

*Execution Version*

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AIRCRAFT LEASE AGREEMENT

Dated *as of* September 20, 2018,

BETWEEN

AIR TRANSAT A.T. INC.

as LESSEE

and

WILMINGTON TRUST SP SERVICES (DUBLIN) LIMITED,  
acting not in its individual capacity, but solely as Trustee

as LESSOR

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Aircraft Make and Model:	Airbus A321-200 NEO LR
Aircraft Manufacturer's Serial Number:	Per Estoppel and Acceptance Certificate
Model of Engines:	Per Estoppel and Acceptance Certificate

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## AIRCRAFT LEASE AGREEMENT

THIS AIRCRAFT LEASE AGREEMENT (together with all Exhibits and Schedules hereto, the "**Lease**") is made and entered into as of September 20, 2018,

BETWEEN:

AIR TRANSAT A.T. INC., a company whose principal place of business is at 5959 Boulevard de la Cote-Vertu, Montreal, Quebec, Canada, ("**LESSEE**"); and

WILMINGTON TRUST SP SERVICES (DUBLIN) LIMITED, acting not in its individual capacity, but solely as Trustee, an Irish limited company whose address is at Fourth Floor, 3 George's Dock, International Financial Services Centre, Dublin 1, Ireland ("**LESSOR**").

The subject matter of this Lease is one Airbus A321-200 NEO LR aircraft. In consideration of and subject to the mutual covenants, terms and conditions contained in this Lease, LESSOR hereby agrees to lease to LESSEE and LESSEE hereby agrees to lease from LESSOR the aircraft and LESSEE and LESSOR further agree as follows:

## **ARTICLE 1     DELIVERY SUMMARY**

The following is a summary of the aircraft delivery as contemplated by this Lease. It is set forth for the convenience of the parties only and will not be deemed in any way to amend, detract from or simplify the other provisions of this Lease. In the event of a conflict with any other provision of this Lease or any other Operative Document, such other provision will govern.

### **1.1           Description of Aircraft**

One Airbus A321-200 NEO LR aircraft

### **1.2           Scheduled Delivery Date and Location**

On or about April 2022 at Hamburg, Germany

### **1.3           Initial Country of Aircraft Registration**

Canada

## ARTICLE 2 DEFINITIONS

Except where the context otherwise requires, the following words have the following meanings for all purposes of this Lease. The definitions are equally applicable to the singular and plural forms of the words. Any agreement defined anywhere in this Lease includes each amendment, modification, supplement and waiver thereto in effect from time to time.

### 2.1 Definitions.

**"Acceptance Certificate"** means the Estoppel and Acceptance Certificate as executed and delivered by LESSEE at Delivery.

**"Actual Utilization"** means the actual number of Flight Hours and Cycles operated by the Airframe, an Engine or Part during any stated period.

**"Affiliate"** means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person (including, without limitation, a trust of which such Person, or a direct or indirect parent or subsidiary of such Person, is the beneficiary). For the purposes of this definition and the definition of "Subsidiary", "control" (including "controlled by" and "under common control with") means the power, directly or indirectly, to direct or cause the direction of the management and policies of the applicable Person whether through the ownership of voting securities or by contract or otherwise. For the avoidance of doubt, Beneficial Owner (and each Affiliate of Beneficial Owner) is an Affiliate of LESSOR.

**"Aircraft"** means the Airframe, Engines, APU, Parts and Aircraft Documentation, collectively. As the context requires, "Aircraft" may also mean the Airframe, any Engine, the APU, any Part, the Aircraft Documentation or any part thereof individually. For example, in the context of return to LESSOR the term "Aircraft" means the Airframe, Engines, APU, Parts and Aircraft Documentation collectively, yet in the context of LESSEE not creating any Security Interests other than Permitted Liens on the Aircraft, the term "Aircraft" means any of the Airframe, any Engine, the APU, any Part or the Aircraft Documentation individually.

**"Aircraft Activity"** means the ownership (for purposes of Articles 16.1 and 17.1), possession, use, import, export, registration, re-registration, deregistration, non-registration, manufacture, performance, transportation, management, location, movement, acquisition, disposal, transfer, exchange, control, design, condition, defect, testing, inspection, acceptance, delivery, redelivery, leasing, subleasing, wet leasing, pooling, interchange, maintenance, repair, loss, damage, emissions, refurbishment, insurance, reinsurance, service, modification, overhaul, replacement, alteration, storage, removal or operation of, or any Security Interest (other than a LESSOR's Lien) on, the Aircraft, the Airframe, any Engine or any Part (whether in the air or on the ground or otherwise) at any time.

**"Aircraft Documentation"** means all (a) log books, Aircraft records, manuals and other documents provided to LESSEE in connection with the Aircraft, (b) documents listed in the Acceptance Certificate and Exhibit L and (c) any other documents required to be maintained during the Lease Term and until the Termination Date by the Aviation Authority, the Maintenance Program or this Lease.

**"Airframe"** means the airframe listed in the Acceptance Certificate together with all Parts relating thereto (except Engines or engines and the APU).

**"Airworthiness Directives"** or **"ADs"** means all airworthiness directives (or equivalent) applicable to the Aircraft issued by any one or more of the Aviation Authority, the FAA and EASA.

**"APU"** means (a) the auxiliary power unit of the Aircraft listed in the Acceptance Certificate, (b) any replacement auxiliary power unit acquired by LESSOR and leased to LESSEE pursuant to Article 19.6 following a Total Loss of the APU and (c) all Parts installed in or on such APU at Delivery (or substituted, renewed or replacement Parts in accordance with this Lease) so long as title thereto is or remains vested in Owner in accordance with the terms of Article 12.4.

**"APU Hour"** means each hour or fraction thereof during which the APU is operated.

**"Aviation Authority"** means, as of any time of determination, (i) TCA or any Government Entity which under the Laws of Canada from time to time has control over civil aviation or the registration, airworthiness or operation of aircraft in Canada or (ii) if, in accordance with this Lease, the Aircraft is registered in a country other than Canada, the agency having jurisdiction over the Aircraft or which regulates and/or controls civil aviation under the laws of the country or state in which the Aircraft is then registered or having jurisdiction over the registration, airworthiness and operation of, or other matters relating to, the Aircraft.

**"Aviation Documents"** means any or all of the following which at any time may be obtainable from the Aviation Authority: (a) if required, a temporary certificate of airworthiness from the Aviation Authority allowing the Aircraft to be flown after Delivery to the State of Registration, (b) an application for registration (commercial) of the Aircraft with the appropriate authority in the State of Registration noting that the Aircraft is to be operated subject to a lease and an IDERA, (c) the temporary certificate of registration for the Aircraft issued by the State of Registration, (d) the continuing certificate of registration (commercial) for the Aircraft issued by the State of Registration, (e) a full certificate of airworthiness for the Aircraft in the category for which the Aircraft is intended, (f) an air transport license, (g) an air operator's certificate, (h) such recordation of LESSOR's, Owner's and each other Relevant Party's respective rights, title and interest in and to the Aircraft and the Operative Documents as may be available in the State of Registration and (i) all such other authorizations, approvals, consents and certificates in the State of Registration as may be necessary or advisable to enable LESSEE lawfully to operate the Aircraft.

**"Baseline Specification"** means the specification set forth in Attachment 1 to Exhibit A.

**"Basic Engine"** means, with respect to an Engine, the engine modules, components and systems as specified in Engine Manufacturer's delivered bill of material for that engine model. The "Basic Engine" does not include the nacelle, installed components related to the Aircraft systems, thrust reversers, quick engine components (QEC), primary exhaust nozzle or any other Parts which are not considered by Engine Manufacturer to be part of a "basic engine".

**"Beneficial Owner"** means AerCap Ireland Capital Designated Activity Company, as Regular Trustee for Series One of AerCap Global Aviation Trust or such other Person which, from

time to time, LESSOR may notify LESSEE in writing as being the beneficial owner of the Aircraft for the time being.

**"Business Day"** means a day other than a Saturday or Sunday on which the banks in the city where LESSOR's Bank is located are open for the transaction of business of the type required by this Lease.

**"Cape Town Convention"** means both the Convention and the Protocol.

**"Convention"** means the English-language version of the Convention on International Interests in Mobile Equipment which was adopted on November 16, 2001 at a diplomatic conference held in Cape Town, South Africa, as set out in the schedule to the *International Interests in Mobile Equipment (aircraft equipment) Act (Canada)* and, as applicable, the provincial and territorial implementing legislation related thereto in Canada, as the foregoing may be amended from time to time.

**"Creditor"** means any lessor, owner, bank, lender, mortgagee or other Person which is the owner of or has any interest in an aircraft engine or aircraft operated by LESSEE.

**"Creditor Agreement"** means the applicable agreement between a Creditor and LESSEE or between Creditors pursuant to which such Creditor owns, leases or has an interest in either an aircraft operated by LESSEE on which an Engine may be installed or in an aircraft engine which may be installed on the Airframe.

**"CT Sale"** means a "sale" as such term is defined in the Cape Town Convention.

**"Cycle"** means one take-off and landing of the Aircraft or, in respect of any Engine or Part temporarily installed on another aircraft, of that other aircraft, and for this purpose one "touch and go" will count as one take-off and landing (i.e., one Cycle).

**"Default"** means any event which, upon the giving of notice, the lapse of time and/or a relevant determination, would constitute an Event of Default.

**"Delivery"** means the delivery of the Aircraft from LESSOR to LESSEE pursuant to Article 3 and Article 6.

**"Delivery Date"** means the date on which Delivery takes place.

**"Detention Exposure"** means any unpaid air navigation or airport fees to any Canadian air navigation or airport authority.

**"Dollars"**, **"\$"** and **"US\$"** mean the lawful currency of the U.S.

**"EASA"** means the European Aviation Safety Agency or any successor thereto. Where it is stated in this Lease that a repair station or a repair, overhaul or maintenance facility will be an "EASA-approved" station or facility, such station or facility must be approved by EASA to

perform maintenance and repair work on an aircraft of the same type as the Aircraft, an Engine or Part submitted to it for maintenance or repair, as applicable.

**"Electronic Records Format"** means an EASA- or FAA-approved system in a searchable format by which any Aircraft Documentation is stored and retrieved digitally and electronically.

**"Engine"** means (a) each of the engines listed on the Acceptance Certificate, (b) any replacement engine acquired by LESSOR and leased to LESSEE pursuant to Article 19.5 following a Total Loss of an Engine, and (c) all Parts (including QEC Parts) installed in or on any of such engines at Delivery (or substituted, renewed or replacement Parts in accordance with this Lease) so long as title to such Parts is or remains or should be vested in Owner in accordance with the terms of Article 12.4.

**"Engine Manufacturer"** means International Aero Engines, LLC, or its successor in title.

**"EU ETS Authority"** means any Government Entity or member state of the European Union with jurisdiction for the application and administration of EU ETS Laws in relation to any of LESSEE, any sublessee, any wet lessee or the Aircraft.

**"EU ETS Directive"** means Directive 2003/87/EC of the European Parliament and of the Council of October 13, 2003 establishing a scheme for greenhouse gas emissions allowance trading and amending Council Directive 96/61/EC, as the same may be amended, supplemented, superseded or readopted from time to time (whether with or without modifications).

**"EU ETS Laws"** means (a) the EU ETS Directive and (b) any applicable Law of a member state of the European Union implementing the EU ETS Directive.

**"Eurocontrol"** means the European Organization for the Safety of Air Navigation established by the Convention related to the Co operation for the Safety of Air Navigation (Eurocontrol) signed on December 13, 1960, as amended.

**"Event of Default"** means any of the events referred to in Article 25.2.

**"FAA"** means the Federal Aviation Administration of the U.S. Department of Transportation or any successor thereto under the Laws of the U.S. Where it is stated in this Lease that a repair station or a repair, overhaul or maintenance facility will be an "FAA-approved" station or facility, such station or facility must be approved by the FAA to perform maintenance and repair work on the Aircraft, an Engine or Part, as applicable.

**"FAA Location"** means the jurisdiction in the United States in which LESSEE's agent for service of process for purposes of the FAA and the UCC is located.

**"FARs"** means the U.S. Federal Aviation Regulations embodied in Title 14 of the U.S. Code of Federal Regulations, as amended from time to time, or any successor regulations thereto.

**"Finance Document"** means any loan agreement, credit agreement, conditional sale agreement, headlease, participation agreement, mortgage, security agreement, indenture, lease

assignment or any other similar agreement entered into by LESSOR, Owner or Beneficial Owner or any of their respective Affiliates with any Finance Party in connection with the financing or refinancing of the Aircraft.

**"Finance Parties"** means (a) any Person which has provided financing (whether by way of superior lease, loan or otherwise) to LESSOR, Owner, Beneficial Owner or any of their respective Affiliates pursuant to any Finance Document, (b) any Person which holds a Security Interest in the Aircraft or LESSOR's right, title and interest in any Operative Document to secure the obligations of LESSOR, Owner, Beneficial Owner or any of their respective Affiliates pursuant to any Finance Document and (c) any agent, loan agent, arranger, trustee, security trustee, collateral trustee or similar Person acting pursuant to any Finance Document (in the case of each of the subparts above, as notified to LESSEE by LESSOR in writing from time to time), and the respective transferees, successors and assigns of any of the foregoing, and the expression "**Finance Party**" means any of the foregoing individually.

**"Financial Conduct Laws"** means all applicable anti-money laundering Laws and all applicable anticorruption Laws.

**"Financial Indebtedness"** means any indebtedness in respect of (a) moneys borrowed or raised, (b) any liability under any debenture, guaranty, bond, note, loan stock, acceptance, documentary credit or other security, (c) obligations under capitalized or operating leases, (d) the acquisition cost of any asset to the extent payable before or after the time of acquisition or possession (not being indebtedness in respect of the purchase of goods or services in the ordinary course of trading, payment of which is deferred for a period of not greater than [REDACTED – TERM]) or (e) any guarantee, indemnity, or similar assurance against financial loss of any Person in respect of the foregoing.

**"Flight Hour"** means each hour or fraction thereof elapsing from the moment at which the wheels of the Aircraft, or in the case of any Part or Engine temporarily installed on another aircraft, the wheels of that other aircraft, leave the ground on the take-off of the Aircraft or such other aircraft until the wheels of the Aircraft or such other aircraft touch the ground on the landing of such Aircraft or such other aircraft following such flight.

**"Guarantor"** means Transat A.T. Inc.

**"Government Entity"** means any (a) national, state, provincial, territorial, municipal or local government, (b) board, commission, authority, department, division, instrumentality, court, agency or political subdivision thereof or (c) association, organization or institution of which any of the entities listed in (a) or (b) is a member or to whose jurisdiction any such entity is subject.

**"Gross Negligence"** means any intentional or conscious action or decision or failure to act done or made with reckless disregard for the consequences of such action or decision or failure to act.

**"Habitual Base"** means Canada or, subject to the prior written consent of LESSOR, acting reasonably, any other country or countries not being a Prohibited Country in which the Aircraft is

for the time being habitually based (being the location at which the Aircraft most often arrives, departs or overnights over a period of time equating to the Aircraft's operational cycle).

"**IDERA**" means an irrevocable de-registration and export request authorization in the form prescribed by the Cape Town Convention, an example of which is set forth in Exhibit H of this Lease.

"**International Registry**" means the international registration facilities established for the purposes of the Cape Town Convention.

"**Landing Gear**" means the landing gear assemblies (and their constituent subassemblies and Parts) of the Aircraft.

"**Law**" means any (a) law, statute, decree, constitution, regulation, judgment, injunction, order or directive of any Government Entity, (b) treaty, pact, compact or other agreement to which any Government Entity is a signatory or party, (c) judicial or administrative interpretation or application of any of the foregoing or (d) any binding judicial precedent having the force of law.

"**LESSOR's Lien**" means (a) any Security Interest from time to time created by or arising through LESSOR, Owner or Beneficial Owner in favor of any Finance Party, (b) any other Security Interest in respect of the Aircraft that results from acts of or claims against LESSOR, Owner or Beneficial Owner not related to or arising out of the transactions contemplated by or permitted under this Lease and (c) any Security Interest in respect of the Aircraft for Taxes for which LESSEE is not required to indemnify any Person in accordance with this Lease or any other Operative Document.

"**Lease Termination Agreement**" means a lease termination agreement to be entered into between LESSOR and LESSEE in the form set forth in Exhibit G.

"**Maintenance Performer**" means an EASA Part 145 and/or FAR 145 and TCA- approved maintenance, overhaul, repair and modification facility approved for the type of maintenance required on aircraft or engines or parts of the same type as the Aircraft, Engines or Parts, or such other Person approved in advance in writing by LESSOR. For avoidance of doubt, except for completion of the Return Check, LESSEE need not be FAR Part 145 or EASA Part 145 –approved to perform work on the Aircraft during the Lease Term.

"**Maintenance Program**" means LESSEE's maintenance program as approved by the Aviation Authority and which conforms at a minimum to the MPD and the MRB Report or such other maintenance program as LESSOR and LESSEE may agree upon in writing.

"**Maintenance Rent Activity**" or "**MRA**" means each of the following maintenance activities: (i) an Airframe Major Check, (ii) an Engine Performance Restoration, (iii) an Engine LLP Replacement, (iv) a Landing Gear Overhaul, (v) an APU Performance Restoration, and (vi) an APU LLP Replacement.

"**Maintenance Rent Adjustment Period**" means each of the following periods: (a) with respect to the first Maintenance Rent Adjustment Period, the period commencing on the Delivery

Date and ending on [REDACTED – DATE] of the calendar year in which Delivery occurred; (b) the period commencing on [REDACTED – DATE] of the calendar year immediately following the first Maintenance Rent Adjustment Period, and of each calendar year thereafter during the Lease Term, and (in each case) ending on [REDACTED – DATE] of such year; and (c) with respect to the final Maintenance Rent Adjustment Period, the period commencing [REDACTED – DATE] of the last calendar year of the Lease Term and ending on the Termination Date (thus, the first and the last Maintenance Rent Adjustment Period may each be less than 12 months).

**"Maintenance Rent Payment Date"** means the [REDACTED – TERM] of each calendar month during the Lease Term. If such day is not a Business Day, then the Maintenance Rent Payment Date is the immediately preceding Business Day. The last Maintenance Rent Payment Date of the Lease Term is the Termination Date.

**"Maintenance Rent Period"** means each of the following periods throughout the Lease Term: (a) the period commencing on and including the Delivery Date up to and including the last day of the calendar month in which Delivery took place; (b) each subsequent consecutive calendar month throughout the Lease Term (each commencing on and including the first day of such calendar month and ending on and including the last day of such calendar month); and (c) in relation to the last Maintenance Rent Period of the Lease Term, the period commencing on and including the first day of the calendar month in which the Termination Date will occur and ending on and including the Termination Date.

**"Manufacturer"** means Airbus S.A.S. or its successor in title.

**"Modification"** means any modification, alteration or addition to or removal from the Aircraft, regardless of cost.

**"Module Performance Restoration"** means, with respect to a module within an Engine, the accomplishment on such module of, at a minimum, a performance restoration workscope per the Engine Manufacturer's then-current generic engine workscope planning guide recommendations applicable to the Engine and tasks required by the Engine manufacturer to be performed during a performance restoration workscope that have not yet been incorporated in the then-current engine workscope planning guide.

**"MPD"** means the then current Maintenance Planning Document published by Manufacturer and applicable to the Aircraft. With respect to the Flight Hour/Cycle/calendar time limitation of Parts and inspections, references to the MPD mean the most restrictive limitation set forth therein.

**"MRA Claim Settlement Acknowledgement"** means the MRA Claim Settlement Acknowledgement in the form of Exhibit M hereto.

**"MRA Maintenance Rent Balance"** means from time to time, and in respect of each category of Maintenance Rent (as set forth in Article 5.3.1), a deemed amount equal to the aggregate Maintenance Rent paid by LESSEE hereunder in respect of the applicable MRA less the aggregate amount previously paid by LESSOR to LESSEE in respect of such MRA pursuant to Article 13.

**"MRB Report"** means the latest revision of the Maintenance Review Board document published by Manufacturer.

**"Non-consensual Right or Interest"** has the meaning given to such term in the Cape Town Convention.

**"Operative Documents"** means this Lease, any side letters and amendments hereto, the Acceptance Certificate, any other agreements, certificates, notices, acknowledgments, consents or documents executed pursuant to this Lease and any other documentation in connection with the leasing of the Aircraft from LESSOR to LESSEE.

**"Other Agreements"**

[REDACTED – COMMERCIALY SENSITIVE INFORMATION]

**"Overhaul"** means the full reconditioning of the Aircraft, an Engine, the APU, Landing Gear, module or Part, as the case may be, in which such equipment has been fully disassembled, cleaned, thoroughly inspected and returned to the highest standard specified by the applicable manufacturer's manual.

**"Owner"** means LESSOR or such other Person which, from time to time, LESSOR may notify LESSEE in writing as being the owner of the Aircraft for the time being.

**"Part"** means any part, component, appliance, system, module, engine module, accessory, material, instrument, communications equipment, furnishing, LESSEE furnished or LESSOR purchased equipment or other item of equipment (other than complete Engines or engines or the APU) for the time being installed in or attached to the Airframe, any Engine or the APU or which, having been removed from the Airframe, any Engine or the APU, remains the property of Owner.

**"Permitted Lien"** means (a) this Lease and any sublease entered into in accordance with the provisions of this Lease or any other Operative Document, (b) LESSOR's Liens, (c) Security Interests arising in the ordinary course of LESSEE's business for Taxes either not yet assessed or, if assessed, not yet due or being contested in good faith by appropriate proceedings (and for which adequate reserves have been made or, when required in order to pursue such proceedings, an adequate bond has been provided) so long as such proceedings do not involve any risk of sale, forfeiture, seizure, detention, arrest or loss of the Aircraft or any Engine or any part thereof or of imposition of any civil or criminal liability or penalty upon LESSOR or any other Relevant Party, and (d) materialmen's, mechanics', workmen's, repairmen's or employees' liens arising by operation of Law after the Delivery Date in the ordinary course of LESSEE's business for amounts which are either not yet due or which are being contested in good faith by appropriate proceedings (and for which adequate reserves have been made or, when required in order to pursue such proceedings, an adequate bond has been provided) so long as such proceedings do not involve any risk of sale, forfeiture, seizure, detention, arrest or loss of the Aircraft or any Engine or any part thereof or of imposition of any civil or criminal liability or penalty upon LESSOR or any other Relevant Party.

