

Three Six Bonita, LLC — Operating Agreement

Revision B, 10/04/2023

Article I. Name

The name of the entity, as provided in its Certificate of Formation, shall be "Three Six Bonita, LLC"

Article II. Purpose

The purpose of Three Six Bonita, LLC, hereinafter referred to as the Club, shall be to share ownership interest in an A36 Beechcraft Bonanza and an F33A Beechcraft Bonanza.

Article III. Exercise of Corporate Powers and Meetings

Section 3.01 Registered Agent

The registered agent and address of Three Six Bonita, LLC is:

Matthew S. Fisher, 1408 Choquette Dr. Austin, TX 78757

Section 3.02 Exercise of Corporate Powers

The operating control of the club is vested in its managers. The number of managers is limited to no more than 5.

Section 3.03 Names and Addresses of Managers

The names and addresses of the managers are listed in the document: "Names and Addresses of Members and Managers".

Section 3.04 Quorum

A majority of the existing managers shall constitute a quorum for the purpose of transacting any business.

Section 3.05 Members

The club will have members. Each member is an equal owner of the club. Membership will be limited to no more than 13 total members. The President shall provide each member with a certificate of ownership.

Section 3.06 Number and Names of Members

The names and addresses of the members are listed in the document "Names and Addresses of Members and Managers".

Section 3.07 Annual Meeting

The club will hold an annual meeting for the purpose of electing members to the following offices: President, Treasurer, Secretary, Maintenance Officer, and Safety Officer. These officers of the club will constitute the managers. A majority of the existing members shall constitute a quorum for the purpose of transacting any business. Each member shall be entitled to one vote and have equal voting rights at this meeting. The secretary will schedule the annual meeting and will provide each member with at least 14 days' notice of meeting. All meetings are to be held within the Austin metro area unless agreed upon by 75% of the members.

Section 3.08 Voting Entitlement

All active members shall be entitled to one vote and have equal voting right for the purpose of transacting business. A suspended member will not be entitled to a vote.

Members may submit a vote in person, via live video or by proxy. If vote by proxy the written proxy must be submitted in writing via email to secretary 48 hours prior to meeting.

Article IV. Exercise of Officers and Their Duties

Section 4.01 President

A Member elected by a majority of the Members voting at a club meeting and based upon a quorum as set forth in Section 3.07, being present. Duties of the President shall be to:

- Preside at all meetings of the Club and Managers.
- Sign all acts, contracts, or other documents necessary to carry out the business of the Club.
- Coordinate the activities of the Club.
- Identify and assign additional roles and responsibilities for designated non-officer members and supervise their activities.

Section 4.02 Maintenance Officer

A Member elected by a majority vote of the Members voting at a club meeting and based upon a quorum as set forth in Section 3.07, being present. The duties of the Maintenance Officer, shall be to:

- Be responsible for maintenance of the aircraft and associated equipment, and for any relationships or correspondence with any fixed base operators and/or other parties involving the maintenance of the club aircraft and equipment. He shall directly supervise the scheduling and quality of work conducted by the aircraft maintenance, and shall maintain required engine and aircraft logs for Club aircraft. He

shall assure that all required registrations, certificates, licenses, and operation data are properly maintained for and displayed in Club aircraft.

- He shall also maintain a set of current FAA regulations (FARs), and assure that the Club's operating rules and practices comply with these regulations. He shall also be responsible for monitoring members' compliance with the operating rules of the Club and governmental regulations governing the use of the Club aircraft. He shall, as a part of this responsibility, recommend to the Managers, any disciplinary action against members who fail to comply with the operating rules or governmental regulations relating to the use of club aircraft. He shall keep appropriate records of membership ratings, certificates, proficiency checks and any other items pertinent to such monitoring and enforcement.
- The Maintenance Officer shall identify maintenance and custodial roles and responsibilities for designated non-officer members and supervise their activities.

