

FLYING GROUPS

When it is agreed by all prospective members that the projected Flying Group is feasible, the following steps need to be taken (not given here in any particular order):

- Appoint a Group Chairman, Treasurer and Secretary;
- Agree a Group name;
- Treasurer to open a Group bank account and nominate those members who will sign cheques, etc;
- Consult with an engineering organisation and have a general survey carried out on the aircraft the Group intend to purchase;
- With the above in mind agree a price for the aircraft and obtain insurance coverage;
- Arrange for a suitable instructor to carry out checkouts on the aircraft with each Group member. At the end of the checkout have each pilot's Log Book signed by the instructor (this may be used later to maintain the PPL under the new J.A.R. License Rules);
- Register the new owners with the CAA (if one person's name is used, i.e. "Joe Bloggs & Partners", it is not a requirement to have the aircraft re-registered if a Group share changes);
- Find a suitable airfield and facilities which meets the requirements of all members and their flying experience;
- All agree the Group rules and sign to indicate this agreement (a competent wise Chairman can resolve problems before they arise). A Gentlemen's Agreement is far better than resorting to the Law;
- The "Group Rules" spend most of their time covered in dust. However, you can see how important they are in avoiding the break-up of the Group and legal costs;

Agreed Costs

As agreed at a Group meeting each member will pay by Standing Order an amount to cover the monthly fixed costs of hangarage/parking, maintenance and insurance.

At a monthly Group meeting each member will pay the hourly flying rate for the flying that they have undertaken since the last meeting. The hourly costs includes fuel and oil, etc.

A regular review by the Treasurer of these costs will indicate if changes need to be made to keep the Group financially viable.

OPERATIONAL REGULATIONS

The following Regulations are issued as a guide to LAA Groups, in the framing of their own Group Rules.

General

- Any operations for renewal of aircraft C of A or the issue/renewal of a permit to fly will only be undertaken by the person authorised by the CAA/LAA to undertake such tests;
- Student pilots must be authorised by the Group CFI for each flight on the authorisation sheet provided;
- It is the responsibility of members intending to fly as Pilot-In-Command of the Group aircraft to ensure that the aircraft is serviceable and all pre-flight actions required of a Pilot are completed;
- Normally, unless agreed otherwise, fuel/oil for a minimum of one hour's flight should remain in the aircraft after use. The aircraft will be left in a clean and tidy state for the next member's use;
- All members should know and understand the aircraft systems and emergency checklist actions required;
- All flights must be booked in and out in the Group Movements Book, along with fuel/oil uplifts and defects and comments;
- Any adverse comment or defect will be dealt with in consultation with a Group official, i.e. Chairman / Secretary / Treasurer / Technical Officer.

SUGGESTED MODEL RULES

THE RULES OF THE FLYING GROUP

1. The Name of The Group

The full name of the "Group" is The _____ Flying Group

2. Object

The object of the Group is to provide safe and economical flying for the members of the Group through the operation and ownership of an aeroplane or aeroplanes (maximum number of members is legally limited to 20).

3. Administration

The Group shall be administered by a Committee consisting of a Chairman, Secretary and Treasurer. The Committee shall be elected annually by the members of the Group.

4. Annual General Meeting

An Annual General Meeting shall be held within three months of the end of each calendar year, at which the reports of the Committee and the audited accounts of the Group shall be considered. The Chair will be taken by a member elected at this meeting by the members present. The meeting shall elect the Committee, appoint honorary auditors and consider any other relevant business. A summary of the audited accounts and the agenda of the Meeting shall be sent to all members at least fourteen days before the date of the meeting.

5. Membership

A person of not less than 18 years of age may become a member of the Group in accordance with paragraph 17(d) and by paying to the Honorary Treasurer the agreed purchase price for one share of the Group. All members shall have one full vote in matters concerning the Group, with the Chairman having an additional (casting vote). Members shall have equal rights to use the aeroplanes owned or operated by the Group subject to the operational regulations currently in force, and shall have equal obligations towards their maintenance.

