

SILVERHAWK FLYING CLUB, INC.
MEMBER BYLAWS

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PREAMBLE: ADOPTION OF BYLAWS

These Bylaws constitute the code of rules adopted by Silverhawk Flying Club, Inc. for the regulation and management of its affairs. Silverhawk Flying Club, Inc. is a non-profit mutual benefit corporation organized under the laws of the State of Idaho. These Bylaws are intended to be, and shall be construed as, the primary governing instrument of the corporation, subordinate only to the Articles of Incorporation and the applicable laws of the State of Idaho and the United States of America.

ARTICLE I: NAME, LOCATION, AND PURPOSE

1. Name

The official name of the corporation shall be **Silverhawk Flying Club, Inc.**, hereinafter referred to as the "Club".

2. Location

The principal office and base of operations for the Club shall be located at the facilities of Silverhawk Aviation in Caldwell, Idaho. The Club shall continuously maintain a registered agent and registered office in the State of Idaho as required by law. The Board of Directors may change the address of the registered office from time to time.

3. Purpose

Silverhawk Flying Club, Inc. is organized and shall be operated exclusively as a social and recreational flying club for the benefit of its members, consistent with the provisions of Section 501(c)(7) of the Internal Revenue Code. Substantially all of the activities of the Club shall be for these purposes. The specific purposes of the Club are:

- a. To provide its members with safe, well-maintained, and economically viable aircraft for their personal use, pleasure, recreation, and flight training.
- b. To promote and encourage flying by its members and to provide programs and resources that enable them to maintain and enhance their flying proficiency and safety knowledge.
- c. To foster a community of aviators through social activities, shared learning, and mutual support, thereby enhancing the camaraderie and enjoyment of general aviation.
- d. No part of the net earnings of the Club shall be distributable to its members, directors, officers, or other private persons, except that the Club shall pay reasonable compensation for services rendered and to make payments and distributions in

furtherance of the purposes set forth in this Article.

ARTICLE II: MEMBERSHIP

1. Membership Classes

The Club shall have two classes of membership, with qualifications and privileges to be further defined in the Club's Operating Rules as established by the Board of Directors.

a. "S" Class: This class is intended for Silverhawk Aviation Academy student-pilots and Silverhawk Aviation Academy alumni-pilots primarily seeking to build flight time and proficiency in basic club aircraft.

b. "G" Class: This class is intended for experienced certified pilots who do not, or did not, attend Silverhawk Aviation Academy.

2. Qualifications and Application Process

a. Qualifications: An applicant for membership must hold, at a minimum, a valid Student Pilot Certificate and a current FAA Medical Certificate or meet BasicMed requirements. Additional qualifications may be required for specific membership classes as defined in the Operating Rules.

b. Application: Prospective members shall submit a formal application to the Board of Directors, which shall include copies of their pilot certificate(s), current medical certificate, a government-issued photo ID, and a current driving record from the Department of Motor Vehicles.

c. Approval: The Board of Directors shall review all applications and may require a personal interview with the applicant. Admission to membership shall require an affirmative vote by a majority of the Board of Directors.

3. Member Rights, Privileges, and Responsibilities

a. Voting: Each member in good standing, regardless of class, shall be entitled to one vote on any matter submitted to a vote of the members.

b. Responsibilities: Each member is expected to abide by the Articles of Incorporation, these Bylaws, and the Operating Rules of the Club. Members are responsible for the safe operation and care of Club property, maintaining their financial accounts in good standing, and conducting themselves in a manner that promotes a positive and professional community environment.

4. Inactive Status and Resignation

- a. **Inactive Status:** A member in good standing may request a transfer to inactive status for reasons such as prolonged illness, military deployment, or temporary relocation. The request must be submitted in writing to the Board of Directors for approval. While on inactive status, a member's flying privileges are suspended, and they may be subject to reduced monthly dues as determined by the Board. The "Use it or Lose it" minimum flight charge shall be waived during inactive status.
- b. **Resignation:** Any member may resign from the Club by providing written notice to the Board of Directors. A resignation does not relieve the member of the obligation to pay any outstanding dues or fees owed to the Club. Initiation fees are non-refundable.

5. Suspension and Expulsion

- a. **The Board of Directors may suspend or expel any member for cause, including but not limited to:** violation of FAA regulations, violation of Club Bylaws or Operating Rules, conduct detrimental to the safety or reputation of the Club, willful damage to Club property, or failure to meet financial obligations. Such action shall require a majority vote of the entire Board of Directors, and the member shall be given written notice and an opportunity to be heard by the Board prior to a final decision.

ARTICLE III: FEES, DUES, AND FINANCIAL OBLIGATIONS

1. Initiation Fees and Monthly Dues

- a. **Initiation Fee:** Each new member shall pay a one-time, non-refundable initiation fee upon acceptance into the Club. The amount of the fee shall be determined by the Board of Directors and may vary by membership class.
- b. **Monthly Dues:** Each member shall pay monthly dues to cover the fixed operating costs of the Club, such as insurance, hangar fees, and administrative expenses. The amount of the monthly dues shall be set by the Board of Directors and is payable in advance on the first day of each month.