Section 4.03 Secretary

A Member elected by a majority vote of the Members voting at a club meeting and based upon a quorum as set forth in Section 3.07, being present. Duties of the Secretary shall be to:

- Keep written notes of all meetings of the Club and Managers. Preserve all records, reports, and documents of the Club except those specifically assigned to the custody of others. Carry on the official correspondence of the organization as well as sending notices of meetings to members.
- Keep a membership book containing the name and address of each member and the date of admission to membership.
- The Secretary shall send notice to each member of the time and place of the annual meeting not less than fourteen (14) days before the meeting date and a notice of the meeting agenda shall be sent to each member not less than fourteen (14) days before the meeting.
- At the expiration of his term of office, the Secretary shall deliver all books, papers, and property of the Club in his possession to his successor.

Section 4.04 Treasurer

A Member elected by a majority vote of the Members voting at a club meeting and based upon a quorum as set forth in Section 3.07, being present. The duties of the Treasurer shall be to:

- Be the chief accountant and financial officer of the club. He shall maintain adequate and correct accounts of the properties and business transactions of the Club, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital surplus, and membership records. These records shall be open for inspection and examination by the officers or any committee of the members appointed for that purpose. The officers shall determine the means and extent by which an accurate account of the Club finances shall be maintained.
- Obtain flight logs monthly or quarterly, calculate hourly charges and deliver monthly or quarterly billings to members. Collect dues, assessments, and flight time payments from Members. Be responsible for the payment of Club obligations.
- Keep and maintain records and file reports and tax returns as required under the regulations of the U.S. Treasury Department and Internal Revenue Service. Administer compliance with the applicable

laws of the State of Texas. Provide a written current financial report to all members each calendar quarter. Provide a current financial report at each business meeting as required by the Managers.

- At the expiration of his term of office, the Treasurer shall deliver all books, moneys and rights of the Club to his successor.

Section 4.05 Safety Officer

A Member elected by a majority vote of the Members voting at a club meeting and based upon a quorum as set forth in Section 3.07, being present. The duties of the Safety Officer shall be to:

1. Keep members advised of proper flight procedures for club aircraft and local airports.
2. Encourage club member flying proficiency, culture of safety first and pilot training through FAA WINGS program.
3. Notify members of changes in the FARs that may affect them.
4. Help establish criteria for aircraft check-outs, recurrent training and time in aircraft type.

Section 4.06 Salaries of the Officers

The officers shall receive no salaries.

Article V. Debtholders and Repayment of Debt

Due to the expense of an aircraft purchase, the club relies on debtholders to cover a portion of that expense. The club will issue promissory notes to each debtholder. The Treasurer will maintain a schedule of the names of debtholders and the current balance of each debt. These debts will be repaid by proceeds from the sale of additional membership shares. All payments to debtholders will be distributed as follows:

1. First, paid to the debtholder with the greatest balance, until that debtholder's remaining balance is tied with one or more other debtholders' balances.
2. Second, paid equally to all debtholders with the same greatest balance until their unpaid balances are tied with an additional one or more debtholders' balances.
3. Repeating steps (1) and/or (2) as necessary until all debts have been fully paid.

Article VI. Membership Classifications and Admittance

Section 6.01 Sale of Additional Shares

Recruitment of new members will begin as soon as practicably feasible and each new member will be required to buy into the club with an equal share. The 4th and 5th members to join will be required to meet with the current members and be accepted into the club by a unanimous vote of all current members. The 6th through 13th members will be required to attend a club meeting and be accepted by no less than a 3/4 vote of current members.

Section 6.02 Classes of Membership

There shall be two (2) classes of membership. They are:

1. Active Member: One who shall be entitled to all rights and privileges of the Club.
2. Suspended Member: One who has been denied all flying privileges.

Section 6.03 General Qualifications

Membership in the club shall be open to those person interested in aviation and the purposes of the club. To be eligible to fly as PIC in club aircraft, members shall also meet and comply in all respects with current FAA regulations regarding flying qualifications, and appropriate insurance requirements.

Section 6.04 Admittance Requirements

Membership shall be obtained through approval of the members as described in section 6.01. Membership shall be limited to 13 members total.

Approval of a candidate Club member requires the following conditions to be met.

1. New members shall meet the minimum flying experience requirements set forth in the Club's Flying Regulations.
2. New members shall either have an instrument rating or be actively working on instrument training in pursuit of an instrument rating.
3. New members shall be required to take a check ride and be signed off by one of the club's designated Certified Flight Instructor(s), prior to being given full privilege of the club's equipment. Said sign off shall be for the same type aircraft as the club's aircraft.
4. Attendance at a Club meeting
5. Members shall sign a statement that they have read, understand, and agree to conform to the, Operating Rules (and Safety rules and Flying Regulations) established by the Club.
6. Any other requirements determined by the Managers.

