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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

**GRUPO AEROMÉXICO, S.A.B. de C.V., et al.,

Debtors.¹**

Chapter 11

Case No. 20-11563 (SCC)

(Jointly Administered)

**CERTIFICATE OF NO OBJECTION REGARDING DEBTORS' MOTION FOR
ENTRY OF AN ORDER (I) AUTHORIZING DEBTOR AEROLITORAL, S.A. DE
C.V. TO ASSUME (ON AN AMENDED BASIS) CERTAIN LEASE
AGREEMENTS AND (II) APPROVING THE CLAIMS SETTLEMENT**

Pursuant to 28 U.S.C. § 1746, Rule 9075-2 of the Local Bankruptcy Rules for the Southern District of New York (the “**Local Rules**”), and in accordance with the United States Bankruptcy Court’s case management procedures set forth in the *Order Establishing Certain Notice, Case Management, and Administrative Procedures*, entered on July 8, 2020 [ECF No. 79] (the “**Case Management Order**”), the undersigned hereby certifies as follows:

1. On October 7, 2021, the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) filed the *Debtors’ Motion for Entry of an Order (I) Authorizing*

¹ The Debtors in these cases, along with each Debtor’s registration number in the applicable jurisdiction, are as follows: Grupo Aeroméxico, S.A.B. de C.V. 286676; Aerovías de México, S.A. de C.V. 108984; Aerolitoral, S.A. de C.V. 217315; and Aerovías Empresa de Cargo, S.A. de C.V. 437094-1. The Debtors’ corporate headquarters is located at Paseo de la Reforma No. 243, piso 25 Colonia Cuauhtémoc, Mexico City, C.P. 06500.

Debtor Aerolitoral, S.A. de C.V. To Assume (On an Amended Basis) Certain Lease Agreements and (II) Approving the Claims Settlement [ECF No. 1848] (the “**Motion**”). Objections and responsive pleadings to the Motion were due no later than October 18, 2021 at 12:00 p.m. (prevailing Eastern Time) (the “**Objection Deadline**”).

2. The Case Management Order and Local Rule 9075-2 provide that pleadings may be granted without a hearing if (a) no objections or other responsive pleadings have been filed on or before the applicable deadline and (b) the attorney for the entity that filed the pleading complies with the relevant procedural and notice requirements.

3. As of the filing of this certificate, more than 48 hours have elapsed since the Objection Deadline and, to the best of my knowledge, no objection or responsive pleading to the Motion has been (a) filed with the Court on the docket of the above-captioned chapter 11 cases or (b) served on the Debtors or their counsel.

4. Accordingly, the Debtors respectfully request that the Court enter the proposed order, a copy of which is attached hereto as **Exhibit A**, granting the Motion in accordance with the procedures set forth in the Case Management Order and Local Rule 9075-2.

[Remainder of page intentionally left blank]

I hereby declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated: October 20, 2021
New York, New York

DAVIS POLK & WARDWELL LLP

By: /s/ Timothy Graulich

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*Counsel to the Debtors
and Debtors in Possession*

Exhibit A

Proposed Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

**GRUPO AEROMÉXICO, S.A.B. de C.V., et
al.,

Debtors.²**

Chapter 11

Case No. 20-11563 (SCC)

(Jointly Administered)

**ORDER (I) AUTHORIZING DEBTOR AEROLITORAL, S.A. DE C.V.
TO ASSUME (ON AN AMENDED BASIS) CERTAIN LEASE
AGREEMENTS AND (II) APPROVING THE CLAIMS SETTLEMENT**

Upon the motion (the “**Motion**”)³ of the Debtors for entry of an order (this “**Order**”), (i) authorizing, but not directing, Debtor Aerolitoral, S.A. de C.V. (the “**Debtor Lessee**”) to assume the Aircraft Leases on an amended basis, substantially in accordance with (a) the terms and conditions set forth in the form of the Amended Aircraft Lease (attached hereto as **Exhibit 1**) and (b) the summaries of the material terms of the Amended Aircraft Leases attached to the Motion as **Exhibit B** and (ii) approving the Claims Settlement, each as set forth more fully in the Motion and the Landess Declaration; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference M-431*, dated January 31, 2012 (Preska, C.J.); and consideration of the Motion and the relief requested therein being a core proceeding under 28 U.S.C. § 157(b); and venue of the Chapter 11

² The Debtors in these cases, along with each Debtor’s registration number in the applicable jurisdiction, are as follows: Grupo Aeroméxico, S.A.B. de C.V. 286676; Aerovías de México, S.A. de C.V. 108984; Aerolitoral, S.A. de C.V. 217315; and Aerovías Empresa de Cargo, S.A. de C.V. 437094-1. The Debtors’ corporate headquarters is located at Paseo de la Reforma No. 243, piso 25 Colonia Cuauhtémoc, Mexico City, C.P. 06500.

³ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

Cases and related proceedings being proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the notice parties identified in the Motion; such notice having been adequate and appropriate under the circumstances, and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion and considered the relief requested therein; and upon all of the proceedings had before the Court; and after due deliberation the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and the Court having found that the relief granted herein is in the best interests of the Debtors, their creditors, and all other parties in interest; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is granted to the extent set forth herein.
2. The Debtors are authorized (but not directed), pursuant to and in accordance with sections 365 and 364 of the Bankruptcy Code, to (a) assume each Aircraft Lease on an amended basis substantially in accordance with the terms and conditions set forth in each respective Amended Aircraft Lease and (b) reaffirm Aerovías de México, S.A. de C.V.'s guaranty of the Debtor Lessee's obligations under the Amended Aircraft Leases by issuance of a guaranty. Each Aircraft Lease, as amended, shall be deemed assumed by the Debtors upon the effectiveness of each applicable Amended Aircraft Lease in accordance with its terms and, upon such effectiveness, each such Amended Aircraft Lease shall be in full force and effect and the Debtor Lessee shall be obligated to perform all of its obligations thereunder without the need for further notice or action by the Debtor Lessee or the applicable Lessor or a further order of the Court.

3. The Debtors are authorized (but not directed) to enter into, and perform their obligations under, all exhibits, addenda, and other agreements contemplated by the Amended Aircraft Leases without further approval of the Court.

4. The Debtors and the Lessors are authorized (but not directed) to execute, deliver, provide, implement, and fully perform any and all obligations, instruments, and papers provided for or contemplated in the Amended Aircraft Leases and to take any and all actions to implement the Amended Aircraft Leases.

5. Except as otherwise provided herein, the Debtor Lessee shall pay \$0.00 to the Lessors (inclusive of their affiliates) in satisfaction of its obligation to cure any defaults under the Aircraft Leases in accordance with section 365(b)(1)(A) of the Bankruptcy Code.

6. The Claims Settlement is (a) integral and necessary to the Chorus Transactions, (b) supported by reasonable consideration, (c) fair and equitable and in the best interest of the Debtors' estates, and (d) permitted by the Bankruptcy Code, and thus, is hereby approved pursuant to Bankruptcy Rule 9019(a) and shall be binding on the Debtors, the Lessors, the Claimants, and their affiliates.

7. In accordance with the Claims Settlement, the following parties shall be allowed the following non-priority general unsecured claims against the Debtors in the Chapter 11 Cases (or any subsequent chapter 7 case in the event of conversion) (collectively, the "**Allowed Claims**"):

Claimant	Debtor	Treatment	Allowed Claim Amount
Commuter Aircraft Leasing 2017 V Limited	Aerolitoral, S.A. de C.V.	Allowed	\$7,762,734
Commuter Aircraft Leasing 2017 V Limited	Aerovías de México, S.A. de C.V.	Allowed	\$7,762,734
Commuter Aircraft Leasing 2017 VI Limited	Aerolitoral, S.A. de C.V.	Allowed	\$2,005,543
Commuter Aircraft Leasing 2017 VI Limited	Aerovías de México, S.A. de C.V.	Allowed	\$2,005,543
Commuter Aircraft Leasing 2017 VI Limited	Aerolitoral, S.A. de C.V.	Allowed	\$4,987,928
Commuter Aircraft Leasing 2017 VI Limited	Aerovías de México, S.A. de C.V.	Allowed	\$4,987,928
		Total	\$29,512,410

For the avoidance of doubt, the amount of the Claims Settlement shall constitute the only prepetition general unsecured claims belonging to the Claimants relating to the Aircraft allowed in the Chapter 11 Cases; *provided, however*, that the Claimants may recover from the Debtor Lessee and Aerovías until they have received payment in full on account of the Allowed Claims, but, for the avoidance of doubt, the Claimants (a) shall only be entitled to recover up to the aggregate amount of \$14,756,205 on account of the Allowed Claims, (b) shall not be entitled to receive duplicative distributions from multiple Debtors on account of the Allowed Claims aggregating to more than \$14,756,205, and (c) shall return any such duplicative excess distributions to the applicable Debtor if received.

8. In accordance with the Claims Settlement, all other claims against the Debtors relating to the Aircraft belonging to any of the Claimants in the Chapter 11 Cases are hereby deemed withdrawn (collectively, the “**Withdrawn Claims**”), including, without limitation, the following claims asserted against the Debtors:

Claims Number(s)	Claimant	Debtor	Treatment
14056	Commuter Aircraft Leasing 2017 V Limited	Aerovías de México, S.A. de C.V.	Withdrawn
14069	Commuter Aircraft Leasing 2017 V Limited	Aerolitoral, S.A. de C.V.	Withdrawn
14048	Commuter Aircraft Leasing 2017 VI Limited	Aerovías de México, S.A. de C.V.	Withdrawn
14067	Commuter Aircraft Leasing 2017 VI Limited	Aerolitoral, S.A. de C.V.	Withdrawn
14892	Commuter Aircraft Leasing 2017 V Limited	Aerovías de México, S.A. de C.V.	Withdrawn
14890	Commuter Aircraft Leasing 2017 V Limited	Aerolitoral, S.A. de C.V.	Withdrawn
14893	Commuter Aircraft Leasing 2017 VI Limited	Aerovías de México, S.A. de C.V.	Withdrawn
14891	Commuter Aircraft Leasing 2017 VI Limited	Aerolitoral, S.A. de C.V.	Withdrawn

9. The Allowed Claims shall be automatically allowed, and the Withdrawn Claims shall be automatically withdrawn, upon the effectiveness of the Amended Aircraft Leases, and no further notice or action shall be required of any Lessor, any other Claimant, or the Debtors to effectuate the allowance or withdrawal, as applicable, of such claims upon such occurrence. From and after the effective date of the Amended Aircraft Leases, Epiq Corporate Restructuring, LLC is authorized to update the claims register to reflect the terms of this Order, including, among other things, reflecting the allowance of the Allowed Claims and the withdrawal of the Withdrawn Claims as set forth in this Order.

10. The Lessors shall support a Complying Plan⁴ proposed by the Debtors, including, without limitation, by voting in favor of a Complying Plan. The obligations under this Order, including, without limitation, the obligation to vote their Allowed Claims

⁴ A chapter 11 plan shall be deemed a “Complying Plan” if it treats the Allowed Claims (a) as allowed general unsecured non-priority claims not subject to reconsideration under section 502 of the Bankruptcy Code and (b) no worse than the non-priority unsecured claims of any other aircraft or engine lessor whose claims run solely against the Debtor Lessee (other than de minimis “convenience class” claims).

in favor of a Complying Plan, shall be binding on the Debtors, the Lessors, any successor or assignee, or the transferee of the Allowed Claims (or any portion thereof).

11. The Debtors are authorized to take, or refrain from taking, any action necessary or appropriate to implement and effectuate the terms of, and the relief granted in, this Order without seeking further order of the Court.

12. Notwithstanding any subsequent appointment of any trustee(s) under any chapter of the Bankruptcy Code, this Order shall be binding in all respects upon, and shall inure to the benefit of, the Debtors, their estates, their creditors, their respective affiliates, successors, and assigns, and any affected third parties, including, but not limited to, the Lessors and all other persons asserting interests in the relevant aircraft.

13. While the above referenced Chapter 11 Cases are pending, this Court shall retain exclusive jurisdiction over any and all matters arising from or related to the implementation, interpretation, and enforcement of this Order and the Amended Aircraft Leases.

Dated: _____, 2021
New York, New York

THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Form of Amended Aircraft Lease

REDACTED VERSION

DATED _____ 2021

COMMUTER AIRCRAFT LEASING 2017 [V/VI]¹ LIMITED
as Lessor

and

AEROLITORAL, S.A. DE C.V.
as Lessee

**AMENDED AND RESTATED AIRCRAFT LEASE
AGREEMENT**

**In respect of
ONE EMBRAER E190 AIRCRAFT
BEARING MSN [____]**

¹ NTD: V for MSN 19000664 / VI for MSNs 19000200 & 19000208

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² NTD: page numbers to be inserted once in agreed form.

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THIS AMENDED AND RESTATED AIRCRAFT LEASE AGREEMENT is made on _____, 2021

BETWEEN:

- (1) **COMMUTER AIRCRAFT LEASING 2017 [V/VI] LIMITED**, a company incorporated under the laws of Ireland having its registered office at 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, D01 P767, Ireland. ("**Lessor**"); and
- (2) **AEROLITORAL, S.A DE C.V.**, a company organised and existing under the laws of Mexico having its registered office at Avenida Paseo de la Reforma No. 445 Colonia Cuauhtémoc Delegación Cuauhtémoc, México, Distrito Federal C.P. 06500 ("**Lessee**").

WHEREAS:

Lessee and Lessor are parties to the Prior Lease (as defined below) pursuant to which Lessee leases the Aircraft (as defined below) from Lessor.

Lessee and Lessor have agreed to amend and restate the Prior Lease on the terms and subject to the conditions of this Agreement.

NOW THEREFORE IT IS AGREED as follows:

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Definitions**

In this Agreement, unless the context otherwise requires:

"**Acceptance Certificate**" means the certificate delivered by Lessee to [____] pursuant to the Prior Lease on [____].

"**Additional Amounts**" means any amounts (other than Rent) which Lessee agrees to pay to Lessor or any other Indemnitee hereunder including, without limitation, payments of Agreed Value, Redelivery Maintenance Payment, and any other amounts owing by Lessee pursuant to Clause 20 or other indemnity payments and any interest payable pursuant to Clause 8.3.

"**AFAC**" ("*Agencia Federal de Aeronáutica Civil*") means the Aviation Authority of Mexico and any person, governmental, department, bureau, commission or agency succeeding to all or any of its functions.

"**Affiliate**" means, in relation to any person, any other person which, directly or indirectly, controls or is controlled by or is under common control with such person and for the purposes of this definition, "**control**" when used with respect to any specified person means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise and the terms "**controlling**" and "**controlled**" shall be construed accordingly.

"Agreed Liability Coverage" means US\$[____] on each and every occurrence.

"Agreed Value" means (a) for the period from the Lease Commencement Date to [____], US\$[____]; and (b) for each subsequent year of the Lease Term to the Expiration Date, 97% of the Agreed Value for the immediately preceding year.

"Aircraft" means the aircraft described in Schedule 1 comprising the Airframe together with the Engines (whether or not any of the Engines may from time to time be installed on the Airframe) and Parts and, where the context so permits, shall include the Aircraft Documentation and, unless otherwise provided herein, shall mean the Aircraft as a whole and any part thereof.

"Aircraft Documentation" means (a) all log books, records, manuals and other data or documents described in Attachment 1 to the Acceptance Certificate, (b) all other log books, records (including, without limitation, records relating to the operation, service, inspection, maintenance, modification, testing, overhaul and repair of the Aircraft, the Engines and all Parts installed therein or thereon, including any EASA Form One or FAA 8130-3 or ANAC form SEGVOO 003 serviceability tags, or which are required to substantiate the airworthiness, age, use and or utility of the Aircraft, any Engine or any Part), manuals (including, without limitation, operating, maintenance, repair, overhaul or parts manuals), data, drawings, certificates, licences, commitment letters received from the Airframe Manufacturer at delivery or other documents that are required to be maintained during the Lease Term under the terms of this Agreement, by the Aviation Authority, including without limitation, the Certificate of Registration and the Airworthiness Certificate, by the Approved Maintenance Programme, or those that are otherwise provided to Lessee on the Original Delivery Date or during the Lease Term with respect to the Aircraft or any Engine or any Part, and (c) all updates and additions to any of the foregoing and renewals, revisions and replacements thereof from time to time made in accordance with this Agreement or applicable law or otherwise. Any document described above that Lessee is no longer required to retain or maintain by the Aviation Authority or under the Approved Maintenance Programme shall nonetheless remain part of the Aircraft Documentation for the purposes of this Agreement.

"Airframe" means collectively (a) the Embraer E190-100 LR airframe (excluding the Engines or engines from time to time installed thereon) identified in Part 1 of Schedule 1 and (b) any and all Parts so long as the same shall be incorporated or installed in or attached to such airframe, and any and all Parts removed therefrom so long as title to such removed Parts shall remain vested in Owner in accordance with the terms of Clause 14.

"Airframe Basic Check" means an airframe structural check performed by an Approved Maintenance Performer in accordance with the Maintenance Planning Document, at an interval of 6,000 Flight Hours and 5,000 Cycles, which shall include all system maintenance zonal inspections, with a threshold or interval of 6,000 Flight Hours and 5,000 Cycles.

"Airframe 20,000 Cycles Check" means an airframe structural check performed by an Approved Maintenance Performer in accordance with the Maintenance Planning Document, at an interval of 20,000 Cycles, which shall include all CPCP and structural inspections with a threshold or interval of not less than 20,000 Cycles or its equivalent Flight Hours or calendar months.

"Airframe 72 Month Check" means an airframe structural check performed by an Approved Maintenance Performer in accordance with the Maintenance Planning Document, at an interval of 72 months, which shall include all CPCP and structural inspections with a threshold or interval of not less than 72 months or its equivalent Flight Hours or Cycles.

"Airframe 96 Month Check" means an airframe structural check performed by an Approved Maintenance Performer in accordance with the Maintenance Planning Document, at an interval of 96 months, which shall include all CPCP and structural inspections with a threshold or interval of not less than 96 months or its equivalent Flight Hours or Cycles.

"Airframe 120 Month Check" means an airframe structural check performed by an Approved Maintenance Performer in accordance with the Maintenance Planning Document, at an interval of 120 months, which shall include all CPCP and structural inspections with a threshold or interval of not less than 120 months or its equivalent Flight Hours or Cycles.

"Airframe Manufacturer" means Embraer S.A.

"Airframe Warranty Agreement" means the airframe warranty agreement entered into or to be entered into between (inter alia), Lessor, Lessee and the Airframe Manufacturer.

"Airworthiness Certificate" means a valid current airworthiness certificate issued in respect of the Aircraft by the Aviation Authority.

"Airworthiness Directive" or "AD" means any airworthiness directive issued by the Aviation Authority, EASA or the FAA or any other requirement of the Aviation Authority applicable to the Airframe, either Engine, any Part or the Aircraft Documentation.

"Alert Service Bulletin" means a Service Bulletin whose implementation is stated or intended by the issuer to be mandatory or necessary for airworthiness certification (whether or not such Service Bulletin is or becomes the basis for an Airworthiness Directive).

"Approved Maintenance Performer" means (a) for all major checks, repairs and maintenance (including any Airframe Basic Check or higher, any shop visit for an Engine or the APU, any Landing Gear Overhaul or the Overhaul of any component) and all Major Modifications, any maintenance facility approved by (i) the Aviation Authority if such Aviation Authority approval is required and (ii) the FAA and/or EASA and, in each case,

approved by Lessor (such approval not to be unreasonably withheld) or (b) for all lower level checks, repairs and maintenance, any maintenance facility approved by the Aviation Authority which, provided Lessee has the requisite licences and approvals, may be Lessee.

"Approved Maintenance Programme" means Lessee's maintenance, inspection, repair and corrosion prevention programme for Embraer aircraft, which shall (a) be approved by the Aviation Authority, (b) be consistent with and cross-referenced to the latest revision of the Maintenance Planning Document and to the Engine Manufacturer's engine workscope planning guide, maintenance and repair manuals and (c) not operate any kind of maintenance or inspection sampling programme. Any amendment to the Approved Maintenance Programme shall be made in accordance with Clause 14.1(b).

"APU" means (a) the auxiliary power unit specified in the Acceptance Certificate and (b) any auxiliary power unit substituted for such auxiliary power unit in accordance with this Agreement.

"APU Equivalency Charge" shall mean the APU Equivalency Charge, if any, calculated pursuant to Part B of the Financial Terms Annex (*Redelivery Maintenance Payment*).

"APU Medium Repair Shop Visit" means, with respect to the APU, a level of work that includes, at a minimum, (i) complete gearbox disassembly and partial or complete disassembly of the load compressor and power section with reuse or limited repair/replacement of parts; (ii) exposed parts checked to the continue-time and general check criteria set forth in the APU Manufacturer's inspection and repair manual; and (iii) limited use of zero-time check criteria set forth in the APU Manufacturer's inspection and repair manual, as requested by repair facility engineering, where additional checks are needed on specific parts based on part condition, failure mode or operating environment.

"ASA" means Aeropuertos y Servicios Auxiliares, a Government Entity in charge of the supply of aircraft fuel and airport services at various airports in Mexico;

"Assignment of Insurances" means the assignment of insurances and reinsurances entered into, or to be entered into, as the context may require, between Lessee and Lessor.

"Authorisations" means each and every approval, waiver, authorisation, consent, licence, certificate or order of, or registration with, or requirement for the giving of prior notice to, or the taking of any action in respect of, the Aviation Authority or any other Government Entity having jurisdiction over Lessee or Lessor or the operation of the Aircraft.

"Aviation Authority" or **"AFAC"** means the Agencia Federal de Aviación Civil of Mexico.

"Bankruptcy Court" the U.S. Bankruptcy Court for the Southern District of New York presiding over the Chapter 11 Cases.

"Basic Shop Visit" means (a) with respect to an Engine, the off-wing work of refurbishment or performance restoration carried out by an Approved Maintenance Performer following in-service deterioration of the Engine, to restore performance on at least the Combustor Chamber and HPT module and Engine Life Limited Part status to a standard of refurbishment (in accordance with the Engine Manufacturer's engine workscope planning guide, engine manual and other related manufacturer data) and (b) with respect to the APU, any shop visit as defined by the APU manufacturer requiring complete disassembly, inspection and restoration of the APU core section, to restore performance to a level consistent with achieving at least 6,000 APU hours of service without removal in Lessee's service.

"Business Day" means a day (other than a Saturday, Sunday or holiday scheduled by law) on which banks are open for business in Dublin, Ireland and Mexico City, Mexico and (if a payment is to be made on that date) New York City.

"Cape Town Convention" means the Convention on International Interests in Mobile Equipment and the Protocol thereto on matters specific to Aircraft Equipment signed at Cape Town on 16 November 2001.

"Certificate of Registration" means the certificate confirming registration of the Aircraft issued by the Aviation Authority and delivered by the Aviation Authority to Lessee in connection with the Prior Lease.

"Chapter 11 Cases" means the Chapter 11 cases and proceedings initially filed by Lessee and its affiliates on July 1, 2020 under the lead case no. 20-11563 with the Bankruptcy Court and all affiliated and associated filings and proceedings in any other court or jurisdiction relating to such cases.

"Compulsory Acquisition" means requisition of title or other compulsory acquisition, requisition, appropriation, expropriation, deprivation or confiscation for any reason of the Airframe by a Government Entity or other competent authority, whether de jure or de facto, but shall exclude requisition for use or hire not involving requisition of title.

"Cycle" means one take-off and landing of the Aircraft (or, in respect of any Engine or Part temporarily installed on another aircraft, that other aircraft). For this purpose "take-off and landing" shall include "touch and go" take-off and landing.

"Default Rate" has the meaning set forth in the Financial Terms Annex.

"Deregistration Power of Attorney" means a deregistration power of attorney granted or to be granted by Lessee or, as the case may be, a Permitted Sublessee in favour of each of Lessor, Owner and any other relevant Financing Party (or such of them as Lessor may from time to time request) substantially in the form set out in Schedule 6 (or in such other form as Lessor may require on the advice of local counsel in the State of Registration).

"Discount Rate" has the meaning set forth in the Financial Terms Annex.

"Dollars" and **"US\$"** mean the lawful currency of the United States of America and, in respect of all payments to be made under this Agreement in Dollars, mean funds which are for same day settlement in the New York Clearing House Interbank Payments System.

"EASA" means the European Aviation Safety Agency (as successor to the Joint Aviation Authority) or any other person succeeding to all or any of its functions.

"Engine" means (a)(i) each of the Original Engines whether or not from time to time thereafter installed on the Airframe or installed on any other airframe or (ii) any Replacement Engine which may from time to time be substituted, pursuant to the terms hereof, for either of such Engines, and (b) in each case, any and all Parts incorporated or installed in or attached thereto or any and all Parts removed therefrom so long as title thereto shall remain vested in Owner in accordance with the terms of Clause 14 after removal from such Engine.

"Engine Equivalency Charge" shall mean the Engine Equivalency Charge calculated pursuant to Part B of the Financial Terms Annex (Redelivery Maintenance Payment).

"Engine LLP Equivalency Charge" shall mean the Engine LLP Equivalency Charge, if any, calculated pursuant to Part B of the Financial Terms Annex (*Redelivery Maintenance Payment*).

"Engine Life Limited Parts" means those Parts, defined by the Engine Manufacturer in the engine manual, or by the FAA or Aviation Authority through Airworthiness Directives, that require replacement on a mandatory basis prior to or upon the expiration of the manufacturer's certified life, whether expressed in terms of Cycles, Flight Hours, landings or calendar time.

"Engine Loss" means the occurrence of (a) any of the events referred to in the definition of "Total Loss" but with reference therein to "Airframe" being construed as references to any Engine or (b) any divestiture or impairment of any right, title or interest of Lessor in or to an Engine as a result of the installation of such Engine on any other airframe.

"Engine Major Module" means, at any time, any of the major modules of an Engine and which are defined as Engine Major Modules in the Engine Manufacturer's Maintenance Manual as in effect at that time.

"Engine Manufacturer" means General Electric Company.

"Engine Warranty Agreement" means the engine warranty agreement entered into or to be entered into between Owner, Lessor, Lessee and the Engine Manufacturer.

"Expiration Date" has the meaning set forth in the Financial Terms Annex.

"FAA" means the Federal Aviation Administration of the United States of America and any person, governmental, department, bureau, commission or agency succeeding to all or any of its functions.

"Fair Wear and Tear" is normal wear, deterioration or dirt ingress which causes an item of interior furnishing, fittings, trim, panels, bulkheads, doors, floor panels, ceilings or other interior (including cargo bay) equipment to be worn or to have such level of deterioration which is relevant to normal operational use and which does not affect the serviceability, operation and normal use of such item.

"Final Inspection" means the inspection of the Aircraft during the inspections, checks, and test flights required pursuant to Clause 21 or otherwise performed in connection with the Redelivery.

"Financial Information Norms" ("*Normas de Información Financiera*") mean the accounting and financial reporting principles generally accepted in Mexico.

"Financing Document" means each agreement, deed, instrument or other document with respect to the financing of the Aircraft entered into from time to time between Lessor or Owner and any Financing Party and includes any Security Document.

"Financing Party" means the Security Agent and financial institutions and/or other provider(s) of finance or funds from whom finance or funds or other financial accommodation for the acquisition or refinancing of the acquisition of the Aircraft by Lessor or Owner is for the time being, obtained and/or granted and includes any owner or intermediary person by, to whom or from whom the Aircraft is or is to be transferred, sold, leased or sub-leased in connection with the provision of such finance or funds.

"Fixed Rent" means all amounts payable pursuant to Clause 7.

"Fixed Rent Amount" has the meaning set forth in Clause 1 of Part A of the Financial Terms Annex.

"Fixed Rent Date" means the first day in each calendar month of each Fixed Rent Period.

"Fixed Rent Period" has the meaning given to it in Clause 7.1.

"Flight Charges" means any and all flight charges, navigation charges, service charges, charges due under any applicable emissions trading scheme and all other fees, charges, Taxes or similar charges payable in connection with operation, landing or navigation of the Aircraft to any airport, airport authority, navigation or flight authority, other similar authority or other Government Entity.

"Flight Hour" means each hour or part thereof elapsing from the moment at which the wheels of the Aircraft (or, in the case of any Engine or Part temporarily installed on another aircraft, such other aircraft) leave the ground on the take-off until the wheels touch the ground on landing following such take-off. For the purpose of all calculations under this Agreement measured in Flight Hours, such hours, including all fractions thereof, shall be measured to two decimal places.

"Government Entity" means and includes (whether having a distinct legal personality or not) (a) any national government, political sub-division thereof, or local jurisdiction therein, (b) any board, commission, department, division, organ, instrumentality, court or agency of any entity referred to in (a) above, however constituted, and (c) any association, organisation or institution (international or otherwise) of which any entity mentioned in (a) or (b) above is a member or to whose jurisdiction any thereof is subject or in whose activities any thereof is a participant.

"Guarantee" means the guarantee dated the date of this Agreement granted by Guarantor in favour of Lessor in respect of the obligations of Lessee under the Operative Documents as assigned from time to time.³

"Guarantor" means Aerovias de Mexico S.A. de C.v., a company incorporated and existing under the laws of Mexico.

"Head Lease Agreement" means the aircraft lease agreement relating to the Aircraft (if any) entered into or to be entered into between Owner as lessor and Lessor as lessee.

"Heavy Maintenance Check" means a C Check, a Structural Check, an Engine Performance Restoration, APU Medium Repair Shop Visit[, an Engine LLP replacement] and a Landing Gear Overhaul;

"IDERA" means an irrevocable deregistration and export request authorisation executed or to be executed by Lessee or a Permitted Sublessee, substantially in the form annexed to the Protocol to the Cape Town Convention.

"Indemnatee" means (a) each of Lessor, Owner, the Servicer, and each Financing Party and (b) their respective successors, permitted assigns and permitted transferees and (c) the directors, officers, servants, agents and employees of each of the foregoing.

"Indemnatee's Security Interest" means, in respect of any Indemnatee, any Security Interest arising on or relating to or affecting the Aircraft or any part thereof from the acts or defaults of that Indemnatee which are not caused by (i) the breach by Lessee of any obligation under any Operative Document, (ii) the performance by that Indemnatee of its obligations under the Operative Documents or (iii) the use and operation of the Aircraft.

"Indemnatee's Taxes" means, in respect of any Indemnatee, any Tax:

- (a) that is imposed on, based on or measured by the overall gross or net income, profits, gains, franchise, capital or net worth of that Indemnatee by any Taxing authority other than (i) any Tax imposed by any Tax authority of any jurisdiction to the extent that such Tax would not have been imposed but for the use, operation, presence or registration of the Aircraft, the Airframe, any Engine or

³ NTD: Replacement guarantee to be provided.

