises. The Board of Directors or members can request to see the documents and make copies of them at any time.

Article II – Board of Directors Meetings

The Board of Directors shall hold annual meetings on a date and at a time indicated in the Operating Agreement. Special meetings of the Board of Directors, for any purpose or purposes, unless otherwise prescribed by statute, shall be called at the request of any Director. The place of any meeting of the Board of Directors shall be the principal office of the Club, unless another place is designated.

Directors may participate and hold a meeting by means of conference telephone, e-mail, or similar communications equipment by means of which all Directors participating can receive feedback and provide input, and such participation shall constitute attendance and presence in-person at such meeting.

Written notice stating the place, day, and hour of any in-person meeting of the Board of Directors and, if a special meeting, the purpose or purposes for which the meeting is called, shall be e-mailed, not less than ten (10) nor more than sixty (60) days before the date of the meeting, by or at the direction of the Person or Persons calling the meeting, to each Director.

Seventy-Five percent (75%) of the Directors shall constitute a quorum of the Board of Directors at all meetings and is required for any vote required by the Board of Directors. The decision of the majority of Board of Directors present shall prevail and be the decision of the Club with respect to any matter regarding the management or affairs of the Club, except as otherwise provided by the Act or the Articles. If all Directors shall be present at any meeting, any business may be transacted without previous notice. Each Director shall serve without any compensation or reward, except as otherwise provided in these bylaws.

Notwithstanding the foregoing paragraph or any other provision of this Agreement, the consent of two-thirds of the Board of Directors shall be necessary in order to remove or suspend any officer.

The Board of Directors shall cause to be kept a complete record of all its acts and proceedings of its meetings that is readily viewable by all members, and to present a full statement at the regular meeting of the Members, showing in detail the condition of the affairs of the Club.

Article III – Election Procedures

A call for nominations will be sent out prior to the Annual Member Meeting. At the Annual Member Meeting, the President will begin the election by reading the nomination list provided by the Secretary, then requesting any further nominations from the floor. If there are fewer or equal nominees as Director positions, the President will request again for nominees and then make a motion to accept all current nominees. If that fails, the President will submit a motion to accept each individual nominee. If more nominees are presented than Director Positions, the President will allow each nominee a two minute opportunity to explain why they are a good fit for the Board of Directors. Then each member will write, in ranking order with 7 being the highest, the names of the SEVEN (7) people they feel are most qualified to be Board Members. All voting members must list seven people. The seven people with the highest tally of points will become the new Board of Directors. The new Board of Directors will select from their own ranks to fill the officer positions at their first meeting following the Annual Member Meeting.

An individual not at an Election or Special Election may only be nominated if the individual making the nomination or the Club Secretary has a signed statement from the individual concerned indicating a willingness to serve as a Director. Elections and Special Elections will be by secret ballot read out loud by the President and confirmed by the Secretary. Anyone may request to see

the collection of votes, but only prior to the motion to accept the results of the vote. A member who is in attendance may vote by proxy for another member who is unable to attend as long as that proxy is produced in writing by the member in attendance.

Article IV – Removal of Directors

Section 1 – Process to Suspend a Director By the Board of Directors: The Board of Directors may suspend the authority of a Director by a 2/3rds vote prior to or upon a motion to a recall as outlined in Section 2 of this Article if they have reason to believe that Club assets are at risk. If the recall fails, the Director's authority will be immediately reinstated. Any director who has been suspended may voluntarily resign in order to avoid a recall.

Section 2 – Process to recall by Members: As outlined in the Operating Agreement, a motion and a second must be received to initiate a recall of a Director. If a seconding of the recall has been received, the receiver will send e-mail notification to all members that a recall is being considered and a special meeting of the members will be called to discuss the seriousness of the charges and to vote on the recall motion(s). The President will preside at this meeting unless he/she is among the accused, under which condition the next highest ranking, non-accused, Director will preside. After a successful motion to conclude the discussion, a secret ballot will be held at this special meeting to decide whether to recall the Director(s). A successful recall requires a two-thirds (2/3) affirmative vote of the Regular Members present at such meeting. Proxy votes are not allowed in a recall vote. The result of vote will be e-mailed to all members. If multiple Directors are accused, separate motions must be made for each Director, with separate discussions and separate votes.

