

Sky Soaring, Inc.

CONSTITUTION AND BYLAWS

Adopted March 26, 1972

Revised January, 1974

Revised June 21, 1977

Revised July 15, 1980

Revised June 3, 1982

Revised November 19, 1984

Revised November 18, 1988

Revised April 29, 1995

Revised November 15, 1997

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Revised November 20, 2004

Article I — Name and Principal Office

Section 1. Sky Soaring, Inc. (hereinafter "Club") is a not-for profit corporation incorporated under the laws of the State of Illinois.

Section 2. The principal office of the Club shall be in the State of Illinois, at the residence of the current Secretary or Treasurer of the Club as determined by the Board of Directors.

Article II — Purposes

Section 1. The purposes of the Club shall be to provide flying equipment and facilities for its members on a non-profit basis and to encourage their training by making available ground school and flight instruction in sailplanes and gliders.

Section 2. It shall be the aim of the Club to promote gliding and soaring locally and nationally.

Article III — Affiliation

Section 1. The Club shall be affiliated with the Soaring Society of America, Inc. as a chapter, and all members are urged to become members of the said Society.

Article IV — Membership

Section 1. Membership in the Club shall consist of the following classes: (a) Regular, (b) Honorary, (c) Family, (d) Charitable, (e) Associate and (f) Inactive. In addition, other classes of membership may be established upon the affirmative vote of three-quarters of the entire Board of Directors; persons elected to such other classes of membership shall be entitled to such privileges as are determined by the Board of Directors but shall not be entitled to vote or hold office. Members may be admitted to any one of the classes of membership, except Honorary, upon the affirmative vote of two-thirds of the Board of Directors. Honorary members shall be individuals who have contributed significantly to the activities of the Club and to soaring in general and who have been elected to Honorary membership upon an affirmative vote of three-quarters of the total number of members entitled to vote.

Section 2. Regular members shall be entitled to vote, to hold office, to participate in all Club activities, to utilize all Club equipment and facilities and to fly Club flying equipment for which they are qualified, subject to these Bylaws and all Club rules and regulations. A person duly elected as a Regular member shall become a member upon payment of an initiation fee and an equity deposit, and upon payment of dues, as determined by the Board of Directors in accordance with these Bylaws.

Section 2.1 All Regular members of the Club shall be required to own at least one Membership Interest in the Sky Soaring LLC, subject to waiver by the Board of Directors of this requirement. The Board shall have the power and responsibility for formulating an acquisition plan under which any such Membership Interest is to be purchased by each Regular member who does not already own a Membership Interest, which acquisition plan shall be subject to approval by a majority of the Regular members of the Club. Such acquisition plan shall also require that any Membership Interest purchased as the consequence of this Section 2.1 must be resold to the Club or to a Regular member designated by the Club at the time of termination of the Regular membership of such purchaser, upon

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repurchase terms which shall be reasonable under the circumstances.

Section 3. Honorary members shall have all of the rights, privileges and obligations of Regular members except that Honorary members shall be exempt from payment of dues and flight charges. The requirement for payment of an initiation fee and an equity deposit by Honorary members may be waived by vote of a majority of the members of the Club entitled to vote.

Section 4. Family members are the spouse of a Regular or Honorary member and the children of a Regular or Honorary member under the age of eighteen years, or twenty-two years if a full time student. Parents of a Regular or Honorary member may be elected as Family members upon the affirmative vote of two-thirds of the Board of Directors. Family members shall be entitled to utilize all Club equipment and facilities and to fly Club flying equipment for which they are qualified, subject to these Bylaws and all Club rules and regulations, but shall not be entitled to vote or to hold office. Regular and Honorary members shall be responsible for all Family members in their respective families. Family members shall not be charged an initiation fee or an equity deposit.

Section 5. Charitable members are not-for-profit organizations involved in flying or soaring such as a civil air patrol squadron, an explorer scout group or the like, recognized as such by the Board of Directors of the Club. A Charitable member shall pay one initiation fee, one equity deposit and dues for one membership, and shall be entitled to one vote, but shall not be entitled to hold office. Individuals who are bonafide affiliates of a Charitable member shall be entitled to participate in all Club activities, to utilize all Club equipment and facilities and to fly Club flying equipment for which they are qualified, subject to these Bylaws and all Club rules and regulations, but shall not be entitled to vote or to hold office. Charitable members shall be responsible for all active affiliates in their respective organizations.

