

Aircraft Partnership Agreement Between:

Limited Partner:

1. _____, Percent of Ownership in LLC _____%
2. _____, Percent of Ownership in LLC _____%
3. _____, Percent of Ownership in LLC _____%
4. _____, Percent of Ownership in LLC _____%

General Partner: Partnership Aircraft Management LLC

WITH REGARD TO <Name>, LLC, Owner of <N-number>, a <Make and Model>, Serial Number <add here>

This agreement is effective the < date,> by and between the partners listed above.

Article 1 - Purpose of Organization

The persons above elect to form an LLC for the purpose of purchasing and owning as tenants in common, the above-mentioned aircraft and operating the aircraft for the partners' business, training, and pleasure or any use the partners may agree upon by a majority vote, as long as the General Partner deems that it is a safe operating procedure. All aircraft operations must be in strict accordance with FAA regulations.

Article 2 - Term of the Agreement

The LLC was formed on <date> and shall continue until termination by mutual consent of the partners or as required by the terms of this agreement.

Article 3 - Use of Funds, Capital Accounts, Owners' Equity

- A Limited Partner share is (24.75%) to 25% ownership of the LLC.
- There are 4 Limited Partner Shares available totaling 99% of the LLC ownership.
- The General Partner retains 1% ownership interest for managerial purposes but does not share in any profits/losses of the LLC. See Appendix A for General Partner Definition.
- A Limited Partner could own as many as 3 shares, See Appendix A for Limited Partner Definition.

partners shall be billed a monthly invoice to cover regular, fixed costs including, but not limited to, Storage rent, required inspections, pilot wages and training, taxes and insurance. These sums shall be invoiced through the LLC by the General Partner.

Upon mutual consent, special assessments may be made against the partners for such uses as the partners may decide. Each special assessment so made shall be payable on a date established by the partners.

Funds to cover either fixed expenses or special assessments shall be payable on or before the first day of each month during the term of this Agreement. If any partner is more than 30 days in arrears in the

payment of the monthly contribution or special assessment, the non-delinquent partner may make a decision regarding the aircraft which, under the terms of this Agreement, would otherwise require mutual consent.

Partner payments in the form of services or property, in lieu of cash, shall not be permitted unless by mutual written consent of the Partners. (As an example, a partner may NOT exchange such services as oil changes, washing, or other maintenance functions to pay for flight time without mutual written consent.)

Article 4 - Accounting

The General Partner shall maintain possession of the books and records of the LLC and shall perform the necessary administrative accounting functions of the LLC. See Appendix B for more information.

<Name> CPA firm will conduct a yearly audit of the LLC financials and accounts. For both tax and partnership accountability purposes.

Article 5 – Partner Meetings

Meetings of the LLC partners shall be held at least once a year as agreed by the partners. Notice of the time and place of each regular meeting shall be given by the General Partner to the other partners at least 15 days prior to the meeting. Special meetings may be called by the General Partner on such notice as the General Partner may deem necessary for the continued welfare of the LLC but with a minimum of 15 days' notice.

Article 6 - Management and Administration

Except as otherwise stated in this agreement, decisions regarding the sale of the LLC assets and the operation of the aircraft shall be made by mutual consent. Three Limited Partners (Unless there is less than 4 Partners) and the General Partner shall be present at each regular meeting or special meeting as may be called by the General Partner to constitute a legal meeting for the continuance of the affairs of the LLC. One share constitutes one vote in the affairs of the LLC.

Article 7 - Books and Records

Complete accounting records of all LLC affairs shall be kept and shall be open to review by the other partners upon reasonable request.

A checking account for the LLC will be maintained at <Bank>. The General Partner will maintain the account for the LLC and its shareholders and provide quarterly statements for the Partners to review. See article 9 for more information on Capital Account.

Article 8 - Custody of Documents

Copies of registration certificate, bills of sale, or any other evidence of ownership of the aircraft relating to the LLC and registered or recorded in such names, shall be maintained by: The General Partner. These Items will be scanned, and digital copy will be and made available to the other partners at any reasonable time and upon reasonable notice.

Article 9 - Capital Accounts and Valuation Date

The Capital Account is a bank account set up for the LLC, to hold monies necessary for the ongoing operation of the aircraft that the LLC owns.

The Capital Account will be maintained by the General Partner, and the General Partner will send out monthly balance statements for the account.

For large expenditures over the amount of \$_____ usd. The General Partner will get, by email written approval, mutual consent from the Limited Partners to pay from the Capital Account.

