

# **Sky-Vu Flyers, Inc.**

## **Articles of Incorporation By-Laws Rules**

**Effective January 6, 2008**

(Supersedes all previous versions)

## **ARTICLES OF INCORPORATION**

### **ARTICLE I-ORGANIZATION**

#### **SECTION I**

This organization shall be known as Sky-Vu Flyers, Inc., a non-profit corporation organized under the laws of the State of Indiana, operated in accordance with and enjoying all privileges of non-profit corporations under IC 23-17, and hereafter referred to as the "Club". This corporation is a mutual benefit corporation. These Articles of Incorporation replace the Articles of Incorporation filed July 31, 1956.

#### **SECTION II**

The purpose of the Club shall be to promote and provide aviation recreation and education for its members' and prospective members' enjoyment.

### **ARTICLE II-MEMBERSHIP**

#### **SECTION I**

Persons willing to subscribe to the Articles of Incorporation, By-Laws and Rules of the Club may apply to the Membership Committee for Admission. Each person accepted shall receive all appropriate membership documentation.

#### **SECTION II**

There shall be three classes of memberships available: Regular, Family Associate, and Social. The classes shall have the following rights and responsibilities regarding voting, holding office, dissolution, redemption, recall, and transfer:

- (a) Regular members shall have full voting privileges; shall be eligible to purchase, redeem, or transfer only one (1) share in accordance with all applicable Articles, By-Laws, Rules, and laws; shall be eligible to receive a proportion equal to one share of any surplus upon dissolution of the Club; and shall be eligible to hold an elected or appointed office in the Club;

(b) Family Associate members shall have no voting privileges; shall be eligible to purchase or redeem only one-half (1/2) share in accordance with all applicable Articles, By-Laws, Rules, and laws; shares are subject to recall in accordance with the by-laws and are non-transferable; shall be eligible to receive a proportion equal to one-half (1/2) share of any surplus upon dissolution of the Club; and shall not be eligible to hold an elected office in the Club, but shall be eligible to hold an appointed office in the Club; and

(c) Social members shall have no voting privileges; shall not be eligible to purchase, redeem, or transfer shares; shall not be eligible to receive any distribution upon dissolution; shall not be eligible to hold an elected office in the Club; and shall not be eligible to hold an appointed office in the Club.

### SECTION III

Unless otherwise stated in the Articles of Incorporation, By-Laws or Rules, the word "member" shall mean both Regular and Family Associate members.

## **ARTICLE III-OFFICERS**

### SECTION I

The officers of the Club shall be: President, Vice President, Secretary, Treasurer, Maintenance Officer, Safety Officer and Membership Officer.

### SECTION II

The seven officers of the organization shall constitute a Board of Directors to conduct the business of the Club.

### SECTION III

The officers of the Club shall be elected and take office at the last regular meeting of the calendar year and the term of office shall, for each, be one year, after which a new set of officers shall be elected, and so on.

### SECTION IV

All officers shall be elected by secret ballot in the following order: President, Vice President, Secretary, Treasurer, Maintenance Officer, Safety Officer and Membership Officer. Upon completion of the

election, the new Board of Directors may appoint one or more Officers for the purpose of conducting Club business.

#### SECTION V

The President shall enforce the Articles of Incorporation and By-Laws, shall preside at all meetings of the Club and the Board of Directors and provide a means to annually audit the books of the Club.

#### SECTION VI

The Vice President shall preside over the Club in the absence of the President.

#### SECTION VII

The Secretary shall keep a neat and correct journal of the proceedings of the organization. The Secretary shall read the minutes of each meeting at each succeeding meeting and maintain a record of attendance. The Secretary shall, for purposes of certifying votes, be responsible for having a current and correct list of the membership at each meeting.

#### SECTION VIII

The Treasurer shall handle the receipts and disbursements of the Club and shall report on the financial condition of the Club at each meeting. The Treasurer shall arrange for the preparation of an annual financial report, including a balance sheet, income statement and sources and uses of funds statement for each year's operations and submit it to Club members when completed by the auditor. The Treasurer shall serve as the registered agent for the Club. The Club shall provide for bonding insurance for the Treasurer.

#### SECTION IX

The Maintenance Officer(s) shall see to the proper maintenance of all aircraft owned or operated by the Club and shall report the condition of the equipment at each meeting.

