

High Performance Wing General Operating Agreement

I. Purpose

The High Performance Wing (HPW) is a subgroup operating under the Southeastern Minnesota Flying Club (SEMFC). This General Operating Agreement (GOA) is an agreement entered into among the members of the HPW and the Board of Directors of the SEMFC relating to the use, operation, and finances of the high performance aircraft (HPA) owned by SEMFC. All HPW members are bound by this GOA along with both the SEMFC bylaws and the SEMFC flying regulations and operating rules.

II. HPW Membership:

a. Membership Classes:

The HPW has two classes of membership, the equity membership and the CSIP (Cirrus Standardized Instructor Pilot) membership. Both membership classes are responsible for paying HPW monthly dues, and both classes of membership have equal access to the HPA.

i. Equity membership:

Equity members are those who have paid the HPW equity. Equity members have full voting rights in HPW business.

ii. CSIP membership:

CSIP members are active flight instructors who have undergone CSIP training or who have committed to CSIP training within 30 days of becoming a CSIP member. CSIP members do not have a vote in HPW business except in the event of tie votes by the equity members. CSIP members are restricted to exactly 12 consecutive months of membership, at which time the CSIP member must either become an equity member or allow the membership to expire.

b. Active Membership Requirement:

Only Active Members of the SEMFC may become members of the HPW. Any member who ceases to be an Active Member of the SEMFC either through a change in membership class in SEMFC or through resignation, suspension, or expulsion from SEMFC ceases to be a member of the HPW. Membership resignation is subject to section X of this Document, Resignation of HPW members.

c. New Membership:

New members may be added with the approval of a simple majority of the HPW equity members and approval of the SEMFC board. New members must pay the then current equity contribution.

III. Voting

a. Method

Business requiring a vote of the HPW equity members may be conducted electronically through email, telephone, or other such means or in person at a time and place reasonably determined by the HPW Coordinator. Equal efforts must be made to inform each HPW equity member of the vote (e.g., if email is used, every equity member must be emailed.), but votes need not be collected for every HPW equity member assuming enough votes for or against a proposition have been cast to determine the outcome. Any uncollected vote shall count as an

abstention. Any HPW equity member may request a tally of votes and how each HPW equity member voted within 7 days of the vote.

b. Majority vote

All business requiring a majority vote of HPW equity owners shall be deemed to have passed if over 50% of the total equity members vote in favor of the proposition. In the event of a tie vote of exactly 50%, all CSIP members are included in the vote. In the event of a tie vote after CSIP members have voted, the tie must be broken by the first SEMFC officer in the sequence of president, vice president, treasurer, and secretary who is not a HPW member.

IV. HPW Coordinator

a. Election

The HPW Coordinator is elected by a majority vote of the HPW equity members. Elections are held whenever an HPW officer position is vacated or whenever a majority of the HPW equity owners vote to hold elections. Elections are managed by an election judge approved by a majority vote of the HPW equity members who is neither the current HPW coordinator nor a candidate in the election.

b. Duties

The HPW Coordinator is responsible for conducting any business meetings of the HPW and acts as a liaison between the HPW and the SEMFC board. The HPW Coordinator is encouraged to attend SEMFC board meetings whenever possible to represent the HPW. The HPW Coordinator may appoint any HPW equity member to attend the board meeting in his or her place. In addition, the HPW Coordinator is responsible for keeping the membership informed of any business related the HPW including the results of any votes.

c. Compensation

The HPW Coordinator shall not receive any compensation or dues reduction for performing their duties as HPW officers.

V. HPW Equity Value

a. Initial Value

The initial value of equity shares in the HPW for the eight founding HPW equity members is \$7500.

b. Right to buy-out

The SEMFC membership may at any point choose to buy-out the HPW equity members and dissolve the HPW. In such a case, the SEMFC must pay each HPW equity member the equity value of their HPW equity share.

c. Modification of Equity Value

The value of each equity share may be adjusted by majority vote of the HPW equity members and approval of the SEMFC board of directors. When the equity value is adjusted, existing equity members are either assessed the additional equity if the equity value is adjusted up or must be refunded the difference in equity value if the equity value is adjusted downward.

d. Equity Payment in Sale of HPA

The value of each equity share must be fully refunded to the HPW equity members in the event of a sale of the HPA. If such sale were to take place before the one year anniversary of

the purchase of N645BD, each HPW member's equity share refund will be reduced by \$500 with those funds being retained by SEMFC.

