

RESTATED BYLAWS
OF
HILLSBORO FLYING CLUB

ARTICLE I
MEMBERS

1.1 **Admission as a Member.** Any individual person, or any member of the immediate family of a member, may be admitted as a member. As a condition of admission, a prospective member must satisfy both of the following requirements:

- (a) The prospective member must receive the approval of a committee of not less than three members, at least one of which shall be a Director of the Club and at least one of which shall be a Certified Flight Instructor. The same person may fill both of the above requirements. The President and the Vice President shall have sole authority to appoint such a committee.
- (b) The Treasurer must certify that the prospective member has purchased from the Club the membership interests for which the member has applied.

1.2 **Classes of Membership.** The Board of Directors may, from time to time, establish and amend classes of membership and determine (i) the number of membership interests required for each class of membership and (ii) the cost to purchase a membership interest from the Club (the "Membership Cost"). Memberships must be purchased from the Club.

1.2.1 **Membership Status.** An ACTIVE Club member may change Membership Status to INACTIVE per the following conditions:

- A. The Active member requesting change to inactive Membership status shall not have a negative Balance-Due status in order to qualify for this change to INACTIVE MEMBERSHIP status.
- B. While on Inactive Membership status, Club monthly dues will be assessed at 25% of the member's Class of membership.
- C. Club Voting, Scheduling & Flying privileges are suspended.

- D. An Inactive member requesting reinstatement to Active membership status or Departure from the Club within twelve months of becoming Inactive shall be accessed full monthly dues for that entire Inactive period.
- E. Inactive members shall keep the Club's Treasurer advised of their Mailing address on a continual basis with failure to do so being a basis for termination of membership.

1.3 **Assessments of Members.** Subject to any required vote of the members, the Board of Directors shall, from time to time, determine the amount of monthly dues to be paid by each class of members. The dues may vary among classes of members but all members of a class shall be assessed the same monthly dues, provided, however, that (i) the Board of Directors may provide for reduced fees for members of the immediate family of a member (and may limit the rights of such members), (ii) the Club may assess a late charge for any and all payments in arrears, and (iii) members who fly their wholly owned (single ownership) SEL/SES or MEL/MES aircraft may, upon consideration of the Board of Directors, receive a 50% discount of their monthly Club dues.

1.4 **Rights of Members.** Each member in good standing shall, subject to the Club Regulations, be entitled to fly the aircraft that may be flown by members of his/her class, to vote at meetings of the members and to take such other action as a member, generally, or a member of a class, that such members are entitled to take under the Oregon Nonprofit Corporation Act ("ONCA"), the Articles of Incorporation, these Bylaws and the Club Regulations. A person shall be a member in good standing at all times at which his/her account is current or less than 60 days in arrears and the Board of Directors has not imposed any disciplinary sanctions on the member.

1.5 **Change in Membership Class.** A member may upgrade his or her class of membership by paying the difference in initiation fees to the Club. A member may downgrade their class of membership by submitting a request in writing to a Club officer. Until the Club Treasurer has completed such transactions, the Club shall have no obligation to recognize the change in status; provided, however, that a member that has changed to a lower class of membership shall not, thereafter, exercise any of the rights of the higher class.

1.6 **Termination of Membership.** A member shall be deemed to be no longer a member upon the occurrence of any of the following events:

- (a) Departing members who joined prior to February 2011 and have not upgraded or downgraded their membership shall sell all their membership interests to the Club, and if so offered, the Club shall purchase them for a price equal to one half of the price paid by such member for such membership interests unless, at the time such payment was otherwise required, the Club is insolvent or would be rendered insolvent by such payment. Payment to departing member shall be made no later than 6 months from the date of departure notification by the member, and the Club's payment shall be net of any amounts owed by the member.

- (b) A member who joined February 2011 or after is not due any rebate of membership interests.

The ownership of membership interests does not, by itself, qualify any person to be a member in good standing of the Club, or to exercise any of the rights and privileges of a member.

A member must terminate their membership in writing to a Club officer.

The Club may terminate a membership if no payments are made for Invoices sent and in arrears for 90 days.

1.7 Responsibilities and Discipline of Members. It is the responsibility of each member to be familiar with, and, in connection with their activity as Club members, to observe and abide by:

- (a) These Bylaws and the Club Regulations; and
- (b) All applicable laws, rules and regulations of the Federal Aviation Administration and other governmental authorities, including, regulations imposed by city, county and state authorities concerning activity at Hillsboro Airport.

