UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	**Chapter 11**
GRUPO AEROMÉXICO, S.A.B. de C.V., *et al.*,	**Case No. 20-11563 (SCC)**
Debtors.[1]	**(Jointly Administered)**

ORDER (I) AUTHORIZING DEBTOR AEROVÍAS DE MÉXICO, S.A. DE C.V. TO ENTER INTO AN AMENDED AND RESTATED AIRCRAFT LEASE AGREEMENT AND (II) APPROVING THE CLAIMS SETTLEMENT WITH WILMINGTON TRUST SP SERVICES (DUBLIN) LIMITED

Upon the motion (the "**Motion**")[2] of the Debtors for entry of an order (this "**Order**"), (i) authorizing, but not directing, Debtor Aerovías de México, S.A. de C.V. (the "**Debtor Lessee**") to enter into the Amended Aircraft Lease on terms substantially consistent with those set forth in the form of Amended Aircraft Lease attached hereto as **Exhibit 1** 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 Cases and related proceedings being proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice

[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.

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

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 section 363(b) of the Bankruptcy Code, to enter into, and perform their obligations under, the Amended Aircraft Lease, which will contain terms substantially consistent with those set forth in the form of the Amended Aircraft Lease attached hereto as **Exhibit 1**.

3. The Debtors and the Lessor 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 Lease, and to take any and all actions to implement the Amended Aircraft Lease.

4. From and after the effective date of the Amended Aircraft Lease, the Debtors' obligations thereunder shall constitute administrative expenses of the Debtors Lessee's estate pursuant to sections 503(b)(1) and 507(a)(2) of the Bankruptcy Code.

5. The Claims Settlement is (a) integral and necessary to the BBAM

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 Lessor, the Claimants, and their affiliates.

6. In accordance with the Claims Settlement, the proof of claim assigned number 624 and scheduled as number 561105530 shall be allowed as a non-priority general unsecured claim not subject to reconsideration under section 502 of the Bankruptcy Code against the bankruptcy estate of the Debtor Lessee in the Chapter 11 Cases (or any subsequent chapter 7 case in the event of conversion) in the amount of $3,600,000 (the "**Allowed Claim**"). For the avoidance of doubt, the Allowed Claim shall constitute the only prepetition claim relating to the Aircraft allowed in the Chapter 11 Cases.

7. 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:

Claim Number	Claimant	Debtor	Treatment
614	BBAM Aviation Services Limited	Aerovías de México, S.A. de C.V.	Withdrawn
615	BBAM US LP	Aerovías de México, S.A. de C.V.	Withdrawn
616	ECAF I 34954 DAC	Aerovías de México, S.A. de C.V.	Withdrawn
617	ECAF I LTD	Aerovías de México, S.A. de C.V.	Withdrawn
618	Incline Aviation 4 Limited	Aerovías de México, S.A. de C.V.	Withdrawn
619	Incline B Aviation Limited Partnership	Aerovías de México, S.A. de C.V.	Withdrawn

8. Upon the effectiveness of the Amended Aircraft Lease, the Allowed Claim shall be automatically allowed and the Withdrawn Claims listed above shall be deemed

automatically withdrawn, and no further notice or action shall be required of the Lessor, any other Claimant, or the Debtors to effectuate the allowance or withdrawal, as applicable, of such claims. From and after the effective date of the Amended Aircraft Lease, 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 Claim and the withdrawal of the Withdrawn Claims as set forth in this Order.

9. 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.

10. 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 Lessor and all other persons asserting interests in the Aircraft.

11. 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 Lease.

Dated: October 21, 2021
New York, New York

/S/ Shelley C. Chapman
THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Amended Aircraft Lease

DATED AS OF SEPTEMBER __, 2021

WILMINGTON TRUST SP SERVICES (DUBLIN) LIMITED, IN ITS CAPACITY AS TRUSTEE OF THE AIRCRAFT MSN 34954 (IRELAND) TRUST
as Lessor

and

AEROVÍAS DE MÉXICO, S.A. DE C.V.
as Lessee

AMENDED AND RESTATED AIRCRAFT LEASE AGREEMENT
RELATING TO THE LEASING OF
ONE BOEING 737-800 MODEL AIRCRAFT
MSN 34954
EQUIPPED WITH TWO CFM56-7B27/3 ENGINES

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AMENDED AND RESTATED AIRCRAFT LEASE AGREEMENT

THIS AGREEMENT is made as of September __, 2021

BETWEEN:

WILMINGTON TRUST SP SERVICES (DUBLIN) LIMITED, IN ITS CAPACITY AS TRUSTEE OF THE AIRCRAFT MSN 34954 (IRELAND) TRUST, a company organised and existing under the laws of Ireland and having its principal office at 3 George's Dock, Fourth Floor, International Financial Services Centre, Dublin 1, Ireland, not in its individual capacity but solely as owner trustee ("**Lessor**"); and

AEROVÍAS DE MÉXICO, S.A. DE C.V., a company organized and existing under the Laws of the United Mexican States and having its principal office at Paseo de la Reforma, No. 243, Piso 25, Colonia Cuauhtémoc, Alcaldía Cuauhtémoc, Mexico City, 06500, Mexico ("**Lessee**").

It is agreed as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires, capitalized words and expressions shall have the respective meanings given to them in Clause 1 (*Defined Terms*) of Schedule 1 (*Definitions and Construction*).

1.2 Construction

The conventions on construction and usage set out in Clause 2 (*Construction and Usage*) of Schedule 1 (*Definitions and Construction*) shall apply to this Agreement.

1.3 Clauses and Schedules

References in this Agreement to clauses or schedules are, unless otherwise specified, references to clauses of and schedules to this Agreement and together the clauses and schedules shall constitute this Agreement. Certain provisions including conditions precedent and representations and warranties have been placed in the schedules and shall take effect as part of this Agreement.

2. AGREEMENT TO LEASE

(a) Subject to and in accordance with the terms and conditions of this Agreement, Lessor agrees to lease the Aircraft to Lessee and Lessee agrees to take the Aircraft on lease from Lessor for the Term. Lessor and Lessee have previously entered into a Power by the Hour Lease Agreement dated as of April 6, 2021 (the "**Prior Lease**") in respect of the Aircraft. The parties acknowledge and agree that this Agreement amends and restates the Prior Lease in its entirety.