Part thereof in the jurisdiction imposing such Tax, (ii) any Tax imposed by any Tax authority of any jurisdiction to the extent such Tax would not have arisen but for the activities of Lessee or any other person having possession of the Aircraft, the Airframe, any Engine or any Part, which activities are unrelated to the transactions contemplated by the Operative Documents, in the jurisdiction of such Tax authority including, but not limited to, the use of any other aircraft by Lessee or any Permitted Sublessee in such jurisdiction, (iii) any Tax arising solely by reason of Lessee having made (or having been deemed to have made) a payment to such Indemnitee from the jurisdiction of that Tax authority;

- (b) that is imposed with respect to any period (x) prior to the Lease Commencement Date or (y) beginning after, or any act or event occurring after, Redelivery, unless such Tax is attributable to any act, omission, event or circumstance which occurred during the Term and would not have constituted an "Indemnitee's Tax" had it arisen during the Term;;
- (c) arising out of or caused by (i) the wilful misconduct or reckless disregard of such Indemnitee or (ii) a breach by such Indemnitee of the terms of any Operative Document to which it is a party;
- (d) arising out of or imposed in connection with an assignment, sale, transfer or disposal by such Indemnitee of any or all of its rights, title and interest in or with respect to the Aircraft, Airframe, Engine or any Part, or any Operative Document or Financing Document to which it is a party (but without prejudice to the rights of the relevant assignee, transferee or disposee as an Indemnitee hereunder following such assignment, transfer or disposal, pursuant to this Agreement);
- (e) that is imposed as a result of an act or omission of Lessor which is (i) not related to the transactions contemplated by this Agreement or (ii) in violation of any material term of any of the Operative Documents;
- (f) that is imposed as a result of any connection between that Indemnitee and the jurisdiction imposing the Tax that is unrelated to (i) the transactions contemplated by this Agreement or the use, operation or possession of the Aircraft by Lessee, any Permitted Sublessee, or anyone acting on their behalf, or (ii) the location or registration of the Aircraft by Lessee or any Permitted Sublessee;
- (g) that is imposed on such Indemnitee due to the failure of any Indemnitee to file any relevant tax return or tax computation that such Indemnitee was obliged to file by the applicable law in its jurisdiction of organization or where it has a place of business;
- (h) that results from a change by any Indemnitee of its principal place of business, participating office, jurisdiction of organization or tax residence;
- (i) is imposed on any Indemnitee (i) if such Tax would not have been imposed on

Lessor, or (ii) to the extent such Tax exceeds the Tax that would have been imposed on Lessor; or

- (j) is imposed on or payable by any Indemnitee that would not have been imposed or payable but for the existence of the Financing Documents except Taxes imposed as a result of (A) the gross negligence or willful misconduct of Lessee or any other user of the Aircraft or (B) a breach by Lessee or Permitted Sublessee of any of its representations or covenants under any Operative Document.

"Inspecting Party" has the meaning given to that term in Clause 21.13(b).

"Insurances" means any and all contracts or policies of insurance (or reinsurance) required to be maintained from time to time under this Agreement.

"International Interest" has the meaning given to that term in the Cape Town Convention.

"International Registry" means the registry established pursuant to the Cape Town Convention.

"Irish Tax Residence Certificate" means, to the extent that the Revenue Commissioners of Ireland continue to issue such certificates, a certificate issued by the Revenue Commissioners of Ireland, confirming that Lessor is resident in Ireland for tax purposes or, in the event the Revenue Commissioners of Ireland cease to issue such certificates, a copy of the acknowledgement (which will be redacted at the discretion of Lessor, but which will at a minimum show the name of Lessor) generated by the revenue online system which evidences the most recent Irish corporation tax filing made by Lessor or such other document evidencing the tax residence of Lessor in Ireland as Lessor and Lessee may mutually agree.

"Landing Gear" means (a) each landing gear assembly of the Aircraft identified by serial number in the Acceptance Certificate and (b) any landing gear assembly substituted for any such identified landing gear assembly in accordance with this Agreement, in each case including all attached or component Life Limited Parts.

"Landing Gear Equivalency Charge" shall mean the Landing Gear Equivalency Charge, if any, calculated pursuant to Part B of the Financial Terms Annex (Redelivery Maintenance Payment).

"Landing Gear Overhaul" means the full overhaul of any Landing Gear in accordance with the manufacturer's overhaul manual, at the time prescribed by the Maintenance Planning Document (but not, for the avoidance of doubt, the replacement, repair or overhaul of attaching components, parts or assemblies of the Landing Gear).

"Law of Insolvency Proceedings" means the (*"Ley de Concursos Mercantiles"*) of Mexico dated May 12, 2000 together with any interpretation amendment or revision made from time to time in respect thereto.

"Lease Commencement Date" shall mean the date Lessor and Lessee execute the Lease Commencement Date Confirmation.

"Lease Commencement Date Confirmation" means a lease commencement date confirmation to be executed and delivered by the parties substantially in the form appearing in Schedule 2.

"Lease Term" has the meaning provided in the Financial Terms Annex.

"Lease Termination Date" has the meaning provided in the Financial Terms Annex.

"Lessor Guarantee" means the Guarantee dated [____] between Lessor Guarantor, as guarantor, and Lessee.

"Lessor Guarantor" means Chorus Aviation Leasing Inc.

"Life Limited Part" means any Part which (as defined by the manufacturer) has a finite working life limited to a given number of hours, cycles or calendar months.

"Loss" means any and all liabilities, obligations, losses, damages, penalties, fines, claims (whether fraudulent, groundless, false or not), actions, suits, judgements, legal proceedings (whether civil or criminal), investigations, costs, disbursements and expenses (including legal fees and expenses of every kind and nature whatsoever) but not including Taxes.

"Maintenance Planning Document" means the latest revision to the Embraer E190-100 LR maintenance planning document, as issued by the Airframe Manufacturer.

"Major Modification" means any modification that (a) alters the fundamental nature of the Aircraft as a passenger and cargo carrying aircraft, (b) changes the interior cabin configuration, (c) alters the structure or performance of the Aircraft, (d) invalidates or impairs any warranty with respect to the Aircraft, the Airframe, any Engine or any Part, (e) adversely affects the eligibility of the Aircraft to obtain an airworthiness certificate from the Aviation Authority, the FAA or EASA, (f) results in a variation from the original type certificate for the Aircraft, (g) results in an Airworthiness Directive becoming applicable to the Aircraft or (h) is irreversible.

"Manufacturer's Maintenance Manual" means the individual manuals or maintenance data sets published by the Aircraft, Engine and Parts manufacturer (as the case may be).

"Mexican Aeronautic Registry" (*"Registro Aeronáutico Mexicano"*) means the Government Entity ascribed to the AFAC in charge of the registration of aircraft and other aircraft related interests in Mexico and any person, governmental, department, bureau, commission or agency succeeding to all or any of its functions.

"Mexico" means the United Mexican States, and vice-versa.

"Monthly Report" means a report in the form set out in Schedule 4 duly completed by Lessee.

"Net Total Loss Proceeds" means any Total Loss Proceeds actually received by Lessor (or such other person entitled to receipt thereof), less any Losses or Taxes incurred by Lessor (or any other relevant person) in connection with the collection or receipt of such funds.

"Obligor" means each of Lessee and Guarantor.

"OEM" means original equipment manufacturer.

"Operative Documents" means any or each or all (as the context may require) of this Agreement, [the 2015 Assignment and Assumption Agreement, the 2017 Assignment and Assumption Agreement,] the Lessor Guarantee, the Guarantee, the Acceptance Certificate, the Deregistration Power of Attorney, the IDERA, the Airframe Warranty Agreement, the Engine Warranty Agreement, the Assignment of Insurances, the Lease Commencement Date Confirmation, any Security Document to which Lessee is a party and all notices, acknowledgements, consents and certificates required from an Obligor hereunder or thereunder or entered into in connection herewith or therewith and any other document or agreement agreed from time to time by Lessor and Lessee to constitute an Operative Document.

"Original Delivery Date" means [____], the date on which the Aircraft was delivered in accordance with the Prior Lease.

"Original Engines" means the two CF34-10E6 engines bearing ESNs [____] and [____].

"Other Leases" means, as the context requires and at any applicable time, any other aircraft lease agreement(s) entered into between:

- (a) Lessor (or any Affiliate of Lessor); and
- (b) Lessee (or any Affiliate of Lessee);

but only for so long as (i) the lessor under such other lease(s) is Lessor (or an Affiliate of Lessor), and (ii) the lessee under such other lease(s) is Lessee (or an Affiliate of Lessee).

"Owner" means Lessor or such other person as Lessor may notify to Lessee in writing from time to time as being the owner of the Aircraft.

"Owner Participant" shall mean Shenton Aircraft Investment I Ltd.

"Parts" means all appliances, parts, accessories, instruments, navigational and communications equipment, furnishings, modules, components (other than complete Engines or engines), which may from time to time be incorporated or installed in or

attached to the Airframe or any Engine or which, having been removed from the Airframe or any Engine, remains the property of Owner in accordance with the terms of this Agreement.

"PBH Period" has the meaning given to it Clause 7.2 of this Agreement.

"PBH Rent" has the meaning given to it Clause 7.2 of this Agreement.

"PBH Rent Date" has the meaning given to it Clause 7.2 of this Agreement.

"Permitted Deductible" means US\$[_____].

"Permitted Security Interest" means in respect of the Aircraft or any Engine:

- (a) any Security Interest created or permitted by any Operative Document or any Financing Document;
- (b) any airport's, air navigation authority's, airport hangar keeper's, mechanic's, material man's, carrier's, employee's or other similar Security Interest arising in each case, in the ordinary course of business by statute or by operation of law in respect of obligations which are not overdue or which are being contested in good faith by appropriate proceedings (and for the payment of which adequate reserves have been provided) so long as any such proceedings or the continued existence of such Security Interests do not involve the likelihood that the respective interests of Lessor, Owner or any Financing Party in the Airframe, any Engine, any Part, or any Insurances will be adversely affected or of any criminal liability on the part of any Indemnitee;
- (c) any Security Interest for Taxes or any government or statutory charges or levies not yet assessed or if assessed not yet due and payable or if due and payable which Lessee is disputing or contesting in good faith by appropriate action or proceedings and for which adequate reserves are available so long as such action or proceedings do not involve any material risk of the seizure, sale, forfeiture or loss of the Aircraft or of any criminal liability on the part of any Indemnitee;
- (d) the rights of any other person under agreements or arrangements to the extent expressly permitted by the provisions of Clause 12 or Clause 14; and
- (e) any Indemnitee's Security Interest.

"Permitted Sublease" means any agreement for the leasing or hiring of the Aircraft by Lessee to a Permitted Sublessee as permitted by Clause 12.2.

"Permitted Sublessee" means (i) Grupo Aeroméxico S.A.B. de C.V., (ii) any entity of which Grupo Aeroméxico S.A.B. de C.V. owns directly or indirectly more than fifty per cent (50%) of the voting share capital, (iii) Delta Air Lines, Inc., or (iv) any airline that holds the requisite licences and approvals for the operation of an Embraer E190-100 LR

aircraft approved in writing by Lessor.

"PMA Part" means any Part manufactured by a holder of Parts Manufacturer Approval (or equivalent) issued by the FAA, EASA or other equivalent authority.

"Prior Lease" means that certain Aircraft Lease Agreement in respect of the Aircraft between [____], as initial lessor, and Lessee dated [____], as assigned, assumed, amended, and supplemented from time to time prior to the Lease Commencement Date.

"Prior Maintenance Reserves" shall mean the proceeds of any letters of credit provided by Lessee to Lessor (or a Financing Party) under the Prior Lease (less an amount equal to the Security Deposit deemed to be held by Lessor on the Lease Commencement Date) and not otherwise paid to Lessee by Lessor pursuant to the terms of the Prior Lease or paid directly to a service provider by Lessor (or Servicer) with Lessee's agreement, as more particularly described in the Financial Terms Annex.

"Protocol" when referred to individually, means the Protocol to the Cape Town Convention on matters specific to Aircraft Equipment, which is sometimes also referred to as the "Aircraft Equipment Protocol."

"Redelivery" means the return of the Aircraft to Lessor pursuant to and in accordance with Clause 21 and the other provisions of this Agreement and the technical acceptance of the Aircraft on such return by Lessor.

"Redelivery Check" means Lessee's next due "base" check in accordance with the Approved Maintenance Programme during the Lease Term and the revision of the MPD in effect six months prior to the Expiration Date, and includes all inspections, checks and work up to and including those required every 7,000 Flight Hours and 6,250 Flight Cycles of operation.

"Redelivery Condition" means the condition in which the Aircraft is required to be redelivered by Lessee to Lessor in accordance with the terms of Clause 21.

"Redelivery Location" means either (i) Lessee's maintenance facilities in Mexico or (ii) an airport in North America selected by Lessor with reasonable advance notice to Lessee.

"Redelivery Maintenance Payment" has the meaning set forth in Part B of the Financial Terms Annex.

"Relevant Event" means any Termination Event or any event which, with the giving of notice or lapse of time or the satisfaction of any other condition (or any combination thereof), would constitute a Termination Event.

"Relevant Obligations" means all obligations and amounts owed and payable by Lessee (or any Affiliate of Lessee) under each Operative Document and each Other Lease.

"Renewal Date" has the meaning provided in Clause 15.1.

"Renewal Lease Term" means, if applicable, any renewal of the Lease Term pursuant to Clause 22.6 for a period of twelve (12), twenty-four (24) or thirty-six (36) months duration.

"Rent" means the amount of per month payable pursuant to Clause 7.1 and calculated in accordance with Clause 7.2.

"Rent Collection Account" means the following account:

Correspondent Bank:	Wells Fargo Bank, New York
BIC/SWIFT:	PNBPUS3NNYC
Account Name:	Investec Bank plc, London
Bank Account No:	2000193501074
Swift Code:	IVESGB2L
Ref No:	GLO/54987341

or such other account at such bank as Lessor may specify in writing from time to time to Lessee.

"Replacement Engine" means an engine of the same manufacturer of the same or an improved model and suitable for use on the Airframe.

"Sanctions" has the meaning given to that term in Clause 13.8.

"Scab Patch" means any repair to a dent, deformation or penetration of the exterior surface of the Airframe.

"Security Agent" means any such person (if any) from time to time notified by Lessor to Lessee as security agent or trustee for the Financing Parties (or any of them).

"Security Deposit" has the meaning set forth in the Financial Terms Annex.

"Security Document" means (a) any mortgage or analogous Security Interest created over the Aircraft in favour of any Financing Party and/or (b) any assignment by way of security by Lessor or Owner in respect of its rights under any Operative Document to which it is a party in favour of any Financing Party (which may include an acknowledgement of notice of such assignment by Lessee).

"Security Interest" means any mortgage, charge, pledge, lien, hypothecation, lease, title retention, assignment, trust arrangement, right of possession or detention or security interest of any kind, howsoever created or arising.

"Security Letter of Credit" has the meaning given to that term in Clause 4.3.

"Serviceable" means that a system operates in compliance with the Aircraft Maintenance Manual specifications and limitations, disallowing consideration for any Minimum Equipment List deviation or other form of dispensation. In the case of an individual component part or assembly serviceable means the item is fit for its intended use and

purpose and complies with the relevant manufacturer's specifications and tolerances (and "**Serviceability**" shall be construed accordingly).

"**Service Bulletin**" means any optional, recommended, alert, standard or mandatory service bulletin or service information letter issued by the Airframe Manufacturer, the Engine Manufacturer or the manufacturer of any relevant Part.

"**Servicer**" means Chorus Aviation Capital (Ireland) Limited.

"**State of Registration**" means either Mexico or such other jurisdiction in which the Aircraft is (in accordance with Clause 16.2) then registered.

"**Structural Check Equivalency Charge**" shall mean the Structural Check Equivalency Charge, if any, calculated pursuant to Part B of the Financial Terms Annex (Redelivery Maintenance Payment).

"**Structural Checks**" means, with respect to the Airframe, a Structural Check, and shall be construed to imply either the 9 Year SC or the 12 Year SC (or the equivalent Structural Check if such 9 Year SCs and 12 Year SCs are no longer applicable), where:

- (a) "**9 Year SC**" means a structural, zonal and systems inspection of the Aircraft (and resulting repairs, if any) which accomplishes all tasks having an interval of nine (9) years as per the current revision of the Approved Maintenance Programme and such additional major structural, zonal and systems tasks performed concurrently therewith as may then be due based upon the performance intervals set out in the then-current revision of the Approved Maintenance Programme or if the Approved Maintenance Programme has been revised in respect of such Structural Check, an inspection which Lessor agrees in writing is equivalent in scope and content to the foregoing in accordance with the then-current revision of the Approved Maintenance Programme; and
- (b) "**12 Year SC**" means a structural, zonal and systems inspection of the Aircraft (and resulting repairs, if any) which accomplishes all tasks having an interval of twelve (12) years as per the current revision of the Approved Maintenance Programme and such additional major structural, zonal and systems tasks performed concurrently therewith as may then be due based upon the performance intervals set out in the then-current revision of the Ma Approved Maintenance Programme or if the Approved Maintenance Programme has been revised in respect of such Structural Check, an inspection which Lessor agrees in writing is equivalent in scope and content to the foregoing in accordance with the then-current revision of the Approved Maintenance Programme.

"**Taxes**" shall mean any and all present and future sales, use, personal property, customs, value-added, turnover, stamp, interest equalisation, income, profits or gains, gross receipts, or other taxes, levies, imposts, duties, fees or withholdings together with any penalties, fines, surcharges or interest thereon imposed, levied, or assessed by, or otherwise payable to, any Government Entity (and "**Taxation**" shall be construed accordingly).

"Technical Acceptance Certificate" means a certificate, in the form of Schedule 5, delivered or to be delivered by Lessor to Lessee pursuant to Clause 21.

"Termination Event" means any of the events or circumstances described in Clause 23.

"Total Loss" means any of the following events:

- (a) the agreed, actual, arranged, compromised or constructive total loss of the Airframe (including any damage to the Airframe which results in an insurance settlement on the basis of a total loss, or requisition for use or hire of the Airframe which results in an insurance settlement on the basis of a total loss); or
- (b) the Airframe being destroyed, damaged beyond practical or economic repair or permanently rendered unfit for normal use for any reason whatsoever; or
- (c) the Compulsory Acquisition of the Airframe; or
- (d) the hijacking, theft, or disappearance of the Airframe (i) for a period of thirty days or more or (ii) if earlier, beyond the Lease Termination Date; or
- (e) the condemnation, confiscation, capture, deprivation, seizure, deposit, attachment or requisition for use or hire of the Airframe or the deprivation of the possession or use of the Airframe as a result of any law or other action by the Aviation Authority or any Government Entity (other than where the same amounts to the Compulsory Acquisition of the Airframe) which deprives any person entitled to have possession and/or use of the Airframe of its possession and/or use (i) for more than a period of sixty consecutive days or (ii) if earlier, beyond the Lease Termination Date; or
- (f) any other case which by subsequent agreement Lessor and Lessee may deem, with the agreement of the insurers, to be a Total Loss.

A Total Loss with respect to the Aircraft shall be deemed to have occurred if a Total Loss occurs with respect to the Airframe.

"Total Loss Date" means (a) with respect to any Total Loss set forth in paragraph (a) of the definition thereof, the earliest of (i) the date of actual loss, (ii) the date on which the loss is agreed, arranged or compromised by the insurers and (iii) sixty days after the date of notice to Lessee's brokers or insurers claiming the loss, (b) with respect to any Total Loss set forth in paragraph (b) or (c) of the definition thereof, the date such event, condition or circumstance occurs or, if such date is not known, the date on which the relevant property was last heard of, (c) with respect to any Total Loss set forth in paragraph (d) or (e) of the definition thereof, the earlier of (i) the date on which insurers make payment on the basis of a Total Loss and (ii) the expiration of the period, or the continuation of the condition or circumstance beyond the date, described therein or (d) with respect to any

Total Loss set forth in paragraph (f) of the definition thereof, the date of the subsequent agreement reached by Lessor and Lessee, with the agreement of the insurers.

"Total Loss Proceeds" means the proceeds of any insurance required to be maintained by Lessee hereunder, or any compensation or similar payment arising, in respect of a Total Loss.

"Transferee" has the meaning given to that term in Clause 26.1.

"Transition Date" has the meaning given to it in Clause 7.1.

"VAT" means any value added, goods or services Tax or any Tax of a similar nature which replaces the same or is levied in addition to it.

["2015 Assignment and Assumption Agreement" means the Assignment, Assumption and Release Agreement dated [____] between [____], as assignor (not in its individual capacity but solely as owner trustee), as assignee.

"2017 Assignment and Assumption Agreement" means the Assignment, Assumption and Release Agreement dated [____] between [____], as assignor and Lessor as assignee.]

1.2 **Headings**

Clause headings and the table of contents are inserted for convenience of reference only and shall be ignored in the interpretation of this Agreement.

1.3 **Interpretation**

In this Agreement, unless the context otherwise requires:

- (a) references to Clauses and Schedules are to be construed as references to the clauses of, and schedules to, this Agreement and references to this Agreement include Schedules;
- (b) references to (or to any specified provision of) this Agreement or any other document shall be construed as references to this Agreement, that provision or that document as in force for the time being and as amended in accordance with the terms thereof or, as the case may be, with the agreement of the relevant parties and (where such consent is, by the terms of this Agreement or the relevant document required to be obtained as a condition to such amendment being permitted) the prior written consent of Lessor and Lessee;
- (c) references to a "law" or a "regulation" include any present or future statute, decree, constitution, regulation, rule, directive, requirement, request or guideline (whether or not having the force of law but compliance with which is customary) of any agent, authority, central bank or governmental department or any self-regulatory or other supra-national authority;

- (d) references to "applicable law" includes, without limitation (i) applicable laws, statutes, decrees, decree-laws, acts, codes, legislation, treaties, conventions and similar instruments and, in respect of any of the foregoing, any instrument passed in substitution therefor or for the purposes of consolidation thereof with any other instrument or instruments, in each case, as amended, modified, varied or supplemented from time to time, (ii) applicable final judgements, orders, determinations or awards of any court from which there is no right of appeal or if there is a right of appeal such appeal is not prosecuted within the allowable time, and (iii) applicable orders, rules and regulations of any state or government or any instrumentality, agency or sub-division thereof;
- (e) reference to a "consent" also includes an approval, authorisation, exemption, filing, licence, order, permission, recording or registration;
- (f) words importing the plural shall include the singular and vice versa;
- (g) references to a person shall be construed as including, references to an individual, firm, partnership, consortium, joint venture, association, company, corporation, joint-stock company, unincorporated body of persons and any Government Entity;
- (h) reference to "Lessor", "Owner", "Lessee", "Security Agent" or any other person shall include the successors, assigns and transferees of such person; and
- (i) references to any enactment shall be deemed to include references to such enactment as re-enacted, amended or extended.

1.4 **Terms in Operative Documents⁴**

Capitalized terms in any Operative Documents which have the meanings given to those terms in the Prior Lease shall be deemed to have the meanings given to the equivalent terms in this Agreement. Without limiting the foregoing:

- (a) references to the "Aircraft Lease Agreement" and to the "Lease" shall be deemed to refer to this "Agreement" (as defined herein);
- (b) references to "Default" shall be deemed to refer to "Relevant Event" (as defined herein);
- (c) references to "Event of Default" shall be deemed to refer to "Termination Event" (as defined herein);
- (d) references to "Event of Loss" shall be deemed to refer to "Total Loss" (as defined

⁴ NTD: For MSNs 19000200 & 19000208.

herein); and

- (e) references to "Term" shall be deemed to refer to "Lease Term" (as defined herein).

2. REPRESENTATIONS AND WARRANTIES

2.1 Lessee's Representations

Lessee represents and warrants to Lessor that:

- (a) Lessee is a *sociedad anónima promotora de inversión de capital variable* duly organized and validly existing under the laws of Mexico and has the corporate power and authority to carry on its business as it is being conducted;
- (b) Lessee has the corporate power to enter into and perform, and has taken all necessary corporate action to authorise the entry into, performance and delivery of each Operative Document to which it is a party and upon execution by the other parties thereto the Operative Documents to which it is a party will constitute its valid and legally binding and enforceable obligations;
- (c) the execution and delivery of, the performance of its obligations under, and compliance by Lessee with the provisions of, the Operative Documents to which it is a party will not (i) contravene any existing applicable law of Mexico, (ii) conflict with, or result in any breach of any of the terms of, or constitute a default under, any agreement or other instrument to which Lessee is a party or is subject or by which it or any of its property is bound, (iii) contravene or conflict with any provision of its constitutional documents or (iv) result in the creation or imposition of, or oblige it to create, any Security Interest over its undertaking or any of its assets, rights or revenues;
- (d) other than in connection with the Chapter 11 Cases, Lessee is not in default under any material agreement to which it is a party or by which it may be bound and, other than in connection with the Chapter 11 Cases, no litigation, arbitration or administrative proceeding is taking place or, to the best of its knowledge, pending or threatened against Lessee which could have a material adverse effect on its ability to perform its obligations under the Operative Documents to which it is a party;
- (e) except to the extent required for filing before any Government Entity and/or for registration of the relevant Operative Documents before the Mexican Aeronautic Registry, it is not necessary to ensure the legality, validity, enforceability or admissibility in evidence of each of the Operative Documents that any of them or any other instrument be notarised, filed, recorded, registered or enrolled in any court, public office or elsewhere in Mexico or that any stamp, registration or

similar tax or charge be paid in Mexico on or in relation to any of the Operative Documents or the Security Documents;

- (f) Lessee has received and complied with or will, prior to the Lease Commencement Date, receive and comply with, each Authorisation required for the valid authorisation, execution, delivery and performance of this Agreement and each other Operative Document, the validity and enforceability hereof and thereof and the compliance, satisfaction or performance by Lessee with or of all monetary and other obligations hereunder and thereunder and all such Authorisations are, or prior to the Lease Commencement Date will be, valid and in full force and effect;
- (g) the choice by Lessee of New York law to govern the Operative Documents to which it is a party and the submission by Lessee to the jurisdiction of the New York courts, to the jurisdiction of the courts of the Federal District of Mexico or in the courts of any other jurisdiction in Mexico where the Aircraft shall be located, as applicable, is valid and binding on Lessee;
- (h) other than in connection with the Chapter 11 Cases, in any proceedings taken in Mexico or the State of New York or any other jurisdiction in relation to any of the Operative Documents, Lessee will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process;
- (i) Lessee has paid or caused to be paid all Flight Charges in respect of all aircraft owned by or leased to or operated by it except any Flight Charges which are not overdue or which are being contested in good faith by appropriate proceedings (and for the payment of which adequate reserves have been provided) so long as any such proceedings or the continued non-payment of such Flight Charges do not involve the likelihood that the respective interests of Lessor, Owner or any Financing Party in the Airframe, any Engine, any Part, or any Insurances will be adversely affected or of any criminal liability on the part of any Indemnatee;
- (j) by reference to the facts and circumstances existing on the date on which this representation is made or deemed to be made, none of (i) the return or repossession by Lessor of the Aircraft at the end of the Lease Term or following the declaration of a Termination Event (ii) the deregistration of the Aircraft from the Mexican Aeronautic Registry maintained by the Aviation Authority and (iii) the export of the Aircraft from Mexico following the end of the Lease Term requires any Authorisation or the taking of any other action in respect of, nor is it forbidden by, any Government Entity of Mexico nor does it contravene any law of Mexico;
- (k) Lessee has fully disclosed to Lessor all facts which in Lessee's reasonable belief are material for disclosure to Lessor in the context of this Agreement and the transaction contemplated hereby, and Lessee knows of no material facts that

would render any information previously furnished by or on behalf of Lessee or Lessor inaccurate or misleading; and

(l) no Relevant Event has occurred and is continuing.

2.2 Repetition of Representations

Each representation set out in Clause 2.1 shall be deemed to be repeated on the Lease Commencement Date.

3. CONDITIONS PRECEDENT

3.1 Conditions Precedent

Lessor's obligation to lease the Aircraft to Lessee hereunder is subject to satisfaction of the following conditions precedent:

- (a) Lessor shall have received from Lessee (and Lessee hereby undertakes to provide to Lessor), on or before the Lease Commencement Date, each of the documents, evidence and payments specified in Schedule 3 in each case in form and substance satisfactory to Lessor;
- (b) all representations and warranties made by Lessee pursuant to Clauses 2.1 and 2.2 and by Guarantor in the Guarantee shall be true and accurate in all respects on the Lease Commencement Date; and
- (c) no Relevant Event shall have occurred and be continuing.

3.2 Waiver or Deferral of Conditions

If any condition precedent specified in Clause 3.1 is not satisfied before Delivery, Lessor may waive or defer satisfaction thereof on such terms and for such period as Lessor may determine and notify to Lessee in writing.

3.3 Conditions Subsequent

Lessee shall comply with and provide evidence of compliance with the conditions subsequent stated in Part 2 of Schedule 3 within the time period stated therein.

4. SECURITY DEPOSIT ARRANGEMENTS

4.1 Security Deposit

Lessee shall at all times during the Lease Term provide to Lessor a cash security deposit for Lessee's obligations as described in Clause 4.2. Lessor acknowledges that as of the date of this Agreement it holds a Security Deposit in the amount set forth in the Financial Terms Annex.

4.2 **Deposit Property of Lessor**

The Security Deposit shall be the absolute and unconditional property of Lessor, may be freely co-mingled by Lessor with its other funds and dealt with by Lessor in such manner as Lessor may see fit. If and to the extent that, under applicable law in any relevant jurisdiction, the Security Deposit is considered to be the property of Lessee, the Security Deposit shall be held by Lessor as security for the timely performance by Lessee of the Relevant Obligations and Lessee hereby assigns and charges in favour of Lessor, and hereby grants to Lessor a first priority Security Interest in, the Security Deposit to secure such payment and such performance, and in such circumstances Lessee shall not create any other Security Interest in or otherwise dispose of the Security Deposit. If a Termination Event shall occur and be continuing, in addition to any other rights Lessor may have under applicable law as a secured party or otherwise, Lessor may set-off against, use, apply or retain all or any part of the Security Deposit in full or partial payment of amounts due and payable by Lessee under any Operative Document or Other Lease to compensate Lessor for any expense it may incur as a result of, or to compensate Lessor for any loss suffered as a consequence of, the occurrence of any Termination Event or to apply toward Losses arising as a result of the occurrence of any Termination Event. If Lessor uses or applies all or any part of the Security Deposit, such use or application shall not be deemed a cure by Lessee, or waiver by Lessor or any other person, of any Termination Event and Lessee shall, within three Business Days after Lessor's demand, pay to Lessor in cash such amount as may be necessary to restore the Security Deposit to its original amount.

4.3 **Letter of Credit Option**

As an alternative to the provision of a Security Deposit in the form of cash pursuant to Clause 4.1, Lessee may, at any time during the Lease Term, elect to provide to Lessor a letter of credit complying with the requirements specified in Clause 4.4 (the "**Security Letter of Credit**", which term shall include any replacement letter of credit provided to Lessor under Clause 4.3, Clause 4.6 or Clause 4.7).

4.4 **Requirements for Letters of Credit**

Each Security Letter of Credit shall:

- (a) be denominated in and payable in Dollars in an amount equal to the Security Deposit;
- (b) be a first demand, irrevocable and absolute payment undertaking of the issuing bank payable on written demand without proof or evidence of entitlement or loss required;
- (c) be issued or confirmed and payable by a first class international bank with a minimum senior, long-term unsecured rating of at least "A3" from Moody's or "A-" from Standard & Poor's;

- (d) be issued or confirmed by, and be presentable for payment at sight at, an office of the bank referred to in paragraph (c) above in Singapore, London, Dublin, New York, or San Francisco;
- (e) have a non-cancellable term (i) expiring at least one month after the Expiration Date or (ii) of not less than 12 months, each commencing on the expiry date of the previous letter of credit, and with the last letter of credit having a term expiring at least one month after the Expiration Date; and
- (f) shall be in the form of Schedule 8 (or such form as Lessor may approve).

4.5 Lessor's rights under Letter of Credit

Lessor may make demand under a Security Letter of Credit at any time following the occurrence of a Termination Event which is continuing or if Lessee elects to provide a successive letter of credit in accordance with Clause 4.4(e) and fails to provide such successive letter of credit in accordance with Clause 4.6(b), and the aggregate amount paid to Lessor pursuant to that demand shall constitute the Security Deposit and shall be held or applied by Lessor in accordance with Clause 4.2. Any interest earned on the amount so paid to Lessor under a Security Letter of Credit shall be for Lessor's sole account.

