

SAMPLE AIRCRAFT PURCHASE/SALES AGREEMENT

The following document has been provided as a general guide in preparing an aircraft purchase/sales agreement. This agreement was not designed to address every issue, element, or contingency for these types of transactions. However, it contains some alternative language, in italics, that the parties may consider as they identify their respective needs and objectives for the agreement. Nevertheless, we urge you *not* to simply copy this agreement and "fill in the blanks." When it comes to the buying and selling of aircraft, there are considerable financial and legal risks for both the buyer and seller. Consequently, it would be worth the additional investment in having a qualified attorney draft the actual agreement.

Aircraft Purchase/Sales Agreement

THIS AGREEMENT, is entered into this _____ day of _____, _____, by and between _____, (the "Buyer"), a(n) _____ (individual(s), corporation, partnership, or LLC) whose principal address is _____; and _____ (the "Seller"), a(n) _____ (individual(s), corporation, partnership, or LLC) whose principal address is _____:

IN WITNESS WHEREOF, in consideration of the premises, the mutual covenants contained herein, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties do hereby agree as follows:

1. Sale of Aircraft. Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller the following Aircraft (the "Aircraft"):

Aircraft Make _____
Aircraft Model _____
Aircraft Year _____

Aircraft Registration Number _____

Aircraft Serial Number _____

Aircraft shall be equipped as follows:

Seller warrants that Seller holds legal title to the Aircraft and that title will be transferred to Buyer free and clear of any liens, claims, charges, or encumbrances. Upon delivery of the Aircraft and payment of the balance of the purchase price, in accordance with this Agreement, Seller shall execute a bill of sale granting good and marketable title to the Aircraft.

2. Consideration. It is agreed that the price of the Aircraft is _____ Dollars (\$_____) and is due on delivery of the Aircraft. All monies paid in accordance with this Agreement will be made by cash, cashier's check, certified check, wire transfer, or equivalent.

3. Escrow. It is agreed that within _____(_____) business days after execution of this agreement an escrow account will be established with escrow agent [*at Buyer's sole discretion*] [*at Seller's sole discretion*] [*agreeable to both parties*]. All funds, including the deposit, and the following documents pertaining to this transaction, shall be transmitted through the escrow account: (a) Bill of sale for the Aircraft from Seller to Buyer; and (b) Application for Registration of the Aircraft to Buyer. The fees for the escrow service shall be [*paid by the Buyer*] [*paid by the Seller*] [*split evenly between Buyer and Seller*].

4. Deposit. The Buyer shall pay a deposit of _____Dollars (\$_____) in to the escrow account immediately upon the establishment of that account. The deposit is [*non-refundable unless otherwise stipulated in this agreement*] [*fully refundable to Buyer except as otherwise stipulated herein*]. The deposit shall be credited to the purchase price of the Aircraft.

5. Pre-purchase Inspection. After the signing of this Agreement and the payment of the deposit into escrow, the Buyer shall have the right to perform a pre-purchase inspection of the Aircraft. Such inspection shall be

at the Buyer's expense and may be performed by a individual(s) of Buyer's choice, so long as he/she/they hold current Airframe and Powerplant mechanic certificates issued by the Federal Aviation Administration. The inspection shall be performed at _____ Airport and include a review of the aircraft's logbooks/maintenance records and flight test performed by the seller's pilot.

Alternate clauses for this section:

[*If the Buyer does not perform or have this inspection performed within _____ (_____) days of the signing of this Agreement, then Buyer shall be deemed to have waived his/her/its right to such inspection*].

[*Upon completion of this inspection, Buyer shall have _____ (_____) days to notify Seller that he/she/they will not purchase the Aircraft. If Buyer elects not to purchase the Aircraft, the Buyer shall notify Seller in writing of this decision. Upon receipt of such notice, Seller shall return, or have returned, within _____ (_____) days, to Buyer all payments made by Buyer, except for the deposit*].