Members shall also act in accordance with all reasonable directives from Club officers or directors and all Certified Flight Instructors authorized to instruct in Club aircraft that relate to the safety of operation of Club aircraft.

The Board of Directors may impose disciplinary sanctions on members who fail to live up to their responsibilities outlined above; such sanctions may include, but are not limited to, suspension of membership rights and privileges. If a member is in arrears on payments, the Board of Directors may, also, assess against any member any actual cost incurred by the Club as a result of any failure of the member to comply with this Section 1.7. However, the Club shall bear no responsibility for any economic consequence to a member resulting from the imposition of a disciplinary sanction in accordance with this Section 1.7. The Board of Directors will provide notice to any member if it is considering the imposition of a disciplinary sanction and shall provide the member with an opportunity to present any reasonable information or explanation to the Board of Directors prior to its final determination; provided, however, that nothing in this Section 1.7 shall entitle any member to be represented by counsel at any meeting of the Board of Directors or other Club proceeding.

The Board of Directors shall have authority to assess any member for damages or losses to Club Property, if that member, at the time of the damage or loss, is not qualified or authorized to act as Pilot in Command by operation of the FARs, Club By-Laws, Club Insurance

Requirements or Club Regulations. This paragraph authorizes the Board of Directors to bring legal action to enforce any assessment authorized by this paragraph.

1.8 Procedures Relating to Accidents. In the event that any member is involved in an accident or incident involving a Club aircraft, or an accident involving Club equipment or facilities, the Board of Directors shall investigate the circumstances and reach a finding as to the responsibility of the member or members involved. The Board of Directors shall consider such evidence, as it deems relevant and may appoint a committee to hear, collect and evaluate any such evidence and may retain experts to advise it. The affected member shall be entitled to present oral and documentary evidence to the Board of Directors, but shall not be entitled to be represented by counsel at any meeting of the Board of Directors or any committee thereof. Following such investigation, to the extent permitted by law, the Board of Directors may assess all or any portion of the cost of such accident or incident not covered by insurance to the member or members involved, and may set terms for the payment of such assessment as it may determine.

1.9 Annual and Regular Meetings. Unless another date is fixed by the Board of Directors, the annual meeting of the members shall be held on the second Tuesday in November of each year for the purpose of electing directors and transacting such other business as may come before the meeting. Unless cancelled or changed to another date by the President or the Board of Directors, a regular meeting of the members shall be held on the second Tuesday of each month except the month in which the annual meeting is held. If the day fixed for the annual meeting or any regular meeting is a legal holiday, the meeting shall be held on the next succeeding business day.

1.10 Failure to Hold Annual Meeting. If the annual meeting is not held at the designated time, the Board of Directors shall cause the meeting to be held as soon thereafter as convenient. If there is a failure to hold an annual meeting for a period of 30 days after the date designated, any member or director may apply to the appropriate court of the State of Oregon to summarily order a meeting held.

1.11 Special Meetings. Special meetings of the members may be called by the President, the Board of Directors, active members constituting not less than 5% of the active members, or by such other persons as may be authorized by law to call a special meeting of the members.

1.12 Place of Meetings. Meetings of the members shall be held at such place as may be determined by the President or the Board of Directors, provided, however, that the place of all such meetings shall be not more than 25 miles from Hillsboro Airport.

1.13 Notice of Meetings. Written or electronic notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be sent to each member entitled to vote at the meeting at the member's address (including email address) as it appears on the records of the Club, not less than 10 nor more than

60 days before the date of the meeting, by or at the direction of the President, the Secretary or the Board of Directors. The posting on the Club's Web site of the date, time and location of a meeting and, if required, the purpose thereof, shall be deemed adequate notice for the purpose of this Section 1.13. Whenever any notice is required to be given to any member, a waiver thereof in writing, signed by the member or members entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. The attendance of a member at a meeting shall constitute a waiver of notice of such meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

1.14 **Voting.** Each member in good standing, without regard to class of membership, shall have one vote in all matters requiring a vote of the members under ONCA, the Articles of Incorporation or these Bylaws (a "Required Vote"). The persons who are members in good standing at the time of any Required Vote shall be eligible to vote on the matter under consideration. In lieu of any Required Vote at a meeting of the members, the members may approve any action without a meeting as provided in Section 65.211 of the ONCA or by written ballot as provided in Section 65.222 of the ONCA. The Secretary shall tabulate and record the results of each Required Vote. In order to inform itself of the sense of the members, the Board of Directors may solicit a vote of the membership or any class or other group thereof. Unless the vote is a Required Vote, it shall not be binding on the Board of Directors and may be conducted as determined by the Board of Directors. The Board of Directors shall not be required to submit any matter, other than a one relating to a Required Vote, to the members, or to any class thereof.

