

Preferred Member Rate Policy

Introduction

The preferred members rate policy encourages routine use of the club aircraft by requiring a minimum number of hours flown per quarter. This consistency benefits the airplane through routine operation, and the pilot, who will be more proficient in flying the club aircraft. In return for this commitment, members will pay a lower hourly rate. The Preferred Rate is actually a “below cost” rate. When an airplane is flown at low total annual hours, fixed costs are spread over fewer hours. It is SWOF’s objective that all members share in the slimmest ownership costs.

Scope

This policy applies to all members who have signed up at the reduced “preferred member” rate. Those paying the standard rate may switch to this plan by notifying a club administrator.

Hourly Rates

The current Preferred Rates for club aircraft are as follows:

- N759ZT – Cessna 182Q – \$166.00 per tach hour
- N735LC – Cessna 182Q – \$166.00 per tach hour

The current Standard Rates for club aircraft are as follows:

- N759ZT – Cessna 182Q – \$186.00 per tach hour
- N735LC – Cessna 182Q – \$186.00 per tach hour

Minimum Hour Requirements

The annual commitment from January 1 to December 31 is 24 hours but is broken up into smaller quarterly minimums in order to encourage year-round usage of the plane by members. In order to account for what is often winter season limitations on flying, the commitment is broken up by quarter as described below.

- Quarter 1 – 3 hours
- Quarter 2 – 7 hours
- Quarter 3 – 7 hours
- Quarter 4 – 7 hours

Those not meeting these minimum requirements in any given quarter will be subject to a grace period and/or rate change as described below.

Open Period(s) for Selecting Preferred or Standard Rates

Upon joining Southwest Ohio Flyers LLC, the member shall select the rate system to which they will be charged. New members will not be required to fly the minimum hours in the quarter that they join the club. For existing members who wish to change from one rate to the other, the changeover will occur on the first day of a new calendar quarter. Notification can be made

at any time *prior to* the quarter start but must be made no less than 10 days into the new quarter to take effect for that quarter. Any requests falling after the 10th day of a new quarter will take effect to start the following quarter.

Switching from Preferred Rates to Standard Rates and vice versa

Flying is a commitment but competes with many priorities in life. In order to accommodate for this, members may switch to or from the preferred/standard rate ***once per calendar year***. This is limited to one switch in one direction (i.e. you can go from preferred to standard or you can go from standard to preferred, but you can only do one).

Grace Period

The intent of this policy is to encourage flying. If at the end of a quarter, the member has not met their minimum commitment, they will have the next quarter to make up the previous quarter's hours without a rate change. These will be considered carry-over hours and will not reduce the commitment for the current quarter. ***This grace period cannot be used in consecutive quarters.***

Example 1: Pilot A flies 4.5 hours in Q2 after having flown greater than 3 hours in Q1. Pilot A then flies 3 hours in Q3. Pilot A has flown off the carryover hours from Q2 and flown 0.5 hours towards the Q3 requirement. There will be no change in rate unless minimum is not met (for the remaining 6.5 hours) by the end of Q3.

Example 2: Pilot B flies 4.5 hours in Q2 and flies 1.5 hours in Q3. Pilot B will be charged the Standard rate for all flight hours in the current calendar year, for failing to meet their minimum requirement within the grace period.

Example 3: Pilot C met Q1 minimum requirement, but uses a grace period in Q3 to fly off hours carried over from Q2. Pilot C was able to fly 5 of the 7 required hours in Q3. Since they used a rollover in the previous quarter, Pilot C will be converted to the Standard rate for Q2 through Q4, for failing to meet their minimum requirement within the grace period.

Notification of Commitment Status

It is incumbent upon the member to track the number of hours flown during the quarter. Club administrators *may* send a notification if a member is not on track to meet their commitment, but this is not required. If there are extenuating life events that are preventing you from meeting your commitment, please notify a club administrator so that a plan can be developed that works with your circumstances.

The easiest way to check is within Flight Circle, by going to your name in the upper right of the screen and clicking on "My Account." From there, click on the "Account Ledger" tab and count the number of hours you have paid in any given time frame.