

LAKES REGION FLYING CLUB, Inc.

BY-LAWS

As revised and amended May 25, 2001; September 24, 2002;
June 24, 2003; September 25, 2003; September 21, 2004; and March 1, 2009

ARTICLE I. ORGANIZATION

1. The Lakes Region Flying Club, Inc., hereinafter referred to as "The Club", shall be a non-profit voluntary corporation under the laws of the State of New Hampshire, per Charter as amended October 12, 1983 providing for stock ownership.

ARTICLE II. OBJECTIVES AND PURPOSE

1. The objectives and purpose of The Club shall be to own, lease, maintain, and operate safely, at economical rates, one or more aircraft for:

A. Flight instruction, pursuant to qualifying the members of the Club for, Biennial Reviews, Check rides and additional FAA Ratings or Certificates.

B. Flight activity pursuant to maintaining the various proficiency levels as required by Federal Air Regulations and the Club Flight Operations Rules now in effect or which hereafter may be adopted.

C. Non-commercial transportation of the members of this Club, their families, and friends.

ARTICLE III. MEMBERSHIP

1. Membership is open to pilots with the following qualifications:

A. Any valid pilot certificate, except Student Pilot, with a valid medical certificate.

B. Current New Hampshire Airman's Certificate.

C. Ratings: Airplane Single Engine Land.

2. Membership classifications are **Flying Pilot, Non-Flying Pilot and Spouse Pilot.**

A. The **Flying Pilot** classification is for a pilot who owns the specified minimum number of shares, is an active pilot exercising flying privileges in Club Aircraft, and pays all fees and flight charges related thereto.

B. The **Non-Flying Pilot** classification is for a pilot who is no longer exercising flying privileges in Club Aircraft, and pays no fees but holds shares of stock in the corporation and retains limited privileges of stock ownership until all shares are sold.

C. The **Spouse Pilot** classification is for a married partner sharing a residence with a **Flying Pilot** or **Non-Flying Pilot**, still owning the minimum number of shares, and provides the same flying privileges and meets the same qualifications and obligations as those of the **Flying Pilot**. They do not own stock.

3. Ownership, Voting Power and Property rights for **Flying** and **Non-Flying** members shall be in accordance with this section and "Schedule A" of the Stock Restrictions.

A. The minimum stock investment required for the **Flying Pilot** is set forth in the Appended Schedule of Charges

B. Voting power of **Flying Pilots** and **Non-Flying Pilots**.

(1) Each is entitled to one vote per share as to matters of:

- (a) Purchase or sale of capital assets of \$1500.00 or more.
- (b) Liquidation, dissolution, merger, or consolidation.
- (c) By-laws adoption and amendments thereto.

(2) Regardless of the number of shares owned, each is entitled to one vote only as to matters of:

- (a) Election of Directors
- (b) Election of Officers
- (c) Redeeming and Purchasing a Flying or Non-Flying Pilot's shares of stock.
- (d) Expulsion of members.

4. Applicants for membership under Eighteen (18) years of age shall have one of their parents or guardians sign the application giving their consent and indicating their willingness to assume financial responsibility for the applicant.

ARTICLE IV. OFFICERS

1. Officers shall be President, Vice President, Secretary, Treasurer and Operations Manager.

2. At each annual meeting, officers shall be elected by and from the **Flying** and **Non-Flying** members.

3. For clear understanding of the election process it is important that election of officers take place before election of directors. The elected President, Vice President, and Operations Officer are automatically established as Directors.

4. Vacancy of the office of President shall be filled by the Vice President for the un-expired term.

5. Vacancy of the office of Vice President shall be filled by appointment by the President from the qualified Directors for the un-expired term.

6. Vacancies in other offices shall be filled by appointment by the President from the Flying and Non-Flying pilots for the un-expired term.

ARTICLE V. BOARD OF DIRECTORS

1. Corporate business and property shall be governed by the Board of seven Directors, elected from the Flying and Non-Flying pilots.

2. The President, Vice President and Operations Officer are three of the seven Directors. Their terms of office are one year each.

3. Each of the remaining four directors has a two-year terms. Two directors are elected at each Annual Meeting.

4. Vacancies on the Board shall be filled by the remaining Directors by appointment from the Flying and Non-Flying pilots for the un-expired term.

5. The Directors shall enforce the Flight Operating Rules and by-laws and use of Club Property, and shall keep the membership informed of the Boards Proceedings, as well as the fiscal condition of the club.