Section 6.05 Classes of Membership Rights, Privileges, Qualifications, and Special Considerations

1. Active Member - Each Active Member shall have equal rights, privileges, and obligations and shall be entitled to participate in all Club activities, whether flying or otherwise, on an equal basis with every other Active Member. An Active Member has full voting rights, receives all Club mailings, and is the only class eligible for elective office. Active Members must be qualified under Article VI.
2. Suspended Member - A member who has failed to make timely payment of dues, fees and assessments as defined in Section 7.03 and/or who has failed to maintain compliance with the requirements of the flying regulations and operating rules as determined by a unanimous vote of the officers or a vote of 75% or more of the active members of the club on the date the vote is taken. A Suspended Member loses all flying privileges, but is required to continue payment of monthly dues and special assessments.

A Suspended Member may request Active Member status by providing evidence of payment of any outstanding indebtedness to the Club and/or providing evidence of compliance, or willingness to comply, with the requirements of the Club Flying Regulations, Safety Rules and Operating Rules and receiving approval by a majority vote of the Managers.

Section 6.06 Ownership of Assets and Rights upon Dissolution

Each member shall be deemed to own a share of the assets of the Club based in proportion to the total number of members. If, upon dissolution of the Club, any member is in arrears in any obligations, including, but not limited to the payments of any of his/her monthly fees, special assessments or aircraft use fees, these delinquencies shall be deducted from the amounts paid above.

Section 6.07 Membership Certificates – Transferability

Each member shall be issued a membership certificate in such form as shall be determined by the Club. This certificate is valid only so long as the holders name is recorded on the official register of the members of the Club. No membership or certificate of membership shall be transferred, sold, pledged, assigned, bailed, alienated, or hypothecated except as hereinafter provided.

Section 6.08 Termination of Membership – Voluntary

A member may withdraw from the Club upon reasonable written notice to the Managers, but will be required to pay monthly dues and assessments until such time as a suitable replacement has been approved by the remaining members. The club shall have the right of first option to purchase, but not the immediate obligation to purchase, the equity value of the assets of the withdrawing member as defined below.

No member shall sell his interest in the Club except upon the following terms:

1. The withdrawing member has offered his interest to the Club.
2. The Club shall have five (5) days following said Notice, within which to give written notice of its election to purchase the withdrawing member's share of the Club. The value of the buy-out shall be paid for in cash within thirty (30) days after the exercise of the option to purchase. If a withdrawing member is in arrears in any obligations, including, but not limited to the payments of any of his/her monthly fees, special assessments or aircraft use fees, these delinquencies shall be deducted from the amounts paid above.
3. If the Club chooses not to exercise the right of first option to purchase, the withdrawing member shall make every reasonable effort to find a suitable replacement to purchase his/her assets in the Club. The withdrawing member is obligated to pay all dues, fees and special assessments during the time he attempts to sell his share. The selling member shall give the Club and the members a written notice identifying the buyer and terms of sale in accordance with the requirements of this Agreement.
4. Potential replacements shall be reviewed by the other members to determine if they are suitable for membership. The withdrawing member shall provide the other members with all necessary information pertaining to the proposed replacement's qualifications. The minimum requirements for suitability of a potential member are set forth in Sections 6.03 and 6.04. Only candidates meeting the requirements will be eligible for review. If, after reviewing no less than three candidates, a suitable

buyer is not agreed upon, by the other members, the selling member is relieved of his/her requirement to find a suitable replacement. At such time, the remaining members are forced to either execute the option to purchase as defined above, or terminate and liquidate the assets of the Club.

The selling member shall pay all outstanding debts and obligations to the Club as a condition of sale of his/her membership and completion of the member's withdrawal from the Club.

Upon termination of membership, the withdrawing member shall return his certificate of membership to the Club.

Section 6.09 Termination of Membership – Expulsion

The following grounds shall constitute a basis for the remaining members to expel a member.