**"Person"** means any individual, firm, partnership, joint venture, trust, corporation, company, Government Entity, committee, department, authority or any body, incorporated or unincorporated, whether having distinct legal personality or not.

**"PPSA Location"** means, in respect of LESSEE, the office where its most senior executive officers are located, where such officers generally transact business from, and where the chief administrative and policy-making functions of LESSEE emanate for purposes of the *Personal Property Security Act (Quebec)*.

**"Prohibited Country"** means any state, country or jurisdiction (a) for which the export or operation of the Aircraft to or from, is prohibited by any Trade Laws or (b) in which LESSOR, LESSEE, Owner or Beneficial Owner is generally prohibited from engaging in transactions under, or for which any such action would cause LESSOR, LESSEE, Owner or Beneficial Owner to be in violation of, any Trade Laws.

**"Prohibited Person"** means any Person (a) with whom the LESSOR, LESSEE, Owner or Beneficial Owner or a citizen of the U.S. is prohibited from or restricted in engaging in transactions with or exporting goods or services to under any Trade Laws, (b) who is a citizen or resident of, or organized under the laws of or domiciled in, a Prohibited Country, (c) who is designated on any sanctions list under any Trade Laws, including any designation of terrorists, narcotics traffickers, proliferators of weapons of mass destruction or other lists of barred or restricted Persons or (d) is "owned or controlled" (as such term is defined under any Trade Laws) by a Person meeting any of the criteria set forth above.

**"Prospective International Interest"** has the meaning given to such term in the Cape Town Convention.

**"Prospective Sale"** has the meaning given to such term in the Cape Town Convention.

**"Protocol"** means the English-language version of the Protocol to the Convention on International Interests in Mobile Equipment on Matters specific to Aircraft Equipment which was adopted on November 16, 2001 at a diplomatic conference held in Cape Town, South Africa, as set out in the schedule to the International Interests in Mobile Equipment (aircraft equipment) Act (Canada) and, as applicable, the provincial and territorial implementing legislation relating thereto in Canada, as the foregoing may be amended from time to time.

**"Qualifying MRA Amount"** means the portion of the amount paid by LESSEE for a given MRA that qualifies for maintenance contribution by LESSOR in accordance with the applicable provisions of Article 13.

**"Relevant Parties"** means LESSOR, Owner, Beneficial Owner, each Servicer, each Finance Party, Trustee and any other Person which, from time to time, LESSOR notifies LESSEE as having (or having had) any right, title or interest in or to the Aircraft or any Operative Document (excluding any prior operator of the Aircraft), and the expression "**Relevant Party**" means any of the foregoing individually.

**"Rent"** means Base Rent, Maintenance Rent and Supplemental Rent, collectively.

**"Return Check"** means the accomplishment of all tasks which are necessary pursuant to the MPD as in effect on the date which is six months prior to the Termination Date (including all non-routine work generated as a result of performance of such MPD tasks) to clear the Aircraft for [REDACTED – TERM], [REDACTED – FLIGHT HOURS] or [REDACTED – CYCLES OF OPERATION] from the Termination Date. If pursuant to the MPD, the performance interval for a task is shorter than every [REDACTED – TERM], [REDACTED – FLIGHT HOURS] or [REDACTED – CYCLES OF OPERATION], then such task will also be performed. For avoidance of doubt, if the inspection interval pursuant to the MPD for a particular task only refers to one or two of the three measurements above (i.e., months, Flight Hours or Cycles), then only those particular measurements referred to in the MPD will be utilized in determining whether the task must be performed.

**"RMPRR"** means the Register of Personal and Mobile Real Rights maintained pursuant to the Civil Code of Quebec, and any successor register thereto.

**"Security Interest"** means any encumbrance or security interest, however and wherever created or arising including (without prejudice to the generality of the foregoing) any right of ownership, security, mortgage, hypothec, assignment by way of security, pledge, charge, encumbrance, lease, lien, International Interest, Non-consensual Right or Interest, statutory or other right in rem, hypothecation, title retention, attachment, levy, claim or right of possession, seizure, detention or other agreement or arrangement having the effect of creating a security interest, or if registered, any Prospective International Interest or Prospective Sale.

**"Serviceable Tag"** means, (i) with respect to an Engine, a release to service certificate (FAA form 8130-3 or EASA Form 1) with dual maintenance release for both EASA and FAA; and (ii) with respect to a Part, a release to service certificate (consisting of both a TCA release form with a dual release FAA form 8130-3 or EASA Form 1, or a FAA form 8130-3 or EASA Form 1).

**"Servicers"** means AerCap Ireland Limited and any other Person which, from time to time, acts as a servicer, subservicer or manager on behalf of LESSOR for matters relating to this Lease, any other Operative Document and/or the Aircraft, and their respective delegates, transferees, successors and assignees.

**"Short Form Lease"** means the short-form lease agreement to be entered into between LESSOR and LESSEE for purposes of filing with TCA in the form set forth in Exhibit O.

**"State of Registration"** means Canada or such other country or state of registration of the Aircraft as LESSOR may, in its absolute discretion, approve in writing.

**"Subsidiary"** means (a) with reference to any Person in relation to any reference to accounts, any Person whose accounts are consolidated with the accounts of such Person in accordance with generally accepted accounting principles and (b) for any other purpose a Person from time to time (i) of which another Person has direct or indirect control (as the term "control" is defined in the definition of "Affiliate") or owns directly or indirectly more than 50 per cent of

the voting share capital, or (ii) which is a direct or indirect subsidiary of another Person under the laws of the jurisdiction of such Person's formation.

**"Supplemental Rent"** means all amounts, liabilities and obligations (other than Base Rent and Maintenance Rent) which LESSEE is required to pay to LESSOR or any Indemnitee or Tax Indemnitee under this Lease or any other Operative Document, including Default Interest, any amounts in respect of the Agreed Value and any payment in respect of indemnity required hereunder or under any other Operative Document.

**"Tax Affiliate"** means, in the case of any Person that is fiscally transparent in relation to any Tax, each other Person that holds an ownership interest in that fiscally transparent Person (as a partner, member, beneficiary or otherwise), either directly or indirectly through one or more other fiscally transparent Persons. For the purpose of this definition, a Person is "fiscally transparent" in relation to a Tax if the Tax is calculated by reference to any receipts, revenue, income, gain, profit, asset or other attribute of the fiscally transparent Person (or any other fiscally transparent Person in which such Person holds a direct or indirect ownership interest) but is imposed on the holders of ownership interests in such Person by reference to their relative ownership interests in such Person.

**"Tax Indemnitees"** means LESSOR, Owner, Beneficial Owner, each Servicer, the Finance Parties and the respective Tax Affiliates, directors, officers, employees and managers of the foregoing Persons.

**"TCA"** means Transport Canada Aviation, or any successor agency thereto.

**"Technical Evaluation Report"** means a written report in form and substance requested by LESSOR regarding the Engines, APU and Parts and the technical status and condition of the Aircraft.

**"Trade Laws"** means all economic sanctions and anti-terrorism Laws, including (a) any United Nations Security Council Resolutions imposing sanctions, (b) any sanctions or restrictive measures imposed by European Union Council decision or regulation and (c) United States export control and economic sanctions Laws.

**"Transat Guaranty"** means a Guaranty of LESSEE's obligations under this Lease by Transat A.T. Inc. in the form of Exhibit P.

**"Trust Agreement"**

[REDACTED – COMMERCIALLY SENSITIVE INFORMATION]

**"Trustee"** means Wilmington Trust SP Services (Dublin) Limited, acting not in its individual capacity but solely as trustee under the Trust Agreement.

**"UCC"** means the version of the Uniform Commercial Code as in effect in any applicable jurisdiction.

**"U.S." or "U.S.A."** means the United States of America.

**Other Definitions.** The following terms are defined in the Articles referenced below:

<b>Terms</b>	<b>Article/Schedule</b>
Agreed Value	Schedule I
Airframe Maintenance Rent	Schedule I
Airframe Major Check	13.1
AOSA	14.3
APU Maintenance Rent	Schedule I
APU LLP Maintenance Rent	Schedule I
APU Performance Restoration	13.5
Base Rent	Schedule I
Damage Proceeds Threshold	Schedule I
Default Interest	5.5
Default Interest Rate	Schedule I
Delivery Location	3.1
DER Repair	12.2.2
Engine LLP Cost per Cycle	5.3.1(b)
Engine LLP Maintenance Rent	Schedule I
Engine Manufacturer PBH Agreement	6.2.1
Engine LLP Replacement	13.3
Engine Performance Restoration	13.2
Expenses	17.1
Expiration Date	4.2
Indemnitees	17.1
Individual LLP Cost per Cycle	5.3.1(b)
Insurances	18.1
Landing Gear Maintenance Rent	Schedule I
Landing Gear Overhaul	13.4
Lease Term	4.1
LESSEE AD Compliance Period	23.8.14
LESSEE's Bank	5.4
LESSOR's Bank	5.4
Maintenance Rent	5.3.1
Maintenance Rent Rate	5.3.1
Maximum Deductible Amount	Schedule I
Minimum Liability Coverage	Schedule I
MRA Claim	13.6.1
Net Total Loss Proceeds	19.1
OEM Parts	12.2.2
Performance Restoration Maintenance Rent	Schedule I
PMA Part	12.2.2
Security Deposit	Schedule I
Settlement Amount	13.6.2
Taxes	16.1
Termination Date	4.3

Total Loss	19.1
Total Loss Date	19.1
Total Loss Proceeds	19.1
Transferee	24.2.1

## **2.2 Construction and Interpretation**

2.2.1 References to (or to any specified provision of) this Lease or any other document will be construed as references to this Lease, that provision or that document as in force for the time being and as amended, modified or supplemented in accordance with the terms hereof or thereof, or as the case may be, with the agreement of the applicable parties and (where such consent is, by the terms of this Lease or the relevant document required to be obtained as a condition to such amendment being permitted) the prior written consent of LESSOR;

2.2.2 References to any Law, or to any specified provision of any Law, is a reference to such Law or provision as amended, substituted or re-enacted; and

2.2.3 References to LESSOR, Owner, Beneficial Owner, LESSEE or any of the Relevant Parties will be construed as including each of its/their respective successors in title, permitted assignees and transferees.

### **ARTICLE 3 PLACE AND DATE OF DELIVERY**

**3.1 Place of Delivery.** LESSOR will deliver the Aircraft to LESSEE at Manufacturer's facility in Hamburg, Germany or such other place as may be agreed in writing between the parties (the "**Delivery Location**").

**3.2 Scheduled Delivery Date.** As of the date of this Lease, delivery of the Aircraft from Manufacturer to LESSOR and LESSOR to LESSEE is scheduled to during the month of April 2022. LESSOR will notify LESSEE from time to time and in a timely manner of the exact date on which LESSOR expects Delivery to take place (the "**Scheduled Delivery Date**").

**3.3 Delivery Subject to Manufacturer Delivery.** LESSOR and LESSEE expressly acknowledge that Delivery is subject to and conditioned upon delivery of the Aircraft by Manufacturer to LESSOR.

**3.4 No LESSOR or Relevant Party Liability.** Neither LESSOR nor any other Relevant Party will be liable for any loss or expense arising from any delay or failure in Delivery to LESSEE except that LESSOR will be liable for any loss or expense to the extent that such delay or failure arises solely and directly as a consequence of the Gross Negligence of LESSOR or any Servicer, and in no event will LESSOR be liable for any delay or failure which is caused by any breach or delay on the part of Manufacturer any other Person (other than any Servicer). Nothing in this Article 3.4 will limit LESSEE's rights under Article 3.7 or Schedule I, Clause J.

**3.5 Total Loss of Aircraft Prior to Delivery.** If a Total Loss of the Aircraft occurs prior to Delivery, neither party will have any further liability to the other except that LESSOR will pay to LESSEE an amount equal to the amount of the Security Deposit then held by LESSOR in accordance with Article 5.1.4 and any prepaid Base Rent.

**3.6 Cancellation for Delay.** Promptly after LESSOR becomes aware that a delay will cause Delivery to be delayed beyond [REDACTED – DATE], LESSOR will notify LESSEE. By written notice given to the other party within [REDACTED – TERM] after LESSEE's receipt of such LESSOR notice, either party may terminate this Lease and this Lease will terminate on the date of receipt of such notice. In the event of such termination, neither party will have any further liability to the other party except that LESSOR will pay to LESSEE [REDACTED – COMMERCIAL SENSITIVE INFORMATION]. If neither party gives notice of termination within such [REDACTED – DATE], both parties lose all right to terminate under this Article 3.6 unless otherwise agreed in writing by the parties.

**3.7 Additional Provisions Related to Delay.** The further agreements of LESSEE and LESSOR are set forth in Schedule I.

## ARTICLE 4 LEASE TERM

**4.1** Lease Term. The term of leasing of the Aircraft will commence on the Delivery Date and continue for a term of twelve years ("**Lease Term**").

**4.2** "Expiration Date". "**Expiration Date**" means the date on which LESSEE is required to return the Aircraft to LESSOR in the condition required by Article 23 on the last day of the Lease Term.

**4.3** "Termination Date". If LESSEE returns the Aircraft to LESSOR on the Expiration Date in the condition required by Article 23, then "**Termination Date**" has the same meaning as "Expiration Date". If LESSEE does not do so, then "**Termination Date**" means the date on which the first of the following events occurs:

[REDACTED – TERMNATION EVENTS]

**4.4** Survival. All representations and warranties of LESSEE set forth in this Lease and in each other Operative Document will survive the execution of this Lease and Delivery. Nothing in this Article 4.4 modifies the substantive scope of any representation or warranty of LESSEE referenced herein. All indemnity and other obligations of LESSEE under this Lease and each other Operative Document which arise or are attributable to circumstances occurring prior to the return of the Aircraft to LESSOR or which by the express terms hereof or thereof are deemed to survive the Termination Date will survive the Termination Date and continue in full force and effect, notwithstanding any breach by LESSOR or LESSEE of the terms of this Lease, the expiration or termination of this Lease, the termination of the leasing of the Aircraft to LESSEE under this Lease or the cancellation or repudiation by LESSOR or LESSEE of this Lease. Nothing in this Article 4.4 modifies the substantive scope of any indemnity or other obligation of LESSEE referenced herein.

## **ARTICLE 5      RENT AND OTHER PAYMENTS**

### **5.1              Security Deposit.**

5.1.1            LESSEE will pay LESSOR the Security Deposit as security for its lease of the Aircraft in accordance with Schedule I.

5.1.2            Upon payment by LESSEE, the Security Deposit will irrevocably and unconditionally become the property of LESSOR and may be commingled with the general funds of LESSOR or any Affiliate of LESSOR and any interest earned on such Security Deposit will be for LESSOR's account. LESSOR will not hold (or be deemed to hold) any such funds for the benefit of or in any capacity for LESSEE, including as agent or on trust for LESSEE or otherwise. If the Security Deposit is reduced below the required amount by application to meet LESSEE's unperformed obligations under this Lease or any other Operative Document or any Other Agreement, LESSEE will replenish the Security Deposit [REDACTED – TERM] after LESSOR's demand therefor. To the extent that LESSEE is deemed to retain any right, title or interest in or to the Security Deposit, LESSEE hereby grants a security interest in and first fixed charge, hypothec and pledge of all of its right, title and interest in and to the Security Deposit, any right to repayment thereof by LESSOR and the proceeds thereof to LESSOR, on behalf of LESSOR and its Affiliates, as security for LESSEE's obligations under this Lease the other Operative Documents and all Other Agreements and may be applied by LESSOR upon the occurrence of a Default or Event of Default hereunder or of a default by LESSEE under any Other Agreements.

5.1.3            LESSEE acknowledges and agrees that it is not located in the State of New York within the meaning of Section 7-101 1 c. (b) of the New York General Obligations Law and, therefore, the requirements of Section 7-101 of the New York General Obligations Law to the effect that LESSOR hold the Deposit in a separate interest bearing account do not apply.

5.1.4            After the Termination Date, provided (a) no Event of Default has occurred and is continuing and (b) no default by LESSEE exists under any Other Agreement, then LESSOR will pay to LESSEE an amount equal to the amount of the Security Deposit then held by LESSOR as cash, without interest, less an amount determined by LESSOR to be a reasonable estimate of the costs, if any, which LESSOR will incur to remedy any unperformed obligations of LESSEE under this Lease, including the correction of any discrepancies from the required condition of the Aircraft on return of the Aircraft.

### **5.2              Base Rent.**

5.2.1            LESSEE will pay LESSOR Base Rent for the Aircraft in accordance with Schedule I.

5.2.2            The first payment of Base Rent during the Lease Term will be paid no later than [REDACTED – TERM] prior to the Scheduled Delivery Date. Each subsequent payment of Base Rent will be due monthly thereafter no later than the same day of the month as the Delivery Date of the Aircraft except that, if such day is not a Business Day, Base Rent will be due on the immediately preceding Business Day. If Delivery occurred on the [REDACTED –

DATE] of the month and in any given month during the Lease Term in which a Base Rent payment is due there is no such corresponding date, Base Rent will be payable on the last Business Day of such month. Any pro rata amount of Base Rent payable hereunder will be prorated based on the actual number of days in the applicable Lease Term. LESSEE hereby acknowledges and agrees that Base Rent will be payable in respect of each of the Delivery Date and the Termination Date.

### 5.3 Maintenance Rent.

5.3.1 In addition to Base Rent, and subject to escalation and adjustment as provided in this Article 5.3.1, LESSEE will pay to LESSOR the following categories of Maintenance Rent (each as defined on Schedule I) based on the utilization of the Aircraft during the applicable Maintenance Rent Period: Airframe 6Y Maintenance Rent, Airframe 12Y Maintenance Rent, Performance Restoration Maintenance Rent, Engine LLP Maintenance Rent, Landing Gear Maintenance Rent, APU Maintenance Rent, and APU LLP Maintenance Rent (collectively "**Maintenance Rent**" and each of the rates listed in Schedule I, a "**Maintenance Rent Rate**").

(a) Except for the Engine LLP Maintenance Rent rate and the APU LLP Maintenance Rent rate, all of the Maintenance Rent Rates listed in Schedule I are based on [REDACTED – DATE] cost estimates and, without requirement for any notice, will escalate by [REDACTED – PRICING] in Schedule I on the [REDACTED – DATE] of each Maintenance Rent Adjustment Period (other than the one falling on the [REDACTED – DATE]). For avoidance of doubt, such escalation calculation will be made on the first day of the Maintenance Rent Adjustment Period to the then-existing Maintenance Rent Rates and the resulting escalated Maintenance Rent Rates will be payable for all operation and lapse of calendar time in respect of the Aircraft in that same Maintenance Rent Adjustment Period.

(b) The Engine LLP Maintenance Rent rate will be determined [REDACTED – DATE] prior to the Scheduled Delivery Date based on the then current Engine LLP Cost per Cycle and will be adjusted as of the [REDACTED – DATE] of each Maintenance Rent Adjustment Period (other than the one falling on the Delivery Date) to be equal to [REDACTED – PRICING].

(c) The APU LLP Maintenance Rent rate will be adjusted as of [REDACTED – DATE] of each Maintenance Rent Adjustment Period (other than the one falling on the Delivery Date) to be equal to the [REDACTED – PRICING].

(d) Where the Engines are not subject to an Engine Manufacturer PBH Agreement, in respect of Performance Restoration Maintenance Rent payable during the period from the Scheduled Delivery Date through [REDACTED – DATE], LESSEE will pay LESSOR Performance Restoration Maintenance Rent in the amount set out in Schedule I for each Engine (payable when the Engine is utilized on the Aircraft or another aircraft). On [REDACTED – DATE] and

thereafter on the [REDACTED – DATE] of each Maintenance Rent Adjustment Period (other than the one falling on the Delivery Date) during the Lease Term, the Performance Restoration Maintenance Rent rate applicable to each Engine will be adjusted based upon the [REDACTED – PRICING]. The adjusted Performance Restoration Maintenance Rent rate for each Engine will be payable for all utilization of such Engine in the Maintenance Rent Adjustment Period in respect of which the adjustment is made. Where the Engines are subject to an Engine Manufacturer PBH Agreement, the Performance Restoration Maintenance Rate will be payable per such Engine Manufacturer PBH Agreement and will be escalated or otherwise adjusted in accordance with the provisions thereof.

5.3.2 [REDACTED – COMMERCIALY SENSITIVE INFORMATION]

5.3.3 LESSEE acknowledges and agrees that (a) Maintenance Rent constitutes additional rent to LESSOR for the lease, possession and operation of the Aircraft, will be fully earned when received by LESSOR and is and will remain the sole and exclusive property of LESSOR upon payment thereof by LESSEE, (b) LESSEE has no right, title or interest therein and (c) LESSOR will be entitled to retain absolutely any Maintenance Rent paid without any obligation to pay interest thereon to LESSEE. LESSOR may commingle the Maintenance Rent with its general or other funds or transfer any such amounts to any other Person, and LESSOR will not hold such amounts as agent or in trust for LESSEE or in any similar capacity.

#### 5.4 LESSOR's and LESSEE's Bank Account Information.

[REDACTED – COMMERCIALY SENSITIVE INFORMATION]

5.5 **Default Interest.** If LESSEE fails to pay any amount payable under the Operative Documents when due, LESSEE will pay to LESSOR, as Supplemental Rent (by way of liquidated damages as compensation for loss and increased risk and not as a penalty), interest calculated at the Default Interest Rate on that amount, until and including the date of payment in full by LESSEE to LESSOR based upon actual days elapsed in an assumed year of 360 days and twelve months of 30 days each ("**Default Interest**"). Notwithstanding the foregoing, Default Interest will not be payable on any amount that is not paid when due hereunder on account of any clerical or bank error if the amount so due is received within any applicable cure period and LESSEE takes reasonable steps to ensure that the clerical or bank error does not occur again.

