

DSA INDEPENDENT CONTRACTOR AGREEMENT

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This Independent Contractor Agreement (the “**Agreement**”) is entered into by and between **Desert Skies Aviation Training, LLC**, an Arizona limited liability company having its principal place of business at **2443 North Greenfield Road, Suite 117, Mesa, Arizona 85215** (hereinafter “**DSA**”), and the undersigned certified flight instructor (hereinafter the “**Contractor**”). Each of DSA and Contractor may be referred to herein individually as a “**Party**” and collectively as the “**Parties.**” This Agreement is effective as of the date last executed by the Parties (the “**Effective Date**”).

RECITALS

WHEREAS, DSA is engaged in the business of providing flight training services and desires to engage qualified independent flight instructors to provide flight and ground instruction to its students;

WHEREAS, Contractor is a certified flight instructor duly qualified and licensed under 14 C.F.R. Part 61 to perform flight and ground instruction and desires to provide such services to students of DSA as an independent contractor; and

WHEREAS, the Parties intend that Contractor shall perform services for DSA as an independent contractor and not as an employee, agent, or partner of DSA, and the Parties desire to set forth their respective rights and obligations in a written agreement;

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Independent Contractor Relationship

1.1 Status.

Contractor acknowledges and agrees that Contractor is engaged by DSA as an **independent contractor** and not as an employee, agent, joint venturer, or partner of DSA. Contractor shall not be entitled to, and expressly waives any claim to, any benefits that DSA may provide to its employees, including without limitation workers’ compensation coverage, group medical or disability insurance, paid leave, or retirement benefits. Contractor shall be solely responsible for all federal, state, and local income taxes, self-employment taxes, unemployment insurance contributions, and any other taxes or withholdings arising from the compensation paid hereunder and shall obtain any insurance required by law or by this Agreement. Pursuant to the Arizona Declaration of Independent Business Status statute (**A.R.S. § 23-1601**), Contractor shall execute the Declaration of Independent Business Status attached hereto as **Exhibit A**, which is incorporated herein by reference. Execution and performance of the DIBS form, together with the terms of this Agreement, are intended to create a rebuttable presumption under Arizona law that Contractor is an independent contractor. DSA shall issue to Contractor an IRS Form 1099-NEC reflecting compensation paid pursuant to this Agreement.

1.2 No Authority.

Contractor does not have authority to bind DSA in any manner. Contractor shall not hold themselves out as an employee or agent of DSA and shall not incur any obligations on behalf of DSA without DSA’s prior written consent. Contractor is solely responsible for determining the means, methods, and manner of performing the services contemplated by this Agreement, subject only to the requirements of applicable federal and state aviation laws and regulations and the standards set forth herein.

1.3 Right to Work Elsewhere.

Nothing in this Agreement restricts Contractor from providing flight instruction or other services to third parties. Contractor may accept or decline student assignments at Contractor’s discretion, provided that Contractor fulfills any commitments to students accepted through DSA’s scheduling platform. DSA does not guarantee any minimum number of flight hours or earnings.

2. Scope of Services

2.1 Services.

Contractor shall provide flight training, ground training, and related consulting services (collectively, “**Services**”) to students arranged through DSA. Contractor shall perform all Services in accordance with all applicable **Federal Aviation Regulations (FARs)**, including without limitation 14 C.F.R. §§ 61.189, 61.193, and 61.195, and with FAA Advisory Circular **AC 61-65J** and any successor or replacement guidance. Contractor shall exercise the professional skill, care, and diligence ordinarily exercised by certified flight instructors and shall conduct all instruction in a manner consistent with DSA’s safety and operational policies, while maintaining autonomy in lesson planning and teaching style.

2.2 Compliance with FAA Requirements.

Contractor shall at all times maintain all certificates, ratings, authorizations, and medical certifications required by applicable law to exercise the privileges of a flight instructor. Contractor shall comply with all federal and state laws and regulations applicable to flight training, including any Transportation Security Administration security and citizenship verification requirements. Contractor represents and warrants that Contractor is current, qualified, and properly rated to instruct in each aircraft type used for instruction and shall not provide instruction in any aircraft for which Contractor lacks appropriate ratings or endorsements. Contractor shall adhere to all limitations imposed by law or regulation on flight instructors, including the limitation that a flight instructor may not conduct more than **eight (8) hours** of flight instruction within any twenty-four-hour period and shall not endorse a student for solo flight or a knowledge or practical test unless Contractor has provided the requisite training and determined that the student meets all applicable regulatory requirements.