6. The Directors shall be responsible for the setting of rates.

ARTICLE VI OFFICER DUTIES

1. The **President** shall:

(a) Preside at all meetings;

(b) Act as General Manager and have charge of Club business;

(c) Execute in the name of the Club, all contracts and instruments approved by the Board of Directors;

- (d) Execute in the name of the Club, in the absence of the Treasurer, checks for expenditures approved by the Board of Directors.
- 2. The **Vice President** shall:
 - (a) Be vested with the powers and responsibilities of the President and perform the duties of office in the absence of the President.
- 3. The **Secretary** shall:
 - (a) Give written notice of all stockholder meetings to all members.
 - (b) Keep minutes of all Board of Directors and Stockholder meetings.
 - (c) Maintain a roster of members that will be distributed annually.
 - (d) Keep a master copy of the Club by-laws.
 - (e) Keep a master copy of the Club Flight Operation Rules.
 - (f) Maintain an appointment book for reservation of the Club aircraft.
 - (g) Maintain a file of Pilot Record Forms showing each pilots medical and BFR records.
- 4. The **Treasurer** shall:
 - (a) Execute in the name of the Club all checks for expenditures authorized by the Board of Directors.
 - (b) Receive and deposit all funds in a bank selected by the Board of Directors.
 - (c) Account for all receipts, disbursements, and balance on hand.
 - (d) Maintain an updated Stock Ownership list and Stock Transfer ledger.
 - (e) Notify members, (with the billing), of any stock offered for sale in accordance with the "Stock Restrictions".
- 5. The **Operations Manager** shall:
 - (a) Oversee Flight Operating procedures for Flying and Spouse pilots flying Club Aircraft, and authorize maintenance, inspections and service for club aircraft.
 - (b) Make recommendations regarding suitability of aircraft and equipment.
 - (c) Make recommendations regarding qualifications of prospective applicants.

- (d) Recommend for Directors approval the Flight Operations Rules for the Club aircraft.
- (e) Maintain a list of Insurance company approved flight instructors.
- (f) Administer the Club's responsibility to maintain Club aircraft in airworthy condition.
- (g) Have the authority to ground the Club aircraft for safety reasons.
- (h) Advise the Board of Directors of pending maintenance work, either of a mandatory or a preventative nature.
- (i) Maintain the currency on all required aircraft certificates, licenses, log books, airplane flight manuals, and maintenance records.

ARTICLE VII. MEETINGS OF STOCKHOLDERS

For the purposes of this Article, the word "Stockholder", includes Flying Pilot and Non-Flying Pilot Classifications

1. The Club shall hold one Stockholders meeting annually and such other special meetings as the President, Directors, or the Stockholders may call as set forth herein.

2. A written notice stating the place, day, hour and purpose of any Stockholder meeting shall be delivered, either personally, by mail or by e-mail not less than seven (7) days prior to the date of the meeting, to all Stockholders of record. Any Stockholder may waive the 7 day notice requirement by signing a written waiver thereof.

3. Any Stockholder meeting may be called at any time by the President, by vote of the majority of the Board of Directors, or by written request submitted to the Secretary by Stockholders owning twenty percent (20%) or more of all of the outstanding Stock of the corporation.

4. In order for there to be a valid meeting for the transaction of any business, there must be present, either in person or by proxy, at least fifty-one percent (51%) of the entire Stock ownership outstanding, and such an amount of Stock ownership so represented shall constitute a quorum.

5. If a quorum is present, then all corporate action shall be determined by affirmative vote of the majority of all of the Stockholders present (whether in person or by proxy), or by affirmative vote of a majority of the entire stock ownership present (whether in person or by proxy), as the case may be, depending upon the type of matter being voted upon (see Article III., 3., B. (1) & (2)).

6. A proxy which is signed and dated by a Stockholder and physically presented at the Stockholders meeting shall entitle the proxy holder named thereon to all of the

same voting rights and privileges as if the Stockholder was physically present and voting. A proxy may also count in determining whether a quorum is present. A proxy form is attached to these by-laws. Any proxy submitted should be substantially similar in form, in order to be valid. Such a proxy, once executed, shall be irrevocable, except by the stockholders presence at the meeting.

ARTICLE VIII. MEETINGS OF THE BOARD OF DIRECTORS

1. The board of Directors shall meet at least once annually, and at other times as the President or two or more Directors may call.
2. Such meetings may be held at any time and place. Twenty-four (24) hours oral notice is required. This notice requirement may be waived by written waiver signed by all directors.
3. At least four (4) Directors in person shall constitute a quorum. No Director may attend by proxy.
4. If a quorum is present, all corporate action shall be determined by the affirmative vote of the majority of the Directors present.