5.6 **No Deductions or Withholdings.** All amounts payable by LESSEE under this Lease or any other Operative Document (including Security Deposit installments, Base Rent and Maintenance Rent) will be paid in full without any set-off, counterclaim, deduction or withholding of or in respect of any Tax, wire transfer fee or other charge of any nature unless LESSEE is prohibited by Law from doing so, in which event LESSEE will, with respect to each affected payment:

5.6.1 Pay, on an after-Tax basis in accordance with Article 16.3, such additional amount as is necessary so that LESSOR receives, after such deduction or withholding (including any deduction or withholding with respect to such additional amount), an amount

equal to the amount that LESSOR would have received if such deduction or withholding had not been made or required;

5.6.2 Ensure that the deduction or withholding does not exceed the minimum amount legally required;

5.6.3 Pay to the relevant Government Entity within the period for payment permitted by applicable Law the full amount of the deduction or withholding (including the full amount of any deduction or withholding from any additional amount paid pursuant hereto);

5.6.4 Furnish to LESSOR within [REDACTED – DATE] after the date of such affected payment an official receipt of the relevant Government Entities for all amounts so deducted or withheld; and

5.6.5 Without prejudice to LESSOR's other rights under the Lease, including without limitations, the provisions of this Article 5.6, Articles 5.7, 5.8, 5.9, or the indemnities contained in Article 16, at LESSEE's request, LESSOR will take reasonable administrative actions to help recover , if possible, any withholding Taxes.

**5.7 Value Added Taxes.** All Base Rent and other amounts payable by LESSEE under this Lease and the other Operative Documents are exclusive of any sales tax, value added tax, turnover tax, goods and services tax or any similar imposition or levy.

**5.8 Wire Transfer Disbursement Report.** At the time any payment is made hereunder, LESSEE will advise LESSOR in writing of the payment being made by LESSEE and the allocation of such payment to the Security Deposit, Base Rent, Maintenance Rent, Supplemental Rent, Default Interest and any other amounts then payable by LESSEE. Notwithstanding the allocation set forth in LESSEE's report, if a Default or Event of Default has occurred and is continuing, LESSOR will have complete discretion to allocate LESSEE's payments as LESSOR determines.

**5.9 Net Lease.**

5.9.1 This Lease is a net lease and LESSEE's obligations to pay Base Rent and make other payments and to perform its other obligations in accordance with this Lease and the other Operative Documents will be absolute and unconditional under any and all circumstances and regardless of other events, including the following:

(a) any right of set off, counterclaim, recoupment, defense or other right (including any right of reimbursement) which LESSEE may have against LESSOR, any Affiliate of LESSOR, any Servicer or any Affiliate of such Servicer, Manufacturer, Engine Manufacturer, any Relevant Party or any other Person for any reason whatsoever, including any claim LESSEE may have for the foregoing;

(b) unavailability or interruption in use of the Aircraft for any reason, including a requisition thereof or any prohibition or interference with or other restriction against LESSEE's use, operation or possession of the Aircraft (whether by Law or

otherwise), any defect in title, airworthiness, merchantability, fitness for any purpose, condition, design, specification or operation of any kind or nature of the Aircraft, the ineligibility of the Aircraft for any particular use or trade or for registration under the Laws of any jurisdiction or Total Loss of the Aircraft;

(c) insolvency, bankruptcy, winding-up, arrangement, reorganization, arrangement, readjustment of debt, dissolution, liquidation, receivership, administration or similar proceedings by or against LESSOR, LESSEE, any Affiliate of LESSOR or LESSEE, any Servicer or any Affiliate of such Servicer, Manufacturer, Engine Manufacturer, any Relevant Party or any other Person;

(d) invalidity or unenforceability or lack of due authorization of or other defect in this Lease;

(e) failure or delay on the part of any party to perform its obligations under this Lease; or

(f) any other circumstance which but for this provision would or might have the effect of terminating or in any other way affecting any obligation of LESSEE hereunder.

5.9.2 [REDACTED – COMMERCIALY SENSITIVE INFORMATION]

5.9.3 Nothing in Article 5.9 will be construed to limit LESSEE's right to claim damages arising from LESSOR's breach of its covenant of quiet enjoyment set forth in Article 21.2.

**5.10 Currency Indemnity.**

[REDACTED – COMMERCIALY SENSITIVE INFORMATION]

**5.11 LESSOR Performance of LESSEE Obligation.** If LESSEE fails to make any payment under this Lease to a third party in connection with the Aircraft or fails to perform any other obligation required under this Lease, LESSOR may (but is not required to) at its election and without waiver of its rights perform such obligation and/or pay such amount. Within [REDACTED – TERM] after written notice to LESSEE of the amount paid by LESSOR on behalf of LESSEE, LESSEE will repay such amount to LESSOR together with Default Interest. Such payment to LESSOR will constitute Supplemental Rent payable by LESSEE to LESSOR hereunder. Any payment, performance or compliance by LESSOR of a LESSEE obligation hereunder will not affect the occurrence or continuance of a Default or Event of Default, as the case may be.

**5.12 Consideration for Rent and Other Amounts.** The amount of the Rent and other payments contained in this Lease are in consideration of LESSEE's waiver of warranties and acceptance of the disclaimers and LESSEE's provision of indemnities set forth in Article 8 and 16.1, respectively, and the other provisions of this Lease.

## **ARTICLE 6      INVOLVEMENT WITH AIRCRAFT MANUFACTURER**

**6.1            LESSEE Selection of Aircraft.** LESSEE COVENANTS TO LESSOR AND EACH OTHER RELEVANT PARTY THAT LESSEE HAS USED ITS OWN JUDGMENT IN SELECTING THE AIRCRAFT AND HAS DONE SO BASED ON ITS SIZE, DESIGN AND TYPE. LESSEE ACKNOWLEDGES THAT IN ACCEPTING THE AIRCRAFT IT IS RELYING ON ITS OWN INSPECTION AND KNOWLEDGE OF THE AIRCRAFT IN DETERMINING WHETHER THE AIRCRAFT SATISFIES THE REQUIREMENTS OF THIS LEASE AND THE OTHER OPERATIVE DOCUMENTS. LESSEE ACKNOWLEDGES THAT NEITHER LESSOR NOR ANY OTHER RELEVANT PARTY IS A MANUFACTURER, REPAIRER OR SERVICING AGENT OF THE AIRCRAFT.

**6.2            Engine Fleet Management Program Agreement.**  
[REDACTED – COMMERCIALY SENSITIVE INFORMATION]

**6.3            Participation Agreement.** LESSEE has the right to inspect the Aircraft during the manufacture process and to attend and observe the acceptance tests of the Aircraft pursuant to the terms of a Participation Agreement to be entered into between LESSEE and LESSOR in the form set forth in Exhibit B and acknowledged by the Manufacturer.

**6.4            Procurement of BFE.**  
[REDACTED – COMMERCIALY SENSITIVE INFORMATION]

**6.5            LESSEE Inspection of Aircraft.**  
[REDACTED – COMMERCIALY SENSITIVE INFORMATION]

**6.6            Aircraft at Delivery.**  
[REDACTED – COMMERCIALY SENSITIVE INFORMATION]

**6.7            Delivery of Aircraft to LESSEE.** Subject to LESSEE having performed all of the conditions precedent to Delivery set forth in this Lease (or, if applicable, LESSOR's waiver of one or more of such conditions precedent such that, after giving effect to such waiver, all conditions precedent have been satisfied or deemed satisfied.), immediately following delivery of the Aircraft from Manufacturer to LESSOR, LESSOR will deliver the Aircraft to LESSEE at the Delivery Location. Upon tender of the Aircraft by LESSOR to LESSEE in accordance with this Lease, LESSEE will accept the Aircraft subject to each and every disclaimer and waiver set forth in Article 8 and the date of tender by LESSOR to LESSEE will be deemed to be the Delivery Date for all purposes under this Lease, including the commencement of LESSEE's obligation to pay Rent hereunder. Such acceptance is irrevocable and unconditional. Nothing in this Lease will obligate LESSOR to deliver the Aircraft to LESSEE if LESSEE has not complied with the conditions contained in Articles 7.1 and 7.2.

**6.8            Delay or Failure in Acceptance.**  
[REDACTED – COMMERCIALY SENSITIVE INFORMATION]

## **ARTICLE 7 PRE-DELIVERY, DELIVERY AND POST-DELIVERY REQUIREMENTS**

**7.1 Pre-Delivery Requirements.** LESSEE will do each of the following within the time frames set forth below:

7.1.1 At least [REDACTED – TERM] prior to the Scheduled Delivery Date, LESSEE will deliver to LESSOR:

- (a) copies of resolutions of the Board of Directors of LESSEE or other written evidence of appropriate action, duly certifying and authorizing the lease of the Aircraft hereunder and the execution, delivery and performance of this Lease and the other Operative Documents, together with an incumbency certificate as to the individual or individuals authorized to execute and deliver documents on behalf of LESSEE hereunder;
- (b) a duly executed copy of the Participation Agreement; and
- (c) such information as LESSOR may reasonably request regarding LESSEE, any Person who directly or indirectly owns or controls LESSEE (as determined pursuant to any applicable Trade Laws) or any other applicable Persons and the intended use of the Aircraft, in order for LESSOR to complete due diligence, to comply with the Financial Conduct Laws and to satisfy LESSOR's internal compliance controls.

7.1.2 At least [REDACTED – TERM] prior to the Delivery Date, LESSEE will deliver to LESSOR a draft certificate of insurance and broker's letter of undertaking in form and substance acceptable to LESSOR evidencing that insurance of the Aircraft in accordance with this Lease will be in place from the Delivery Date;

7.1.3 At least [REDACTED – TERM] prior to the Delivery Date, LESSEE will do each of the following:

- (a) pay to LESSOR the first installment of Base Rent in accordance with Article 5.2.2;
- (b) provide LESSOR with a letter from the Aviation Authority in the form and substance of Exhibit D;
- (c) provide LESSOR with a draft opinion of LESSEE's in-house counsel in the form of Exhibit F that will be issued on the Delivery Date;
- (d) to the extent available prior to the Delivery, provide LESSOR with documents evidencing that all applicable customs requirements have been satisfied and that LESSEE has obtained any necessary licenses for the importation and ferrying of the Aircraft into Canada and that all applicable customs duties, import taxes, and sales taxes in respect of the Aircraft have been discharged by LESSEE (or arrangements satisfactory to LESSOR have been made for obtaining,

complying, or paying for the same), such that at return of the Aircraft to LESSOR no additional fees, duties or taxes will be payable in order to export the Aircraft from the State of Registration;

(e) provide LESSOR with documents reasonably requested by LESSOR evidencing the issuance of each approval, license and consent which may be required in connection with the remittance to LESSOR of any amount payable under this Lease or any other Operative Document or the performance by LESSEE of any of its obligations hereunder or thereunder (including without limitation any applicable exchange control approval);

(f) provide LESSOR with a copy of such Aviation Documents as may be available prior to the Scheduled Delivery Date;

(g) provide LESSOR with a power of attorney empowering LESSEE's representative, who may be an officer or employee of LESSEE, to accept the Aircraft on behalf of LESSEE;

(h) provide LESSOR with a executed original of the Lease Termination Agreement in the form of Exhibit G;

(i) provide LESSOR with an IDERA in the form of Exhibit H if the Cape Town Convention has been or is ratified or made applicable in the State of Registration or the state in which LESSEE (or any applicable sublessee approved by LESSOR in accordance with Article 11) is "situated" for purposes of the Cape Town Convention;

(j) provide LESSOR with an executed copy of the Short Form Lease Agreement in the form of Exhibit O;

(k) provide LESSOR with evidence of acceptance of appointment by a Person acceptable to LESSOR to accept service of process on behalf of LESSEE (as further described in Article 27);

(l) provide LESSOR with a draft (or copy if previously approved by the Aviation Authority) of the Maintenance Program and evidence of application to the Aviation Authority for approval of the Maintenance Program;

(m) provide LESSOR with an acknowledgment (in such form as the Finance Parties may reasonably require) of any Security Interest in the Aircraft and/or this Lease for which LESSEE has been, or on the Delivery Date will be, given notice by LESSOR;

(n) a duly executed copy of the Transat Guaranty; and

(o) provide LESSOR with such other documents as LESSOR may reasonably request.

**7.2 Delivery Requirements.** On the Delivery Date, each of the following will occur:

7.2.1 LESSEE will execute and deliver to LESSOR an Acceptance Certificate in the form of Exhibit E covering the Aircraft and effective as of the Delivery Date.

7.2.2 If not previously done, LESSEE and LESSOR will sign an amendment or supplement to Exhibit A evidencing all agreed-to changes to the Baseline Specification of the Aircraft.

7.2.3 LESSEE will deliver a certificate signed by an officer of LESSEE stating all of the following:

(a) the representations and warranties contained in Article 20 are true and accurate on and as of the Delivery Date as though made on and as of such date (except to the extent that such representations and warranties relate solely to an earlier date); and

(b) no Default or Event of Default has occurred and is continuing or will result from LESSEE's lease of the Aircraft hereunder.

7.2.4 LESSEE's in-house counsel will deliver the signed original of the opinion of counsel described in Article 7.1.

7.2.5 If any Creditor Agreement provides or contemplates that such Creditor will obtain any right, title or interest in an Engine which is installed on such Creditor's aircraft, LESSEE will deliver to LESSOR an engines cooperation agreement in form and substance acceptable to LESSOR which is executed by LESSEE and LESSEE's Creditors (as defined therein).

7.2.6 LESSEE and LESSOR will execute assignments of Manufacturer and Engine Manufacturer rights in the form and substance to be negotiated between LESSOR, LESSEE and the Manufacturer or Engine Manufacturer, as applicable.

7.2.7 LESSEE will execute and deliver to LESSOR a letter addressed to Eurocontrol in the form and substance of Exhibit I.

7.2.8 LESSEE will deliver to LESSOR a copy of such Aviation Documents as have not been previously delivered which are available.

7.2.9 LESSEE will take any steps requested by LESSOR to register, protect and perfect the respective interests of LESSOR and any other Relevant Party in the Aircraft and the Operative Documents in accordance with Article 14.2, and provide evidence of same to LESSOR.

7.2.10 If available prior to Delivery, LESSEE will provide LESSOR with a copy of the Maintenance Program demonstrating its applicability to the Aircraft and the approval thereof by the Aviation Authority.

7.2.11 LESSEE will cause each International Interest constituted in the Aircraft (including in the Engines) by this Lease and the other Operative Documents to be registered on the International Registry in accordance with Article 14.3.

7.2.12 LESSEE will deliver the final certificate of insurance and broker's letter of undertaking as described in Article 7.1.2.

### **7.3 Post-Delivery Requirements.**

7.3.1 Within [REDACTED – TERM] after Delivery, each of LESSEE and LESSOR will provide the other with evidence of acceptance of appointment by a Person to accept service of process on behalf of LESSEE and Guarantor (in the case of LESSEE) and LESSOR (in the case of LESSOR), as described in Article 27 (in the case of LESSEE and LESSOR) and the Transat Guaranty (in the case of Guarantor).

7.3.2 Within [REDACTED – TERM] after Delivery (or by the day specified if any), if not previously provided or accomplished, LESSEE will do each of the following:

- (a) provide LESSOR with a certified copy of the IDERA, duly endorsed by TCA, and in any event no later than [REDACTED – TERM] from Delivery as per TCA's administrative processing delay;
- (b) provide LESSOR with a copy of the continuing certificate of airworthiness in respect of the Aircraft and in any event prior to the first revenue service following Delivery;
- (c) provide LESSOR with evidence that this Lease has been properly filed pursuant to the RMPRR and UCC;
- (d) take any steps then requested by LESSOR to register, protect and perfect the respective interests of LESSOR and any other Relevant Party in the Aircraft and the Operative Documents in accordance with Article 14.2, and provide evidence of same to LESSOR;
- (e) provide LESSOR with copies of all Aviation Documents not previously delivered;
- (f) if not available or provided before Delivery, LESSEE will provide LESSOR with a copy of the Maintenance Program demonstrating its applicability to the Aircraft and the approval thereof by the Aviation Authority and in any event prior to the first revenue flight of the Aircraft;
- (g) if not provided before Delivery, provide LESSOR with satisfactory evidence that the Aircraft has been imported into Canada in accordance with applicable Law (including a certified copy of the Canada Customs B3 Form and all other necessary customs documents and evidence that any applicable import/customs duties have been paid) or;

- (h) provide LESSOR with documents evidencing that all applicable customs requirements have been satisfied and that LESSEE has obtained any necessary licenses for the importation and ferrying of the Aircraft into Canada and that all applicable customs duties, Canadian import taxes, and Canadian sales taxes in respect of the Aircraft have been discharged by LESSEE (or arrangements satisfactory to LESSOR have been made for obtaining, complying, or paying for the same), such that at return of the Aircraft to LESSOR no additional fees, duties or taxes will be payable in order to export the Aircraft from the State of Registration;
- (i) if LESSEE was granted the right to defer payment of customs duties at the time of Delivery, provide LESSOR with evidence of payment of customs duties prior to the expiration of the applicable deferral period; and
- (j) if the Cape Town Convention has been or is ratified or made applicable in the State of Registration or the state in which LESSEE (or any applicable sublessee approved by LESSOR in accordance with Article 11) is "situated" for purposes of the Cape Town Convention and all of the International Interests constituted in the Aircraft (including in the Engines) by this Lease and the other Operative Documents or any applicable sublease have not already been registered on the International Registry in accordance with Article 14.3, make or consent to all applicable registrations.

## **ARTICLE 8     DISCLAIMERS AND WAIVERS**

THE DISCLAIMERS, WAIVERS, AND CONFIRMATIONS SET FORTH IN THIS ARTICLE 8 WILL APPLY AT ALL TIMES FROM AND AFTER THE DELIVERY DATE. THUS, FROM AND AFTER THE TIME OF LESSEE'S ACCEPTANCE OF THE AIRCRAFT AND EXECUTION AND DELIVERY OF THE ESTOPPEL AND ACCEPTANCE CERTIFICATE, AS BETWEEN LESSOR AND EACH OTHER RELEVANT PARTY, ON THE ONE HAND, AND LESSEE, ON THE OTHER HAND:

**8.1           "As Is, Where Is".** LESSEE AGREES THAT IT IS LEASING THE AIRCRAFT AND THAT THE AIRCRAFT IS DELIVERED "AS IS, WHERE IS". LESSEE UNCONDITIONALLY ACKNOWLEDGES AND AGREES THAT NEITHER LESSOR NOR ANY OTHER RELEVANT PARTY NOR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AFFILIATES, AGENTS OR REPRESENTATIVES HAVE MADE OR WILL BE DEEMED TO HAVE MADE ANY TERM, CONDITION, REPRESENTATION, WARRANTY OR COVENANT EXPRESS OR IMPLIED (WHETHER STATUTORY OR OTHERWISE) AS TO, AND LESSEE HEREBY WAIVES ANY EXPRESS OR IMPLIED WARRANTY OR COVENANT (WHETHER STATUTORY OR OTHERWISE) AS TO (a) THE CAPACITY, AGE, AIRWORTHINESS, VALUE, QUALITY, DURABILITY, CONFORMITY TO THE PROVISIONS OF THIS LEASE AND THE OTHER OPERATIVE DOCUMENTS, DESCRIPTION, CONDITION (WHETHER OF THE AIRCRAFT, ANY ENGINE, ANY PART THEREOF OR THE AIRCRAFT DOCUMENTATION), DESIGN, WORKMANSHIP, MATERIALS, MANUFACTURE, CONSTRUCTION, OPERATION, STATE, MERCHANTABILITY, PERFORMANCE, FITNESS FOR ANY PARTICULAR USE OR PURPOSE (INCLUDING THE ABILITY TO OPERATE OR REGISTER THE AIRCRAFT OR USE THE AIRCRAFT DOCUMENTATION IN ANY OR ALL JURISDICTIONS), SUITABILITY OF THE AIRCRAFT OR ANY PART THEREOF OR THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, KNOWN OR UNKNOWN, APPARENT OR CONCEALED, EXTERIOR OR INTERIOR, (b) THE ABSENCE OF ANY INFRINGEMENT OF ANY PATENT, TRADEMARK, COPYRIGHT OR OTHER INTELLECTUAL PROPERTY RIGHTS, (c) ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE OR (d) ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE AIRCRAFT OR ANY PART THEREOF, ALL OF WHICH ARE HEREBY EXPRESSLY, UNCONDITIONALLY AND IRREVOCABLY EXCLUDED AND EXTINGUISHED.

**8.2           Waiver of Warranty of Description.** LESSEE HEREBY AGREES THAT ITS ACCEPTANCE OF THE AIRCRAFT AT DELIVERY AND ITS EXECUTION AND DELIVERY OF THE ESTOPPEL AND ACCEPTANCE CERTIFICATE CONSTITUTE LESSEE'S WAIVER OF ANY WARRANTY OF DESCRIPTION, EXPRESS OR IMPLIED, AND ANY CLAIMS LESSEE MAY HAVE AGAINST LESSOR OR ANY OTHER RELEVANT PARTY BASED UPON THE FAILURE OF THE AIRCRAFT TO CONFORM WITH SUCH DESCRIPTION. EVEN IF AT ANY TIME THE FAILURE OF THE AIRCRAFT TO CONFORM TO SUCH DESCRIPTION SUBSTANTIALLY IMPAIRS THE VALUE AND UTILITY OF THE AIRCRAFT AND EITHER (i) LESSEE ACCEPTED THE AIRCRAFT

BASED ON A REASONABLE ASSUMPTION THAT THE NONCONFORMITY WOULD BE CURED AND IT WAS NOT SEASONABLY CURED OR (ii) LESSEE ACCEPTED THE AIRCRAFT WITHOUT DISCOVERING THE NONCONFORMITY BUT LESSEE'S ACCEPTANCE OF THE AIRCRAFT WAS REASONABLY INDUCED EITHER BY THE ASSURANCES OF LESSOR OR ANY OTHER RELEVANT PARTY OR BY THE DIFFICULTY OF DISCOVERING ANY DEFECT PRIOR TO ACCEPTANCE, LESSEE AGREES NOT TO LOOK TO LESSOR OR ANY OTHER RELEVANT PARTY FOR DAMAGES OR RELIEF ARISING OUT OF THE FAILURE OF THE AIRCRAFT TO CONFORM TO SUCH DESCRIPTION.