4.6 Unenforceability and Replacement of Security Letter of Credit

- (a) If at any time (i) any Security Letter of Credit shall cease to constitute the legal, valid and binding obligations of the issuer thereof enforceable in accordance with its terms, or (ii) the issuer ceases to have the minimum senior, long-term unsecured debt rating specified in Clause 4.4(c), or (iii) the amount payable under any Security Letter of Credit shall cease to be freely available for drawing by Lessor, Lessee shall forthwith notify Lessor upon becoming aware of such circumstance and as soon as practicable and in any event within five Business Days thereafter either (A) deliver to Lessor a replacement letter of credit complying with the requirements of Clause 4.4, or (B) pay to Lessor a cash sum of an amount equal to the stated amount of the relevant Security Letter of Credit, to be held by Lessor in accordance with Clause 4.2 as if the same had been paid as the Security Deposit in accordance with Clause 4.1, whereupon Lessor shall redeliver to Lessee the relevant Security Letter of Credit.
- (b) If Lessee elects to provide successive letters of credit in accordance with Clause 4.4(e), Lessee shall provide Lessor, no later than 60 days prior to the expiry date of the then current letter of credit, either with a replacement letter of credit complying with the terms of Clause 4.4 or with a cash sum of an amount equal to the stated amount of the then current letter of credit.

4.7 **New Letter of Credit**

If Lessor draws funds under a Security Letter of Credit and Lessee subsequently cures all subsisting Relevant Events and all Relevant Obligations then falling due for performance have been performed or discharged in full, Lessee may deliver a new letter of credit to Lessor complying with the requirements of Clause 4.4.

4.8 **Return of Cash Security Deposit**

Upon receipt of a Security Letter of Credit, Lessor shall within five (5) Business Days pay to Lessee an amount equal to the cash Security Deposit then held by Lessor (to the extent not applied by Lessor pursuant to Clause 4.2), without interest and net of any withholding or other Taxes on such payment **provided** that Lessor shall not be obliged to pay any amount to Lessee under this Clause 4.8 for so long as any Relevant Obligation then falling due for performance is not fully discharged or performed.

5. **LEASING AND COMMENCEMENT**

5.1 **Agreement to Lease**

Lessor shall lease and Lessee shall take on lease the Aircraft, subject to the terms and conditions of this Agreement, for the Lease Term.

5.2 **Delivery**

It is acknowledged by Lessee that the Aircraft was delivered to and accepted by Lessee under the Prior Lease on the Original Delivery Date and is currently in the possession of Lessee and no physical delivery of the Aircraft by Lessor to Lessee will be required on the Lease Commencement Date. It is further acknowledged by Lessee that the Aircraft has been in the possession and operation of Lessee and that, subject to satisfaction or waiver of the conditions precedent set forth in Section 3.1 (*Conditions Precedent*) and Clause A of Schedule 3 (*Conditions Precedent*), Lessor shall lease the Aircraft to Lessee and Lessee shall have no right to reject the Aircraft under this Agreement due to any defects or deficiencies in its condition on the Lease Commencement Date. Without prejudice to Section 3.1 (*Conditions Precedent*), execution of the Lease Commencement Date Confirmation by Lessee shall constitute conclusive proof as between Lessor and Lessee that Lessee has irrevocably and unconditionally accepted the Aircraft under this Agreement without any reservations or exceptions whatsoever.

6. **LESSOR'S WARRANTIES**

6.1 **Quiet Enjoyment**

(a) With effect from the Lease Commencement Date, Lessor warrants and undertakes that, throughout the Lease Term and for so long as no Termination Event has occurred and is continuing, Lessor shall not interfere with the use, possession and quiet enjoyment of the Aircraft by Lessee. Exercise by Lessor or, if applicable,

a Financing Party of its rights under any Lessee Document shall not be considered to be a breach of the foregoing covenant.

- (b) Lessor shall procure that each of Owner (if Lessor is not the Owner) and any Security Agent holding a mortgage or other Security Interest in the Aircraft shall give an undertaking to Lessee on terms substantially similar to the terms of Clause 6.1(a).

6.2 Waiver of Implied Warranties

- (a) THE AIRCRAFT WILL BE ACCEPTED BY LESSEE HEREUNDER "AS IS, WHERE IS", AND LESSEE AGREES AND ACKNOWLEDGES THAT NEITHER LESSOR, OWNER, ANY FINANCING PARTY NOR ANY OTHER INDEMNITEE WILL HAVE ANY LIABILITY IN RELATION TO, AND NEITHER LESSOR, OWNER, ANY FINANCING PARTY NOR ANY OTHER INDEMNITEE HAS NOR WILL BE DEEMED TO HAVE MADE OR GIVEN, ANY CONDITIONS, WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, WITH RESPECT TO THE AIRCRAFT, INCLUDING BUT NOT LIMITED TO:
 - (i) THE DESCRIPTION, AIRWORTHINESS, MERCHANTABILITY, SATISFACTORY CONDITION, COMPLIANCE WITH THE REQUIREMENTS OF CLAUSE 5 AND/OR SCHEDULE 1, FITNESS FOR ANY USE OR PURPOSE, VALUE, CONDITION, OR DESIGN, OF THE AIRCRAFT OR ANY PART; OR
 - (ii) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY IN TORT, WHETHER OR NOT ARISING FROM LESSOR'S, ANY FINANCING PARTY'S AND/OR ANY OTHER INDEMNITEE'S NEGLIGENCE, ACTUAL OR IMPUTED; OR
 - (iii) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY FOR LOSS OF OR DAMAGE TO THE AIRCRAFT, FOR ANY LIABILITY OF LESSEE TO ANY THIRD PARTY, OR FOR ANY OTHER DIRECT OR INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES.
- (b) LESSEE HEREBY WAIVES, AS BETWEEN ITSELF AND LESSOR, OWNER, EACH FINANCING PARTY AND EACH OTHER INDEMNITEE, ALL ITS RIGHTS IN RESPECT OF ANY CONDITION, WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, ON THE PART OF LESSOR AND SUCH OTHER PERSONS AND ALL CLAIMS AGAINST LESSOR, OWNER, EACH FINANCING PARTY AND EACH OTHER INDEMNITEE HOWSOEVER AND WHENEVER ARISING AT ANY TIME IN RESPECT OF OR OUT OF, IN EACH CASE, THE AIRCRAFT, INCLUDING ITS

CONDITION, COMPLIANCE WITH THE REQUIREMENTS OF CLAUSE 5 AND/OR SCHEDULE 1, OPERATION OR PERFORMANCE.

- (c) LESSEE CONFIRMS THAT IT IS IN THE BEST POSITION OF ANY PERSON TO JUDGE THE AIRWORTHINESS, DESCRIPTION, CONDITION, AND OPERATION OF THE AIRCRAFT AND IT IS FULLY AWARE OF THE PROVISIONS OF THIS CLAUSE 6.2 AND ACKNOWLEDGES THAT THE RENT AND OTHER AMOUNTS HAVE BEEN CALCULATED HAVING DUE REGARD FOR THE PROVISIONS OF THIS CLAUSE 6.2.

6.3 **Manufacturers' Warranties**

Provided no Termination Event shall have occurred and be continuing, Lessor agrees to assign or otherwise make available to Lessee, without representation, warranty or recourse of any kind, express or implied, such rights as Lessor may have with respect to the Airframe under any warranty of the Airframe Manufacturer and the Engine Manufacturer with respect to the Airframe and Engines, to the extent the same may legally be assigned or otherwise made available to Lessee. Lessor further agrees, if requested by Lessee and at Lessee's expense, to take such further action as Lessee may reasonably request to confirm Lessee's authority to enforce any warranty rights in Airframe, Engine or any other Part and to assist Lessee in the enforcement thereof.

7. **RENT**

7.1 **Fixed Rent Period**

- (a) The Lease Term shall be divided into (i) an initial PBH Period and (ii) after the PBH Period, successive periods (each a "**Fixed Rent Period**") in respect of which Fixed Rent shall accrue and be payable.
- (b) The first Fixed Rent Period shall commence on the date immediately following the PBH Period (the "**Transition Date**") and each subsequent Fixed Rent Period shall commence on the date immediately following the last day of the previous Fixed Rent Period.
- (c) Each Fixed Rent Period shall be of one month's duration except that (i) if the Transition Date occurs on the second day through the fifteenth day of a calendar month, the first Fixed Rent Period shall end on the fifteenth day of that calendar month, (ii) if the Transition Date occurs on the sixteenth day through the last day of a calendar month the first Fixed Rent Period shall end on the last day of that calendar month, and (iii) with respect to the final Fixed Rent Period, if it would not otherwise end on the Expiration Date, it shall end on the Expiration Date.

7.2 **PBH Period**

- (a) The PBH Rent shall be paid from the Lease Commencement Date until the earlier of (i) year-end [REDACTED] and (ii) the date that Lessee's fleetwide

average utilization for the same aircraft type as the Aircraft reaches a minimum of 90% of the monthly utilization for each of the six (6) consecutive months corresponding to the same months from January 2019 through December 2019 as set out in Schedule 9, Clause 5 (the "**PBH Period**").

- (b) For each calendar month (or part thereof) in the PBH Period during the Term, Lessee will provide a utilization report to Lessor by the fifteen (15th) day of the immediately succeeding calendar month and make a payment of the PBH Rent by the later of (x) the twentieth (20th) day of such calendar month and (y) three (3) Business Days after receiving Lessor's invoice in respect of the PBH Rent (the "**PBH Rent Date**").

7.3 **Rent Date**

- (a) During the PBH Period, Lessee shall pay the PBH Rent to Lessor in arrears on each PBH Rent Date.
- (b) Other than during the PBH Period, during the Term, Lessee shall pay Fixed Rent to Lessor in arrears on each Fixed Rent Date.

7.4 **Calculation of Rent**

- (a) Fixed Rent payable in respect of each Fixed Rent Period shall be calculated as set forth in Clause 1 of Part A of the Financial Terms Annex.
- (b) PBH Rent payable in respect of the PBH Period shall be the amount in Clause 1 of Part A of the Financial Terms Annex.
- (c) If any Fixed Rent Period has a duration of less than a month, the Fixed Rent payable for that Fixed Rent Period shall be prorated by multiplying the amount of the Fixed Rent for that Fixed Rent Period by a fraction the numerator of which is the number of days in that Fixed Rent Period and the denominator of which is 30.

7.5 **Additional Amounts**

Lessee shall promptly pay to Lessor (or to whoever shall be entitled thereto) all Additional Amounts, as the same shall become due and payable following notification (accompanied by appropriate supporting evidence of the amount claimed) of the amount so payable in accordance with the terms of this Agreement. If Lessee shall fail to pay any Additional Amount, Lessor shall have all rights, powers and remedies provided herein or by law or equity or otherwise in the case of non-payment of Rent.

7.6 **Obligations to Pay Rent Unconditional**

Lessee's obligation to pay Rent and make all other payments in accordance with this Agreement shall be absolute, unconditional and non-refundable and irrespective of any contingency whatsoever including (but not limited to):

- (a) any unavailability of the Aircraft for any reason, including, but not limited to, any defect in the airworthiness, merchantability, satisfactory condition, fitness for any purpose, condition, design or operation of any kind or nature of the Aircraft; or
- (b) the ineligibility of the Aircraft for any particular use or trade, or for registration or documentation under the laws of any relevant jurisdiction; or
- (c) the Total Loss (subject to Clause 19.5) of, or any damage to, the Aircraft, Airframe or any Engine; or
- (d) any set-off, counterclaim, recoupment, defence or other rights which Lessee may have against Lessor, any Financing Party or any other person; or
- (e) any failure or delay on the part of any party hereto in performing or complying with any of the terms or conditions of this Agreement; or
- (f) to the extent permitted by applicable law, any insolvency, bankruptcy, administration, reorganisation, arrangement, readjustment of debt, dissolution, liquidation or similar proceedings by or against Lessor, any Financing Party or Lessee; or
- (g) any lack of due authorisation of, or other defect in, this Agreement or any other Operative Document.

Notwithstanding the foregoing, if as a direct result of a breach by Lessor of its covenant contained in Clause 6.1(a) Lessee is deprived of the quiet use and enjoyment of the Aircraft in such a way as to prevent Lessee from operating the Aircraft, Lessee shall provide written notice to Lessor of the circumstances to Lessor and Lessee shall be entitled to a credit in an amount equal to the Rent it paid to Lessor during the period when Lessee was prevented from operating the Aircraft due to Lessor's breach of the said covenant. Apart from the foregoing in respect of Lessor's breach of its covenant contained in Clause 6.1(a), Lessee agrees that its only right with respect to a default by Lessor under the Lease is to make a claim against Lessor for actual damages resulting directly therefrom, subject to Clause 27.11 hereof.

8. PAYMENTS, INTEREST AND CALCULATIONS

8.1 Payment to Lessor

All payments to be made by Lessee to Lessor under any Operative Document shall be made (unless specifically otherwise provided in such Operative Document) for value on the day on which payment is due to the Rent Collection Account or, upon at least 5 Business Days' written notice, to such other account as Lessor may specify to Lessee.

8.2 Payments on Non-Business Days

When any payment under any Operative Document would otherwise be due to Lessor on a day that is not a Business Day, the due date for payment shall be the next succeeding Business Day.

8.3 **Late Payment**

If Lessee fails to pay to Lessor any sum (including, without limitation, any sum payable pursuant to this Clause 8.3) on its due date for payment under this Agreement or any other Operative Document, Lessee shall pay to Lessor on demand interest on such sum from the due date up to the date of actual payment (as well after as before any relevant judgement) at the Default Rate.

8.4 **Calculation of Interest**

All interest and other payments of an annual nature by each party under this Agreement or any other Operative Document shall accrue from day to day and be calculated on the basis of actual days elapsed and a 360 day year.

8.5 **Certificates**

Any certificate from or determination by Lessor as to the rate of interest or any other amount pursuant to and for the purposes of this Agreement or any other Operative Document shall, in the absence of manifest error, be conclusive evidence of the rate or amount so certified or determined.

8.6 **Currency Conversion**

If any sum due from Lessee to Lessor hereunder or under any order or judgement given or made in relation hereto has to be converted from the currency (the "**first currency**") in which the same is payable under such Operative Document or under such order or judgement into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against Lessee, (b) obtaining an order or judgement in any court or other tribunal or (c) enforcing any order or judgement given or made in relation to such Operative Document, Lessee shall indemnify and hold harmless Lessor from and against any loss suffered as a result of any difference between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which the recipient may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgement, claim or proof.

8.7 **Retention of Certain Payments**

Any amount referred to in any Operative Document which is payable to or retainable by Lessee shall not be paid to or retained by Lessee at any time when a Relevant Event shall have occurred and be continuing, but instead such amount shall be paid to or held by Lessor as security for the Relevant Obligations to be held and applied in accordance with the provisions of this Agreement. At such time as there shall not be continuing any Relevant Event, such amount shall be paid to Lessee to the extent not applied in accordance with the preceding sentence. Where Lessor would, but for this Clause 8.7 or any similar

provision, be obliged to make any payment to Lessee, Lessor may elect to make such payment but shall be entitled to deduct or withhold from such payment any amount then due and payable but unpaid by Lessee under or in respect of the Relevant Obligations.

8.8 Application of Monies

Lessor may apply any amount received from Lessee which is less than the full amount then due and owing to Lessor in respect of the Relevant Obligations in such proportions, order and manner as Lessor may, in its absolute discretion, determine, notwithstanding any designation or instruction for application that may have been made by Lessee.

9. GENERAL INDEMNITY

9.1 General Indemnity

Lessee agrees to indemnify and hold harmless each Indemnatee from and against and to pay on such Indemnatee's first demand all Losses suffered or incurred by such Indemnatee:

- (a) relating to, or arising directly or indirectly in any manner or for any cause or reason whatsoever out of the Aircraft, the Airframe, any Engine or engine installed on the Aircraft, any Part, any Aircraft Documentation, including without limitation the delivery of the Aircraft by Lessor to Lessee hereunder, the capacity, age, airworthiness, value, durability, description, specific configuration, design, workmanship, materials, manufacture, construction, testing, delivery, import to the initial or any other State of Registration or operation, export (including, without limitation, any export at Redelivery to the Redelivery Location), ownership, registration, possession, control, use, operation (including, without limitation, Flight Charges), leasing, sub-leasing, insurance, maintenance, repair, refurbishment, condition (whether of the Aircraft, any Engine, any Part or the Aircraft Documentation), performance, fitness for any particular use or purpose or suitability of the Aircraft or any part thereof, service, overhaul, modification, change, alteration, loss, damage, removal, storage or re-delivery of, in or to the Aircraft or the Insurances, or otherwise in connection with the Aircraft, or relating to loss or destruction of or damage to any property, or death or injury of, or other loss of whatsoever nature suffered by, any person caused by, relating to, or arising from or out of (in each case whether directly or indirectly arising) in relation to any of the foregoing matters; or
- (b) which may at any time be made or brought on the ground of latent or other defects or deficiencies therein, whether or not discoverable, known or unknown, apparent or concealed, exterior or interior; or
- (c) which may at any time be made or brought on the ground that any design, article or material in the Aircraft or the operation or use thereof constitutes an infringement of any patent, intellectual property right or any other right whatsoever; or

- (d) relating to or arising out of any injury to or the death of any employee, officer, agent or representative of Lessee during any inspection or test flight of the Aircraft undertaken before Delivery or at Redelivery; or
- (e) which may at any time be incurred by such Indemnatee in preventing or attempting to prevent the arrest, attachment, deposit, confiscation, seizure, taking in execution, impounding, forfeiture or detention of the Aircraft, or in securing the release of the Aircraft or in connection with and following any Total Loss,

provided that Lessee shall have no obligation to indemnify any Indemnatee in respect of any Loss pursuant to this Clause 9.1 to the extent that such Loss:

- (i) is suffered or incurred as a consequence of the fraud, wilful misconduct or reckless disregard (with knowledge of the probable consequences) of such Indemnatee;
- (ii) arises as a consequence of the breach by such Indemnatee of the express terms of any Operative Document to which it is a party;
- (iii) arises or is attributable to acts or events occurring after Redelivery (unless Redelivery results from the termination of the Lease Term by reason of the occurrence of a Termination Event);
- (iv) immediately arises out of and as a consequence of the assignment, transfer or disposal by such Indemnatee of its interest in the Aircraft, the Operative Documents or the Financing Documents to which it is a party (but without prejudice to the rights of the relevant assignee, transferee or disposee as an Indemnatee hereunder following such assignment, transfer or disposal);
- (v) constitutes ordinary and usual operating expenses of such Indemnatee; or
- (vi) is attributable to an Indemnatee's Tax or is in respect of a Claim or Loss relating to Taxes, which is instead subject to Clause 10.

9.2 **Losses Following Termination Event**

Lessee shall pay to Lessor on demand all Losses incurred by Lessor or any other Indemnatee arising out of or in connection with the occurrence of a Termination Event including, without limitation, in connection with the enforcement against Lessee of, or preservation as against Lessee of any rights of Lessor, Owner or any Financing Party under, any Operative Document, or otherwise in respect of moneys owing by Lessee under any Operative Document, or in respect of breach by Lessee of any representation, warranty or agreement therein contained or incurred as a consequence of Lessee's failure to take delivery of the Aircraft in accordance with the terms of this Agreement or any failure by Lessee to redeliver the Aircraft to Lessor in accordance with Clause 21, together with

interest at the Default Rate from the date on which such expenses were incurred to the date of payment (as well after as before judgement). All Losses payable pursuant to this Clause 9.2 shall be paid together with any value added tax or similar tax thereon (if any), and in the currency in which the same are incurred by Lessor and without any deductions or withholdings.

9.3 **Continuing Liability**

The indemnities by Lessee in favour of the Indemnitees contained in this Agreement in respect of events or circumstances arising (whether known or not) during the Lease Term shall continue in full force and effect notwithstanding the termination of the leasing of the Aircraft to Lessee and/or redelivery of the Aircraft to Lessor under this Agreement.

10. **TAXATION**

10.1 **Tax Indemnity**

Lessee agrees promptly to pay and to indemnify and hold harmless each Indemnatee from and against all Taxes (except any Indemnatee's Tax) which arise or become payable at any time in respect or by reason of the leasing, sub-leasing or chartering of the Aircraft, or the acceptance, importation, export (including, without limitation, the export from the State of Registration on the Lease Termination Date to the Redelivery Location), delivery, non-delivery, redelivery, registration, possession, use, presence, control, substitution, operation, condition, storage, modification, alteration, maintenance, insurance, repair, replacement, location, loss, destruction, mechanical failure, repossession, ownership, legal or beneficial title to the Aircraft or any part thereof or interest therein, or of any equipment incidental to or used for any purpose connected with the Aircraft, together with reasonable costs and expenses incurred in connection with such Taxes and not indemnified under any other provision of this Agreement.

10.2 **Gross-Up**

If at any time Lessee is required by law to make any deduction or withholding in respect of Taxes imposed or levied by any Government Entity or any political subdivision or taxing authority thereof or therein or by any international or supranational taxing authority (together, "**Taxing Authorities**" and individually a "**Taxing Authority**") from any payment due by Lessee to Lessor or any Indemnatee:

- (a) If such Taxes are not Indemnatee's Taxes (other than in the case of Mexican withholding taxes), the sum due from Lessee in respect of such payment shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding (including any deduction or withholding with respect to such additional amount), Lessor or the relevant Indemnatee receives on the due date for such payment a net sum equal to the sum which it would have received had no such deduction or withholding been required to be made;

- (b) Lessee shall pay to the relevant authority within the time period allowed by applicable law the full amount of the deduction or withholding (including, but without limitation the full amount of any deduction or withholding from any increased amount paid pursuant to this Clause 10.2);
- (c) Lessee shall indemnify Lessor or the relevant Indemnitee against any losses or costs incurred by Lessor or that Indemnitee by reason of any failure of Lessee to make any such deduction or withholding or by reason of any increased payment not being made on the due date for such payment; and
- (d) Lessee shall promptly deliver to Lessor any receipt, certificates or other proof, or certified copies thereof, evidencing the amounts (if any) paid or payable in respect of any deduction or withholding as aforesaid.

10.3 **Stamp Taxes**

Lessee shall pay or procure payment of all stamp, documentary, registration or other like Taxes (including any such Taxes payable by any Indemnitee) imposed on or in connection with the Operative Documents.

10.4 **Tax on Indemnity Payments**

If any payment which Lessee is obliged to pay to any Indemnitee under Clause 9.1 or Clauses 10.1 or 10.3 proves to be insufficient, as a result of Taxation thereon, for such Indemnitee to discharge the corresponding indemnified Losses or Tax, Lessee shall pay to such Indemnitee on demand such additional sum as is equal to the amount which (after taking into account any further Taxation thereon) is required to make up the deficit.

10.5 **VAT**

All amounts expressed to be payable by Lessee hereunder exclude any applicable VAT. If Lessor is required to charge or to withhold VAT levied in Mexico (or, if different, in the State of Registration or the habitual base of the Aircraft) on any such payment (or on the relevant supply hereunder in consideration of which such payment is made) Lessee shall pay such VAT to Lessor in addition to the amount expressed to be payable by Lessee hereunder.

10.6 **Lessor Tax Domicile and Tax Residency Certificate**

Lessor shall on the Lease Commencement Date, and annually thereafter throughout the Lease Term, provide to Lessee a copy of its Irish Tax Residence Certificate (unless, without prejudice to Clause 26.1, Lessor is not eligible for an Irish Tax Residence Certificate in which case Lessor shall provide Lessee with a copy of its tax residence certificate from the relevant jurisdiction) and, from time to time as reasonably requested by Lessee, exercise its commercially reasonable efforts to provide such other duly executed and properly completed forms by each Indemnitee as such Indemnitee may be permitted and legally able to deliver and as may be necessary or appropriate in order to

claim any reduction of, or exemption from any Tax which Lessee may be required to pay or indemnify against hereunder (provided, however, that no Indemnatee shall be obliged to disclose any information which (i) is commercially sensitive in nature and the disclosure of such information would have an adverse effect on the business or operations or financial condition of such party, or (ii) would interfere with the right of such party to arrange its Tax or other affairs in whatever manner it sees fit). Lessor represents as of the Lease Commencement Date that (i) it is resident of Ireland for tax purposes and is subject to Irish tax legislation and (ii) does not have an office located in Mexico and does not have any directors that are Mexican residents. If the foregoing situation changes, Lessor shall promptly notify Lessee and will exercise its commercially reasonable efforts to mitigate the extent of such change, taking into consideration Lessor's own tax position among other factors and without prejudice to Lessee's obligations under Clause 10.2 to gross up payments that are subject to withholding taxes.

10.7 **Contest Rights.**

- (a) If a written notice of any claim is made against any Indemnatee for any Taxes for which Lessee is required to pay or against which Lessee is required to indemnify such Indemnatee, such Indemnatee shall promptly notify Lessee thereof in writing; provided that a failure to so notify will not diminish, or relieve Lessee of, any obligations thereunder, except to the extent (and only to such extent) Lessee's or such Indemnatee's successful defense of such claim is actually prejudiced thereby or Lessee's liability for costs or Taxes is increased.
- (b) If reasonably requested by Lessee in writing within thirty (30) days of Lessee's receipt of notice of such claim, and to the extent that there are lawful means available by which to do so, such Indemnatee shall, provided that no Relevant Event shall have occurred and be continuing, in good faith diligently contest by pursuing all administrative appeals in the name of such Indemnatee, or in such Indemnatee's discretion if requested by Lessee, contest in the name of Lessee (or permit Lessee, in such Indemnatee's discretion if requested by Lessee, to contest in the name of such Indemnatee) the validity, applicability or amount of such Taxes by (i) resisting payment thereof, if practicable, (ii) paying the same only under protest, if protest is necessary and proper, or (iii) if payment shall be made, seeking a refund thereof in appropriate administrative proceedings; provided that (A) such Indemnatee shall have determined in good faith that such contest shall not (i) result in any material risk of sale, forfeiture or loss of, or creation of any Lien on, the Aircraft (or any part thereof), or (ii) expose such Indemnatee to any risk of criminal liability, (B) if such contest is to be initiated by the payment of, and the claiming of a refund for, such Taxes, Lessee shall have advanced to such Indemnatee sufficient funds (on an interest-free basis and, if such Indemnatee shall have determined in good faith that such advance results in taxable income to such Indemnatee, on an after-tax basis) to make such payment, (C) the actions taken (or to be taken) in connection with such contest could not reasonably be expected to adversely affect such Indemnatee's or its Affiliates' reputation or business interests or breach its internal policies or that may subject it to any cost, expense or liability that is not paid or indemnified by Lessee, (D) the contest is not for a Tax, the imposition of which has been previously contested by Lessee or such Indemnatee, and such contest (including

all allowable appeals) was decided adversely to Lessee or such Indemnatee and no change in facts or law has occurred since then, and (E) Lessee shall at all times have sufficient cash reserves (as demonstrated to such Indemnatee's reasonable satisfaction) to satisfy its indemnification obligations to such Indemnatee and shall advance or reimburse, promptly on demand by such Indemnatee, all reasonable out of pocket costs (including the costs of legal counsel and other professional advisers) incurred in connection with such contest. Nothing contained in this Clause 10.7 shall require any Indemnatee to contest, or permit Lessee to contest in the name of such Indemnatee, any claim if such Indemnatee has waived payment by Lessee of any amount that might otherwise be payable by Lessee in connection with such claim.

10.8 **Verification**

At Lessee's written request within thirty (30) days following Lessee's receipt of any Indemnatee's claim for an indemnity pursuant to this Clause 10, or of an amount otherwise payable on an after-Tax basis pursuant to this Agreement, the amount of such claim shall, if the claim is capable of quantification at such time, be subject to confidential verification in writing by an internationally recognized firm of certified public accountants selected by Lessee and reasonably acceptable to such Indemnatee (which, for the avoidance of doubt, shall not have any relationships with Lessee, or any of its Affiliates or Permitted Sublessees, that could reasonably be expected to interfere with their independent judgment). The accounting firm shall be requested to complete its review within thirty (30) days of Lessee's request for such verification. The computations of such accounting firm shall (i) be delivered simultaneously to Lessee and such Indemnatee and (ii) absent prima facie error, be final, binding and conclusive upon Lessee and such Indemnatee. If Lessee pays any indemnity in whole or in part before completion of the verification procedure, appropriate adjustments will be made promptly after completion of the verification procedure to take into account any redetermination of the indemnity by the accounting firm. The fee and disbursements of such accounting firm shall be paid by Lessee unless such verification shall disclose an error in such Indemnatee's claimed indemnity amount in favour of such Indemnatee exceeding twenty percent (20%), in which case such fee and disbursements shall be shared evenly between Indemnatee and Lessee. Lessee and such Indemnatee shall cooperate with such accounting firm and (subject to such accounting firm's execution of a confidentiality agreement reasonably satisfactory to Lessee and such Indemnatee) shall supply such accounting firm with all information reasonably necessary to permit such review and determination (provided, however, that (i) such Indemnatee shall not be obliged to disclose any information which is legally privileged, and (ii) such accounting firm shall promptly delete all information furnished by such Indemnatee upon completion of the verification).

10.9 **Refunds**

- (a) If any payment is made by Lessee under Clause 9.1 or Clause 10, and an Indemnatee in good faith determines that it has actually received a credit against, or relief or remission for, or repayment or a refund of, any Tax paid or payable by such Indemnatee in respect of or calculated with reference to Taxes or deduction or withholding giving rise to such payment by Lessee, such Indemnatee shall, to the extent that it can do so without prejudice to the retention of the amount of such credit, relief, remission or repayment and without leaving such Indemnatee in any worse position than that in which it would have been had such deduction or withholding not been required to be made, pay to Lessee

such amount as such Indemnatee shall in good faith have determined to be attributable to the relevant Taxes, deduction or withholding (but in no event exceeding the amount paid by Lessee by way of indemnity for such Tax, deduction or withholding).

Nothing in this Clause 10.9(a) shall:

- (i) interfere with the right of any Indemnatee to arrange its tax affairs in whatever manner it thinks fit and, in particular, but without limitation, no Indemnatee shall be under any obligation to claim credit, relief, remission or repayment from or against its corporate profits or similar Tax liability in respect of the amount of any such deduction or withholding in priority to any other claims, reliefs, credits or deductions available to such Indemnatee; or
- (ii) oblige Lessor to disclose any information relating to its Tax affairs or any computations in respect thereof.

