



**Aviation Association Management, Inc.**  
P.O. Box 9372  
Wichita, Kansas 67277

MANAGEMENT PROPOSAL  
FOR THE  
VIETNAM HELICOPTER PILOTS ASSOCIATION

NOVEMBER 29th, 1986

## DEFINITION OF ABBREVIATIONS

For the purposes of this agreement it is understood that the initials VHPA stand for the Vietnam Helicopter Pilots Association and the initials AAM stand for Aviation Association Management, Inc., P. O. Box 9372, 2120 Airport Rd., Wichita, Kansas 67277

## AVIATION ASSOCIATION MANAGEMENT, INC.

Aviation Association Management, Inc. (AAM) was established to provide total management services to small and medium sized aviation related associations, clubs and societies.

By pooling manpower, office, computer, technical services and printing requirements, AAM can provide complete full time operations to these groups at very economical costs. This allows each organization to provide greater service to its members than it might be able to do individually. AAM is structured so that each organization retains its own unique identity.

The principals in AAM are John M. Frank and Kristina S. Frank.

Mr. Frank is a former Army Aviator whose ratings include single and multiengine, helicopter, commercial, flight instructor with instrument and multiengine endorsements and advance ground instructor. Mr. Frank also holds an Airframe and Powerplant Mechanic license with Inspection Authorization.

John Frank served three years as the Executive Director of the American Bonanza Society. Significant accomplishments during his tenure were the establishment of the headquarters facility in Wichita, Kansas, expansion of the newsletter content, expansion of service clinic program, expansion of the group aircraft insurance program and the establishment of the Bonanza Pilot Checkout Program. By developing a ongoing membership promotion program, Mr. Frank brought ABS membership above the 7,000 member level for the first time in the organization's sixteen year history.

In July of 1984, Mr. Frank became one of the founders of the Cessna Pilots Association. Under his management the CPA went from zero members to over 6,000 members in its first year and in it's second year became the largest aviation "type club" in the world. Membership today is over 9,000 and continues to grow at a rapid rate. The Cessna Pilots Association became an AAM client in the Fall of 1985.

John also presents programs on aviation safety at Flight Instructors Recertification Seminars, FAA Mechanics programs, at the EAA convention in Oshkosh, Wisconsin and at the annual AOPA Convention.

Mr. Frank is a member of the American Society of Association Executives and is listed in "Who's Who in Association Management". Mr. Frank also joined VHPA prior to being contacted about possible

management involvement.

Kristina S. Frank began her career in aviation with the marketing department of the Cessna Aircraft Company. In 1982 she joined the American Bonanza Society where her responsibilities included convention planning and registration and coordination of the service clinic program.

Beginning in 1984 Mrs. Frank served as the Executive Director of the International Flying Farmers, an organization of 4,000 members with international headquarters in Wichita, Kansas. As Executive Director she had total responsibility for the day to day operations including publication of the IFF monthly magazine and administration of the aircraft insurance program.

In 1986 Mrs. Frank joined the Cessna Pilots Association on a full time basis. Her responsibilities include office administration, supervision of insurance programs and convention planning.

Mrs. Frank has extensive experience in the planning and execution of conventions and in overall office management.

AAM employs additional personnel with experience in such areas as bookkeeping/accounting and publications.

In addition to its full time staff, AAM has as consultants an attorney (VHPA Member Thomas J. Morris III) who specializes in FAA certificate actions and insurance litigation, an accountant with in-depth experience in aviation and foundation accounting and a professor with extensive experience in educational program development.

AAM is also developing a video capability which will allow it to produce video presentations for it's associations and other clients.

The AAM staff maintains close contacts within the general aviation community including with the FAA, AOPA, EAA, the various engine and equipment manufacturers, insurance companies, overhaul facilities, salvage yards, etc.

AAM also has extensive contacts within all media formats which it uses for the benefit of it's clients.

AAM is fully staffed, experienced and equipped to handle any needs the Vietnam Helicopter Pilots Association might have.

#### NEED FOR PROFESSIONAL ASSOCIATION MANAGEMENT

AAM has reviewed the operations of VHPA and believes that if the association is to continue to grow and prosper, professional association management is called for. Value to existing members can only be accomplished if the publication contains information

of importance to the member, is published frequently and in a timely fashion and with association records available to members that will allow them to locate friends and comrades as well as retrace history.