**8.3 LESSEE Waiver and Disclaimer.** LESSEE HEREBY WAIVES, AS BETWEEN ITSELF, ON THE ONE HAND, AND LESSOR AND EACH OTHER RELEVANT PARTY, ON THE OTHER HAND, AND AGREES NOT TO SEEK TO ESTABLISH OR ENFORCE, ANY RIGHTS OR REMEDIES, EXPRESS OR IMPLIED (WHETHER STATUTORY, IN CONTRACT OR TORT OR UNDER ANY STRICT LIABILITY OR OTHER THEORY), AGAINST LESSOR OR ANY OTHER RELEVANT PARTY OR THE AIRCRAFT RELATING TO ANY OF THE MATTERS MENTIONED IN ARTICLES 8.1 OR 8.2 OR THE CONDITION OF THE AIRCRAFT, REGARDLESS OF THE NEGLIGENCE, WHETHER ACTIVE OR PASSIVE OR OF ANY OTHER TYPE, OF LESSOR OR ANY OTHER RELEVANT PARTY. LESSEE FURTHER AGREES THAT IT WILL NOT BE ENTITLED TO RECOVER, AND HEREBY DISCLAIMS AND WAIVES ANY RIGHT THAT IT MAY OTHERWISE HAVE TO RECOVER, REDUCED OR LOST PROFITS, REDUCED OR LOST REVENUE OR OTHER CONSEQUENTIAL, INCIDENTAL, SPECIAL, INDIRECT OR PUNITIVE DAMAGES AS A RESULT OF ANY BREACH OR ALLEGED BREACH BY LESSOR OF ANY OF THE AGREEMENTS, REPRESENTATIONS OR WARRANTIES CONTAINED IN THIS LEASE OR ANY OTHER OPERATIVE DOCUMENT.

**8.4 Conclusive Proof.** DELIVERY BY LESSEE TO LESSOR OF THE ESTOPPEL AND ACCEPTANCE CERTIFICATE WILL BE CONCLUSIVE PROOF AS BETWEEN LESSOR AND EACH OTHER RELEVANT PARTY, ON THE ONE HAND, AND LESSEE, ON THE OTHER HAND, THAT LESSEE'S TECHNICAL EXPERTS HAVE EXAMINED AND INVESTIGATED THE AIRCRAFT AND ENGINES AND (a) EACH IS AIRWORTHY AND IN GOOD WORKING ORDER AND REPAIR AND (b) THE AIRCRAFT AND ENGINES AND THE AIRCRAFT DOCUMENTATION ARE WITHOUT DEFECT (WHETHER OR NOT DISCOVERABLE AT DELIVERY) AND IN EVERY WAY SATISFACTORY TO LESSEE AND IN SUITABLE CONDITION FOR DELIVERY TO AND ACCEPTANCE BY LESSEE.

**8.5 No Liability to Repair or Replace.** Neither LESSOR nor any other Relevant Party will be liable for any expense in repairing or replacing any item of the Aircraft or be liable to supply another aircraft or any item in lieu of the Aircraft or any Part thereof if the same is lost, confiscated, damaged, destroyed or otherwise rendered unfit for use.

**8.6 No Waiver.** Nothing in this Article 8 or elsewhere in this Lease will be deemed to be a waiver by LESSEE of any rights it may have against Manufacturer, Engine Manufacturer or any supplier or manufacturer of a Part.

**8.7**            **Consideration for Disclaimers and Waivers.** LESSEE's waiver of warranties and acceptance of the disclaimers set forth in this Lease are made in consideration of (a) LESSEE's rights hereunder to inspect the Aircraft, (b) LESSOR's assignment to LESSEE of any existing and assignable warranties of Manufacturer and Engine Manufacturer and (c) the amount of Rent and other payments set forth in this Lease.

## **ARTICLE 9 MANUFACTURERS' AND VENDORS' WARRANTIES**

**9.1 Warranties.** As set forth in Article 7.2.6, at Delivery LESSOR will assign or otherwise make available (or will cause Owner to assign or otherwise make available) to LESSEE for the duration of the Lease Term the benefit of all assignable warranties and indemnities given to LESSOR or Owner by Manufacturer and Engine Manufacturer relating to the Aircraft. Effective on the Delivery Date, all other assignable vendor warranties with respect to the Aircraft are hereby assigned by LESSOR to LESSEE. LESSEE will diligently and promptly pursue any valid claims it may have against Manufacturer, Engine Manufacturer and other vendors and repairers under such warranties with respect to the Aircraft and will promptly provide LESSOR with written notice of any warranty claim with a value greater than [REDACTED – PRICING]. LESSEE will not do or permit anything to be done or omit to do anything that would or would be likely to prejudice any material right that LESSOR, Owner or any Financing Party may have against Manufacturer, Engine Manufacturer or the manufacturer of any Part or repairer under any agreement in respect of the Aircraft or any Part thereof. No later than [REDACTED – TERM] prior to the Scheduled Delivery Date, LESSOR and LESSEE will confer in good faith with the Manufacturer and Engine Manufacturer to determine the form and substance of the Manufacturer and Engine Manufacturer warranty assignment documentation, it being understood that such documentation will in all cases be consistent with the requirements of the relevant purchase and sale agreement and/or general terms agreement between the Manufacturer or Engine Manufacturer (as applicable) and the relevant Affiliate of LESSOR.

**9.2 Warranties for Work Performed During Lease Term.** At the time LESSEE has work performed on the Aircraft, an Engine or any Part during the Lease Term, LESSEE will obtain the written agreement of Manufacturer, Engine Manufacturer and any other vendor or repair facility performing such work that the warranties received by LESSEE for such work are assignable to and extend to the benefit of Owner and any future owner and any subsequent operator of the Aircraft or Engine after the Termination Date.

**9.3 Work Performed by Lessee.** If LESSEE (whether directly or through an Affiliate) performs its own maintenance on the Aircraft (as permitted under this Lease), LESSEE will provide (or cause its Affiliate to provide) to Owner warranties and indemnities in respect of such maintenance that are substantially consistent with those warranties and indemnities customarily provided to a third party maintenance customer of LESSEE or such Affiliate. Such warranties and indemnities and all claims thereunder (whether or not perfected) together with all product support in respect of or related to the Aircraft then available to Owner will be assignable by Owner to the next lessee or operator. LESSEE will, at its own cost and expense, do all such things and execute such documents as may be required for this purpose (it being agreed that such obligations of LESSEE will survive the Termination Date). For avoidance of doubt, any warranties and indemnities provided by LESSEE (or an Affiliate) under this Article 9.3 will be in addition to, and not in lieu of, the indemnities provided by LESSEE under Article 17 of this Lease.

**9.4 Reassignment.** On the Termination Date, the benefit of any warranty assigned by LESSOR to LESSEE pursuant to Articles 7.2.6 and 9.1 will be reassigned automatically to Owner. At LESSOR's election, LESSEE's rights under such warranties (including LESSEE's claims and rights to payment thereunder) will revert to LESSOR or Owner during any period in which an

Event of Default is continuing (and during the continuation of such Event of Default LESSOR may recover from LESSEE any portion of the proceeds of any claim previously paid to LESSEE to the extent that such claim relates to any defect in the Aircraft not fully and completely rectified by LESSEE). Similarly, any additional warranties received by LESSEE from Manufacturer, Engine Manufacturer and any other vendor or repair facility for work performed on the Aircraft, Engine or any Part during the Lease Term will be automatically assigned by LESSEE to Owner on the Termination Date. LESSEE at its own cost and expense will do all such things and execute such documents as may be required for these purposes, including providing assistance to LESSOR and Owner following the Termination Date in seeking and obtaining the benefits of such reassigned warranties to the extent that LESSOR and Owner are unable to directly invoke and obtain the benefit thereof (it being agreed that such obligation of LESSEE will survive the Termination Date).

## **ARTICLE 10    OPERATION OF AIRCRAFT**

**10.1            Costs of Operation.** LESSEE will promptly pay and discharge all costs incurred in connection with or related to any Aircraft Activity during the Lease Term and until the Termination Date, including the costs of flight crews, cabin personnel, fuel, oil, lubricants, maintenance, insurance, storage, landing and navigation fees, airport charges, customs duties, passenger service charges and any and all other expenses of any kind or nature, directly or indirectly, in connection with or related to any Aircraft Activity. The obligations of LESSEE under this Article 10.1 will survive the Termination Date and continue in full force and effect, notwithstanding any breach by LESSOR or LESSEE of the terms of this Lease, the expiration or termination of this Lease, the termination of the leasing of the Aircraft to LESSEE under this Lease or the repudiation by LESSOR or LESSEE of this Lease.

**10.2            Compliance with Laws.** LESSEE will throughout the Lease Term and until the Termination Date maintain operational control of the Aircraft (except in the case of a sublease entered into in accordance with this Lease or any other Operative Document, in which case the applicable sublessee will maintain operational control of the Aircraft at all times during the term of the applicable sublease) and use (or cause any applicable sublessee to use) the Aircraft in accordance with the applicable Laws of the State of Registration and of any country, state, territory or municipality into or over which LESSEE (or any applicable sublessee) may operate. LESSEE will not operate, use or employ the Aircraft or allow, suffer or cause the Aircraft to be operated, used or employed (a) in any manner which is, or would cause LESSEE, LESSOR, Owner or Beneficial Owner to be, in violation of any Law applicable to LESSEE, LESSOR, Owner, Beneficial Owner or the Aircraft or (b) in any manner which may render the Aircraft liable to condemnation, destruction, seizure, detention or confiscation by any Government Entity. LESSEE will not permit the Aircraft to be exported or operated in any manner to or in (x) any Prohibited Country or (y) any other country if so doing would cause LESSEE, LESSOR, Owner or Beneficial Owner to be in violation of any Law applicable to any of them or to the Aircraft.

**10.3            Training.** LESSEE will not use the Aircraft for testing or for training of flight crew members other than LESSEE crew members and will not use the Aircraft for training any more than it utilizes for training the other A321NEO aircraft in its fleet.

**10.4            No Violation of Insurance Policies.** LESSEE will not use or permit the Aircraft to be used in any manner or for any purpose which is not covered by the insurance policies LESSEE is required to carry and maintain as set forth in this Lease. LESSEE will not carry any goods of any description excepted or exempted from such policies or do any other act or permit to be done anything which could reasonably be expected to invalidate or limit any such insurance policies.

### **10.5            Flight, Airport and ETS Charges.**

10.5.1            LESSEE will pay promptly when due all airport or en route navigation charges (including NAV Canada and Eurocontrol charges), navigation service charges, landing fees and all other charges payable by LESSEE for the use of or for services provided at any airport, whether in respect of the Aircraft or any other aircraft of LESSEE.

10.5.2 Except to the extent prohibited by the Aviation Authority or by any Law under which LESSEE is bound, LESSEE will, if applicable, (a) comply, and procure that any approved sublessee or wet lessee complies, with all EU ETS Laws, and any equivalent or similar laws relating to aircraft emissions promulgated at any time and from time to time by any Government Entity of any jurisdiction which is not a member state of the European Union, applicable to any of them or the Aircraft and, promptly on request from LESSOR, supply to LESSOR evidence reasonably satisfactory to LESSOR of such compliance, (b) ensure that LESSEE or any approved sublessee or wet lessee be deemed the "aircraft operator" in respect of the Aircraft for purposes of the EU ETS Laws, and (c) identify Owner as the "aircraft owner" in respect of the Aircraft to any EU ETS Authority whenever necessary or advisable under the EU ETS Laws or whenever LESSOR may request.

10.5.3 If requested by LESSOR, LESSEE will provide LESSOR with a list of the airports to which LESSEE regularly operates the Aircraft or its other aircraft. LESSEE hereby authorizes NAV Canada, Eurocontrol or any other aviation authority or airport or creditor claiming rights in respect of the Aircraft to confirm to LESSOR or any Servicer the status of LESSEE's payments to such creditor in respect of the Aircraft and LESSEE's other aircraft, as and when requested by LESSOR or such Servicer.

**10.6** **Habitual Base.** LESSEE will ensure that the Aircraft is habitually based in the Habitual Base.

**10.7** **No Operation of Aircraft by LESSOR.** LESSOR hereby acknowledges and agrees that it shall not provide to LESSEE, directly or indirectly, any flight crew member to operate the Aircraft during the Lease Term.

## **ARTICLE 11    SUBLEASES**

**11.1            No Sublease without LESSOR Consent.** LESSEE WILL NOT SUBLEASE OR PART WITH POSSESSION OF THE AIRCRAFT (EXCEPT FOR MAINTENANCE AND REPAIR) AT ANY TIME WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR (NOT TO BE UNREASONABLY WITHHELD) AND IN ACCORDANCE WITH SUCH REQUIREMENTS AS MAY FROM TIME TO TIME BE AGREED IN WRITING BETWEEN LESSOR AND LESSEE. NO SUBLEASING OF AN ENGINE WILL BE PERMITTED. SUBLEASING TO A PROHIBITED PERSON IS NOT PERMITTED.

**11.2            LESSOR Costs.** LESSEE will indemnify each of LESSOR, each Servicer, Owner and each Finance Party on demand for all out-of-pocket expenses (including legal fees) incurred in connection with the assessment by each such party of any subleasing proposal (whether or not LESSOR's consent to the applicable sublease is ultimately given) and implementation of any sublease.

**11.3            Any Approved Sublease.** Any sublease approved by LESSOR will be for a term no greater than the remaining Lease Term. The applicable sublease agreement will contain provisions consistent with this Lease protecting the respective interests of LESSOR, Owner and each other Relevant Party in the Aircraft and the Operative Documents, providing appropriate disclaimers and indemnities in favor of LESSOR, Owner and the other Relevant Parties, regarding the maintenance and repair standards for the Aircraft and concerning the insurances which will be carried by the sublessee and the circumstances which constitute a Total Loss of the Aircraft. Any such sublease will be expressly subject and subordinate to this Lease, the other Operative Documents, the Finance Documents and the respective rights, title and interests of the Relevant Parties in the Aircraft and the Operative Documents. LESSOR will have an opportunity to review the proposed sublease agreement in advance in order to determine that it meets the requirements of this Article 11.3. LESSOR may in its sole discretion require that LESSEE provide to each Relevant Party an opinion of counsel from the jurisdiction(s) in which the proposed sublessee is located and the Aircraft is to be registered under the proposed sublease, in form and substance satisfactory to LESSOR, including opinions to the effect that the rights of the Relevant Parties in and to the Aircraft, the Operative Documents and the Finance Documents will be protected and otherwise unaffected by the entry into and performance of the proposed sublease or any consequent change in the State of Registration (if approved by LESSOR) and that such proposed sublease will not prejudice LESSOR's rights to repossess the Aircraft upon the occurrence of an Event of Default or a default under such sublease. LESSEE may not amend the terms of any approved sublease agreement without the prior written consent of LESSOR. LESSEE will carry the contingent insurances described in Article 18.11 for the term of an approved sublease.

**11.4            Assignment of Sublease.** Any approved sublease will be assigned to LESSOR or a Finance Party (as designated in writing to LESSEE by LESSOR) as security pursuant to a security assignment agreement in a form satisfactory to LESSOR. LESSEE will deliver the original counterpart of the sublease to LESSOR and make any filings necessary to protect the respective Security Interests of LESSOR and any applicable Finance Party.

**11.5**            **Application of Cape Town Convention.** If a sublease constitutes an International Interest in the Aircraft or any of the Engines, LESSEE will cause all International Interests constituted by such sublease to be registered on the International Registry (with such duration as LESSOR specifies), and will assign all such International Interests to LESSOR and transfer the right to discharge all such International Interests to LESSOR. In addition, LESSEE will obtain in favor of LESSOR an IDERA from the approved sublessee in the form of Exhibit H.

**11.6**            **Wet Leases.** The wet leasing of the Aircraft during the Lease Term (whereby the Aircraft will at all times be subject to the full operational control of LESSEE) will be permitted without LESSOR's consent, provided that (a) the Aircraft remains registered in the State of Registration, (b) the Aircraft not be wet leased to a Prohibited Person or wet leased for operations to, from or within a Prohibited Country, (c) LESSEE complies with Article 18.12 and (d) the wet lease will be for a term no greater than six months and, in any event, no greater than the remaining Lease Term.

**11.7**            **Continued Responsibility of LESSEE.** LESSEE will continue to be responsible for performance of its obligations under this Lease and the other Operative Documents during any period of sublease or wet lease.

**ARTICLE 12**    **MAINTENANCE OF AIRCRAFT**

[REDACTED – COMMERCIALY SENSITIVE INFORMATION]

**ARTICLE 13**    **MAINTENANCE CONTRIBUTIONS**

[REDACTED – COMMERCIALY SENSITIVE INFORMATION]

## **ARTICLE 14 TITLE AND REGISTRATION**

**14.1 Title to the Aircraft.** Legal title to the Aircraft will remain vested in Owner subject to the Finance Documents and this Lease and any assignments or transfers carried out in accordance with Article 24. LESSEE will have no right, title or interest in the Aircraft except for the right to lease the Aircraft pursuant to this Lease. LESSEE will not hold itself out as owner of the Aircraft and will, on all occasions when the ownership of the Aircraft or any part thereof is relevant, inform all applicable Persons that Owner holds title thereto (subject to the Finance Documents, if applicable).

**14.2 Registration of Aircraft.** Throughout the Lease Term LESSEE will, at its sole cost and expense, (i) register and maintain or procure the registration of the by filing the Short Form Lease (and any amendments thereto) at the register of aircraft maintained by the Aviation Authority and (ii) from time to time take all other steps then required by Law or by practice, custom or understanding or as LESSOR may request to protect, preserve, maintain and perfect to the fullest extent possible in accordance with applicable Law the rights, title and interests of the Relevant Parties in and to the Aircraft and the Operative Documents (including under the Finance Documents, if applicable) in the State of Registration, the jurisdiction of LESSEE's formation or in any other jurisdiction in or over which the Aircraft may be operated at any time. LESSEE will provide LESSOR with evidence of such registrations as soon as available. LESSEE will ensure that the original certificate of registration for the Aircraft is kept on the Aircraft or, where it is permitted to be removed, in safe custody. LESSEE will not take any action without the prior written consent of LESSOR or omit to take any action that may discharge, deregister or adversely affect the registration of the Aircraft pursuant to this Article 14 or otherwise prejudice the rights, title and interest of the Relevant Parties in and to the Aircraft and/or the Operative Documents (including under the Finance Documents, if applicable). In the event of any conflict between the terms of the Short Form Lease and this Lease, this Lease will prevail.

**14.3 Cape Town Convention.** LESSEE will take such actions as the Cape Town Convention may require and entitle LESSEE to take so that every International Interest constituted by or pursuant to this Lease with respect to the Aircraft and each Engine will be registered on the International Registry at the time of Delivery. At LESSOR's request from time to time, LESSEE will (a) take such actions as the Cape Town Convention may require and entitle the LESSEE to take so that any (i) International Interest (and any assignment, acquisition, and/or subordination thereof) constituted by or pursuant to this Lease in the Aircraft and/or any Engine, and any International Interest constituted by any amendment, extension and/or assignment or novation of this Lease, may be registered on the International Registry (and any such registration may be amended, extended or discharged), and (ii) CT Sale effected pursuant to the Lease with respect to an Engine may be registered on the International Registry, and (b) obtain all approvals from and pay all fees to the International Registry as may be required to duly and timely perform LESSEE's obligations under this Lease to register on the International Registry any International Interest (and any assignment, acquisition, subordination, amendment, extension or discharge thereof) and any CT Sale, subject however to the provisions of Article 24 regarding cost.

**14.4 No Other Registration at International Registry.** Unless LESSOR has requested LESSEE to make or consent to a registration at the International Registry, LESSEE will not

consent to or permit any Person other than a Relevant Party to make any registration at the International Registry (including prospective registrations) under the Cape Town Convention in relation to this Lease, the other Operative Documents or the Aircraft (including the Engines). If registered on the International Registry, LESSEE will immediately cause the International Registry to discharge the registration of any International Interest, Prospective International Interest, Prospective Sale or Non-consensual Right or Interest in respect of the Aircraft and/or any Engine other than the registration of an interest that constitutes a Permitted Lien.

**14.5**            **Filing of this Lease.** To the extent permitted by Law and in accordance with the requirements of the Law from time to time, LESSEE at its sole cost and expense will cause this Lease to be kept, filed, recorded and refiled or rerecorded in the State of Registration and in any other offices necessary to protect LESSOR's rights hereunder. Without limiting the generality of the forgoing, LESSEE will, at its sole cost and expense procure that this Lease, or notice thereof or a financing statement, as applicable, is registered, filed, re-registered or re-filed with the relevant authorities in the jurisdiction or jurisdictions in which LESSEE's PPSA Location and FAA Location are located. LESSEE will procure the renewal of all registrations and filings and take all such other steps as may be necessary to continue to maintain the perfection, preservation, protection and priority of LESSOR's interest in the Aircraft during the Lease Term in those jurisdictions in which this Lease (or any notice or financing statement) is required to be registered or filed pursuant hereto. LESSEE will discharge its obligations to procure any such registration, filing or renewal by requesting that counsel to LESSOR, as notified by LESSOR to LESSEE for a particular transaction, prepare and make such registration, filing or renewal, the form of which to be reasonably acceptable to LESSEE and notwithstanding any other provisions hereof, to be made at the sole cost and expense of LESSEE, subject however to the provisions of Article 24 regarding cost.

**14.6**            **Evidence of Registration and Filings.** As LESSOR may reasonably request from time to time, LESSEE will furnish to LESSOR an opinion of counsel or other evidence reasonably satisfactory to LESSOR of the registrations and filings required hereunder.

## **ARTICLE 15 IDENTIFICATION PLATES**

LESSOR will affix and LESSEE will at all times maintain on the Airframe and each Engine the identification plates containing the following legends or any other legend requested by LESSOR in writing from time to time:

### **15.1 Airframe Identification Plates.**

Location: One to be affixed to the Aircraft structure above the forward entry door adjacent to and not less prominent than that of Manufacturer's data plate and another prominent place on the flight deck.