(b) Lessor and Lessee have previously entered into an Aircraft Lease Agreement dated as of April 1, 2016 (the "**Rejected Lease**") in respect of the Aircraft and in connection therewith Lessor and Lessee entered into (i) a Rejection Terms Agreement (Aircraft MSNs 34293, 34295, and 34954) on July 24, 2020 and (ii) the Order Authorizing First Omnibus Motion of the Debtors for Entry of an Order (I) Authorizing Debtors to Reject Certain Aircraft Leases, *nunc pro tunc* and (II) Approving Lease Rejection-Return

Procedures [ECF No. 177], which the Bankruptcy Court entered on July 23, 2020.

3. DELIVERY

3.1 Delivery and Acceptance

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 at 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 of the conditions precedent set forth in Clause 1 (*Conditions Precedent to be Satisfied by Lessee*) and Clause 3 (*Conditions Precedent to be Satisfied by Lessor*) 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 Clause 3 (*Conditions Precedent to be Satisfied by Lessor*) of Schedule 3 (*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.

3.2 Risk

Throughout the Term, Lessee shall be responsible for all risks associated with or relating to the Aircraft, including for any loss of or damage to the Aircraft. In recognition of the foregoing, and notwithstanding Lessor's rights under this Agreement, Lessee acknowledges and agrees that, as between Lessor and Lessee, Lessee (a) is in sole operational control of the Aircraft and is in the business of operating commercial aircraft, (b) is solely responsible for the condition, inspection, maintenance, repair, oversight, operation and security of the Aircraft and compliance with all requirements of applicable Regulations, and (c) has not relied upon, and shall not rely upon, any statement, act, or omission of Lessor (or Owner Participant) in connection with the use, operation, maintenance, repair, condition or security of the Aircraft, except as may be agreed by Lessor.

4. TERMINATION DATE AND RENEWAL OPTION

4.1 Termination Date

The Termination Date shall be the Expiry Date, provided that:

(a) if Lessor, acting in accordance with Clause 19.2 (*Lessor's Rights*) of this Agreement, terminates or cancels the leasing of the Aircraft to Lessee under this Agreement, the date of such termination or cancellation shall be the Termination Date and Clause 19.2 (*Lessor's Rights*) shall apply;

(b) if the Aircraft or the Airframe suffers a Total Loss, the Termination Date shall be the date when Lessor receives the full amount of the Agreed Value; provided that Lessee shall still be obligated to pay to Lessor all other amounts then due and payable under the Operative Documents;

(c) if the period referred to in clause (d) of the definition of Total Loss extends beyond the Expiry Date, the last day of such period shall be the Termination Date;

(d) if the Term is extended pursuant to Clause 18.2 (*Non-Compliance*), the Termination Date shall be the date on which the Aircraft is redelivered to Lessor pursuant to such Clause;

and

(e) if the leasing of the Aircraft is terminated in accordance with Clause 19.5 (*Illegality*), the date of such termination shall be the Termination Date.

In any event, Rent shall continue to accrue and be payable until the Termination Date or until the Redelivery Date (in accordance with Clause 18.1(d) (*Redelivery*)), unless otherwise agreed herein.

4.2 **Renewal Options**

4.2.1 **Operational Extension; Renewal Notice**

(a) Lessee shall have the right to extend the Term of this Agreement by [REDACTED] months (the "**Operational Extension**") by providing Lessor a written notice signed by Lessee at least [REDACTED] days prior to the scheduled Expiry Date; [REDACTED]. All terms and conditions of this Agreement during the Base Lease Term shall remain in full force and effect during any Operational Extension, unless Lessor and Lessee expressly agree otherwise in writing.

(b) Lessee shall have an additional right to extend the Term of this Agreement up to [REDACTED] time by providing Lessor a Renewal Notice signed by Lessee at least [REDACTED] days prior to the Expiry Date; [REDACTED]. 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 [REDACTED] year to [REDACTED] year period.

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

(i) 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 Event of Default shall have occurred and be continuing on and as of the date of any such notice; and

(ii) any Renewal Notice shall be irrevocable 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.

4.2.2 **Renewal Rent and Documentation**

(a) Upon receipt of a Renewal Notice, as provided in Clause 4.2.1 (*Operational Extension; Renewal Notice*), 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. Whether the amount of the Rent is agreed between Lessee and Lessor within thirty (30) days of the receipt of the Renewal Notice or the amount of Rent is established pursuant to Clause 4.2.2(b), the amount of Rent shall be documented in an amendment to this Agreement within a further period of thirty (30) days, 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 and (ii) Lessor shall procure that Lessor Guarantor executes and delivers a confirmation of the Lessor Guarantee in respect of this Agreement as so amended in form and substance acceptable to Lessee acting reasonably, (iii) Lessee shall provide (A) written evidence of appropriate corporate action authorizing execution and delivery of such amendment, (B) evidence of the

issuance of each approval, license and consent which may be required in connection with such amendment and (C) an opinion from Lessee's in-house counsel addressed to Lessor and Owner Participant 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 Owner Participant; and (iv) Lessor shall provide (A) written evidence of appropriate corporate action by the Trust Company and Lessor authorizing the execution and delivery of such amendment and by Lessor Guarantor authorizing execution and delivery of such confirmation of the Lessor Guarantee, and (B) evidence of the issuance of each approval, license and consent which may be required in connection with such amendment and such confirmation and (C) an opinion from the Trust Company's counsel and from Lessor Guarantor's counsel with respect to such amendment and such confirmation, addressed to Lessee which opinions shall be reasonably satisfactory to Lessee.