ARTICLE IX. CAPITALIZATION

1. The Articles of Agreement as amended June 24, 2003 provides authorization for 500 shares of common no par value stock.
2. Stock valuation per share and minimum investments requirements are set forth in the "Appended Schedule". These amounts may change based upon corporate book value as of December 31 annually.

ARTICLE X. MONTHLY FEE

1. Each Flying Pilot and Spouse Pilot shall be charged a monthly fee to meet fixed expenses according to the "Appended Schedule".
2. The amount of the monthly fee is contingent on the number of Flying Pilots and Spouse Pilots.

ARTICLE XI. FLYING CHARGES

1. Aircraft hourly rates shall be charged according to the "Appended Schedule". Hourly rates include all direct expenses and reserves associated with flying the aircraft.

ARTICLE XII. BILLING AND PAYMENTS.

1. Statements showing the amounts due the Club and the status of each account shall be mailed monthly.
2. All sums due the Club shall be paid to the Treasurer within fifteen (15) days of receipt of the statement.
3. Flying privileges will be suspended for any member whose account has a 90 day balance, subject to appeal to the Board of Directors.

ARTICLE XIII. WITHDRAWAL AND EXPULSION

1. A member may withdraw his/her membership in the Club upon written notice to the Secretary thirty (30) days in advance of his/her intended membership termination date. This action will stop the billing for recurring monthly fees. If the withdrawing member desires to terminate his/her stock ownership, the provision under "Stock Restrictions, Schedule A" of these by-laws will apply.
2. A member who elects to become a **Non-Flying Pilot** must remain in that status for at least 12 consecutive calendar months. After that time, a **Non-Flying Pilot** may apply to the Board of Directors to be reinstated as a **Flying Pilot**. The Board, if it approves the application, may establish any conditions that appear prudent, such as a flight check in the Club aircraft. Additionally, the applicant will be required to pay an administrative assessment of \$100.00.
3. A member may be expelled by a two-thirds 2/3 vote of the members present and voting either in person or by proxy at an annual or special stockholders meeting. Ten (10) days notice shall be given the member before the meeting and he/she shall have the right to be heard before the vote is taken. If an expelled member is a stockholder, sale of the shares of stock shall be in accordance with the "Stock Restrictions Schedule A" of these by-laws.

ARTICLE XIV. STOCK RESTRICTION

1. Each Stock certificate shall have attached thereto the Stock Restriction marked "Schedule A".

ARTICLE XV. AMENDMENTS

1. The by-laws may be altered, amended or repealed and new by-laws adopted only by affirmative vote of a majority of the entire stock ownership outstanding, whether in person or by proxy, at an annual or special stockholders meeting. A written copy of any proposed by-law changes shall be mailed or delivered to each stockholder of record not less than

ten (10) days before the date of the meeting. All stockholders may waive the ten day copy delivery requirement by signing a written waiver thereof.

ARTICLE XVI. ACKNOWLEDGMENT OF BY-LAWS

1. Members of each member classification shall receive a copy of these by-laws and Stock restrictions. They shall affirm that he/she has read, understands and will comply with the provisions herein affixing his/her signature on the appended sheet provided for this purpose on the Master Copy.

**Call for the Annual Stockholders Meeting of the
Lakes Region Flying Club**

Date _____

An annual or special stockholders meeting of the Lakes Region Flying Club will be held on _____/_____/_____ at (location and starting time).

All stock holders must attend in person or return the proxy before _____/_____/_____

PROXY

PROXY

I, _____, stockholder and owner of record of _____ (_____) shares of common voting stock of the Lakes Region Flying Club, Inc., hereby constitute and appoint _____

proxy-holder of all of the said shares of my stock for the purpose of voting on all matters which may come before the stockholders meeting called _____/_____/_____ and for no other purpose.

This proxy, once duly executed and physically presented to the secretary of the corporation, shall be irrevocable, except by my presence at the meeting.

Dated the _____ Day of _____ Month, _____, Year.

Witness

Stockholder

Schedule "A"

"Stock Restrictions"

ITEM I PURCHASE OF STOCK

New stock purchase procedures as voted into effect September 25, 2003

1. Each Flying Pilot must own a minimum of 8 shares of stock. Each new Flying Pilot after 07/25/2001 must own a minimum of 12 shares; after 09/24/2002 must purchase a minimum of 13 shares and after 12/01/2003 must purchase a minimum of 15 shares from the corporation at \$200 per share.