Article 10 - Notices

Notification of LLC matters relating to this agreement that are to be in writing and may be served personally on the Partner(s) or by certified mail addressed as follows (or to the last known address of record in the LLC records):

Name	Phone#	Email	Address
Emergency Contact #:			
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____

The partners shall give notice of any change of address to each other within 5 days of such change. If notice is given by U.S. mail, it shall be considered served three (3) days after its deposit, postage prepaid, in the United States mail.

Article 11 - Restriction of Partners

No partner, without the consent of the other partners shall:

- a. Sell, assign, hypothecate, encumber or pledge his/her equity in any of the LLC assets, except as provided for in this agreement.
- b. Borrow or lend money on behalf of the LLC
- c. Transfer, sell, consign or grant release of any claim of the LLC or consent to an arbitration on any dispute involving the partners.
- d. Use the assets or identification of the partners for any purpose other than that stated in Article 1 or
- e. Commit an act detrimental to any partner/LLC activity which would make it difficult or impossible to continue conduct of the LLCs stated objectives.

Article 12 - Unilateral Authority

No Partner shall, without the consent of the others, contract or obligate the LLC to the payment of any sum of money in excess of \$_____. No partner shall, without the consent of the others, suffer any lien to be levied against the aircraft or other LLC assets.

If a lien is levied for a debt which did not have the consent of all partners, it shall be grounds for dissolution of the LLC. At the option of the non-consenting partners, the costs required to satisfy the lien shall come out of the share of the consenting partner.

Article 13 - Rules and Regulations

The aircraft shall at all times be flown and maintained in accordance with all applicable Federal Air Regulations and requirements of duly constituted authority. Any deficiencies which cause any civil penalties to be levied shall be borne by the person responsible for the violation. In the event that the violation is not directly attributable to the responsibility of one of the partners, the cost shall be borne equally by all partners or insurance carriers. Any partner finding an equipment condition that presents a hazard to further use shall have the right and duty to notify the general partner, who will determine if the aircraft is disabled, grounded and incapable of further flight (or ground movement, as the case may be) until the condition is remedied. The condition shall immediately be reported to the general partner in charge of maintenance.

Article 14 - Damage Due to Faulty Technique

Damage resulting from faulty flying and/or handling technique will be the responsibility of that individual partner causing such damage, except as may be paid by insurance on the aircraft. Damage caused by the negligence of a partner not indemnified by insurance (such as a deductible) will be repaired at his/her sole expense and in an expeditious manner so as to permit the operations of the LLC to continue without undue delay or inconvenience. Penalties levied against any partner for acts in violation of any law governing the operation of the aircraft shall be borne solely by the partner causing the violation.

Article 15 - Aircraft Use Restrictions

This aircraft can be used commercially, for air taxi, or charter purposes by the consent of the limited partners and the approval of the general partner. The aircraft will not be used for flight training for the general public like a flight school.

Article 16 - Aircraft Basing

The aircraft shall be based at the <airport> and the costs of storage or tie-down at said base shall be borne equally by the partners and will be billed monthly by the general partner. Costs attributable to storage, parking, tie-down or landing fees while the aircraft is being operated away from the home base shall be borne solely by the partner operating the aircraft away from the home base. The decision to change the base of operations from the airport specified above requires the mutual consent of all the partners.

Article 17 - Overnight Away from Home Base

See Article 29.

Article 18 - Type of Operations, Runway Lengths

Landings at airstrips of less than <distance> usable feet in length shall not be permitted. Landings other than paved or concrete runways shall not be permitted without the assumption of responsibility by the operating partner of any resulting damage to any part of the aircraft.

Article 19 - Flight into IFR Conditions

No flights shall take place into IFR conditions unless all equipment necessary for operation appropriate to the ground facilities to be used is in proper working order or inoperative in accordance with Federal Aviation Regulations.

Article 20 - Other Pilots

No person other than the partners shall be authorized to operate the aircraft except with the express consent of the General Partner, and then only if that person has the experience level required by the FAA and the approval of the underwriter for the insurance policy then in force except for flights and operation by authorized personnel incidental to testing after maintenance and repair at an FAA Authorized Repair Station.

Article 21 - Primary Responsibility

See Appendix B Responsibilities

Article 22 - Number of Partners

The LLC shall be limited to 5 limited partners and one general partner. There has to be at least 2 limited partners to constitute this agreement.

Article 23 - Partners with More Than One Equal Share

In the event that any partner possesses more than an equal share in the LLC, that partner will be restricted to a single vote in matters that require a consensus by vote.