2. Flight Charges and "Use it or Lose it" Policy

- a. **Flight Charges:** Flight time in Club aircraft shall be charged at an hourly "wet" rate, which includes the cost of fuel. Rates shall be calculated based on the aircraft's Hobbs meter. The Board of Directors shall establish and may adjust the hourly rates for each aircraft as necessary to cover variable operating costs, including reserves for maintenance and engine overhauls.

- b. **"Use it or Lose it" Policy:** To ensure financial stability and promote pilot proficiency, the Club shall enforce a minimum monthly flight charge. If a member's accrued flight charges for a given month are less than a minimum amount set by the Board of Directors (e.g., the equivalent of one hour at a designated aircraft's rate), the member will be billed the difference. This policy is a condition of membership and applies to all active members.

3. Billing, Payments, and Delinquency

- a. **Billing:** The Club Treasurer shall provide each member with a monthly statement detailing all dues, flight charges, and other fees. The billing period shall be from the 26th of the preceding month to the 25th of the current month.
- b. **Payment:** Payment in full is due by the 10th day of the month following the statement date.
- c. **Delinquency:** An account not paid in full by the 20th of the month shall be considered delinquent and may be assessed a late fee as determined by the Board. Any member whose account is delinquent by more than 30 days shall have all Club privileges, including flight scheduling and voting rights, automatically suspended until the account is paid in full.

4. Special Assessments

- a. In the event of a major, unforeseen expense that cannot be covered by the Club's operating budget or reserves, the Board of Directors may propose a special assessment to the membership. The levying of any special assessment shall require an affirmative vote by a majority of the members in good standing present at a regular or special meeting called for that purpose.

ARTICLE IV: GOVERNANCE AND BOARD OF DIRECTORS

1. General Powers and Number of Directors

- a. The business, property, and affairs of the Club shall be managed by a Board of Directors. The Board shall consist of five (5) directors. The Board is authorized to establish policies, manage finances, enter into contracts, and oversee all operations of the Club in accordance with these Bylaws.

2. Election, Term of Office, and Qualifications

- a. **Election:** Directors shall be elected by a majority vote of the members present in person or by proxy at the Annual Meeting of the members.

- b. **Term of Office:** To ensure continuity, directors shall serve staggered two-year terms. Three directors shall be elected in odd-numbered years, and two directors shall be elected in even-numbered years.
- c. **Qualifications:** A director must be a member in good standing of the Club and be at least 18 years of age.

3. Vacancies and Removal

- a. **Vacancies:** Any vacancy occurring on the Board of Directors may be filled by an affirmative vote of a majority of the remaining directors. A director appointed to fill a vacancy shall serve for the unexpired term of their predecessor.
- b. **Removal:** Any director may be removed from office, with or without cause, by a majority vote of the members at a special meeting called for that purpose.

4. Meetings of the Board

- a. **Regular Meetings:** The Board of Directors shall hold regular meetings at a time and place determined by the Board.
- b. **Special Meetings:** Special meetings of the Board may be called by the President or by any two directors.
- c. **Notice:** Notice of any meeting of the Board shall be given at least five (5) days prior to the meeting.
- d. **Quorum:** A majority of the number of directors in office shall constitute a quorum for the transaction of business. The act of a 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 greater number is required by law or by these Bylaws.

ARTICLE V: OFFICERS

1. Officer Positions

- a. The officers of the Club shall be a President, a Vice President, a Secretary, a Treasurer, and a Maintenance & Safety Officer. Any two or more offices may be held by the same person, except the offices of President and Secretary.

2. Election and Term

- a. The officers shall be elected annually by the Board of Directors from among its members at the first board meeting following the Annual Meeting of members. Each officer shall hold office for one year or until their successor is duly elected

and qualified.

3. Duties of Officers

- a. The duties of the officers shall include, but are not be limited to, the following:
 - i. **President:** The President shall be the chief executive officer of the Club, shall preside at all meetings of the members and of the Board of Directors, and shall have general supervision over the affairs of the Club, subject to the control of the Board.
 - ii. **Vice President:** In the absence of the President or in the event of their inability to act, the Vice President shall perform the duties of the President and, when so acting, shall have all the powers of the President.
 - iii. **Secretary:** The Secretary shall be responsible for keeping the minutes of all meetings, giving all required notices, maintaining the corporate records and the official membership roster, and performing other duties as assigned by the Board.
 - iv. **Treasurer:** The Treasurer shall be the chief financial officer, responsible for the custody of all Club funds, maintaining accurate financial records, preparing monthly member statements and financial reports for the Board, and filing all necessary tax returns (such as IRS Form 990).
 - v. **Maintenance & Safety Officer:** The Maintenance & Safety Officer shall be responsible for overseeing the maintenance of all Club aircraft, ensuring compliance with all FAA airworthiness directives and regulations, coordinating with maintenance providers, managing the aircraft squawk list, and promoting a culture of safety through regular safety meetings and programs.