11. COVENANTS

Lessee shall:

- (a) promptly inform Lessor of any Relevant Event forthwith upon becoming aware thereof;
- (b) obtain or cause to be obtained, maintain in full force and effect and comply in all material respects with the conditions and restrictions (if any) imposed on, or in connection with, every Authorisation of governmental or public bodies or authorities or courts and do, or cause to be done, all other acts and things, which may from time to time be necessary under any applicable laws in the State of Registration for the continued due performance of all its obligations under the Operative Documents;
- (c) not later than 180 days or, if earlier, as soon as the same become publicly available following the end of each financial year, furnish to Lessor the audited financial statements for that financial year (including a balance sheet, statement of cash flows and profit and loss statement) of each Obligor, prepared in English and in accordance with the Financial Information Norms and the international financial reporting standards, consistently applied and stating in comparative form the respective figures as of the end of and for the preceding financial year;
- (d) not later than 90 days following the end of the first six months of each financial year, furnish to Lessor the unaudited financial statements for that six month period (including a balance sheet, statement of cash flows and profit and loss statement) of each Obligor, prepared in English and in accordance with the Financial Information Norms and the international financial reporting standards, consistently applied and stating in comparative form the respective figures as of the end of and for the preceding six month period;

- (e) promptly upon becoming aware of same, give to Lessor notice in writing of the commencement of any action, suit or proceeding unrelated to the Chapter 11 Cases by or before any Government Entity which, if adversely determined, would have a material adverse effect on Lessee's ability to perform its obligations hereunder or under any other Operative Document;
- (f) promptly provide Lessor with such additional information as Lessor may from time to time in writing reasonably require;
- (g) promptly provide Lessor, at its request, with a list of the airports to which Lessee (or any Permitted Sublessee then in possession of the Aircraft) routinely operates the Aircraft and, at Lessor's request, provide evidence satisfactory to Lessor regarding the status of Lessee's (and any such Permitted Sublessee's) payment of all Flight Charges;
- (h) not do or permit to be done any act or thing which might jeopardise the rights of Lessor, Owner or any Financing Party under any Operative Document or Security Document in and to the Aircraft, the Insurances or any other collateral relating hereto or thereto;
- (i) not create or permit to subsist any Security Interest (save for Permitted Security Interests) over the Aircraft, any Permitted Sublease or the whole or any part of the Insurances;
- (j) not permit the Aircraft to be attached, seized, held in deposit or detained in whatever manner, shall immediately notify Lessor in the event of such attachment, seizure, deposit or detention and shall procure the immediate release of the Aircraft upon any such attachment, seizure, deposit or detention;
- (k) to the extent that any rights of ownership or possession in respect of the Aircraft (including any Part thereof and the Aircraft Documentation) are challenged in any form as a result of proceedings between Lessee and any of its labor unions, Lessee shall, to the extent permitted by applicable law, (i) promptly notify Lessor in writing of the nature and basis of such challenge, and (ii) execute such documents and make such filings and registrations as are necessary or advisable to protect the rights and interests of Lessor and/or Owner in the Aircraft;
- (l) continue to operate, as a substantial portion of its business, a passenger airline service, preserve its corporate existence and generally conduct its business in an orderly and efficient manner;
- (m) not at any time:
 - (i) represent or hold out Lessor, Owner or any other Financing Party as carrying goods or passengers on the Aircraft or as being in any way

connected or associated with any operation or carriage (whether for hire or reward or gratuitously) which may be undertaken by Lessee; or

- (ii) pledge the credit of Lessor, Owner or any other Financing Party;
- (n) pay and discharge or cause to be paid and discharged when due and payable or make adequate provision by way of security or otherwise for all debts, damages, claims and liabilities which have given or might give rise to a Security Interest (except an Indemnatee's Security Interest) or to any right of detention, seizure, attachment or deposit over or affecting the Aircraft, the Engine or any Part, or to the disruption or suspension, whether temporary or otherwise, of the operations of Lessee;
- (o) not attempt, or hold itself out as having any power, to sell or otherwise dispose of the Aircraft, any Engine or Part;
- (p) not do or permit to be done anything which may reasonably be expected to expose the Aircraft, any Engine or any Part to penalty, forfeiture, impounding, detention, deposit, attachment, appropriation, damage or destruction and, without prejudice to the foregoing, if any such penalty, forfeiture, impounding, detention, deposit, attachment or appropriation, damage or destruction occurs, give Lessor notice and use all reasonable endeavours to procure the immediate release of the Aircraft, any Engine or the Part, as the case may be;
- (q) immediately notify Lessor if at any time any proceeding is commenced against either Obligor by any airport or air navigation authority that could result in a Security Interest, or any attachment being placed upon the Aircraft, in which case, Lessee will (and shall procure that the Guarantor will) immediately conduct any necessary actions to prevent and/or to remove the imposition of such Security Interest or attachment to or from the Aircraft;
- (r) pay or cause to be paid all fees, duties or charges assessed and due against it (or against any aircraft owned by or leased to or operated by it) by any airport or air navigation authority assessing landing, parking or navigation fees or charges in respect of the Aircraft and of any other aircraft owned by or operated by Lessee; and
- (s) do or cause to be done any and all acts which may be reasonably required of it (or which Lessor may require it to do) under the terms of the Cape Town Convention to perfect and preserve the respective interests of Lessor, the Owner and any Financing Party in and to the Aircraft. Lessee will not do anything to prejudice the registrations made at the International Registry of the international interests constituted by this Agreement in relation to the Aircraft and/or Engines or the registrations contemplated by Clause 16.2 of this Agreement. Lessee will not, without the prior written consent of Lessor, effect or consent to (i) any person

claiming through or under Lessee or (ii) any person who is a debtor or a creditor of Lessee (other than Lessor) effecting the registration (including any amendment or extension of any registration) at the International Registry of any registerable interest in relation to the Aircraft or the Engines and if Lessee or any such person, without the prior written consent of Lessor, shall effect registration of any such international interest, Lessee will forthwith procure the discharge of such registration or the subordination of such interest as may be required by Lessor, in which case such subordination shall be registered at the International Registry at Lessee's cost. Lessee will not issue any demand pursuant to Article 25(2) of the Convention in respect of the registration at the International Registry of any prospective international interests constituted by this Agreement in relation to the Aircraft or the Engines. For the purposes of the said Article 25(2), Lessee acknowledges that Lessor will have incurred a commitment to give value in respect of such registration with effect from execution by it of this Lease Agreement. For the purposes of Article 20(1) of the Convention, Lessee hereby consents to any registrations effected by Lessor pursuant to this Clause 11(r) and Lessee will forthwith, upon Lessor's written request, advise the International Registry of such consent in such form as Lessor may reasonably require.

12. WET LEASING AND SUBLEASING

12.1 Possession of the Aircraft

Lessee shall not, (subject to Clauses 12.2 and 12.3) without the prior written consent of Lessor, lease, hire or otherwise part with possession of the Aircraft, any Engine or any Part, or remove from the Aircraft any Engine or Part, otherwise than in accordance with the express terms of this Agreement.

12.2 Subleasing

So long as no Relevant Event has occurred and is continuing, Lessee may sublease the Aircraft to a Permitted Sublessee **provided** always that:

- (a) Lessee obtains the prior written consent of Lessor;
- (b) the term of the intended Permitted Sublease (including extension rights) is a period not more than the remainder of the Lease Term;
- (c) such Permitted Sublease does not involve any change to the State of Registration except as permitted by Clause 16.2;
- (d) the rights of the Permitted Sublessee under such Permitted Sublease are at all times expressly subject to and subordinate to the rights of Lessor hereunder and to the respective interests of Owner and the Financing Parties in the Aircraft, and the terms of the Permitted Sublease shall provide for the leasing of the Aircraft

thereunder to cease if the leasing of the Aircraft under this Agreement terminates for any reason and shall not permit any sub-subleasing of the Aircraft;

- (e) Lessee provides a copy of such Permitted Sublease to Lessor as soon as reasonably practicable after its execution;
- (f) Lessee delivers to Lessor a duly executed Deregistration Power of Attorney granted by such Permitted Sublessee; and
- (g) (if the Cape Town Convention is in force in the new State of Registration) Lessee procures that the Permitted Sublessee executes and files with the Aviation Authority an IDERA and provides a copy thereof to Lessor.

12.3 **Wet Leases**

So long as no Relevant Event has occurred and is continuing, Lessee may enter into any wet-lease, charter or other agreement (each a "**Wet Lease**") relating to the Aircraft on terms whereby the Aircraft will at all times be in the possession of and subject to the technical, navigational and operational control of Lessee **provided** that:

- (a) the term of the Wet Lease does not exceed one month (or if shorter, the remainder of the Lease Term) except with Lessor's prior written consent;
- (b) the Aircraft shall remain registered with the Aviation Authority;
- (c) the Wet Lease shall cease if the leasing of the Aircraft under this Agreement terminates for any reason; and
- (d) the rights of the lessee under the Wet Lease are at all times expressly subject to and subordinate to, and do not conflict in any respect with (or give such lessee any rights greater than the rights of Lessee under), the terms of this Agreement and the rights of Lessor hereunder and the respective interests of Owner and the Financing Parties in the Aircraft.

12.4 **Lessee Always Liable**

Lessee shall remain primarily and fully responsible for the performance of its obligations under and the observance of the terms of this Agreement, notwithstanding any Permitted Sublease or any Wet Lease or any other parting with possession or operational control of the Aircraft permitted by this Agreement.

12.5 **Expenses**

Lessee shall indemnify Lessor, Owner and each Financing Party on demand for all reasonable documented and out-of-pocket expenses (including without limitation all reasonable legal expenses) incurred in connection with any proposed sublease of the Aircraft or any proposed change in the State of Registration.

13. **GENERAL OPERATION OF AIRCRAFT**

13.1 **General Operation**

Lessee will procure that the Aircraft shall not be maintained, used or operated in violation of Sanctions or any applicable law, rule, regulation, Airworthiness Directive or order of any Government Entity having jurisdiction (domestic or foreign) over Lessor, Lessee and/or the Aircraft or in violation of any Airworthiness Certificate, license or registration relating to the Aircraft issued by any such Government Entity. If any such applicable law, license or registration requires addition to or modification or alteration of the Aircraft, Lessee shall conform therewith at its cost and expense and shall maintain the same in proper condition for operation under such law, license or registration. Lessee will not cause or permit the Aircraft to be flown or transported to any airport or jurisdiction if so doing would cause Lessor or any of its shareholders to be in violation of the applicable laws of Ireland, the State of Registration or any other jurisdiction or be in breach of any Sanctions or the terms of the Insurances. If either party becomes aware of any such applicable law it shall notify the other party and each party shall consult with the other in good faith with a view to determining on what basis (if any) the transactions contemplated by this Agreement could be restructured to avoid the application of such law. Lessee shall ensure that the Aircraft is at all times operated by, and under control of, qualified and duly licensed pilots with proper ratings.

13.2 **Storage**

If the Aircraft, any Engine or any Part is out of revenue service (except for the active performance of maintenance, repair or overhaul procedures), the Aircraft, such Engine or such Part shall be properly and safely stored, maintained and insured in accordance with accepted industry and manufacturer specifications and procedures.

13.3 **Permitted Operations**

Lessee agrees not to cause or permit any person under any circumstance to cause the Aircraft or any Engine to be (a) flown or otherwise operated or used for any military purpose, (b) operated or used for any purpose for which it was not designed or reasonably suited, (c) operated or used at any time for any illegal purpose or in any illegal manner, or (d) operated or used in any manner not fully covered by the Insurances.

13.4 **Airworthiness Certificate**

Without prejudice to Clause 13.1, Lessee shall procure that, at all times during the Lease Term, the Aircraft possesses an Airworthiness Certificate, and all such other authorisations as are from time to time required for the use and operation of the Aircraft for the public transport of passengers or cargo by any Government Entity having jurisdiction in any country, state, province or other political subdivision in which the Aircraft is flown, including any Aviation Authority.

13.5 Carriage of Goods

Lessee shall not employ, knowingly suffer or cause the Aircraft to be used for the carriage of (a) whole animals living or dead except in the cargo compartments according to I.A.T.A. regulations and except domestic pet animals carried in suitable containers to prevent the escape of any liquid and as to ensure the welfare of the animal, (b) explosives, acids, toxic chemicals or other corrosive materials in contravention of any applicable law or regulation, (c) nuclear fuels or wastes or (d) illegal drugs, controlled substances or the like or any other goods, materials or items of cargo which are prohibited by law or regulation.

13.6 Training Flights

Lessee may use or permit the use of the Aircraft for testing or for training, qualifying or reconfirming the status of employee flight crew members **provided** that the use of the Aircraft for such purpose is not disproportionate to the use for such purpose of other Embraer E190-100 LR aircraft operated by Lessee.

13.7 Operation Outside Scope of Insurance

Lessee shall not operate or locate the Aircraft or any Engine, or permit or allow the Aircraft or any Engine to be operated or located, in any area excluded from coverage by any insurance policy in effect or required by the terms of this Agreement or any Operative Document or in any war zone or in any recognised or threatened area of hostilities.

13.8 Geographical Restrictions

Lessee shall not cause or permit the Aircraft to proceed to, or remain at, any location which is for the time being the subject of a prohibition order (or any similar order or directive) or sanctions or restrictions issued by:

- (a) any Government Entity of the European Union, Ireland, France, Germany, the United Kingdom, the United States of America, the State of Registration or the Habitual Base;
 - (b) any Governmental Entity of the country in which such location is situated;
 - (c) any Government Entity having jurisdiction over Lessor, Owner, Lessee, a Permitted Sublessee or the Aircraft; or
 - (d) the United Nations Security Council to the extent in each case relevant to the Aircraft, the Transaction Documents or matters arising therefrom,
- (collectively, "**Sanctions**").

13.9 Good Airline Practice

Lessee shall operate the Aircraft, or procure that the Aircraft is operated, in accordance with good commercial airline practice and in full compliance with the Aircraft Flight

Manual and other Airframe Manufacturer's and Engine Manufacturer's operational instructions.

13.10 Operational Expenses

Lessee shall pay or procure payment of all expenses incurred in the operation of the Aircraft during the Lease Term, for profit or otherwise, including, without limitation, expenses of flight crews, cabin personnel, fuel, oil, lubricants, maintenance, insurance, landing and navigation fees, Flight Charges, passenger service and any and all other expenses or claims of any kind or nature incurred during the Lease Term, arising directly or indirectly in connection with or related to the use, movement, operation, storage or location of the Aircraft. The obligations of Lessee under this Clause 13.10 arising prior to any termination or expiration of the Lease Term shall continue in full force and effect, notwithstanding such termination (whether arising out of a Termination Event or otherwise) or expiration, and shall be enforceable by Lessor.

13.11 Compliance with EU-ETS Legislation

- (a) The Lessee shall comply, and shall procure that any Permitted Sublessee will comply, to the extent applicable, with all EU-ETS Laws. The Lessee acknowledges that none of the Owner, Lessor, Intermediate Lessor or any Financing Parties is the "aircraft operator" for the purposes of the EU-ETS Laws. Whenever required or applicable under the EU-ETS Laws or whenever Lessor may reasonably request, Lessee shall, and shall procure that any Permitted Sublessee will, identify itself as the "aircraft operator" for the purposes of the EU-ETS Laws to any relevant authority, agency or other third party. Lessee shall provide Lessor and any Financing Party with all such letters, authorisations (including, without limitation, powers of attorney), documents and consents as shall be necessary or desirable to enable Lessor and any Financing Party to monitor Lessee's compliance, and that of any Permitted Sublessee, with EU-ETS Laws by contacting or otherwise dealing directly with the relevant authorities.
- (b) In this Clause 13.11, EU ETS Laws means (i) the Directive 2003/87/EC of the European Parliament and of the Council of 13 October 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 re-adopted from time to time (whether with or without modifications) and (ii) any applicable law of a member state of the European Union implementing the above Directive.

14. MAINTENANCE, REPAIR, OVERHAUL AND OPERATION

14.1 General Obligation

- (a) Lessee shall, at its cost and expense, ensure that an Approved Maintenance Performer (and only an Approved Maintenance Performer):

- (i) services, repairs, maintains, modifies, overhauls and tests the Aircraft, the Engines and all Parts (1) so as to keep the Aircraft, Engines and all Parts serviceable and in good operating condition, (2) so as to keep the Aircraft in the condition as may be necessary to enable the Airworthiness Certification of the Aircraft to be maintained in good standing at all times under the laws of the State of Registration, and (3) in strict compliance with the relevant manufacturer's requirements and the Approved Maintenance Programme;
 - (ii) maintains in accordance with Clause 14.10 all records, logs and other materials required by the Aviation Authority to be maintained with respect to the Aircraft; and
 - (iii) if requested by Lessor in a timely manner, promptly furnishes to Lessor such information as may be required to enable Lessor to file any reports required to be filed by Lessor with any Government Entity in the State of Registration or any other location where the Aircraft may from time to time be based because of Lessor's interest in the Aircraft.
- (b) Lessee shall provide to Lessor, no later than one month after the date hereof, a true and complete copy of the Approved Maintenance Programme and shall not thereafter modify the Approved Maintenance Programme without the prior written consent of Lessor unless such modification either:
 - (i) (1) is approved by the Aviation Authority, (2) does not result in the interval for the conduct of Airframe Basic Check, Airframe 20,000 Cycles Check, Airframe 72 Month Check, Airframe 96 Month Check and Airframe 120 Month/20,000 Cycle Check being extended, or the interval for the conduct of Landing Gear Overhaul being extended to more than ten years (unless, in the case of the Airframe Basic Check or structural checks, and Landing Gear Overhauls, such interval is derived from the Maintenance Planning Document or the recommendations of the Airframe Manufacturer or Landing Gear manufacturer respectively) and (3) does not introduce any sampling programme; or
 - (ii) is required by law or by the Aviation Authority,and Lessee shall promptly provide to Lessor a written copy of any such modification.
- (c) Lessee shall notify Lessor promptly of all details relating to any loss, damage or destruction to the Aircraft, or any part thereof, that affects the airworthiness of the Aircraft, and any theft, damage, incidents or accidents to the Aircraft, or any part thereof, where the cost of repairing the same exceeds US\$[REDACTED].
- (d) Without limiting any of the foregoing, Lessee shall:

- (i) cause the Aircraft and the Engines to be maintained, modified and used, in the same manner and with the same care as used by or on behalf of Lessee with respect to similar aircraft and engines owned or operated by or on behalf of Lessee; and
- (ii) not (and shall not permit any Permitted Sublessee to) discriminate in a manner in any way adverse to the interests of Lessor, Owner or any relevant Financing Party in the Aircraft (as compared to other aircraft of the same type owned or operated by or on behalf of Lessee) with respect to its use, operation, maintenance or modification status (including without limitation with respect to compliance with Alert Service Bulletins on similar aircraft).

14.2 Replacements of Parts

- (a) Lessee shall, at its cost and expense, promptly procure the replacement of all Parts which may from time to time become worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or permanently rendered unfit for use for any reason whatsoever. In addition, in the ordinary course of maintenance, service, repair, overhaul or testing, Lessee may at its own cost and expense remove any Parts, whether or not worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or permanently rendered unfit for use **provided** that Lessee shall procure the replacement of such Parts as promptly as practicable. All replacement parts shall be free and clear of all Security Interests (except Permitted Security Interests).
- (b) All Parts at any time removed from the Airframe or any Engine shall remain the property of Owner, no matter where located, until such time as such Parts shall be replaced by parts which have been incorporated or installed in or attached to the Airframe or such Engine in compliance with the requirements for replacement parts specified herein. Immediately upon any replacement part becoming incorporated or installed in or attached to, the Airframe or an Engine as above provided, without further act (i) title to such replacement part shall thereupon vest in Owner, free and clear of all Security Interests (other than Permitted Security Interests), (ii) such replacement part shall be deemed part of the Airframe or such Engine, as the case may be, for all purposes hereof to the same extent as the Part originally incorporated or installed in or attached to the Airframe or such Engine, and (iii) title to the removed Part shall thereupon vest in Lessee, free and clear of all rights of Lessor and Owner, and shall no longer be deemed a Part hereunder.
- (c) Lessee will ensure that no part is installed on an Aircraft unless:
 - (i) such part is of equivalent modification status and utility as the Part it replaces;

- (ii) in the case of Life Limited Parts, Lessee has accurate, back-to-birth maintenance records;
- (iii) such part originates from an EASA, ANAC or FAA approved source carrying a current valid airworthiness approval tag identified as EASA Form One, ANAC form SEGVOO 003 or FAA 8130 (which tag(s) shall, upon installation of the relevant part, form part of the Aircraft Documentation) which constitutes evidence of the airworthiness and eligibility of a part issued by the manufacturer or maintenance facility providing such part and which shall identify the part number, model and serial number, date and hours and/or cycles since new or since last overhaul (where applicable) and indicating that such parts are new, serviceable or overhauled;
- (iv) the installation of such part as a replacement for the relevant Part is recorded in the Aircraft Documentation; and
- (v) such part is the same or an improved version of such Part and is not a PMA Part; *provided* that Lessee may install PMA parts under the following circumstances: (i) to replace parts that are (x) non-critical, (y) non-structural, and (z) line replaceable, expendable, or consumable, or (ii) subject to the prior written approval of Lessor acting reasonably, to replace Parts in the cabin of the Airframe that are not solely cosmetic in function, *provided further* that before or during the Redelivery process, Lessee shall review the Aircraft for the existence of any PMA Parts, and if present, Lessee and Lessor shall, acting reasonably and in good faith, mutually agree on the need for any replacement of such PMA Parts.

14.3 Pooling of Parts

- (a) Lessee may allow any Part removed from the Airframe or an Engine as provided in Clause 14.2(a) to be subjected to a normal pooling arrangement customary in the airline industry and approved in writing by Lessor that is entered into in the ordinary course of Lessee's business (a "**Pooling Arrangement**") with a solvent reputable EASA, or ANAC, or FAA 145 approved organisation **provided** that the part replacing such removed Part shall be incorporated or installed in or attached to the Airframe or such Engine in accordance with Clause 14.2(a) as promptly as possible after the removal of such removed Part.
- (b) In addition, subject to Clause 14.3(a), any replacement part when incorporated or installed in or attached to the Airframe or any Engine in accordance with Clause 14.2(a) may be owned by a solvent reputable EASA, or ANAC, or FAA 145 approved organisation subject to a Pooling Arrangement **provided** that Lessee, at its cost and expense, as promptly thereafter as possible and in any event within ninety days either (i) causes title to such replacement part to vest in Owner in

accordance with Clause 14.2(a) by acquiring title thereto for the benefit of, and transferring such title to, Owner free and clear of all Security Interests (other than Permitted Security Interests), or (ii) procures the replacement of such replacement part by incorporating or installing in or attaching to the Airframe or such Engine a further replacement part owned by Lessee free and clear of all Security Interests (other than Permitted Security Interests) and causing title to such further replacement part to vest in Owner in accordance with Clause 14.2(a).

- (c) Lessee shall procure that, at or prior to Redelivery, Owner has title to all parts installed on the Airframe or any Engine at Redelivery.

14.4 Alterations, Modifications and Additions

- (a) Lessee shall procure that all alterations, modifications and additions to the Airframe and the Engines are made (in each case, by an Approved Maintenance Performer) as may be required from time to time (i) by the Airframe Manufacturer or the Engine Manufacturer (ii) to comply with any applicable Airworthiness Directives or (iii) to comply with the requirements of the Aviation Authority or other Government Entity having jurisdiction over the Aircraft.
- (b) Lessee may, at its own cost, from time to time make or permit to be made by an Approved Maintenance Performer such alterations and modifications in and additions to the Airframe and any Engine as Lessee may deem desirable in the proper conduct of its business **provided** that (1) such modifications are incorporated in accordance with a Service Bulletins approved by the Aviation Authority and FAA and/or EASA, (2) no such alteration, modification or addition materially and adversely alters the specification or structure of the Aircraft or in any other way diminishes the value, utility or useful life of the Airframe or such Engine or impairs the condition or airworthiness thereof below the value, utility, useful life, condition and airworthiness thereof immediately prior to such alteration, modification or addition, assuming the Airframe or such Engine was then of the value, utility and useful life and in the condition and airworthiness required to be maintained by the terms of this Agreement and (3) Lessee shall not, without Lessor's prior written consent, make or permit to be made any Major Modifications.
- (c) Lessee shall ensure that advance copies of all regulatory approvals and all designs, plans, diagrams, drawings and data used in accomplishing such modifications, alterations or additions (which documents shall, upon commencement of the relevant Major Modifications, form part of the Aircraft Documentation) are provided to Lessor.
- (d) Title to all Parts incorporated or installed in or attached or added to the Airframe or any Engine as the result of any modification, alteration or addition described in this Clause 14.4 shall, without further act, vest in Owner **provided** that so long as

no Termination Event shall have occurred and be continuing, at any time during the Lease Term, Lessee may remove any such Part from the Airframe or such Engine **provided** further that (i) such Part is in addition to, and not in replacement of or in substitution for, any Part originally incorporated or installed in or attached to the Airframe or such Engine at Delivery (ii) such Part is not required to be incorporated or installed in or attached or added to the Aircraft or such Engine pursuant to this Agreement and (iii) such Part can be removed from the Airframe or such Engine without causing any material damage thereto and without diminishing or impairing the value, utility, useful life, condition or airworthiness which the Airframe or such Engine would have had at such time had such modification, alteration or addition not occurred. Upon the removal of any such Part as above provided, title thereto shall, without further act, vest in Lessee and such Part shall no longer be a Part. Any Part not so removed prior to Redelivery shall remain the property of Owner. Neither Lessor nor Owner shall bear any liability or cost for any such modification, alteration or addition, or for any grounding or suspension of certification of the Airframe or any Engine in connection therewith or for loss of revenue resulting from such grounding or suspension.

- (e) Lessee shall not modify the Aircraft in any way that would cause it to no longer comply with (or shall, before Redelivery, reinstate the Aircraft so that it would comply with) FAA FAR Part 121 with regard to maintenance, inspection and airworthiness certification requirements.

14.5 **Engine Substitution**

Lessee may, at any time during the Lease Term on not less than 30 days' prior written notice to Lessor and so long as no Termination Event has occurred and is continuing, substitute an Engine for a Replacement Engine by transferring good and marketable title (free and clear of all Security Interests) to the Replacement Engine to Lessor, and Lessor will transfer title to the replaced Engine to or at the direction of Lessee; provided that such 30 day notice period referenced above shall be waived to the extent an Engine fails the Final Inspection and a substitution is required to enable Lessee to meet the Redelivery Conditions. Such Replacement Engine shall become an Engine under this Agreement upon (i) execution and delivery by Lessee of an amendment or supplement of this Agreement and any mortgage, (ii) execution and delivery of such bills of sale and other documents as Lessor and any Financing Parties may reasonably request to evidence or perfect their respective interests in the Replacement Engine, (iii) delivery by Lessee of such documentation as Lessor may reasonably require to confirm the eligibility of the Replacement Engine as a replacement for the Engine, (iv) delivery by Lessee or its external legal counsel of any legal opinions reasonably requested by Lessor and the Financing Parties, and (v) payment by Lessee of all out-of-pocket costs incurred by Lessor in connection with the engine substitution. On the Redelivery Date, the modification status of the Replacement Engine shall be at least equal to the modification status of the Engine

on the Lease Commencement Date; *provided*, however, that if Lessor makes a Lessor Maintenance Payment in respect of an Engine Performance Restoration at any time during the Lease Term, including during the initial 18 months following [●]⁵, the redelivery modification status of the Replacement Engine shall be at least equal to the modification status of the Engine upon the completion of that Engine Performance Restoration.

14.6 Removal of Engines

Title to any Engine that is removed from the Aircraft for testing, service, repair, maintenance, overhaul work, alterations or modifications, or as contemplated in Clause 14.7, shall at all times remain vested in Owner.

14.7 Installation of Engines on other Aircraft

- (a) Lessee may allow an Engine removed from the Airframe to be installed on any other airframe of the same type in Lessee's fleet but only if:
 - (i) Lessee has title to such other airframe and such airframe is free and clear of all Security Interests (except Permitted Security Interests); or
 - (ii) such other airframe is leased to Lessee or owned by Lessee subject to a conditional sale or other security agreement **provided** that (A) such airframe is free and clear of all Security Interests except (1) the rights of the parties to the lease or conditional sale or other security agreement covering such airframe and (2) Permitted Security Interests and (B) there shall be in effect a written agreement of the lessor or secured party of such airframe (which may be contained in the lease, conditional sale or security agreement covering such airframe) substantially to the effect of the agreement of Lessor set forth in Clause 14.7(b) whereby such lessor or secured party effectively and expressly agrees that neither it nor its successors or assigns will acquire or claim any right, title or interest in any Engine by reason of such Engine being installed on such airframe at any time while such Engine is subject to this Agreement. To evidence the foregoing, Lessee shall at Lessor's request provide Lessor with an officer's certificate as to the matters set forth in this Clause 14.7(a)(ii). If any of the respective interests of Lessor, Owner or any relevant Financing Party in an Engine are impaired or otherwise adversely affected by virtue of installation on any such other airframe, Lessee shall promptly reinstall such Engine on the Airframe, failing which such impairment or adverse effect will be deemed an Engine Loss and Lessee shall comply with the provisions of Clause 19.8 in respect thereof.

⁵ NTD: Date of first engine induction to be inserted.

- (b) If Lessee shall have received from the lessor, seller or secured party of any airframe leased to Lessee or owned by Lessee subject to a conditional sale or other security agreement a written agreement complying with Clause 14.7(a)(ii) hereof (which agreement may be contained in the lease, conditional sale or security agreement relating to such airframe), and the lease, conditional sale or security agreement covering such airframe also covers an engine or engines owned by the lessor under such lease or subject to a security interest in favour of the secured party under such conditional sale or security agreement, Lessor hereby acknowledges (and shall procure that Owner and any relevant Financing Party shall acknowledge) for the benefit of such lessor, seller or secured party that neither Lessor, Owner nor any relevant Financing Party will acquire or claim, as against such lessor, seller or secured party, any interest in any such engine as the result of such engine being installed on the Airframe at any time while such engine is subject to such lease, conditional sale or security agreement and owned by such lessor or seller or subject to a security interest in favour of such secured party.

14.8 **Replacement of APU**

So long as no Relevant Event has occurred and is continuing, Lessee may part with possession and ownership of an APU to Airframe Manufacturer in exchange for ownership of a replacement APU that is of the same make and model and of the same modification and build status (the "**Replacement APU**") pursuant to arrangements to which Lessee is a party with Airframe Manufacturer provided that such arrangements: (i) is with Airframe Manufacturer; (ii) are on terms customary in the commercial jet aviation industry (without prejudice to the remainder of this Clause 14.8); and (iii) provide that the Replacement APU shall become property of Lessor.

14.9 **Information and Inspection**

During the Lease Term, Lessee shall furnish or cause to be furnished to Lessor such additional information concerning the location, condition, maintenance, use and operation of Aircraft as Lessor may reasonably request, and Lessee shall (upon reasonable notice) permit any person designated by Lessor in writing (including, without limitation, Owner and Security Agent), and/or its authorised agents, representatives and designees, at Lessor's expense, to inspect the Aircraft, the Approved Maintenance Programme, Aircraft Documentation and all other records maintained in connection with the Aircraft (but at times (including during Airframe Basic Checks) and in a manner as will not unreasonably interfere with Lessee's operation and maintenance of the Aircraft), and to visit and inspect the maintenance and operational facilities involved in the maintenance and operation of the Aircraft, at such reasonable times and as often as Lessor may reasonably request; *provided* that if a Termination Event has occurred and is continuing or as a result of such inspection Lessor becomes aware that a Termination Event has occurred and is continuing then Lessee shall reimburse Lessor (or its designee) for all costs and expenses incurred in

conducting such inspection. Neither Lessor nor any person designated by Lessor as provided above shall have any duty to make any such inspection and none shall incur any liability or obligation by reason of making or not making such inspection.

14.10 Reporting Requirements

- (a) Lessee shall deliver to Lessor a Monthly Report within five working days following the end of each calendar month throughout the Lease Term; *provided* that the Monthly Report relating to the last month (or any portion thereof) of the Lease Term shall be furnished to Lessor on the Lease Termination Date.
- (b) Upon request, Lessee shall provide engine health monitoring data (including average EGT margin) for each Engine for the preceding month's operation.
- (c) Upon request, following completion of each scheduled or unscheduled borescope inspection of an Engine during the Lease Term, Lessee shall provide to Lessor either (i) a copy of the video tape of the previous inspection or (ii) a copy of the previous inspection work cards detailing the inspection findings and recording any damage (including damage within AMM limits).

14.11 Documentation

- (a) During the Lease Term, Lessee shall procure that the Aircraft Documentation is maintained:
 - (i) in the English language and uniquely for the Aircraft;
 - (ii) current and up-to-date (through subscription to the relevant manufacturer's update or revision service or otherwise);
 - (iii) in conformity with the rules of the Aviation Authority and FAA and with normal practices of commercial air carriers; and
 - (iv) so that such documentation:
 - (1) accurately records the amount of time consumed and/or the cycles of use (as appropriate) of the Airframe, each Engine and all Parts (including the APU) whether or not time or cycle limited and all work performed thereon; and
 - (2) contains accurate back-to-birth records of each Life Limited Part.
- (b) Following any repair which is carried out other than in accordance with instructions contained in the Structural Repair Manual, Lessee shall ensure that there is obtained and kept with the Aircraft Documentation an approval issued in accordance with the Airframe Manufacturer's repair scheme and the requirements of the FAA.

