



YOUR GUIDE TO BUYING AND SELLING AN AIRCRAFT



Navigating aircraft ownership is a complex process in today's environment of international transactions.

An agent with proven aircraft sales experience can simplify this process, enabling you to get the best value while ensuring all your criteria are met. Most agents – and buyers and sellers – also work with advisors covering legal, financial, tax and aircraft management matters. Although no two transactions are exactly alike, this guide provides a general overview of the key buying and selling stages and activities.



BUYING AN AIRCRAFT



Entering an exclusive acquisition agreement with your agent

- In this first phase, the agent obtains preliminary information about you, your goals, and the type of aircraft desired.
- An aircraft acquisition proposal is presented and an agreement executed between both parties, outlining roles and responsibilities, fee structure and other relevant items such as timing goals.



Clarifying your flight profiles, budget, aircraft preferences and purchase options

- Your agent will:
 - Evaluate your planned aircraft usage such as: the number of passengers and their travel requirements, destinations, frequency of planned aircraft use, security and fleet requirements.
 - Examine the pros and cons of new versus pre-owned aircraft given your situation.
- Your financial and tax representatives will:
 - Advise you regarding financing alternatives such as cash purchases versus financing structures, finance leases versus operating leases, and the tax implications of each.
 - Help define your budget for capital and operating costs.



Reviewing the market to identify a short list of aircraft

- Your agent will search all markets worldwide for aircraft that meet your criteria, including off-market opportunities.
- After an analysis of the aircraft data, the agent presents a range of the best aircraft value propositions.
- At this point, you may wish to view an aircraft personally or you may prefer to move forward with an offer.



Facilitating negotiations, and transaction preparation

- Your agent advises and counsels you on the purchase price and terms.
- When you are ready to make an offer on an aircraft, the agent assists with preparation of your non-binding Letter of Intent (LOI) to the seller, negotiates with the seller on your behalf and provides escrow information for placement of deposit.
- Upon acceptance of the LOI by the seller, you place a refundable deposit into escrow and either the buyer's or seller's legal counsel will initiate the draft Aircraft Purchase Agreement. This agreement covers all aspects of the proposed transaction including movement of the aircraft (to inspection, test flight and delivery flight), the location and scope of the pre-purchase inspection, aircraft delivery condition, closing deliverables, transaction timeline, and closing location.



Contracting, inspecting, and closing

- After the Purchase Agreement is executed, your agent assists with the pre-purchase inspection logistics. Buyer pays for the inspection flat rate and test flight. Any flying required for the transaction will be done by the seller's crew and under the seller's control.
- The inspection facility determines airworthiness. Correction of any airworthy and operational discrepancies, as determined by the inspection facility, is the seller's responsibility.
- Upon completion of the inspection and buyer's technical acceptance of the aircraft, the parties with help of the escrow agent will finalize transaction documentation for FAA and IR registration and filing, financing, insurance, maintenance program transfers, registrations, delivery, and more.
- At closing, your agent will work with the escrow agent to simultaneously complete transfer of funds and the aircraft, including de-registration, re-registration and import/export filings.



SELLING AN AIRCRAFT



Entering an exclusive listing agreement with your agent

- The agent gains an understanding of your goals and obtains preliminary information about the aircraft and situation such as your timeline to sell and thoughts on sale price.
- The agent verifies your replacement aircraft priorities and may assist in assessing whether trade-in or a direct sale is the best option for you.
- After completing an aircraft market summary, the agent presents a Listing and Marketing Proposal and a Listing Agreement. The Listing Agreement covers details such as how expenses and sales proceeds will be managed including seller and agent expenses, commissions structure, aircraft advertising and promotions.
- Upon execution of the exclusive Listing Agreement, the agent begins preparations to sell the aircraft.



Determining the asking price and planning the sale

- The agent conducts an on-site evaluation of the aircraft's condition which includes:
 - Obtaining and reviewing copies of all relevant aircraft documents and maintenance records.
 - Analyzing cosmetic and mechanical condition and reviewing logbooks.
- Where advisable, the agent will recommend upgrades to enhance marketability.
- The agent works with you to determine the asking price and expected net price based on an in-depth analysis of the aircraft, market trends, internal databases, and first-hand knowledge and experience.
- The agent establishes a go-to-market and sales plan.



Executing the marketing and sales plans

- Next, the agent's team develops the marketing and sales promotional materials.
- Leads are generated by maximizing exposure of your aircraft which includes:
 - Communications with existing prospects, alliances and industry partners around the world.
 - Integrated digital and print media campaigns.
 - Promotions at airshows and exclusive customer events.
- Personal communications are maintained with prospects and their representatives to encourage offers.
- Regular updates are presented to you regarding the sales and marketing performance.



Facilitating negotiations with prospective buyers

- Your agent reviews all offers with you and assists with responses to obtain the best value propositions for you for the short and long-term.
- When a buyer is identified and an offer in the form of a Letter of Intent (LOI) is received, your agent advises and counsels you relative to the aircraft's sale and negotiates the LOI and counter offers.
- With your acceptance of an LOI, the buyer makes a deposit and either the buyer's or seller's legal counsel will initiate the draft Aircraft Purchase Agreement. This agreement covers all aspects of the proposed transaction including movement of the aircraft (to inspection, test flight and delivery flight) the location and scope of the prepurchase inspection, aircraft delivery condition, closing deliverables, transaction timeline, and closing location.



Contracting, inspecting, and sale closing

- After the Purchase Agreement is executed, the pre-purchase inspection, including a test flight, is arranged. The buyer pays for the inspection, but the test flight will be done by your crew and under your control.
- The inspection facility determines airworthiness, which means bringing the aircraft into delivery condition. Correction of any technical discrepancies, as determined by the inspection facility, is your responsibility.
- With technical acceptance of the aircraft, the transaction documentation is finalized for financing, insurance, maintenance program transfers, registrations, delivery, the FAA and more.
- At closing, the agents will work with the escrow agent to simultaneously complete transfer of funds and the aircraft, including de-registration, re-registration and import/export filings.



OWNERSHIP ASSISTANCE



A seasoned sales agent can provide services beyond the standard transactions process, such as:

- Navigating the international markets to connect buyers to the best value deal for them.
- Connecting you with trusted completion and modification facilities.
- Recommending aircraft management and maintenance options for hangaring, staffing, training, maintenance, flight planning and chartering.
- Assisting with fleet planning such as conducting a full analysis of current and projected operational costs and assistance with technical data including range maps.
- Advising you regarding replacement timing.