



Steps to a Successful Aircraft Transaction

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Disclaimer



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GKG Law, P.C.

About Us



- Aircraft Purchase & Sale Transactions
- Aircraft Ownership & Operating Structures
- Federal & State Tax Planning
- IRS, State & FAA Audits & Enforcement Actions
- Personal Use Guidelines & Calculations
- Aircraft Ownership Trusts

Steps to a Successful Aircraft Transaction

Timeline



WEEK 1	WEEK 2	WEEK 3 - 4	WEEK 4
<ul style="list-style-type: none">▪ Engage aviation counsel and tax counsel▪ Engage aircraft acquisition specialist	<ul style="list-style-type: none">▪ Determine mission specific requirements▪ Determine makes, models, price points that meet mission requirements▪ Complete tax analysis and ownership structuring planning	<ul style="list-style-type: none">▪ Identify short list of candidate aircraft▪ Complete preliminary review of aircraft and associated records▪ Draft letter of intent▪ Negotiate purchase price and ancillary issues with aircraft seller and its team▪ Execute finalized letter of intent	<ul style="list-style-type: none">▪ Shop for financing (compare lenders, negotiate terms; provide due diligence disclosure financial information)▪ Shop for external aircraft management company (if not managing in house)▪ Begin building flight department (if managing in house)

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Timeline (*continued*)



WEEK 5	WEEK 6	WEEK 7 - 8	WEEK 8
<ul style="list-style-type: none">▪ Draft/negotiate/execute aircraft purchase agreement▪ Sign loan term sheet▪ Meet with candidates and make final selection of desired management company▪ Continue building internal flight department	<ul style="list-style-type: none">▪ Begin aircraft pre-purchase inspection▪ Obtain lender credit committee approval▪ Negotiate management company agreements	<ul style="list-style-type: none">▪ Complete pre-buy inspection▪ Negotiate discrepancy repairs▪ Final Aircraft Return to Service▪ Negotiate loan documents▪ Prepare documentation to implement ownership and operating structure	<ul style="list-style-type: none">▪ Document any agreed holdbacks for post closing items▪ Conduct dry run closing call(s)▪ Conduct closing

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Post-Closing Issues



- Post-closing title searches
- Obtain fly wire, if required
- Fuel receipt or other proof of aircraft location at closing
- Transfer all applicable programs/contracts
- Implement ownership and operating structure
- Ensure company and aircraft manager comply with all tax planning requirements
- Revisit tax planning and operating structure periodically to ensure it remains appropriate, and adjust as necessary to address changes in the law or business circumstances