Section 6. Associate members shall be persons elected to membership by the Board of Directors with a waiver of the requirement for ownership of a Membership Interest in Sky Soaring LLC. An Associate member shall have all of the rights and obligations of a Regular member except for the right to vote or hold office. An Associate member who subsequently purchases a Membership Interest in Sky Soaring LLC shall become a Regular Member and shall then have the right to vote and hold office. Junior members are Associate members who meet Junior membership requirements established by the Board.

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Section 7. Inactive members are Regular members who are delinquent in payment of dues or other charges of the Club and former Regular members who have permitted the Club to retain their equity deposits. Inactive members shall be entitled to use the Club facilities and to receive Club newsletters but shall not be entitled to vote, to hold office or to fly Club flying equipment. An inactive member who is reinstated as a Regular member shall pay a reinstatement fee as determined by the Board of Directors.

Section 8. A minor, a person not having reached his or her eighteenth birthday, must have the written consent of a parent or guardian to be elected to Regular membership in the Club, and the parent or guardian and the minor must sign the Club's release of claims before flying in the Club's flying equipment.

Section 9. A member may withdraw from the Club upon thirty days written notification to the Secretary and after fulfilling all obligations to the Club. If adequate money is available in the treasury of the Club, the Board of Directors reserves the right to buy the withdrawing member's equity. Upon approval by the Board of Directors, the withdrawing member may sell his equity deposit to a person who has been accepted to membership in the Club.

Article V — Meetings of Members

Section 1. One annual meeting of the members shall be held each year at a time and place to be determined by the Board of Directors. The annual meeting shall be for the purpose of election of Club officers and Directors; receiving the annual reports of the Club Officers, Directors and Committees; consideration of dues, fees, deposits and other charges; and for such other business as may properly come before such a meeting. Notice of the annual meeting shall be mailed or delivered to each member entitled to vote not less than fifteen days before the meeting.

Section 2. Other meeting of the members may be called at the discretion of the President, or a majority of the Directors, or by written petition of at least one-fourth of the members entitled to vote. It shall be the duty of the Secretary to call such a meeting within twenty days after such demand. Notice of such other meetings of members, stating the time, the place and the purposes thereof, shall be mailed or delivered to each member entitled to vote at least ten days before such meeting. No business other

than that specified in the notice of the meeting shall be transacted at any such other meeting of the Club. If all members entitled to vote are present at such other meeting, any business may be transacted without previous notice.

Section 3. The presence in person or by written proxy of twenty-five percent of the members of the Club entitled to vote and the presence in person of at least two members of the Board of Directors is necessary to constitute a quorum at each annual or other meeting of the members. A lesser number shall adjourn to some future time not less than seven days later. The Secretary shall give notice of the adjourned meeting at least five days before to each member entitled to vote who was absent from the adjourned meeting.

Section 4. Voting at any meeting of the members shall be in person by members entitled to vote or by written proxy of members entitled to vote. A proxy shall be valid for a single designated meeting only. Each member entitled to vote shall have only one vote, in person or by proxy. Proxy votes may be cast only by a member designated as proxy. A majority vote of the members present and by proxy is controlling unless otherwise specified in these Bylaws.

Article VI — Board of Directors

Section 1. The management of the Club shall be vested in a Board of Directors composed of six Regular and/or Honorary members elected at the annual meeting of members or at another meeting of members called for such election. The Board of Directors shall comprise four executive officers of the Club (identified in Article VII hereof), a Flight Committee Chairman (identified in Article XII hereof) and a Maintenance Committee Chairman (identified in Article XIII hereof).

Section 2.1 The person who has served as President of the Club immediately prior to an annual meeting of the members of the Club or another meeting of the members called for the purpose of election and who is replaced as President by a vote of the members at that meeting shall become the Immediate Past President of the Club and shall also become an informal, non-voting member of the Board of Directors and entitled to attend meetings of the Board until a new President is elected at a subsequent annual meeting or at another meeting of the members called for the purpose of election.