Article 24 - International Operations

The aircraft may be flown to a foreign country only if the General Partner has reviewed and approved the plan, the pilot making the flight makes, and the required documentary arrangements for the trip. Insurance necessary to comply with the destination country's laws must be arranged at the sole expense of the pilot prior to entering the airspace of that country. Under no circumstances will a country not honoring U.S. passports be entered.

Article 25 - Amendments

All amendments to this Agreement shall be made by mutual consent of the majority of the partners.

Article 26 - Arbitration

If any dispute arises under or by virtue of any of the terms of this Agreement and which the partners cannot resolve, the partners shall submit the dispute to an agreed upon third party pursuant to the rules regulations of the American Arbitration Association. Judgment may be entered into in any court of competent jurisdiction upon the rendition of any final decision by the arbitrators.

Article 27 - Severability

If any part of this Agreement is found to violate any laws of competent jurisdiction and is therefore rendered unenforceable, the balance of the Agreement shall remain unaffected and in full force and effect.

Article 28 - Aircraft Insurance

Liability insurance in the amount of not less than <amount> per person, and <amount> per passenger shall be procured from a carrier specializing in aircraft insurance. Hull insurance in the amount of <amount> shall be maintained in force during the term of this Agreement. Managed by the General Partner for the aircraft. Hull limits may be increased or decreased as agreed by partners. Additional premiums can be set based on the partner's qualifications.

Article 29 - Scheduling Priorities

The LLC uses <scheduling tool name> through the General Partner and partners may schedule on a first-come, first-served basis. partners are expected to exercise reasonable judgment when scheduling so as not to dominate the schedule and create hardship for the other partners.

Article 30 - Priority Time Trades

Partners may trade priority weeks as mutually agreeable. Once each year each partner may arrange 10 consecutive days by trading with other partners and therein remain overnight for ten days away from the home base.

Article 31 - Maintenance Down Time

Down time for aircraft maintenance and repairs will be scheduled by the General Partner, as much as possible, to minimize inconvenience to the limited partners. The General Partner will notify by calendar update and email of scheduled maintenance.

Article 32 - Equipment Deficiencies

Equipment deficiencies noted by a pilot shall be submitted to the General Partner in charge of maintenance scheduling for the aircraft. If the General Partner deems the aircraft un-airworthy, the aircraft will not be operated in any manner which could result in further aircraft damage or the possibility of bodily injury until the deficiency is remedied. The pilot first noticing a significant deficiency shall enter into a discrepancy form, and notify the General Partner, the nature of the deficiency and include his/her opinion as to whether the aircraft is safe to operate in any manner. In addition, an immediate verbal or written notice shall be given to the other partners.

Article 33 - Conditioning After Use

Following the use of the aircraft by any partner, he/she shall install gust locks, chains, chocks, weather covers and other devices which secure the aircraft to the ground appropriate to foreseeable weather or other physical conditions whether at home base or while at any temporary base. Interior should be left in a clean and orderly condition. Flight and hobbs times will be recorded.

Article 34 - Airworthiness Directives

The General Partner will review all Airworthiness Directives affecting the aircraft equipment and safety of operation will be instituted as soon as notification is received. Service Bulletins issued by the aircraft manufacturer shall be reviewed immediately for implementation, if necessary, for continued safe operations of any kind.

Article 35 - Normal Equipment Damage

Damage to the aircraft due to unforeseeable and unexpected mechanical breakdown, except that caused by Faulty Technique as described in Article 14, as well as that caused by normal wear and tear, and assessed and reviewed by the General Partner, and deemed within these parameters, shall be the joint responsibility of all limited partners.

Article 36 - Operating Expenses

Operating Expenses shall include, but not be limited to, such items as periodic inspections, oil changes, replacement of tires, brakes, battery, hydraulic fluids, radios, airframe, engine, propeller and accessory repair and maintenance. These operating expenses shall be paid by the LLC from funds received from fees charged each partner for the use of the aircraft.

Each partner shall pay to the LLC account an hourly fee of <fee amount> for each hour of tach meter time used by that partner.

Cirrus Jetstream Program, the maintenance is covered under the program, this amount is paid on the hourly use of the airplane. The Limited Partner will pay for each hour that they use the airplane at the agreed Cirrus Jetstream Rate.

Article 37 - Fixed Expenses

Fixed expenses, such as but not limited to Insurance, hangar, subscription, management fee, are billed monthly by the General Partner to the limited partners.

