Confidential

Subject to Contract

Date:

[•][[1]](#footnote-2)

Attention: Mr./Ms. [•]

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**LETTER OF INTENT**

**FOR THE SALE AND PURCHASE OF**

**BBJ2 AIRCRAFT**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_



# This Letter of Intent outlines the basic commercial agreement that has been reached in respect of the sale and purchase of the aircraft specified in Section 1.1.

Commercial Terms

* 1. Aircraft

One BBJ2 aircraft, registration mark T7-GSA each with Two CFM56-7B27 Eengines (the “**Engines**”), together with all applicable maintenance records, manuals, records, log books and data and documents associated with that aircraft (the **"Aircraft Documentation"**) (collectively, the **"Aircraft"**).

* 1. Seller

***Minsheng Jiafeng Leasing Limited***, a company incorporated in Hongkong, China with its registered office address at ROOMS 2201-03, 22/F WORLD-WIDE HSE, 19 DES VOEUX RD, CENTRAL, HK ("**Seller**").

* 1. Buyer

[***PURCHASER’S NAME***], a company incorporated in [***jurisdiction***] with its registered office address at [***Address***] ("**Buyer**").

* 1. Delivery Dates

The date on which the delivery of the Aircraft occurs("Delivery Date").

* 1. Purchase Price

The purchase price for theAircraft is [] (the **"Purchase Price"**).

Upon Seller tendering the Aircraft for delivery to Buyer in the Delivery Condition and in compliance with the requirements of the Aircraft Purchase Agreement: (a) the Deposit for that Aircraft (as defined in Section 1.6) will be applied toward the Purchase Price and (b) the difference between the Purchase Price and the Deposit for that Aircraft (the **"Balance of the Purchase Price"**for that Aircraft) will be payable by Buyer.

* 1. Deposit

Buyer make adeposit for the Aircraft in amount of [] United States Dollars (the **"Deposit"**)with AIC Title in Oklahoma City, Oklahoma, (the "**Escrow Agent**")within five (5) business days of execution of this Letter of Intent.Buyer shall notify the Escrow Agent that the Deposit is specifically designated for the purchase of the Aircraft and is subject to the terms of this Letter of Intent. The Escrow Agent shall confirm receipt of the Deposit to Seller.

* 1. The Deposit for theAircraft is non-refundable after completion of the Preliminary Inspection of the Aircraft and Buyer’s delivery of a notice for the Aircraft (the “**Confirmation Notice**”) confirming that the Aircraft as inspected is satisfactory to Buyer.
	2. Payments

All payments to be made by Buyer under this Letter of Intent are to be made to Seller's account as follows:

|  |
| --- |
| Seller’s Account |
| Account Name: | MINSHENG JIAFENG LEASING LIMITED |
| Account Number: | 800020472-214 |
| Bank: | CHINA MINSHENG BANKING CORP., LTD., HONG KONG BRANCH |
| Swift: | MSBCHKHH |

or such other account as may be advised by Seller from time to time.

Technical Terms

* 1. Delivery Location

[•]or other location as mutually agreed by Seller and Buyer (the “**Delivery Location**”).

* 1. Delivery Condition

The Aircraft will be delivered by Seller in the following condition (the "Delivery Condition") at the Delivery Location to Buyer:

a. With all systems and avionics functioning normally in accordance with manufacturer’s recommendations;

b. All Airworthiness Directives and Mandatory Customer Bulletins issued as of the date of closing shall be complied with without deferment or extension;

c. Enrolled in RRCC and MSP on the APU with no deferments and paid up to closing;

d. Free and clear of all liens or other encumbrances; and

e. With no damage or corrosion history.

* 1. Transfer of Title

Seller will transfer to Buyer with full title guarantee, good and marketable title to the Aircraft free and clear of all liens. Seller will indemnify and defend Buyer and its successors and assigns in respect of any claims, losses, costs, expenses, changes or liabilities arising out of any defect in Seller's title to the Aircraft.

* 1. De-Registration and Registration

Upon delivery of the Aircraft to Buyer, Seller will (at its own cost) cause the Aircraft to be de-registered from the aviation authority's register, and Buyer will be responsible (at its own cost) for the re-registration or any other filings required of that Aircraft .

* 1. Preliminary Inspection

Seller will procure an visual inspection of the Aircraft and its Aircraft Documentation by Buyer within [•]days of the execution of this Letter of Intent (the **"Preliminary Inspection"**). If following the Preliminary Inspection:

(a) the Aircraft and its Aircraft Documentation are in a condition satisfactory to Buyer, then Buyer will issue a Confirmation Notice to Seller within five (5) business days of Buyer completing its Preliminary Inspection; or

(b) the Aircraft or its Aircraft Documentation are not in a condition satisfactory to Buyer, then Buyer may terminate the purchase of that Aircraft by sending written notice to Seller (the **"Discontinuation Notice"**) whereupon neither party will have any further liability towards the other with respect to that Aircraft except as expressly set out in Section 1.7 and provided that the obligation of confidentiality contained in Section 3.4 will survive such termination for a period of two (2) years.

