

# K-Notes: Purchase & Operating Agreements

from Icon

## Consider Practicality

Don't simply write in language that covers technicalities. Consider whether the contract in practice is actually doable. Requiring an aircraft buyer to have the knowledge to perform an inspection is not very practical.



"Streamline the contract just like your Icon aircraft is streamlined. Design your contract like you design your aircraft, and you have less deal fatigue, you'll sell more airplanes, and the owners will be pleased. That's what I recommend."

**Chad Busk**

President, BUSKLAW PLC

## KEY TAKEAWAYS

- **Simple to read, at an 8th grade level**

Make the contract simple and avoid archaic contract language and terms. This makes the contract easier for the buyer to read and understand.

- **Avoid needless liability clauses**

Build extra liability protection into the cost of the aircraft or product, like the discussion about the \$10,000 liability opt-out fee in the Icon Purchase Agreement. Don't complicate things when you don't have to.

- **Save your emphasis for when it really matters**

Make the contract visually simple. Don't have clauses in all caps, and don't bold unnecessarily. If too many things are emphasized, nothing will stand out at all.

- **Don't include a dictionary of definitions**

Instead of a definition list and making the reader look up terms like a dictionary, define and capitalize on the first use. Then they are defined terms throughout the rest of the contract.

"They're trying to control the operators and the aircraft from cradle to grave over the useful life of the aircraft so they don't have any liability."