Size: No smaller than 10 cm x 7 cm

Legend: "THIS AIRCRAFT WITH MANUFACTURER'S SERIAL NUMBER [*Insert MSM*] IS OWNED BY WILMINGTON TRUST SP SERVICES (DUBLIN) LIMITED, ACTING NOT IN ITS INDIVIDUAL CAPACITY BUT SOLELY AS TRUSTEE, WHOSE ADDRESS IS AT FOURTH FLOOR, 3 GEORGE'S DOCK, INTERNATIONAL FINANCIAL SERVICES CENTRE, DUBLIN 1, IRELAND.

### **15.2 Engine Identification Plates.**

Location: The legend on the plate must be no less prominent than Engine Manufacturer's data plate and must be visible.

Size: No smaller than 10 cm x 7cm.

Legend: "THIS ENGINE IS OWNED BY WILMINGTON TRUST SP SERVICES (DUBLIN) LIMITED, ACTING NOT IN ITS INDIVIDUAL CAPACITY BUT SOLELY AS TRUSTEE, WHOSE ADDRESS IS AT FOURTH FLOOR, 3 GEORGE'S DOCK, INTERNATIONAL FINANCIAL SERVICES CENTRE, DUBLIN 1, IRELAND.

### **15.3 Maintenance of Plates.**

15.3.1 LESSEE will at all times maintain such plates in good repair, clearly visible and free of obstructions and will cause the plates to be promptly fitted to any replacement Engine.

15.3.2 If LESSOR notifies LESSEE that LESSOR's entire interest in the Aircraft will be transferred pursuant to Article 24.2, LESSEE will as soon as reasonably practicable (but in any event within [REDACTED – TERM]) after the effective time of such transfer and at the

cost of LESSOR affix replacement identification plates reflecting the Transferee as owner of the Aircraft and Engines and otherwise complying with the requirements of this Article 15.

15.3.3 If LESSOR from time to time notifies LESSEE that the Aircraft will be subject to a Security Interest pursuant to any Finance Document, LESSEE will as soon as reasonably practicable (but in any event within [REDACTED – TERM]) and at LESSOR's cost affix replacement identification plates complying with the requirements of this Article 15 and including respective legends as follows: "THIS AIRCRAFT / ENGINE WITH MANUFACTURER'S SERIAL NUMBER [...] IS OWNED BY [...] [OWNER'S ADDRESS] AND SUBJECT TO A SECURITY INTEREST IN FAVOR OF [...]".

**ARTICLE 16**    **TAXES**

[REDACTED – COMMERCIALY SENSITIVE INFORMATION]

**ARTICLE 17**    **INDEMNITIES**

[REDACTED – COMMERCIALY SENSITIVE INFORMATION]

## **ARTICLE 18    INSURANCE**

**18.1            Insurances.** Throughout the Lease Term and as required by Article 18.13 below LESSEE will, at its own expense, effect and maintain in full force and effect the insurance and, where required by LESSOR, reinsurance, and the broker's letter of undertaking described in this Article 18 and in Exhibit C (the "**Insurances**") through brokers and with insurers of recognized international standing in London or New York or such other insurance markets as may be approved by LESSOR, acting reasonably and who normally participate in aviation insurances in the leading international insurance markets and led by internationally recognized and reputable underwriters. LESSOR may require LESSEE to amend the Insurances from time to time so that the scope and level of cover are maintained in order that the interests of LESSOR, Owner and the other Indemnitees, in LESSOR's sole opinion, are prudently protected. The certificates of insurance and the broker's letter of undertaking provided to LESSOR in connection with this Lease must be in English.

**18.2            Date Recognition.** In case a date recognition exclusion clause AVN 2000A or equivalent clause acceptable to insurers is contained or introduced into insurance coverage of LESSEE with respect to the Aircraft or otherwise, LESSEE must fulfill all requirements to enable insurers to write back the insurance cover in accordance with the date recognition limited coverage clause AVN 2001A (with respect to Hull and Aircraft Liability coverage) and AVN 2002A (with respect to non-Aircraft liability) or any equivalent clause with the same effect.

**18.3            Renewal.** Not less than [REDACTED – TERM] before the expiration or termination date of any Insurances, LESSEE will procure that its brokers will confirm in writing to LESSOR that the Insurances have been renewed and that all premiums in respect thereof as are due upon renewal have been paid. Within [REDACTED – TERM] after the renewal date, LESSEE will furnish to LESSOR or, at its request, to LESSOR's insurance brokers, the renewal certificates of insurance (and reinsurance if applicable) and the broker's letter of undertaking.

**18.4            Third Party War Liability Insurance.** LESSEE will carry third party war liability insurance in an amount at least equal to the Minimum Liability Coverage (and will provide to LESSOR evidence of such coverage).

**18.5            Installation of Third Party Engine.** If LESSEE installs an engine not owned by LESSOR on the Aircraft, either (a) LESSEE's hull insurance on the Aircraft will automatically increase to such higher amount as is necessary in order to satisfy both LESSOR's requirement to receive the Agreed Value in the event of a Total Loss and the amount required by the third party engine owner (and if the policy has a maximum agreed value any one aircraft provision or clause, LESSEE shall immediately cause any such limit to be increased to fully cover the equipment and the aircraft to which it is attached) or (b) separate additional insurance on such engine will attach in order to satisfy separately the requirements of the LESSEE to such third party engine owner.

**18.6            Deductibles.** If there is a material adverse change in the financial condition of LESSEE which LESSOR reasonably believes will cause LESSEE to be unable to pay the then current deductible upon the occurrence of a partial loss of the Aircraft or an Engine, then LESSOR

may require LESSEE at LESSEE's expense to lower such deductible to a level which is available on commercially reasonable terms in the insurance market.

**18.7**        **Assignment of Rights by LESSOR.** If LESSOR assigns all or any of its rights under this Lease or otherwise disposes of its rights, title or interest in the Aircraft to any Person as permitted by this Lease, LESSEE will, upon request, procure that such Person hereunder be added as a loss payee and/or an additional insured in the policies effected hereunder and enjoy the same rights and insurance enjoyed by LESSOR under such policies. LESSOR will nevertheless continue to be covered by such policies for a period not exceeding two years from the effective date of the assignment.

**18.8**        **Insurance Covenants.**

LESSEE will:

- (i) ensure that all requirements as to insurance of the Aircraft, any Engine or any Part which may from time to time be imposed by the Laws of the State of Registration, the jurisdiction of organization of LESSEE or any state to, from or over which the Aircraft may be flown, in so far as they affect or concern Aircraft Activity, are complied with;
- (ii) comply with the terms and conditions of each policy of the Insurances and not do, consent or agree to any act or omission which:
  - (a) invalidates or may invalidate the Insurances;
  - (b) renders or may render void or voidable the whole or any part of any of the Insurances; and/or
  - (c) brings any particular insured liability within the scope of an exclusion or exception to the Insurances;
- (iii) not make any modification or alteration to the Insurances adverse to the interests of any of the Indemnitees and notify LESSOR promptly of any modification or alteration;
- (iv) be solely responsible for any deductible under the Insurances;
- (v) provide any other information and assistance in respect of the Insurances that LESSOR may from time to time reasonably require, including, but not limited to, information as to any claim being made or threatened to be made, information as to the payment of premium and evidence as LESSOR may require as to LESSEE's compliance with its obligations under this Article 18;
- (vi) not create any Security Interests over the Insurances other than in favor of LESSOR; and

(vii) not take out insurances with respect to the Aircraft or any Engine other than as required under this Lease where such insurance will or may prejudice the Insurances or recovery hereunder (such as insuring the Aircraft for a value higher than the Agreed Value) provided that LESSEE may carry hull all risks and hull war and allied perils cover on the Aircraft in excess of the Agreed Value (which is payable to LESSOR) only to the extent that such excess insurance (which is payable to the LESSEE) does not exceed 10% of the Agreed Value and only to the extent that such excess insurance will not prejudice the insurance required herein or recovery by the LESSOR thereunder, it being understood that the foregoing 10% limitation does not apply to total loss only coverage that may be carried by LESSEE provided for avoidance of doubt, that such total loss only coverage does not prejudice the insurance required herein or recover by LESSOR hereunder.

## **18.9 Failure to Insure**

18.9.1 If at any time any of the Insurances ceases to be in full force and effect, LESSEE will:

- (i) forthwith ground or cause to be grounded the Aircraft and keep the Aircraft grounded until such time as all Insurances are in full force and effect again; and
- (ii) immediately notify LESSOR of such circumstance and provide LESSOR with full details of any steps which LESSEE is taking or proposes to take, in order to remedy such non-compliance.

18.9.2 If at any time any of the Insurances ceases to be in full force and effect, each of the Indemnitees will be entitled (but not bound), without prejudice to any rights of LESSOR or any other Indemnitee under this Lease:

- (i) to pay the premiums due or to effect and maintain insurances satisfactory to it or otherwise remedy LESSEE's failure in such manner, including to effect and maintain an "owner's interest" policy, as it considers appropriate. Any sums so expended by LESSOR and/or such Indemnitee will become immediately due and payable by LESSEE to LESSOR or, as applicable, the relevant Indemnitee, together with Default Interest thereon, from the date of expenditure by LESSOR or the relevant Indemnitee up to the date of reimbursement by LESSEE; and
- (ii) at any time while such failure is continuing, to require the Aircraft to remain at an airport or to proceed to and remain at an airport designated by LESSOR until the Insurances are in full force and effect.

**18.10 Pre-Delivery Work or Delivery of Aircraft with Spare Engine.** In the event it is necessary for LESSOR, Owner, any Servicer or any Affiliate of any of the foregoing to enter

into agreements with one or more Persons for (a) the maintenance, repair or modification of the Aircraft (including any Engine or the APU) or (b) the purchase or lease of a spare engine, APU or other equipment so that the Aircraft (including any Engine or the APU) will be ready for Delivery, LESSEE agrees at LESSOR's request to add each such Person as an additional insured to the policies effected hereunder, with waivers of subrogation, and that each such Person will be an "**Indemnitee**" for the purposes of this Lease.

**18.11 Insurances for Subleases.** LESSEE will at all times carry the types of insurance and amounts of insurance (including deductibles) described in Exhibit C on a contingent basis during the term of any sublease of the Aircraft pursuant to Article 11. Prior to commencement of the sublease, LESSOR will receive certificates of insurance evidencing both the sublessee's coverages and the LESSEE's contingent coverages.

**18.12 Insurance for Wet Lease Operations.** In the event LESSEE is performing wet lease operations with the Aircraft pursuant to Article 11.6 the requirements of Exhibit C will continue to apply and LESSEE will carry at all times the primary passenger, baggage and cargo liability insurance with respect to such operations, or in the event that the wet lessee carries primary passenger, baggage and cargo liability insurance, then such insurance must meet the requirements of Exhibit C, including with respect to the amount of coverage, the naming of LESSOR and the other Indemnitees as additional insureds and the inclusion of the other endorsements set forth in Exhibit C. LESSEE will at all times carry contingent passenger, baggage and cargo liability insurances for such flights. Prior to commencement of wet lease operations for a particular wet lessee, LESSOR will receive certificates of insurance from the insurance brokers for LESSEE and, if applicable, the wet lessee evidencing such coverages.

**18.13 Continuation of Insurances.** LESSEE will maintain (at no cost to LESSOR) insurance after the Termination Date with respect to its liability under the indemnities in Article 17 (including general third party liability, products liability insurance and war risks liability insurance as described in, and in full compliance with each of the requirements of, Exhibit C) for such period as LESSOR may reasonably require (but in any event for not more than two years), and such insurance will provide for each Indemnitee to be named as additional insured. LESSEE's obligation under this Article 18.12 will not be affected by LESSEE ceasing to be lessee of the Aircraft or any Indemnitees ceasing to have any interest in respect of the Aircraft.

**18.14 Application of Insurance Proceeds for Third Party Liability.** As between LESSOR and LESSEE, all insurance proceeds in respect of third party liability will, except to the extent paid by the insurers to the relevant third party, be paid in satisfaction of the relevant liability or to LESSOR or any other Indemnitee in reimbursement of any payment so made by LESSOR or such Indemnitee in respect of such liability.

## **ARTICLE 19 LOSS, DAMAGE AND REQUISITION**

Throughout the Lease Term and until the Termination Date, LESSEE will bear all risk of loss, theft, damage and destruction to the Aircraft.

### **19.1 Definitions.** In this Article 19 and this Lease:

"**Net Total Loss Proceeds**" means the Total Loss Proceeds actually received by LESSOR (and/or any other Relevant Party, to the extent required by Article 18 and Exhibit C) following a Total Loss, less any legal and other out-of-pocket expenses, taxes or duties incurred by each of LESSOR and any such other Relevant Party in connection with the collection of such proceeds.

"**Total Loss**" means any of the following in relation to the Aircraft, Airframe, any Engine or the APU and "**Total Loss Date**" means the date set forth in parentheses after each Total Loss:

- (a) destruction, damage beyond repair or being rendered permanently unfit for normal use for any reason (the date such event occurs or, if not known, the date on which the Aircraft, Airframe, Engine or APU was last heard of);
- (b) actual, constructive, compromised, arranged or agreed total loss (the earlier of the date on which the loss is agreed or compromised by the insurers or 30 days after the date of notice to LESSEE's brokers or insurers claiming such total loss);
- (c) requisition of title, confiscation, forfeiture or any compulsory acquisition or other similar event (the date on which the same takes effect);
- (d) sequestration, detention, seizure or any similar event for more than 30 consecutive days (the earlier of the date on which insurers make payment on the basis of a total loss or the date of expiration of such period);
- (e) requisition for use for more than [REDACTED – TERM], except as set forth in Article 19.9 (the earlier of the date on which the insurers make payment on the basis of a total loss or the date of expiration of such period);
- (f) in the case of an Engine, the event described in Article 12.8.3 (the date on which the same takes effect);
- (g) any sale of the Aircraft in connection with NAV Canada, Eurocontrol or other navigation or airport charges (the date on which the sale occurs);
- (h) any sale of the Aircraft in connection with a LESSEE bankruptcy, whether by an administrator, trustee or court (the date on which the intent to sell the Aircraft becomes known); or

(i) any other occurrence not permitted under this Lease which deprives LESSEE of use or possession for a period of [REDACTED – TERM] or longer (the sixtieth day of such period).

"**Total Loss Proceeds**" means the proceeds of any insurance or any compensation or similar payment arising in respect of a Total Loss.

**19.2** Notice of Total Loss. LESSEE will notify LESSOR in writing within [REDACTED – TERM] after a Total Loss Date of the Aircraft, Airframe, any Engine or the APU.

**19.3** Total Loss of Aircraft or Airframe. If the Total Loss of the Aircraft or Airframe occurs during the Lease Term, the following will occur:

19.3.1 After the Total Loss Date and until receipt by LESSOR (and/or any other Relevant Party, to the extent required by Article 18 and Exhibit C) of an amount equal to the Agreed Value and all other amounts then due under this Lease, LESSEE will continue to pay Base Rent and all other amounts that become due under the Operative Documents and the parties will perform all of their other obligations under this Lease and the other Operative Documents.

19.3.2 On the date which is the earlier of the following dates:

- (a) the date on which the Total Loss Proceeds of the Aircraft or the Airframe are paid by LESSEE's insurance underwriters or brokers and
- (b) the date which falls [REDACTED – TERM] after the Total Loss Date,

LESSEE will pay to LESSOR (and/or to any other Relevant Party directly, to the extent required by Article 18 and Exhibit C) an amount equal to the sum of:

- (x) the Agreed Value and
- (y) all other amounts then due under this Lease,

less an amount equal to the Net Total Loss Proceeds received by LESSOR (and any such other Relevant Party) as of such date.

19.3.3 LESSOR will procure that the Net Total Loss Proceeds and any amounts received from LESSEE pursuant to Article 19.3.2 are applied as follows:

- (a) first, in discharge of any Rent and any other amounts then due under this Lease and the other Operative Documents;
- (b) second, in discharge of the Agreed Value; and
- (c) third, payment of the balance, if any, to LESSEE.

19.3.4 Upon receipt by LESSOR (and/or any other Relevant Party, to the extent required by Article 18 and Exhibit C) of all amounts payable by LESSEE in accordance with Article 19.3, and provided no Default or Event of Default has occurred and is continuing, Base Rent will cease to be payable and the leasing of the Aircraft under this Lease will thereupon immediately terminate, but without prejudice to any continuing obligations of LESSEE hereunder (including LESSEE's obligations under Article 10.5, Article 16 and Article 17).

FOR AVOIDANCE OF DOUBT, THE AGREED VALUE OF THE AIRCRAFT WILL BE PAYABLE PURSUANT TO THIS ARTICLE 19.3 WHEN A TOTAL LOSS OF THE AIRFRAME OCCURS EVEN IF THERE HAS NOT BEEN A TOTAL LOSS OF AN ENGINE, ENGINES OR THE APU.

**19.4 Surviving Engine(s).** If a Total Loss of the Airframe occurs and there has not been a Total Loss of an Engine or Engines, then, provided no Default or Event of Default has occurred and is continuing, at the request of LESSEE (subject to agreement of relevant insurers) and on receipt of all monies due under Article 19.3 and payment by LESSEE of all airport, navigation and other charges on the Aircraft, LESSOR will procure that Owner transfer all its right, title and interest in the surviving Engine(s) to LESSEE, but without any responsibility, condition or warranty on the part of LESSOR or Owner other than as to freedom from any LESSOR's Lien.

**19.5 Total Loss of Engine and not Airframe.**

19.5.1 Upon a Total Loss of any Engine not installed on the Airframe or a Total Loss of an Engine installed on the Airframe not involving a Total Loss of the Airframe, LESSEE will replace such Engine as soon as reasonably possible by duly conveying to Owner title to another engine from LESSEE (or another Person with a net worth at least equal to that of LESSEE) (a) free and clear of all Security Interests (except Permitted Liens) of any kind or description, (b) in airworthy condition and of the same or improved model, service bulletin and modification status and having a value and utility at least equal to the Engine which sustained the Total Loss, (c) not older (by reference to serial number or manufacture date) than the oldest of the Engines delivered by LESSOR to LESSEE with the Aircraft on the Delivery Date, (d) in the same or better operating condition as the Engine which sustained a Total Loss, including time in service, Flight Hours and Cycles since new and Flight Hours and Cycles available to the next inspection, Overhaul or scheduled or anticipated removal, and (e) which has not been operated and does not have any modules that have been operated at a higher thrust rating than the Engine which sustained the Total Loss. Such replacement engine will be an "Engine" as defined in this Lease and the Engine which sustained such Total Loss will cease to be an "Engine".

19.5.2 LESSEE agrees at its own expense to take such action as LESSOR may reasonably request in order that any such replacement Engine becomes the property of Owner and is leased hereunder on the same terms as the destroyed Engine. LESSEE's obligation to pay Rent will continue in full force and effect, but an amount equal to the Net Total Loss Proceeds received by LESSOR with respect to such destroyed Engine will, subject to LESSOR's right to deduct therefrom any amounts then due and payable by LESSEE under this Lease, be paid to LESSEE.

19.5.3 Notwithstanding Articles 19.5.1 and 19.5.2, if at the time of a Total Loss of an Engine not installed on the Aircraft or a Total Loss of an Engine installed on the Airframe not involving a Total Loss of the Airframe, LESSOR and LESSEE are parties to a spare engine lease pursuant to which LESSOR is leasing a spare engine to LESSEE of the same model and type as the Engine which has suffered such Total Loss, LESSOR will receive from LESSEE the replacement cost of the Engine instead of accepting a replacement engine. One of such LESSOR spare engines will then be substituted under this Lease for the Engine which suffered such Total Loss and the applicable spare engine lease will terminate.

## **19.6 Total Loss of APU.**

19.6.1 Upon a Total Loss of the APU when not installed on the Airframe or a Total Loss of the APU while installed on the Airframe not involving a Total Loss of the Airframe, LESSEE will replace such APU as soon as reasonably possible by duly conveying to Owner title to another auxiliary power unit (a) free and clear of all Security Interests (except Permitted Liens) of any kind or description, (b) in airworthy condition and of the same or improved model, service bulletin and modification status and having a value and utility at least equal to the APU which sustained the Total Loss, (c) not more than one year older (by reference to serial number or manufacture date) than the APU delivered by LESSOR to LESSEE with the Aircraft on the Delivery Date and (d) in the same or better operating condition as the APU which sustained the Total Loss, including time in service, Flight Hours and Cycles since new and Flight Hours and Cycles available to the next inspection, Overhaul or scheduled or anticipated removal. Such replacement auxiliary power unit will be the "APU" as defined in this Lease and the auxiliary power unit which sustained such Total Loss will cease to be the "APU".

19.6.2 LESSEE agrees at its own expense to take such action as LESSOR may reasonably request in order that any such replacement APU becomes the property of Owner and is leased hereunder on the same terms as the destroyed APU. LESSEE's obligation to pay Rent will continue in full force and effect, but an amount equal to the Net Total Loss Proceeds received by LESSOR with respect to such destroyed APU will, subject to LESSOR's right to deduct therefrom any amounts then due and payable by LESSEE under this Lease, be paid to LESSEE.

## **19.7 Other Loss or Damage.**

19.7.1 If the Aircraft or any Part thereof suffers loss or damage not constituting a Total Loss of the Aircraft or the Airframe or any Engine or the APU, all the obligations of LESSEE under this Lease (including payment of Rent) will continue in full force.

