THE FOLLOWING ARE SAMPLE WORDINGS THAT COULD BE USED FOR A GUIDE IN DEVELOPING A CONTRACT PILOT AGREEMENT. REMEMBER, WE ARE NOT LAWYERS. OUR COMMENTS IF ANY ARE FROM AN INSURANCE PROSPECTIVE. WE THINK MOST AVIATION INSURANCE UNDERWRITERS WOULD BE ABLE TO GO ALONG WITH THIS WORDING ALTHOUGH THERE IS NO GUARANTEE. THIS MARKET CHANGES DAILY. YOU MIGHT WANT TO SUBMIT THE AGREEMENT TO YOUR OWN AVIATION INSURANCE UNDERWRITER FOR THEIR COMMENTS. GET THEIR COMMENTS FROM NOT ONLY YOUR PERSPECTIVE BUT ALSO FROM THE PERSPECTIVE OF YOUR LEGAL COUNCIL.

#### PILOT AGENCY AGREEMENT

THIS PILOT AGENCY AGREEMENT ("Agreement") is entered into by

("Operator") and the undersigned crewmember ("Crewmember").

1. <u>Purpose</u>. Crewmember desires to serve as a crewmember on flights operated by Operator, and Operator desires to use Crewmember as a crewmember from time to time on flights operated by Operator.

# 2. Representations and Warranties.

- a. Operator represents and warrants that it is operating under Federal Aviation Regulations (FAR) Part 91 (14 C.F.R. Part 91).
- b. Crewmember represents and warrants that Crewmember, both at the time this Agreement is executed and on a continuing basis during the Term of this Agreement thereafter:
  - (i) holds a valid airman's certificate under FAR Part 61, as well as the ratings and authorizations necessary to serve as a pilot on Part 91 flights using the aircraft type or types specified in the signature block below ("Aircraft").
    - (ii) meets applicable recency of experience requirements;
  - (iii) has a current airman's medical certificate applicable to the operations to be conducted under this Agreement;
- (iv) is not in violation of Operator's drug and alcohol misuse prevention program, if any;
- (v) does not have any disqualifying offense under 49 C.F.R. Part 1544 of the regulations of the Transportation Security Administration or any other applicable law, ordinance, rule, or regulation of any governmental entity; and
  - (vi) is not receiving compensation from a third party specifically for Crewmember's service as a pilot on flights operated by Operator.

## 3. Operational Control.

- a. Operator Operational Control.
- (i) Crewmember acknowledges and agrees that Operator will have and retain complete operational control of all aircraft operations conducted by Operator pursuant to FAR Part 91. This responsibility for operational control is not transferable to any other person or entity, and it supersedes any agreement, contract, understanding or arrangement, either oral or written, expressed or implied, between any persons or entities, including but not limited to any other persons or entities which

Crewmember may have business relations with in any capacity.

- (ii) Crewmember further acknowledges that Operator has systems and procedures to exercise authority over the initiation, conduct, and termination of its flights, including systems and procedures relating to crewmember training and assignment, and Crewmember agrees to adhere to said systems and procedures at all times.
  - b. <u>Authority of Pilot in Command</u>. Nothing herein shall be construed as diminishing the emergency authority of the Crewmember as pilot in command in accordance with FAR Section 91.3(b).
  - **4.** <u>Term</u>. This Agreement shall remain in full force and effect from the effective date specified on the signature page below until:
- a. <u>30-Day Notice</u>. Either party gives the other written notice of intent to terminate this Agreement, whereupon the Agreement shall automatically end 30 calendar days after such notice has been delivered.
- b. <u>Default</u>. Either party gives the other written notice of intent to terminate this Agreement for an Event of Default by such other party, whereupon the Agreement shall be terminated effective immediately. Breach of any representation, warranty or obligation set forth in this Agreement shall constitute an Event of Default.