Future growth generally will come only with a smoothly functioning headquarters that can conduct day to day operations and still have the capacity to work on conventions and conduct membership promotion. AAM recognizes the specialized membership promotion needs of the VHPA and will work closely with the Board to develop an ongoing and innovative membership promotion program.

AAM can provide the VHPA with this professional management at a reasonable cost as outlined in this proposal.

#### IDENTITY

AAM recognizes the importance of the VHPA maintaining its own separate, distinct and unique identity. To accomplish this AAM will provide VHPA with its own distinct post office box for a mailing address and answer the VHPA phone line in the name of the VHPA. The phone number will be listed with information and directory service in the name of VHPA. All contact with members, potential members, advertisers, etc. will be in the name of the VHPA.

#### OFFICE SPACE

As part of this agreement AAM shall provide adequate office space to conduct VHPA business, maintain VHPA records and store VHPA material and goods.

AAM has its offices on Wichita's Mid Continent Airport at 2120 Airport Road. The general aviation parking ramp is immediately adjacent to the AAM offices. There is a Hilton hotel located on the airport within walking distance of the AAM offices, the airline terminal is also close by. The main U. S. Post Office for Wichita is less than a mile away. VHPA members will be most welcome to visit VHPA and AAM Headquarters.

#### STAFF

AAM will provide adequate staffing to carry out the day to day business of the VHPA. One staff member will be assigned the primary duties of the VHPA. Other staff members will be assigned various VHPA tasks as the VHPA work load dictates.

AAM currently has five full time employees; one executive and technical, one publications/conventions/special programs, and three clerical. AAM also utilizes various part time employees as required.

In addition AAM contracts for services from a major printing firm which has a complete graphics and art department, an automated mailing service, and a computer service. This gives AAM the capability to respond quickly, efficiently and completely to all of it's clients needs.

#### TELEPHONE SERVICE

AAM will provide one phone line and number for VHPA business. This phone number will be listed with directory assistance as the Vietnam Helicopter Pilots Association and the phone will be answered in the name of the VHPA.

Should experience indicate that additional phone lines are required AAM will provide them to VHPA at AAM's cost.

Due to the variables involved, long distance expenses are not included in this proposal. AAM will invoice VHPA separately for this expense and will provide a log of the party called and the purpose.

AAM participates in the Wichita Airport Authority phone system which has access to WATS lines and other long distance services. This should provide the most economical cost to the VHPA.

#### BOOKKEEPING

AAM will maintain the financial records of the VHPA using standard bookkeeping procedures. By the fifteenth of each month AAM will mail each of the officers of VHPA a copy of the trial balance and year to date financial statement as of the end of the preceding month. This date is conditional on the bank statements and any information required from the officers having been received by AAM on or before the 10th of the month. AAM will notify the VHPA President on the 11th of each month of any deficiencies in this area.

In order for AAM to maintain accurate records it will be necessary for the VHPA records be made available to AAM at the commencement of this agreement in a neat, orderly and accurate form.

#### DEPOSITS/DISBURSEMENTS

AAM will deposit in a timely manner all funds from all sources received on behalf of VHPA. These funds will be deposited in an account established by the VHPA at a Wichita financial institution selected by the VHPA. AAM will furnish the VHPA Treasurer monthly a list of deposit amounts and their sources.

If desired, AAM will establish MasterCard and Visa accounts for VHPA so that members may pay for membership, convention fees,

products, etc. AAM has found this to be an effective and useful tool for association membership and income.

AAM does not wish to be involved in the disbursement of VHPA funds, nor a signatory on any VHPA accounts. AAM will invoice VHPA for its management fees and forward all invoices from other sources to the VHPA Treasurer for approval and payment.

In the event AAM incurs expenses on behalf of VHPA outside of the management contract, AAM will submit an expense report with documentation. AAM will receive the approval of the VHPA President before expending any funds for purposes not already budgeted.

If the VHPA desires, AAM will maintain the VHPA checkbook in its offices and will cut checks to go along with the invoices forwarded to the Treasurer. Also, if desired, AAM will receive and reconcile the bank statement before forwarding it on to the Treasurer. These two items would facilitate the maintaining of the financial records.