19.7.2 In the event of any loss or damage to the Aircraft or Airframe which does not constitute a Total Loss of the Aircraft or the Airframe, or any loss or damage to an Engine or the APU which does not constitute a Total Loss of such Engine or the APU, LESSEE will at its sole cost and expense fully and promptly repair the Aircraft, Engine or APU in order that the Aircraft, Engine or APU is placed in an airworthy condition and substantially the same condition as it was prior to such loss or damage. All repairs will be performed in a manner

which preserves and maintains all warranties and service life policies to the same extent as they existed prior to such loss or damage. LESSEE will notify LESSOR forthwith of any loss, theft or damage to the Aircraft for which the cost of repairs is estimated to exceed the Damage Proceeds Threshold, together with LESSEE's proposal and timetable for carrying out the repair. In the event that LESSOR does not agree with LESSEE's proposal for repair, LESSOR will so notify LESSEE within [REDACTED – TERM] after its receipt of such proposal. LESSEE and LESSOR will then consult with Manufacturer and LESSEE and LESSOR agree to accept as conclusive, and be bound by, Manufacturer's directions or recommendations as to the manner in which to carry out such repairs. If Manufacturer declines to give directions or recommendations, LESSEE will carry out the repairs in accordance with the directions of LESSOR. If the Aircraft is airworthy or the Engine or APU serviceable notwithstanding the loss or damage, LESSEE will repair such Aircraft, Engine or APU, as the case may be, within the time frame reasonably established by LESSOR given the circumstances.

19.7.3 All insurance proceeds from any damage or loss to the Aircraft, any Engine, the APU or any Part occurring during the Lease Term not constituting a Total Loss and in excess of the Damage Proceeds Threshold will be paid to a Maintenance Performer (or to reimburse LESSEE) for repairs or replacement property upon LESSOR being satisfied that the repairs or replacement have been accomplished in accordance with this Lease. All insurance proceeds in amounts less than the Damage Proceeds Threshold may be paid by the insurer directly to LESSEE or, at LESSEE's option, to a Maintenance Performer. If at the time of the payment of any such insurance proceeds a Default or Event of Default has occurred and is continuing, all such proceeds will be paid to or retained by LESSOR (so long as such Default or Event of Default is continuing) to be applied toward payment of any amounts which may be or become payable by LESSEE in such order as LESSOR sees fit or as LESSOR may elect.

**19.8** Copies of Insurance and Reinsurance Policies. Promptly after the occurrence of a partial loss or Total Loss of the Aircraft, an Engine or the APU, LESSEE will provide LESSOR with copies of LESSEE's insurance and, if applicable, reinsurance, policies, as they apply specifically to such partial loss or Total Loss but excluding any other detail not reasonably related to such partial loss or Total Loss.

**19.9** Government Requisition. If the Aircraft, Airframe, any Engine or the APU is requisitioned for use by any Government Entity, LESSEE will promptly notify LESSOR of such requisition. All of LESSEE's obligations hereunder will continue as if such requisition had not occurred. So long as no Default or Event of Default has occurred and is continuing, all payments received by LESSOR or LESSEE from such Government Entity will be paid over to or retained by LESSEE. If a Default or Event of Default has occurred and is continuing, all payments received by LESSEE or LESSOR from such Government Entity may be used by LESSOR to satisfy any obligations owing by LESSEE.

**ARTICLE 20**    **REPRESENTATIONS, WARRANTIES AND COVENANTS OF LESSEE**

**20.1**            **Representations and Warranties.** LESSEE represents and warrants the following to LESSOR as of the date of execution of this Lease and as of the Delivery Date:

20.1.1            Status. LESSEE is a company validly existing and in good standing under the Laws of Canada. It has the power and authority to carry on its business as presently conducted and to perform its obligations under this Lease and the other Operative Documents.

20.1.2            Governmental Approvals. No authorization, approval, consent, license or order of, or registration with, or the giving of notice to the Aviation Authority or any other Government Entity is required for the valid authorization, execution, delivery and performance by LESSEE of its obligations under this Lease and the other Operative Documents, except as will have been duly effected as of the Delivery Date.

20.1.3            Binding. LESSEE's Board of Directors has authorized LESSEE to enter into this Lease and the other Operative Documents and to perform its obligations under the Operative Documents. This Lease and the other Operative Documents have been duly executed and delivered by LESSEE and represent the valid and binding obligations of LESSEE, enforceable in accordance with their terms except as enforceability may be limited by bankruptcy, insolvency, reorganization or other Laws of general application affecting the enforcement of creditors' rights. When executed by LESSEE at Delivery, the same will apply to the Acceptance Certificate.

20.1.4            No Breach. The execution and delivery of the Operative Documents, the consummation by LESSEE of the transactions contemplated in this Lease and compliance by LESSEE with the terms and provisions of this Lease and the other Operative Documents do not and will not contravene any provision of LESSEE's constitutional documents or any Law applicable to LESSEE, or result in any breach of or constitute any default under or result in the creation of any Security Interest upon any property of LESSEE pursuant to any indenture, mortgage, chattel mortgage, deed of trust, conditional sales contract, bank loan or credit agreement, charter, bylaw or other agreement or instrument to which LESSEE is a party or by which LESSEE or its properties or assets may be bound or affected. When executed by LESSEE at Delivery, the same will apply to the Acceptance Certificate.

20.1.5            Filings. Except for the filings referenced in Articles 7.3 and 14.2, no filing or recording of any instrument or document (including the filing of any financial statement) is necessary under the Laws of the State of Registration (or any applicable subdivision thereof) in order for this Lease to constitute a valid and perfected lease of record relating to the Aircraft.

20.1.6            Translation or Notarization. Neither the Lease nor any other Operative Document needs to be translated, notarized, legalized, apostilled or consularized as a condition to the legality, validity, filing, enforceability or admissibility in evidence thereof.

20.1.7            Licenses. LESSEE holds all licenses, certificates and permits from applicable Government Entities in Canada (and any applicable subdivision thereof) for the conduct of its

business as a certificated air carrier and performance of its obligations under this Lease and the other Operative Documents.

20.1.8 No Suits. There are no suits, arbitrations or other proceedings taking place, pending or threatened before any court, arbitration panel or administrative agency against or affecting LESSEE or any of its Affiliates which, if adversely determined, would have a material adverse effect on the business, assets or condition (financial or otherwise) of LESSEE or its ability to perform under this Lease, except as described in the filings provided to LESSOR pursuant to Article 22.

20.1.9 No Restrictions on Payments. Under the Laws of Canada (and any applicable subdivision thereof), there are no present restrictions on LESSEE making the payments required by this Lease or the other Operative Documents.

20.1.10 General Obligations. The obligations of LESSEE under this Lease are direct, general and unconditional obligations of LESSEE and rank or will rank at least pari passu with all other present and future unsecured and unsubordinated obligations (including contingent obligations) of LESSEE, with the exception of such obligations as are mandatorily preferred by law and not by reason of any encumbrance.

20.1.11 No Sovereign Immunity. LESSEE, under the Laws of or of any other jurisdiction affecting LESSEE, is subject to private commercial law and suit. Neither LESSEE nor its properties or assets is entitled to sovereign immunity under any such Laws. LESSEE's performance of its obligations hereunder and under the other Operative Documents constitute commercial acts done for commercial purposes.

20.1.12 No Material Adverse Effect. There has been no material adverse change in the financial condition of LESSEE and its Subsidiaries since the date to which the accounts most recently provided to LESSOR were prepared and LESSEE is not in default under any agreement that could have a material adverse effect on its financial condition or its business or prospects or its ability to perform its obligations under this Lease and the other Operative Documents.

20.1.13 No Default or Event of Default under this Lease. No Default or Event of Default has occurred and is continuing and the financial statements provided to LESSOR pursuant to Article 22 fairly present the financial condition of LESSEE.

20.1.14 Cape Town Convention. LESSEE is situated in a contracting state, and the Aircraft and each Engine constitutes an aircraft object, for purposes of the Cape Town Convention. LESSEE is duly qualified and holds a current and valid account as a transacting user entity at the International Registry and is capable of consenting to registrations and discharges of International Interests in accordance with the regulations and procedures established by the International Registry under the Cape Town Convention. LESSOR holds a valid international interest in the Aircraft, and the transaction contemplated by this Lease with the requirement contained in the Cape Town Convention for LESSOR to be entitled to the protections of the Cape Town Convention, including Alternative A in the Protocol, in

connection with its right to take possession of the Aircraft in the event of an Insolvency Proceeding.

20.1.15 Location. LESSEE's PPSA Location is the Province of Quebec and its FAA Location is the District of Columbia.

**20.2** Covenants. LESSEE covenants to LESSOR that it will comply with the following throughout the entire Lease Term:

20.2.1 Licensing. LESSEE will hold all licenses, certificates and permits from applicable Government Entities in Canada (and any applicable subdivision thereof) for the conduct of its business as a certificated air carrier and performance of its obligations under this Lease and the other Operative Documents. LESSEE will advise LESSOR promptly in the event any such licenses, certificates or permits are cancelled, terminated, revoked or not renewed.

20.2.2 Payments. If at any time any such restrictions may be applicable, LESSEE will obtain all certificates, licenses, permits, exemptions and other authorizations which are from time to time required for the making of the payments required by this Lease and the other Operative Documents on the dates and in the amounts and currency which are stipulated hereunder and thereunder, and will maintain the same in full force and effect for so long as the same will be required.

20.2.3 Sovereign Immunity. LESSEE, under the Laws of Canada or of any other jurisdiction affecting LESSEE, will continue to be subject to private commercial law and suit. Neither LESSEE nor its properties or assets will be entitled to sovereign immunity under any such Laws. LESSEE's performance of its obligations hereunder and under the other Operative Documents will constitute commercial acts done for commercial purposes. LESSEE will advise LESSOR promptly of any change in the foregoing.

20.2.4 Information about Suits. LESSEE will promptly give to LESSOR a notice in writing of any suit, arbitration or proceeding before any court, arbitration panel, administrative agency or Government Entity which, if adversely determined, would materially adversely affect LESSEE's financial condition, affairs, operations or its ability to perform under this Lease and the other Operative Documents.

20.2.5 Restrictions on Mergers. LESSEE will not sell or convey substantially all of its property and assets or merge, amalgamate or consolidate with or into any other Person unless LESSEE has obtained LESSOR's prior written consent, which consent will not be withheld so long as such merger or consolidation does not adversely affect the surviving entity's ability to perform LESSEE's obligations under this Lease and so long as such Affiliate is not a Prohibited Person or based in a Prohibited Country. Notwithstanding the foregoing, without LESSOR's prior written consent, LESSEE may merge or consolidate with an Affiliate of LESSEE so long as such merger or consolidation does not adversely affect the surviving entity's ability to perform LESSEE's obligations under this Lease and so long as such Affiliate is not a Prohibited Person or based in a Prohibited Country. LESSEE will provide LESSOR

with written notice a reasonable time before any such merger or consolidation. Furthermore, it is understood and agreed that this Article 20.2.5 will not be read, interpreted or construed as restricting LESSEE under any financing arrangements.

20.2.6 Restriction on Relinquishment of Possession. LESSEE will not, without the prior consent of LESSOR, deliver, transfer or relinquish possession of the Aircraft except in accordance with Article 11 and Article 12.

20.2.7 No Security Interests. LESSEE will not create or agree to or permit to arise any Security Interest (other than Permitted Liens) on or with respect to the Aircraft, title thereto or any interest therein. LESSEE will forthwith, at its own expense, take all action as may be necessary to discharge or remove any such Security Interest if it exists at any time. LESSEE will within 24 hours after becoming aware of the existence of any such Security Interest give written notice thereof to LESSOR.

20.2.8 Representations to Other Parties. LESSEE will not represent or hold out LESSOR or any other Relevant Party as carrying goods or passengers on the Aircraft or as being in any way connected or associated with any operation of the Aircraft.

20.2.9 Taxes and Claims. LESSEE will pay or cause to be paid all lawful claims which, if not paid, are reasonably likely to result in the imposition of a Security Interest upon its property or upon the Aircraft or any part thereof.

20.2.10 Continuing Compliance. Neither LESSEE, nor any officer or director of LESSEE, will be a Prohibited Person. LESSEE will comply with all Financial Conduct Laws insofar as they relate to the transactions contemplated by this Lease.

20.2.11 NAV Canada. LESSEE will, on or before the due date, pay NAV Canada and the Canadian airport authorities for the airports to which it operates in respect of all navigation, operation and other fees and charges.

20.2.12 Location. LESSEE will provide LESSOR with written notice of any change in its PPSA Location or FAA Location during the Lease Term no later than [REDACTED – TERM] prior to such change.

## **ARTICLE 21 REPRESENTATIONS, WARRANTIES AND COVENANTS OF LESSOR**

**21.1 Representations and Warranties.** LESSOR represents and warrants the following to LESSEE as of the date of execution of the Lease and as of the Delivery Date (IT BEING UNDERSTOOD AND AGREED THAT ALL OTHER WARRANTIES, EXPRESS OR IMPLIED HAVE BEEN WAIVED IN ACCORDANCE WITH ARTICLE 8):

21.1.1 Corporate Status. LESSOR is a company duly organized and validly existing under the Laws of Ireland. LESSOR has the power and authority to carry on its business as presently conducted and to perform its obligations hereunder and under the other Operative Documents.

21.1.2 Governmental Approvals. No authorization, approval, consent, license or order of, or registration with, or the giving of notice to any U.S. Government Entity is required for the valid authorization, execution, delivery and performance by LESSOR of this Lease and the other Operative Documents.

21.1.3 Binding. This Lease and the other Operative Documents have been duly authorized, executed and delivered by LESSOR and represent the valid and binding obligations of LESSOR, enforceable in accordance with their terms except as enforceability may be limited by bankruptcy, insolvency, reorganization or other Laws of general application affecting the enforcement of creditors' rights.

21.1.4 No Breach. The execution and delivery of the Operative Documents, the consummation by LESSOR of the transactions contemplated in this Lease and compliance by LESSOR with the terms and provisions of this Lease and the other Operative Documents do not and will not contravene any Law applicable to LESSOR, or result in any breach of or constitute any default under any indenture, mortgage, chattel mortgage, deed of trust, conditional sales contract, bank loan or credit agreement, charter, bylaw or other agreement or instrument to which LESSOR is a party or by which LESSOR or its properties or assets may be bound or affected.

21.1.5 Tax Status in Canada. Each of LESSOR, Servicer, Beneficial Owner, Owner, each Tax Indemnitee, and Series One of AerCap Global Aviation Trust: (a) is not resident in Canada for Canadian Tax purposes and is not registered under Subdivision d of Division V of Part IX of the Excise Tax Act (Canada), and (b) is not registered under the act respecting the Quebec Sales Tax; and (c) does not have a fixed place of business within Canada for Canadian tax purposes.

21.1.6 General Obligations. The obligations of LESSOR under this Lease are direct, general and unconditional obligations of LESSOR and rank or will rank at least pari passu with all other present and future unsecured and unsubordinated obligations (including contingent obligations) of LESSOR, with the exception of such obligations as are mandatorily preferred by law and not by reason of any encumbrance.

21.1.7 No Sovereign Immunity. LESSOR, under the Laws of Ireland or of any other jurisdiction affecting LESSOR, is subject to private commercial law and suit. Neither

LESSOR nor its properties or assets is entitled to sovereign immunity under any such Laws. LESSOR's performance of its obligations hereunder constitutes commercial acts done for commercial purposes.

21.1.8 Tax Returns. Each of LESSOR, Beneficial Owner, and Owner has duly filed all material Tax returns that it is required by applicable Law to file and has duly paid all material Taxes that it is required by applicable Law to pay.

21.1.9 Title to Aircraft. On the Delivery Date, Owner will have good and valid title to the Aircraft.

**21.2** Covenant of Quiet Enjoyment. Provided no Default or Event of Default has occurred and is continuing, LESSOR will not interfere with LESSEE's quiet use, possession and enjoyment of the Aircraft in accordance with the terms of this Lease, but the exercise by LESSOR of its rights under or in respect of this Lease or any of the other Operative Documents will not constitute such an interference.

**ARTICLE 22 FINANCIAL AND OTHER INFORMATION**

LESSEE agrees to furnish each of the following to LESSOR:

- (a) within [REDACTED – TERM] after the end of each fiscal quarter of LESSEE, a copy of the unaudited consolidated financial statements (including a balance sheet and profit and loss statement) prepared for such quarter in accordance with generally accepted accounting principles in Canada;
- (b) within [REDACTED – TERM] after the end of each fiscal year of LESSEE, a copy of the audited consolidated financial statements (including a balance sheet and profit and loss statement) prepared as of the close of such fiscal year in accordance with generally accepted accounting principles in Canada;
- (c) promptly after distribution, a copy of all reports and financial statements which LESSEE sends or makes available to its equity holders or creditors;
- (d) within [REDACTED – TERM] of request by LESSOR (which request will not be made more than one time in any one calendar year), a certificate of an officer of LESSEE stating that, to the best of LESSEE's knowledge, no Default or Event of Default then exists under this Lease; and
- (e) from time to time, such other reasonable information as LESSOR, Owner, any Servicer or any Finance Party may reasonably request concerning the Aircraft, Aircraft Activity or the financial condition of LESSEE.

**ARTICLE 23    RETURN OF AIRCRAFT**

[REDACTED – COMMERCIALY SENSITIVE INFORMATION]

## **ARTICLE 24 ASSIGNMENT**

**24.1 No Assignment by LESSEE.** NO ASSIGNMENT, NOVATION, TRANSFER, MORTGAGE, HYPOTHEC OR OTHER CHARGE MAY BE MADE BY LESSEE OF ANY OF ITS RIGHTS OR OBLIGATIONS WITH RESPECT TO THE AIRCRAFT, ANY ENGINE OR PART, THIS LEASE OR ANY OTHER OPERATIVE DOCUMENT.

### **24.2 Sale or Assignment.**

24.2.1 Subject to the protections set forth in Article 24.6, LESSOR, Beneficial Owner or Owner may at any time and without LESSEE's consent sell, assign or transfer any or all of its respective rights, interest and obligations under the Lease and the other Operative Documents or with respect to the Aircraft to a third party (a "**Transferee**"), [REDACTED – COMMERCIALY SENSITIVE INFORMATION].

24.2.2 The term "LESSOR" as used in this Lease means the lessor of the Aircraft at the time in question. In the event of a transfer of LESSOR's rights and obligations under this Lease and the other Operative Documents, the applicable Transferee will become "LESSOR" of the Aircraft under this Lease and the transferring party (the prior "LESSOR") will be relieved of all liability to LESSEE under this Lease and the other Operative Documents for obligations arising on and after the time of the transfer. In such case, LESSEE will acknowledge and accept the applicable Transferee as the new "LESSOR" under this Lease and will look solely to such Transferee for the performance of all LESSOR obligations and covenants under this Lease and the other Operative Documents arising on and after the time of the transfer.

**24.3 Grant of Security Interest.** Subject to the protections set forth in Article 24.6, LESSOR may at any time and without LESSEE's consent grant a Security Interest in the Aircraft and/or LESSOR's right, title and interest in any Operative Document to any Finance Party as security for the obligations of LESSOR or any Affiliate of LESSOR under any Finance Document. Accordingly, if a Finance Party requires, as a condition to providing financing, any non-substantive modification of this Lease, LESSEE agrees to enter into an agreement so modifying this Lease.

**24.4 LESSEE Cooperation.** In connection with any sale, assignment or transfer under Article 24.2 or any grant of a Security Interest under Article 24.3, and on request by LESSOR, any applicable Transferee or any Finance Party, LESSEE will execute all such documents (such as a notice and acknowledgment of assignment or a lease assignment or novation agreement) and provide a replacement certificate of insurance (in accordance with Article 18 and Exhibit C) as LESSOR, such Transferee or such Finance Party may reasonably require to confirm LESSEE's obligations under this Lease and the other Operative Documents, obtain LESSEE's acknowledgment that LESSOR is not in breach of the Lease or acknowledge any such sale, assignment, transfer or grant. LESSEE will provide all other reasonable assistance and cooperation to LESSOR, Beneficial Owner, Owner, any applicable Transferee and any applicable Finance Party (as any such Person may require) in connection with any such sale assignment, transfer or grant (including assistance in efforts to minimize or eliminate any costs), or the

perfection and maintenance of any such Security Interest (including, at LESSOR's cost, making all necessary filings and registrations in the State of Registration), providing an IDERA for purposes of the Cape Town Convention (if applicable) in favor of any applicable Transferee and providing all opinions of counsel with respect to matters reasonably requested by LESSOR, Beneficial Owner, Owner, any applicable Finance Party or any applicable Transferee. LESSOR will reimburse LESSEE for its reasonable and properly documented out-of-pocket costs in reviewing documents required by LESSOR, Beneficial Owner, Owner or any applicable Finance Party (including but not limited to legal fees).

**24.5**            **Advance Consent Under Cape Town Convention.** For the purpose of Article 33(1) of the Convention and Article XV of the Protocol, LESSEE hereby consents in advance to the transfer of the associated rights and related International Interests in respect of any assignment or sale by LESSOR or the granting of any Security Interest by LESSOR in accordance with Articles 24.2 or 24.3. For the avoidance of doubt, no additional consent by LESSEE will be required in connection with any such assignment of associated rights and the related International Interests pursuant to the Cape Town Convention.

**24.6**            **Protections.**

24.6.1            If requested by LESSEE, at the time of any sale, assignment or transfer under Article 24.2 or any grant of a Security Interest under Article 24.3 LESSOR will obtain for the benefit of LESSEE an acknowledgment from any applicable Transferee, or any applicable Finance Party holding a Security Interest in the Aircraft, that so long as no Default or Event of Default has occurred and is continuing hereunder, such Person will not interfere with LESSEE's quiet use, possession and enjoyment of the Aircraft in accordance with this Lease, but the exercise by such Transferee of any rights of LESSOR under or in respect of this Lease or any of the other Operative Documents will not constitute such an interference.

24.6.2            LESSOR will not be entitled to make a sale, assignment, or transfer under Article 24.2 or any grant a Security Interest under Article 24.3 if at the time thereof, and by reference to applicable Law in effect at the time thereof, a material increase in LESSEE's financial obligations would result, or LESSEE's contractual rights under this Lease would be diminished in any material way, without the prior written consent of LESSEE (which consent will not be unreasonably withheld, conditioned or delayed); provided, that (a) an increase in the number of beneficiaries under any applicable insurance or reinsurance will not constitute an increase in the financial obligations of LESSEE under the Lease and (b) an addition or replacement of one or more Indemnitees or Tax Indemnitees will not be deemed to be an increase in LESSEE's financial obligations.