Article 38 - Reserve Accounts

Airplanes operated Under the Cirrus Jetstream Program the maintenance is covered under the program, this amount is paid on the hourly use of the airplane. The Limited Partner will pay for each hour that they use the airplane at the agreed Cirrus Jetstream Rate.

A Petty Account for but not limited to, cleaning, small hardware, and other small items the aircraft might need for ongoing operations.

This will be based on a certain amount per hour the aircraft is operated and agreed upon by the partners.

Article 39 - Delinquencies

Any delinquency in the payment of charges or costs/fees arising out of the terms of this Agreement, whether for fixed, operating or finance expenses, or otherwise, which are delinquent for more than <number of days> days, shall result in the deprivation of flight privileges of the delinquent partner. Any delinquency that continues thereafter for a period of <number of days> days shall be grounds for involuntary dissolution at the option of the non-delinquent partners pursuant to the terms herein specified for involuntary dissolution. Should there be any default in the payment of loans secured by the aircraft, the non-defaulting parties may, at their option, cure the default, and the defaulter shall be subrogated to that extent to the interest of the lien holder. Such default shall then be treated as a delinquency against the defaulting partner.

Article 40 - Fueling Away from Home Base

Is the sole responsibility of the partner using the aircraft at the time.

Article 41 - Additional Equipment

The partners may, by mutual agreement, add additional equipment to the aircraft or support equipment inventory. However, if the partners are unable to agree upon the addition of said equipment, a partner may add such equipment as he/she desires and pay the entire cost of such equipment, the full amount of the addition must be put into the capital account before the work begins, and its installation by a certified mechanic or shop approved by the General Partner. In this event, one half of the cost of the equipment and half the cost of installation shall be credited to the purchasing partner upon dissolution of the LLC, regardless of its then depreciated value. This shall not apply to the materials or labor expended for maintenance, repair or replacement of equipment necessary to keep the aircraft in substantially the same condition as on its acquisition and following subsequent improvement. Maintenance of equipment added by one partner is at his/her sole expense. Once installed in the aircraft, any such added equipment shall become and remain part of the aircraft and removal by the installing partner shall not be permitted. This added equipment must be kept operational to assure flight status per the Federal Air Regulations governing in-aircraft equipment of this type.

Article 42 - Sale Above Agreed Value

If upon sale of the entire assets of the LLC, whether by voluntary or involuntary dissolution, the sale price exceeds the combined value of the partners' capital accounts, the balance shall be distributed proportionately among the limited partners according to their respective percentages of ownership in said LLC assets after satisfying just liens and obligations with partners and non-partners alike.

Article 43 - Sale Below Agreed Value

No sale of all of the LLC assets shall be for less than the combined value of all the partners, capital accounts thereof without the mutual and written consent of the partners. If mutual agreement cannot be reached on a sale price between the partners, then the provisions of Article 26, "Arbitration," shall apply.

Article 44 - Voluntary Sell

A partner may sell their share/s in the LLC in accordance with the conditions of this agreement.

The other partners shall have the right of first refusal according to Article 45.

If a selling partner is in arrears in the payments of any of his monthly contributions for fixed expenses, operating expenses or special assessments as per Article 39 of this Agreement, these delinquencies shall be deducted from the amounts paid above.

A new potential partner has to enter into this agreement, and the sale must have the mutual consent of all the partners.

Article 45 - Right of First Refusal

No partner shall sell his/her interest in the LLC except upon the following terms:

The selling partner shall offer his/her interest to the other partners at an agreed upon amount by the other partners.

The selling partner shall give the partners a written notice in accordance with Article 44 of this Agreement identifying the buyer, price and terms of sale in accordance with the requirements of this Agreement.

The remaining partners shall have 5 days following said Notice within which to give written notice of his/her/their election to purchase the share of the aircraft at the offer made by the third-party offeror. The remaining partners reserve the right to approve or disapprove of the new partner. In the event of disapproval, the remaining partners have 15 days to find a new partner or exercise Paragraph 3 above.

Article 46 - Death of a Partner

Before executing this agreement, potential partners must determine who is to inherit their share/s in the LLC out to the degree of three and must update their last will and testament accordingly as to not affect the other partners with probate court. Upon inheriting this if that person chooses to Voluntarily sell their interest in the LLC, it will be done in accordance with this agreement.