6. Persons permitted to fly

Only members and a small number of named pilots specifically appointed by the Committee (and notified to the Group's insurers) to act as training or check out pilots may act as Pilot-In-Command. A member may carry a passenger at his discretion and may also permit the passenger to pilot the aeroplane although the member must at all times remain Pilot-In-Command.

7. Value of a share

In the event of a member being expelled, or a share being offered to the Group by a resigning member or the family of a deceased member, the Committee shall decide the price at which the Group will offer to buy the share. The price shall not be less than the one portion of audited net assets of the Group. In the case of failure to agree, reference may be made to a mutually acceptable independent assessor. A resigning member may sell his share to a prospective member in accordance with Rule 8, for whatever sum they agree between them, however, the price must be disclosed to the other members.

8. Sale of a share

Any member wishing to sell a share shall give notice of his intention to the Secretary. The member has the primary responsibility for finding a replacement, but all members are to be encouraged to advertise the vacancy. A prospective member shall be given a copy of the Rules and a list of members and be invited to attend the next meeting. After this meeting the remaining members shall decide in accordance with Rule 17 whether or not to admit him. The Group shall not act unreasonably in considering proposed members. Nothing less than a full share may be sold. Exceptionally the Group may purchase the share. The financial transaction must take place through the accounts of the Group in order to validate the transfer of the share. The purchaser shall pay the agreed purchase price to the Treasurer who shall pay this sum, less any monies owed to the Group, to the resigning member in exchange for his Share Certificate. The Treasurer shall arrange for the change of ownership to be validated on the Share Certificate by the Secretary and himself, and for the transfer of the Share Certificate to the new member. As a matter of courtesy the Owner of the Airfield where the aircraft is based shall be informed of the intended sale of a share by any member, prior to the public advertisement of sale.

9. Share Certificate

Each member is to receive a Share Certificate indicating the proportion of Group assets owned by him and the method of transferring his share to a new member. A sample Share Certificate is to be kept by the Secretary with the Rules of the Group.

10. Expulsion and Suspension

The Committee may summarily suspend a member's right to act as Pilot-In-Command, co-pilot or passenger, if it considers that the member's conduct has been, or is likely to be, detrimental to the interests of the Group; the reasons to be given in writing to all members within one week. A member so suspended shall have the right of appeal at the next meeting of the Group, which shall be held as soon as possible afterwards, and in any case within one month.

An appeal will be decided by a vote of all members present. If a suspension is for a limited period the member shall continue to pay the monthly subscription. In the exceptional event that a member is expelled from the Group the Secretary shall write to the member confirming the price at which the Group offers to purchase the member's share, in accordance with Rule 7. The Group shall buy the member's share as soon as is financially practical, bearing in mind that the interests of the Group are more important than those of the expelled member, and no later than six months from the date of acceptance in writing of its offer. The expelled member does not forfeit his/her right to sell the share in accordance with Rule 8.

11. Liability

The operation of the Group aeroplane shall be at the risk of the member acting as Pilot-In-Command. Each member hereby undertakes that he/she will not knowingly do or cause to be done any act that would invalidate the Group's insurance policies, and will make no claim or proceedings against the Group or any individual member for any act or omission or defect in respect of the condition of a Group aeroplane or its equipment.

12. Insurance

The Group shall maintain adequate insurance policies for its aeroplanes and operations as decided necessary by the Committee. If as a result of an insurance claim or damages up to the value of the current excess, that amount is the responsibility of the member in charge of the aeroplane at that time. The member has, however, the right to approach all other members with the request that they all contribute towards payment. Any member who is identified by the Group's insurers as a special risk, e.g. a holder of a student pilot's licence, may be required to bear any additional premium resulting from that use.