The Vice-President will automatically assume the duties of the recalled office until the next election is held. If the Vice-President is recalled, the next highest ranking, non-recalled, officer will assume the duties of the Vice-President.

Section 2 – Automatic Removal of a Director: Any Director who has Federal, State or local felony charges pressed against him/her will be suspended from the board until a decision is made regarding formal charges. If the Director does not notify the Board of these pressed charges within 24 hours of their notification, the Director will be automatically removed from the Board of Directors. If formal charges are filed, he/she will be automatically removed from the Board of Directors and lose any Officer Position held. He/she will be eligible to run again for a position only after the charges are resolved.

Article V – Officers

Section 1 – President: 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 and shall, subject to the advice and control of the Directors, have general charge of the business of the Club, and shall execute with the Secretary, in the name of the Club, all certificates of Membership, contracts, agreements and instruments other than checks which have been first approved by the Board of Directors. The President shall be responsible to the Board of Directors for the operation of the Club and assure that all other officers are carrying out their prescribed duties. The President will have online viewing only access to the Club's bank accounts except if he/she is also the Treasurer, in which case the President will have full access. He/she shall make and enforce decisions regarding the

suitability of all equipment and the qualifications of all Members for each type of flight operation. He shall recommend for approval to the Board of Directors all operational rules of the Club and shall report with recommendations all violation of such rules by any Member of the Club.

Section 2 – Vice-President: The Vice-President shall be vested with all the powers and shall perform the duties of the President in case of the absence, disability, or recall of the President. The Vice-President shall also perform such duties connected with the operation of the Club as he may undertake at the suggestion or prescription of the President.

In the absence or disability of the Treasurer, or under the direction of the Board the Vice President shall execute in the name of the Club checks and other payment for expenditures authorized by the Board of Directors. The Vice-President may hold other positions as necessary.

Section 3 – Secretary: The Secretary shall keep the minutes of all proceedings of the Members and of the Board of Directors in books provided for that purpose. He/she shall attend to the giving and serving of notices of all meetings of the Members and of the Board of Directors and otherwise and shall disseminate pertinent information to the membership. He/she shall execute with the President, in the name of the Club, all certificates of Membership, contracts and instruments which have been first approved by the Board of Directors.

The Secretary shall maintain the following documents for the Club (kept both in paper and electronic format):

- A) A Membership file showing the name of each Member of the Club
- B) The latest signed version of the bylaws
- C) The Club Seal or logo if one exists
- D) Club related e-mails for a minimum of 2 months after the publishing the results of such correspondence in the Club minutes on the Club website.
- E) Any other books and papers as the Board of Directors may direct.
- F) Minutes of all Board of Directors, Safety Board, and Member Meetings

The Secretary will maintain a member folder for each current member with the following documents (which must be kept as both an original paper version and as an electronic copy):

- A) Signed Membership Agreement
- B) Signed Release Form for guests
- C) A copy of the member's current pilot's license
- D) A copy of the member's form of identification

The Secretary will have viewing only access to the Club's bank accounts and will conduct an annual audit of the Club's finances unless this is contracted out to an accounting firm.

He/she shall also maintain a scheduling software for the operation of the aircraft. The Secretary shall perform all duties incident to the Office of the Secretary, subject to the control of the Board of Directors. The Secretary shall also perform such duties connected with the operation of the Club as he may undertake at the suggestion or prescription of the President.

Section 4 – Treasurer: The Treasurer shall receive and deposit all funds of the Club in the bank approved by the Board of Directors and shall be the only person allowed to disburse funds. The Treasurer must have written authority from the appropriate source for any disbursement beyond the Treasurer's authority as outlined in the Operating Agreement. He/she shall also account for all receipts, disbursements and balances on hand. At no time shall the Treasurer mix personal funds

with Club funds. The Treasurer can only disburse funds to himself/herself, including reimbursement for expenses, with the written approval of the Board of Directors. Under no circumstance may the Treasurer take any cut, kickback, or reward from anyone receiving a disbursement.