- Default: If any party is in default of any of the terms of this Agreement and fails for 120 days after notice thereafter to cure such default.
- Disciplinary Action: a) If the airman certificate of any member is revoked; or b) if the member knowingly and willingly violates the terms of this agreement resulting in damage or destruction to Club assets; or c) if any member knowingly and willingly operates the aircraft in an unsafe manner as defined by governing Federal, State and Civil laws, statutes or regulations.
- Insolvency or Bankruptcy: If any member becomes insolvent, makes an assignment for the benefit of creditors, is declared Bankrupt, or if his assets are administered in any type of creditor's proceedings.

A unanimous vote of all the other members shall be necessary to expel a member. If the remaining members agree that grounds for expulsion exist, they shall give that member a written notice of intent to expel within 30 days after date of the notice. The notice shall briefly state the grounds for expulsion.

The remaining members will attempt to sell the forfeited share on behalf of the former member, at a fair market value, determined jointly by the remaining members. If the share has not sold within 180 days from the date of expulsion, the remaining members may choose to either 1) purchase the share from the expelled member at fair market value, or 2) dissolve the club. If the share is sold, the members will return the remaining equity in the forfeited share, if any, less all outstanding expenses owed to the club, to the former member. If the club is dissolved, all shareholders including the former member will be paid out equally, less all outstanding expenses owed to the club, in accordance with section 10.02.

In any of these events, the expulsion shall be considered involuntary and the member, who is being expelled, shall withdraw from the Club in accordance with the terms and conditions set out Section 6.09, "Termination of Membership - Voluntary." The remaining members shall continue to operate in accordance with this agreement.

Section 6.10 Reinstatement of a Member

Should a defaulting member cure the cause of such default prior to enactment of the buy-out process he/she may be reinstated with all Club privileges pending a favorable vote of the majority (75%) of non-defaulting members.

Section 6.11 Death of a Member

Upon the death or legally determined mental incapacity of a member, all his voting rights immediately revert equally to the remaining members. A formal appraisal shall be made of the value of the aircraft(s). The surviving members may purchase the deceased member's share by paying an amount equal to the equity value of the share to the deceased member's estate. Alternatively, the remaining Members may sell the deceased or mentally incapacitated member's share, with the proceeds (less any outstanding obligations or debts to the Club incurred prior to the death or incapacity) going to the estate of the deceased or mentally incapacitated member. The estate of the deceased or mentally incapacitated member is not obligated to pay any fees, charges or assessments incurred after the date of death or incapacity. By execution of this Agreement the deceased member's estate shall be bound to sell the deceased member's interest.

Article VII. Duties and Responsibilities of Members

Section 7.01 Duties of Members

Club members shall exercise caution and safety in flying, and shall observe and comply with all local, state, and federal flying rules, regulations and codes. Members shall also comply with the Operating and Safety Rules and Flying Regulations of the Club.

Section 7.02 Responsibilities of Members

Club members are expected to pay dues, assessments, and fees promptly (see Section 7.03); take an active part in the operation of the Club; attend meetings; conduct themselves in a proper and fitting manner at meetings and on the flying field; be alert and mindful of the Club's interest; and work towards maintaining the Club at maximum authorized membership.

Section 7.03 Dues, Fees and Assessments

1. The Club shall be operated on a non-profit, expense sharing basis.
2. The Treasurer shall bill each member his or her share of dues, fees, and assessments in accordance with the Club's Operating Rules.
3. Members are expected to pay monthly (or quarterly) dues, fees and assessments, if any, within 21 days of receipt of billings. Any dues, fee or assessments not paid within 21 days of receipt of billing are considered PAST DUE. Once a member's account has become past due, the treasurer shall send the member a written notice that the account is past due, and that the member may not fly Club aircraft until all dues, charges and assessments are paid in full.
4. No member with outstanding dues, charges and/or assessments may fly the aircraft until such dues, charges and/or assessments are paid in full to the Treasurer without prior approval (unanimous vote) of the Members.
5. If a member fails for 120 days after receipt of "Past Due" notice to pay their dues, fees and assessments in full, then the member becomes "In Default", and the treasurer sends a letter to the member notifying him that he is in default and his membership is in jeopardy. At the next shareholder meeting, the members shall vote on whether to expel the member as defined in Section 6.09.