2.3 Records and Endorsements.

Contractor shall **sign the logbook** of each student to whom flight or ground training is provided and shall maintain accurate records of all endorsements issued, including at a minimum the student’s name, the date of training, the type of endorsement (solo flight, knowledge test, practical test, or other endorsement), and the outcome. Such records shall be retained by Contractor for at least **three (3) years**. Upon DSA’s request, Contractor shall provide copies of endorsements, logbook entries, and related training records to DSA within forty-eight (48) hours.

2.4 Incident Reporting.

Contractor shall notify DSA within twenty-four (24) hours of any accident, incident, or near-miss involving a student or aircraft used in connection with Services, including any reportable event under the **NTSB** rules or any **FAA enforcement** action. Contractor shall cooperate with DSA, insurance carriers, and regulatory authorities in investigating and resolving such events.

2.5 Safety and Operational Standards.

DSA may provide safety manuals, standard operating procedures, and curriculum guidelines for reference. These materials are guidelines only and do not constitute control of the means or methods of Contractor’s work. Contractor remains responsible for exercising pilot-in-command judgment, ensuring safety of flight, and complying with FARs and DSA’s policies. If Contractor fails to adhere to safety standards or regulatory requirements, DSA may suspend or terminate assignments under Section 10.

2.6 Aircraft Ownership and Airworthiness.

Contractor understands and acknowledges that DSA does not make any representation or warranty concerning the airworthiness, mechanical condition, or availability of any aircraft used for flight instruction. Unless expressly stated otherwise in writing, DSA does not own or maintain the aircraft used for instruction; such aircraft are generally owned or leased by third-party owners or flight schools. Even in the event that DSA supplies, leases, or, in the future, owns an aircraft used for instruction, Contractor remains solely responsible for verifying, prior to each flight, that the aircraft is in an airworthy condition. This includes confirming that all required inspections, maintenance, and documentation are current and that the aircraft complies with all applicable Federal Aviation Regulations. Contractor shall not rely on DSA or any third party to determine airworthiness and shall not commence or continue any flight when Contractor knows or should know that the aircraft is not airworthy. DSA shall not be liable for any loss, damage, injury, or claim arising from the mechanical condition or unavailability of any aircraft used in connection with the Services.

3. Compensation

3.1 Rates.

Contractor's compensation for Services shall be as set forth in **Exhibit B (Rate Schedule)**. The Rate Schedule may specify hourly rates for flight instruction, ground instruction, simulator instruction, pre- and post-flight briefings, and any other services offered through DSA. Different instructors may have different rates. Rates may be amended by mutual written agreement; any update to Exhibit B will be effective upon written notice to Contractor.

3.2 Invoicing and Payment.

Contractor shall submit invoices through DSA's designated payment platform or such other online portal as DSA may specify, itemizing each lesson or service provided (including student name, date, start and end times, aircraft type, and service type). At DSA's sole discretion, a third-party online payment portal may be made available that enables Contractor to access funds immediately after completing a flight or service. Contractor understands and agrees that use of any such portal is optional, not guaranteed, and may be subject to transaction fees or other charges assessed by the portal provider. Any fees or charges associated with accelerated or instant payment shall be borne solely by Contractor. Absent the use of such a portal, DSA shall remit payment to Contractor within fifteen (15) days following receipt of a properly completed invoice. DSA may offset amounts owed to Contractor for student refunds, chargebacks, or re-instruction required due to Contractor's failure to comply with this Agreement or applicable regulations.

3.3 Taxes.

DSA will not withhold taxes from payments to Contractor. Contractor is solely responsible for payment of all income taxes, self-employment taxes, Social Security and Medicare taxes, and any other assessments or obligations. Contractor shall provide DSA with a completed **Form W-9** prior to receiving payments.

4. Tools, Equipment, and Expenses

Contractor shall supply all tools, equipment, and materials necessary to perform the Services, including headset, kneeboard, **electronic flight bag (EFB)** and subscriptions, charts, and training materials. Contractor shall bear all expenses associated with maintaining certifications, travel to and from the training location, and any equipment used. DSA may provide aircraft for instruction subject to aircraft availability and DSA's maintenance schedules. Any expenses incurred at DSA's request and approved in writing shall be reimbursed by DSA.

5. Insurance

5.1 Non-Owned Aircraft Liability Insurance.

Contractor shall maintain, at Contractor's sole cost and expense, a policy of **non-owned aircraft liability insurance** with limits of not less than **\$1,000,000 per occurrence** and **\$200,000 per passenger** for bodily injury and property damage. Such insurance shall protect Contractor against claims for bodily injury or property damage to third parties arising out of the operation of a non-owned aircraft and shall include coverage for legal defense costs. The policy shall be **primary and non-contributory** with respect to any insurance maintained by DSA, and Contractor shall cause DSA to be named as an additional insured thereunder.