(b) If, within thirty (30) days of the receipt of the Renewal Notice, Lessee and Lessor are unable to reach an agreement as to the amount to be paid by Lessee as Rent in respect of any Renewal Lease Term either party may, by written notice to the other, require that each party name an internationally recognized aircraft appraiser from the list of appraisers included in Clause 6 (*Approved Appraisers*) of Part A of the Financial Terms Annex, which list may be updated from time to time by an agreement in writing between Lessor and Lessee if any of the appraisers cease to exist. If either party fails to name an appraiser within fifteen (15) days of receipt of notice from the other party to the effect that such appraisers are required, the decision of the appraiser named by the other party shall control and shall be binding on the parties. Each selected appraiser shall thereafter have a period of fifteen (15) days from the date the second appraiser was named (or if no second appraiser is named, from the date the first appraiser was named) to provide its professional appraisal as to the fair market monthly rent (the "**FM Rent**") that a willing lessor and a willing lessee would negotiate on an arms-length basis for the lease of the Aircraft for the Renewal Lease Term taking into account the Redelivery Conditions and the Redelivery Maintenance Payment. If the FM Rent determined by the appraiser providing the lower appraisal is less than ten percent (10%) below the higher appraisal then, the average of such FM Rents will be the Rent in respect of the Renewal Lease Term to be paid by Lessee. Otherwise, the two appraisers shall jointly name a third internationally recognized aircraft appraiser from the list of appraisers included in Clause 6 (*Approved Appraisers*) of Part A of the Financial Terms Annex, who shall provide its professional appraisal as to the FM Rent within fifteen (15) days of being named, and the Rent in respect of the Renewal Lease Term shall be (i) the FM Rent determined by the third appraiser if such FM Rent amount falls between the FM Rent amounts determined by the first two appraisers, (ii) the lower of the two FM Rent amounts determined by the first two appraisers if the FM Rent determined by the third appraiser is less than such FM Rent amounts, and (iii) the higher of the two FM Rent amounts determined by the first two appraisers if the FM Rent amount determined by the third appraiser is higher than such FM Rent amounts. If the two appraisers named by the parties are unable to agree on a third appraiser within five (5) Business Days, Lessee or Lessor may apply to a court of competent jurisdiction to name the third appraiser. Lessee and Lessor shall each pay the costs and expenses of the appraiser named by it, and shall share equally the costs and expenses of the third appraiser. For purposes of this Clause 4.2.2(b) and the appraisals to be performed, the Aircraft shall be presumed to be in the condition required under this Agreement.

(c) 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.

(d) Other than as set out in this Clause 4.2.2, all terms and conditions of this Agreement during the Base Lease Term shall remain in full force and effect during any Renewal Lease Term, unless Lessor and Lessee expressly agree otherwise in writing.

5. RENT

5.1 Fixed Rent Periods

(a) The Term shall be divided into (i) an initial PBH Period in respect of which PBH Rent shall accrue and be payable and (ii) after the PBH Period, successive periods (each a "**Fixed Rent Period**") in respect of which Fixed Rent shall accrue and be payable monthly.

(b) The first Fixed Rent Period shall commence on October 16, 2021 (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 (1) month's duration except that (i) if the Transition Date does not occur on the first (1st) day of a calendar month, then the first Fixed Rent Period shall be from the date of such Transition Date until the date immediately preceding the next Fixed Rent Date, and (ii) with respect to the final Fixed Rent Period, if it would not otherwise end on the Expiry Date, it shall end on the Expiry Date.

5.2 PBH Period

(a) The PBH Rent shall be paid from the Lease Commencement Date up to and including [REDACTED] (the "**PBH Period**").

(b) For each calendar month (or part thereof) during 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 [REDACTED] day of such calendar month [REDACTED] Business Days after [REDACTED] (the "**PBH Rent Date**").

5.3 Rent Date

(a) During the PBH Period, Lessee shall pay the PBH Rent to Lessor in [REDACTED] on each PBH Rent Date.

(b) Other than during the PBH Period, during the Term, Lessee shall pay Fixed Rent to Lessor monthly in [REDACTED] on each Fixed Rent Date.

5.4 **Rent**

(a) Fixed Rent payable in respect of each Fixed Rent Period shall be the amount set forth in Clause 1 (*Base Lease Term and Rent*) of Part A of the Financial Terms Annex.

(b) PBH Rent payable in respect of the PBH Period shall be calculated as set forth in Clause 1 (*Base Lease Term and Rent*) 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 thirty (30).

6. **SECURITY DEPOSIT**

6.1 **Lessee Payment**

Lessee shall pay to Lessor a Security Deposit in the amount and at the time set forth in Clause 2 (*Security Deposit*) of Part A of the Financial Terms Annex upon receipt by Lessee of the Bankruptcy Court Order and an electronic or paper invoice from Lessor.

6.2 **Lessor Payment**

Lessor shall, within [REDACTED] Business Days after the Termination Date, pay to Lessee an amount equal to the Security Deposit (less the sum of amounts applied pursuant to Clause 6.3(b) (*Concerning the Security Deposit*) and not replenished or paid to Lessee under Clause 6.5(a) (*Letter of Credit*)); provided that Lessor shall not be obliged to pay any such amount to Lessee for so long as any obligation then falling due for performance under the Operative Documents has not been fully discharged or performed and provided further that in the event Lessee is required to pay the Redelivery Maintenance Payment, Lessor may elect to set-off the amount of the cash Security Deposit then held by Lessor against the Redelivery Maintenance Payment that Lessee is required to pay.

6.3 **Concerning the Security Deposit**

(a) The Security Deposit shall be the sole, absolute and unconditional property of Lessor, may be freely commingled by Lessor (or its designee) with its other funds and dealt with by Lessor (or its designee) in such manner as Lessor (or its designee) may see fit and neither Lessor nor its designee will hold any such funds as agent or on trust for Lessee or in any similar fiduciary capacity. 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 (or its designee) as security for the timely performance by Lessee of its obligations under the Operative Documents to which Lessee is a party and Lessee hereby assigns to Lessor and grants a first priority Security Interest in and pledge of the Security Deposit, and including all proceeds thereof and general intangibles (including payment intangibles) relating thereto, including any right to payment of an amount equal to the Security Deposit by Lessor to Lessee hereunder, to Lessor as secured party for itself. No interest shall be earned, paid or repaid in respect of the Security Deposit.

