
MEMORANDUM

TO: PROSPECTIVE CLIENTS

FROM: AERO LAW GROUP PC – 425-456-1800 – <http://www.law.aero>
MATTHEW D. CRAM – crammd@law.aero

SUBJECT: TIME SHARING AGREEMENTS – SMALL AIRCRAFT

DATE: FEBRUARY 28, 2014

Time Sharing Agreements are described in Part 91, Subpart F of the Federal Aviation Regulations (FARs)) and are available to aircraft that fall into one of the following groups:

- The aircraft has a maximum takeoff weight of **over 12,500** pounds, or;
- The aircraft is a **multi-engine turbojet aircraft** (regardless of size), or;
- The aircraft is a fractional program aircraft (regardless of size)

Aircraft such as the Pilatus PC-12 and Piaggio P.180 Avanti do not meet these requirements and are usually not eligible. However, NBAA's Small Aircraft Exemption - provided from the FAA -- allows operators of **piston airplanes, small airplanes, and all helicopters** to utilize Time Sharing Agreements (and the other limited options for cost reimbursement permitted under Part 91, Subpart F of the Federal Aviation Regulations (FARs) provided they meet the other requirements of the exemption.

Excerpt from NBAA Website:

The FAA has approved NBAA's request to extend Exemption 7897, more commonly known as NBAA's Small Aircraft Exemption. Exemption 7897F is valid for a two-year period, expiring on March 31, 2015.

In this extension, NBAA is granted an exemption from 14 CFR 91.409(e) and 91.501(a) to permit NBAA Members to operate small civil airplanes and helicopters of U.S. registry under the operating rules of 14 CFR 91.503 through 91.535 and to select an inspection program as described in 14 CFR 91.409(f).

This exemption is subject to the following conditions and limitations:

- *Only those operations listed in 14 CFR 91.501(b) (1) through (7) and (9) may be conducted under the authority of this exemption. Those operations must be conducted in compliance with the operating rules in 14 CFR 91.503 through 91.535. Helicopter operations are not required to comply with the flight altitude rules in 14 CFR 91.515(a),*

provided the operations comply with the minimum safe altitude requirements in 14 CFR 91.119.

- *Aircraft operated under the authority of this exemption must use an inspection program listed in 14 CFR 91.409(f).*
- *Member Companies that elect to operate their aircraft under this exemption must take the following action:*
 - *Notify the geographically responsible Flight Standards District Office (FSDO) that operation will be conducted under the terms of this exemption. (Notification should be in writing).*
 - *Provide the geographically responsible FSDO with a copy of the time-sharing or interchange agreement under which each aircraft is being operated (if applicable). Each agreement must include the aircraft registration number of each aircraft involved.*
 - *Notify FSDO of exemption number change (new Exemption Number 7897F).*
 - *Make an entry in the aircraft logbook showing the provisions of 14 CFR 91, subpart F, under which the aircraft is being operated.*
 - *Provide the geographically responsible FSDO a copy of the inspection program used to comply with 14 CFR 91.409(f).*

NOTE: If this exemption is used by a Member Company, a copy of this exemption and all supporting documents should be kept on board the aircraft at all times. This is not a regulatory requirement but is highly recommended.

When this exemption is used the party that operates the aircraft must be a Member of NBAA. (By way of example, if a company enters into a timesharing agreement, the company that operates the aircraft must be an NBAA Member. If two companies enter into a joint ownership agreement, and the agreement specifies that one of the companies will be the operating joint owner, that operating company must be an NBAA Member.) Additionally, all aircraft affected by this exemption must be listed in the NBAA Membership database.

Member Companies are not authorized to conduct operations under this exemption if they are required to conduct operations under 14 CFR 135.

Aero Law Group can assist you in preparing any Time Sharing Agreements you would need if you decide to take advantage of that option.

This would allow you to collect some reimbursement from employees, shareholders and even third parties.