Article 47 - Involuntary Dissolution

If any party is in default of any of the terms of this Agreement and fails for 30 days after notice therefor to cure such default, then the partners who are not in default may initiate dissolution proceedings. In this event, the dissolution shall be considered involuntary, and the non-defaulting parties shall be considered as the remaining partners, and the partner who is in default shall be considered the retiring partner, for the purposes of the procedure set out above in Article 44, "Voluntary Sale."

Article 48 - Reinstatement of a Partner

Should a defaulting partner cure the cause of such default prior to enactment of the buy-out process he/she may be reinstated with all partner privileges pending a favorable vote of the majority of non-defaulting partners.

Article 49 - Lien or Dissolution

Any just charges owed by one partner to another shall become a lien upon the interest of the partner indebted and shall be satisfied out of the proceeds of sale upon dissolution. Indebtedness may be satisfied by a likely increase in the equity of the creditor partner with the mutual consent of the other partners.

Article 50 - Continuation of the LLC

In the event of a voluntary sell, Involuntary sell, death of a partner, and the addition of a new partner. The LLC can and shall continue under the terms of this agreement, unless all said partners choose to dissolve and liquidate the LLC under article 51.

Article 51 - Liquidation of Assets

The LLC may be liquidated and dissolved upon mutual consent and shall be dissolved and terminated upon the absence of an agreement of the remaining or surviving partners to exercise the option to acquire assets granted under the provisions of this Agreement. Upon the dissolution and termination, the partners shall promptly liquidate the assets and affairs of the LLC by satisfying all debts and obligations of the LLC and by distribution of all remaining property to the surviving partners in the proportion of their equity accounts as of the date of the liquidation.

Appendix B: Responsibilities

Limited Partners:

- Use the Aircraft Responsibly as laid out in this agreement.
- After using the Aircraft, the Limited Partner will provide a post flight update to the General Partner, with the flight time meter, and hobbs meter time and fuel quantity, as well as leaving the aircraft in good order.
- Pay fees billed through the LLC in a timely manner.
- Respond to communication from the general partner and make meetings set by the agreement.

General Partner:

- Accounting
 - Manage the Capital Account
 - Accounts Receivable- Invoicing Partners or anyone authorized by the terms of this agreement for using the aircraft.
 - Accounts Payable - paying all invoices, vendors, supplies that are necessary for the ongoing functions of the LLC.
 - Taxes and Auditing- primarily done by said CPA firm. However, the General Partner will provide all documentation to the CPA firm and report findings to the limited partners.
- Aircraft Management/ Flight Department
 - Aircraft Schedule
 - Pilot scheduling (if required)
 - Maintenance tracking
 - Quality control
 - Parts ordering
 - Control of Aircraft legal documents: Logbooks, Certificate of Airworthiness, Registration.

Appendix C: Rules and Limitations

Rules and Limitations (per share of ownership)

Scheduling Limits

Usage of the airplane is limited to sixty (60) days per year, and a maximum of ten (10) days in a month.

The aircraft may only be scheduled by one owner for any given day.

Flight Hours and Hourly Fee

The number of annual hours per share is limited to 75 flight hours.

Monthly Management Fee

The monthly management fee will be billed on the 15th of the month prior, and late on 1st of the month, that it will be applied to. The management fee will be billed every month regardless of use.

Crew (when applicable)

The crew fee will be charged for each day the crew is scheduled and away from their home base, on standby or scheduled. The crew may be sent home for extended trips, in order to keep costs down.

Overnight charges will apply per crew member and will be at cost, the General Partner will arrange lodging

Airport Fees, Fuel Bills, other Costs

Airport fees, fuel, and any other charges related directly to the operation of flight will be paid directly by the Limited Partner operating the flight in progress.

The Pilot in Command will determine fuel required and in conjunction with the operations department.

Repositioning

Aircraft Maintenance and Downtime-

Notification – Owners will be notified of maintenance that will result in a scheduling conflict and will be made aware of options should the aircraft not be ready in time for scheduled operation.

Options –

Delay of departure – Owner trip will be delayed until maintenance has determined the aircraft airworthy.

All maintenance events scheduled and unscheduled will take precedent over scheduled trips, however maintenance department will strive to conduct maintenance during periods of inactivity to maximize availability. Events will only be rescheduled at the discretion of the director of maintenance.

All Maintenance will be conducted in accordance to the **maintenance manual**.

Aircraft Scheduling

All scheduled flights are first come first serve.

Minimum 48-hour advanced scheduling notice, less notice will be at the discretion of the General Partner based on capability to meet the request.

Cancelation

24-hour notice required, less notice will result in the cost of the crew for one day, any expenses incurred that were a direct result of the flight.