(b) Following the occurrence of an Event of Default which is continuing or failure by Lessee to comply with any of its obligations under any of the Operative Documents, in addition to all rights and remedies of Lessor elsewhere in this Agreement or under any of the Operative Documents or under Law, Lessor may, on behalf of itself or on behalf of any

of its Affiliates, immediately or at any time thereafter, without notice to Lessee, use or apply an amount equal to all or part of the Security Deposit in or towards the payment or discharge of any matured obligation owed by Lessee under this Agreement or the Operative Documents or to compensate Lessor for any sums that it may in its absolute discretion advance or expend as a result of any such Event of Default or failure by Lessee, in such order as Lessor sees fit, and/or exercise any of the rights of set-off described in Clause 22.5 (*Set-off*) with respect to an amount equal to the Security Deposit and/or exercise any other right or remedy of a secured creditor upon a default provided in the UCC.

(c) If Lessor exercises any of the rights described in Clause 6.3(b):

(i) Lessee shall, upon a demand in writing from Lessor, immediately and in any event within [REDACTED] Business Days of such demand, pay in immediately available funds an amount sufficient to restore the Security Deposit to the level at which it stood immediately prior to such exercise; and

(ii) such use, application or retention shall not be deemed a cure of any Event of Default unless such use, application or retention was sufficient to cure such Event of Default (or Lessee has otherwise cured the same) and Lessee has restored the Security Deposit to the level at which it stood immediately prior to such exercise.

(d) It is hereby agreed that the Security Deposit shall not constitute an agreed liquidated damages amount.

6.4 **Provision of Letter of Credit**

Lessee may, following execution of this Agreement and at any time during the Term, in lieu of the cash Security Deposit or any other existing Letter of Credit, deliver to Lessor an original Letter of Credit substantially in the form set out in Schedule 11 (*Form of Letter of Credit*) or as otherwise approved by Lessor from time to time, acting reasonably (the "**Letter of Credit**"), provided that no Event of Default has occurred and is continuing. Such Letter of Credit shall in any event:

(a) name Lessor or, if requested by Lessor, the Financing Parties Representative, as the beneficiary;

(b) be denominated in and payable in Dollars and be payable in an amount of not less than the Security Deposit required hereunder;

(c) be issued by a bank with a long-term unsecured debt rating of [REDACTED] with Standard & Poor's or [REDACTED] with Moody's (the "**Acceptable LC Bank Rating**") or confirmed by such a bank;

(d) be an irrevocable standby Letter of Credit payable on demand without proof or evidence of entitlement of loss required at an office of the bank in London, San Francisco or New York City or in another location satisfactory to Lessor, and shall be capable of being drawn by Lessor directly at sight, by facsimile, or post at such office;

(e) without prejudice to Clause 6.4(d), be capable of being drawn if a replacement Letter of Credit is not provided in accordance with Clause 6.5 (*Letter of Credit*);

(f) have a non-cancellable term of at least three hundred and sixty-five (365) days or, in the case of a Letter of Credit for the final year of the Term, a non-cancellable term extending

at least thirty (30) days beyond the Expiry Date;

(g) be freely transferable to any assignee or transferee of Lessor (including any Finance Parties Representative) without any fees or costs charged to Lessor or such assignee or transferee; and

(h) state that any instruction or requirement for signatures provided under the Letter of Credit to be authenticated by the issuing bank is not permitted.

6.5 **Letter of Credit**

(a) If Lessee provides Lessor with a Letter of Credit in accordance with the terms of Clause 6.4 (*Provision of Letter of Credit*), then on receipt of such Letter of Credit, Lessor shall pay to Lessee no later than [REDACTED] Business Days after receipt of the Letter of Credit the balance of any cash Security Deposit paid by Lessee to Lessor pursuant to Clause 6.1 (*Lessee Payment*) not previously applied pursuant to Clause 6.3(b) (*Concerning the Security Deposit*) or paid to Lessee pursuant to this Clause 6.5.

(b) If Lessee provides Lessor with a Letter of Credit in accordance with the terms of Clause 6.4 (*Provision of Letter of Credit*), Lessee shall ensure that a Letter of Credit remains in place throughout the Term or any relevant part thereof; provided, however, that so long as no Event of Default shall have occurred and be continuing (i) Lessee may replace a Letter of Credit with a cash Security Deposit by notifying Lessor no later than thirty (30) days prior to such replacement, (ii) Lessee shall have the right to put in place a replacement Letter of Credit in accordance with the terms of Clause 6.4 (*Provision of Letter of Credit*). Lessor will return to Lessee the original of the replaced Letter of Credit as soon as reasonably practicable following receipt of a cash Security Deposit or a replacement Letter of Credit.

(c) Lessee shall procure the renewal of or new issue of a Letter of Credit and delivery of the original of the same to Lessor (or its designee) no later than [REDACTED] days (the "**LC Renewal Date**") prior to the stated expiry date of any then current Letter of Credit.

(d) If Lessee fails to put in place a replacement Letter of Credit by the LC Renewal Date in accordance with Clause 6.5(c) and has not notified Lessor that Lessee will replace the same with a cash Security Deposit of like amount by such LC Renewal Date and thereafter does not otherwise in fact replace the Letter of Credit with such cash Security Deposit not later than [REDACTED] Business Days prior to the stated expiry date of such Letter of Credit or if Lessee fails to satisfy Clause 6.5(i), Lessor (or the named beneficiary if different) shall be entitled to drawdown on the Letter of Credit for the full amount thereof and such monies so drawn shall thenceforth be held by Lessor as provided below.

(e) If at any time the long term unsecured debt rating of the issuing bank or (if applicable) the confirming bank in respect of the Letter of Credit falls below the Acceptable LC Bank Rating then, Lessee shall promptly and in any event within ten (10) Business Days of receipt of written demand from Lessor, either (i) provide Lessor with a replacement Letter of Credit complying with Clause 6.4 (*Provision of Letter of Credit*); or (ii) provide a cash Security Deposit that meets the requirements of, and in accordance with the provisions of, Clause 6.1 (*Lessee Payment*), in which event, upon receipt of such replacement Letter of Credit or cash Security Deposit Lessor will return the original Letter of Credit to Lessee as soon as reasonably practicable following receipt of such replacement Letter of Credit

or cash Security Deposit.

(f) For the avoidance of doubt, Lessor may assign or pledge its interest in the proceeds of the Letter of Credit to any Financing Party and may transfer its interest under the Letter of Credit to any assignee or transferee of Lessor's interests as permitted by Clause 21.2 (*Lessor Transfer*) (and Lessee shall at Lessor's cost perform such acts and deliver such instruments as Lessor may reasonably request in order to carry out and effect any such assignment, pledge or transfer).