5.2 Non-Owned Aircraft Physical Damage (Hull) Insurance.

Contractor shall maintain **physical damage (hull) coverage** for non-owned aircraft with limits of not less than **\$100,000**, or such greater amount as may be reasonably required based on the value of the aircraft utilized for instruction. Such insurance shall provide coverage for physical damage to a non-owned aircraft that is rented or borrowed for training purposes and may, where applicable, cover the aircraft owner's deductible and loss-of-use exposure. Contractor acknowledges and agrees that higher limits may be advisable depending on the specific aircraft involved and contractual requirements imposed by aircraft owners or regulatory authorities.

5.3 Professional Liability Insurance.

Contractor shall obtain and maintain **professional liability (errors and omissions)** insurance covering flight instruction activities with a limit of not less than **\$1,000,000 per occurrence**. The policy shall include coverage for negligent instruction, negligent supervision, and claims arising out of training activities. Contractor shall provide certificates of insurance evidencing coverage to DSA upon request and shall notify DSA of any cancellation or material modification within thirty (30) days.

5.4 Workers' Compensation.

Contractor acknowledges that Contractor is **not covered by DSA's workers' compensation insurance** and is responsible for providing any workers' compensation or disability coverage applicable to Contractor's business.

6. Indemnification and Liability

6.1 Indemnification by Contractor.

Contractor shall **defend, indemnify, and hold harmless** DSA and its members, managers, employees, agents, and students (collectively, the **"DSA Indemnitees"**) from and against any and all claims, losses, damages, liabilities, judgments, penalties, fines, costs, and expenses (including reasonable attorneys' fees) arising out of or related to:

- Contractor's breach of this Agreement;
- Any negligent act or omission or willful misconduct by Contractor or Contractor's employees or subcontractors;
- Contractor's violation of any applicable law or regulation; or
- Injuries to or claims by students during instruction.

The foregoing indemnity shall not apply to the extent that a claim results from the **gross negligence or willful misconduct of DSA**. The Parties acknowledge that exculpatory clauses and liability waivers are strictly construed under Arizona law and that an indemnification provision does not relieve a party from liability for its own gross negligence or intentional wrongdoing.

6.2 Waiver and Assumption of Risk by Contractor.

Contractor acknowledges that flight instruction carries inherent risks, including bodily injury, property damage, and death. Contractor voluntarily assumes all risks associated with providing the Services and **waives and releases** the DSA Indemnitees from any and all claims, demands, or causes of action arising out of or related to Contractor's own negligence. This waiver shall not apply to claims arising from the gross negligence or willful misconduct of DSA.

6.3 Limitation of Liability.

To the maximum extent permitted by law, the total liability of DSA to Contractor for any claim arising under or relating to this Agreement shall not exceed the total compensation actually paid by DSA to Contractor pursuant to this Agreement during the six (6) months immediately preceding the event giving rise to the claim. In no event shall DSA be liable for any consequential, incidental, special, punitive, or exemplary damages, except to the extent such damages result from the gross negligence or willful misconduct of DSA.

7. Confidentiality and Intellectual Property

Contractor shall maintain the confidentiality of DSA's proprietary information, student information, pricing, marketing strategies, and any other nonpublic information obtained in connection with this Agreement. Contractor shall not disclose such information to any third party except as required by law or as necessary to perform the Services. DSA retains all right, title, and interest in and to any curricula, lesson plans, checklists, and other materials developed by DSA. Contractor retains ownership of pre-existing materials created by Contractor but grants DSA a nonexclusive, royalty-free license to use such materials for training provided through DSA.

8. Student Relationships and Non-Solicitation

Contractor acknowledges and agrees that students engaged through DSA are the clients of DSA. During the term of this Agreement and for a period of **twelve (12) months** following its termination, Contractor shall not directly solicit or divert any student or prospective student introduced to Contractor by DSA for the purpose of providing flight instruction or related services outside of DSA. This restriction shall not prohibit Contractor from providing instruction to students who independently seek Contractor's services without reference to DSA, nor shall it prohibit Contractor from continuing relationships with students who first engaged Contractor outside of DSA. Contractor further agrees that, during the term of this Agreement and for a period of **six (6) months** following its termination, Contractor will not recruit or hire any employees, contractors, or instructors of DSA for the purpose of providing flight instruction or related services outside of DSA. The Parties acknowledge that these restrictions are reasonable in duration and scope and are intended solely to protect DSA's legitimate business interests and are not intended to constitute a broad non-competition covenant.