#### SECTION X

The Safety Officer shall investigate all occurrences which cause any damage, except normal wear and tear, to Club owned equipment and which may have been caused by a member's act or omission. The Safety Officer shall also investigate any reports of unsafe flying habits of the members. The Safety Officer shall maintain a list of approved flight instructors, as per Club rules, and shall also monitor members' qualification and currency requirements as specified under the bylaws and rules of the Club.

## SECTION XI

The Membership Officer shall serve as chairman of the membership committee and shall be responsible for all membership activities including selling new memberships, screening new applicants and executing contracts in accordance with Bylaws and Rules of the Club.

## SECTION XII

Unless otherwise provided by law, or in the Articles of Incorporation, the Club shall provide Directors and Officers insurance to indemnify any elected or appointed member of the Board of Directors or Officers or former Directors or Officers against expense actually and reasonably incurred by such person in connection with the defense of any action, suit or proceeding, civil or criminal, in which such person is made a party by reason of fees, court costs, judgments, fines, penalties, amounts paid in settlement and other expenses of litigation, except in relation to matters as to which such person shall be adjudged in misconduct in the performance of duty.

## **ARTICLE IV-MEETINGS**

The Club shall hold annual meetings, one regular meeting per month, and special meetings as necessary.

## **ARTICLE V-QUORUM**

One-third (1/3) of the members of the Club shall constitute a quorum for the transaction of business. If a quorum is lacking, the Board of Directors shall have the authority to transact the business of the Club. In such case, decisions shall be made by a majority of the Board.

## **ARTICLE VI-LEGAL OBLIGATIONS**

The President and Secretary shall sign all legal obligations for the Club except that checks and deposits for the Club bank account will require only the signature of the Treasurer or President. Each officer of the Club may enter into those contracts necessary in the performance of that officer's duties.

## **ARTICLE VII-VIOLATIONS**

Any violation of the Articles of Incorporation, By-Laws or Rules of the Club shall be dealt with as determined by a majority vote of the members present at a regular or special meeting.

## **ARTICLE VIII-DISSOLUTION OF THE CLUB**

Upon dissolution of the Club, three members shall be appointed by the Board of Directors as trustees to liquidate the assets of the Club as soon as possible and pay all existing debts and liabilities in proportion to the final available capital including any money rightfully due to members as refunds in accordance with the Articles of Incorporation and By-Laws. Any surplus shall be distributed to current Regular and Family Associate members according to shares held at the time of distribution.

## **ARTICLE IX-AMENDMENTS**

These Articles of Incorporation may be amended by notification to the membership of the proposed amendment and a two-thirds (2/3) vote of the Regular members of the Club, the vote being taken at a meeting or by ballot due at least one month (30 days) after sending the notification of the proposed amendment.

## **BY-LAWS**

### SECTION I

Membership shares held for sale by the Club (not individually owned) shall be sold to qualifying applicants at a price established by the Board of Directors. Members in good standing may sell their Regular membership shares to anyone who subscribes to the Articles of Incorporation, By-Laws and Rules of the Club and who is approved by the Membership Officer.

### SECTION II

1. Family Associate memberships shall carry the following stipulations: An applicant for a Family Associate membership shall be the spouse, child or parent of a Regular member.
2. Family Associate memberships shall be sold by the Club for one-half the price established by the Board of Directors for Regular memberships and shall be assessed one-half the dues assessed Regular members.
3. The Board of Directors may recall a Family Associate membership upon ten (10) days notice at a price equal to the amount originally paid by the Family Associate member. Upon receipt of such notice, a Family Associate member shall have the right to convert to a Regular member by payment of the difference between the purchase price paid for the Family Associate membership and the current price of a Regular membership. The most recently purchased Family Associate membership shall be the first membership subject to recall by the Club.
4. Family Associate member shares shall be redeemed upon termination of the stated regular member and may be redeemed upon demand of the Family Associate member. Upon redemption, the Family Associate member will be paid the amount originally paid by the Family Associate member less a redemption fee set by the Board of Directors.

### SECTION III

New members shall be subject to a 90 day probationary period. If, during that period, the Board of Directors determines by a majority vote that the new member is not fulfilling the rights and responsibilities of a club member the Board may re-purchase that membership for the full amount paid by the new member. The member, however, remains responsible for all other financial responsibilities under the Bylaws and Rules of the Club. The responsibilities include, but are not limited to, dues, flying time, and any damage done to club equipment.

### SECTION IV

A written proxy on any specific issue is permissible.