13. Accounts and Subscriptions

- a) It is a condition of membership that subscriptions shall be paid monthly on the first day of each month by banker's order or by other arrangements acceptable to the Treasurer.
 - i) If a member fails to pay, he or she shall be liable to pay in addition to the overdue monthly subscription payments a fine of an amount equal to the total of the overdue payments. Such a fine may subsequently be reduced or waived at the discretion of the members voting by a simple majority in a monthly meeting. A defaulting member shall be entitled to ask for the fine to be reviewed at a monthly meeting but not to vote on any proposal on the subject.
 - ii) A defaulting member may also be suspended until such time as he

or she shall have paid all outstanding subscriptions and fines.

- b) Subscriptions will be based on predicted expenditure on maintenance, hangarage, insurance, administration, etc. and such permit fees as may be necessary, but shall in any event represent the most economical costing.
- c) Flying charges will be reviewed periodically by the Committee. The charges will be based on predicted costs directly incurred through flying.
 - i) Payment for flying is to be made by cheque or cash on receipt of a monthly account, or by such other method as is agreed with the Treasurer.
 - ii) If payment is not made within one month of such receipt the member concerned may be suspended.
- d) An adequate reserve is to be accumulated for contingencies.
- e) Properly kept books and accounts must be available at reasonable times for inspection by members.
 - i) These accounts must be audited at the end of each calendar year by two members in conjunction with the Treasurer.

14. Levies

In exceptional circumstances a cash levy may be raised equally on all members. Failure to pay within three months may result in withdrawal of privileges as in Rule 13.

15. Drawing rights of Bank Account

Cheques will normally be signed by the Treasurer and one other member, but the Group may authorise an alternative signatory.

16. Disbandment

In the event of the Group being disbanded all assets shall be realised and all monies divided equally between members, after payment of all outstanding debts.

17. Quorums and Majority Decisions

- a) Alterations to the Rules shall only be made at the request of two or more members. The proposed alterations must be sent to all members in writing at least 14 days before a meeting is held. To alter the Rules a majority of at least two-thirds of all members is required. If, due to absence, a two-thirds majority cannot immediately be obtained, absent members must be contacted by the Secretary or Chairman to present to them the views of the meeting and to determine their votes which will be counted at the next ordinary meeting, when the proposed change of Rules will be ratified or rejected.

- b) Expulsions, in accordance with Rule 10, may only be effected by a majority of at least two-thirds of all other members, using the procedure as in Rule 17(a), and after all members have been notified of the proposed expulsion.
- c) A decision to raise a cash levy may only be made at a meeting and by a two-thirds majority of all members. If an immediate two-thirds majority cannot be obtained due to absence, the procedure will be as in Rule 17(a).
- d) The agreement to admit a new member to the Group shall be by a two-thirds majority of all members after all have been consulted, and after the objections of any member to the prospective member have been communicated to all other members.
- e) The procedure for disbandment shall be as for a change of Rules, (Rule 17(a)).
- f) All other major policy decisions shall be made at a Meeting by a simple majority of all members. If due to absence a simple majority is not obtained the procedure shall be as in Rule 17(a).
- g) Minor policy decisions shall be made at a Meeting by a simple majority of members present.
- h) A Meeting is defined as one for which notice has been given to all members a reasonable time ahead of the suggested date, not less than 14 days, and for which a reasonable venue is required. Two or more members may require a meeting to be specially convened.
- i) A Quorum at an Annual General Meeting shall be eight members and at other meetings it shall be six members.

18. Compliance with Regulations

All members of the Group must comply with Local and National Laws and Regulations, as well as the Group Rules and Operational Regulations.

All previous Rules of the Group are hereby revoked. A copy of the foregoing Rules is to be attached to the Minute Book.

I _____ hereby agree to the
Rules of The _____
Flying Group as per the attached, as initialled on each page.

I confirm my name and address as follows and will inform the Secretary of any
future instructions.

Signed:

Dated:

Name:

Address: