



*A Letter of Intent (LOI) outlines key points in an aircraft purchase and sale transaction. A carefully crafted LOI brings the buyer and seller together. It encourages both parties to resolve key deal points before being heavily invested in a transaction.*

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Here are four tried-and-true reasons to use or request an LOI.

**1**

A Buyer and Seller have different expectations or motivations for a purchase or sale. An LOI establishes the relationship and expectations between the parties.

2

An LOI is generally non-binding. It encourages the parties to continue discussions without forcing them to make the conversation exclusive.

3

Carefully negotiating an LOI can save time and money when negotiating a purchase agreement. The parties have already worked through controversial provisions.

4

An LOI addresses the most important transaction terms, such as:

- Price
- Scope of inspection
- Inspection location
- Deposit
- Aircraft delivery conditions
- Aircraft movement costs
- Choice of law, jurisdiction and venue

A well-written LOI can be used effectively to define the aircraft transaction terms, establish the relationships, and to set the tone for the potential sale or purchase before any additional time or resources are expended.

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If you have questions or require assistance in preparing an LOI for a future aircraft transaction, consult [Kali M. Hague](#) at Jackson & Wade, L.L.C. or contact us at 913.338.1700 or [www.jetlaw.com](http://www.jetlaw.com).