## SECTION V

Members shall be billed monthly by the Treasurer for dues, flying and other miscellaneous items. If a member becomes delinquent in the payment of any obligation to the Club, penalties shall be imposed according to the Rules.

## SECTION VI

The Membership Officer may appoint a Membership Committee to interview prospective members, to explain to them the advantages of belonging to the Club and to explain the rules and policies of the Club. In the event that a member is selling his or her membership to a prospective new member, the Committee shall see that the transaction complies with the Rules of the Club and that the new member knows the privileges and responsibilities of Club membership.

## SECTION VII

The annual meeting of the Club will be at the time of the regular February meeting. The regular monthly meeting of the Club is generally held during the week of the second Monday of the month but the actual day shall be decided and announced by the Board of Directors.

## SECTION VIII

The Board of Directors meetings shall be held at the call of the President or at the call of three Regular members of the Club.

## SECTION IX

Special meeting of the Club membership may be called by a majority vote of the Board of Directors.

## SECTION X

The following shall be the order of business for any meeting, subject to change by two-thirds (2/3) vote of those Regular Members in attendance:

1. Call to order
2. Reading, correction and adoption of minutes of previous meeting
3. Treasurer's report
4. Maintenance Officer's report
5. Safety Officer's report
6. Membership Officer's report
7. Committee reports
8. Unfinished business

9. New business
10. Adjournment

## SECTION XI

The President shall appoint a Rules Committee at the annual meeting to keep corrected copies of the Articles of Incorporation, By-Laws and Rules of the Club available for all members. The Rules Committee will also recommend changes deemed necessary for these documents. The Rules Committee shall report its' findings and recommendations on a timely basis. The President may also appoint other committees as may be needed from time to time to make recommendations to the Board.

## SECTION XII

Club aircraft shall be operated in accordance with, and members shall be subjected to:

1. Federal Aviation Regulations.
2. Other applicable laws, regulations, and rules, e.g. airport flight rules, Canadian flight rules for flights in Canada, etc.
3. Club Articles of Incorporation, By-Laws and Rules.
4. Appropriate operating manuals for Club aircraft, including check lists.
5. Instruction, limitations and logbook endorsements from supervising instructor.
6. Limitations and instructions from the Board of Directors.
7. Terms of the current Club insurance policies.

A member shall submit a written report on a Sky-Vu Flyers, Inc. Damage Report Form to the Safety Officer on any occurrence which causes any damage, except normal wear and tear, to Club owned equipment while said equipment is in that member's care, custody and control. The Club shall receive copies of all reports filed with insurance companies, FAA, police agencies, attorneys, etc. The Safety Officer shall submit the report to the Board of Directors for complete investigation. The Board of Directors shall determine if the occurrence was preventable or non-preventable. If the occurrence is non-preventable, the member shall not be held liable for the damages. If the occurrence is found to be preventable, the member shall be held liable for damages up to the amount of the deductible, not to exceed \$1,000.00. Any decision by the Board of Directors under this section may be appealed to the membership by the member. In such event, the majority vote of the membership shall prevail. At the discretion of the Board, the pilot may be required to fly with a CFI, chosen by the Board, to demonstrate or enhance the pilot's proficiency.

## SECTION XIII

To the extent damage or claims are not paid by Club insurance, any member may be held responsible for such damage and claims relating to their use of Club aircraft or other property at the discretion of a majority vote of the Club membership.

#### SECTION XIV

Club aircraft shall be operated only by a Club member, except:

(1) that in special cases, the Board of Directors or Maintenance Officer may designate a responsible, licensed and insured pilot to operate the Club aircraft; and

(2) by a certified and current FAA instructor who is accompanying and instructing a Club member in accordance with the Bylaws and Rules.

#### SECTION XV

Meetings of the Club shall be governed by the Rules of Parliamentary Law as outlined in Robert's Rules of Order.

#### SECTION XVI

Any Officer of the Club may be impeached by a two-thirds (2/3) written vote of the club membership.

#### SECTION XVII

The Board of Directors shall appoint a member to fill any unexpired term of office.

#### SECTION XVIII

The number of airplanes and number of each class of Club members shall be established by the Board of Directors in accordance with Club Rules.

#### SECTION XIX

Each year the President shall appoint a Program and/or Social Chairperson to plan and schedule social events and educational programs for the members.