2. At the time a new Flying Pilot purchases his/her shares, the Treasurer will buy the necessary shares from any existing Stockholder who has offered his shares for sale, paying the lowest offered price but never more than 75% of book value. In case more than one stockholder has offered stock at the same price, the oldest offer will be honored first. If no stock is for sale from an existing shareholder, then the shares will be issued as Treasury stock, or if none is available then new corporate stock.

Stockholders who wish to sell their stock shall receive up to 100% of the 3-31-01 book value (\$189.67) from the date of passage of this amendment (05-25-01) until 30 days thereafter (06-25-01), on which date this amendment expires. On 06-26-01 the language prior to this amendment (I.2. above) shall be in force. Any stock placed on the market during this one time window, but not yet sold by 06-26-01, shall remain on the market at 100% of the 03-31-01 book value until sold.

Explanatory Notes:

1. Stock offered for sale under the above amendment shall be prioritized based on the postmark date on the envelope or, if there is no discernible postmark, the date received by the Treasurer. In the case of identical postmarks or date of receipt the order will be determined by the longevity of membership of the stockholders involved.

2. Based on the above amendment the Club agrees to purchase up to \$9,000 of the stock offered for sale and to show this as Treasury Stock on the Balance Sheet. The Treasurer will purchase the shares in the order offered as outlined above until all shares are purchased or the maximum amount has been paid out. Any remaining shares will be sold to new members as outlined in the Stock Restriction.

ITEM III SALE OF STOCK

1. Any stockholder who intends to sell, transfer, or otherwise dispose of his stock in this Club shall promptly notify the Treasurer of his/her intent to sell.
2. Such notification shall be made in writing, signed by the stockholder and sent by mail to the Treasurer of the Club.
3. Stock offered for sale by any stockholder will remain an open offer with the treasurer until revoked by the seller, a new offer is received from the seller or the shares are sold. An offer price may be changed by the seller no more frequently than every 90 days from the date of offer.

ITEM III LIMIT OF SHARES OWNED

1. No Stockholder shall at any time be allowed to purchase or acquire any additional stock of the Club from any other Stockholder or from the Club if the result and effect of purchase or acquisition would enable any such Stock holder to own fifty percent (50%) or more of the then total issued and outstanding common stock of the Club.

ITEM IV DEATH OF A STOCKHOLDER

1. Any Stockholder may bequeath all of his stock to any individual by Will or other testamentary disposition, and such stock may be transferred to such individual without being first offered to the corporation
2. The heirs wishing to sell such shall do so in accordance with Item II above.

ITEM V VOTING

1. See Article III., 3., B. 1&2 of these by-laws.

ITEM VI BINDER

1. This provision shall be binding upon any executor, administrator or other legal representative of any Stockholder.
2. This provision shall be noted conspicuously upon each certificate of stock pursuant to NH RSA 382A: 8-204 and shall be a part thereof, binding on each and every present and future owner regardless of how much stock is acquired.

I hereby acknowledge receipt of the revised Stock Restriction to be attached to my individual Stock Certificates. I further acknowledge that the revised Stock Restrictions replace and supersede any previous Stock Restrictions.

Stockholder Signature

Lakes Region Flying Club

2008 - 2009 Officers

President-----John Tramontano*

Vice President-----Brian Blackadar*

Secretary-----Carroll Bewley

Treasurer-----Wes Colby

Operations-----Bill Moran*

* occupants of these positions are automatically Directors

Other Directors

Val Milchev**

Carroll Bewley***

Tom McAllister**

Wes Colby***

** Terms expire 2010

*** Terms expire 2009

Appended schedule to the by-laws as approved at a Special Stockholders meeting December 14, 1992.

Misc.	Maint/Operations	Credit Hours .5 Hr/Mo.
	Treasurer	Credit Hours .3 Hr/Mo.
	Secretary	Credit Hours .3 Hr./Mtg.

ARTICLE V. Membership - Stockholder

Minimum Investment will be 8 shares at book value (12 shares after 07/25/2001, 13 shares after 09/24/2002 and 15 shares at \$200/share after 12/01/2003).

ARTICLE VIII. Capitalization authorized: 500 Shares (as of 06/24/2003 amendment)

Total shares issued: 348.53 (as of 11/14/2008)

ARTICLE X. Monthly Fees (based on rates approved at Director's meeting, 08/21/2003):

Fee per member per month

11 members \$83.60

12 members \$76.65

13 members \$70.75

14 members \$65.70

15 members \$61.30

16 members \$57.50

ARTICLE XI. Flying Charges per Hobbs Meter Hr.: varies based on fuel prices

Insurance Deductibles

In Motion \$ 500.00

Not in Motion \$ 500.00