24.6.3            If the Aircraft was previously financed but such financing is no longer in place at the time of Delivery, the term "LESSOR" in the provisions of this Lease relating to disclaimer, indemnity and insurance contained in Article 8, Article 17 and Article 18, respectively, and with respect to Article 20.2.8, will be deemed to include, in addition to LESSOR, any former lender, security agent, collateral agent, administrative agent and other associated finance party.

24.6.4 In connection with any sale, assignment or transfer by any of LESSOR, Owner or Beneficial Owner under Article 24.2, the disclaimer and indemnity provisions contained in Article 8 and Article 17 will continue to be applicable after the sale, assignment or transfer to (and the term "LESSOR", "Owner" and "Beneficial Owner" (as applicable) as used in such provisions will be deemed to include) the transferring (and any prior) LESSOR, Owner and Beneficial Owner (as applicable) and, if applicable, the parties referred to in Article 24.6.3. For a period of three years after such sale, assignment or transfer and at LESSEE's cost, LESSEE will continue to name the transferring LESSOR, Owner and Beneficial Owner (as applicable), the other Indemnitees (as existing immediately prior to such sale or transfer) and the parties referred to in Article 24.6.3, if applicable, as additional insureds under the Aviation and Airline General Third Party Liability Insurance required by this Lease.

**ARTICLE 25**    **DEFAULT OF LESSEE**

[REDACTED – COMMERCIALY SENSITIVE INFORMATION]



## **ARTICLE 27 GOVERNING LAW AND JURISDICTION**

### **27.1 Governing Law.**

THIS LEASE IS DEEMED DELIVERED IN AND WILL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE WITHOUT REGARD FOR CONFLICT OF LAW PRINCIPLES (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW, WHICH THE PARTIES AGREE APPLIES HERETO).

### **27.2 Jurisdiction and Service of Process.**

27.2.1 Each of the parties hereto agrees that any legal proceedings (including any legal action or other process for seeking legal relief) against it or any of its assets with respect to, or in any way relating to or based on, this Lease and/or any other Operative Documents or dealings between them related to the subject matter of the transactions contemplated hereby or the LESSOR/LESSEE relationship being established (whether a contract claim, a tort claim, a breach of duty claim or any other common law or statutory claim) may be brought in any court of the State of New York in the County of New York or any Federal court of the United States of America sitting in such County, and the related appellate court. Each such party hereby irrevocably submits to and accepts with regard to any such action or proceeding, for itself and in respect of its assets, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts.

27.2.2 LESSEE hereby irrevocably designates, appoints and empowers [REDACTED] as its authorized agent for service of process in the State of New York in any such action or proceeding. A copy of any such process served on such agent will be promptly forwarded by express courier by the person commencing such proceeding to LESSEE at its address set forth in Article 26.2, but the failure of LESSEE to receive such copy will not affect in any way the service of such process as aforesaid, LESSEE further irrevocably consents to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified airmail, postage prepaid, to LESSEE at its address set forth in Article 26.2 hereof. The foregoing, however, will not limit the rights of LESSOR to serve process in any other manner permitted by Law or the rights of LESSOR and LESSEE to bring any legal action or proceeding or to obtain execution of judgment in any jurisdiction.

27.2.3 LESSOR hereby irrevocably designates, appoints and empowers [REDACTED] as its authorized agent for service of process in the State of New York in any such action or proceeding contemplated in Article 27.2.1. A copy of any such process served on such agent will be promptly forwarded by express courier by the person commencing such proceeding to LESSEE at its address set forth in Article 26.2, but the failure of LESSOR to receive such copy will not affect in any way the service of such process as aforesaid. The foregoing, however, will not limit the rights of LESSEE to serve process in any other manner permitted by Law or the rights of LESSOR and LESSEE to bring any legal action or proceeding or to obtain execution of judgment in any jurisdiction.

27.2.4 Each of LESSOR and LESSEE further agrees that final judgment against it in any such action or proceeding in any of the courts specified in the first sentence of Article 27.2.1 will be conclusive and may be enforced in any other jurisdiction within or outside the United States of America by suit on the judgment, a certified or exemplified copy of which will be conclusive evidence of the fact and the amount of its indebtedness. Each of LESSOR and LESSEE hereby irrevocably waives, to the fullest extent permitted by Law, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Lease brought in any of the courts specified in the first sentence of this Article 27.2.1, and hereby further irrevocably waives any claim that any such suit, action or proceeding brought in any of the aforesaid courts has been brought in an inconvenient forum. To the extent that LESSEE or LESSOR may in any jurisdiction in which proceedings may at any time be taken for the determination of any question arising under or for the enforcement of this Lease (including any interlocutory proceedings or the execution of any judgment or award arising therefrom) be entitled to claim or to otherwise be accorded for itself of its property, assets or revenues immunity from suit or attachment (whether in aid of execution, before judgment or otherwise) or other legal process, and to the extent that in any such jurisdiction, there may be attributed to LESSEE or LESSOR, or its property, assets or revenues such immunity (whether or not claimed), LESSEE and LESSOR each hereby irrevocably agrees not to claim and waives such immunity to the fullest extent permitted by the Law of such jurisdiction.

27.2.5 Prevailing Party in Dispute. If any proceeding is brought, the prevailing party will be entitled to recover legal fees and other costs incurred in such proceeding, to the extent permitted by Law. The prevailing party will also, to the extent permissible by Law, be entitled to receive pre- and post-judgment Default Interest.

27.2.6 Waiver of Jury Trial. EACH OF LESSEE AND LESSOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY AND ALL RIGHTS TO A JURY TRIAL IN RESPECT OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS LEASE OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THE TRANSACTIONS CONTEMPLATED HEREBY (OR THE LESSOR/LESSEE RELATIONSHIP BEING ESTABLISHED), INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND OTHER COMMON LAW AND STATUTORY CLAIMS. EACH OF LESSOR AND LESSEE REPRESENTS AND WARRANTS THAT EACH HAS REVIEWED AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH ITS LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE AND THIS WAIVER WILL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS LEASE OR ANY OF THE OPERATIVE DOCUMENTS. IN THE EVENT OF LITIGATION, THIS ARTICLE 27.2.6 MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

## **ARTICLE 28**    **MISCELLANEOUS**

**28.1**            **Servicer.** Each Servicer will act as a servicer on behalf of LESSOR for all matters relating to this Lease, each other Operative Document and the Aircraft.

**28.2**            **Press Releases.** LESSOR, Owner or any of their respective Affiliates, after consultation with LESSEE, will be permitted to publish an announcement of the transactions contemplated by this Lease or any of the Operative Documents on the corporate website of any Servicer or any Affiliate of such Servicer, which may include information such as (but not limited to): (i) the Aircraft type; (ii) Lessee's name and logo; (iii) the jurisdiction of LESSEE's organization and/or domicile; (iv) the state or states where the Aircraft will be operated; (v) the Manufacturer serial number of the Aircraft; (vi) the expected Delivery Date; (vii) the Delivery Location; and (viii) the Lease Term.

**28.3**            **LESSOR Performance for LESSEE.** The exercise by LESSOR of its remedy of performing a LESSEE obligation hereunder is not a waiver of and will not relieve LESSEE from the performance of such obligation at any subsequent time or from the performance of any of its other obligations hereunder.

**28.4**            **LESSOR's Payment Obligations.**  
[REDACTED – COMMERCIAL SENSITIVE INFORMATION]

**28.5**            **Application of Payments.** Any amounts paid or recovered in respect of LESSEE liabilities hereunder may be applied to Rent, Default Interest, fees or any other amount due and payable hereunder in such proportions, order and manner as LESSOR determines. For avoidance of doubt, LESSOR will not apply any such amounts to future obligations that are not yet due and payable by LESSEE.

**28.6**            **Third Parties.** Except as expressly provided in this Lease with regard to Owner, Beneficial Owner, Relevant Parties, Indemnitees, Tax Indemnitees, Finance Parties, Transferee and the other parties referred to in Articles 24.6.3 and 24.6.4 (each of which is hereby agreed to be an express third party beneficiary hereof), LESSEE and LESSOR do not intend that any terms of the Operative Documents be enforceable by any Person who is not a party to this Lease.

**28.7**            **Usury Laws.** The parties intend to contract in strict compliance with all applicable usury Laws. Notwithstanding anything to the contrary in the Operative Documents, LESSEE will not be obligated to pay Default Interest or other interest in excess of the maximum non-usurious interest rate, as in effect from time to time, which may by applicable Law be charged, contracted for, reserved, received or collected by LESSOR in connection with the Operative Documents. During any period in which the then applicable highest lawful rate is lower than the Default Interest rate, Default Interest will accrue and be payable at such highest lawful rate; however, if at any subsequent time such highest lawful rate is greater than the Default Interest rate, then LESSEE will pay Default Interest at the highest lawful rate until the Default Interest which is paid by LESSEE equals the amount of interest that would have been payable in accordance with the interest rate set forth in Article 5.5.

**28.8**            **Delegation by LESSOR.** LESSOR may delegate to any Person(s) all or any of the rights, powers or discretion vested in it by this Lease and any such delegation may be made upon such terms and conditions as LESSOR in its absolute discretion thinks fit.

**28.9**            **Confidentiality.** The Operative Documents and all non public information obtained by either party about the other are confidential and are between LESSOR and LESSEE only and will not be disclosed by a party to third parties (other than to any Servicer, to such party's auditors, shareholders and professional advisors, to Indemnitees and Tax Indemnitees, as required in connection with any filings of this Lease in accordance with Article 14, in connection with LESSOR's financing or potential sale of the Aircraft or assignment of this Lease, as required for enforcement by either party of its rights and remedies with respect to this Lease or as required by applicable Law (including Canadian securities Laws applicable to Transat A.T. Inc. and U.S. securities Laws applicable to AerCap Holdings N.V.)) without the prior written consent of the other party. If any disclosure will result in an Operative Document becoming publicly available, LESSEE and LESSOR will cooperate with one another to obtain confidential treatment as to the commercial terms and other material provisions of such Operative Document. Where the public disclosure is required by Law or a Governmental entity, the Party required to make the public disclosure will use its commercially reasonable efforts to obtain the approval (not to be unreasonably withheld, conditioned or delayed) of the other party as to the form, nature and extent of the disclosure. The obligations of LESSOR and LESSEE under this Article 28.9 will survive the Termination Date.

**28.10**          **Waiver.** The rights of LESSOR hereunder are cumulative, not exclusive, may be exercised as often as the LESSOR considers appropriate and are in addition to its rights under general Law. The rights of LESSOR are not capable of being waived or amended except by an express waiver or amendment in writing. Any failure to exercise or any delay in exercising any of such LESSOR's rights will not operate as a waiver or amendment of that or any other such right. Any defective or partial exercise of any rights of LESSOR will not preclude any other or further exercise of that or any other such right and no act or course of conduct or negotiation on LESSOR's part or on its behalf will in any way preclude LESSOR from exercising any such right or constitute a suspension or any amendment of any such right.

**28.11**          **Further Assurances.** Each party hereto agrees from time to time to do and perform such other and further acts and execute and deliver any and all such other instruments as may be required by Law, reasonably requested by the auditors of the other party or requested by the other party to establish, maintain, protect or perfect the rights, interests and remedies of the requesting party or any Relevant Party or to carry out and effect the intent and purpose of this Lease and the other Operative Documents.

**28.12**          **Translations of Lease.** If this Lease or any other Operative Document is translated into another language, whether or not signed by LESSEE and LESSOR in such other language, solely the terms and provisions of this English version of the Lease or such other Operative Document will prevail in any dispute. Further, all written communication and certificates and other documents delivered to LESSOR in connection with this Lease will be in English or, if not in English, will be accompanied by a certified English translation upon which LESSOR will be entitled to rely. If there is any inconsistency between the English version of a document and any

version in any other language, the English version will prevail. The parties hereto confirm that it is their wish that this Lease and any other document executed in connection with the transactions contemplated herein be drawn up in the English language only and that all other documents contemplated thereunder or relating thereto, including notices, may also be drawn up in the English language only. *Les parties aux présentes confirment que c'est leur volonté que cette convention et les autres documents y afférents soient rédigés en langue anglaise seulement et que tous les documents, y compris tous avis, envisagés par cette convention et les autres documents peuvent être rédigés en langue anglaise seulement.*

**28.13**        **Nature of Lease.** This Lease transfers to LESSEE with respect to the Aircraft a leasehold interest only and Owner is the owner and lessor of the Aircraft, and LESSEE is the lessee of the Aircraft, for all purposes, including for purposes of the application of all relevant Laws, all relevant financial accounting principles and all relevant Tax purposes.

**28.14**        **Use of Word "including".** The term "including" is used in this Lease without limitation.

**28.15**        **Headings.** All article and paragraph headings and captions are purely for convenience and will not affect the interpretation of this Lease. Any reference to a specific article, paragraph or section will be interpreted as a reference to such article, paragraph or section of this Lease.

**28.16**        **Invalidity of any Provision.** If any of the provisions of this Lease become invalid, illegal or unenforceable in any respect under any Law, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired.

**28.17**        **Construction.** This Lease and the other Operative Documents are the result of negotiations between LESSEE and LESSOR and are the product of both parties. Accordingly this Lease and the other Operative Documents or any uncertainty or ambiguity in any such agreements will be interpreted to fairly accomplish the purposes and intentions of LESSEE and LESSOR and will not be construed or resolved against LESSOR merely because of LESSOR's involvement in the preparation of this Lease and the other Operative Documents, regardless of any rule of construction.

**28.18**        **Time is of the Essence.** Time is of the essence in the performance of all obligations of LESSEE under the Operative Documents and, consequently, all time limitations applicable to LESSEE set forth in the provisions of this Lease will be strictly observed.

**28.19**        **Amendments in Writing.** The provisions of this Lease may only be amended or modified by a writing executed by LESSOR and LESSEE.

**28.20**        **Counterparts.** This Lease may be executed in any number of identical counterparts, each of which will be deemed to be an original, and all of which together will be deemed to be one and the same instrument when each party has signed and delivered one such counterpart to the other party.

**28.21**        **No Broker.** Each of the parties hereby represents and warrants to the other that it has not paid, agreed to pay or caused to be paid directly or indirectly in any form, any commission, percentage, contingent fee, brokerage or other similar payment of any kind, in connection with the establishment or operation of this Lease, to any Person.

**28.22**        **Delivery of Documents by Fax or E mail.** Delivery of an executed counterpart of this Lease or of any other documents in connection with this Lease by fax or e mail will be deemed as effective as delivery of an originally executed counterpart. Any party delivering an executed counterpart of this Lease or other document by fax or e mail will also deliver an originally executed counterpart, but the failure of any party to deliver an originally executed counterpart of this Lease or such other document will not affect the validity or effectiveness of this Lease or such other document.

**28.23**        **Entire Agreement.** This Lease and the other Operative Documents constitute the entire agreement between the parties in relation to the leasing of the Aircraft by LESSOR to LESSEE and supersede all previous proposals, agreements and other written and oral communications in relation hereto. The parties acknowledge that there have been no representations, warranties, promises, guarantees or agreements, express or implied, except as set forth in this Lease.

**28.24**        **Successor Trustee.** LESSEE agrees that, in the case of the appointment of any successor Trustee pursuant to the terms of the Trust Agreement, such successor Trustee will, upon written notice to LESSEE by such successor Trustee, succeed to all the rights, powers and title of LESSOR hereunder and will be deemed to be LESSOR of the Aircraft for all purposes without in any way altering the terms of this Lease or LESSEE's obligations hereunder. One such appointment and designation of a successor Trustee will not exhaust the right to appoint and designate further successor Trustees pursuant to the Trust Agreement, and such right may be exercised repeatedly as long as this Lease will be in effect.

IN WITNESS WHEREOF, LESSEE and LESSOR have executed this Lease as of the date shown at the beginning of this Lease.

Signed for and on behalf of  
WILMINGTON TRUST SP SERVICES  
(DUBLIN) LIMITED, acting not in its  
individual capacity, but solely as Trustee

By:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

Signed for and on behalf of  
AIR TRANSAT A.T. INC.

By:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

**EXHIBIT A      AIRCRAFT DESCRIPTION**

The description of the Aircraft set forth in this Exhibit A is solely for the purposes of describing the condition in which the Aircraft is required to be in all material respects (subject to Manufacturer and supplier offerability) in order for LESSEE to be obligated to accept the Aircraft on the Delivery Date according to the standard set forth in Article 6.6. Nothing in this Exhibit A will be construed as a guaranty, representation, warranty or agreement of any kind, whatsoever, express or implied, by LESSOR with respect to the Aircraft or its condition, all of which have been disclaimed by LESSOR and waived by LESSEE as set forth in the Lease.

Subject to the above:

**Part 1. Identifying Information**

<u>AIRFRAME:</u>	Airbus A321-200 NEO LR
<u>ENGINES:</u>	Per Estoppel Certificate
<u>SPECIFICATION:</u>	A321 NEO LR SPECIFICATION ATTACHED HERETO AS ATTACHMENT 1

**Part 2. Full Description**

**AIRFRAME**

Manufacturer	:	Airbus S.A.S.
Model	:	A321-200 NEO LR
Manufacturer's Serial Number	:	Per Estoppel and Acceptance Certificate

**WEIGHTS**

Maximum Gross take-Off Weight	:	Per Estoppel and Acceptance Certificate
Maximum Landing Weight	:	Per Estoppel and Acceptance Certificate

Maximum Zero Fuel Weight	:	Per Estoppel and Acceptance Certificate
Maximum Taxi Weight	:	Per Estoppel and Acceptance Certificate
<b>INTERIOR CONFIGURATION</b>		
No. of Economy Class Seats	:	Per Estoppel and Acceptance Certificate
No. of Business Class Seats	:	Per Estoppel and Acceptance Certificate
No. of First Class Seats	:	Per Estoppel and Acceptance Certificate
<b>ENGINES</b>		
Manufacturer	:	Per Estoppel and Acceptance Certificate
Model	:	Per Estoppel and Acceptance Certificate
Quantity	:	Two
Maximum Take-Off Thrust Rating	:	Per Estoppel and Acceptance Certificate

Exhibit A, Attachment 2 – **Air Transat A321NEO LR Baseline Specification**

[REDACTED – COMMERCIALLY SENSITIVE INFORMATION]

Exhibit A, Attachment 2 – **Air Transat A321NEO LR Customization**

[REDACTED – COMMERCIALLY SENSITIVE INFORMATION]

EXHIBIT B      **FORM OF AGENCY AGREEMENT**

[REDACTED – COMMERCIALLY SENSITIVE INFORMATION]

EXHIBIT C      **INSURANCE REQUIREMENTS**

[REDACTED – COMMERCIALLY SENSITIVE INFORMATION]

EXHIBIT D      **AVIATION AUTHORITY UNDERTAKING LETTER**

[Date]

**TO:            THE AIR AUTHORITIES LISTED ON SCHEDULE "A" HERETO**  
**SUBJECT:     STATEMENT OF ACCOUNTS FOR AIR TRANSAT A.T. INC.**

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Dear Sirs:

We refer to the Aircraft Lease Agreement dated [\_\_\_\_\_], 2018, between Wilmington Trust SP Services (Dublin) Limited, acting not in its individual capacity but solely as Trustee, as lessor ("**Lessor**"), and Air Transat A.T. Inc., as lessee ("**Lessee**"), in respect of one (1) Airbus A321-200 NEO LR aircraft, bearing manufacturer's serial number [\_\_\_\_\_] and Canadian registration marks C-[\_\_\_\_\_] (the "**Aircraft**").

We hereby irrevocably authorize you to release to Lessor (or its duly authorized representatives) at any time upon Lessor's request, so long as Lessor has an interest in the Aircraft, a statement of account of all fees and charges then owed by Lessee and or an Affiliate of Lessee in the event that the Aircraft is subleased to such Affiliate (whether or not currently due and payable), as at the date of such request.

Yours truly,

**AIR TRANSAT A.T. INC.**

By: \_\_\_\_\_  
Name:  
Title:

**Aviation Authority Letter – MSN [\_\_\_\_\_]**

**SCHEDULE “A”**

**AIRPORT INFORMATION**

[REDACTED – COMMERCIALY SENSITIVE INFORMATION]

EXHIBIT E      **ESTOPPEL AND ACCEPTANCE CERTIFICATE**

AIR TRANSAT A.T. INC. ("**LESSEE**"), a company organized under the laws of Canada, does hereby represent, acknowledge, warrant and agree as follows:

1.      LESSEE and WILMINGTON TRUST SP SERVICES (DUBLIN) LIMITED, acting not in its individual capacity but solely as Trustee ("**LESSOR**") have entered into an Aircraft Lease Agreement dated as of \_\_\_\_\_, (hereinafter referred to as the "**Lease**"). Words used herein with capital letters and not otherwise defined will have the meanings set forth in the Lease.

2.      LESSEE has this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_  
(Time: \_\_\_\_\_) at \_\_\_\_\_ received from LESSOR possession of:

(a)      One Airbus A321-200 NEO LR aircraft bearing manufacturer's serial number [*Insert number*] and registration mark [*Insert mark*], together with [*Insert number*] engines bearing manufacturer's serial numbers [*Insert numbers*] (each of which has 550 or more rated takeoff horsepower) and an APU bearing part number \_\_\_\_\_ and manufacturer's serial number \_\_\_\_\_.

(b)      All Aircraft Documentation, including the usual and customary manuals, logbooks, flight records and historical information regarding the Aircraft, Engines, APU and Parts.

(c)      Manufacturer's flyaway equipment (SFE) per Attachment 2 and the LESSOR-furnished equipment (BFE) per Attachment 3.

3.      The Aircraft had the following seating configuration at Delivery:

\_\_\_\_\_ first      \_\_\_\_\_ business      \_\_\_\_\_ coach

4.      An auxiliary center tank (ACT) is / is not installed (circle one) at Delivery.

If yes, quantity of auxiliary center tanks: \_\_\_\_\_

5.      The amount of fuel on board at Delivery is \_\_\_\_\_  
pounds/gallons/kilos of fuel (circle one).

6.      The Agreed Value of the Aircraft is US\$ \_\_\_\_\_.

7.      All of the foregoing has been delivered and irrevocably and unconditionally accepted on the date set forth above to LESSEE's full satisfaction and pursuant to the terms and provisions of the Lease.