- (c) Any Aircraft Documentation not already owned by Owner, when and as created or obtained by (or on behalf of) Lessee, shall thereupon become the property of Owner.
- (d) Lessee shall procure that all Aircraft Documentation is kept in its possession or in the possession of the Approved Maintenance Performer, and shall not permit any other person (other than a person entitled to have possession or control of the Aircraft under the terms of this Agreement) to have possession of or control over the Aircraft Documentation except with the prior written consent of Lessor.
- (e) Lessee will permit Lessor to copy and scan the technical records into electronic format at reasonable intervals and at Lessor's cost.

15. **[INTENTIONALLY OMITTED]**

16. **TITLE AND REGISTRATION**

16.1 **Registration of Aircraft**

At delivery, Lessee shall register the Aircraft with the Aviation Authority with the respective interests of Owner, Lessor and any relevant Financing Party recorded to the fullest extent permitted by applicable law in the State of Registration and shall thereafter maintain such registration throughout the Lease Term. Lessee shall bear all costs incurred in effecting and maintaining such registration. Lessor shall co-operate with Lessee in effecting and maintaining such registration and shall provide to Lessee such documents as Lessee may reasonably request in connection therewith.

16.2 **Changes to State of Registration**

- (a) Lessee may, from time to time during the Lease Term (in connection with a Permitted Sublease) register the Aircraft in a jurisdiction other than the initial State of Registration approved in advance and in writing by Lessor, which approval shall not be unreasonably withheld provided that Lessor is satisfied that the airworthiness standards and the recognition, validity and enforceability of the interests of lessors, owners and secured creditors in leased aircraft in that jurisdiction are satisfactory.
- (b) Before effecting any change to the State of Registration, Lessee shall deliver to Lessor a legal opinion from local counsel acceptable to Lessor in the new State of Registration addressed to Lessor, Owner and any relevant Financing Party and in form and substance satisfactory to Lessor giving details of the relevant laws and procedures in that jurisdiction and confirming that:
 - (i) this Agreement, the Head Lease Agreement and each Security Document remains valid and enforceable in accordance with its terms notwithstanding such change in registration and the rights and interests of Lessor, Owner

and Security Agent in the Aircraft and under the Operative Documents and the Financing Documents (including without limitation their respective rights to repossess and export the Aircraft from such jurisdiction upon a termination of the leasing of the Aircraft hereunder) remain valid and enforceable and would be recognised in that jurisdiction;

- (ii) title to the Aircraft shall remain vested in Owner; and
 - (iii) the rights conferred on the Permitted Sublessee pursuant to such Permitted Sublease are subject and subordinate to the respective rights of Lessor and Owner under the Operative Documents and of the Financing Parties under the Security Documents.
- (c) To the extent that local counsel in the proposed State of Registration recommends any changes or additions to the Operative Documents or the Security Documents (and/or the execution of new Operative Documents or Security Documents in a particular form or language) in order to give the legal opinion required by Clause 16.2(b), Lessee shall co-operate with Lessor in procuring the same and shall bear all costs, including legal expenses, incurred by Lessor, Owner and the Financing Parties in connection with the preparation, negotiation, translation, notarization and registration or filing thereof.

16.3 Registration of Interest of Financing Parties

Lessee shall, at Lessor's request from time to time, cause the respective interests of Lessor, Owner and the Financing Parties (or any of them) in the Aircraft to be duly registered or recorded to the fullest extent permitted by applicable law in the State of Registration. The costs of effecting such registrations or recordations shall be borne by Lessor unless the same become necessary as a result of a Permitted Sublease or a change to the State of Registration required by Lessee, in which case such costs shall be borne by Lessee.

16.4 Cape Town Convention

During the Lease Term, and at any time there after if the Aircraft is re-registered pursuant to Clause 16.2 in a country in which the Cape Town Convention is in effect and/or upon any subsequent refinancing or sale of the Aircraft, Lessee shall:

- (a) co-operate in connection with the execution and filing of any applications, registrations, amendments or deregistrations with the International Registry, as reasonably requested by Lessor, Owner or any Financing Party from time to time to ensure the validity, enforcement and first priority of the International Interests constituted by this Agreement and the other Operative Documents;
- (b) consent to the registration of such International Interests as required by Lessor, Owner or any Financing Party at the International Registry and will not register any conflicting interests (whether or not taking priority over such International

Interests) at the International Registry without the prior written consent of Lessor;
and

- (c) register itself (at its own cost) as a transacting user entity with the International Registry and shall not revoke such registration without the prior written consent of the holder of the relevant International Interest.

The costs associated with the filings and registrations required by paragraphs (a) and (b) above shall be borne (1) by Lessee if required in connection with (i) the initial registration at Delivery of the International Interests constituted by this Agreement and the other Operative Documents or (ii) any sublease by Lessee or (2) by Lessor if required in connection with the refinancing or sale of the Aircraft after Delivery.

If customary at Delivery or at any time during the Lease Term, when applicable in the State of Registration, and subject to local counsel's advice, Lessee will co-operate with Lessor in filing an IDERA with the Aviation Authority. Such IDERA shall be in a form that is acceptable to the Aviation Authority and Lessor shall provide Lessee with the required apostilled and translated IDERA.

17. IDENTIFICATION PLATES

- 17.1 Lessee shall, throughout the Lease Term, maintain in respect of the Aircraft and each Engine a fireproof identification plate of a reasonable size, in a clearly visible place in the cockpit of the Aircraft and on each Engine, which contains the following legend in writing:

"THIS [AIRCRAFT/ENGINE] IS OWNED BY [•] AND IS MORTGAGED TO
[•] AS SECURITY TRUSTEE FOR ITSELF AND OTHER BANKS".

- 17.2 Lessee shall promptly replace any such nameplate that becomes illegible, lost, damaged or destroyed for any reason. If at any time Lessor transfers its interest in the Aircraft as permitted hereunder or Lessor or Owner finances or refinances the Aircraft, Lessee will, at Lessor's request and cost, promptly affix such new nameplates to the Airframe and the Engines as may be required by Lessor.

18. INSURANCE

18.1 Obligation to Insure

Throughout the Lease Term, Lessee shall (or shall procure that Permitted Sublessee shall) effect and maintain in full force and effect (in each case on terms consistent with Lloyds Form AVN67B) the following policies:

- (a) All-risk ground, flight and ingestion aircraft hull insurance for the Agreed Value covering the Aircraft, all risk insurance on a full replacement cost basis with respect to spares, including the Engines and components while not installed in the Aircraft, and hull and spares war risk and allied perils insurance covering the

perils excluded by the War, Hijacking and Other Perils Exclusion Clause (AVN 48B), other than paragraph (b) thereof, and in the case of hull war, for the Agreed Value, on Form LSW 555D and including confiscation by the government of the State of Registration, and in the case of spares on a full replacement cost basis. All hull insurance may be subject to a deductible not to exceed the Permitted Deductible per occurrence and Lessee shall notify the insurers that this Agreement requires Total Loss Proceeds to be paid to Lessor or a designated Financing Party as if such party were named as sole loss payee. If the hull war and hull all risks cover are contained in separate policies, then the terms of AVS 103 (or equivalent) shall be incorporated in each such policy.

- (b) Comprehensive aircraft third party, passenger, cargo, products, mail and aviation and airline general third party legal liability insurance, including war and allied perils (being all perils excluded by the War, Hijacking and Other Perils Exclusion Clause (AVN 48B), other than paragraph (b) thereof), in an amount that is not less than the Agreed Liability Coverage for any one occurrence and in the aggregate for products liability.
- (c) All such insurances shall apply on a worldwide basis (subject to standard insurance market geographical limits **provided** that such geographical limits do not exclude any area to which the Aircraft is in fact operated and that overflying of such excluded areas is covered) and shall be placed directly in the international insurance market, with insurers of recognised responsibility and good repute, specialising in and normally participating in aviation insurance.
- (d) The insurances referred to in paragraph (a) above shall name each of Lessor, Owner and the Security Agent as an additional insured for their respective rights and interests and the insurances referred to in paragraph (b) above shall cover each Indemnitee as an additional insured.

18.2 **Liability Insurances**

The Insurances referred to in Clause 18.1(b) shall:

- (a) include and insure (to the extent of the risks covered by the policies) the indemnity provisions of Clause 9.1;
- (b) for a period of two years or until the next Airframe Basic Check (whichever is the shorter period) after the Lease Termination Date, continue to cover each Indemnitee as an additional insured; and
- (c) for a period of two years or until the next Airframe Basic Check (whichever is the shorter period) after the date of any transfer by Lessor pursuant to Clause 26.1, continue to cover the transferring Lessor (and the relevant Owner and Financing Parties and other related Indemnitees) as additional insured.

18.3 Insurance Certificates

As soon as practicable and in any event not later than the expiration or termination date of any Insurances effected pursuant hereto, Lessee shall provide to Lessor (a) a copy of renewed certificate of insurance evidencing the renewal or replacement of such Insurances and a renewed insurer's or broker's letter of undertaking in a form acceptable to Lessor or (b) a faxed confirmation from Lessee's insurer or insurance broker that such Insurances have been renewed on the terms required by this Clause 18 **provided** that Lessee shall, in the case of sub-paragraph (b) above, within seven days after such renewal, furnish to Lessor a certificate of insurance and insurer's or broker's letter of undertaking complying with sub-paragraph (a) above.

18.4 Assignee of Lessor's Interests

If Lessor assigns all or any of its rights or otherwise disposes of any interest in the Aircraft to any other person, Lessee shall, upon request, procure that such person shall (a) be designated as loss payee (and so notified to the insurers) and/or as additional assured in the policies effected hereunder and (b) enjoy the same rights and insurance enjoyed by Lessor under such policies.

18.5 Information regarding Insurances

Lessee shall provide Lessor and Security Agent with any information reasonably requested by such person from time to time concerning the Insurances or in connection with any claim being made or proposed to be made thereunder.

18.6 Currency of Insurances

All Insurances shall be payable and settled in Dollars except as may be otherwise agreed by Lessor.

18.7 Failure to Insure

If at any time the Insurances are not maintained in compliance with this Clause 18, Lessor or any Financing Party shall be entitled but not bound to do any of the following (without prejudice to any of the rights which any of them may have under the Operative Documents by reason of such failure):

- (a) upon giving notice thereof to Lessee, to pay any premiums due or to effect or maintain such insurance or otherwise remedy such failure in such manner as Lessor or, if applicable, any Financing Party considers appropriate (and Lessee shall upon demand reimburse Lessor or if applicable, the relevant Financing Party in full for any amount so expended in that connection); and/or
- (b) at any time while such failure is continuing, to require the Aircraft to remain at any airport or (as the case may be), subject to the Aircraft being adequately

insured, proceed to and remain at any airport designated by Lessor, until such failure is remedied to Lessor's satisfaction.

18.8 Lessor's Right to Insure

Lessee acknowledges that each of Lessor, Owner and each Financing Party has an insurable interest in the Aircraft and may, at its own expense, obtain insurance or contingent insurance in its own name with respect to such insurable interest. Lessee shall provide to Lessor, Owner and each Financing Party all reasonable assistance as from time to time requested by it in order to adequately protect such insurable interest. Neither Lessor, Owner nor any Financing Party shall maintain any such insurance that would prejudice the insurance maintained by Lessee pursuant to this Agreement.

18.9 Changes to Insurance Practice

If there is a material change in the generally accepted industry-wide practice with regard to the insurance of aircraft or any material change with respect to the insurance of aircraft based or operated in any jurisdiction in which the Aircraft may then be based or operated (whether relating to all or any of the types of Insurances required to be effected under this Clause 18) such that Lessor shall be of the reasonable opinion that the Insurances required pursuant to this Clause 18 are insufficient to protect the respective interests of Lessor and the other Indemnitees (bearing in mind the nature and route of operation of the Aircraft), the insurance requirements set forth in this Clause 18 shall be amended, as soon as practicable following notice by Lessor to Lessee, so as to include such additional or varied requirements as may be reasonably necessary to ensure that the insurance as so varied shall provide comparable protection to Lessor and the other Indemnitees to that which it would have done if such change had not occurred. In such circumstances, Lessor will consult in good faith with Lessee in relation to any proposed change.

18.10 Self-Insurance

Lessee may not self-insure the risks required to be insured against pursuant to this Clause 18 **provided** that Lessee may self-insure the risks covered by the hull insurance maintained in compliance with this Clause 18 by way of deductible (except in connection with a total loss), in such amounts as are customarily self-insured with respect to aircraft of the same type and used in the same manner as the Aircraft by other similar air carriers, but in no event in an amount greater than the deductible amount per aircraft per occurrence mentioned in Clause 18.1.

18.11 Reinsurance

In the event that any of the risks required to be insured under this Clause 18 are not placed in the manner provided in Clause 18.1, then such risks shall be reinsured and shall:

- (a) be placed with a reinsurer of recognized responsibility and good repute, specializing in and normally participating in aviation insurance in the international insurance market;
- (b) be on the same terms as the primary insurance required hereunder;
- (c) be at levels of not less than 100% of insurances required to be maintained pursuant to Clause 18.1;
- (d) contain a "cut through" clause providing that, in the event of any claim arising under such reinsurance, the reinsurer shall (in lieu of payment to the primary insurer or its successors) pay to the relevant Indemnatee that portion of any claim which the reinsurer would otherwise be liable to pay the primary insurer or its successors;
- (e) provide for payment to be made directly to the relevant Indemnatee notwithstanding (a) any bankruptcy, insolvency, liquidation or dissolution of the primary insurer and/or (b) that the primary insurer has made no payment under the primary policies; and
- (f) be evidenced by a reinsurance certificate and supported by a broker's letter of undertaking reasonably satisfactory to Lessor.

19. LOSS AND DAMAGE

19.1 Risk of Loss and Damage

Throughout the Lease Term Lessee shall bear the full risk of any loss, destruction, hijacking, theft, condemnation, confiscation, seizure or requisition of or damage to the Aircraft and of any other occurrence which shall deprive Lessee of the Aircraft for the time being of the use, possession or enjoyment thereof including, without limitation, any resulting loss in value of the Aircraft due to any of the aforementioned circumstances.

19.2 Notification of Loss and Damage

- (a) Lessee shall give Lessor immediate notice in writing of any such occurrence as is referred to in Clause 19.1 or any other occurrence of whatever kind which shall deprive Lessee of the use, possession or enjoyment of the Aircraft.
- (b) Lessee shall supply to Lessor all necessary information, documentation and assistance which may reasonably be required by Lessor in connection with making any claim under the Insurances.

19.3 Payment on Total Loss

- (a) If a Total Loss occurs in respect of the Airframe (with or without the Engines) during the Lease Term, Lessee shall pay, or procure that the insurer pays, to Lessor (or to any Financing Party named as loss payee under the Insurances) as

soon as reasonably practicable but in any event within thirty days after the Total Loss Date or, if earlier, the date such insurance proceeds are received, the Agreed Value together with all Rent and other amounts then due and payable under Operative Documents. Any insurance proceeds payable following a Total Loss under the Insurances in excess of the Agreed Value may be paid to Lessee or its order.

- (b) The Net Total Loss Proceeds received by Lessor (or such other person as may be designated as loss payee) from Lessee or the insurer pursuant to this Clause 19 shall be applied as follows:
 - (i) first, in discharge of any unpaid Rent and any other amounts (other than the Agreed Value) due and payable by Lessee but unpaid;
 - (ii) second, in discharge of the Agreed Value; and
 - (iii) third, payment of the balance, if any, to Lessee.

19.4 Co-operation regarding Claims

Lessee shall co-operate with Lessor, Owner and any relevant Financing Party to procure the payment by the insurer of the Agreed Value upon any Total Loss of the Aircraft.

19.5 Payment of Rent on Total Loss

Lessee shall continue to pay Rent on the days and in the amounts required under this Agreement notwithstanding any Total Loss **provided** that no further instalments of Rent shall become due after the date on which all sums due under Clause 19.3(a) shall have been paid in full, and on such date the Lease Term shall terminate and Lessor shall, at Lessee's cost and subject to the rights (if any) of the insurer, cause title to the Aircraft (and to any surviving Engine) to be conveyed to Lessee free and clear of all rights of Lessor and Owner and all Indemnitee's Security Interests but otherwise without recourse to or warranty by Lessor, Owner or any Financing Party.

19.6 Repairable Damage

In the event of repairable damage to the Aircraft or any of the Engines, or an Engine Loss, and subject to no Termination Event having occurred and continuing, all insurance proceeds which may be payable by the insurers of the Aircraft shall be paid to (a) Lessee in respect of all loss or damage Lessee has made good (or caused to be made good), or (b) the repairer for the cost of the completed repair works, or (c) to the vendor of any new or replacement Engine or Part for the cost of such new or replacement Engine or Part **provided** that, in relation to (a) and (b) above, Lessee furnishes to Lessor, at its written confirmation reasonably satisfactory to Lessor that the repairs have been carried out in accordance with the terms of this Agreement. Any such insurance proceeds payable following the occurrence of a Termination Event (or not otherwise applied in the manner described above) shall be applied in such manner as Lessor may direct.

19.7 Payment of Repairs

In the event of repairable damage to the Aircraft or any of the Engines, or an Engine Loss, and if the insurance moneys paid in respect thereof are insufficient to pay the cost or estimated cost of making good or repairing such damage or the cost of purchasing a Replacement Engine, Lessee will pay the deficiency.

19.8 Engine Loss

Lessee shall promptly notify Lessor of the occurrence of an Engine Loss and shall within fifteen days after the occurrence of such Engine Loss, convey or cause to be conveyed to Owner (or as Lessor may direct), as replacement for such Engine, title, free and clear of all Security Interests other than Permitted Security Interests, to a Replacement Engine (or in the circumstances described in Clause 14.7(b), either a Replacement Engine or the original Engine). At the time of any such conveyance, Lessee shall (a) deliver to Lessor a bill of sale in favour of Owner with respect to such Replacement Engine and (b) take such other actions and furnish such other certificates and documents (including, without limitation, an opinion of legal counsel to the effect that title to such Replacement Engine has been duly conveyed to Owner) as Lessor may reasonably require in order to ensure that the Replacement Engine is duly and properly conveyed to Owner and leased to Lessee to the same extent as the Engine replaced thereby and leased hereunder. Such engine shall, after such transfer, be deemed part of the property leased hereunder and shall be deemed an Engine. Upon full compliance by Lessee with the terms of this Clause 19.8, the leasing of the replaced Engine with respect to which such Engine Loss occurred shall cease and title to such Engine shall thereupon (subject to any salvage rights of the insurer) vest in Lessee free and clear of all rights of Lessor and Owner and free of all Indemnitee's Security Interests but otherwise without recourse to or warranty by Lessor, Owner or any Financing Party. If Lessor or any Financing Party receives any insurance proceeds relating to such Engine Loss, Lessor will (or will procure that the Owner or such Financing Party will) promptly, subject to compliance by Lessee with its obligations under this Clause 19.8 and so long as no Relevant Event is then continuing, remit such proceeds to Lessee. No Engine Loss with respect to any Engine that is replaced in accordance with the provisions of this Clause 19.8 shall result in any increase or decrease of Rent or the Agreed Value. Except as provided in this Clause 19.8, Lessee shall have no right to replace an Engine with a Replacement Engine.

20. REQUISITION

20.1 Requisition for Hire

If the Aircraft is requisitioned for hire by any Government Entity, or other competent authority during the Lease Term then, unless and until the Aircraft becomes a Total Loss following such requisition (in accordance with the terms of the definition of "Total Loss" (including, without limitation, paragraph (e) thereof)) and Lessee shall have made payment of all sums due pursuant to Clause 19.3(a), the lease of the Aircraft to Lessee under this

Agreement shall continue in full force and effect (subject always to the provisions of Clause 24) for the remainder of the Lease Term and Lessee shall remain fully responsible for the due compliance with all its obligations under this Agreement other than such obligations which Lessee is unable to comply with solely by virtue of such requisition.

20.2 Entitlement to Requisition Compensation

If Lessee shall duly comply with its obligations under this Agreement, save as mentioned in Clause 20.1, Lessee shall for so long as no Termination Event shall have occurred and be continuing, during the Lease Term, be entitled to all requisition hire paid to Lessor or to Lessee on account of such requisition.

20.3 Condition at end of Requisition

Lessee shall, as soon as practicable after the end of any requisition for hire, cause the Aircraft to be put into the condition required by this Agreement.

21. REDELIVERY

21.1 Redelivery of the Aircraft

(a) On the Lease Termination Date, Lessee shall (unless a Total Loss has occurred) redeliver the Aircraft together with the Engines installed thereon and Aircraft Documentation to Lessor at Lessee's risk and expense at the Redelivery Location cleared through customs with all customs and export duties payable in the State of Registration paid in full by Lessee and in a condition which complies with the Redelivery Conditions in Schedule 11 and this Clause 21.

(b) On the Redelivery Date, Lessee shall pay to Lessor the Redelivery Maintenance Payment due and owing pursuant to and calculated in accordance with Part B of Schedule 9 (*Redelivery Maintenance Payment*). For the avoidance of doubt, no Redelivery Maintenance Payment is payable in the event of a Total Loss.

21.2 Deregistration

Upon redelivery of the Aircraft to Lessor in accordance with this Agreement, (i) Lessee shall, at its own cost, and subject to receiving the requisite documentation from Lessor, obtain the deregistration of the Aircraft by the Mexican Aeronautic Registry and the Aviation Authority and shall obtain the removal of the Aircraft from any operating certificates of Lessee issued by the Aviation Authority within the period of time established by the Aviation Authority and (ii) the leasing of the Aircraft under this Agreement will terminate upon such deregistration.

21.3 Ferry Flight

Promptly following the Parties' execution and delivery of the Technical Acceptance Certificate, Lessee shall ferry the Aircraft to the Redelivery Location at the sole expense

and risk of Lessor (the "**Redelivery Ferry Flight**") and return the Aircraft to Lessor at the Redelivery Location with (a) updated Aircraft Documents reflecting the Redelivery Ferry Flight and (b) a non-incident statement in such form agreed by Lessor and Lessee (each acting reasonably).

21.4 **[Reserved]**

21.5 **Failure to Return Aircraft**

- (a) If Lessee shall, for any reason whatsoever, fail to return the Aircraft at the time or in the condition specified herein then at the option of Lessor the obligations of Lessee under this Agreement shall continue (including, without limitation, in relation to the payment of Rent) and the Lease Term shall be deemed to be extended until Redelivery of the Aircraft, provided that this paragraph shall not be construed as permitting Lessee to fail to meet its obligation to return the Aircraft in accordance with the requirements of this Agreement and shall not constitute a waiver by Lessor of any Termination Event arising out of such failure or prejudice the rights of Lessor under Clause 24 with respect thereto.
- (b) Subject to Clause 21.5(c), if the Aircraft is not redelivered to Lessor in accordance with this Agreement, Rent shall be payable (i) monthly in arrears in an amount equal to the Rent due immediately before Redelivery for the first thirty (30) days of delay and (ii) at the rate of [REDACTED]% of their usual amounts to Lessor, pro-rated on a daily basis and payable at the usual time of payment of each with the final payment to be made on the date of Redelivery. The Aircraft shall not be used in commercial passenger operations during any such holdover period. For the avoidance of doubt, Lessee shall not be obligated to pay Rent in respect of any period after the date on which the Aircraft complies with the Redelivery Conditions and Lessee has tendered the Aircraft for redelivery to Lessor at the Redelivery Location in compliance with the terms of this Agreement.

21.6 **Co-operation with Remarketing**

During the last six months of the Lease Term Lessee shall co-operate in all reasonable respects with the efforts of Lessor to lease or sell the Aircraft, including, without limitation permitting potential lessees or purchasers to inspect the Aircraft and the records relating thereto *provided* that the same shall not interfere with Lessee's use or maintenance of the Aircraft or require Lessee to incur out-of-pocket expenses for which it is not reimbursed. Lessee shall (at Lessor's expense) carry out any maintenance or modification work that Lessor may reasonably request to enable the Aircraft to be leased after Redelivery to a new operator and to be registered with such operator's aviation authority. Furthermore, if such modification work has any effect in delaying the return of the Aircraft to Lessor, and provided (i) Lessee shall act reasonably in the completion of such modification work in a timely manner, (ii) Lessee has complied with the remainder of the provisions of Clause 21 and (iii) no Termination event has occurred and is continuing, then any Rent or penalties

payable by Lessee for the period of the delay solely caused by such maintenance work shall be waived by Lessor.

22. **TERMINATION OF LEASE**

22.1 **Lease Termination Date**

The leasing of the Aircraft hereunder by Lessee shall terminate upon the earliest to occur of any of the following:

- (a) a Total Loss of the Aircraft during the Lease Term and payment of the Agreed Value to Lessor pursuant to Clause 19.3, with all other obligations of Lessee under this Agreement and each other Operative Document having been performed;
- (b) Lessee's return of the Aircraft to Lessor on the Expiration Date or, at the option of Lessor, a later date determined pursuant to Clause 21.17, in either case with all obligations of Lessee under this Agreement and each other Operative Document having been performed; and
- (c) the termination of this Agreement following the occurrence of a Termination Event pursuant to or in accordance with Clause 24.1.

22.2 **Termination on Illegality**

If at any time during the Lease Term (i) it is or becomes unlawful in any relevant jurisdiction for any of Lessor or Lessee to perform or give effect to any of their respective material obligations or receive any of their respective material benefits as contemplated by this Agreement and the other Operative Documents or (ii) any consent or approval of any Government Entity or any Authorisation required by Lessee or Lessor to perform its obligations under the Operative Documents is revoked or modified in a manner prejudicial to Lessee or Lessor or is withheld, revoked, suspended, cancelled or withdrawn or expires and is not renewed or otherwise ceases to be in full force and effect and the effect thereof will have a material adverse effect on Lessee's or Lessor's ability to perform its obligations under the Operative Documents (each such circumstance an "**Applicable Circumstance**"), Lessor will consult in good faith with Lessee as to any steps which may be taken to restructure the transaction to avoid such Applicable Circumstance. Without prejudice to Lessor's rights if a Termination Event occurs during any such consultation period, if the parties cannot restructure the transaction to avoid any Applicable Circumstance described above within a period of sixty days (or such lesser period as may, in the good-faith judgement of Lessor, be required to avoid such illegality), then Lessor shall be entitled to terminate the leasing of the Aircraft under this Agreement, whereupon Lessee will forthwith take such action to put the Aircraft in the Redelivery Condition required by this Agreement and promptly redeliver the Aircraft to Lessor in accordance with Clause 21 and pay all Rent and other sums payable by Lessee hereunder up to and including the date of Redelivery. If Lessor and Lessee succeed in restructuring the

transaction to avoid the Applicable Circumstance, each of Lessee and Lessor agrees to do all such acts and things and execute and deliver all such documents (including, without limitation, any amendment of this Agreement or any other Operative Document) as may be reasonably required to effect such restructuring in the form that shall be acceptable to Lessor. The cost of any such restructuring shall be borne by Lessee.

22.3 Continuing Indemnities

The indemnity obligations of Lessee contained in this Agreement shall survive and continue in full force and effect notwithstanding the expiration or other termination of the leasing of the Aircraft under this Agreement.

22.4 Return of Security Deposit

Lessor shall, either (i) no later than five Business Days following the termination of the leasing of the Aircraft under this Agreement pay to Lessee an amount equal to the Security Deposit (less any amount previously applied by Lessor in accordance with Clause 4.2 and not replenished by Lessee, without interest and net of any withholding or other Taxes on such payment) then held by Lessor, or (ii) at Lessor's sole discretion shall consider off-setting the cash Security Deposit held by Lessor on the Expiration Date **provided** Lessor shall not be obliged to pay or off-set any amount to Lessee under this Clause 22.4 for so long as any Relevant Obligation then falling due for performance is not fully discharged or performed and for so long as no Termination Event has occurred and is continuing. If the Security Deposit is provided in the form of a Security Letter of Credit, Lessor shall, subject to the discharge or performance of all Relevant Obligations then falling due, return or cancel such Security Letter of Credit ten days after the Lease Termination Date.

22.5 AD Cost Contribution

Lessor shall comply with the AD cost-sharing conditions set forth in Part A of the Financial Terms Annex.

22.6 Renewal Options

(a) Renewal Notice

- (i) Lessee shall have the right to extend the Lease Term by six (6) months (the "**Operational Extension**") by providing Lessor a written notice signed by Lessee at least two hundred seventy (270) days prior to the scheduled Expiration Date (including, for the avoidance of doubt, if such Expiration Date has been extended pursuant to Clause 22.6(a)(ii) below). All terms and conditions of this Agreement during the then Lease Term (or Renewal Lease Term, as the case may be) shall remain in full force and effect during any Operational Extension, unless Lessor and Lessee expressly agree otherwise in writing.
- (ii) Notwithstanding the Operational Extension, Lessee shall have an additional

right to extend the Term of this Agreement up to two (2) times by providing Lessor a Renewal Notice signed by Lessee at least two hundred seventy (270) days prior to the Expiration Date (including, for the avoidance of doubt, if such Expiration Date has been extended pursuant to clause 22.6(a)(i) above). A Renewal Notice shall set forth (i) Lessee's decision to extend the leasing of the Aircraft for the relevant Renewal Lease Term and (ii) Lessee's decision as to the duration of such Renewal Lease Term which shall be for a one (1) year to three (3) year period.

(iii) Notwithstanding anything to the contrary in this Agreement or any other Operative Document:

(aa) no Renewal Notice shall be binding on Lessor or oblige Lessor to extend the leasing of the Aircraft hereunder for any Renewal Lease Term, and shall be considered not to have been given, if any Relevant Event shall have occurred and be continuing on and as of the date of any such notice; and

(bb) any Renewal Notice shall be irrevocable (save as set out in Clause 22.6(b)(i)) and shall constitute an unconditional obligation of Lessee to extend the leasing of the Aircraft hereunder for the Renewal Lease Term to which such Renewal Notice relates.

(b) Renewal Rent and Documentation

(i) Upon receipt of a Renewal Notice, as provided in Clause 22.6(a)(ii) (*Renewal Notice*) above, Lessee and Lessor shall enter into good faith negotiations with respect to the amount to be paid by Lessee as Rent during the applicable Renewal Lease Term. Such amount shall be agreed by Lessor and Lessee within 30 days of Lessor's receipt of Lessee's Renewal Notice. If Lessor and Lessee are unable to agree to a revised rent amount for any extension term within 30 days of Lessee's notice, Lessee shall have the option to proceed with the Renewal Lease Term by confirming its agreement to accept the existing rent amount by the end of such 30 day period. If Lessee does not make such confirmation, Lessee will be deemed not to have revoked the Renewal Notice (however, Lessee shall not be entitled to re-issue a revoked Renewal Notice). The amount of Rent shall be documented in an amendment to this Agreement, which shall be in form and substance reasonably acceptable to Lessee and Lessor. Thereupon, (i) Lessee and Lessor shall promptly execute and deliver such lease amendment, (ii) Lessee shall provide (x) written evidence of appropriate corporate action authorizing execution and delivery of such amendment, (y) evidence of the issuance of each approval, license and consent which may be required in connection with such amendment, and (z) an opinion from Lessee's in-house counsel addressed to Lessor with respect to such

amendment, including that all necessary filings and registrations with respect thereto have been or promptly will be made in the State of Registration and the State of Incorporation, which opinion shall be reasonably satisfactory to Lessor; and (iii) Lessor shall provide (x) written evidence of appropriate corporate action by Lessor authorizing the execution and delivery of such amendment, and (y) evidence of the issuance of each approval, license and consent which may be required in connection with such amendment and such confirmation.

- (ii) On the commencement date of each Renewal Lease Term (i) if the Rent payable during such Renewal Lease Term is less than the Rent that was payable hereunder before that renewal, the amount of the required Security Deposit shall be such lesser amount during that Renewal Lease Term and Lessor shall reimburse Lessee a portion of the Security Deposit equal to the difference between the Rent payable immediately prior to such Renewal Lease Term and the Rent for such Renewal Lease Term (the "**SD Difference**") and the amount of the required Security Deposit shall be such lesser amount during that Renewal Lease Term and (ii) if the Rent for such Renewal Lease Term is greater than the Rent that was payable immediately prior to such Renewal Lease Term, Lessee shall increase the Security Deposit by an amount equal to the SD Difference and the amount of the required Security Deposit shall be such greater amount during that Renewal Lease Term.
- (iii) All terms and conditions of this Agreement during the Lease Term shall remain in full force and effect during any Renewal Lease Term, unless Lessor and Lessee expressly agree otherwise in writing.