Article VIII. Operating Rules

Section 8.01 Authority

The officers of the Club shall establish, maintain and enforce a set of operating rules, flying regulations, and safety rules which shall:

- Govern the scheduling and use of all Club aircraft
- Establish flight rates and minimums
- Define the means for reporting flight time
- Define checkout and proficiency requirements
- Define flight rules and regulations
- Define general safety rules
- Define any other rules and regulations covering the use and scheduling of the Club aircraft which shall be in the best interests of the Club.

The officers shall have the authority to declare a member inactive and deny him/her use of the Club aircraft, or to involuntarily terminate his/her membership if, in the judgment of the officers, the member has violated any of the established operating rules of the Club.

Section 8.02 Responsibility for Enforcement

All members of the Club shall be responsible for notifying the officers of any known violation of operating rules.

Section 8.03 Changes

Operating Rules may be amended, added to, or deleted by a majority vote of the officers. The Operating Rules shall not be amended unless proposed amendments are distributed to all members not less than two (2) days before the meeting at which the vote is to take place.

Article IX. Liability of Members

Section 9.01 Insurance

The Club shall, at all times except in times of extended maintenance, cover all aircraft with full insurance against ground and flight damage, and shall carry property damage and public liability insurance to protect the Club as a corporation and the members of the Club against liability, actions, and suits for damages or judgments of third persons or members. In times of extended maintenance to the aircraft when no flight will occur, the club may, in the discretion of the officers, elect to cover the aircraft under a storage only policy. Such a policy shall cover the aircraft at full hull value. The policy shall be converted to full insurance against ground and flight damage prior to anyone flying or taxiing the aircraft.

Section 9.02 Responsibility of Members

The individual member shall be responsible for the safe operation of the Club aircraft, and for providing reasonable protection of the aircraft and its equipment while these are in the member's custody. In the event of damage to a Club aircraft, its engine or equipment which is caused by act or omission of the member, the member shall be liable for the damage sustained and may be assessed the uninsured, non-reimbursable cost of repair or replacement.

Section 9.03 Determination of Liability - Action Against Member

In the event of any accident, damage, destruction or loss of the Club aircraft, engines, or equipment, the Club shall make the final decision as to whether such accident, damage, destruction or loss was caused by act or omission on the part of a member, and shall take whatever action it deems appropriate against a member. The Club shall have the authority to assess the member for the uninsured, non-reimbursable cost of repair and/or replacement, to declare the member inactive, and to involuntarily terminate the individual's membership in the Club. These provisions do not in any way limit action which may be taken under Section 9.04 (Gross Negligence) of this Article.

Section 9.04 Gross Negligence - Willful Violation of Federal, Local or Club Regulations

Notwithstanding the provisions of Sections 9.01, 9.02, and 9.03 of this Article, when damage, destruction, or loss of the Club aircraft, engines, or equipment is caused through or as a result of willful violation of Federal, local or Club regulations, and when the cost of such damage, destruction, or loss is uninsured and non-reimbursable, the responsible member or his/her estate will be liable for all damage, destruction or loss incurred. The responsible partner accepts 100% liability and responsibility for any legal or financial actions that may arise from such an incident, including, but not limited to the deductible portion of the Club's insurance policy. A determination of a member's liability under this section may be made by either a unanimous vote of the other members, an insurer's reasonable denial of a claim due to a member's willful violation of Federal regulations, or a court of law with competent jurisdiction.

The Members of the Club will be responsible for initiating whatever action is required within the provisions of this paragraph.

Article X. Property

Section 10.01 Title

All property, both real and personal, shall be held in the name of the Club.

Section 10.02 Dissolution

Should the Club be dissolved, the Club's assets shall be distributed first to all debtholders. The club will pay each debtholder an equal percent on their debt, up to 100% of the debt owed. If any funds remain after all debtholders are paid, the club will distribute the remaining assets to all members equally in accordance with

section 6.06. A vote in favor of dissolution by not less than 75% of the active and suspended members, on the date of the vote is taken, shall be required to dispose of the club's assets and dissolve the club.

Section 10.03 Capital Acquisitions and Dispositions

The Managers, with the approval of a majority vote of not less than 75 percent (75%) of the active and suspended members cast may undertake capital acquisitions, capital dispositions or improvements and may, if necessary, assess the Membership a one-time charge to pay for such expenses.