Table 1: Summary of Officer Roles and Responsibilities	
Officer Title	Key Responsibilities
President	Chief Executive Officer; Presides at all meetings; General supervision of Club affairs; Executes contracts and official documents.
Vice President	Performs duties of the President in their absence; Assists the President

	with supervision of Club affairs.
Secretary	Records and maintains minutes of all meetings; Issues official notices; Custodian of corporate records and membership roster.
Treasurer	Chief Financial Officer; Manages all Club funds and bank accounts; Prepares financial reports and member billing; Files tax returns.
Maintenance & Safety Officer	Oversees all aircraft maintenance and records; Ensures FAA compliance; Manages squawk list; Develops and leads Club safety programs.

ARTICLE VI: MEETINGS OF MEMBERS

1. Annual and Regular Meetings

- a. **Annual Meeting:** An Annual Meeting of the members shall be held in the fourth quarter of each year for the purpose of electing directors and transacting other business as may come before the meeting.
- b. **Regular Meetings:** The Board of Directors may schedule regular meetings of the membership to conduct business and foster community engagement. A key policy of competitors is a meeting attendance requirement, and while not mandated here, regular meetings are essential for building the club culture envisioned in the business plan.

2. Special Meetings

- a. Special meetings of the members may be called by the President, by a majority of the Board of Directors, or by a written petition signed by not less than twenty-five percent (25%) of the members in good standing.

3. Notice, Quorum, and Voting

- a. **Notice:** Written or electronic notice stating the place, day, and hour of any meeting of members shall be delivered not less than ten (10) nor more than sixty (60) days before the date of such meeting.
- b. **Quorum:** Twenty-five percent (25%) of the members entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of members.

- c. **Voting and Proxies:** Each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary before the meeting. No proxy shall be valid after eleven (11) months from the date of its execution.

ARTICLE VII: RELATIONSHIP WITH SILVERHAWK AVIATION ACADEMY

1. Arm's-Length Transactions

- a. All financial transactions, service agreements, and lease arrangements between the Silverhawk Flying Club, Inc. and Silverhawk Aviation Academy, LLC (or any affiliated for-profit entity) must be conducted at arm's length. All rates and fees for services shall be documented and reflect fair market value.

2. Formal Agreements Required

- a. The Board of Directors is required to execute and maintain formal, written agreements for all significant services provided by or to Silverhawk Aviation Academy. These shall include, but are not limited to: aircraft leases, hangar rental agreements, maintenance service contracts, and fuel purchase agreements. These agreements must be reviewed by the Board at least annually to ensure the terms remain fair and reasonable to the Club.

3. No Co-mingling of Funds

- a. The funds of the Club shall not be co-mingled with the funds of any other person or entity. The Club shall maintain its own separate bank accounts, and all financial transactions shall be managed exclusively by the Club's Treasurer under the oversight of the Board of Directors.

ARTICLE VIII: AIRCRAFT OPERATIONS, SAFETY, AND INSURANCE

1. Operating Rules

- a. The Board of Directors is authorized to create, adopt, and amend a separate document known as the "Operating Rules." This document shall contain the detailed day-to-day policies, procedures, and rules governing the use of Club aircraft. Topics covered shall include, but not be limited to: aircraft scheduling procedures, pilot currency and checkout requirements, aircraft care and cleaning standards, and guest policies.

2. Insurance and Member Liability

- a. **Insurance:** The Club shall maintain, at a minimum, liability and hull insurance on all aircraft it owns or leases. The types and amounts of coverage shall be determined by the Board of Directors.
- b. **Member Liability:** In the event of damage to a Club aircraft resulting from a member's operation, that member shall be responsible for the cost of repairs up to the amount of the Club's insurance policy deductible, provided the damage was due to the member's fault or negligence. This policy mirrors the structure used by established clubs in the area.

ARTICLE IX: INDEMNIFICATION

The Club shall indemnify any director or officer, or former director or officer, against expenses actually and necessarily incurred by them in connection with the defense of any action, suit, or proceeding in which they are made a party by reason of their position, except in relation to matters as to which they shall be adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of their duties. This indemnification shall be consistent with the laws of the State of Idaho.

ARTICLE X: AMENDMENTS TO BYLAWS

These Bylaws may be altered, amended, or repealed, and new Bylaws may be adopted, by an affirmative vote of two-thirds (2/3) of the members present in person or by proxy at any regular or special meeting of the members, provided that notice of the proposed amendment shall have been included in the notice of the meeting.

ARTICLE XI: DISSOLUTION

Upon the dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Corporation, dispose of all of the assets of the Corporation exclusively for the purposes of the Corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under section 501(c)(3) or 501(c)(7) of the Internal Revenue Code, as the Board of Directors shall determine. In no event shall any such assets be distributed to the members of the Club.