[*Upon completion of this inspection, Buyer shall present to the Seller any list of discrepancies compiled. The Seller shall have _____ (_____) business days to review the list and to notify the Buyer of Seller's decision: (a) to pay to have the [discrepancies] [discrepancies affecting the airworthiness of the Aircraft] repaired at Seller's expense and to complete the sale; or (b) to decline to pay the costs of repairs and to terminate the Agreement. If Seller declines to pay the cost of repairs, Seller shall refund, or have refunded, the Buyer's deposit and shall reimburse the Buyer for the cost of the pre-purchase inspection*].

6. Aircraft Delivery. It is agreed that the Aircraft and its logbooks shall be delivered on _____(date) at _____ Airport. Payment in full, as described above, is a condition of delivery. Title and risk of loss or damage to the Aircraft shall pass to Buyer at the time of delivery. The Aircraft will be delivered to Buyer in its present condition, normal wear and tear excepted, with a valid FAA Certificate of Airworthiness.

7. Warranties. *Alternative clauses for this section:*

[Except as provided otherwise in this agreement, this Aircraft is sold "as is." There are no warranties, either express or implied with respect to merchantability or fitness applicable to the Aircraft or any equipment applicable thereto including warranties as to the accuracy of the Aircraft's logbooks, made by Seller. Buyer agrees that no warranty has been expressed or implied by Seller and that Buyer has inspected the Aircraft and understands that it is being purchased "as is." Buyer hereby expressly waives any claim for incidental or consequential damages, including damages resulting in personal injury against Seller].

[Seller warrants that: (a) the Aircraft is in airworthy condition; (b) the Aircraft has a current annual inspection; (c) the Aircraft has a currently effective Standard Category airworthiness certificate issued by the Federal Aviation Administration; (d) all of the Aircraft's logbooks are accurate and current; (e) all applicable Airworthiness Directives have been complied with; (f) -----].

8. Seller's Inability to Perform.

(a) If the Aircraft is destroyed or in Seller's opinion damaged beyond repair, or is seized by the United States Government, Seller shall promptly notify Buyer. On receipt of such notification, this Agreement will be terminated and the Seller shall return to Buyer all payments made in accordance with this Agreement, and Seller will be relieved of any obligation to replace or repair the Aircraft.

(b) Seller will not be responsible or deemed to be in default for delays in performance of this Agreement due to causes beyond Seller's control and not caused by Seller's fault or negligence.

9. Buyer's Inability to Perform. If, for any reason, the Buyer is unable to pay the purchase price of the Aircraft, as specified in this Agreement, the Seller shall return all payments to the Buyer except for the deposit.

10. Taxes. The Buyer shall pay any sales or use tax imposed by a state or local government, which results from the sale of the Aircraft.

11. Assignment. This Agreement may not be transferred or assigned without written authorization signed by Seller and Buyer.

12. Notice. All notices and requests required or authorized under this Agreement shall be given in writing by certified mail, return receipt requested. The date on which any such notice is received by the addressee shall be deemed the date of notice.

13. Governing Law. This Agreement is a contract executed under and to be construed under the laws of the State of _____.

14. Attorney Fees. In the event any action is filed in relation to this Agreement, [*the unsuccessful party in the action shall pay to the successful party a reasonable sum for the successful party's attorney's fees*] [*each party shall be responsible for his/her/its own attorney's fees*].

15. Waiver. Either party's failure to enforce any provision of this Agreement against the other party shall not be construed as a waiver thereof so as to excuse the other party from future performance of that provision or any other provision.

16. Severability. The invalidity of any portion of the Agreement shall not affect the validity of the remaining portions thereof.

17. Paragraph Headings. The headings to the paragraphs to this Agreement are solely for convenience and have no substantive effect on the Agreement nor are they to aid in the interpretation of the Agreement.

18. Entire Agreement. This Agreement constitutes the entire Agreement between the parties. No statements, promises, or inducements made by any party to this Agreement, or any agent or employees of either party, which are not contained in this written contract shall be valid or binding. This Agreement may not be enlarged, modified, or altered except in writing signed by the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

SELLER

BUYER