The Treasurer shall publish to all members a working cell phone number with working message system and a working e-mail address that he or she checks on a daily basis.

The Treasurer may only use the Club debit card to pay for aircraft repairs, oil/filters, hanger/tie-down fees, and insurance costs within his/her spending authority without expressed Board of Directors approval. All other uses require expressed Board of Directors approval. Automatic bill pay can only be used for hanger/tie-down fees, lease payments, aircraft loan payments, and aircraft insurance. The Treasurer and the Vice President will be the only ones given transaction authority for online banking but the Vice President may only execute this authority upon the death or incapacitation of the Secretary.

The Treasurer will submit all required tax filings, including non-profit status filings. The Treasurer will issue all invoices and collect all dues and fees. The following documents will be maintained by the Treasurer (both in paper form and electronic) in a readily (within 30 minutes) viewable location:

- A) A monthly report of the financial status of the Club (a copy of which presented each month to the Board of Directors). The monthly report will be a spreadsheet showing all income, expenses, aircraft usage, and status of reserve accounts. This spreadsheet will be established by the Board of Directors and the format of which may only be changed with the approval of a majority of the Board of Directors.
- B) An annual report (a copy of which presented to every Member two weeks prior to the Annual Member Meeting. The annual report will contain a breakdown of the cash on hand per accounting line item required by the Board of Directors and an Aircraft Usage Report.
- C) A copy of all transactions executed by the Club.
- D) A record of all checks or funds given to the Club.
- E) The delinquency list (presented to the President on the TWENTIETH (20th) of each month and updated when such delinquency plus any fines have been paid).
- F) A record of all dues/fees paid by members for one year and a record of all contributions for all current and past members for the life of the Club.

The Treasurer shall perform all duties incident to the Office of the Treasurer, subject to the control of the Board of Directors. The Treasurer shall also perform such duties connected with the operation of the club as he may undertake at the suggestion or prescription of the President.

Section 5 – Aircraft Maintenance Officer: The Aircraft Maintenance Officer shall conduct a proper maintenance program and be responsible for all maintenance performed on Club aircraft and related equipment. He/she is responsible for maintaining current information in the logbooks of the aircraft and for maintaining a current inventory of Club tools and equipment and reporting any losses or changes to the Board of Directors. The Aircraft Maintenance Officer shall be responsible for maintaining the aircraft in proper operating condition, by or under the supervision of a properly certificated aircraft and powerplant mechanic, and for obtaining all tests, inspections, major overhauls and for compliance with all applicable FAA regulations, Airworthiness Directives, and service bulletins for the aircraft. The Maintenance Officer may authorize repairs in the name of the Club within his/her authorizing limits as established in the Operating Agreement, but the actual payment must be executed by the Treasurer.

The Aircraft Maintenance Officer shall publish to all members a working cell phone number with working message system and a working e-mail address that he or she checks on a daily basis.

The Aircraft Maintenance Officer shall be responsible for all papers required to be carried in the aircraft, including appropriate checklists and one current local Sectional, and for the execution of all papers required upon the completion of inspections and major repairs. He or she will maintain all aircraft/engine log books of Club owned aircraft and any leased aircraft the Club is responsible for maintaining per the lease. Additionally, the Maintenance Officer shall ensure the 30-day VOR Check is maintained in all IFR certified Club aircraft. He/she or his/her designee is allowed a 30 minute flight to accomplish this VOR check any time the VOR check is within 5 days of expiring and no IFR pilot is scheduled to fly during that 5-day period. The Maintenance Officer is also responsible for ensuring there are two full bottles of aircraft oil kept in the aircraft at all times. If the Aircraft Maintenance Officer is a certified A&P or greater, and performs inspections or repairs to the aircraft that require such a certification, he can be contracted by the Club, at a fair market rate, for such services to the extent permitted by the Airport Authority. Any contracted work of this type must be approved on a case by case basis by the Board of Directors. He/she may conduct other additional duties as prescribed by the President.

