Confidential

Subject to Contract

Date:

[•][[1]](#footnote-1)

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**LETTER OF INTENT**

**FOR THE SALE AND PURCHASE OF**

 **ONE DASSAULT FALCON 7X 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 (1) Dassault Falcon 7X aircraft, manufacturer serial number 251 and registration mark B-8217, together with all applicable maintenance records, manuals, records, log books and data and documents associated with the aircraft (the **"Aircraft Documentation"**) (collectively, the **"Aircraft"**).

* 1. Seller

Minsheng Xiangsheng (Tianjin) Aviation Leasing Co., Ltd., a company incorporated in the People’s Republic of China ("**Seller**").

* 1. Buyer

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

* 1. Delivery Date

The date on which the delivery of the Aircraft occurs, subject to the terms and conditions of the Aircraft Purchase Agreement.

* 1. Purchase Price

The purchase price for the Aircraft is [●].[[2]](#footnote-2)

* 1. Deposit

Within three (3) business days of Seller’s execution of this Letter of Intent, Buyer shall pay to Seller an amount of USD One Million Dollars ($1,000,000) as deposit (the "**Deposit**") which shall be held in escrow by AIC Title Service, LLC, in Oklahoma City, OK, USA (the "**Escrow Agent**").

The Deposit is fully refundable until the completion of the Preliminary Inspection and Buyer’s delivery of a notice (the "**Confirmation Notice**") confirming that the Aircraft as inspected is satisfactory to Buyer. In particular, if:

Buyer does not issue a Confirmation Notice within five (5) business days of completing Preliminary Inspection of the Aircraft (or a longer period agreed in writing by Seller and Buyer), then Escrow Agent shall refund to Buyer the Deposit; or

Seller receives a Discontinuation Notice (as defined in Section 2.6(b)), Escrow Agent shall refund to Buyer the Deposit.

Upon delivery by Buyer of the Confirmation Notice, the Deposit will be non-refundable and shall be applied toward 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 or the Deposit shall be released to Seller subject to the terms and conditions of the Aircraft Purchase Agreement.

Technical Terms

* 1. Delivery Location

Paris-Le Bourget, France (the “**Delivery Location**”).

* 1. Delivery Condition

The Aircraft will be delivered by Seller in the condition set out in Appendix A (the **"Delivery Condition"**) at the Delivery Location to Buyer.

Seller will (at no cost to Buyer) correct any airworthy discrepancies from the Delivery Condition prior to delivery.

* 1. Transfer of Title

Seller will transfer to Buyer good and marketable title to the Aircraft free and clear of all liens.

* 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 the Aircraft.

* 1. Manufacturer and Vendor Warranties

Upon delivery of the Aircraft, Seller will permanently assign to Buyer all the assignable warranties and indemnities given by the relevant manufacturers and vendors with respect to the Aircraft.

* 1. Preliminary Inspection

Seller will procure an inspection of the Aircraft and its Aircraft Documentation by Buyer within five (5) business days of Seller’s 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 shall issue a Confirmation Notice to Seller within five (5) business days of completing the 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 the Aircraft by sending written notice to Seller (the **"Discontinuation Notice"**) whereupon neither party will have any further liability towards the other with respect to the Aircraft except as expressly set out in Section 1.6.

* 1. Pre-Purchase Inspection

In addition to the Preliminary Inspection, Buyer (and its representative and nominees) may, at its cost, inspect the Aircraft and its Aircraft Documentation in accordance with the Appendix B (the **"Pre-Purchase Inspection"**).

Other Terms

* 1. Contract

The draft Aircraft Purchase Agreement will be produced by Seller.

It is the intent of Buyer and Seller that an aircraft sale and purchase agreement incorporating the terms of this Letter of Intent with respect to the Aircraft (the “**Aircraft Purchase Agreement**”) and other terms normal to these transactions is 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 1.6.

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

* 1. Legal Costs

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

* 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 of England.

* 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 1.6, 2.6 and 3.3 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 5pm Beijing time, on 15 April 2022.

# Execution

For and on behalf of

[●], as Buyer

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

Name:

Title:

Date:

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

For and on behalf of

**Minsheng Xiangsheng (Tianjin) Aviation Leasing Co., Ltd.,** as Seller

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

Name:

Title:

Date:

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# Appendix A – Delivery Condition

The Aircraft and Aircraft Documentation shall be delivered in an “as is, where is” condition with all faults, and:

* + - 1. in airworthy condition;
			2. deregistered from the China civil aviation authority (the “**CAAC**”), with an Export Certificate of Airworthiness from CAAC;
			3. current on the manufacturer’s recommended maintenance program CAMP, and with all calendar and hourly inspections current through the Delivery Date;
			4. with all CAAC Airworthiness Directives and manufacturer’s mandatory Service Bulletins applicable to the Aircraft complied with through the Delivery Date, with no deferments or extensions;
			5. exported from the Chinese customs territory and any other customs territories in which it was imported;
			6. with no parts or components installed on a temporary, loan, rental, or exchange basis; and
			7. with engines enrolled and current on PW ESP program, APU enrolled and current on Honeywell MSP program, in each case fully paid up to the Delivery Date and transferrable to the Buyer.

# Appendix B – Pre-Purchase Inspection Arrangements

Buyer (and its representative and nominees) may, at its cost, inspect the Aircraft and its Aircraft Documentation (the “**Pre-Purchase Inspection**”) at Paris-Le Bourget, France (the “**Inspection Facility**”), together with a test flight, which shall be conducted under Seller’s operational control and shall be of no more than two (2) hours total duration (the “**Test Flight**”). Buyer may have up to two (2) representatives onboard the Test Flight.

The Pre-Purchase Inspection shall be scheduled to begin within five (5) Business Days of Seller’s receipt of Confirmation Notice or as soon as the Inspection Facility may be able to accommodate.

The Pre-Purchase Inspection shall include (i) Level 1; (ii) Aircraft Documentation review; (iii) systems checks; and (iv) Engines & APU borescope.

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