23. **TERMINATION EVENTS**

Each of the following events or circumstances shall constitute a Termination Event:

- (a) Lessee fails to make any payment of (i) Rent within five Business Days of the due date therefor or (ii) any other amount due and payable by Lessee under this Agreement or any other Operative Document to which it is a party within 10 Business Days of the due date therefor; or
- (b) the Insurances are not obtained and maintained in full force and effect in accordance with the provisions of Clause 18 or a notice of cancellation in respect of the Insurances is given and not rescinded before such cancellation becomes effective; or
- (c) Lessee fails to (i) return and de-register the Aircraft due to its own fault, as and when required to do so under Clause 21 (provided such failure shall not constitute a Termination Event if (A) the Aircraft is returned and de-registered as and when required under Clause 21 within 120 days following the date on which the

Aircraft becomes subject to redelivery to Lessor, and (B) during such 120 day period, (x) no Termination Event has occurred and is continuing, (y) the Aircraft is removed from service, and (z) Lessee is making reasonable efforts to prepare the Aircraft for Redelivery in accordance with this Agreement) or (ii) duly perform or comply with any of the obligations expressed to be assumed by it in Clauses 4, 12.1 or 26; or

- (d) other than those referred to in paragraphs (a), (b) and (c) of this Clause 23, either Obligor commits any breach of or omits to observe any of the other obligations or undertakings expressed to be assumed by it under any Operative Document and such failure shall if capable of remedy continue for a period of 15 days after such Obligor becomes aware of the failure; *provided*, that Lessee shall have an additional 45 days to remedy such failure if such breach is capable of remedy and Lessee is diligently seeking to rectify the breach; or
- (e) any representation or warranty made or deemed to be made by an Obligor in any Operative Document to which it is a party is or proves to have been incorrect in any material respect; or
- (f) other than in connection with the Chapter 11 Cases, either Obligor files an application before a competent Mexican court requesting to be subject to a *concurso mercantil* in accordance with the Law of Insolvency Proceedings; or
- (g) other than in connection with the Chapter 11 Cases, either Obligor consents to the appointment of a custodian, , *conciliador*, *síndico*, trustee, judicial manager or liquidator of itself or all or any material part of such Obligor's property or such Obligor's consolidated property, or either Obligor makes a general assignment for the benefit of creditors, or either Obligor files a voluntary petition in bankruptcy or a voluntary petition seeking reorganization in a proceeding under any bankruptcy or insolvency laws (as now or hereafter in effect) or any answer admitting the material allegations of a petition filed against either Obligor in any such proceeding, or Lessee by voluntary petition, answer or consent seeks relief under the provisions of any other bankruptcy, insolvency, *concurso mercantil* or other similar law providing for the reorganization or winding-up of corporations, or provides for an agreement, composition, extension or adjustment with its creditors, or any corporate action (including, without limitation, any board of directors or shareholder action) is taken by either Obligor in furtherance of any of the foregoing, whether or not the same is fully effected or accomplished; or
- (h) other than in connection with the Chapter 11 Cases, an order, judgment or decree is entered by any court appointing, without the consent of either Obligor, a custodian, receiver, conciliator, *síndico*, trustee, judicial manager or liquidator of Lessee, or of all or any material part of either Obligor's property or either Obligor's consolidated property is sequestered, and any such order, judgment or decree of appointment or sequestration remains in effect, undismissed, unstayed

or unvacated for a period of 30 days after the date of entry thereof or at any time an order for relief is granted; or

- (i) an involuntary petition against either Obligor in a proceeding under the Law of Insolvency Proceedings, or under any other applicable insolvency laws (as now or hereafter in effect) is filed and (x) Lessor has a reasonable basis to suspect that the claim will be successful and (y) is not withdrawn or dismissed within 30 days thereafter or at any time an order for relief is granted in such proceeding, or if, under the provisions of any law providing for reorganization or winding-up of companies which may apply to such Obligor, any court of competent jurisdiction assumes jurisdiction over, or custody or control of, either Obligor or of all or any material part of either Obligor's property, or either Obligor's consolidated property and such jurisdiction, custody or control remains in effect, unrelinquished, unstayed or unterminated for a period of 30 days or at any time an order for relief is granted in such proceeding;
- (j) a moratorium is declared by either Obligor in respect of all or a substantial part of its Indebtedness; or
- (k) either Obligor discontinues its business or sells or otherwise disposes of all or substantially all of its assets (other than pursuant to sale and leaseback transactions in the ordinary course of business); or
- (l) any consent, authorization, license, approval (if any) necessary to enable Lessor to repossess the Aircraft upon termination of the leasing of the Aircraft hereunder and/or to de-register the Aircraft and export the Aircraft from the State of Registration thereupon (i) is revoked, suspended, withdrawn, terminated, expires, or is modified or in any form impeded to be enforced in a manner that materially and adversely affects the rights of Lessor or any Financing Party and (ii) is not reinstated or otherwise remedied by Lessee within 10 days after Lessee becomes aware of the failure; or
- (m) Guarantor fails to make payment under the Guarantee in accordance with the terms thereof; or
- (n) Lessee fails to renew any Security Letter of Credit (and fails to provide an equivalent cash amount in place of the expiring Letter of Credit) other than in accordance with the terms of this Agreement; or
- (o) a termination event or event of default (howsoever defined or described) has occurred and is continuing under an Other Lease.

24. **LESSOR'S RIGHTS FOLLOWING A TERMINATION EVENT**

24.1 **Lessor's Rights Following Termination Event**

At any time after the occurrence of any Termination Event Lessor may treat such event as a repudiation by Lessee of its obligations under this Agreement and the other Operative Documents and may:

- (a) in the case of a Termination Event occurring before Delivery, by written notice to Lessee terminate its obligation to lease the Aircraft to Lessee hereunder; and/or
- (b) proceed by appropriate court action to recover, any or all of the following amounts:
 - (i) all Rent and other amounts which are or become due and payable under this Agreement prior to the earlier to occur of the date Lessor sells or re-leases the Aircraft or receives payment of the amount calculated pursuant to sub-clause (ii) below;
 - (ii) an amount equal to the excess of (A) the aggregate Rent for the remainder of the Lease Term (determined without reference to any right of Lessor to terminate the leasing of the Aircraft, whether or not such right is exercised), discounted periodically (equal to installment frequency) to present worth at the Discount Rate over (B) the aggregate rent payable at fair market value (or if re-leased for a comparable term, the aggregate rent payable under the follow-on lease), discounted periodically (equal to installment frequency) to present worth at the Discount Rate;
 - (iii) an amount equal to the Redelivery Maintenance Payment; and
 - (iv) without duplication, an amount equal to Lessor's actual or reasonably anticipated costs, expenses and other incidental damages and losses associated with Lessor's exercise of its remedies under this Agreement or otherwise incurred by Lessor as a result of a Termination Event or the exercise of rights or remedies with respect thereto, including repossession costs, legal fees, Aircraft storage, preservation, shipment, repair, refurbishment, modification, maintenance and insurance costs, Aircraft re-lease or sale costs (including any costs incurred to prepare the Aircraft for sale or lease, advertising costs, sale or lease costs (including commissions)) in any way related to the Aircraft, any Engine or any Part, including to cause the Aircraft to satisfy the Redelivery Conditions or in the location provided for in this Agreement, or otherwise; and/or
- (c) by notice to Lessee, and without need of a judicial declaration, terminate the Lease Term with respect to the Aircraft on the date specified in such notice and (without notice to Lessee) retake (as permitted under applicable law) possession of the Aircraft, and Lessee agrees that to the extent permitted by applicable law, Lessor may by its servants or agents for this purpose enter upon Lessee's premises where the Aircraft or any part thereof may be located and shall be entitled to act as attorney for Lessee in causing such redelivery; and/or

- (d) with or without taking possession thereof, sell all or any part of the Aircraft at public or private sale, with or without advertisement, for cash or upon credit, or otherwise dispose of, hold, use, operate, lease to others or keep idle all or any part of the Aircraft as Lessor in its sole discretion may determine appropriate, all free and clear of any rights of Lessee and without any duty to account to Lessee with respect to such action or inaction or for any proceeds thereof, all in such manner and on such terms as Lessor considers appropriate in its absolute discretion, as if this Agreement had never been entered into; and/or
- (e) by serving notice and without need of judicial declaration, require Lessee to redeliver possession of the Aircraft to Lessor at the Redelivery Location (or such other location as Lessor may require); and/or
- (f) exercise its rights under Articles 8, 10 and 13 of the Cape Town Convention and any rights expressed to be available to Creditors under the Cape Town Convention.

In any circumstances where Lessee shall be required to return the Aircraft as a result of a Termination Event under this Agreement or upon commencement by Lessor of any suit, claim or upon commencement of any dispute, judicial or otherwise, related to the Aircraft, the rights of possession thereof or this Agreement, Lessee shall be considered as a gratuitous trustee (*depositario*) thereof in accordance with the terms of the Second Volume, Title IV (*Libro Segundo, Título IV*), of the Commercial Code (*Código de Comercio*). For such purpose, Lessee hereby (a) expressly waives any right to receive any compensation for its acts as trustee in accordance with the Lease, (b) acknowledges that it shall not be entitled to the use or dispose of the Aircraft in any manner, which will be maintained at the direction of Lessor, (c) acknowledges that Lessor will be under no obligation to indemnify, reimburse, or pay Lessee the expenses, if any, which Lessee may incur for the conservation and maintenance of the Aircraft in its capacity as trustee of the same, (d) acknowledges that it shall have no right of detention of the Aircraft and (e) accepts that it shall remain in custody of the Aircraft acting on the instructions of Lessor, until the Aircraft has been physically returned to Lessor in accordance with the instructions of Lessor. In performing its duties as *depositario*, Lessee shall act in accordance with the terms hereof, the terms of applicable law and the express instructions of Lessor.

In exercising its rights under this Clause 24 (*Lessor's Rights Following a Termination Event*), Lessor shall use commercially reasonable efforts to mitigate any of its losses, costs or expenses for which Lessee is liable under this Clause 23 (*Termination Events*), provided that Lessor shall not be obliged to take any step that, in its reasonable opinion, is likely to prejudice Lessor nor is Lessor obliged to achieve any particular result from taking any steps under this clause.

24.2 Cure of Defaults by Lessor

If Lessee fails to comply with any of its obligations under any Operative Document Lessor may upon giving Lessee written notice of its intention to do so and not having cured such failure within the corresponding agreed cure period, without being in any way obliged so to do, or responsible for so doing, and without prejudice to the ability of Lessor to treat that non-compliance as a Termination Event, effect compliance on Lessee's behalf, and if Lessor incurs any expenditure in effecting such compliance Lessor shall be entitled (without prejudice to Clause 24.1) to recover such expenditure from Lessee together with interest thereon at the Default Rate from the date on which such expenditure is incurred by Lessor until the date of reimbursement thereof by Lessee (both before and after any relevant judgement).

24.3 Deregistration and Export Following Termination Event

Lessee acknowledges and agrees that, upon the occurrence and during the continuance of a Termination Event, Lessor shall have an unrestricted and unlimited right to deregister the Aircraft in accordance with applicable law. When entitled to do so hereunder, Lessee will not oppose any lawful attempt of Lessor to deregister the Aircraft and, at Lessor's request, will promptly take any and all steps necessary or desirable to effect deregistration of the Aircraft and/or its export from the country where the Aircraft is for the time being situated without prejudice to the rights of Lessee hereunder or at law. Lessee is aware and hereby acknowledges that the right of Lessor to deregister may be exercised unilaterally, unconditionally and without restrictions (save for the continued existence of a Termination Event) as provided under Article 46 of the Civil Aviation Law of Mexico, and, in the event that such deregistration of the Aircraft shall be applied for by Lessor, Lessor with such instruments, authorizations and other documented approvals that may be necessary or required by the registry of the Aviation Authority or by the Aviation Authority (i) to remove the Aircraft from the operating certificate of Lessee, (ii) to complete deregistration of the Aircraft, (iii) to demonstrate termination of this Agreement, and (iv) to export the Aircraft from the State of Registration (including, if required, a valid and subsisting export permit and certificate of airworthiness for the Aircraft) or anything otherwise required in relation to the deregistration of the Aircraft with the Aviation Authority. In addition Lessee will take any other steps necessary to enable the Aircraft to be redelivered to Lessor in accordance with this Agreement, including but not limited to discharge of any International Interests other than Permitted Security Interests on the International Registry if action by Lessee is required for such discharge. Lessee hereby irrevocably and by way of security for its obligations under this Agreement appoints (which appointment is coupled with an interest) Lessor as its attorney in fact, during the continuation of a Termination Event to execute and deliver any documentation, do any act or thing required in connection with the foregoing and grant all the powers and authorizations necessary for taking any of the foregoing actions.

24.4 Power of Attorney

- (a) Provided that Lessor utilises the power of attorney pursuant to this Clause only if a Termination Event has occurred and is continuing, Lessee hereby appoints Lessor as the attorney-in-fact of Lessee, with full authority in the place and stead of Lessee and in the name of Lessee or otherwise, for the purpose of carrying out the provisions of Clause 24.3 of this Agreement, taking any action, executing any instrument and requesting any information that Lessor may deem necessary or advisable to accomplish the purposes of Clause 24.3 of this Agreement, to terminate this Agreement on behalf of Lessee and to de-register and export the Aircraft in accordance with the provisions of this Agreement and for such purposes execute, deliver and perform (as the case may be) all and any acts, deeds, documents and matters, including but not limited to the execution of an agreement for the termination of this Lease Agreement in respect to the Aircraft and to request any information from any authorities or entities in respect thereto or in respect to any amounts owed by Lessee. Lessor and Lessee hereby agree that the occurrence of a Termination Event which is continuing shall constitute a "default" for the purposes of Article 11 of the Cape Town Convention, giving rise to the rights and remedies specified in Articles 8-10 and 12-13 of the Convention and Article IX of the Protocol and any other rights and remedies specified herein or available under applicable law. Lessee hereby acknowledges that Article 13(2) of the Cape Town Convention shall be dis-applied if Lessor chooses to exercise its rights under Article 13(1) of the Cape Town Convention in accordance with this Agreement. For the purpose of Article XI, alternative B of the Protocol, both parties hereby agree that the period required for the effects of Article XI, paragraph 2, shall be 15 Business Days. Lessee hereby agrees that upon the occurrence of a Termination Event which is continuing, Lessor shall be entitled, pending final determination of its claim, and with such prior notice to Lessee, if any, as may be required by applicable law, to obtain from a court speedy relief in the form of one or more of the following orders as Lessor requests:
- (i) preservation of the Aircraft and the Engines and their value;
 - (ii) possession, control or custody of the Aircraft and the Engines;
 - (iii) immobilisation of the Aircraft and the Engines;
 - (iv) lease of the Aircraft and the Engines and the income therefrom; and
 - (v) sale of the Aircraft and the Engines and application of the proceeds therefrom.
- (b) Unless a Termination Event has occurred and is continuing during the Lease Term, Lessor shall not take any action in Lessee's name (or any Permitted Sublessee's name) pursuant to the Deregistration Power of Attorney.

24.5 Lessor's Rights Cumulative

The rights and remedies of Lessor provided in this Agreement are cumulative and are not exclusive of any rights and remedies provided by law.

25. NOTICES

25.1 Delivery of Notices

Every notice, request, demand or other communication under this Agreement shall be in writing delivered personally or by internationally recognised express courier service or facsimile or email transmission and shall be effective only upon actual receipt thereof by the recipient or, in the case of facsimile or email, once sent (provided that the sender receives a successful transmission report), and shall be sent:

(a) to Lessor to:

Address: Commuter Aircraft Leasing 2017 [V/VI] Limited
2nd Floor, Block 5
Irish Life Centre
Abbey Street Lower
Dublin 1, D01 P767
Ireland

Attention: Directors
Email: legalnotices@chorusaviation.com

With a copy to:

Address: Chorus Aviation Capital (Ireland) Limited
46 St. Stephen's Green
Dublin 2, D02 WK60
Ireland

Attention: Legal Department
Email: legalnotices@chorusaviation.com

to Lessee to:

Address: Aerovías de México, S.A. de C.V.
Paseo de la Reforma, No. 243, Piso 25
Colonia Cuauhtémoc
Alcaldía Cuauhtémoc
Mexico City, 06500
Mexico
Attention: Legal Department and Fleet Department
Facsimile: 52-55-9132-5079
Email: malvarez@aeromexico.com
amnotificacionesjuridico@aeromexico.com

or any substitute address, email address or fax number or department or officer as the relevant party may notify to the other party by not less than five (5) Business Days' notice.

25.2 **English Language**

All documents, notices, communications, evidence, reports, opinions and other documents given or to be given under this Agreement, unless made in the English language, shall (unless expressly provided to the contrary) be accompanied by an English translation and the English version of all such documents, notices, communications, evidence, reports, opinions and other documents shall, to the extent permitted by applicable law, govern in the event of any conflict with the non-English version thereof.

25.3 **Delivery on Non-Business Day**

Any notice (other than a notice under Clause 24.1) received or deemed to be received by any person on a day that is not a business day in the jurisdiction of such person's principal place of business shall be deemed to be received on the immediately succeeding business day. Any notice under Clause 24.1 shall be effective immediately upon receipt or deemed receipt.

26. **ASSIGNMENT**

26.1 **Transfer by Lessor**

Lessor may, upon notifying Lessee in writing of the proposed transfer and the relevant details reasonably in advance of the transfer date, transfer to any person meeting the requirements herein (a "**Transferee**") the Aircraft and/or all of its rights and obligations under this Agreement and the other Operative Documents to which it is a party subject to (a) such Transferee shall be an entity that is a tax resident of a jurisdiction with which Mexico has a tax treaty; (b) such Transferee agreeing to assume all of Lessor's obligations hereunder and thereunder arising after the time of such transfer, (c) Lessee having no greater obligation or liability (including Tax obligations) under this Agreement and the other Operative Documents as a result of such transfer, based on current laws in effect at the time of such transfer, than it would have had if such transfer had not taken place, (d) Lessee's rights shall not be diminished under this Agreement and the other Operative Documents as a result of such transfer, based on current laws in effect at the time of such transfer, than it would have had if such transfer had not taken place, (e) such Transferee (or its chief executives) are experienced in the business of aircraft leasing or serviced by such person, (f) such Transferee providing Lessee with a customary quiet enjoyment undertaking letter, (g) such Transferee (or its guarantor) has a tangible net worth of at least US\$[REDACTED], exclusive of the aggregate equity it is committing to invest in the Aircraft, with a certificate of such tangible net worth being a condition precedent to entering into the transfer, and (h) such Transferee (or its affiliates) shall not be an airline that is a direct competitor to Lessee; *provided* that if such Transferee is a trust or special

purpose vehicle, the foregoing requirements shall also apply to the owner participant or beneficial owner of such trust or special purpose vehicle. Lessee acknowledges that an increase in the number of Indemnitees shall not, of itself, constitute an increase in Lessee's obligations hereunder.

26.2 Cooperation with Transfers

Lessee shall do such things and execute such documents as may be reasonably requested of it to give effect to a transfer contemplated by Clause 26.1 including (a) entering into a novation or assumption agreement with the Transferee (with such amendments reasonably necessary to reflect the identity of the Transferee) and (b) providing to the Transferee up-to-date documents corresponding to those delivered to Lessor before Delivery pursuant to Clause 3.1 and (c) completing and/or cooperating with Lessor to complete any filings in the State of Registration or the International Registry in connection with any such transfer. Any reasonable out-of-pocket expenses incurred by Lessee in connection with Clause 26.2 shall be borne by Lessor or such Transferee. Lessee shall make such amendments to the insurances effected in respect of the Aircraft so as to ensure continued compliance with the requirements of Clause 18 with regard to the interests of such Transferee and any new Financing Parties and shall provide to Lessor updated documentation evidencing such amendments.

26.3 Financing Arrangements

Subject to providing Lessee with an undertaking for quiet enjoyment in accordance with Clause 6.1(b), Lessor may at any time enter into any financing arrangements (which may include the conversion of the lease transaction contemplated by this Agreement to a "leveraged lease" structure, a "head-lease, sub-lease" or other lease structure) with respect to the Aircraft pursuant to which (a) Lessor may assign its rights under this Agreement and the other Operative Documents (by way of security) to Owner or to the Financing Parties and (b) Owner may execute a mortgage over the Aircraft in favour of the Financing Parties.

26.4 Co-operation with Financings

Lessee shall cooperate with Lessor and do such things and execute such documents and make such filings and registrations in the State of Registration and/or the International Registry (including the registration and filing of any Security Document) as may be requested of it by Lessor in order to protect the interests of the Financing Parties under the Security Documents including, without limitation, (a) executing an acknowledgement of any assignment of Lessor's rights under this Agreement in favour of Owner or any relevant Financing Party, on terms customary in aircraft financing transactions and (b) making such amendments to the insurances effected in respect of the Aircraft to ensure continued compliance with the requirements of Clause 18 with regard to the interests of Owner and any such Financing Party, and shall provide to Lessor updated documentation evidencing such amendments. Any reasonable out-of-pocket expenses incurred by Lessee in connection with this Clause 26.4 shall be borne by Lessor.

26.5 Inspection by Transferees

In connection with a potential transfer of the Aircraft by Lessor in accordance with Clause 26.1, and upon at least 5 days' prior written notice to Lessee, Lessee shall permit Lessor and up to two representatives of a potential transferee to inspect the Aircraft (including the Aircraft Documentation) at a time and in a manner that will not interfere with Lessee's operation or maintenance of the Aircraft.

26.6 Assignment by Lessee

Lessee may not, without the prior written consent of Lessor, assign or transfer any of its rights or delegate any of its obligations hereunder or under any other Operative Document.

26.7 Successors

Subject to the foregoing, the terms and provisions of this Agreement and each other Operative Document shall be binding upon and inure to the benefit of Lessor and Lessee and their respective successors and permitted assigns and permitted transferees.

27. MISCELLANEOUS

27.1 Entire Agreement

This Agreement and the other Operative Documents contains the entire agreement between Lessor and Lessee relating to the leasing of the Aircraft, and the terms and conditions of this Agreement or any other Operative Document shall not be varied otherwise than by an instrument in writing of even date herewith or subsequent hereto executed by or on behalf of Lessor and Lessee.

27.2 Delay in Exercising Rights

No failure or delay on the part of Lessor in exercising any right, power or remedy under this Agreement or any other Operative Document shall operate as a waiver thereof, nor shall any single or partial exercise by it of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies provided in this Agreement and the other Operative Documents are cumulative and are in addition to any remedies provided by law.

27.3 Time of the Essence

Time and strict and punctual performance shall be of the essence as regards the performance by Lessee of all of its obligations under this Agreement and the other Operative Documents.

27.4 Further Assurance

Lessee shall from time to time do and perform such other and further acts and execute and deliver any and all such further instruments as may be required by law or reasonably

requested in writing by Lessor to establish, maintain and protect the rights and remedies of Lessor and to carry out and effect the intent and purposes of this Agreement and the other Operative Documents.

27.5 Delegation

Lessor may delegate to any appropriately licensed and/or experienced person(s) all or any of the rights, powers or discretions vested in it by this Agreement or any other Operative Document and any such delegation may be made upon such terms and conditions as between such person and Lessor as Lessor in its absolute discretion may determine.

27.6 Rights at Law

Nothing contained in any Operative Document shall be construed to limit in any way any right, power, remedy or privilege of Lessor hereunder or under any other Operative Document or now or hereafter existing at law or in equity. Each and every right, power, remedy and privilege of Lessor under the Operative Documents (i) shall be in addition to and not in limitation of, or in substitution for, any other right, power, remedy or privilege under any Operative Document or at law or in equity, (ii) may be exercised from time to time or simultaneously and as often and in such order as may be deemed expedient by Lessor and (iii) shall be cumulative and not mutually exclusive and the exercise of one shall not be deemed a waiver of the right to exercise any other.

27.7 Counterparts

This Agreement may be executed in any number of counterparts and by each of the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original, and all of which, taken together, shall constitute one and the same instrument.

27.8 Severability

If any provision of this Agreement shall become invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired.

27.9 Language

If this Agreement or any other Operative Document is required to be translated into another language for the purposes of any filing or registration, the English version shall prevail in the event of any conflict with any such non-English version.

27.10 Expenses

Each party shall bear its own costs and expenses (including legal expenses) incurred in the negotiation of this Agreement and the other Operative Documents and the completion of the transactions contemplated hereby, provided that Lessee shall be responsible for the cost obtaining the legal opinions required under Schedule 3 or under Clause 16.2(b).

27.11 **Disclaimer of Consequential Damages**

EACH PARTY HEREBY AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN, IT SHALL NOT BE ENTITLED TO RECEIVE AND HEREBY DISCLAIMS AND WAIVES ANY RIGHT THAT IT MAY OTHERWISE HAVE TO RECOVER LOST PROFITS, LOST REVENUE OR OTHER CONSEQUENTIAL, SPECIAL INCIDENTAL, INDIRECT OR PUNITIVE DAMAGES AS A RESULT OF ANY BREACH OR ALLEGED BREACH BY ANY OTHER PARTY OF ANY OF THE AGREEMENTS CONTAINED IN THIS AGREEMENT OR THE OTHER OPERATIVE DOCUMENTS.

28. **CONFIDENTIALITY**

At all times during the continuance of this Agreement, each of Lessee and Lessor shall keep confidential and shall not, without the prior written consent of the other, disclose to any other person either (i) the subject matter of this Agreement or any other Operative Document and the transactions contemplated hereby or any other agreement entered into after the date hereof by Lessor and Lessee in connection with this Agreement or any other Operative Document or (ii) any information or document provided to it by the other pursuant to, or in connection with the transactions contemplated by, this Agreement and the other Operative Documents **provided** that the parties hereto shall be entitled, without any such consent, to disclose the same:

- (a) in connection with any legal proceedings arising out of or in connection with this Agreement or any of the other Operative Documents; or
- (b) if required to do so by an order of a court of competent jurisdiction whether in pursuance of any procedure for discovery of documents or otherwise; or
- (c) pursuant to any law or regulation having the force of law; or
- (d) to any fiscal, monetary, tax, governmental or other competent authority; or
- (e) to the insurers (and/or insurance brokers), auditors, legal or other professional advisors of Lessee or Lessor; or
- (f) if any of the same is or shall become publicly known otherwise than as a result of a breach by such party of this Clause 28; or
- (g) in any manner contemplated by any of Operative Documents; or
- (h) to any Financing Party or any potential Financing Party; or
- (i) to Guarantor; or
- (j) to the employees, directors, officers, or professional advisors of Lessor and Lessee; or

(k) to the U.S. Trustee, the Unsecured Creditors Committee, the Ad Hoc Bondholders Group, or the entities providing the debtor-in-possession financing to the Obligors and any of their respective employees, directors, officers, or professional advisers; or

(l) to any Transferee or any potential Transferee.

29. **LAW AND JURISDICTION**

29.1 **Governing Law**

THIS AGREEMENT SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO PRINCIPLES OF CONFLICTS OF LAW (WHICH SHALL BE DEEMED TO EXCLUDE SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW), INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE. THIS AGREEMENT, TOGETHER WITH ALL EXHIBITS AND ATTACHMENTS ARE BEING EXECUTED BY THE PARTIES IN THE PRESENCE OF A NOTARY PUBLIC IN MEXICO, AND SUCH NOTARY SHALL CERTIFY THIS AGREEMENT AS A PUBLIC DOCUMENT AND TO BE ATTACHED WITH THE CAPACITY TO BE ENFORCED THROUGH AN EXECUTIVE COMMERCIAL PROCESS AS SET FORTH IN THE COMMERCIAL CODE OF MEXICO. THE FOREGOING ELECTION OF THE LAWS OF THE STATE OF NEW YORK IS WITHOUT PREJUDICE TO THE RIGHT OF LESSOR TO APPLY THE FEDERAL LAWS OF MEXICO TO ANY REPOSSESSION ACTION PROPERLY BROUGHT UNDER THIS AGREEMENT WHILE THE AIRCRAFT IS LOCATED IN MEXICO.

29.2 **Jurisdiction**

Each party hereto irrevocably consents that any legal action or proceeding against it or any of its assets arising out of or relating to this Agreement be brought in the United States District Court for the Southern District of New York or the State of New York located in the City of New York, Borough of Manhattan (and all related appellate courts), in the courts of the Federal District of Mexico or in the courts of any other jurisdiction where the Aircraft may be located. By execution and delivery of this Agreement each party hereto hereby irrevocably submits to and accepts with regard to any such action or proceeding, for itself and in respect of its assets, the jurisdiction of the aforesaid courts and irrevocably agrees to be bound by any judgment rendered thereby. Each party hereto hereby irrevocably waives to the fullest extent permitted by applicable law its rights to bring an action or commence a proceeding under this Agreement in any other jurisdiction to which it may be entitled by virtue of its present or future domicile. Each party hereto 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 Agreement brought in the United States District Court for the Southern District of New York or the courts of the State of New York located in the City of New York, Borough of Manhattan (and all related appellate courts), in the Federal District of

Mexico or in any other jurisdiction where the Aircraft may be located and hereby further irrevocably waives, to the fullest extent permitted by law, any claim that any such suit, action or proceeding in the United States District Court for the Southern District of New York, any New York state court sitting in the County of New York, New York (and all related appellate courts), in the Federal District of Mexico or in any other jurisdiction where the Aircraft may be located has been brought in an inconvenient forum;

29.3 Waiver of Jury Trials

EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY LEGAL OR EQUITABLE ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR ANY OTHER OPERATIVE DOCUMENT OR ANY TRANSACTION CONTEMPLATED HEREBY OR THEREBY OR THE SUBJECT MATTER OF ANY OF THE FOREGOING.

29.4 Process Agent

- (a) Each of Lessor and Lessee agrees that (i) to the extent such party is not otherwise subject to service of process in the State of New York, to appoint and maintain an agent in the State of New York as such party's agent for acceptance of legal process and (ii) that service of process may also be made on such party by prepaid certified mail with a proof of mailing receipt validated by the United States Postal Service constituting evidence of valid service, and that service made pursuant to (i) or (ii) above shall have the same legal force and effect as if served upon such party personally within the State of New York.
- (b) Lessee hereby irrevocably designates and appoints Corporation Service Company (1180 Avenue of the Americas, Suite 210, New York, NY 10036 or its registered address from time to time) as its attorney-in-fact to receive service of process in any action, suit or proceeding with respect to any matter as to which Lessee submits to jurisdiction as set forth above, it being agreed that after such appointment, service upon such attorney-in-fact shall constitute valid service upon Lessee or its successors and assigns.
- (c) Lessor hereby irrevocably designates and appoints National Corporate Research, Ltd. (at 10E, 40th street 10th floor, NY 10016 or its registered address from time to time) as its attorney-in-fact to receive service of process in any action, suit or proceeding with respect to any matter as to which Lessor submits to jurisdiction as set forth above, it being agreed that after such appointment, service upon such attorney-in-fact shall constitute valid service upon Lessor or its successors and assigns.

29.5 Waiver of Immunity

Each party to this Agreement agrees that in any legal action or proceedings against it or its assets in connection with this Agreement and/or any other Operative Document no immunity from such legal action or proceedings (which shall include, without limitation,

suit, attachment prior to judgment, other attachment, the obtaining of judgment, execution or other enforcement) shall be claimed by or on behalf of it or with respect to its assets, irrevocably waives any such right of immunity which it or its assets now have or may hereafter acquire or which may be attributed to it or its assets and consents generally in respect of any such legal action or proceedings to the giving of any relief or the issue of any process in connection with such action or proceedings including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order of judgment which may be made or given in such action or proceedings.