9. Control and Autonomy

DSA may establish general safety requirements and standards but will not control the day-to-day means, methods, or scheduling of Contractor's work. Contractor is free to select the time, place, and manner of providing the Services, subject to schedules mutually agreed upon with students and compliance with DSA's policies and FAA regulations. Contractor has the right to engage assistants or substitutes provided they are appropriately qualified and approved by DSA. Contractor shall be solely responsible for paying any such assistants and ensuring that they comply with this Agreement.

10. Term and Termination

10.1 Term.

This Agreement commences on the Effective Date and continues until terminated as provided herein. Either Party may terminate this Agreement at any time upon **fourteen (14) days'** written notice to the other Party.

10.2 Immediate Termination.

DSA may immediately suspend or terminate Contractor's assignments and this Agreement for cause, including but not limited to:

- Loss or suspension of Contractor's flight instructor certificate, medical certificate, or required ratings;
- Failure to maintain insurance as required herein;
- Violation of applicable laws or regulations;
- Conduct that endangers safety or reputation of DSA or its students;
- Material breach of this Agreement; or
- Acts of fraud, dishonesty, or moral turpitude.

10.3 Effect of Termination.

Upon termination, Contractor shall:

- Cease using DSA's name and materials;
- Return all confidential information and equipment;
- Submit final invoices within fifteen (15) days;
- Cooperate with DSA in transitioning students; and
- Continue to assist with any claims, investigations, or regulatory matters arising from Services provided prior to termination.

11. Governing Law; Dispute Resolution

This Agreement shall be governed by and construed in accordance with the **laws of the State of Arizona**, without regard to its conflict of law principles. The Parties agree that any dispute arising out of or relating to this Agreement shall first be submitted to **nonbinding mediation** in Maricopa County, Arizona. If the dispute is not resolved through mediation, it shall be resolved through **binding arbitration** administered by the American Arbitration Association under its Commercial Arbitration Rules in Maricopa County, Arizona. Notwithstanding the foregoing, DSA may seek injunctive relief in any court of competent jurisdiction to protect its confidential information and intellectual property. The Parties waive any right to a jury trial or to participate in a class or collective action.

12. Miscellaneous

1. **Entire Agreement.** This Agreement (including all exhibits) constitutes the entire understanding between the Parties with respect to its subject matter and supersedes all prior and contemporaneous agreements, negotiations, or communications, whether written or oral. Any amendments must be in writing and signed by both Parties.
2. **Assignment.** Contractor may not assign or delegate any rights or obligations under this Agreement without the prior written consent of DSA. DSA may assign this Agreement to a successor or affiliate with notice to Contractor.
3. **Severability.** If any provision of this Agreement is held invalid or unenforceable, that provision shall be severed, and the remaining provisions shall remain in full force and effect. The Parties agree to modify any invalid provision to the minimum extent necessary to render it valid and enforceable while preserving the Parties' intent.
4. **Notices.** Any notice required under this Agreement shall be in writing and delivered personally, sent by certified mail (return receipt requested), or delivered by recognized overnight courier to the Parties at the addresses first set forth above or such other address as a Party may designate by notice. Notices shall be deemed effective upon receipt.
5. **Survival.** The provisions of this Agreement that by their nature should survive termination or expiration shall so survive, including Sections 5 (Insurance), 6 (Indemnification and Liability), 7 (Confidentiality and Intellectual Property), 8 (Student Relationships and Non-Solicitation), 10.3 (Effect of Termination), 11 (Governing Law; Dispute Resolution), and this Section 12.

13. Representations and Warranties

13.1 Authority.

Each Party represents and warrants that it has full right, power, and authority to enter into this Agreement and to perform its obligations hereunder.

13.2 Contractor Qualifications.

Contractor represents and warrants that (a) Contractor holds all certificates, ratings, licenses, and authorizations required under applicable law to perform the Services; (b) Contractor will maintain all such qualifications throughout the term of this Agreement; (c) Contractor will comply with all laws, rules, and regulations applicable to Contractor's performance under this Agreement; and (d) the execution and performance of this Agreement by Contractor will not violate any other agreement or obligation to which Contractor is a party or by which Contractor is bound.

13.3 No Conflicts.

Each Party represents and warrants that the execution, delivery, and performance of this Agreement do not and will not conflict with or result in a breach of any other agreement or obligation to which such Party is a party or by which it is bound.