1.15 **Quorum.** One fifth of the members entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of members. If a quorum is present at a meeting, a majority may adjourn the meeting from time to time to a different time and place without further notice if the time and place thereof are announced at the meeting at which the adjournment is taken. At such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each member entitled to vote at the meeting. The members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

1.16 **Majority Vote; Action without a Meeting.** The vote of a majority of the members present and entitled to vote at any duly organized meeting shall decide any question unless the vote of a greater number shall be required by law, the Articles of Incorporation or these Bylaws. Any action which the members could take at a meeting may be taken without a meeting if a consent in writing setting forth the action so taken is signed by the minimum number of members that would be necessary to authorize or take such action at a meeting at which all members entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given

to those members who have not consented in writing and the consent shall be filed with the minutes of the Club.

1.17 **Proxies.** At all meetings of members, a member may vote by proxy executed in writing by the member or by a duly authorized attorney in fact. The proxy shall be filed with the Secretary of the Club before or at the time of the meeting. No proxy shall be valid after three years from the date of its execution, unless otherwise provided in the proxy.

1.18 **Actions Requiring Approval of the Members.** The following actions shall require the approval of the members by a Required Vote or otherwise as set forth in Section 1.14:

- (a) Any special assessment of the members, provided that any special assessment of a class of members shall require the approval of the members in that class;
- (b) Any distribution to members (other than a distribution upon dissolution) as provided in Section 1.19;
- (c) Any matter requiring approval of the members under the ONCA; and
- (d) Any amendment of these Bylaws to limit the matters as to which approval of the members is required under this Section 1.18.

1.19 **Distributions to Members.** It is contemplated that, except as provided by section 1.6 or dissolution, the Club shall not make distributions to members and, except as otherwise provided under the ONCA, the Articles of Incorporation and these By-laws, no member is entitled to receive any distribution from the Club. In an extraordinary situation, and with the approval of the members as provided in Section 1.18(b), the Club may make a distribution to its members. If made, any such distribution will be allocated among the members based on the equity or initiation fee paid into the Club. Distributions will be first applied to any outstanding balance owed to the Club and the balance will be remitted to each member.

ARTICLE II

BOARD OF DIRECTORS

2.1 **General Powers.** The business and affairs of the Club shall be managed by its Board of Directors, which shall have all requisite power and authority to conduct such business and affairs or, to the extent not inconsistent with the ONCA, the Articles of Incorporation and these Bylaws, to delegate the conduct of such business and affairs to a committee as provided in Article III, to one or more officers or to other Club members. In particular, and without limiting the generality of the foregoing, the Board or its designees shall establish and maintain the Club Regulations.

2.2 Number, Tenure and Qualification. Except as otherwise provided in this Section 2.2, the number of directors of the Club shall be a minimum of five and maximum of nine and shall consist of the President, the Vice President, the Secretary, the Treasurer and the Maintenance Officer and up to four directors at large. The directors shall hold office until the next annual meeting of members and until their successors shall have been elected and qualified. The number of directors permitted under the Bylaws may be increased or decreased from time to time by amendment to the Bylaws. Directors must be members. The directors of the Club shall be elected annually by the members at the annual meeting of the members. If the election of directors shall not be held at the meeting, it shall be held as soon thereafter as is convenient. Each director shall hold office until a successor shall have been duly elected and shall have qualified or until the director's death, resignation or removal in the manner hereinafter provided.

In August of each year, the President shall appoint a nominating committee consisting of not less than two members (who may, but need not, be directors.) The nominating committee shall contact members having an interest in becoming directors of the Club and shall prepare a slate of nine directors for presentation to the members at the annual meeting of the members. At the annual meeting of the members, the members may vote for the slate or may substitute for any proposed director another member in lieu of any proposed director.

