

DISCLAIMER

This agreement is provided to our pilot friends at no cost and for no consideration. You are welcome to utilize it for whatever purpose you choose. Please modify this agreement to suit your particular situation. However, First Priority Bank cannot and will not provide any assurance that the agreement is suitable for your situation and we will not provide any warranty or guaranty as to its accuracy or legal validity. You are electing to use the agreement by assuming any risk as to its legal correctness, validity, or consequences.

Aircraft Purchase/Sales Agreement

AN AGREEMENT, made and executed this _____ day of _____, by and between _____ (hereinafter "buyer"), and _____ (hereafter "Seller").

WITNESSETH: In consideration of \$_____, and other good and valuable considerations, the receipt of which is hereby acknowledged, the Parties hereby mutually agree as follows, to wit:

- 1. Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller the following Aircraft:

Aircraft Make _____

Aircraft Model _____

Aircraft Year _____

Aircraft Registration Number _____

Aircraft Serial Number _____

Aircraft shall be equipped as follows _____

Seller warrants that the damage history to the aircraft is as follows: _____

Seller also warrants that the aircraft logbooks are complete and begin with the date of manufacture of the aircraft to the present or alternatively the logbooks are incomplete and begin on _____ and end on _____.

Seller warrants that Seller owns legal title to the above Aircraft and that title will be assigned to Buyer free and clear of any liens, claims, or encumbrances. Seller acknowledges that presently this airplane is/is not encumbered to _____. 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 said Aircraft free and clear of all claims and encumbrances.

2. It is agreed that the purchase price of the Aircraft is _____ (\$ _____) which sum is due on delivery of the Aircraft. Any money paid pursuant to this Agreement shall be paid by cash, cashier's check, certified checks, or wire transfer.
3. (Optional) It is agreed that within _____ business days after the execution of this Agreement, an escrow shall be maintained with an escrow agent mutually agreeable to both parties. All funds, including the earnest money deposit, and the following documents pertaining to this transaction, shall be deposited with the escrow agent: (a) Bill of Sale for the Aircraft executed by the Seller to the Buyer; and (b) Application for Registration of the Aircraft to the Buyer. The fees for the escrow service shall be paid by _____.

The Buyer shall pay a deposit of _____ Dollars (\$ _____) into the escrow account immediately upon the establishment of the escrow. The deposit is non-refundable unless otherwise stipulated in this agreement. The deposit shall be credited to the purchase price of the Aircraft.

4. (Optional) Buyer shall pay Seller the sum of \$ _____ which sum shall be credited to the purchase price of the airplane. In the event that the airplane fails a pre-purchase inspection, in the sole discretion of the Buyer, the deposit shall be immediately refunded to Buyer, subject to the terms of this agreement. If buyer refuses for any reason to complete the purchase, other than a failure of pre-purchase inspection or a title search, Buyer's earnest money deposit shall be forfeited.
5. Subsequent to the execution of this Agreement and the payment of the earnest money deposit into escrow, or to the Seller as the case may be, the Buyer shall have the right to perform a pre-purchase inspection upon the Aircraft. The pre-purchase inspection mechanic shall be the Buyer's exclusive decision, so long as the mechanic possesses a current Airframe and Powerplant mechanic certificates issued by the Federal Aviation Administration. The pre-purchase inspection shall be performed at _____ Airport.

If the Buyer does not have the pre-purchase inspection performed within _____ (_____) days after the execution of this Agreement, Buyer shall have waived his right to such inspection.

Upon completion of the pre-purchase inspection and a failure of the inspection, in the sole and exclusive discretion of Buyer, the Buyer shall have _____ (_____) days to notify Seller that the Buyer will not purchase the Aircraft. If Buyer elects not to purchase the Aircraft, the Buyer shall notify Seller of this decision. Upon receipt of the notice of rejection, Seller shall immediately return all payments made by Buyer.

Upon completion of the pre-purchase inspection, Buyer shall present to the Seller any list of discrepancies. The Seller shall have _____ (_____) business days to review the discrepancies and to notify the Buyer of Seller's decision: (a) to pay to have the discrepancies 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. It is agreed that the Aircraft and its logbooks shall be delivered on _____(date) at _____ Airport.

Payment in full, is a condition of delivery. Title and risk of loss or damages to the Aircraft shall pass to Buyer at the moment of delivery. The Aircraft will be delivered to Buyer in its present condition, normal wear and tear expected, with a valid FAA Certificate of Airworthiness.

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 air worthiness 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) _____.

7. If the Aircraft is destroyed, or in Seller's opinion damaged beyond repair, Seller shall notify Buyer immediately and this Agreement shall be terminated and the Seller shall return all payments to Buyer and Seller will be relieved of any obligation to replace or repair the Aircraft. Seller will not be responsible or deemed to be in default for delays in performance of the Agreement due to reasonable causes beyond Seller's control.
8. If, for any reason, the Buyer is unable to pay the price of the Aircraft, as specified in this Agreement, the Seller shall return all documents to the Buyer except for the deposit which shall be retained as liquidated damages.
9. The Buyer shall pay any sales or use tax imposed by any state or local government, which results from the sale of the Aircraft.
10. All notices and requests required or authorized pursuant to this Agreement shall be in writing by certified mail, return receipt requested.
11. This agreement is a contract executed pursuant to the laws of the State of _____.
12. In the event any action is filed in relation to this Agreement, each party shall be responsible for his own attorney fees.

13. 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 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 unless in writing signed by the parties.

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

Seller

Buyer