(g) Lessor shall be entitled to make any number of demands under the Letter of Credit at any time following any Event of Default which is continuing or pursuant to Clause 6.5(d). Any amounts drawn under the Letter of Credit shall be treated as if they were a cash Security Deposit under Clause 6.3 (*Concerning the Security Deposit*).

(h) If in accordance with Clause 6.3 (*Concerning the Security Deposit*), Lessor applies any amount (the "**Paid Amount**") drawn down under the Letter of Credit, then Lessee shall immediately and in any event within [REDACTED] Business Days of demand, either: (i) cause an additional Letter of Credit to be issued and delivered to Lessor complying with the requirements of Clause 6.4 (*Provision of Letter of Credit*) in an amount equal to the Paid Amount and expiring on the same date as the existing Letter of Credit, or (ii) pay to Lessor in immediately available funds an amount equal to the Paid Amount so that Lessor shall at all times have on an aggregate basis the benefit of a Letter of Credit and/or a cash Security Deposit in the amount of the Security Deposit pursuant to Clause 6 (*Security Deposit*).

(i) If at any time any Letter of Credit delivered to Lessor shall cease to constitute the legal, valid and binding obligations of the issuer thereof or any applicable confirming bank enforceable in accordance with its terms, or amounts payable under any Letter of Credit shall cease to be freely available for drawing, Lessee shall forthwith notify Lessor upon becoming aware of such circumstance(s) and as soon as practicable and in any event within [REDACTED] Business Days after becoming aware of such circumstances or after written demand from Lessor either (i) deliver to Lessor a replacement Letter of Credit complying with the requirements set out in Clause 6.4 (*Provision of Letter of Credit*) or (ii) deliver to Lessor a cash Security Deposit in an amount equal to the undrawn face value of the Letter of Credit, to be held by Lessor in accordance with Clause 6.3 (*Concerning the Security Deposit*), whereupon Lessor shall promptly redeliver to Lessee the first above mentioned Letter of Credit or, as the case may be, cash Security Deposit.

(j) Subject to the payment, performance and discharge in full of all of Lessee's obligations under each of the Operative Documents to which Lessee is a party, Lessor shall promptly after the Termination Date return to Lessee any Letter of Credit. The provisions of this Clause 6.5(j) shall survive, and remain in full force and effect, notwithstanding the expiration or other termination of this Agreement and/or the leasing of the Aircraft hereunder.

7. PAYMENTS

7.1 Account for Lessee Payments

All payments by Lessee to Lessor under the Operative Documents will be made for value on the due date in Dollars in immediately available funds by SWIFT or wire transfer to the account set out below or to such other account as Lessor may from time to time notify Lessee in writing five (5) Business Days prior to a date for a payment hereunder; provided that the payment and/or

indemnity obligations of Lessee under the Operative Documents, measured as of the date any such change is effective, shall not be increased solely as a result of the designation of such other account:

Bank:	UMB Bank, N.A.
Account No:	[REDACTED]
Swift Code:	[REDACTED]
ABA:	101 000 695
CR:	[REDACTED]
Reference:	[REDACTED]

7.2 **Default Interest**

If any party hereto fails to pay any amount payable under this Agreement on the due date, such party shall pay to the other party on demand from time to time interest at the Default Rate (both before and after judgment) on that amount, from the due date to the date of payment in full. All such interest will be compounded monthly and calculated on the basis of the actual number of days elapsed in the month and assuming a thirty (30) day month and a three hundred sixty (360) day year.

7.3 **Absolute Obligations**

(a) This Agreement is a net lease. Lessee's obligations to pay Rent, Security Deposit, Redelivery Maintenance Payments (if any) and Agreed Value and to perform any of its other obligations pursuant to this Agreement are absolute and unconditional and shall be paid and performed in full when due without reduction, deduction, set-off, recoupment, claim or counter claim, and Lessor shall have all of the rights and benefits of a lessor under a lease to which Section 2A-407 of the UCC applies as provided therein. Lessee may not regard its obligations as cancelled, terminated, suspended, reduced or altered (and waives to the greatest extent permitted by applicable Laws any rights which it may have at any time to cancel, terminate, suspend, reduce or alter such obligations) by reason of any contingency or circumstance whatsoever, including (but not limited to):

(i) any right of set-off, counterclaim, recoupment, reduction, reimbursement, claim, defense or other right which Lessee may have against Lessor, any Indemnitee, the Manufacturer, any other vendor, or against any other Person;

(ii) any unavailability of the Aircraft for any reason (including, without limitation, a requisition thereof not constituting a Total Loss) or interruption of or interference with Lessee's use, operation or possession of the Aircraft;

(iii) any lack or invalidity of title or any other defect in title, airworthiness, condition, design, operation of or use of the Aircraft, merchantability, fitness for any purpose, registration of the Aircraft under the laws of the relevant jurisdiction, or the Total Loss of, or any damage (not constituting a Total Loss) to or destruction of the Aircraft;

(iv) any insolvency, bankruptcy, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceedings by or against Lessor or Lessee or

any other Person;

(v) any invalidity or unenforceability of or lack of due authorisation of or other defect in this Agreement or any other Operative Document;

(vi) any failure or delay on the part of any party hereto or any Lessor Party or any Financing Party duly to perform or comply with its obligations under this Agreement or any Operative Document; and,

(vii) any other cause or circumstance which but for this provision would or might otherwise have the effect of terminating, canceling, suspending, abating, reducing, deferring or in any way affecting any obligation of Lessee under this Agreement, including to lease the Aircraft or pay Rent. Lessee acknowledges and agrees that it has used its own judgment in selecting the Aircraft, and has not relied on Lessor or on any information supplied by Lessor, and that Lessor is not a manufacturer of or dealer in aircraft.

(b) Each payment of Rent made by Lessee shall be final.

(c) The provisions of this Clause 7.3 shall not be construed to limit Lessee's right to institute separate legal proceedings for direct damages or otherwise pursue remedies for direct damages against Lessor in the event of Lessor's breach of the terms of this Agreement or to limit Lessee's rights and remedies against any other Person.