2.3 Regular Meetings. A regular meeting of the Board of Directors shall be held without other notice than this Bylaw concurrently with, and at the same place as, the annual meeting and each regular meeting of the members. The Board of Directors may provide, by resolution, the time and place for the holding of additional regular meetings without other notice than the resolution, provided, however, that the place of all such meetings shall be not more than 25 miles from Hillsboro Airport.

2.4 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or by one-third of the directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place as the place for holding any special meeting of the Board of Directors called by them, provided, however, that the place of all such meetings shall be not more than 25 miles from Hillsboro Airport.

2.5 Notice. Written notice of any special meeting of the Board of Directors shall be given at least two days prior to the meeting by personal delivery, by mail or by email. If mailed, notice shall be deemed to be given when deposited in the United States mails addressed to the director at the director's address in the Club's records, with postage thereon prepaid. If by email, notice shall be deemed to be given 24 hours after it was sent. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where the director attends a meeting 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.

2.6 **Waiver of Notice.** Whenever any notice is required to be given to any director of the Club, waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

2.7 **Quorum; Majority Vote.** A majority of the number of directors fixed by Section 2.2, or such lesser number of directors as shall then be in office, shall constitute a quorum for the transaction of 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, unless a different number is provided by law, the Articles of Incorporation or these Bylaws.

2.8 **Meeting by Telephone Conference; Consent in Lieu of Meeting.**

- (a) Members of the Board of Directors may hold a board meeting by conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such a meeting shall constitute presence in person at the meeting.
- (b) Any action which is required or permitted to be taken by the directors at a meeting may be taken without a meeting if consent in writing setting forth the action so taken is signed by all of the directors entitled to vote on the matter. Such consent, which shall have the same effect as a unanimous vote of the directors, shall be filed with the minutes of the Club.

2.9 **Vacancies.** Except as otherwise provided by law, and subject to any agreement among members of the Club relating to the composition of the Board of Directors of the Club, vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors, or by a sole remaining director. Any such directorship not so filled by the directors shall be filled by election at the next annual meeting of members or at a special meeting of members called for that purpose. A director elected to fill a vacancy shall be elected to serve until the next annual meeting of members and until a successor shall be elected and qualified.

2.10 **Compensation.** Directors shall not be compensated for their service as directors.

2.11 **Presumption of Assent.** A director who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless the director's dissent to the action is entered in the minutes of the meeting or unless a written dissent to the action is filed with the person acting as the secretary of the meeting before the adjournment thereof or forwarded by certified or registered mail to the

Secretary of the Club immediately after the adjournment of the meeting. The right to dissent shall not apply to a director who voted in favor of the action.

2.12 **Transactions with Directors.**

- (a) Any contract or other transaction or determination between the Club and one or more of its directors, or between the Club and another party in which one or more of its directors are interested, shall be valid notwithstanding the relationship or interest or the presence or participation of such director or directors in a meeting of the Board of Directors or a committee thereof which acts upon or in reference to such contract, transaction or determination, if:
 - (1) The material facts as to such relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or committee and it authorizes the contract or transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors are less than a quorum; or
 - (2) The material facts as to such relationship or interest and as to the contract or transaction are disclosed or are known to the members entitled to vote, and the contract or transaction is specifically approved in good faith by vote of the members; or
 - (3) The contract or transaction is fair as to the Club as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof or the members.
- (b) None of the provisions of this section shall invalidate any contract, transaction or determination which would otherwise be valid under applicable law.

2.13 **Removal.** All or any number of the directors may, subject to any agreement among members of the Club, be removed, with or without cause, by a vote of a majority of the members then entitled to vote at an election of directors.

2.14 **Resignation.** Any director may resign by delivering his or her resignation, in writing, to the Club or to the President or Secretary. Such resignation shall be effective on receipt unless it is specified to be effective at some other time or upon the happening of some other event.

ARTICLE III

COMMITTEES

3.1 **Designation.** The Board of Directors may designate from among its members an executive committee and/or one or more other committees, each consisting of one or more directors. The designation of a committee, and the delegation of authority to it, shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed by law. No member of any committee shall continue to be a member thereof after ceasing to be a director of the Club. The Board of Directors shall have the power at any time to increase or decrease the number of members of any committee, to fill vacancies thereon, to change any member thereof and to change the functions or terminate the existence thereof. In the absence or disqualification of a member of the a committee, the member or members present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member.