#### AUDITING

AAM recommends as a matter of good business practice that the VHPA have an audit of the VHPA financial records by an independent accountant once a year.

AAM will provide said accountant with any and all VHPA financial records in its possession, will make available to the accountant the AAM bookkeeper to explain how the records are maintained and will provide the accountant with adequate office space during the audit.

It is suggested that the audit coincide with the end of the VHPA fiscal year to facilitate the filing of the proper tax forms.

#### MEMBERSHIP LIST MAINTENANCE AND DUES COLLECTION

AAM will maintain a computerized listing of the VHPA membership roster including the member's name, address, VHPA membership number, expiration date, phone number, rotary wing class number, unit assignments, and present occupation. Additional information may be included if desired.

If VHPA presently has a current hard card file of the membership roster, AAM will maintain that as well.

It is recognized that the VHPA membership roster is the exclusive property of the VHPA and will not be utilized for any purposes other than those specified by the VHPA.

AAM will send out annual dues notices to members in a timely manner. AAM will review the existing VHPA renewal procedures and

make recommendations to the VHPA for improvement, if needed.

#### VHPA NEWSLETTER

AAM will typeset, layout, print, label and deliver to the post office for mailing, four issues annually of the VHPA publication VHPA Newsletter.

AAM has the capability to edit the newsletter as well but recognizes that the VHPA may want someone else in this position. AAM will work with any person so designated. Depending on degree of control and approval desired, some extension of deadlines and time periods called out in this agreement may be required to allow for the transmitting of documents.

Under the terms of this agreement the newsletter will be a minimum of twelve pages in length, printed in blue on 70# Ivory stock. VHPA may select any quantity up to 2500 copies per issue to be printed as part of this agreement. AAM suggests that VHPA use any extra copies for promotional purposes.

AAM will work closely with the VHPA, its board and its members to generate articles of a specific nature of interest to the membership so as to increase the value of membership.

It is suggested that VHPA establish, if one does not already exist, a newsletter committee to work with AAM to continually improve the quality of VHPA Newsletter.

Outside copy must be submitted to AAM by the 1st of the month preceding publication date.

VHPA Newsletter will be mailed on or before the 30th day after the submission deadline. AAM realizes the importance of timely delivery of the publication. AAM guarantees to deliver the publication to the post office on time.

#### THE DIRECTORY

AAM will edit, print, label and deliver to the post office one issue annually of the VHPA directory.

This directory will be similar to the latest issue of the directory unless otherwise directed by VHPA. It is understood that directions that effect the size, quantity and quality may result in changes in the fees paid to AAM.

The VHPA will select the cut-off deadline for the directory. Publication and mailing will be completed approximately 45 days later.

AAM will print the directory in a quantity of up to 2500 as part of this agreement.

It is recognized that the VHPA may wish to change various aspects of the directory such as format, color, size, etc. For this reason it is understood that the directory portion of this agreement, including changes in the overall cost figures of this agreement, may be modified by mutual consent without voiding the remainder of the agreement.

AAM recommends consideration of an 8 1/2 by 11 format which will allow more flexibility and second class mailing. AAM believes that such a format that is more than suitable to the VHPA and an improvement on the present format can be produced within the terms of this agreement.

#### MEMBERSHIP PROMOTION

AAM believes that the best way to promote membership is to have quality services and then contact prospective members frequently to tell them about it. AAM will work with the VHPA Board to establish an ongoing program of membership promotion. Staff time required for membership promotion is included in this agreement. Due to the variables involved, materials (excluding extra copies of VHPA Newsletter called out previously) and postage are excluded from this agreement and would be billed separately.

#### POSTAGE

Included in this proposal is postage costs for normal office operations including membership renewal. Second class postage for the newsletter and directory are also included. First class postage for newsletter and directory will increase costs stated in this agreement \$3,800 annually.

VHPA will be responsible for postage costs for major membership promotions and convention promotions not included in the newsletter.

#### MISCELLANEOUS PRINTING/OFFICE SUPPLIES/MERCHANDISE

AAM will supply all routine supplies such as membership cards, stationary, membership and renewal forms as necessary for efficient operation of the VHPA office. VHPA will make available to AAM any existing supplies of such items. AAM will not change the format of any item without the approval of VHPA. Such items as pins, decals, certificates, etc. will be at the expense of VHPA as AAM does not have sufficient information on these items to include them in the contract at this time. AAM will be pleased to bid on these items when requested by the board. AAM will store and inventory VHPA products and supplies and will promote VHPA products whenever feasible.