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- Section 2. The Board of Directors shall have the power to make all necessary contracts on behalf of the Club, to purchase equipment and supplies, to borrow money on behalf of the Club and to secure the same by mortgage or deed of trust on the property of the Club, to pay and discharge all debts of the Club, and to carry out all matters and things necessary or incident to or in aid of the carrying out of the aims and purposes of the Club. The Board of Directors shall have charge and control of all Club property. The Board of Directors may also levy assessments upon the members, provided, however, that any assessment levied by the Board of Directors must be approved by a three-fourths vote of the entire membership entitled to vote before becoming effective. The vote on any assessment shall be by written ballot. Any decision of the Board of Directors may be repealed by vote in favor of repeal by three-quarters of the entire membership entitled to vote by written ballot.
- Section 3. Regular meetings of the Board of Directors shall be called at times and places to be determined by the President. Special meetings of the Board of Directors may be called at any time by the President or by request of two other Directors. Notice of special meetings of the Board of Directors, stating the time and in general terms the purpose, shall be mailed or personally given to each Director no later than three days preceding the day appointed for the special meeting, and if all Directors are present at the special meeting, any business may be transacted without previous notice. Four Directors shall constitute a quorum of the Board at all meetings. The affirmative vote of a majority of the Directors present at any meeting shall be necessary to pass any resolution or authorize any act of the Club.
- Section 4. Any vacancy in the Board of Directors occurring during the year through death, resignation, removal or other cause, shall be filled for the unexpired portion of the term by a majority vote of the remaining Directors, except that in the event three or more vacancies in the Board of Directors occur at one time, a meeting of the members shall be called for the purpose of electing Directors to fill the vacancies.
- Section 5. Each member of the Board of Directors shall serve without compensation. No member of the Board of Directors shall be financially interested either directly or indirectly in any contract relating to the operations conducted by the Club or in any contract for purchase of supplies, services or equipment for the Club, unless exception is made by the affirmative vote of two-thirds of the members present and entitled to vote at a meeting called for the purpose of considering the proposed exception. The Board of Directors shall cause a record of all its acts and proceedings to be kept

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and shall advise the members thereof at the next succeeding meeting of the members.

Section 6. The President and two other members of the Board of Directors elected by the Board shall constitute the Executive Committee. Between meetings of the Board of Directors, the Executive Committee shall exercise all of the powers of the Board, unless a vote of the entire Board of Directors is expressly required in the Constitution and Bylaws. The affirmative vote of at least two members of the Executive Committee shall be necessary to pass any resolution or to authorize any action of the Club. The Executive Committee may take action by vote at a meeting, by telephone vote or by written vote. Any decision of the Executive Committee may be repealed by a majority vote of the Board of Directors.

Article VII — Officers

Section 1. The executive officers of the Club shall be a President, a Vice-President, a Secretary and a Treasurer.

Section 2. The executive officers shall be elected at the annual meeting of members of the Club or at another meeting of members called for the purpose of election, except that a vacancy of not more than two executive officers may be filled for the remaining term or terms by majority vote of the Board of Directors in accordance with Article VI, Section 4 hereof. The executive officers shall hold office for twelve months after their election or until their successors are elected and qualified.

Article VIII — President

Section 1. The President shall be the chief executive officer of the Club. He shall preside at all meeting of members, and at all meetings of the Board of Directors. Except for the Flight Committee (Article XII hereof) and the Maintenance Committee (Article XIII hereof) the President shall appoint the membership of all committees, subject to majority approval by the Board of Directors. He shall be an ex-officio member of all committees. He shall have the authority to sign and execute all contracts in the name of the Club when authorized to do so by the Board of Directors. The President shall have the authority to appoint and discharge agents and employees, or delegate this duty as he may elect, subject to majority approval of the Board of Directors; and he shall have general supervision over the management of all affairs of the Club.

Article IX — Vice-President

Section 1. The Vice-President shall be vested with all the powers and shall perform the duties of the President in case of the absence or disability of the President. He shall also perform such duties in connection with the operation of the Club as may be requested by the President.

