



A Cautionary Tale of Letters of Intent in Aircraft Transactions

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The article analyzes the binding nature of letters of intent (LOI) or term sheets in light of *Global BTG LLC v National Air Cargo*. The Ninth Circuit affirmed the trial court's award of \$8 million for breach of contract after a jury found that the defendant, National Air Cargo, breached an alleged exclusive LOI to purchase and finance up to eight Boeing 747 freighters. Although it is not a precedential decision, it should serve as a fair warning for those seeking to use an LOI in an aircraft transaction. Even at the term sheet stage, one should avoid the desire to take short cuts and make sure the LOI is properly conditioned with express statements of its non-binding nature.

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