7.4 **Currency of Payments; Currency Indemnity**

(a) Except as set forth in the proviso below, all payments hereunder shall be made in US Dollars in immediately available funds on the due date for payment; provided that any amount Lessee is obligated to pay hereunder as an indemnity or reimbursement shall be paid in the currency specified by the recipient thereof.

(b) If, under any applicable Law, whether as a result of a judgment or the liquidation of a party or for any other reason, any payment under or in connection with the Operative Documents is made or is recovered in a currency (the "**other currency**") other than the currency (the "**contractual currency**") in which it is payable pursuant to the Operative Documents then, to the extent that the payment (when converted into the contractual currency at the rate of exchange on the date of payment or, in the case of a liquidation, the latest date for the determination of liabilities permitted by the applicable Law) falls short of the amount unpaid under the Operative Documents, the payor shall as a separate and independent obligation, fully indemnify the party entitled to receive such payment against the amount of the shortfall.

(c) Lessee shall indemnify Lessor and any other person entitled to such payment as an independent obligation against any loss or liability arising out of or as a result of the conversion.

(d) Lessee shall pay on an after-Tax basis to Lessor and any other person entitled to such payment, any exchange costs and Taxes payable in connection with such conversion.

(e) For the purposes of this Clause 7.4(a), "**rate of exchange**" means the rate at which the payor is able on the relevant date to purchase the contractual currency in New York with the other currency.

(f) Each party waives any right it may have in any jurisdiction to pay any amount under any

Operative Document in a currency other than that in which such amount is expressed to be payable.

7.5 **Authorisations for Payments; Application of Payments by Lessor**

(a) Lessee shall obtain or procure that there are obtained all certificates, licences, permits and other authorisations that are from time to time required for the making of the payments required by each Operative Document on the date and in the amounts and currency that are stipulated herein and therein, and shall maintain the same or procure that the same are maintained in full force and effect for so long as the same shall be required.

(b) If any sum paid to Lessor or recovered by Lessor in respect of the liabilities of Lessee under this Agreement is less than the amount then due, Lessor may apply that sum to amounts that are then due from Lessee under the Operative Documents in such proportions and order and generally in such manner as Lessor may determine in its reasonable discretion.

7.6 **Lessor's Determination of Amounts Due**

Any certificate or determination by Lessor as to any rate of interest or as to any other amount payable under this Agreement shall, in the absence of manifest error, be prima facie evidence of the amount so payable.

7.7 **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 Event of Default shall have occurred and be continuing, but instead such amount shall be paid to or held by Lessor as security to be held and applied in accordance with the provisions of this Agreement. At such time as there shall not be continuing any Event of Default, 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 7.8 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 under the Operative Documents with prior electronic or written notice to Lessee.

7.8 **Invoices**

Lessor shall provide Lessee with an electronic or paper invoice and supporting documentation before any payment to be made by Lessee to Lessor under the Operative Documents is due (including with respect to the payment of Rent and the Security Deposit), but failure to issue an invoice or the non-receipt of any such invoice shall not affect Lessee's obligation to make such payment.

8. **LESSOR COVENANTS**

8.1 **Quiet Enjoyment**

Lessor agrees that, provided no Event of Default has occurred and is continuing and provided that this Agreement shall not have been otherwise terminated, none of Lessor, any other Lessor Party and any Person claiming by, through or under it or any other Lessor Party (including any Financing Party) shall take or cause to be taken any action to interfere with Lessee's or any Permitted Sublessee's right to use, possession and quiet enjoyment of the Aircraft. The foregoing shall not, however, prevent Lessor, or its successors, assigns and transferees, from exercising any rights or

remedies under the Operative Documents.

8.2 **Lessor Obligations following Termination Date**

Lessor shall within five (5) Business Days after the Termination Date return to Lessee a portion of any Rent paid to Lessor to the extent such portion is attributable to the period falling after, but excluding, the Termination Date; provided that (a) Lessor shall not be obliged to pay any such amount to Lessee for so long as any obligation or amount owed and payable by Lessee under any Operative Document then falling due for performance or payment has not been fully discharged or performed; (b) in the event Lessee is required to pay the Redelivery Maintenance Payment, Lessee may elect to set-off the amount of any Rent then held by Lessor against the Redelivery Maintenance Payment; and (c) if any Event of Default has occurred and is continuing, Lessor may hold and apply any such amounts in or toward the cure of such Event of Default and, at such time as no Event of Default is in existence, shall pay the unapplied portion thereof, if any, to Lessee.

8.3 **Lessor Obligations regarding Tax Information**

Lessor and Owner Participant shall provide to Lessee the information described in Clause 20.6(c) (*Information regarding Taxes*), as and when required pursuant to such Clause.

8.4 **Lessor Obligations Regarding AD Cost Sharing**

(a) Subject to Clause 7.8 (*Retention of Certain Payments*) and Clause 22.5 (*Set-off*) and provided no event mentioned in Clause 19.1(a) (*Non-payment*) shall have occurred and be continuing, if Lessee performs an Airworthiness Directive on the Aircraft on a terminating action basis (or to the highest level of compliance available) prior to the expiration of the Term and the cost of performing such Airworthiness Directive on the Aircraft exceeds US$[REDACTED], Lessor shall, promptly following receipt of an invoice and documentation supporting the cost of performing such Airworthiness Directives on the Aircraft, reimburse Lessee for a portion of such cost determined in accordance with the formula set forth in Clause 5 (*AD Cost Sharing*) of Part A of the Financial Terms Annex.

(b) In the event that the Expiry Date is extended pursuant to any of the provisions of Clause 4.2 (*Renewal Options*), and Lessor has, at any time before such Renewal Lease Term or Operational Extension, as the case may be, made a contribution to Lessee's cost of incorporating an Airworthiness Directive pursuant to the provisions of this Clause 8.4, Lessee agrees to refund to Lessor, or Lessor may elect to set-off the amount of the cash Security Deposit then held by Lessor against, the proportional part for such Airworthiness Directive in accordance with the formula set out in Clause 5 (*AD Cost Sharing*) of Part A of the Financial Terms Annex on the basis of [REDACTED] to account for such extension pursuant to such Renewal Lease Term or Operational Extension, as the case may be.