Article X — Secretary

Section 1. The Secretary shall perform all the duties incident to the office of the Secretary, subject to the control of the Board of Directors. He shall keep the minutes of all proceedings of the members of the Board of Directors. He shall attend to the giving and serving of notices of all meetings of the members and of the Board of Directors. He shall keep a membership record showing the name of each member of the club, the Constitution and Bylaws, the corporate seal of the Club, if any, and such other books, records and papers as the Board of Directors may direct. He shall execute with the President, in the name of the Club, all certificates of membership, contracts and instruments which have first been approved by the Board of Directors. In the absence of or disability of the Treasurer, and under the direction of the President, he shall execute in the name of the Club checks for expenditures authorized by the Board of Directors. The Secretary shall also perform such duties connected with the operation of the Club as he may undertake at the request of the President.

Article XI — Treasurer

Section 1. The Treasurer shall perform all duties incident to the office of the Treasurer, subject to the control of the Board of Directors. He shall execute in the name of the Club all checks for expenditures authorized by the Board of Directors. The Treasurer shall receive and deposit all funds of the Club in the bank or banks selected by the Board of Directors. Upon approval by the Board of Directors he may also invest funds of the Club in certificates of deposit, Treasury bills or money market funds in the name of the Club. He shall keep a written record of all receipts, disbursements and investments and the balance on hand. The Treasurer together with the President shall prepare an annual budget and submit such budget to the members for their approval at the annual meeting. He shall also perform such duties connected with the operation of the Club as he may undertake at the request of the President.

Article XII — Flight Committee

- Section 1. The Flight Committee Chairman shall be a member of the Board of Directors as provided in Article VI, Section 1 hereof. He shall be elected at the annual meeting of members or at another meeting of members called for the purpose of election, and he shall hold office for twelve months or until his successor is elected and qualified. He shall make reports to the Board of Directors each month of the flying season and at other times as requested by the President.
- Section 2. The Flight Committee Chairman shall appoint two members to serve on the Flight Committee, subject to the approval of the Board of Directors. The Flight Committee shall bear the responsibility for preparing and updating Flight Rules for the Club for approval by the Board of Directors. Flight Rules approved by a majority vote of the Board shall be binding on all members of the Club. The Flight Rules shall supplement by may not supersede any of the regulations of the Federal Aviation Administration or of the State of Illinois, or the provisions of these Bylaws.
- Section 3. The Flight Committee Chairman shall have the responsibility for supervision of all flying activities of the Club. He shall have the authority to ground Club flying equipment or personnel when he determines that the operation of the flying equipment, or the operation of the equipment by any individual, would act to the detriment of the Club's interests or would endanger any person or any Club flying equipment. He may restrict the operation of the equipment to particular fields and disallow the operation of the equipment for particular flight plans. The Flight Committee Chairman may delegate his responsibilities and authority to another member of the Flight Committee to be exercised when he is not present during Club flying activity. The grounding of any member of the Club for more than one week shall be reviewed by the Board of Directors at their next regular meeting or at a special meeting called for that purpose.
- Section 4. The Flight Committee shall bear the responsibility for arranging ground instruction for the members.
- Section 5. The Flight Committee shall report to the Board of Directors concerning any accident involving Club flying equipment. This report may recommend any action deemed advisable.

Article XIII — Maintenance Committee

Section 1. The Maintenance Committee Chairman shall be a member of the Board of Directors as provided in Article VI, Section 1 hereof. He shall be elected at the annual meeting of members or at another meeting of members called for the purpose of election, and he shall hold office for twelve months or until his successor is elected and qualified. He shall make monthly reports to the Board of Directors.

Section 2. The Maintenance Committee Chairman shall appoint two members to serve on the Maintenance Committee, subject to the approval of the Board of Directors. The Maintenance Committee shall have the responsibility of ensuring that the Club's flying equipment is properly maintained at all times and that maintenance of Club flying equipment complies with the regulations of the Federal Aviation Administration.