* 1. Pre-Purchase Inspection

In addition to the Preliminary Inspection, after execution of this Letter of Intent and before Seller tenders the Aircraft to Buyer for delivery,Buyer(and its representative and nominees) shall have the right to conduct a pre-purchase inspection of the Aircraft (the "**Pre-Purchase Inspection**"). Pre-Purchase Inspection shall include a test flight no more than two (2) hours and with up to two (2) designated representatives of Buyer on board, but under the operational control of Seller's crew,at [●] (the "**Inspection Facility**"). Seller shall deliver the Aircraft at Buyer’s expense to the Inspection Facility. Buyer shall be responsible for paying all costs of the Pre-Purchase Inspection, including the cost of the test flight. The scope of the Pre-Purchase Inspection shall be limited to PPI level one, and includes logbook review, system checks, Engine and APU borescope. Immediately following completion of the Inspection, the Inspection Facility will generate a report (the “**Inspection Report**”) to Buyer and Seller. Within three (3) business days following delivery of the Inspection Report, Buyer shall notify Seller in writing whether it will (i) accept the Aircraft in its current condition, or (ii) accept the Aircraft subject to Seller's agreement to rectify, at its expense, any airworthiness-related discrepancies (the “**Discrepancies**”). The Deposit may be returned to Buyer only if Seller refuses to correct the Discrepancies or is unable to fulfill its remaining obligations under the Aircraft Purchase Agreement.

Legal and Other Terms

* 1. Taxes

Seller and Buyer will each take all commercially reasonable actions available to eliminate, mitigate or minimize the imposition of any tax (including VAT) resulting from the transactions contemplated in this Letter of Intent. Those actions will include, without being limited to, transferring title to the Aircraft at a time when the Aircraft is physically located in international airspace or a jurisdiction which will not impose any taxes (including VAT) on the Aircraft Purchase Agreement, this Letter of Intent and/or the transactions contemplated by this Letter of Intent.

* 1. Contract

The draft Aircraft Purchase Agreement will be produced bySeller.

It is the intent of Buyer and Seller that an aircraft sale and purchase agreement with respect to the Aircraft(the “**Aircraft Purchase Agreement**”)incorporating the terms of this Letter of Intent and other terms normal to these transactions shall be executed as soon as possible, but not later than [four (4)] weeks from the execution of this Letter of Intent (the **"Back Stop Date"**). If the Aircraft Purchase Agreement has not been executed on or before the Back Stop Date, then either party can discontinue the negotiations by sending written notice to the other party (the **"Discontinuation Notice"**).

Upon receipt of a Discontinuation Notice by either party, this Letter of Intent will automatically terminate. In the event of such termination, neither party will have any further liability towards the other except as expressly set out in Section 1.7 and provided that the obligation of confidentiality contained in Section 3.4will survive such termination for a period of two (2) years.

Seller will enter into exclusive negotiation with Buyer with respect to the sale of each Aircraft until the Back Stop Date.

* 1. Legal Costs

Seller and Buyer will each bear their own legal costs to document this transaction.

* 1. Confidentiality

The terms and conditions set out in this Letter of Intent are to be made available only to Seller and Buyer. By receipt of this Letter of Intent, Seller and Buyer acknowledge that this Letter of Intent contains commercially sensitive information and information proprietary to Buyer. Buyer and Selleragree to maintain this information and documentation provided under this Letter of Intent as strictly confidential and agree to disclose it to no person other than:

(a) their respective Board of Directors and employees, auditors, professional advisors, shareholders and (in the case of Buyer) their financier(s) (if any); and

(b) as may be required to be disclosed under applicable law or regulations or for the purpose of legal proceedings.

Any other disclosure by Seller is subject to the prior written consent of Buyer.

* 1. Governing Law

This Letter of Intent and any non-contractual obligations arising out of or in connection with this Letter of Intent will be governed by the laws of England and the courts of England have jurisdiction. The Aircraft Purchase Agreement will be governed by the laws ofEngland.

* 1. Counterparts

This Letter of Intent may be fully executed in two (2) or more separate counterparts by each of the parties hereto, all such counterparts together constituting but one and the same instrument.Such counterparts may be exchanged via facsimile or email transmission, and counterparts so exchanged shall be deemed originals.

* 1. No Brokers

 Each of Buyer and Seller agrees, represents and undertakes to the other party that there has been no payment made or agreed to be paid to any third party in relation to the transactions contemplated by this Letter of Intent.

* 1. Legal Effect

This Letter of Intent is subject to contract, save for Sections 1.7, 2.6, 3.4 and 3.5 which are binding on Seller and Buyer. This Letter of Intent supersedes all previous proposals, agreements and other written and oral communications in relation to the transaction contemplated in it.

* 1. Validity of Terms

# The terms set out in this Letter of Intent are valid for acceptance until [5]pm Beijing time, on [•], 20[•].

# Execution

For and on behalf of

***Minsheng Jiafeng Leasing Limited***, as Seller

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name:

Title:

Date:

**To indicate Buyer's agreement to the terms of this Letter of Intent, we have signed our names below.**

For and on behalf of

**[•],** as Buyer

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name:

Title:

Date:

#

1. Insert name and address of Buyer. [↑](#footnote-ref-2)