## VHPA CONVENTION

The staff of AAM has extensive experience in planning and executing aviation association conventions.

AAM will assist VHPA and in the planning of the annual convention. If desired by VHPA, AAM will handle convention registration and financial accounting. If desired by VHPA, AAM will supply up to three staff members for convention duties such as manning registration desk, supervising various functions, etc. This staff will be furnished at no charge to VHPA. However, VHPA will pay reasonable travel, meal and lodging expenses.

## VHPA BOARD OF DIRECTORS MEETINGS

If requested, AAM will send a representative to the VHPA Board of Directors meetings. There will be no additional charge for this attendance except for reasonable hotel, travel and meal costs. An AAM representative will attend any VHPA Board of Directors meeting held within 100 miles of Wichita at no expense to the VHPA.

The VHPA President will notify AAM at least ten working days in advance of any board meeting of those portions of the agenda that VHPA wishes AAM to participate in. This will allow the AAM representative to bring the appropriate information and documentation.

## RELATIONSHIP WITH OFFICERS AND DIRECTORS

AAM will strive to assist all officers and directors of VHPA in the accomplishment of their duties. Officers and directors are welcome at AAM and VHPA headquarters at any time. To allow AAM to assure that the proper persons are available and prepared, three working days notice is requested if significant VHPA business is to be conducted by the visiting officer or director.

In order to avoid ambiguity, AAM requests that it receive its instructions from the Board and its members through the President, in writing when possible.

## TAX FORMS/GOVERNMENT REPORTS

With the exception of those items prepared by an accountant employed by the VHPA, AAM will prepare and file all appropriate tax forms and local, state and federal government reports. Performance of these duties by AAM is conditional on VHPA furnishing AAM with adequate information regarding VHPA's incorporation, bylaws and tax status so that AAM can determine what reports are required.

## SUMMARY OF ITEMS COVERED BY THIS AGREEMENT

Headquarters Office  
Headquarters Staff  
VHPA Newsletter Layout, Printing and Labeling  
Directory Editing, Printing and Mailing  
Second Class Postage for Newsletter and Directory  
Mailing Address  
Bookkeeping  
Office Supplies and Postage  
Membership Roster Maintenance  
Basic Telephone Service  
Tax Forms/Government Reports

## SUMMARY OF ITEMS NOT COVERED BY THIS AGREEMENT

First Class Postage for Newsletter and Directory  
Expenses Related To Major Promotions  
Pins, Certificates, Decals, etc.  
Legal Services  
Convention Expenses  
Meeting Expenses  
Long Distance Phone Calls

## LENGTH OF AGREEMENT

When executed by VHPA and AAM this agreement shall remain in force for a period of one year, unless terminated or extended by mutual consent. Each party shall give the other party at least thirty days notice of its intentions to terminate the agreement. At least thirty days prior to the end of the term of this agreement each party shall notify the other party of any changes or modifications requested to extend the agreement. In the absence of such notification or notice of termination this agreement shall remain in force beyond the one year period on a month to month basis.

AAM is in the aviation association management business and is desirous to establish a long term relationship with VHPA by providing VHPA with quality service at reasonable cost. The one year term of this agreement was selected to allow each party to determine how well the relationship operates and what changes experience indicates.

## RENUMERATION TO AAM

AAM will perform the services in this agreement for the annual sum of \$28,000. This will be payable in monthly billings of \$2,333.33. AAM will invoice VHPA on the first of each month for services rendered during the previous month. VHPA agrees to pay

such billings by the 15th of the month in which it was billed.

Renumeration to AAM is based on a maximum association size of 2,500. Should the VHPA exceed this size during the term of this agreement, AAM will invoice VHPA \$11.20 per member above 2,500, prorated for the months left in the agreement.

TIME IS OF THE ESSENCE

In order to guarantee the costs quoted in this agreement and to make the necessary arrangements, AAM needs to receive a commitment from VHPA as soon as reasonably possible along with a firm date as to when AAM will commence VHPA management.

Respectfully Submitted,

  
John M. Frank  
President  
Aviation Association Management, Inc.