Section 3. The Maintenance Committee Chairman shall be responsible for coordinating all maintenance work of Club flying equipment and for supervising general preventive maintenance. He shall keep the Flight Committee Chairman informed as to the operational status of Club flying equipment. The Maintenance Committee Chairman may delegate his responsibilities and authority to another member of the Maintenance Committee to be exercised when he is not present during Club maintenance activity. All repairs of Club flying equipment involving expenditure over \$200.00 must have the approval of the Board of Directors.

Article XIV — Special Committees

Section 1. Special committees may be formed by the President at any time he deems such formation necessary or advantageous to the Club.

Section 2. Chairmen of special committees may attend Board of Directors meetings when they have matters for consideration by the Board.

Article XV Suspension, Expulsion and Removal from Office

Section 1. A member may be removed from office, suspended for a period, or expelled for cause for violation of any of these Bylaws, or the Club Flight

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Regulations, or other rules of the Club, or for conduct prejudicial to the best interests of the Club. Such removal, suspension or expulsion shall require a two-thirds vote of all members entitled to vote at a meeting of members, provided that a statement of the charges against such member and a notice of the time and place of the meeting shall have been mailed to such member at least fifteen days before the meeting.

Article XVI — Finance

- Section 1. The Board of Directors shall establish a schedule of dues, initiation fees, equity deposits, reinstatement fees and other charges sufficient to pay the Club's expenses and to maintain the value and operability of the Club's assets. Changes in the schedule of dues, fees and other charges must be approved by a three-fourths vote of the entire Board of Directors.
- Section 2. Any member who has failed to pay his dues or any other sum owed to the Club within thirty days after said sums are due may be placed on inactive status and suspended from the operation of all Club flying equipment. When a member fails to pay his dues, to pay any sum owed to the Club, or to make appropriate arrangements with the Board of Directors for the payment thereof within sixty days after the due date, such member shall automatically be considered as indicating his intention to resign from the Club.
- Section 3. The fiscal year of the Club shall be from December 1st to November 30th of each year.
- Section 4. After the end of the fiscal year and before the annual meeting the financial records of the Treasurer shall be audited by a special auditing committee of two members appointed by the President with the advice and consent of the Directors. The Board of Directors by a majority vote may cause an independent audit of the financial records to be made by an outside auditing firm.
- Section 5. Club funds remaining after all operating costs and other expenses have been paid shall remain in the Club's treasury for the purchase of new equipment, for contingencies, or for the purpose of reducing the flight charges, as shall be determined by the Board of Directors. Club funds shall not be distributed to the members for their individual use, except for the refund of equity deposits as provided in Article IV, Section 9 hereof.

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Section 6. The Club shall carry insurance in an amount determined by the Board of Directors to reasonably cover all flying equipment of the Club against flight and ground damage. The Club shall also carry adequate liability insurance to protect its members against suits by third parties or other members of the Club.

Section 7. Each and every operation of flying equipment owned or operated by the Club shall be conducted at the risk of the member under whose custody the flying equipment is assigned insofar as responsibility for damage resulting from operation of said equipment is concerned; provided that in any accident involving Club flying equipment, the member operating the equipment shall be assessed for the uninsured costs of the accident up to a maximum of the member's equity deposit. Any remaining costs shall be shared equally by all members of the Club to the extent such remaining costs are not compensated by insurance.

Article XVII — Amendments

Section 1. All amendments of these Bylaws must be approved by a two-thirds vote of the members of the Club entitled to vote. Amendments may be acted upon at any meeting of the members or by mail ballot, provided the substance of the proposed amendments shall have been provided by mail or delivered in person to each member entitled to vote at least ten days prior to the meeting, or at least twenty days prior to the proposed effective date of the amendments if by mail ballot.

Article XVIII — Dissolution

Section 1. The Corporation may be dissolved by the affirmative vote of three-fourths of the members entitled to vote at a meeting of members called for the purpose of dissolution.

Section 2. Funds remaining after the sale of all Club assets after dissolution, and after payment of all obligations of the Club and return of all equity deposits of members, shall be distributed on a pro rata basis to all members entitled to vote; provided, however, that such remaining funds shall be donated to an organization with similar purpose, such as the Soaring Society of America, if so required by a plan of distribution approved by a two-thirds vote of all members entitled to vote at the dissolution meeting.