Section 6 – Safety Officer: The Safety Officer will be responsible for an ongoing comprehensive safety program. He/she will promote good relations with local airports, flight instructors, and flying groups, will work with the Airport Authority to maintain a good list of approved flight instructors, and will maintain a list of approved private airstrips. The Safety Officer will be encouraged to present a brief safety lecture presented by himself/herself, or a certified flight instructor at each Club meeting and must do so during at least 4 meetings/events a year. He/she will also have the right and responsibility to conduct occasional log book checks to ensure members are maintaining their Club required currency and ramp checks to ensure Club rules are being followed. The Safety Officer will maintain a Member Folder (both electronic and paper) on each member that contains the following (only the Secretary and Safety Officer may access someone else's Member Folder but can provide nameless summaries to all members):

- A. A copy of the Club Aircraft Solo Check-out log book entry signed by a Club approved flight instructor.
- B. A copy of each member's pilot's license, most recent FAA medical and BFR endorsement.

Section 7 – Non-Voting Board Advisor: The Board can choose to appoint someone to the position of Board Advisor in recognition of their past contributions to the Club and their desire to continue to contribute to the club. This person will be included in all correspondence and meetings of the Board, is allowed to provide input on discussions of the Board, but is not allowed to vote. This person can be an Associate Member.

Section 8 – Vacancies: If any Office, other than that of President, becomes vacant for any reason, the President shall appoint an interim successor until such time as the Board of Directors shall elect a successor from the Membership who shall hold office for the unexpired term. If the Office of President becomes vacant, the Vice-President shall become President and the Board of Directors shall elect a new Vice-President from the Membership. A Director can hold multiple Officer positions until a suitable replacement can be elected unless the Board of Directors agrees to allow that Director to hold multiple positions even though a replacement is available.

ARTICLE VI – RESPONSIBILITIES THAT CAN BE
DELEGATED TO MEMBERS

Section 1 – General: The Board of Directors may decide to delegate the below responsibilities to any member per the below rules.

Section 2 – Billing Coordinator: The Billing Coordinator is appointed by and serves under the Treasurer and is responsible for retrieving/consolidating the monthly hourly use of the aircraft, reviewing the annual dues schedule, reviewing member balances, and then creating monthly invoices. The Billing Coordinator will not receive any monies. The Treasurer will review all invoices and the hourly use summary prior to the Treasurer issuing the invoices by e-mail to each member. The Billing Coordinator may be assigned additional responsibilities by the Treasurer but may not receive any monies or sign any checks.

Section 3 – Maintenance Coordinator: The Maintenance Coordinator is appointed by and serves under the Maintenance Officer. The Maintenance Coordinator will collect all squawks and will track the aircraft hours. He/she may conduct other additional duties as prescribed by the Maintenance Officer but may not authorize repairs beyond those allowed by a regular club member.

Section 4 – Marketing/Membership Coordinator: The Marketing/Membership Coordinator will be appointed by and work under the President and will be responsible for advertising for new members, handling all perspective member requests, maintaining a list and contact information for all perspective members, maintaining the perspective member waiting list, and assisting, as much as practical, departing members in finding a replacement membership. Whenever the Club has unfilled memberships, the Marketing/Membership Coordinator will organize work days to go to different locations to promote the Club. He/she will also maintain the Club website (in absence of a Webmaster), picture board, and Club banner. The Marketing/Membership Coordinator's priority is to sell any memberships held by the Club, and then as able, to assist departing members in selling their memberships if they so desire and are allowed by the Operating Agreement.

Section 5 – Social Coordinator: The Social Coordinator will be appointed by and work under the Secretary and will be responsible for arranging social events and work days. The Social Coordinator will ensuring all logistics are arranged, tracking RSVP's, determining the funds needed from Club cash, and ensuring someone is in charge of running each event.

Section 6 – Webmaster: The President may designate a Webmaster either as a separate Position or as a responsibility held by one of the other Positions. He/she will be responsible for maintaining the Club's website and Facebook site, including ensuring that payment is made by the Treasurer to the hosting company. The Webmaster will take direction regarding content from the President and Secretary and will work closely with the Social Coordinator to keep content of the social page and Facebook site current.

Section 7 – Scheduling Coordinator: The Secretary may also designate a Scheduling Coordinator to manage the scheduling software, review currency, and track Members' use of their early and

holiday reservations. The scheduling coordinator cannot approve exemptions to the scheduling rules and cannot cancel reservations against the wishes of a member.