3.2 **Powers.** Any such committee, to the extent provided by resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Club; but no such committee shall have the power or authority in reference to any of the matters set forth in Section 354(5) of the ONCA, as it may be amended from time to time or any other matter that may not be delegated to a committee under applicable law.

3.3 **Procedures; Meetings; Quorum.**

- (a) The Board of Directors shall appoint a chairman from among the members of the committee and shall appoint a secretary who may, but need not, be a member of the committee. The chairman shall preside at all committee meetings and the secretary of the committee shall keep a record of its acts and proceedings.
- (b) Regular meetings of a committee, of which no notice shall be necessary, shall be held on such days and at such places as shall be fixed by resolution adopted by the committee. Special meetings of a committee shall be called at the request of the President or of any member of the committee, and shall be held upon such notice as is required by these Bylaws for special meetings of the Board of Directors, provided that notice by word of mouth or telephone shall be sufficient if received in the city where the meeting is to be held not later than the day immediately preceding the day of the meeting. A waiver of notice of a meeting, signed by the person or persons entitled to such notice, whether before or after the

event stated therein, shall be deemed equivalent to the giving of such notice.

- (c) Attendance of any member of a committee at a meeting shall constitute a waiver of notice of the meeting. A majority of a committee, from time to time, shall be necessary to constitute a quorum for the transaction of any business, and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee. Members of a committee may hold a meeting of such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such a meeting shall constitute presence in person at the meeting.
- (d) Any action which may be taken at a meeting of a committee may be taken without a meeting if consent in writing setting forth the actions so taken shall be signed by all members of the committee entitled to vote with respect to the subject matter thereof. The consent shall have the same effect as a unanimous vote of the committee.

ARTICLE IV

OFFICERS

4.1 **Number.** The officers of the Club shall be a President, a Vice President, a Secretary, a Treasurer and a Maintenance Officer. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors and shall have such powers and duties as may be prescribed by the Board of Directors. Any two or more offices may be held by the same person.

4.2 **Appointment and Term of Office.** The officers of the Club shall be selected by the Board of Directors from among the directors annually at the meeting of the Board of Directors held concurrently with the annual meeting of the members. If the appointment of officers shall not be held at the meeting, it shall be held as soon thereafter as is convenient. If the Board of Directors cannot agree on an appointment to an officer position, the matter shall be referred to a vote of the members at the next regular meeting of the members. Each officer shall hold office until a successor shall have been duly elected and shall have qualified or until the officer's death, resignation or removal in the manner hereinafter provided. Without the consent of a majority of the members, a member may not be reappointed as President after having served continuously as President for the two years immediately preceding such reappointment.

4.3 **Removal.** Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Club would be served thereby.

4.4 **Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

4.5 **President.** The President shall be in general charge of the business and affairs of the Club, subject to the control of the Board of Directors. The President shall preside at all meetings of members and at all meetings of directors. The President may execute on behalf of the Club all contracts, agreements and other instruments. The President shall from time to time report to the Board of Directors all matters within the President's knowledge affecting the Club which should be brought to the attention of the Board of Directors. The President shall perform such other duties as may be required by the Board of Directors.

4.6 **Vice President.** In the absence of the President or in the event of the death or inability or refusal to act of the President, the Vice President shall perform the duties of the President and, when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties assigned by the President or by the Board of Directors.

4.7 **Secretary.** The Secretary shall keep the minutes of all meetings of the directors and members, and shall have custody of the minute books and other records pertaining to the Club's business (other than financial records to be maintained by the Treasurer.) The Secretary shall perform such other duties as may be required by the Board of Directors.

4.8 **Treasurer.** The Treasurer shall be the chief financial and accounting officer of the Club. The Treasurer shall keep correct and complete records of accounts showing the financial condition of the Club. The Treasurer shall be legal custodian of all moneys, notes, securities and other valuables that may come into the possession of the Club. The Treasurer shall deposit all funds of the Club that come into the Treasurer's hands in depositories that the Board of Directors may designate. The Treasurer shall pay the funds out only on the check of the Club signed in the manner authorized by the Board of Directors. The Treasurer shall perform such other duties as may be required by the Board of Directors.