IN WITNESS WHEREOF this Agreement has been duly executed by the parties hereto on the date first above written.

SCHEDULE 1

PART 1 – DESCRIPTION OF AIRCRAFT

Aircraft

Aircraft Manufacturer: Embraer S.A.
Model: Embraer E190-100 LR
Serial Number: [____]
MTOW: [____]kg
MLW: [____]kg
MZFW: [____]kg

Engines

Engine Manufacturer: General Electric Company
Model: CF34-10E6
Serial Numbers: [____] and [____]

APU

Model: Hamilton Sunstrand APS 2300
Serial Number: As stated in the Acceptance Certificate

Specification: As set out in Part 2 of this Schedule 1.

PART 2 – SPECIFICATION

STANDARD AIRCRAFT

The Aircraft EMBRAER 190 shall be manufactured according to (i) the standard configuration specified in the Technical Description TD 190 Rev. 15 dated as of December 2010, which although not attached hereto, is incorporated herein by reference, and (ii) the characteristics described in the items below.

1. OPTIONAL EQUIPMENT:

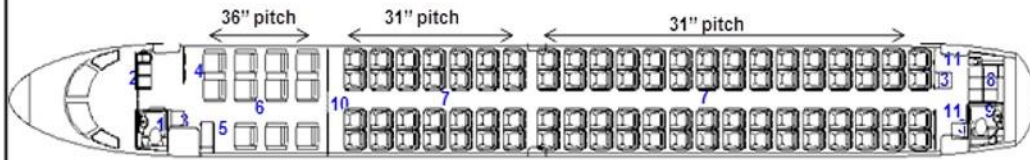
The Aircraft will also be fitted with the following options selected :

Item	EQUIPMENT
720J007	LR version (including CF34- 10E6 engine)
020J002	Extended Overwater Operation (FAA/ANAC only; Life rafts are BIE items)
212J001	Fwd Baggage Compartment Ventilation
212J002	Cabin temperature trim system(dual zone)
232J002	SELCAL
244J001	DC External Power Receptacle
252J007	88 Elite Seats
252J015	Leather cover for Elite Seats
252J013	Life vest pouch for Elite Seats
252J008	11 First Class Seats
252J037	Leather cover for First Class Seats
252J035	Life vest pouch for First Class Seats
252J053	3rd flight attendant seat (Leather w/Handset)
252J055	10 Seat Belt Extensions
252J078	Retractable Aisle Armrest for first class seat
254J003	Baby Change Table in the FWD Lavatory

254J004	Baby Change Table in the AFT Lavatory
255J001	Cargo Compartment Nets (FWD/AFT)
256J001	Positioning report capability on ELT
313J002	QAR (Quick Access Recorder)
313J003	Universal DVDR
324J001	Autobrake System
344J001	Turbulence Detection Mode on Weather Radar (WU-880)
345J003	Mode S Enhanced Transponder
346J001	2nd FMS / GPS
351J001	77 cubic feet Oxygen
352J003	3rd oxygen masks for all RH seats
352J004	3rd oxygen masks for all LH seats
442J011	Audio Entertainment (MP3 Player DMP200 with SD card media)
452J001	DMU (Dataloader Management Unit)
520J001	Reinforced Cockpit Door with remote access control
503J001	Cargo Compartment Floor Covering (Lexan)
521J003	Door sill doublers (passenger, cargo and service doors)
N/A	2 nd Radio Altimeter
NA	Ceiling end cap provision for Cabin Surveillance System
NA	Cockpit Electrical Outlets installation (110VAC/60Hz) (two outlets)
N/A	Galleys Inserts supplied as SFE: <ul style="list-style-type: none"> ▪ 01ea Mini-Oven (P/N= 8401-01-0000, supplied by Sell) ▪ 03ea Coffee Maker / Combi Brewer (P/N= 416-0001-9, supplied by BE Aerospace) ▪ 04ea Standard Unit (P/N= DLH294, supplied by Driessen) ▪ 08ea Half Size Trolley (P/N= TL060160, supplied by Driessen) ▪ 03ea Coffee Pots (P/N= MISC-3201)
NA	Plexiglass Window at Zone 8
NA	Provisions for 2nd ADF

N/A	Provisions for 2 nd ELT
NA	Provisions for 3rd Digital VHF Datalink mode A
NA	Provisions for Cabin Surveillance System
NA	Provisions for CMU/CMF (ACARS)
NA	Provisions for HF (single)
NA	Provisions for PRA 120 min (full provisions)
NA	Provisions for Printer in the Cockpit linked to CMC, ACARS & FMC
N/A	Seat tracks for F/C seats and Provisions for the Overhead Bins in the F/C cabin
NA	Space Provisions for HUD
NA	Stainless steel in the two lavatories sinks (L4 and Lavatory at G3)
N/A	Structural and Electrical Provisions for 02 Convection Ovens at Zone 3
NA	Structural Provisions for AR Version
NA	Customized Layout with 99 pax (see LOPA below)
	Fuel Burn Package 1
	Tail Cone Modification

EMBRAER 190– Aeromexico – 99 pax



Set back: 26.83" RH & 28.58" LH // OWE: 39.49" // Pitch 56" in class divider

Interior Items
1 - Fwd Lavatory
2 - Fwd Galley G1 (2 Half Trolleys)
3 - Flight Attendant Seat
4 - Windscreen (B2)
5 - Stowage (S515FC) with DVD Rack
6 - First Class (11 pax @ 36" pitch)
7 - Economy Class (88 pax @ 31" pitch)
8 - Aft Galley G3 (6 Half Trolleys)
9 - Aft Lavatory (no Handicap)
10 - Class Divider (hard partition) with Dog House
11 - Aft Divider with doghouse

Galley Inserts*	G1-A	G3-A
Half Size Trolley	2	6
Standard Units		4**
Mini Oven	1	
Coffee Maker	1	2

*Installed on Aircraft

** 2 with provisions for Oven

SCHEDULE 2

FORM OF LEASE COMMENCEMENT DATE CONFIRMATION

COMMUTER AIRCRAFT LEASING 2017 [V/VI] LIMITED ("Lessor") and AEROLITORAL, S.A. DE C.V. ("Lessee") hereby agree as follows:

1. This Lease Commencement Date Confirmation (the "**Confirmation**") is entered into for purposes of the Amended and Restated Aircraft Lease Agreement dated [_____] 2021 (the "**Lease**") relating to the Embraer E-190 aircraft bearing manufacturer's serial number [____], registration mark [____] equipped with two CF34-10E6 engines bearing ESNs [____] and [____] (the "**Aircraft**").
2. Terms used in this Confirmation shall have the meanings given them in the Lease.
3. Each of Lessee and Lessor confirms that the conditions precedent on its part contained in the Lease have been satisfied or waived and that the leasing of the Aircraft contemplated in the Lease has commenced and the Lease Commencement Date is this [____] day of [____], 2021.

SCHEDULE 3
CONDITIONS PRECEDENT

A. Conditions Precedent to be satisfied by Lessee

Lessee shall comply with the following conditions on or prior the Lease Commencement Date as follows:

1. A copy, certified by a duly authorised representative of each Obligor to be a true, complete and up-to-date copy, of the constitutional documents of such Obligor.
2. A copy, certified by an officer of each Obligor to be a true copy, and as being in full force and effect and not amended or rescinded, of resolutions of board of directors of such Obligor:
 - (a) approving the transactions contemplated by the Operative Documents to which it is a party; and
 - (b) authorising a person or persons to sign and deliver on its behalf the Operative Documents to which it is a party, and any notices and other documents to be given pursuant hereto or thereto.
3. A copy, certified by an officer of each Obligor, of any powers of attorney authorising the signature/delivery of any such document.
4. An order entered by the Bankruptcy Court authorizing Lessee's entry into the transactions contemplated under this Agreement.
5. Evidence that all governmental and other licences, approvals and consents necessary for any matter or thing contemplated by the Operative Documents have been obtained.
6. One (1) original ratified set (*tanto ratificado ante notario publico*) and one private original of this Agreement duly executed by Lessee and ratified by a Mexican notary public.
7. One (1) original set of the public deed (*escritura pública*) containing the Deregistration Power of Attorney duly executed by Lessee and ratified by a Mexican notary public and one private set.
8. A copy in electronic format of the Spanish translation of this Lease Agreement for purposes of review and approval of Lessor prior registration and, upon filing for registration of this Lease Agreement for purposes of registration before the Aviation Authority, one hard copy certified by an approved translator authorized by the Superior Tribunal of Justice of the Federal District of Mexico ("*Tribunal Superior de Justicia del Distrito Federal*") or by the Council of the Federal Judicature ("*Consejo de la Judicatura Federal*").

9. Certificates of insurance and (if applicable) reinsurance evidencing the insurances required pursuant Clause 18 (*Insurance*) together with a letter of undertaking addressed to Lessor from Lessee's insurance and reinsurance brokers in form and substance reasonably satisfactory to Lessor.
10. A legal opinion issued by Lessee's in-house legal counsel in such form agreed by Lessor and Lessee (each acting reasonably) concerning matters relating to the delivery and registration of the Aircraft.
11. Each Operative Document duly executed by Lessee or, as applicable, Guarantor.
12. Evidence of the appointment of the process agent for Lessee and Guarantor pursuant to this Agreement, the Guarantee and the other Operative Documents to which Lessee or Guarantor (as applicable) is a party.
13. Such other documents and registrations as Lessor may reasonably require.

B. Conditions Subsequent to be satisfied by Lessee

1. No later than ten (10) Business Days following the Commencement Date, Lessee shall provide Lessor with an original set of this Agreement duly ratified before a Mexican notary public.
2. No later than thirty (30) Business Days from, but not including, the Lease Commencement Date, Lessee shall provide Lessor a certified true copy of the Aviation Authority's confirmation of the registration of this Agreement.
3. No later than ninety (90) days after the filing of this Agreement, Lessee shall provide Lessor with a copy of the Certificate of Registration of the Aircraft, evidencing the registration of this Agreement.

SCHEDULE 4
FORM OF MONTHLY REPORT

REPORT FOR CALENDAR MONTH ENDED _____

Aircraft Type: [•]
Manufacturer Serial/Registration Number: [•]

AIRFRAME

	During Period	Since New
Hours:		
Airframe Block Hours:		
Cycles:		

Engines

	Position 1	Position 2
Serial Number of Engine		
Present Location of Engine		
Flight Hours Since New:		
Cycles Since New:		
Flight Hours Performed During Period		
Cycles Flown During Period:		
Date of Last Shop Visit/Type of Last Shop Visit:		
Cycles Flown Since Last Shop Visit		
Serial Number of Installed Engine:		

APU

Serial Number of Original APU:

Present Location of Original APU:

APU Hours (Original APU):

Date of Last Shop Visit/Type of Last Shop
Visit:

APU Hours Since Last Shop Visit:

APU Cycle Since Last Shop Visit:

Serial Number of Installed APU:

MAINTENANCE CHECKS COMPLETED

	Number	Date	Hours	Cycles
Airframe Basic Check				
Airframe Basic Check				
Structural Inspection				

NEXT CHECKS DUE

	Number	Date	Hours	Cycles
Airframe Basic Check`				
Structural Inspection				

PMA PARTS CURRENTLY INSTALLED

SCHEDULE 5

LESSOR TECHNICAL ACCEPTANCE CERTIFICATE

COMMUTER AIRCRAFT LEASING 2017 [V/VI] LIMITED ("Lessor") hereby technically accepts, in accordance with the terms and conditions of the Amended and Restated Aircraft Lease Agreement dated [•] (the "**Lease Agreement**"), between Lessor and [•] ("**Lessee**"):

Aircraft: [•]

Manufacturer's Serial number: [•]

with two (2) installed [•] engines, Engine Manufacturer's Serial Numbers:

Position (1): [•]

Position (2): [•]

together with the Aircraft Documentation described in Attachment 1 hereto and with the operating times and cycles as accumulated on the Aircraft up to the time of redelivery as described in Attachment 2 hereto, and the loose equipment described in Attachment 3 hereto, in [place] on [date], at /a.m./p.m.

Lessee and Lessor have caused this receipt to be executed by their respective officers as of the day and year first above written.

COMMUTER AIRCRAFT LEASING 2017 [V/VI] LIMITED

By: _____

Title: _____

AEROLITORAL, S.A. DE C.V.

By: _____

Title: _____

[Attachment 1 - Aircraft Documentation]

[Attachment 2 - Aircraft Status]

Aircraft Status as of _____

Airframe

Serial Number:

Registration Number:

Hours Since New:

Cycles Since New:

Last Airframe Basic Check Performed/Date:

Flight Hours at Last Airframe Basic Check:

Cycles at Last Airframe Basic Check:

Fuel Aboard:

Oil Aboard:

Engines

Position 1

Position 2

Serial Number of Original Engine*

Flight Hours Since New:

Cycles Since New:

Last Basic Shop Visit Performed (type):

Flight Hours at Last Basic Shop Visit:

Cycles at Last Basic Shop Visit:

* or Replacement Engine, if applicable

Auxiliary Power Unit

Serial Number:

APU Hours Since New:

Last Maintenance Visit (type):

APU Hours at Last Basic Shop Visit:

Landing Gear

Nose

LMG

RMG

Serial Number:

Flight Hours Since New:

Cycles Since New:

Flight Hours Since Overhaul:

Cycles since Overhaul:

Last Shop Visit:

Tires and Brakes

% Wear Life Remaining Tires

Tires

Brakes

Nose

LH

RH

LH

RH

RH Main:

Forward

Rear

LH Main:

Forward

Rear

[Attachment 3 - Loose Equipment]

SCHEDULE 6
FORM OF DEREGISTRATION POWER OF ATTORNEY

PODER ESPECIAL

Aerolitoral S.A. de C.V. ("Aerolitoral"), representada en este acto por [] y [], en cumplimiento de lo dispuesto en el contrato de arrendamiento de aeronave celebrado el [] de 2013, entre la empresa ("Lessor"), como arrendador y Aerolitoral como arrendatario (el "Contrato"), cuyo objeto constituye el arrendamiento de una aeronave marca Embraer modelo con número de serie del fabricante y dos motores marca , modelo (la "Aeronave"), otorga en favor de ; así como en favor de los señores (en lo sucesivo los "Apoderados"), un poder especial irrevocable para pleitos y cobranzas y para actos de administración, para ser ejercitado de manera conjunta o separadamente con las facultades especiales que conforme a la ley requieran cláusula especial dentro de la República Mexicana, de conformidad con los términos establecidos en los dos primeros párrafos del artículo 2554 (dos mil quinientos cincuenta y cuatro) del Código Civil para el Distrito Federal de los Estados Unidos Mexicanos y sus artículos concordantes de los diversos Códigos que rigen en los Estados de la República Mexicana, así como en cualquier parte de los Estados Unidos de América, o cualquier otra jurisdicción donde la Aeronave pueda localizarse.

Los Apoderados única y exclusivamente podrán ejercer los poderes otorgados para llevar a cabo cualquiera de las siguientes acciones: (i) solicitar y obtener la baja del registro y marcas de nacionalidad y matrícula (cancelación de registro) de la Aeronave del registro correspondiente ya sea en los Estados Unidos Mexicanos o de su equivalente en los Estados Unidos de América; (ii) solicitar a la Agencia Federal de Aviación Civil de los Estados Unidos Mexicanos o a su equivalente de los Estados Unidos de América, que comuniquen la cancelación de la matrícula a cualquier autoridad nacional o extranjera; (iii) solicitar y obtener la baja a la Aeronave de los permisos de operación del otorgante ante la Agencia Federal de Aviación Civil, (iv) solicitar y obtener de la misma autoridad la autorización para el vuelo de traslado de la misma al extranjero; (v) realizar todos los trámites necesarios y conducentes a la exportación de la Aeronave y a la transportación de la misma fuera del territorio de la República Mexicana o de cualquier otra jurisdicción en que la misma se encuentre o llegue a encontrarse; (vi) notificar la terminación del Contrato al Registro Aeronáutico Mexicano o a cualquier otra autoridad para los fines conducentes, (vii) llevar a cabo cualquier acto o trámite relacionado con la terminación del Contrato de Arrendamiento o la Aeronave y suscribir cualquier documento relacionado, incluyendo sin limitar, un convenio de terminación (viii) solicitar a Servicios a la Navegación en el Espacio Aéreo Mexicano y, Aeropuertos y Servicios Auxiliares, un estado de cuenta actualizado, con los importes que Aeroméxico adeude, respecto de la Aeronave, o de cualquier otra aeronave operada por Aeroméxico; y (ix) delegar en todo o en parte las facultades que le han sido otorgadas en este instrumento, conservando en todo momento la facultad de ejercerlas por su cuenta.

Única y exclusivamente para los fines para los que es otorgado el presente poder especial, los Apoderados, de manera enunciativa mas no limitativa tendrán todas las facultades necesarias para representar al otorgante ante todas y cualesquiera autoridades ya sean federales, estatales o municipales de los Estados Unidos Mexicanos y/o de los Estados Unidos de América, incluyendo de manera enunciativa mas no limitativa la Agencia Federal de Aviación Civil de la Secretaría de Comunicaciones y Transportes, el Registro Aeronáutico Mexicano dependiente de la Agencia Federal de Aviación Civil, la Dirección General de Aduanas de la Secretaría de Hacienda y Crédito Público, la Administración de

SPECIAL POWER OF ATTORNEY

Aerolitoral , S.A. de C.V. ("Aerolitoral"), herein represented by [] and [], in compliance with the aircraft lease agreement entered on [] 2013, between the company ("Lessor"), as Lessor and Aerolitoral as Lessee (the "Agreement") which purpose constitutes the lease of one Embraer aircraft model , bearing manufacturer's serial number , with two model engines (the "Aircraft"), grants in favor of as well as in favor of (hereinafter the "Attorneys-in-fact"), an irrevocable special power of attorney for litigation and collections and for administration acts, to be exercised jointly or separately with the special capacities that by law require a special clause, to be exercised in accordance to the terms established in the first two paragraphs of article 2554 (two thousand five hundred and fifty four) of the Civil Code For the Federal District of the United Mexican States and its concordant articles of the several Codes ruling in the states of the Mexican Republic; as well as within anywhere in the United States of America, or in any other jurisdiction where the Aircraft may be located.

The Attorneys-in-fact may exercise the granted powers solely and exclusively in order to conduct any of the following actions: (i) to request and obtain the cancellation of the Aircraft registration marks from the corresponding registry whether in the United Mexican States or in its equivalent in the United States of America; (ii) to request to the Federal Agency of Civil Aviation of the United Mexican States, or to its equivalent in the United States of America to communicate the cancellation of the registration to any national or foreign authority; (iii) to request and obtain the removal of the Aircraft from the grantor's operating permits before the Federal Agency of Civil Aviation; (iv) to request and to obtain authorization from the same authority for the ferry flight thereof to a foreign country; (v) to perform all the necessary and related formalities for the exportation of the Aircraft and the transportation thereof out of the territory of the United Mexican States or from any other jurisdiction where the same may be located or where it may be found; (vi) to notify the termination of the Agreement to the Mexican Aeronautic Registry or to any other authority for the corresponding effects; and (vii) to perform all acts or filings in connection with the termination of the Lease Agreement, and the Aircraft, and to enter into any related document, including without limitation, the execution of a termination agreement (viii) to request to Servicios a la Navegacion en el Espacio Aereo Mexicano and, Aeropuertos y Servicios Auxiliares, an updated statement with the amounts owed by Aeroméxico with respect to the Aircraft or any other aircraft operated by Aeroméxico; and (ix) to partially or fully delegate the capacities granted through this instrument, preserving at all times the capacity to exercise the same by its own right.

Solely and exclusively for the purposes for which this special power of attorney is granted, the Attorneys-in-fact, enunciatively although not limitative form shall have all the necessary capacities to represent the grantor before all and any federal, state or municipal authorities of the United Mexican States and/or of the United States of America, including, in enunciative although not limitative form the Federal Agency of Civil Aviation of the Ministry of Communications and Transport, the Mexican Aeronautic Registry dependant of Federal Agency of Civil Aviation, the General Directorate of Customs of the Ministry of Finance and Public Credit,

Aduanas de los Estados Unidos de América, la Administración de Aviación Federal de los Estados Unidos de América y el Departamento de Transporte de los Estados Unidos de América y/o cualesquiera otras entidades, agencias o autoridades que en el futuro asuman las funciones de las anteriormente citadas (indistintamente las "Autoridades").

Para todos los efectos previstos en este poder, el término Aeronave incluirá: (a) cualesquiera motores instalados en la Aeronave o que en el futuro sustituyan a los anteriormente citados de acuerdo con los términos del Contrato; y (b) cualesquiera partes, equipo, accesorios, componentes, registros y documentación instalados en la Aeronave o que en el futuro puedan ser instalados en sustitución de los mismos conforme al Contrato o bien que sean pertenecientes a la Aeronave.

Este poder se confiere con el carácter de irrevocable en términos del artículo 2596 del Código Civil Federal en virtud de que su otorgamiento ha sido acordado como una condición dentro del Contrato.

Este poder solo podrá ser ejercido en caso de Caso Terminación del Contrato como se establece en la sección 24.3 del Contrato.

Este Poder se otorga para ser ejercitado en los Estados Unidos Mexicanos y/o en los Estados Unidos de Norteamérica.

Finalmente, el otorgante conviene además en no otorgar ningún otro poder similar al contenido en el presente instrumento para la realización de los actos previstos en el mismo con respecto a la Aeronave, en favor de persona alguna distinta de los Apoderados mencionados en el presente.

the Customs Administration of the United States of America, the Federal Aviation Administration of the United States of America and the Department of Transportation of the United States of America and/or any other entities, agencies or authorities that in the future may assume the functions of the aforementioned (indistinctively the "Authorities").

For all effects contained in this power of attorney, the term Aircraft shall include: (a) any engines installed on the Aircraft or that in the future may substitute above cited in accordance with the terms of the Agreement; and (b) any parts, equipment, accessories, components, records and documentation installed on the Aircraft or which in the future may be installed in substitution of the same pursuant to the Agreement or that may belong to the Aircraft.

This power of attorney is granted with irrevocable status pursuant to Article 2596 of the Mexican Federal Civil Code, by virtue of the fact that the granting hereof has been agreed as a condition in the Agreement.

This power of attorney may be exercised only upon a Termination Event of the Agreement as defined in section 24.3 of the Agreement.

This power of attorney is granted to be exercised in the United Mexican States and/or in the United States of America.

Lastly, the grantor further agrees to not grant any other powers of attorney similar to the one contained in this instrument for the performance of the acts foreseen herein with respect to the Aircraft, in favor of any person other than the Attorneys -in-fact mentioned in this document.

SCHEDULE 7
FORM OF INCIDENT CERTIFICATE

[TO BE TYPED ON THE HEADED NOTEPAPER OF LESSEE]

To: [Lessor]

Date: [•]

INCIDENT CERTIFICATE
in respect of
[•] (the "Aircraft"),
two [•] engines MSN [•] and [•] (the "Engines")
and one [•] (the "APU")

We hereby certify that to the best of our knowledge and belief, due enquiry having been made, none of the Aircraft, the Engines and the APU has been involved in any accident or incident during the period commencing [Original Delivery Date] and ending [date of redelivery] except as provided below.

Details of accident or incident:

[]

For and on behalf of

AEROLITORAL, S.A. DE C.V.

By: _____

SCHEDULE 8
FORM OF SECURITY LETTER OF CREDIT

_____ []

Letter of Credit No. _____

Beneficiary:

Attention:

Applicant: [•]

Amount: US\$[•]

Expiry: [•/•]

Place: _____

Payable: at the counters of _____

Dear Sir or Madam:

We hereby establish in your favor, at the request and for the account of [•] (the "**Company**"), our irrevocable and transferable standby letter of credit in the amount of U.S.\$[•] (in words: [•] United States Dollars) (the "**Stated Amount**") available against presentation of (a) a sight draft drawn on us dated on or before the date of such presentation and in the form of the Exhibit A hereto and (b) a certificate dated the date of such draft in the form of Exhibit B hereto, in each case, signed by an individual being or purporting to be your authorized representative.

Such presentation must be made on a Business Day to our Letter of Credit Department in [] at [Bank's address] (Facsimile Number: []; Confirmation Number: []) on or before [] ("**Expiry Date**") or if such date is not a Business Day, then on or before the following Business Day.

"**Business Day**" means a day other than a Saturday, a Sunday or a day on which banks are required or authorized to be closed in New York and London. Any such presentation may be made by means of telecopy and we shall be entitled to rely thereon as if such draft and certificate were presented in person, provided such draft and certificate are in conformity with the requirements for the same as set forth herein, but for the requirement of an original signature. In addition, any draft and certificate hereunder may be presented by mail, express courier (e.g., DHL) or in person.

A draft presented hereunder may be in an amount of up to the Stated Amount. More than one draft may be presented hereunder, subject to the aggregate amount of such drafts not exceeding the Stated Amount.

We hereby agree with you that each draft presented hereunder in compliance with the terms hereof will be duly honored by our payment to you (or in accordance with your instruction) of the amount of such draft in immediately available funds:

- (a) not later than 3:00 p.m., [_____] time, on the day such draft is presented to us as aforesaid, if such presentation is made to us at or before 12:00 noon, [_____] time;
or
- (b) not later than 3:00 p.m., [_____] time, on the Business Day following the day of presentation, if such presentation is made to us after 12:00 noon, [_____] time.

This Letter of Credit will be automatically reduced by any payments made, up to the Stated Amount.

Except as otherwise provided herein, this Letter of Credit shall be governed by and construed in accordance with International Standby Practices, International Chamber of Commerce Publication No. 590 ("**ISP 98**"). Notwithstanding any provision of ISP 98, if the Expiry Date of this Letter of Credit falls during an interruption of business, we agree to extend such Expiry Date to a date thirty (30) days after the resumption of business and to effect payment if a drawing is made against this Letter of Credit within thirty (30) days after the resumption of business. As to matters not expressly governed by ISP 98, this Letter of Credit is governed by and shall be construed in accordance with the laws of State of New York.

This Letter of Credit sets forth in full the terms of our undertaking and shall not in any way be modified, amended or amplified by reference to any documents instruments or agreements referred to herein, or in which this Letter of Credit is referred to or to which this Letter of Credit relates and any such reference shall not be deemed to incorporate herein by reference any such documents, instruments and agreements.

All banking charges, including any advising and negotiating bank charges, are for the account of Applicant.

All communications under this Letter of Credit shall be addressed to:

Bank Name:

Bank Address:

Contact Name:

Tel:

Fax:

With copy to:

[•]

Attn:

Telephone:

Facsimile:

Upon request, but no more than once in any thirty day period, we will confirm to you in writing that this Letter of Credit is in full force and effect and is enforceable against us in accordance with its terms.

Very truly yours,

[BANK]

By _____

Name:

Title:

Exhibit A to

Letter of Credit No. _____

SIGHT DRAFT

Irrevocable Letter of Credit No. _____ Date of Draft: _____, _____

To the Order of COMMUTER AIRCRAFT LEASING 2017 [V/VI] LIMITED

Pay _____ [_____] DOLLARS

At SIGHT by wire transfer of such amount to the account of [_____] at [Bank, Address]
(ABA number: [_____] ; account number: [_____])

DRAWN UNDER [ISSUING BANK] LETTER OF CREDIT NO. _____

TO: [ISSUING BANK]

[Presentment Address]

COMMUTER AIRCRAFT LEASING 2017 [V/VI] LIMITED

By: _____

Name: _____

Title: _____

[Endorse on back]

Exhibit B to

Letter of Credit No. _____

DRAWING CERTIFICATE

Irrevocable Letter of Credit No. _____

The undersigned, a duly authorised representative of [Lessor] ("**Beneficiary**") hereby certifies to [ISSUING BANK] (the "**Bank**") with reference to Irrevocable Letter of Credit No. [_____] (the "**Letter of Credit**"), issued by the Bank in favour of Beneficiary, as follows:

1. Beneficiary is presenting a sight draft herewith to draw funds under the Letter of Credit in the amount of US\$[_____].
2. Demand for payment under the Letter of Credit is being made prior to the expiration thereof.
3. A "Relevant Event" has occurred and is continuing under and as defined in the Aircraft Lease Agreement dated [____], in respect of one [•] with msn [•] between [COMMUTER AIRCRAFT LEASING 2017 [V/VI] LIMITED] and [•].

IN WITNESS WHEREOF, Beneficiary has caused this certificate and the accompanying draft to be executed as of the [_____] day of [____], [____].

By: _____

Name: _____

Title: _____

EXECUTION PAGE

**AMENDED AND RESTATED LEASE AGREEMENT DATED _____, 2021
BETWEEN COMMUTER AIRCRAFT LEASING 2017 [V/VI] LIMITED AND
AEROLITORAL, S.A. DE C.V. IN RESPECT OF ONE (1) EMBRAER E190 LR**

Lessor

COMMUTER AIRCRAFT LEASING 2017 [V/VI] LIMITED

By: _____

Title: _____

Lessee

AEROLITORAL, S.A. DE C.V.

By: _____

Title: _____

SCHEDULE 9

FINANCIAL TERMS ANNEX (CONFIDENTIAL)

(NOT FOR FILING WITH THE AVIATION AUTHORITY)

PART A

LEASE TERM RENT AND CERTAIN DEFINITIONS

Lease Term and Rent

The lease termination date shall be [REDACTED], or such later date if extended pursuant to Clause 22.6 (the "**Lease Termination Date**"). The lease term shall commence on the Lease Commencement Date and end on the Lease Termination Date (the "**Lease Term**").

1.

Fixed Rent

For each Fixed Rent Period during the Lease Term, the amount of \$[REDACTED] shall be payable on each Fixed Rent Date during the Lease Term (the "**Fixed Rent**");

PBH Rent

During the PBH Period, PBH Rent for a calendar month will be calculated in accordance with the following formula:

$$W = (A_{(\text{airframe})} * B_{(\text{airframe})}) + (A_{(\text{engine 1})} * B_{(\text{engine 1})}) + (A_{(\text{engine 2})} * B_{(\text{engine 2})})$$

where:

W: PBH Rent

$A_{(\text{airframe})}$, $A_{(\text{engine 1})}$ and $A_{(\text{engine 2})}$: The utilization of the Airframe and each Engine, respectively, in a given calendar month, expressed in flight hours.

$B_{(\text{airframe})}$: \$[REDACTED]

$B_{(\text{engine 1})}$: \$[REDACTED]

$B_{(\text{engine 2})}$: \$[REDACTED]

Security Deposit

Subject to Clause 4, from and after the Lease Commencement Date, the Security Deposit shall be equal to one month's Fixed Rent. The amount of the Security Deposit will be adjusted during each Renewal Lease Term pursuant to Clause 22.6(b)(ii).

2.

Default Matters

"**Default Rate**" means [REDACTED]% per annum.

"**Discount Rate**" means [REDACTED]% per annum.

3. AD Cost Sharing

Lessor will reimburse Lessee for the portion of the cost of incorporating each Airworthiness Directive on the Aircraft on a terminating action basis (or to the highest level of compliance available) as determined in accordance with the following formula:

4.
$$A = ((T - R) \div T) \times (C - \$ \text{US}[\text{REDACTED}])$$

where:

A = the amount payable by Lessor as reimbursement to Lessee;

T = the number of months in the Lease Term, including any Operational Extension or Renewal Lease Term exercised by Lessee;

R = the number of months or partial months (in decimals) between the earlier of (i) the time of completion or incorporation of such Airworthiness Directive, and (ii) the required date for mandatory compliance with such Airworthiness Directive;

C = the actual cost to Lessee of completion or incorporation of the Airworthiness Directive on the Aircraft as demonstrated by such invoices and supporting documentation reasonably acceptable to Lessor at either (a) Lessee's normal commercial labour charge-out rates, or (b) the labour rates charged to Lessee by an Approved Maintenance Performer (or otherwise acceptable to Lessor, acting reasonably), plus the reasonable cost of materials using industry labour estimates and the manufacturer's materials estimates and deducting any subsidy, warranty payment, or other benefit provided to Lessee and excluding any loss or expense incurred because of the inability to operate the Aircraft.