Section 8 – Plane Cleaning Coordinator: The Maintenance Officer can designate a Plane Cleaning Coordinator to coordinate all cleaning of the aircraft. This can be either coordinating a person contracted by the board or coordinating an individual or a group of club members to clean the outside and inside of the aircraft at a frequency determined by the Board.

Article VII – Conflict of Interest

Section 1 – General: Members’ trust in the impartiality of the Board of Directors is essential as is conforming with the requirement of no benefits inuring to members of the Club. As such, the Board of Directors will take efforts to prevent actual or perceived conflict of interest.

Section 2 – Directors Receiving Money: No Director shall receive money or payment of any form from any company or individual contracted or paid by the Club, unless they are an employee or owner of that company, have identified this relationship to the Board of Directors in writing, are only being specifically compensated for providing a service to the Club and that compensation is specifically approved by the Board of Directors. Directors will never accept payment of any form, stated or implied, in exchange for voting a specific way on a decision.

Section 3 - Excusal from Vote and decision process: Any Director who stands to receive money or other compensation from a contract, lease, loan, purchase, or any other means will not be allowed to vote or to seek to influence a vote or discussion on any decision related to this contract, lease, purchase or other exchange.

Article VIII – Board of Directors Recommendations for Amendments to and Revision of Operating Agreement

The Operating Agreement can be amended and revised as allowed in the Operating Agreement. The specific process for doing so is as follows:

Section 1 – Amendments: Upon determination by the Board of Directors of the need for an amendment or upon receipt of a sufficient petition for amendment, the Board of Directors will e-mail the proposed amendment to all members for review at least thirty (30) days in advance of the designated meeting at which a vote for adoption will be taken. This 30 day period can be waived if 100% of members agree to waive this requirement. Changes may be made to the proposed revision(s) at the adoption meeting. Notice that the revision was adopted (or not adopted) shall be e-mailed to all members, along with any changes made, within sixty (60) days form the adoption meeting.

Section 2 – Revision: If the Board of Directors determines that the recommended changes are significant enough to warrant a revision of the Operating Agreement, the Board of Directors will notify all Members of the intent to revise the Operating Agreement and will form a committee of at least two Directors to re-write the Operating Agreement. The revision should capture all previous amendments. The revised Operating Agreement will be sent, along with a description of changes, to all members for comment. The committee is not required to accept member comments. After a minimum of THIRTY (30) days allowed for comments, the Board of Directors will present the

revised Operating Agreement to the Airport Authority for approval if so required, and upon approval by the Airport Authority, if so required, will present the revision to all Members for a vote.

Article IX - Equipment Review Committee

As indicated in the Operating Agreement, the Board of Directors may appoint an Equipment Board to:

- A. Monitor the needs and desires of the membership through personal contact, telephone or written communications;
- B. Evaluate the condition of the existing fleet;
- C. Recommend to the Board of Directors purchases and/or sales based on these needs, desires and the condition of the fleet; and
- D. Approximate the financial consequences to the Club of the recommended course of action.

The appointments of the Equipment Board shall be appointed by the Board of Directors and shall include at least one (1) Director. From these recommendations and other data at their disposal, the Board of Directors shall make written "notice" of proposals to the membership. These notices shall be e-mailed to the membership a minimum of ten (10) days in advance of a regular or special meeting giving the time, date and place of the meeting. A vote of the membership at that meeting will be held. A two-thirds (2/3) vote of the members present will be required to approve any proposal.

Given this approval of the membership, the Board of Directors shall have the responsibility to act in the best interest of the Club in consummating the necessary negotiations and agreements.

Article X – Board of Directors Recommendation for Dissolution

If the Board of Directors feels that dissolution is in the best interest of the Club, they will send out a notification via e-mail to all members of their recommendation for dissolution, will call a special meeting of the Club to discuss the dissolution, and then send out ballots to all members along with an e-mail notification of the sending of the ballots. Return ballots must be post-marked thirty (30) days following the date of mailing. The Board of Directors has fifteen (15) days following this post-marked deadline to announce the results of the vote.