US Department
of Transportation
**Federal Aviation
Administration**

400 Independence Ave., S.W.
Washington, D.C. 20593

March 22, 2013

Exemption No. 7897F
Regulatory Docket No. FAA-2002-12728

Mr. Douglas Carr
Vice President
National Business Aviation Association, Inc.
1200 18th Street, NW, Suite 400
Washington, DC 20036

Dear Mr. Carr:

This letter is to inform you that we have extended Exemption No. 7897, as amended. It explains the basis for our decision, describes its effect, and lists the conditions and limitations.

The Basis for Our Decision

On September 27, 2012, the Federal Aviation Administration (FAA) issued Exemption No. 7897, as amended to National Business Aviation Association, Inc. (NBAA). That exemption from §§ 91.409(e) and 91.501(a) of Title 14, Code of Federal Regulations (14 CFR) allows NBAA to operate small civil airplanes and helicopters of United States registry under the operation rules of §§ 91.503 through 91.535 and to select an inspection program as described in § 91.409(f).

Our Decision

The FAA has determined that the justification for the issuance of Exemption No. 7897, as amended, remains valid with respect to this exemption and is in the public interest. Therefore, under the authority provided by 49 U.S.C. 40113 and 44701, which the FAA Administrator has delegated to me, I grant your petition, subject to the following conditions and limitations.

AFS-13-244-E

Conditions and Limitations

1. Only those operations that are listed in § 91.501(b)(1) through (7) and (9) may be conducted under the authority of this exemption. Those operations must be conducted in compliance with the operating rules in §§ 91.503 through 91.535. However, helicopter operations are not required to comply with the flight altitude rules of § 91.515(a), provided the operations comply with the minimum safe altitude requirements in § 91.119. Aircraft operated under the authority of this exemption must use an inspection program listed in § 91.409(f).
2. No person may operate an aircraft under this exemption unless the appropriate Flight Standards District Office (FSDO) has been -
 - a. Notified that the operation will be conducted under the terms of this exemption; and
 - b. Provided with a copy of the time-sharing, interchange, or joint ownership agreement under which each aircraft is being operated, if appropriate. Each agreement must include the aircraft registration number of each aircraft involved.
3. No person may operate an aircraft under this exemption unless an entry is made in the aircraft logbook showing the provisions of part 91, subpart F, under which it is being operated.
4. No person may operate an aircraft under the authority of this exemption unless an inspection program has been submitted to and approved by the appropriate FSDO.

5. This exemption does not authorize the conduct of any operation required to be conducted under the rules of part 135.
6. This exemption is not valid for operations outside of the United States.

The Effect of Our Decision

Our decision extends the termination date of Exemption No. 7897, as amended, to March 31, 2015, unless sooner superseded or rescinded.

Sincerely,

/s/
John M. Allen
Director, Flight Standards Service

Aero Law Group represents over 500 clients on six continents, including Fortune 500 companies, high-net-worth individuals, governments and heads of state, and established and emerging commercial airlines in domestic and international transactions involving the sale, lease, exchange and financing of commercial and business aircraft. Founded in 2000, our seven attorneys focus their practice in the area of aviation law. Cumulatively, those attorneys have over 175 years of experience in aviation transactions, complex tax issues and tax structuring. Aero Law Group attorneys have negotiated the acquisition or sale of more than 2000 new commercial aircraft with all major manufacturers, including multiple Airbus A350s and Boeing 787s; and more than 500 business aircraft of nearly all makes and models, including the first Boeing Business Jet. Their experience spans narrow and wide-bodies as well as passenger-to-VIP conversions of airliner class aircraft, including Boeing 747s.

The information contained herein has been prepared for informational purposes only and is not to be construed as legal advice or opinion. Such advice or opinion is given only after being engaged to do so with respect to the particular facts and circumstances of your matter. The information provided is accurate at the time of writing, but may require revisions or modification as circumstances change.

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