Lessee's Historical Utilization for Embraer E190.

[REDACTED]

Prior Maintenance Reserves

5. Prior Maintenance Reserves as at the date of this Agreement equals \$[●] held in cash by Lessor.

6.

PART B

REDELIVERY MAINTENANCE PAYMENT

A. Redelivery Maintenance Payment

On the Redelivery Date, Lessee shall pay Lessor an amount equal to the total net sum of the Structural Check Equivalency Charge, Engine Equivalency Charge, Engine LLP Equivalency Charge, APU Equivalency Charge and Landing Gear Equivalency Charge (the "**Redelivery Maintenance Payment**"). For the avoidance of doubt, the Redelivery Maintenance Payment may be offset by the Security Deposit pursuant to Clause 6.2 hereof.

B. Structural Check Equivalency Charge

- (a) The Structural Check Equivalency Charge for the 9 Year SC shall be calculated pursuant to the following formula:

$$A = (W/B) \times (C - E)$$

Where:

A is the Structural Check Equivalency Charge for the 9 Year SC

W is the labor and market cost of the 9 Year SC based on (i) Lessee's costs for a Embraer E-190 9 Year SC over the previous three (3) years; or (ii) if not enough data is available or if Lessee and Lessor are in dispute on such cost, then the average of six (6) recent invoices for such work from reputable maintenance providers who are FAA/EASA approved repair stations to accomplish such a Structural Check, three (3) to be provided by Lessee, and three (3) to be provided by Lessor.

B is the total interval of calendar months (or Cycles or Flight Hours, if applicable) between 9 Year SCs for that aircraft type based on Lessee's historic practices for Embraer E-190 in its fleet.

C is, as applicable, the actual number of calendar months, Cycles or Flight Hours elapsed as of the Redelivery Date since the last 9 Year SC (or if there has not been any 9 Year SC prior to the Redelivery Date, then since new).

E is, as applicable, the actual number of calendar months elapsed (or Cycles or Flight Hours, if applicable) as of July 1, 2020 since the last 9 Year SC (or if there has not been any 9 Year SC prior to July 1, 2020, then since new); provided, however, that if, during the Term, Lessor has made a Lessor Maintenance Payment to Lessee in respect of such 9 Year SC, then the following adjustments will be made to the value of E:

- (i) If (F / W) is greater than or equal to (E / B) , then E will be equal to zero;
- (ii) If (F / W) is less than (E / B) , then E will be replaced by the value "R" as calculated below:

R is the greater of zero or $[E - (B * (F/W))]$

F is an amount equal to the Lessor Maintenance Payment.

- (b) The Structural Check Equivalency Charge for the 12 Year SC shall be calculated pursuant to the following formula:

$$A = (W/B) \times (C - E)$$

Where:

A is the Structural Check Equivalency Charge for the 12 Year SC

W is the labor and market cost of the 12 Year SC based on (i) Lessee's costs for a Embraer E-190 12 Year SC over the previous three (3) years; or (ii) if not enough data is available or if Lessee and Lessor are in dispute on such cost, then the average of six (6) recent invoices for such work from reputable maintenance providers who are FAA/EASA approved repair stations to accomplish such a Structural Check, three (3) to be provided by Lessee, and three (3) to be provided by Lessor.

B is the total interval of calendar months (or Cycles or Flight Hours, if applicable) between 12 Year SCs for that aircraft type based on Lessee's historic practices for Embraer E-190 in its fleet.

C is, as applicable, the actual number of calendar months, Cycles or Flight Hours as of the Redelivery Date since the last 12 Year SC (or if there has not been any 12 Year SC prior to the Redelivery Date, then since new).

E is, as applicable, the actual number of calendar months elapsed (or Cycles or Flight Hours, if applicable) as of July 1, 2020 since the last 12 Year SC (or if there has not been any 12 Year SC prior to July 1, 2020, then since new); provided, however, that if, during the Term, Lessor has made a Lessor Maintenance Payment to Lessee in respect of such 12 Year SC, then the following adjustments will be made to the value of E:

- (i) If (F / W) is greater than or equal to (E / B) , then E will be equal to zero;
- (ii) If (F / W) is less than (E / B) , then E will be replaced by the value "R" as calculated below:

R is the greater of zero or $[E - (B \times (F/W))]$

F is an amount equal to the Lessor Maintenance Payment.

C. Landing Gear Equivalency Charge

The Landing Gear Equivalency Charge shall be calculated pursuant to the following formula:

$$A = (W/B) \times (C - E)$$

Where:

A is the Landing Gear Equivalency Charge

W is the labor and market cost of accomplishing a Landing Gear Overhaul in respect of the Landing Gear based on (i) Lessee's costs for a Embraer E-190 Landing Gear Overhaul over the previous three (3) years; or (ii) if not enough data

is available or if Lessee and Lessor are in dispute on such cost, then the average of six (6) recent invoices for such work from reputable maintenance providers who are FAA/EASA approved repair stations to accomplish such a Landing Gear Overhaul, three (3) to be provided by Lessee, and three (3) to be provided by Lessor.

B is the total interval of calendar months (or Cycles or Flight Hours, if applicable) between Landing Gear Overhauls for that Landing Gear based on Lessee's historic practices for Embraer E-190 in its fleet.

C is, as applicable, the actual number of calendar months, Cycles or Flight Hours elapsed as of the Redelivery Date since the last Landing Gear Overhaul (or if there has not been any Landing Gear Overhaul prior to the Redelivery Date, then since new).

E is, as applicable, the actual number of calendar months elapsed (or Cycles or Flight Hours, if applicable) as of July 1, 2020 since the last Landing Gear Overhaul (or if there has not been any Landing Gear Overhaul prior to of July 1, 2020, then since new); provided, however, that if, during the Term, Lessor has made a Lessor Maintenance Payment to Lessee in respect of such Landing Gear Overhaul, then the following adjustments will be made to the value of E:

- (i) If (F / W) is greater than or equal to (E / B) , then E will be equal to zero;
- (ii) If (F / W) is less than (E / B) , then E will be replaced by the value "R" as calculated below:

R is the greater of zero or $[E - (B * (F/W))]$

F is an amount equal to the Lessor Maintenance Payment.

D. Engine LLP Equivalency Charge

The Engine LLP Equivalency Charge in respect of an Engine LLP shall be calculated pursuant to the following formula:

$$A = (W/B) \times (C - E)$$

Where:

A is the Engine LLP Equivalency Charge for that Engine LLP.

W is Engine Manufacturer's published list price for that Engine LLP at the time of redelivery.

B is the then current Cycle life limit for that Engine LLP as referenced in the Engine Manufacturer's Maintenance Manual Chapter 5; provided however, (i) if Lessor has accepted an extended hard life Cycle limit pursuant to Clause E of Schedule 8 (*Redelivery Conditions*) for that Engine LLP, then such extended hard life Cycle limit shall be used instead, or (ii) if Lessee is able to transfer the warranted Ultimate Life from the OEM, then such Ultimate Life shall be used instead, whichever is longer.

C is the actual number of Cycles accumulated by that Engine LLP since new.

E is, as applicable, the actual number of Cycles as of July 1, 2020; provided, however, that if, during the Term, Lessor has made a Lessor Maintenance Payment to Lessee in respect of the Engine LLPs, then the following adjustments will be made to the value of **E**:

- (i) If (F / W) is greater than or equal to (E / B) , then **E** will be equal to zero;
- (ii) If (F / W) is less than (E / B) , then **E** will be replaced by the value "**R**" as calculated below:

R is the greater of zero or $[E - (B * (F/W))]$.

For the purposes of the calculation of **R**, **W** will be de-escalated by [REDACTED]% annually to the time of the Lessor Maintenance Payment.

F is an amount equal to the Lessor Maintenance Payment.

E. Engine Equivalency Charge

The Engine Equivalency Charge shall be calculated pursuant to the following formula:

$$A = (W/B) \times (C - E)$$

Where:

A is the Engine Equivalency Charge

W is the labor and market cost of accomplishing an Engine Performance Restoration in respect of an Engine Major Module on an Engine based on (i) Lessee's costs for a Embraer E-190 Engine Performance Restoration over the previous three (3) years; or (ii) if not enough data is available or if Lessee and Lessor are in dispute on such cost, then the average of six (6) recent invoices for such work from reputable maintenance providers who are FAA/EASA approved repair stations to accomplish such an Engine Performance Restoration, three (3) to be provided by Lessee, and three (3) to be provided by Lessor.

B is the total interval of calendar months (or Cycles or Flight Hours, if applicable) between Engine Performance Restorations for that Engine Major Module based on Lessee's historic practices for Embraer E-190 in its fleet.

C is, as applicable, the actual number of calendar months, Cycles or Flight Hours elapsed as of the Redelivery Date since the last Engine Performance Restoration (or if there has not been any Engine Performance Restoration prior to the Redelivery Date, then since new).

E is, as applicable, the actual number of calendar months elapsed (or Cycles or Flight Hours, if applicable) as of July 1, 2020 since the last Engine Performance Restoration (or if there has not been any Engine Performance Restoration prior to July 1, 2020, then since new); provided, however, that if, during the Term, Lessor has made a Lessor Maintenance Payment to Lessee in respect of an Engine Performance Restoration that includes the performance restoration of that Engine Major Module, then the following adjustments will be made to the value of **E**:

- (i) If (F / W) is greater than or equal to (E / B) , then **E** will be equal to zero;

- (ii) If (F / W) is less than (E / B) , then E will be replaced by the value "R" as calculated below:

R is the greater of zero or $[E - (B * (F/W))]$

F is an amount equal to the Lessor Maintenance Payment multiplied by the percentage of that Engine Performance Restoration cost applicable to that Engine Major Module, as determined by mutual agreement of Lessor and Lessee or, if they cannot agree on such percentage, by consultation with the Engine Manufacturer.

F. APU Equivalency Charge

The APU Equivalency Charge shall be calculated pursuant to the following formula:

$$A = (W/B) \times (C - E)$$

Where:

A is the APU Equivalency Charge

W is the labor and market cost of accomplishing an APU Medium Repair Shop Visit in respect of the APU based on (i) Lessee's costs for a Embraer E-190 APU Medium Repair Shop Visit over the previous three (3) years; or (ii) if not enough data is available or if Lessee and Lessor are in dispute on such cost, then the average of six (6) recent invoices for such work from reputable maintenance providers who are FAA/EASA approved repair stations to accomplish such an APU Medium Repair Shop Visit, three (3) to be provided by Lessee, and three (3) to be provided by Lessor.

B is the total interval of calendar months (or Cycles or Flight Hours, if applicable) between an APU Medium Repair Shop Visit for that APU based on Lessee's historic practices for Embraer E-190 in its fleet.

C is, as applicable, the actual number of calendar months, Cycles or Flight Hours elapsed as of the Redelivery Date since the last APU Medium Repair Shop Visit (or if there has not been any APU Medium Repair Shop Visit prior to the Redelivery Date, then since new).

E is, as applicable, the actual number of calendar months elapsed (or Cycles or Flight Hours, if applicable) as of July 1, 2020 since the last APU Medium Repair Shop Visit (or if there has not been any APU Medium Repair Shop Visit prior to July 1, 2020, then since new); provided, however, that if, during the Term, Lessor has made a Lessor Maintenance Payment to Lessee in respect of such APU Medium Repair Shop Visit, then the following adjustments will be made to the value of E:

- (i) If (F / W) is greater than or equal to (E / B) , then E will be equal to zero;
- (ii) If (F / W) is less than (E / B) , then E will be replaced by the value "R" as calculated below:

R is the greater of zero or $[E - (B * (F/W))]$

F is an amount equal to the Lessor Maintenance Payment.

For each of the above payment items, the invoices or quotations provided by Lessee or Lessor shall contain sufficient detail so as to evidence that such invoice or quotation reflects the relevant workscope in a manner to be consistent with the required performance restoration visit or check.

G. LESSOR MAINTENANCE PAYMENTS

Lessor shall, upon Lessee's request and submission of a planned work scope and invoice (but subject to Clause 8.7), compensate Lessee (or directly to the maintenance provider, if agreed between Lessor and Lessee) for 100% of any normally-scheduled Heavy Maintenance Check falling due for eighteen (18) months following [REDACTED] (each, a "**Lessor Maintenance Payment**"), whether from Prior Maintenance Reserves balances or from Lessor's own funds or as otherwise agreed. Any Prior Maintenance Reserves balances held by Lessor shall be applied until fully liquidated to (a) make Lessor Maintenance Payments, and (b) offset any Redelivery Maintenance Payment or other compensation owed by Lessee on the Redelivery Date.

Notwithstanding anything to the contrary in this Agreement (including the schedules), Lessor (or Servicer) shall, to the extent it is required to make a Lessor Maintenance Payment, be entitled (but not obligated) to contract directly with the service provider (the "**Service Provider**") for the completion of any Heavy Maintenance Check in respect of one or both Engines on terms and conditions acceptable to Lessor in its sole discretion, save that the planned work scope shall be acceptable to Lessee acting reasonably. For the avoidance of doubt, neither Lessor nor Servicer will (i) provide, or be deemed to provide, any representation or warranty of any kind whatsoever with respect to the work performed by the Service Provider or (ii) assume any liability whatsoever for the Service Provider's work or the manner in which it is performed (including any delay in the performance thereof). Lessor shall be liable solely to pay the cost for the completion of the Heavy Maintenance Check as required by this Agreement and agreed between Lessor (or Servicer) and the Service Provider.

SCHEDULE 10

FORM OF RENEWAL NOTICE

[Lessee Letterhead]

To: [●] ("**Lessor**")
[Address]

Cc: [●]
[Address]

_____, 20__

Re: Renewal Notice in respect of One Embraer E190 Aircraft bearing Manufacturer's
Serial _____ Number _____ [_____] (the
"Aircraft")

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Aircraft Lease Agreement dated [●], 20[____] (as further amended, modified or supplemented from time to time, the "**Lease**") between Lessor and Aerolitoral, S.A. de C.V. ("**Lessee**") in respect of the Aircraft. Capitalized terms not defined herein shall have the meanings provided in the Lease.

In accordance with Clause 22.6 of the Lease, Lessee hereby exercises its right to extend the Term of the leasing of the Aircraft under the Lease for a Renewal Lease Term of [one (1)] [two (2)] [three (3)] year[s] commencing on [●] and ending [●] which as of the date hereof shall be the Expiration Date.

This notice is a Renewal Notice. It is irrevocable and is an Operative Document.

Aerolitoral, S.A. de C.V.

By: _____

Name: _____

Title: _____

Acknowledged and Agreed:

[●]

Lessor

By: _____

Name: _____

Title: _____

SCHEDULE 11

REDELIVERY CONDITIONS

On the Redelivery Date, Lessee shall redeliver the Aircraft to Lessor at the Redelivery Location in compliance with the conditions specified below (other than post redelivery obligations specified in Clause A below), and when Lessee has complied with such conditions Lessor shall execute and deliver to Lessee the Technical Acceptance Certificate confirming delivery of the Aircraft to Lessor. For the avoidance of doubt, there shall be no requirements for the redelivery condition of the Aircraft other than those specified in this Schedule.

During the period commencing twelve (12) months and ending no less than six (6) months prior to the Expiration Date, Lessee and Lessor will agree to conduct a pre-redelivery meeting for the purpose of reviewing and agreeing upon the workscope for the Redelivery Check and, if applicable, any Engine, APU, or Landing Gear shop visit. Lessor and Lessee shall each commit sufficient resources to the Redelivery process to achieve Redelivery by the Expiration Date.

With respect to any discrepancies between the condition of the Aircraft and Aircraft Documents and the Redelivery Conditions described herein (other than discrepancies with respect to the Hard Time Landing Gear Minimum specified in Clause D, the Engine LLP Hard Life Cycle Minimum specified in Clause E, and the Engine Hard Time Performance Restoration Minimum specified in Clause F, and the APU Minimum specified in Clause H, which such discrepancies shall be corrected by Lessee at its expense), Lessee and Lessor agree, subject to the provisions outlined in Clause I – Maintenance Carry-Overs of this Schedule, that Lessee will have the option of either correcting such discrepancy at its own expense or providing compensation in lieu of such correction in an amount to be mutually agreed upon by Lessee and Lessor.

A. Registration & Certification, Maintenance Program & Airworthiness Directives

The Aircraft shall be registered with the Aviation Authority in the name of Lessor unless such registration cannot be maintained because of the failure of Lessor to comply with the citizenship or other eligibility requirements for registration of the Aircraft. Following Lessee's receipt of the Technical Acceptance Certificate executed by Lessor (and notarized by a Mexican notary public and/or notarized and apostilled as required by the AFAC), Lessee shall use reasonable efforts to assist Lessor in de-registering the Aircraft and obtaining a Certificate of De-registration for the Aircraft; however, the obligation to obtain de-registration shall remain with Lessor. Upon redelivery, the Aircraft shall be FAA compliant according to FAR Part 129 and will be eligible for an FAA certificate of airworthiness in accordance with FAR Part 121 to the extent it complied at delivery. Lessee will provide an Export Certificate of Airworthiness following redelivery of the Aircraft to Lessor hereunder.

The Aircraft shall be in compliance with the Approved Maintenance Programme.

Lessee will comply with any ADs that require compliance within ninety (90) days following the last day of the Term, with the cost of performing such AD requiring compliance after the last day of the Term to be for the account of Lessor and paid to Lessee upon execution of the Technical Acceptance Certificate. However, compliance with such ADs due after the last day of the Term shall not be required (i) should Lessee be unable to acquire, after using its commercially reasonable efforts to do so, the items, material, parts or components necessary to accomplish such compliance before the Expiration Date; (ii) should such compliance be waived

in writing by Lessor; or (iii) where such AD has not been issued by the date that is six (6) months prior to the Expiration Date.

B. General Condition

The Aircraft shall be (a) in good operating condition, normal wear and tear excepted, (b) clean by international commercial airline standards, (c) in a passenger configuration, (d) with equipment, components and systems fully functional and operating within limits under the Approved Maintenance Programme and the Aircraft Maintenance Manual, and (e) equipped with two Engines (which may be Replacement Engines) duly installed thereon. The Aircraft shall be in compliance with Lessee's corrosion prevention and control program.

C. Redelivery Check

The Airframe shall have completed, within thirty (30) days prior to the Redelivery Date, the Redelivery Check, and following such Redelivery Check the Aircraft shall not be used in commercial passenger operations.

D. Landing Gear Minimum

Each of the nose and main Landing Gear shall have no fewer than 24 months remaining (the "**Hard Time Landing Gear Minimum**") until the next scheduled Landing Gear Overhaul as measured by Flight Hour, Cycle or calendar day, whichever is applicable and most limiting. Each tire shall have at least 25% tread remaining. The Landing Gear brakes will each have an average of at least 50% life remaining before their removal with no individual brake having less than 25% service life remaining.

E. Engine LLP Minimum

No Engine LLP shall have fewer than 4,000 Cycles remaining to reaching the then manufacturer's published Chapter 5 life limit (the "**Engine LLP Hard Life Cycle Minimum**").

F. Engine Hard Time Performance Restoration Minimum

Each Engine shall have no fewer than 4,000 Flight Hours remaining (the "**Engine Hard Time Performance Restoration Minimum**") until the next sequential performance restoration visit of such Engine under the Approved Maintenance Programme and based on Engine Manufacturer recommendations (any such visit, an "**Engine Performance Restoration Visit**"), as measured by Lessee's expected time on wing between Engine Performance Restoration Visits for engines in Lessee's fleet of the same make and model as the Engines. All of the parts in the gas path of each Engine shall be parts that have been produced by or on behalf of an OEM, or that have been approved for use by the OEM and manufactured by another party. Repaired parts in the gas path of the engine shall be OEM approved repairs, except for any DER repair that was previously approved by Lessor.

G. Components

Each time controlled component (as listed in the MPD but excluding any Engine LLP, the APU and Landing Gear) will have no less than 18 Months (with respect to MPD specified calendar limit) or the equivalent Flight Hours or Cycles, whichever is applicable, based on Lessee's average utilization, remaining to next scheduled removal, shop inspection or overhaul. Any such time controlled component having an MPD interval of less than eighteen (18) months or the equivalent Flight Hours or Cycles, whichever is applicable, based on Lessee's average

utilization, shall have a full replacement interval remaining until its next shop inspection, removal or overhaul.

H. Auxiliary Power Unit Minimum

The APU shall be in serviceable condition, as evidenced by an APU condition test performed in accordance with the Manufacturer's AMM, and each APU Life Limited Part shall have a minimum 25% life remaining (in APU Cycles).

I. Maintenance Carry-Overs

If the Aircraft is scheduled to be redelivered fresh from a C-Check, then any deferred, continued, carry-over, time-limited repairs or open log book maintenance items against the Aircraft (each, an "MCO") which can be deferred until the next Structural Check need not be corrected or performed by Lessee except to the extent that the aggregate cost of rectifying all such MCOs exceeds \$[REDACTED] (the "**MCO Threshold**"), in which case Lessee, at its own expense, shall correct or perform sufficient MCOs selected by Lessee such that the aggregate cost of rectifying the remaining uncorrected and unperformed MCOs shall be equal to or less than the MCO Threshold. Lessee and Lessor shall agree, acting reasonably, on the reasonable cost to complete any such MCO items during the next Structural Check. Any MCOs which cannot be deferred until the next Structural Check will be corrected or performed by Lessee at its expense prior to the Redelivery Date.

If the Aircraft is scheduled to be redelivered fresh from a Structural Check, any MCOs shall be cleared on a terminating action basis.

J. Paint and Special Markings

The Aircraft paint will be in the condition as removed from airline service, with Lessee's identification marks removed or painted over. Lessee shall at Redelivery pay Lessor an amount equal to Lessee's average cost to complete the painting of its livery on aircraft of the same type as the Aircraft, based on the average of three (3) recent invoices or quotations for the same.

K. Records

No less than six (6) months prior to the targeted Redelivery Check induction date, Lessee will provide for the review of Lessor the Aircraft Documents and, provided that such Aircraft Documents are made available to Lessor at the commencement of the six (6) month period, Lessor will provide to Lessee its initial response and findings on such Aircraft Documents at least one hundred and twenty (120) days prior to the targeted Redelivery Check date. All Aircraft Documents shall be delivered in English to Lessor (except for the cabin rectification log book which may be maintained and returned in Spanish) in Lessor's format (as described below) and at Lessee's expense on the Redelivery Date, except to the extent any Aircraft Documents require updating following compliance with these Redelivery Conditions, in which case such Aircraft Documents will be delivered within fifteen (15) days after the Redelivery Date.

Any requirement to provide back to birth documentation and a complete service history for replacement parts and/or Engines shall be limited to replacement LLPs. In the case of any

components provided by the Embraer pool program, Lessee's obligation to provide full traceability will be limited to the last shop visit documentation received by Lessee from Embraer in connection with the pool program.

Lessor's format:

Part A. Documents that will be kept in English all the time:

A008 Burn Certificates - Cabin Interiors - as follows (As is from Factory):

Certification of compliance with the fire blocking requirements as outlined in FAR including:

- Seat cushions*
- Back rest cushions*
- Dress covers*
- Carpets
- Curtains
- Interior Surfaces (if refurbished)

* Including "in combination" burn certification

D001 Approved and certified LOPA (As is from Factory or subsequently modified by Lessee)

D002 Galley Drawings/Component OHM (As is from Factory or subsequently modified by Lessee)

D003 Emergency Equipment Drawing/Listing (As is from Factory or subsequently modified by Lessee)

D004 Loose Equipment Inventory (As is from Factory or subsequently modified by Lessee)

D005 Inventory Listing of Avionic installed Units.

E001 C of A (Export) from State of Manufacture

E002 Manufacturer's AD Report

E003 Manufacturer's Inspection Report, Initial Equipment list

E004 Manufacturer's repair/alteration report

E005 Manufacturer's SB Report

F001 Certified Statement of Status of Each Engine

F002 Engine AD Compliance Report and Compliance Documents

F003 Engine Manufacturer's Modifications & SB Status

F007 Engine Manufacturer Delivery Document

F008 Engine Complete copies of all historical engine/module Shop Visit Reports

F009 Engine State of Manufacture LLP Traceability

F010 Engine Conditioning Monitoring Report

F011 Engine Log Book/Master Records of Installation/Removals

F012 Engine Last Borescope Report, including video if available

F013 Engine Test Cell Run Report

F016 Approved Release to Service Certification for installed rotables (FAA 8130, EASA ONE or equivalent via bi-lateral agreement or treaty)

G001 Certified Statement on Status of APU (if applicable)

G002 APU Certified SB Compliance Report/AD Status Report

G003 APU Approved Release to Service Certification for installed units

G004 APU Log Book/Master Record of Installation/Removals

G005 Complete copies of all APU Shop Visit Reports & Reason for Removal

- G006 Statement of APU Hours to Aircraft Flying Hours
- G007 APU LLP Status and Full Traceability to birth
- G010 APU Last Test Cell Run
- H001 Approved Release to Service Certification for Hard Time Components
- H002 Approved Release to Service Certification for OC/CM Components
- I001 Approved Release to Service Certification for major assemblies on each Gear
- I002 Approved LLP Listings for each Gear (with FULL Traceability to Birth)
- I003 Landing Gears Last Shop Visit Report (OH)
- J. Manuals (if applicable)
All Manufacturer's Manuals delivered with the Aircraft under the Lease updated to the latest revision standard (applicable as at the Return Occasion) as may be reasonably requested by Lessor
Microfilm (or alternative format if available via Internet Portal CD or DVD) :
- J006 WDM
- J007 IPC
- J008 Maintenance Manual
- J009 Schematics
- J010 Hook Up Listing

Part B. Release to Service Certificates, Job cards, Engineering Orders and instructions kept in English, but Work Order sign off compliance is recorded in Spanish upon accomplishment then translated to English for Redelivery:

- C002 A Checks
Last complete cycle of A Checks (or equivalent)
- C003 C Checks
Last Complete cycle of C Checks (or equivalent)
- C004 All Major Checks
- C005 CPCP Tasks (if applicable)
- C006 Periodic Tasks
- C007 Dirty Finger Print Certification - AD's
- C008 Dirty Finger Print Certification - SB's
- C009 Dirty Finger Print Certification - All other
- C014 Dirty Finger Print certification - All Structural repairs/structural damage
- C015 Details of State of Manufacture certification basis - A non-SRM Structural repairs (Embraer Flight By is issued in English)

Part C. Documents that will be translated to English Language at Return:

- B001 Certified current Time in Service (Hours & Cycles) and maintenance status
- B002 Certified status of Airworthiness Directives including method of compliance
- B003 Certified status of Service Bulletin Status
- B004 Certified status of SSI
- B005 Certified status of CPCP (if applicable)
- B006 Certified inventory of Hard Time Components (Fitted listing)
- B007 Certified inventory of OC/CM Components (Fitted listing)
- B008 Certified status of all non-SB and Major Modifications/STC's including

- acceptable State of Manufacture Certification
- B009 Certified status of Check/Inspection History & Current Status of Checks
- B010 List of Deferred Maintenance Items
- B011 List of Out of Phase Checks, Special Requirements, Time Limited Repairs (if any).
- B012 Aircraft Accident & Incident Report.
- B013 Structural repairs and damage (including Dent & Buckle Chart).
- C001 Technical Logs (Minimum of 2 years)
- C010 Last Weight Report including Schedule
- C011 Compass Swing Report
- C012 Last Test Flight Report
- E008 Last Flight Data Recorder Read-Out & Corrections
- F004 Engine In-house Modifications (if applicable)
- F005 Engine Certified LLP Listing
- F006 Engine Certified listing of installed units
- F014 Last On-Wing Ground Run
- F015 Certified Statement that Engines are not involved in an Accident
- G008 APU Borescope Report (if applicable)
- G009 Last On-Wing/Health Check Data sheets (if applicable)

Part D. Documents to keep in Spanish Language all the time:

- A001 Certificate of Airworthiness
- A002 Current Aircraft Registration
- A004 Noise Limitation Certificate (AFM page) (issued by AFAC)
- A005 Radio Station License
- A007 Aircraft deregistration confirmation
- E006 Service Difficulty Reports (if any)
- K006 Approved Maintenance Programme Specifications (Operator's)
- K007 Reference Material for Interpretation of Status Summaries, or cross-reference for Part Numbers

Part E. Documents Not Applicable to all Aircraft Types or Mexico to be returned in English if they become applicable during the Term:

- A003 C of A for Export (if applicable)
- B005 Certified status of CPCP (if applicable)
- C013 Certified ETOPS compliance report (if applicable)
- F017 Approved ETOPS compliance report (if applicable)
- G011 Approved ETOPS compliance report

L. Repairs

The Aircraft will have had all repairs and damage requiring repetitive inspections for future upgrading repaired to a permanent repair standard such that future repetitive inspections or upgrading shall not be required. All repair outside the SRM will be OEM approved repairs.

M. Borescope Inspections; Power Assurance Runs

A hot and cold section video borescope inspection of each Engine and its modules in accordance with the Manufacturer's AMM and a power assurance run for each Engine in accordance with the AMM shall be performed at or before the Redelivery Date by Lessee or its representative at Lessee's expense and in the presence of a representative of Lessor (should Lessor provide advance notice that it would like to attend such inspections). Lessee will record the Engine power assurance test conditions and results on the Technical Acceptance Certificate. Lessee will correct any discrepancies in accordance with the guidelines set out by the Engine Manufacturer which may be discovered during such inspection. In addition, Lessee will provide Lessor the latest trend data for each Engine, based on the last six (6) months of operation, or since its last Engine Performance Restoration if such event occurred within the six (6) months prior to the Redelivery Date. Such trend data shall not show a level of accelerated deterioration in the on-wing performance of the Engine that would indicate that the Engine will fail to meet the Engine Hard Time Performance Restoration Minimum. If the parties cannot reasonably agree on whether such accelerated deterioration will cause the Engine to fail to meet the Engine Hard Time Performance Restoration Minimum, Lessor and Lessee will request the Engine Manufacturer to provide an opinion on the expected time remaining on wing based on Lessee's operational information and the trend monitoring data, which opinion shall be binding on Lessee and Lessor.

N. Demonstration Flight

At Lessor's request, Lessee will perform, at Lessee's expense, and in accordance with a mutually agreed acceptance flight procedure, a demonstration flight lasting no more than two hours for the purpose of demonstrating the satisfactory operation of the Aircraft with no more than two representatives of Lessor, or of the next operator, on board during such flight, subject to consent of the Aviation Authority. If the demonstration flight reveals any discrepancies from the Redelivery Conditions, Lessee will correct them or pay compensation to Lessor in accordance with the third paragraph of this Schedule 8.

O. Liens

The Aircraft shall be free and clear of Security Interests (other than any Lessor's Liens).

P. Fuel

Lessee shall have no obligation to provide any fuel or oil with respect to the Aircraft at redelivery, provided that any fuel or oil remaining on board the Aircraft on the Redelivery Date shall be the property of Lessor without charge.

Q. Inspection

The Final Inspection of the Aircraft shall be carried out by Lessor (or its agent or representative) (each an "**Inspecting Party**") during the Redelivery Check. During the Final Inspection, Lessee shall, at Lessor's request, open any inspection doors and panels or otherwise expose any areas normally opened or exposed in the course of the Redelivery Check; *provided* that if Lessor detects or observes any corrosion or other condition requiring repair under the Approved Maintenance Programme, Lessee shall, at Lessor's request, open such additional panels as may be necessary to identify, correct, repair or defer such corrosion or condition in accordance with the Approved Maintenance Programme and the Airframe Manufacturer's repair manuals.