9. The Aircraft, Engines, APU, Parts and Aircraft Documentation as described in the Lease have been fully examined by LESSEE and have been received in a condition fully satisfactory to LESSEE and in full conformity with the Lease in every respect without exception or reservation.

10. LESSEE hereby repeats the provisions of Article 8 (Disclaimers and Waivers) of the Lease as if set out in full herein.

11. The Lease is in full force and effect, LESSOR has fully, duly and timely performed all of its obligations of every kind or nature thereunder and LESSEE has no claims, offsets, deductions, set off or defenses of any kind or nature in connection with the Lease.

12. The Delivery of the Aircraft evidenced by LESSEE's execution of this Estoppel and Acceptance Certificate creates an international interest for all purposes of the Cape Town Convention including, without limitation, affording LESSOR all rights and remedies thereunder. "**Cape Town Convention**" means both the Convention on International Interests in Mobile Equipment and the Protocol to the Convention on International Interests in Mobile Equipment on Matters specific to Aircraft Equipment which were adopted on November 16, 2001 at a diplomatic conference held in Cape Town, South Africa (as either of them may be amended from time to time).

13. Each Finance Party may rely upon all of the foregoing in granting substantial financial accommodations to LESSOR or any Affiliate of LESSOR and LESSEE understands and agrees that any funds being advanced by such Finance Party will be made in reliance upon the foregoing.

14. LESSEE has obtained all required permits, authorizations, licenses and fees of the State of Registration or any Government Entity thereof necessary in order for LESSEE to operate the Aircraft as permitted by the terms of the Lease.

Dated on the date set forth above

\_\_\_\_\_  
By:

\_\_\_\_\_  
Printed Name:

\_\_\_\_\_  
Title:

ATTACHMENTS:

1. List of Aircraft Documentation
2. List of Manufacturer Flyaway Equipment (SFE)
3. List of LESSOR-Furnished Equipment (BFE)

EXHIBIT F      **OPINION OF COUNSEL**

[REDACTED – COMMERCIALY SENSITIVE INFORMATION]

EXHIBIT G **FORM OF LEASE TERMINATION AGREEMENT**

**LEASE TERMINATION AGREEMENT  
MSN TBD**

**THIS AGREEMENT** is made as of \_\_\_\_\_, \_\_\_\_\_,

**BETWEEN:** AIR TRANSAT A.T. INC. (“Lessee”); and WILMINGTON TRUST SP SERVICES (DUBLIN) LIMITED, acting not in its individual capacity, but solely as Trustee (“Lessor”).

**RE:** Aircraft Lease Agreement, dated as of [\_\_\_\_\_], 2018 between Lessor and Lessee (the “Lease”) with respect to one (1) Airbus A321-200 NEO LR model Aircraft, MSN [\_\_\_\_], C-[\_\_\_\_] (the “Aircraft”).

**IT IS AGREED** as follows:

**1. LEASE TERMINATION**

Lessor and Lessee hereby terminate the Lease and all rights of Lessee to operate the Aircraft as of \_\_\_\_\_ o'clock \_\_\_\_\_ m. \_\_\_\_\_ time on the date hereof and release the Aircraft from all of the terms and conditions of the Lease.

**IN WITNESS** whereof the parties hereto have executed this Agreement as of the date first written above.

**AIR TRANSAT A.T. INC.**

By: \_\_\_\_\_  
Name:  
Title:

**WILMINGTON TRUST SP SERVICES (DUBLIN) LIMITED,**  
acting not in its individual capacity, but solely as Trustee

By: \_\_\_\_\_  
Name:  
Title:

EXHIBIT H      **FORM OF CAPE TOWN IDERA**

Form of Irrevocable Deregistration and Export Request Authorization

(Annex referred to in Article 25 of the Consolidated Text of the Cape Town Convention)

[Date]

To:    TRANSPORT CANADA

Re:    Irrevocable Deregistration and Export Request Authorization

The undersigned is the registered operator of the Airbus A321-200 NEO LR aircraft bearing Manufacturer's serial number [*Insert MSN*] and registration mark [\_\_\_\_\_] (together with all installed, incorporated or attached accessories, parts and equipment, the "**Aircraft**").

This instrument is an irrevocable deregistration export request authorization issued by the undersigned in favor of WILMINGTON TRUST SP SERVICES (DUBLIN) LIMITED, acting not in its individual capacity, but solely as Trustee, as lessor (the "**Authorized Party**") under the authority of Article XIII of the Protocol to the Convention on International Interests in Mobile Equipment on Matters specific to Aircraft Equipment. In accordance with that Article, the undersigned hereby requests:

(a)    recognition that the Authorized Party or the person it certifies as its designee is the sole person entitled to:

(1)    procure the deregistration of the Aircraft from the Canadian Civil Aircraft Registry maintained by Transport Canada for the purposes of Chapter III of the Convention on International Civil Aviation, signed at Chicago, on 7 December 1944; and

(2)    procure the export and physical transfer of the Aircraft from Canada;  
and

(b)    confirmation that the Authorized Party or the person it certifies as its designee may take the action specified in clause (a) above on written demand without the consent of the undersigned and that, upon such demand, the authorities in Canada will cooperate with the Authorized Party with a view to the speedy completion of such action.

The rights in favor of the Authorized Party established by this instrument may not be revoked by the undersigned without the written consent of the Authorized Party.

Please acknowledge your agreement to this request and its terms by the appropriate notation in the space provided below and lodge this instrument in the Canadian Civil Aircraft Registry maintained by Transport Canada.

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Agreed to and lodged on the date specified below.

TRANSPORT CANADA

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

EXHIBIT I      **FORM OF EUROCONTROL AUTHORISATION LETTER**

- *Printed on Aircraft Operator letter head paper (logo of the company)*
- *Duly signed by an official representative of the Aircraft Operator, with name and position clearly written*
- *One page*
- *Letter dated*
- *Date of Lease entered*
- *To be returned to: crco.cat.head@eurocontrol.int*

(Logo of the Aircraft Operator)

DATE (\_\_\_\_\_)

The Director of the Central Route Charges Office  
European Organisation for the Safety of Air Navigation ("**EUROCONTROL**")  
Rue de la Fusée, 96  
1130 BRUXELLES  
BELGIUM

Dear Sir,

**Authorisation Letter**

**Aircraft model: Airbus A321-200 NEO LR Registration C-[\_\_\_\_], MSN [\_\_\_\_] (the "Aircraft")**

We have leased the above Aircraft from Wilmington Trust SP Services (Dublin) Limited, acting not in its individual capacity but solely as Trustee (the "**Lessor**"), in accordance with a lease agreement (dated as of \_\_\_\_\_), between us and the Lessor.

We hereby authorise you to provide the Lessor, hereby represented by AerCap Holdings N.V. ("AerCap") with a general statement of account in relation to air navigation charges incurred by us and due to EUROCONTROL. Access to the statement(s) of account will be provided in accordance with the procedures established by EUROCONTROL.

The authorisation contained in this letter may only be revoked or amended by a written instruction signed by us and the Lessor.

Yours faithfully,

.....  
For and on behalf of

AIR TRANSAT A.T. INC.

Name:

Title:

EXHIBIT J      **RETURN ACCEPTANCE RECEIPT**

Date: \_\_\_\_\_, \_\_\_\_\_

1. AIR TRANSAT A.T. INC. ("**LESSEE**") and WILMINGTON TRUST SP SERVICES (DUBLIN) LIMITED, acting not in its individual capacity but solely as Trustee ("**LESSOR**") have entered into an Aircraft Lease Agreement dated as of \_\_\_\_\_, (the "**Lease**"). Words used herein with capital letters and not otherwise defined will have the meanings set forth in the Lease.

2. LESSOR has this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_  
(Time: \_\_\_\_\_) at \_\_\_\_\_ received from LESSEE possession of:

(a) One Airbus A321-200 NEO LR Aircraft bearing manufacturer's serial number [*Insert MSN*], together with Engines bearing manufacturer's serial numbers [*Insert ESNs*], an APU bearing manufacturer's serial number \_\_\_\_\_, and all Parts attached thereto and thereon; and

(b) All Aircraft Documentation, including the usual and customary manuals, logbooks, flight records and historical information regarding the Aircraft, Engines, APU and Parts, as listed in the Document Receipt attached hereto.

3. The Aircraft had the following seating configuration at return:

\_\_\_\_\_ first      \_\_\_\_\_ business      \_\_\_\_\_ coach

4. An auxiliary center tank (ACT) is / is not installed (circle one) at return.

If yes, quantity of auxiliary center tanks: \_\_\_\_\_

5. The Airframe, Engines, APU and Parts had the Flight Hours/Cycles at return set forth in the Technical Evaluation Report attached hereto and the Aircraft was otherwise in the condition described by the Technical Evaluation Report attached hereto.

6. The amount of fuel on board at return is \_\_\_\_\_  
pounds/gallons/kilos of fuel (circle one).

7. Other technical information regarding the Aircraft and its components are correctly set forth on the Technical Evaluation Report attached hereto.

8. With reference to Article 13.9 of the Lease regarding payment in respect of maintenance contributions by LESSOR after return of the Aircraft:

_____	There are no claims for payment which will be submitted after the date hereof.	
or		
_____	Claims for payment will be submitted after the date hereof for the following:	
	<u>Type of Work</u>	<u>Estimated Invoice Amount</u>

9. LESSEE confirms that it has delivered to LESSOR all free of charge kits for the Aircraft received by LESSEE.

10. The above specified aircraft, engines and documentation are hereby accepted by LESSOR subject to (i) the provisions of the Lease and (ii) correction by LESSEE (or procurement by LESSEE at LESSEE's cost) as soon as reasonably possible of the discrepancies specified in the list attached.

11. Subject to the following paragraph, the leasing of the Aircraft by LESSOR to LESSEE pursuant to the Lease is hereby terminated without prejudice to LESSEE's continuing obligations under the Lease and the other Operative Documents including, without limitation, paragraph 10 (ii) above and the obligations of LESSEE described in Article 4.4 of the Lease.

12. LESSEE represents and warrants that during the term of the Lease all maintenance and repairs to the Airframe and Engines were performed in accordance with the requirements contained in the Lease. LESSEE further confirms that all of its obligations under the Lease and the other Operative Documents whether accruing prior to the date hereof or which survive the expiration of the Lease or the termination of the leasing of the Aircraft under the Lease by their terms and accrue after the date hereof, will remain in full force and effect until all such obligations have been satisfactorily completed.

13. This Return Acceptance Receipt is executed and delivered by the parties in

\_\_\_\_\_.

IN WITNESS WHEREOF, the parties hereto have caused this Return Acceptance Receipt to be executed in their respective company names by their duly authorized representatives as of the day and year first above written.

AIR TRANSAT A.T. INC.

WILMINGTON TRUST SP SERVICES  
(DUBLIN) LIMITED, acting not in its  
individual capacity but solely as Trustee

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
Printed Name:

\_\_\_\_\_  
Printed Name:

Its: \_\_\_\_\_

Its: \_\_\_\_\_

ATTACHMENTS:

1. List of discrepancies
2. List of Aircraft Documentation
3. Current Aircraft layout passenger arrangement (LOPA)
4. Incident/accident letter
5. Dent and damage chart
6. List of loose equipment
7. List of free of charge kits
8. Engine disk sheets
9. Engine power assurance test conditions and results
10. Engine trend data
11. Technical Evaluation Report

EXHIBIT K      **MONTHLY REPORT**

(SEE FOLLOWING SHEET)

**MONTHLY AIRCRAFT UTILIZATION AND STATUS REPORT**

[REDACTED – COMMERCIALY SENSITIVE INFORMATION]

EXHIBIT L      **AIRCRAFT DOCUMENTATION**

**AIRCRAFT RECORDS**

1. Copies of original Certificates delivered by Manufacturer, such as:
  - a. Airworthiness Certificate for Export
  - b. Radio installation conformity certificate
  - c. Noise limitation certificate
2. Copies of original Documents delivered by Manufacturer, such as:
  - a. Airworthiness Directive Compliance list
  - b. Aircraft inspection report
  - c. Aircraft Definition Report
  - d. Weighing report
3. Copies of current Certificates:
  - a. Airworthiness Certificate
  - b. Noise limitation
  - c. Radio license
  - d. Interior material burn certificates
  - e. Certificate of Export
  - f. Aircraft deregistration confirmation
  - g. Aircraft Registration
4. Letters signed and stamped by Quality Assurance:
  - a. Current aircraft hours and Cycles
  - b. Current engines hours and Cycles
  - c. Accident and Incident report
  - d. Summary of Maintenance Program
  - e. AD compliance during the lease term
5. Aircraft Definition Report
6. Aircraft Hard Time (HT) inspection status
7. One year forecast for HT inspection
8. Aircraft Modification status, including service bulletins
9. Most recent weighing report
10. AD compliance report with original signoffs
11. Corrosion Prevention Control Program compliance summary
12. Routine and non routine job cards of the Return Check
13. Routine and non routine maintenance work cards for tasks performed during the Lease Term that were not repeated at or superseded by the Return Check
14. Past year pilot and maintenance discrepancies
15. Major and Minor structural repairs with applicable approvals
16. Compass Swing report of the last three years
17. Cabin Configuration drawing (LOPA)
18. Emergency equipment location drawing
19. Engineering data package for all Modifications

### ENGINES RECORDS

1. Last test cell run reports
2. Life limited Parts status and traceability
3. AD compliance report with original signoffs
4. Engine Modification / service bulletin / inspection report and applicable forms
5. Last heavy maintenance records for each module
6. Engine log books
7. Engine removal history
8. Past year trend monitoring reports
9. Historical borescope reports
10. Engine component report

### APU RECORDS

1. APU status (FH, FC, limits)
2. Life limited Part status and traceability
3. AD compliance report with original signoffs
4. Modification status
5. Last heavy maintenance documents
6. APU log books
7. Last test cell report

### COMPONENT RECORDS

1. Aircraft component inventory
2. Hard time component inventory
3. All required serviceable tags
4. Landing Gear status with last overhaul and life limited Part status
5. AD compliance report with original signoffs
6. Modification status
7. Auxiliary fuel tank log book

EXHIBIT M      **MRA CLAIM SETTLEMENT ACKNOWLEDGEMENT**

[REDACTED – COMMERCIALY SENSITIVE INFORMATION]

EXHIBIT N      **MRA CLAIM SUPPORTING DOCUMENTATION**

[REDACTED – COMMERCIALY SENSITIVE INFORMATION]

EXHIBIT O **FORM OF SHORT FORM LEASE**

**AIRCRAFT LEASE AGREEMENT (SHORT-FORM) (MSN TBD)**

**THIS SHORT-FORM LEASE** (the **Lease**) is made as of \_\_\_\_\_, 2020,

**BETWEEN:**

1. **WILMINGTON TRUST SP SERVICES (DUBLIN) LIMITED**, a company existing under the laws of Ireland, acting not in its individual capacity but solely as Trustee (**Lessor**); and
2. **AIR TRANSAT A.T. INC.**, a corporation existing under the laws of Canada (**Lessee**).

**WHEREAS:**

- (A) The Aircraft (as hereinafter defined) is the subject of an Aircraft Lease Agreement entered into between Lessor and Lessee dated as of [\_\_\_\_\_], 2018 (as amended, supplemented and novated from time to time, the **Lease Agreement**);
- (B) The Aircraft is described in the Lease Agreement as follows:  
  
One Airbus A321-200 NEO LR aircraft  
  
Manufacturer's Serial Number: [\_\_\_\_\_]   
  
Canadian Registration Marks: C-[\_\_\_\_\_]   
  
(the **Aircraft**); and
- (C) The terms of the Lease Agreement provide for the lease of the Aircraft to Lessee by Lessor in exchange for payments of rent and all other amounts due as specified in the Lease Agreement,

**NOW, THEREFORE**, for good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. The term of the Lease will commence on \_\_\_\_\_ and will terminate on \_\_\_\_\_ or otherwise as agreed by Lessor and Lessee.
2. The Aircraft will be in the legal custody and control of Lessee during the term of the Lease.
3. Lessee will be responsible for the airworthiness and maintenance of the Aircraft during the term of the Lease.

4. Lessor does not and will not provide, directly or indirectly, any flight crew designated to operate the Aircraft.
5. Lessee will be responsible for insuring the Aircraft for such limits and coverage as will be required by law from time to time.
6. Subleasing or assignment of the Aircraft is not permitted without the prior consent of Lessor.
7. The Lease maybe cancelled prior to its scheduled termination date following the occurrence of an event of default or such other terminating event as agreed by Lessor and Lessee, and Lessor providing a notice to Lessee terminating the Lease.
8. This Lease is subject in all respects to the terms and conditions of the Lease Agreement, it being acknowledged that the Lease Agreement or any other agreement between the parties in respect of the Aircraft does not contradict the conditions contained in this Short Form Lease.
9. This Lease is delivered pursuant to the requirements for registration of the Aircraft in the Canadian Civil Aircraft Register in accordance with the terms and conditions of the Lease Agreement.

**IN WITNESS WHEREOF**, Lessee and Lessor have executed this Lease as of the date first above written.

**AIR TRANSAT A.T. INC.**, as Lessee

**WILMINGTON TRUST SP SERVICES  
(DUBLIN) LIMITED**, acting not in its individual  
capacity, but solely as Trustee, as Lessor

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT P      **FORM OF TRANSAT GUARANTY**

[REDACTED – COMMERCIALY SENSITIVE INFORMATION]

## SCHEDULE I ECONOMIC TERMS

### A. Security Deposit

[REDACTED – COMMERCIALY SENSITIVE INFORMATION]

### B. Base Rent

[REDACTED – COMMERCIALY SENSITIVE INFORMATION]

C. Intentionally omitted.

### D. Maintenance Rent

D.1

"Airframe 6Y Maintenance Rent" means:	[REDACTED – COMMERCIALY SENSITIVE INFORMATION]
"Airframe 12Y Maintenance Rent" means:	[REDACTED – COMMERCIALY SENSITIVE INFORMATION]
"Performance Restoration Maintenance Rent" means:	[REDACTED – COMMERCIALY SENSITIVE INFORMATION]
"Engine LLP Maintenance Rent" means:	[REDACTED – COMMERCIALY SENSITIVE INFORMATION]
"Landing Gear Maintenance Rent" means:	[REDACTED – COMMERCIALY SENSITIVE INFORMATION]
"APU Maintenance Rent" means:	[REDACTED – COMMERCIALY SENSITIVE INFORMATION]
"APU LLP Maintenance Rent" means:	[REDACTED – COMMERCIALY SENSITIVE INFORMATION]
"Airframe 6Y Maintenance Rent" means:	[REDACTED – COMMERCIALY SENSITIVE INFORMATION]
"Airframe 6Y Maintenance Rent" means:	[REDACTED – COMMERCIALY SENSITIVE INFORMATION]

D.2 Escalation

The Airframe Maintenance Rent, Landing Gear Maintenance Rent, and APU Maintenance Rent set forth above are expressed in [REDACTED – COMMERCIALY SENSITIVE INFORMATION] and will escalate by [REDACTED – COMMERCIALY SENSITIVE INFORMATION]

INFORMATION] of the then current Maintenance Rent rate commencing on [REDACTED – TERM].

The Performance Restoration Maintenance Rent set forth above and in D.3 below is expressed in [REDACTED – COMMERCIALLY SENSITIVE INFORMATION] and, where the Engines are not subject to an Engine Manufacturer PBH Agreement will escalate [REDACTED – COMMERCIALLY SENSITIVE INFORMATION] of the then current Maintenance Rent Rate commencing on [REDACTED – TERM].

The Engine LLP Maintenance Rent will be adjusted on [REDACTED – TERM] of the year commencing after the Engine LLP Maintenance Rent rate is first established pursuant to subparagraph D.1. above and again on each successive [REDACTED – TERM] during the Lease Term.

The APU LLP Maintenance Rent will be adjusted on [REDACTED – TERM].

### D.3

Where an Engine is not subject to an Engine Manufacturer PBH Agreement, the Performance Restoration Maintenance Rent will be adjusted in accordance with Article 5.3.1(d) and the table below:

[REDACTED – COMMERCIALLY SENSITIVE INFORMATION]

Where an Engine is subject to an Engine Manufacturer PBH Agreement, the rate of Performance Restoration Maintenance Rent rate applicable to such Engine will be [REDACTED – COMMERCIALLY SENSITIVE INFORMATION].

D.4 All Maintenance Rent payable in respect of a given calendar month will be paid on or before the Maintenance Rent Payment Date occurring during the immediately following calendar month.

**E. Supplemental Rent for Excess Cycles**  
[REDACTED – COMMERCIALLY SENSITIVE INFORMATION]

**F. Default Interest Rate**  
[REDACTED – COMMERCIALLY SENSITIVE INFORMATION]

**G.** Intentionally Omitted.

**H. Allocation by Module of Performance Restoration Maintenance Rent**

Where an Engine is not subject to an Engine Manufacturer PBH Agreement, for purposes of the contributions to be made by LESSOR pursuant to Article 13.2, each payment of Performance Restoration Maintenance Rent by LESSEE in respect of an Engine will be

deemed allocated to the separate modules of such Engine according to the following percentages:

[REDACTED – COMMERCIALY SENSITIVE INFORMATION]

LESSOR and LESSEE agree that, in the event that the Engine manufacturer during the Lease Term releases updated recommendations regarding the life-cycle maintenance cost per Engine module, they will discuss in good faith whether adjustment to the percentages set forth above (i.e., different allocation as between different modules) is appropriate.

**I. Certain Insurance Definitions**

"**Agreed Value**" means [REDACTED – COMMERCIALY SENSITIVE INFORMATION]

"**Damage Proceeds Threshold**" means [REDACTED – COMMERCIALY SENSITIVE INFORMATION]

"**Maximum Deductible Amount**" means [REDACTED – COMMERCIALY SENSITIVE INFORMATION]

"**Minimum Liability Coverages**" means [REDACTED – COMMERCIALY SENSITIVE INFORMATION]

**J. Compensation for Delayed Delivery.**

[REDACTED – COMMERCIALY SENSITIVE INFORMATION]