14. Construction; Interpretation

The headings and captions in this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement. This Agreement shall be construed according to its fair meaning and not strictly for or against either Party, regardless of which Party drafted or prepared any of its provisions. As used herein, words in the singular include the plural and vice versa, and the term "including" shall be interpreted as meaning "including without limitation."

15. Counterparts; Electronic Signatures

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures to this Agreement transmitted by facsimile, electronic mail (including PDF), or by electronic signature service shall have the same force and effect as original signatures.

Exhibit A – Declaration of Independent Business

Exhibit A – Declaration of Independent Business Status (DIBS)

Pursuant to **A.R.S. § 23-1601**, Contractor hereby acknowledges and declares the following statements (at least **six** must be checked to establish a rebuttable presumption of independent contractor status):

- Contractor operates an independently established business and is **not** an employee of DSA.
- Contractor is **not** covered by DSA's health insurance or workers' compensation insurance.
- Contractor is **not** restricted from providing services to others and may accept or decline work for DSA.
- Contractor has the **right to accept or reject** requests for training, students, or services from DSA.
- Contractor expects to provide services to **multiple clients** and is **not economically dependent** on DSA.
- DSA does **not** dictate the performance of the Services; Contractor determines the means and methods of performance.
- DSA may impose quality standards or deadlines, but Contractor controls the **days and times** when work is performed.
- Contractor is paid **per contract or invoice** and not by salary or hourly wage guaranteed by DSA.
- Contractor provides and maintains necessary **tools and equipment** and pays for all business expenses.
- This declaration applies to **all employees or subcontractors** engaged by Contractor to perform Services.

Contractor certifies that Contractor operates a lawful business and is responsible for all required business licenses and permits. Contractor acknowledges that execution of this declaration is not required to create an independent contractor relationship and does not constitute a waiver of any rights under federal or state law.

Contractor Initials: _____

Exhibit B – Rate Schedule

Exhibit B – Rate Schedule

This exhibit sets forth the rates payable to Contractor for Services. Complete the table with the applicable rates. DSA may update this schedule by written notice to Contractor.

Service Type	Rate (per hour or per service)	Comments
Flight Instruction	\$50	Logged Hobbs Time
Ground Instruction	\$50	Any Logged Ground Training Given Time
Briefing Time	\$50	Any Billable, Pre or Post Briefing Time

Contractor Initials: _____

Exhibit C – Insurance Requirements

Exhibit C – Insurance Requirements

Contractor shall maintain insurance coverage meeting or exceeding the minimum limits set forth below. Coverage limits may be increased by DSA based on aircraft value, student requirements, or regulatory changes.

Coverage	Minimum Limits	Notes
Non-Owned Aircraft Liability (Bodily Injury & Property Damage)	\$1,000,000 per occurrence / \$200,000 per passenger	Includes legal defense; primary and non-contributory
Non-Owned Aircraft Physical Damage (Hull)	\$100,000 per aircraft (or higher as appropriate)	Covers damage to aircraft; may cover owner deductible and loss of use
Professional Liability / Errors & Omissions	\$1,000,000 per occurrence	Coverage for negligent instruction; may be obtained through CFI insurance programs
Workers' Compensation (if applicable)	As required by law	Only applicable if Contractor has employees

Contractor Initials: _____

Exhibit D – Records & Endorsement Checklist

Exhibit D – Records & Endorsement Checklist

The following checklist summarizes the record-keeping obligations under **14 C.F.R. § 61.189** and **AC 61-65J**. Contractor shall maintain and provide copies of the following documents as applicable:

- Logbook entries for each flight and ground lesson given, **signed by Contractor**.
- Endorsements for solo flight privileges, including student's name, date, aircraft make/model, limitations, and endorsements under **§ 61.93** and **§ 61.95**.
- Endorsements for knowledge tests and practical tests, indicating the type of test, date, and results.
- Training records for **complex, high-performance, tailwheel**, and other endorsements.
- Verification of citizenship or **TSA approval** for non-U.S. citizen students (e.g., IACRA record, TSA approval letter).
- Copies of student graduation certificates or course completion sign-offs (if applicable).
- Any other documents required by DSA's policies or regulatory authorities.

Contractor shall retain these records for at least **three (3) years** and make them available to DSA and any applicable governmental or regulatory authorities upon request.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

Desert Skies Aviation Training, LLC

By: _____

Name/Title: _____

Date: _____

Contractor:

Name: _____

Signature: _____

Date: _____

Disclaimer: This Agreement is provided for general informational purposes only and does not constitute legal advice. Each Party should consult with its own legal counsel to ensure that this Agreement complies with applicable federal, state, and local laws and to tailor the provisions herein to its specific circumstances.