

Sky-Vu Flyers, Inc.

Articles of Incorporation, Bylaws & Rules

Effective February 9, 2019

(Supersedes all previous versions)

Articles of Incorporation & Bylaws 12-10-2018

Rules 2-9-2019

Sky-Vu Flyers, Inc.
Articles of Incorporation, Bylaws, & Rules
Effective December 10, 2018

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, Bylaws 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 and club equity; shall be eligible to purchase, redeem, or transfer only one (1) share in accordance with all applicable Articles, Bylaws, 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 or equity: shall not be eligible to purchase, redeem, or transfer shares; and 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 flying or voting privileges or club equity; 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, Bylaws 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 Bylaws, 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 membership agreements 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, Bylaws 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

Dissolution of the Club may be proposed by notification to the membership of the proposed dissolution 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 dissolution. 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 Bylaws. 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.

BYLAWS

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, Bylaws 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 or child (up through age 26) of a Regular member who resides at the same physical address as the 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. If the Family Associate member wishes to become a Regular member, he/she should contact the Membership Officer and follow the normal procedures for joining as a Regular member (if there is a Regular membership available).
4. Family Associate membership shall be returned 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.
5. Family Associate members are subject to annual address verification to confirm eligibility for membership status.
6. The Family Associate membership is considered a part of the sponsoring Regular membership, thus the Regular member remains responsible for all obligations of the Family Associate member.
7. The Family Associate member and their sponsoring Regular member are issued one set of aircraft/hangar keys and one Scheduling System Login. Individual currency records shall be maintained for both the Family Associate member and their sponsoring Regular member. Each must maintain currency for each club aircraft they wish to individually fly.

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/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 may appoint a Rules Committee at the annual meeting or as deemed necessary to keep corrected copies of the Articles of Incorporation, Bylaws 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, International flight rules for flights in outside of the United States, etc.
3. Club Articles of Incorporation, Bylaws 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 removed from office 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 may 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 members meeting.
- 3) Each candidate will be given an opportunity to write a position statement that will be distributed to the Regular members via an appropriate communication medium.
- 4) The results of the election will be announced by the end of the December members meeting at which time the newly-elected officers will immediately assume the responsibilities for their elected positions.
- 5) If a tie results from the vote count, then an additional ballot for that office will be conducted at the December members meeting. A simple majority of ballots cast at that meeting will decide the contested office.
- 6) In the event that the Club Officers' ballot is uncontested, the ballot may be approved by a simple majority vote of acclamation by those present at the December members meeting.

SECTION XXI

The limit of liability of the Club for any losses of any type or for any injury suffered by its members or any passengers is the purchase price paid by the member for their membership.

SECTION XXII

With the exception of Section XXIII 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 XXIII 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 XXIII: RULES

- 1) The Board of Directors shall select an appropriate number of FAA Certified Flight Instructors to serve as "Club-Approved Instructors". Members shall be required to use one of the Club-Approved Instructors for initial checkout(s) in each club aircraft in which the member has not been previously checked out and signed off. After initial checkout and signoff by a Club-Approved Instructor in the specific club aircraft, the member may use any qualified instructor to satisfy additional insurance and rating requirements in that aircraft.
- 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 procedures in the flight record binder.
- 5) The Board of Directors shall obtain aircraft hull, property damage and passenger/personal injury liability insurance for the Club. The Board shall make available a copy of the proof of coverage to all members.
- 6) A member must reserve an aircraft for a specific time period by having his/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/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) consecutive hours, a minimum cost of one hour of flying time will 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.
 - d) Be responsible for their own and their passenger's costs (hotel, meals, transportation, ramp fees, parking fees, hangar fees, etc.) associated with delayed flights regardless of cause (weather, maintenance issues, etc).
 - e) Be responsible for the cost(s) of returning a club aircraft to its home airport if, for any reason, the member has to return home without the club airplane. This could be a result of maintenance, weather, or other issues. In addition to costs noted in item (d) above, additional costs include at a minimum, the Hobbs time for the return trip of the affected aircraft, and other costs including, but not limited to the cost of alternate transportation back to Indianapolis; cost of alternate transportation to the distant location to retrieve the club aircraft by the member or another member, etc.
- 8) Before and after operating a Club aircraft, the member must record the Hobbs hour meter and tachometer readings (if so equipped) 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 may, at its discretion, appoint three members to a compensation committee comprised of no more than one (1) Board member to review and recommend Officer and other appointed position compensation. Recommendations shall be voted on and 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 approved by the Maintenance Officer. 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 may 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/her membership for sale with the Membership Officer by executing a written listing agreement. While selling his/her membership, the member is obligated to maintain the membership in good standing.
- 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 \$825.00. 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 go 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 \$275.00. 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 an FAA Medical Certificate or eligibility to fly under BasicMed rules. In either case, the Board of Directors may authorize suspension of monthly dues for the member, however, the prior 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 or eligibility under BasicMed, the member shall have made a reasonable attempt to retain the medical or eligibility under BasicMed rules and must be able to show pertinent documentation showing denial of eligibility. If necessary, the Club may have a medical professional of its own choosing consult with the member to confirm the validity of the denial. . 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 along with an FAA medical certificate or documented eligibility to fly under BasicMed rules.

- 18) Members are responsible for all fuel costs including all taxes, fees and surcharges, which exceed the monthly fuel price limit set by the Treasurer. The monthly fuel price limit is based on the highest per gallon fuel price at Sky-Vu “home” airports, plus \$0.20 per gallon for Indiana fuel taxes. A Sky-Vu “home” airport is defined as an airport at which Sky-Vu permanently bases at least one airplane.
- 19) Members who experience maintenance issues when traveling overnight away from a Sky-Vu home airport must adhere to the following:
 - a) No maintenance may be authorized without first speaking with the maintenance officer or his/her temporary designee (or if not available, another Board member).
 - b) Maintenance issues that are not a result of negligence will generally be covered by the Club provided that all repairs are approved as required above and the cost of the repairs is generally in line with what our usual maintenance charges are at our home airports.
 - c) Members may be responsible for all or a portion of weekend and/or holiday maintenance “callout” fees at the discretion of the Maintenance Officer, whenever maintenance is requested during FBO after-hours periods.
- 20) 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.
- 21) 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.
- 22) No smoking in any form is permitted in any Club aircraft. This includes e-cigarettes.
- 23) Members must provide, to the Safety Officer, copies of their current airman certificate, FAA medical certificate or Basic Med document, Flight Review and annual dual endorsements. Failure to provide this information will result in suspension of Club scheduling and flying privileges. In addition, as of March 1, 2019, members must provide written confirmation of their endorsements for high performance aircraft, complex aircraft, and checkout or orientation in each of the Club airplanes. Currency requirements for each of the Club aircraft will be established by the Board of Directors and communicated to the membership via an appropriate communication medium.
- 24) 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.

- 25) Flight instruction to non-members in club aircraft is prohibited.
- 26) The limit of each membership class is currently set at:
 - a) Regular: up to 75;
 - b) Family Associate: at the discretion of the Board of Directors; and
 - c) Social: unlimited.
- 27) Family Associate members may fly Club aircraft as PIC and without the Regular member in the airplane, however the total number of reservations in the reservation system for the Regular and the Family Associate member combined shall equal the same as a Regular member

Revisions: Revisions are identified by a shaded background.

February 9, 2019 – Rule 15 - Changed the minimum transaction fees when a member sells his/her Sky-Vu share.