#### SECTION XX

The election of officers will be conducted via a secret ballot by vote or proxy according to the following guidelines:

- 1) An Election Committee chaired by the Secretary will solicit the candidates for the officers ballot. Regular members that are in good standing with the club will be allowed to run for an office and vote.

- 2) All nominations for officers must be received by the completion of the regularly scheduled November Meeting.
- 3) Each candidate will be given an opportunity to write a position statement that will be distributed to the Regular members via the newsletter or email.
- 4) The results of the election will be announced by the end of the December meeting and the new officers will be recognized.
- 5) If a tie results from the vote count, then an additional ballot for that office will be conducted at the December meeting. A simple majority of ballots cast will decide the contested office.

## SECTION XXI

With the exception of Section XXII Rules, these Bylaws may be amended by notification to the membership of the proposed amendment and a two-thirds (2/3) vote of the Regular members of the Club, the vote being taken at a meeting or by ballot due at least one month (30 days) after sending the notification of the proposed amendment. Section XXII Rules may be amended by a simple majority vote of the Board of Directors, the vote being taken after a comment period of at least one month (30 days) after sending notification of the proposed amendment to the Regular members.

## SECTION XXII: RULES

- 1) The Board of Directors shall appoint in accordance with published guidelines at least three (3) FAA Flight Instructors as “Club-Approved Instructors” to serve as flight and ground instructors for initial checkouts in aircraft make and model. Members shall be required to use one of the Club-Approved Instructors for initial checkout in any make and model in which the member has not previously flown. At the discretion of the “Club-Approved Instructor” the member may use any qualified instructor to satisfy additional insurance and rating requirements.
- 2) Each member, before operating a Club airplane as pilot-in-command, shall have received one hour of dual instruction from a licensed instructor within the preceding twelve (12) months. A copy of the member's signed logbook shall be provided to the Safety Officer who shall verify compliance with this section.
- 3) The hourly rates to be charged for the operation of Club aircraft and monthly dues shall be established by the Board of Directors. The Board shall, upon request, furnish any member a breakdown of the hourly rate for each Club aircraft, showing fuel costs, maintenance, fixed costs and reserves. A 10% penalty shall be levied on any obligation not paid to the Treasurer on or before the 25th day of the month for which the billing is due. After the last day of the month in which the bill is due, a member automatically loses good standing in the Club and the privilege of operating Club airplanes and the member must show cause why the Club should not revoke the membership. If the membership is not revoked, the member then has one month (30 days) to pay all obligations and penalties to the Club. If the member remains delinquent after the one month extension, at the discretion of the majority of a regular or special meeting, that member's membership will be forfeited to the Club. At no time shall penalties be imposed on unpaid penalties. However if the bill remains unpaid after the one month extension, additional 10% penalties each month shall be imposed on the cumulative amount owed, but not on prior penalties owed.
- 4) It is the responsibility of the member returning the airplane to the base airport to complete the post-flight checklist procedure in the flight record binder, tie down and secure the airplane, top the fuel tanks or make suitable arrangements with the next person in the schedule, or for replacing the airplane in the hangar properly if no one is waiting to use it. Members shall remove any personal belongings and trash from the aircraft after each flight.
- 5) The Board of Directors shall obtain personal liability, personal damage and passenger liability (for each passenger seat in each aircraft) insurance for the Club. The Board shall use the present insurance coverage as the minimum coverage. The Board shall supply a copy of the proof of coverage which will be carried in each Club aircraft so insured.
- 6) A member must reserve an aircraft for a specific time period by having his or her name entered in the reservation system. A reservation is void if a member is one hour late unless such member notifies the reservation system. If no notification of a late arrival has been received by the reservation system, another member may use the aircraft but must schedule it in his or her own name. No limit is established on the length of time a member can use an airplane provided the member has scheduled that length of time. If a member schedules more than twenty four (24) hours,

a minimum cost of one hour of flying time may be assessed for every day or fraction of a day that the member has scheduled the airplane.