4.9 **Maintenance Officer.** The Maintenance Officer shall be responsible for maintaining the Club aircraft in safe and proper operating condition and in compliance with all applicable Federal Aviation Administration laws, rules and regulations (including the location in each aircraft of all documentation required to be carried therein and all maintenance records required to be kept by the Club.) The maintenance officer (or a member designated by him/her) shall authorize all material expenditures for maintenance of Club aircraft as outlined in the annual budget. The Maintenance Officer shall establish and maintain operating checklists and other systems management procedures for all Club aircraft. The Maintenance Officer shall

perform such other duties as may be required by the Board of Directors. The Maintenance Officer may delegate to plane captains such authority for the maintenance of their respective aircraft, as he/she deems appropriate.

4.10 **Compensation.** The officers of the Club shall not be compensated for service as officers, provided, however, that the Board of Directors may adopt procedures to compensate officers and other members who contribute an unusual amount of time and effort to the business and affairs of the Club. No officer of the Club or plane captain shall be required to pay an hourly charge for any use of a Club aircraft that is reasonably necessary in the performance of his/her duties.

ARTICLE V

INDEMNITY

5.1 **Grant of Indemnity.** The Club shall indemnify to the fullest extent then permitted by the law any person who is made, or threatened to be made, a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, investigative or otherwise (including an action, suit or proceeding by or in the right of the Club) by reason of the fact that the person is or was a director or officer of the Club, or serves or served at the request of the Club as a director or officer of another corporation, partnership, joint venture, trust or other enterprise against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement, actually and reasonably incurred in connection therewith. Expenses incurred by an officer or director in defending a civil or criminal action, suit or proceeding shall be paid by the Club in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the Club as authorized in this Article. The indemnification provided hereby shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any statute, bylaw, agreement, vote of members or directors or otherwise, both as to action in any official capacity and as to action in another capacity while holding an office, and shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such person.

Any member other than a director or officer who is or was an agent of the Club, or is or was serving at the request of the Club as an agent of another corporation, partnership, joint venture, trust or other enterprise may be indemnified to such extent as the board of directors in its discretion at any time or from time to time may authorize.

5.2 **No Liability of Directors.** No director of the Club shall be personally liable to the Club or its members for monetary damages for breach of fiduciary duty as a director; provided that the liability of a director shall not be eliminated (i) for any breach of the director's

duty of loyalty to the Club or its members, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 65.367 of the ONCA or (iv) for any transaction from which the director derived an improper personal benefit.

ARTICLE VI

LOANS, CHECKS AND OTHER INSTRUMENTS

6.1 **Contracts.** The Board of Directors may authorize any officer or officers and agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Club, and such authority may be general or confined to specific instances.

6.2 **Loans.** No loans shall be contracted on behalf of the Club and no evidence of indebtedness for money borrowed shall be issued in its name unless authorized by a resolution of the Board of Directors; provided, however, that the foregoing prohibitions shall not apply to trade credit in the ordinary course of business. Such authority may be general or confined to specific instances.

6.3 **Checks, Drafts, etc.** All checks, drafts or other orders for the payment of money and notes or other evidences of indebtedness issued in the name of the Club shall be signed by such officer or officers and agent or agents of the Club and in such manner as shall from time to time be determined by resolution of the Board of Directors.

6.4 **Approval of Expenditures.** All expenditures of \$200 or more for the purchase of equipment shall require majority approval of the board; provided, however, that, in the case of expenditures of less than \$500, the appropriate Officer or plane captain can approve the expense on the informal approval of a majority of the members of the Board of Directors.

ARTICLE VII

MISCELLANEOUS

7.1 **Severability.** Any determination that any provision of these Bylaws is for any reason inapplicable, invalid, illegal or otherwise ineffective shall not affect or invalidate any other provision of these Bylaws.

7.2 **Evidence of Authority.** A certificate by the Secretary or an Assistant Secretary as to any action taken by the members, directors, any committee or any officer or representative of the Club shall as to all persons who rely on the certificate in good faith be conclusive evidence of such action.

ARTICLE VIII

AMENDMENTS

These Bylaws may be altered, amended or repealed and new bylaws may be adopted by the Board of Directors or by the members at any regular or special meeting.

Adopted: May 8, 2001
Amended: January 8, 2002
Amended: December 13, 2005
Amended: November 24, 2007
Amended: August 12, 2008
Amended: October 28, 2008
Amended: June 9, 2009
Amended: April 12, 2011 Misc. housekeeping changes.
Amended: November 8, 2011 Added section 1.2.1 re: inactive membership status.
Amended: December 13, 2011 Clarification to 1.2.1(D).