VI. HPW dues

In addition to regular SEMFC monthly dues, all HPW members must pay the additional HPW monthly dues. Dues may be adjusted by a majority vote of the HPW equity members and approval of the SEMFC board of directors. Initial HPW monthly dues are \$260 per month in addition to standard SEMFC monthly dues, inclusive of state taxes.

VII. Assessments

In the event that the finances of the HPW group necessitate additional revenue, the HPW members may vote to assess each HPW equity member equally without changing the HPW equity value. Such assessment must be approved by a 2/3 vote of all HPW equity members and the SEMFC board of directors.

VIII. HPW flying regulations

a. Initial training, currency and medical certification requirements

All HPW members must meet insurance requirements and regulatory requirements for initial training, currency, medical certification in order to act as pilot-in-command (PIC) of the HPA. All HPW members must present documentation demonstrating compliance with these requirements when requested by the HPA insurer or the SEMFC board of directors. Any SEMFC officer may restrict access to a HPW member's scheduling privileges of the HPA if training or currency requirements are in question.

HPW members are expected to use good judgment in exercising their PIC duties. Members are directed to the Cirrus Flight Operations Manual and the Cirrus Transition Training Syllabus for procedure recommendations, currency recommendations, and personal minimum recommendations that incorporate input from their CSIP as benchmarks for safe practices.

b. Prohibited uses

No HPW member may use the HPA in a manner that would be considered an uninsured use by the insurer of the HPA, in a manner in violation of state or federal laws or in a manner in violation of SEMFC club bylaws or flying regulations.

IX. Scheduling privileges and limitations

a. Scheduling privileges

All HPW members who are current on their accounts payable to the SEMFC shall have scheduling privileges of the HPA.

b. Limitations

Scheduling of the HPA is subject to the following additional restrictions unless approved by the HPW Coordinator or a SEMFC officer on a case-by-case basis.

- i. No HPW member may have more than four weekend days scheduled not including any weekend days less than one week away. Any scheduled time on a weekend day including several time slots scheduled on the same weekend day constitute one weekend day for the purposes of this rule.
- ii. It is understood that travel delays, unexpected weather, and/or other unanticipated situations may require prolonging a trip. In such cases, HPW members are given wide latitude in deciding whether or not it is feasible to have the HPA back as scheduled.

However, HPW members should inform other HPW members who have scheduled the HPA as soon as practical in the event of such delays.

X. Resignation of HPW members

Notwithstanding club bylaws, the SEMFC is not obligated to buy back HPW equity, nor is the SEMFC obligated to accept the resignation of a HPW member. HPW members are obligated to pay all dues and assessments until the SEMFC accepts the resignation of the HPW member.

a. HPW CSIP members

A HPW CSIP member may not resign his or her membership until the end of the 12 consecutive months of membership or unless approved by a majority vote of the HPW equity members and the SEMFC board. To be considered for resignation, a written request by the HPW CSIP member must be submitted to the HPW Coordinator (email is acceptable and preferred).

b. HPW equity members

A HPW equity member may not resign his or her membership unless approved by a majority vote of the HPW equity members and the SEMFC board. To be considered for resignation, a written request by the HPW equity member must be submitted to the HPW Coordinator (email is acceptable and preferred). The full equity value of the HPW equity member's share less any unpaid account balances must be refunded after the resignation of the HPW equity member is accepted.

c. First-in-first-out rule

In the event that two or more HPW members submit written requests to resign, resignations must be accepted in the order that the written request was received by the HPW Coordinator.

d. Sale trigger

In the event that at least three HPW equity members have given written requests to resign, those requests have not yet been accepted, and either the most recent request is over 90 days in the past or the oldest request is over 1 year in the past, the SEMFC board and HPW membership must either accept the oldest request or place the HPA up for sale at the appraised value of the HPA within 30 days.

e. Expulsion

In the event of an expulsion of a HPW equity member by the SEMFC, the full equity value of the HPW equity member's share less any unpaid account balances and less six months of HPW dues shall be refunded.

XI. Changes to this General Operating Agreement

Changes to this GOA must be approved by 2/3 of the HPW equity members and the SEMFC board.

XII. Supremacy of SEMFC By-laws and Flying regulations

In the event that this GOA and SEMFC By-laws or Flying regulations are in direct conflict, SEMFC by-laws and flying regulations shall prevail. However, SEMFC by-laws and flying regulations may not be used to reduce the equity of HPW members or their privileges as HPW members as described in this GOA.