- 7) Any member who is delayed on a cross country flight beyond the scheduled time to return shall:
  - a) Contact each member who is affected by the delay.
  - b) Update the scheduling system when the aircraft has actually returned to the airport.
  - c) Notify the next member affected by the delay that the airplane is now available.
- 8) Before and after operating a Club aircraft, the member must record the Hobbs hour meter and tachometer readings in the aircraft's flight record binder as applicable to the particular aircraft.
- 9) All demonstration rides, at Club expense, for prospective members shall be approved by one member of the Board of Directors. No demonstration ride shall exceed 30 minutes. (Applies to Club owned memberships only).
- 10) The Directors, Officers, and other appointed positions may receive monthly compensation in the form of flying time credit(s) to be determined by the Board of Directors. This flying time shall be cumulative but shall never be redeemable for cash. Flying time earned in any calendar year must be redeemed by the end of the next calendar year. Club membership and good standing must be maintained in order to use the earned flying time.

The board shall appoint three members to a compensation committee comprised of no more than one (1) Board member to annually review and recommend Director, Officer, and other appointed position compensation. Findings shall be approved by a majority of members present at the next membership meeting after recommendations are proposed to the Club members.

- 11) Free flying time shall be awarded to members who participate in maintenance work according to the following provisions:
  - a) Free flying time may be earned by members only and may not be transferred.
  - b) Free flying time shall be awarded in the form of flying credits based on the number hours of completed maintenance work approved by the Maintenance Officer. The value of the credits will be determined by the board and cannot exceed the hourly maintenance rate charged by the FBO where the aircraft is based. No credits will be awarded for incomplete or unauthorized work.
  - c) Free flying time credit(s) shall be forwarded to the Treasurer for disbursement after the work is completed. Flying time earned in any calendar year must be redeemed by the end of the next calendar year.
  - d) The Maintenance Officer shall carry out the provisions of the program, subject to review by the Board of Directors.
- 12) No Club aircraft shall be used for hire.
- 13) For the purposes of establishing a suggested retail price of a Club Regular member share, the following formula shall be used: total Club equity on January 1 of the current calendar year divided by total outstanding Regular member shares divided by two.

- 14) A member may list his or her membership for sale with the Membership Officer by executing a written listing contract. While selling his or her membership, the member is obligated to maintain the membership in good standing. The Membership committee shall offer the membership for sale.
- 15) Any membership listed for sale with the Club is subject to a service charge of the greater of 15% of the sales price or \$300.00. This service charge is divided as follows: one third of the service charge goes to the first referring member (if referral results in sale), one third to the Membership Officer, and one third to the Club. If there is no referring member, two thirds goes to the Club. Any membership sold by a member that is not listed for sale with the Club is subject to a service charge of the greater of 5% of the sales price or \$150.00. This service charge shall be redeemable by the Membership Officer. These services charges are redeemable in flying time only.
- 16) Good cause for the Club to buy a member's share at a value up to the current market price established by the Board of Directors shall be death or inability to retain a Class III FAA Medical Certificate. In either case, the Board of Directors may authorize suspension of monthly dues for the member, however, uncollected dues and any other charges owed the club will be deducted from the value of the member's share price before the Club's purchase. If losing a medical certificate, the member shall have made a reasonable attempt to obtain the medical and have been refused by the FAA in writing. The Club must have available funds and the final judgment on application of this policy shall be at the discretion of the Board.
- 17) Minimum initial requirements for membership are an FAA Student Pilot certificate with a solo endorsement and an FAA Class III medical certificate.
- 18) Members who purchase fuel from outlying airports which charge \$.10 per gallon more than the higher of the average monthly price per gallon at Eagle Creek and Metropolitan Airports will be charged for the cost of fuel purchased which exceeds the \$.10 per gallon limit.
- 19) No member may make or cause to be made any alterations, attachments or changes of any kind to the interior or exterior of any Club aircraft without the written approval of the Maintenance Officer and one other Officer of the Club.
- 20) Cars are to be parked in designated airport lots or inside the hangar. The hangar doors are to be closed and locked when using the aircraft.
- 21) No smoking in any Club aircraft.
- 22) Members must provide, to the Safety Officer, copies of their current airman certificate, medical certificate, Flight Review and annual dual endorsements. Failure to provide this information will result in suspension of Club scheduling and flying privileges.
- 23) Members who violate any of the rules of the club may be subject to operational and/or financial penalties as determined by a majority vote of the board of directors. Penalties may include but are not limited to required time spent in service to the club, suspension of member privileges including flying, and financial penalties levied against the member. The board has the discretion to determine the type of penalty(ies) and the amount of any financial penalty levied against the offending member.

24) Flight instruction to non-members in club aircraft is prohibited.

25) The limit of each membership class is:

- a) Regular: 60;
- b) Family Associate: 3; and
- c) Social: unlimited.