8.5 **Lessor Obligations Regarding Airframe C Check**

Provided that no Event of Default shall have occurred and be continuing, Lessor shall, upon receipt from Lessee of [REDACTED] relating thereto satisfactory to Lessor, [REDACTED] determined in accordance with the formula set forth in Clause **Error! Reference source not found.** ([REDACTED]) of Part A of the Financial Terms Annex. Lessor's obligation under this Clause 8.5 shall be subject to Lessor's prior written approval of [REDACTED] (such approval not to be unreasonably withheld or delayed). For the avoidance of doubt, if [REDACTED] provided by Lessee immediately prior to [REDACTED] is substantially similar to [REDACTED], such

[REDACTED] shall be approved as reasonable, without delay.

9. LESSEE COVENANTS

9.1 Performance

(a) Lessee shall perform and comply with its undertakings, covenants and other agreements in this Agreement at all times during the Term. Lessee shall procure that no person (other than a Lessor Party) will act in any manner inconsistent with Lessee's obligations hereunder. All such undertakings, covenants and agreements shall be performed at Lessee's expense except where this Agreement expressly provides otherwise.

(b) Lessee shall remain liable to Lessor for all of Lessee's obligations and liabilities under this Agreement notwithstanding any delegation by Lessee to another Person of any such obligations or liabilities or any reliance by Lessee on another Person to perform or discharge any such obligations or liabilities, whether or not such delegation or reliance is permitted or contemplated by this Agreement (including any Permitted Sublessee and the related sublease under Clause 10.3 (*Subleasing*)); provided that to the extent any such obligation or liability is actually performed or discharged by such other Person on Lessee's behalf, such performance or discharge shall constitute performance or discharge of the corresponding obligation or liability of Lessee.

(c) Lessee will cause any Post-Closing Authorizations and Filings to be made or obtained as provided in the definition of such term and by the deadline provided in Clause 5 (*Post-Closing Matters*) of Schedule 3 (*Conditions Precedent and Post-Closing Matters*).

9.2 Information – General and Financial

Lessee shall:

(a) furnish to Lessor:

(i) by making the same available on its website or directly to Lessor if not posted on its website, no later than [REDACTED] days after the last day of each financial year of Lessee, its audited consolidated balance sheet and cash flow statement as of such day and its audited consolidated profit and loss statement for the year ending on such day in each case, (A) together with all notes, (B) in English, (C) in accordance with the Financial Information Norms or generally accepted accounting principles and practices in the State of Incorporation consistently applied, (D) prepared by independent, certified public accountants, (E) will fairly and accurately present the financial position of Lessee as at date as of which they were prepared and the results of the operations of Lessee for such financial period, and (F) will disclose all material liabilities, actual or contingent, of Lessee; and

(ii) within [REDACTED] days after the end of each financial quarter, its consolidated management accounts (in Mexican Pesos and including a profit and loss account and balance sheet) in English prepared for such financial quarter;

(iii) to the extent that Lessee is permitted by applicable Law and is not bound by confidentiality undertakings to third parties, promptly such other information concerning the business or financial affairs of Lessee as Lessor may from time to time reasonably request including with respect to the satisfaction of each Lessor Party's diligence and "know your customer" requirements and compliance by each

Lessor Party with all Trade Laws, KYC Laws and internal procedures in respect thereof; provided, however, that under no circumstances shall Lessee be required to provide Lessor with financial or operational forecasts;

(b) promptly notify Lessor of the occurrence of any Total Loss or of any loss, theft, damage, destruction or event which is likely to result in potential repairs or a claim under the Insurances in excess of the Damage Notification Threshold;

(c) immediately notify Lessor if Lessee becomes aware of the occurrence of an Event of Default and of any other event or circumstance that might have a material adverse effect on its financial condition, business operations, assets or prospects or a material adverse effect on its ability to perform any of its obligations under the Operative Documents, taking into account all other obligations that Lessee must observe or perform at that time, and shall provide Lessor with full detail of any steps that Lessee is taking, or proposes to take, to remedy or mitigate the effect of the Event of Default or such other event or circumstance;

(d) upon written request by Lessor, provide to a potential assignee or transferee of Lessor's rights in the Aircraft or any Operative Document or to a Financing Party a certificate containing representations as to:

(i) the truth and accuracy of the representations and warranties set forth in Clause 1 (*Lessee's Representations and Warranties*) of Schedule 2 (*Representations and Warranties*) as of the date of such certificate;

(ii) payment of Rent and Security;

(iii) whether Lessor is in breach of any term or condition contained in this Agreement or any other Operative Document; and

(iv) whether the Aircraft or any Engine is subject to any sublease or requisition, confiscation or condemnation; and

(e) promptly provide Lessor with copies of such reports, notices, financial statements, correspondence and other documentation and information which are to be provided to or by any sublessee pursuant to its sublease as Lessor may from time to time reasonably request or which relate to any breach of, or default under, the sublease.

9.3 **Operation of the Aircraft**

Lessee shall:

(a) operate the Aircraft solely for commercial passenger operations;

(b) not use or operate the Aircraft in violation of or contrary to any Regulation applicable to it or the Aircraft (provided that the foregoing shall not prohibit Lessee from operating the Aircraft temporarily in any manner or location in the event of an emergency) and will comply and procure compliance with all laws in force in any country or jurisdiction and any carriage regulations or restrictions from time to time issued by IATA which may then be applicable to (i) the Aircraft (including laws mandating insurance coverage) or (ii) so far as concerns the use, maintenance and operation of the Aircraft, an owner or operator thereof, and will procure that the Aircraft is not used for any illegal purpose or any illegal

manner;

(c) not knowingly permit any items to be on or transported by the Aircraft if it is prohibited by any Regulation for such item to be on or transported by the Aircraft and will procure that the Aircraft is not used for the carriage of any item or substance whose possession or carriage is illegal under any Trade Laws;

(d) not use or operate the Aircraft for any purpose for which the Aircraft is not designed or for any purpose other than primarily in passenger service in passenger configuration, or in a manner inconsistent with the Manufacturers' manuals or the Aviation Authority directives;