### 5. The Parties' Relationship.

- a. Operator's Status.
- (i) Operator will maintain its status as operating under Part 91 of the Federal Aviation Regulations.
- (ii) .Operator may use Crewmember in Operator's flight operations at Operator's discretion based on (among other things) Operator's own assessment of its operational needs and of Crewmember's continued qualification to serve as a crewmember on Operator's flights. Operator is under no obligation to use Crewmember

in connection with any particular flight or aircraft.

- b. Crewmember's Role as Contractor for Pilot Services.
- (i) The business relationship between Operator and Crewmember shall be that of independent contractor and not employer-employee. Crewmember is not an employee of Operator under the meaning of any federal or state unemployment or insurance laws or workers' compensation laws, general principles of common law or otherwise. Crewmember shall not be entitled to and shall not be provided by Operator any medical coverage, insurance of any kind, vacation pay, pension benefits or any other type of employee benefit.
- (ii) Crewmember shall have no authority to legally bind Operator in contract, debt or otherwise (except as provided in this Agreement or separately in writing by Operator) or to represent himself or herself to third parties as an employee of Operator.

- (iii) From time to time as Operator operates the Aircraft, Operator may assign Crewmember to serve as Operator's pilot. In that capacity, Crewmember will be Operator's agent during every aspect of Operator's Part 91 operations, including those aspects related to any preflight and postflight duties. Crewmember recognizes and agrees that this agency relationship is strictly limited to the administration and oversight of operational control for Operator's flights, as required by the FAA. Crewmember will owe a duty of loyalty solely to Operator with respect to Operator's flight operations. Crewmember will at all times act in accordance with Operator's rules, policies, and
- procedures, as the same may exist and may be amended from time to time, and in accordance with instructions from Operator's authorized personnel.
- (iv) Crewmember will ensure that, prior to the operation of any Part 91 flight under this Agreement, the passengers have been notified that Operator is the party operating the flight.
- (v) Crewmember will comply with all applicable flight limitations and rest requirements of Operator, if any, and will comply with Operator's drug and alcohol misuse prevention program, if any. Crewmember will participate in training programs as instructed by Operator.
- (vi) Crewmember will comply with all requirements of the FAR and other laws applicable to Crewmember's service under this Agreement.
- (vii) In connection with this, Crewmember hereby acknowledges that any failure by Crewmember to adhere to Operator's directions and instructions (or compliance with any third party's directions or instructions that are contrary to Operator's directions or instructions) may constitute a breach of this Agreement and/or a violation of the FARs and therefore may subject Crewmember to legal enforcement action by the FAA.

|         | 6. <u>C</u> | Cons  | <u>ideration</u> | for C | <u>Crewmemb</u> | er's | Con  | trac | t Services | . Crewmember  | r ackr | nowledges | and  |
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| agrees  | that        | the   | following        | will  | constitute      | the  | sole | and  | adequate   | consideration | for C  | Crewmeml  | er's |
| service | here        | eunde | er:              |       |                 |      |      |      |            |               |        |           |      |

#### 7. Miscellaneous.

- a. <u>Agreement</u>. This Agreement contains the entire understanding between parties with respect to the subject matter herein and supersedes all previous communications, representations, and agreements, whether oral or written, between the parties. This Agreement may be executed in one or more counterparts, all of which together shall constitute the executed Agreement. No amendment or waiver of this Agreement will be effective unless it is in writing and duly signed by the parties hereto. Neither party may assign its rights or responsibilities under this Agreement.

  b. <u>Governing Law and Court Jurisdiction</u>. This Agreement shall be governed by, interpreted and construed in accordance with the laws of the State of Tennessee, excluding its choice of law
- c. <u>Insurance</u>. Crewmember acknowledges and agrees that, as a contractor to Operator, Crewmember will not be provided by Operator with medical, disability or other insurance coverage.
- d. <u>Severability</u>. In the event that any one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal or unenforceable, the remaining provisions of this Agreement will be unimpaired, and the invalid, illegal or unenforceable provision shall be replaced by a

| d party beneficiaries of this Agreement Agreement effective as of the | u.<br>dav of        |
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