(e) not use the Aircraft for purposes of training, qualifying or re-confirming the status of cockpit personnel except for the benefit of Lessee's cockpit personnel, and then only if the use of the Aircraft for such purpose is not disproportionate to the use for such purpose of other aircraft of the same or similar type operated by Lessee in any twelve (12) month period;

(f) not use or operate the Aircraft or suffer or permit the Aircraft to be used or operated in any manner when the Insurances are not in full force and effect, and not use, operate or locate the Aircraft or suffer or permit the Aircraft to be used, operated or located in any manner not covered by the Insurances or in any area excluded from coverage by the Insurances (and without limiting the foregoing, Lessee will not use, operate or locate the Aircraft or permit it to be used, operated or located in any area of recognized or threatened hostilities when the war risk Insurances are not in full force and effect and applicable thereto); provided that the foregoing shall not prohibit Lessee from operating the Aircraft temporarily in any such locations in the event of an emergency situation; and

(g) not operate, maintain, modify, insure or deal with the Aircraft or any Engine or Part in a manner which adversely discriminates against the Aircraft or such Engine or Part, when compared with the manner in which Lessee operates, maintains, modifies, insures or deals with similar aircraft, engines or parts in Lessee's fleet.

9.4 **General Covenants, Compliance and Outgoings**

Lessee shall:

(a) at all times during the Term maintain (i) its business as a commercial scheduled air carrier; (ii) its corporate existence (except as permitted by Clause 9.7 (*Lessee Existence*)); and (iii) in full force and effect, all consents, licenses, authorizations, approvals, permits, rights and privileges material to its business or to the performance of its obligations under this Agreement;

(b) comply with all Regulations required for the making of payments, and the performance by Lessee of its other obligations under this Agreement and the Operative Documents;

(c) not cause or permit the Aircraft to proceed to, or remain at, any location in an Excluded Country, except on a temporary basis in the event of an emergency situation, unless the same are permitted pursuant to applicable consents, exemptions or licenses which have been obtained or apply in respect thereof;

(d) promptly pay or cause to be paid when due (i) all license, registration, navigation and airport fees and charges assessed and demanded by any Government Entity and/or any other air navigation authority in accordance with applicable Regulations relating to the

Aircraft and (ii) all costs, expenses, charges, fees (including, without limitation, license and registration fees), Taxes and other outgoings related to the operation, storage, maintenance, leasing or registration of the Aircraft, which in either case if not paid when due could result in a Security Interest which is not a Permitted Lien being imposed on the Aircraft;

(e) comply with all applicable Laws concerning security measures to protect the Aircraft and its passengers from theft, destruction, hijacking, bombing or other acts of terrorism; and

(f) comply with all Trade Laws and KYC Laws and shall not, in violation of applicable Trade Laws or in a manner that may cause any Lessor Party or Financing Party to be in breach of Trade Laws, including engaging in any sublease or wet lease of the Aircraft or permit any sublease or wet lease of the Aircraft to or for the benefit of Prohibited Persons. Without limiting the foregoing, Lessee shall not, and shall not permit the, export, re-export or divert the Aircraft or the Engines in violation of any Trade Laws. Lessee shall obtain and maintain in full force all certificates, licenses, permits and authorizations from time to time required for the use and operation of the Aircraft and for the making of payments required by and the performance of its obligations under this Agreement and the other Operative Documents.

9.5 **Registration and Protection**

(a) Lessee shall to the greatest extent permitted by applicable Law and at its own cost and expense (unless otherwise expressly set forth herein) and subject to Lessee's receipt from Lessor of any documentation required by the Aviation Authority or any applicable Regulation (provided always that Lessee shall request such necessary documentation from Lessor in a timely manner):

(i) so long as Lessor continues to be eligible for such registration, keep the Aircraft registered with the AFAC in the name of Lessor as owner thereof and not take or permit any action contrary to the continued registration of the Aircraft with the AFAC in the name of Lessor other than (A) with Lessor's prior written approval which will not be unreasonably withheld or (B) in connection with a sublease of the Aircraft to a Permitted Sublessee;

(ii) subject to Clause 9.5(a)(iii), cooperate with Lessor in relation to the registration and recordation with the AFAC and any other relevant public record (or as required to comply with the Cape Town Convention or the Geneva Convention where applicable) of (A) the Aircraft and this Agreement (or particulars thereof) and/or (B) the interest of Lessor as owner and lessor and, at Lessor's cost, the rights of any Financing Parties having a Security Interest in respect of the Aircraft or this Agreement (as the case may be) on such public record;

(iii) cause any supplements and amendments to be promptly filed and recorded with the AFAC and any other relevant public record (or as required to comply with the Cape Town Convention or the Geneva Convention where applicable); and

(iv) at Lessor's cost make and cooperate with Lessor in relation to the making of any changes to the registrations referred to in Clauses 9.5(a)(i), (ii) or (iii) as may be necessary or advisable (and are consistent with the provisions of this Agreement) to take account of any change permitted by this Agreement in ownership of the Aircraft any Engine or Part (including any permanent replacement of any Engine

or Part) or any change in the financing of the Aircraft.

(b) Lessee shall not without the prior written consent of Lessor change the State of Registration other than as permitted pursuant to Clause 9.5(a)(i) and, following the termination of any sublease of the Aircraft during which the Aircraft is registered in a jurisdiction other than Mexico, Lessee shall also have the right without Lessor consent to re-register the Aircraft with the AFAC in the name of Lessor as owner. For the avoidance of doubt, Lessee shall not have the right to register the Aircraft with any other Aviation Authority without Lessor's prior written consent following the termination of any sublease.

(c) Lessee shall from time to time, do or cause to be done any and all acts and things which may be required or desirable (in the discretion of Lessor acting reasonably, but in each case consistent with the provisions of this Agreement and the other Operative Documents to which Lessee is a party) which are requested in writing by Lessor, acting reasonably, to ensure that the Lessor Parties, and, at Lessor's cost, the Financing Parties, if any, have or obtain the fullest benefit(s) of the Cape Town Convention and/or the Protocol as in effect in the State of Registration in connection with the Aircraft and any Engine, including (but not limited to):

(i) any matters connected with registering, perfecting, preserving and/or enhancing any International Interest(s) or other registrable interests vested in the Lessor Parties or the Financing Parties with respect to the Aircraft and/or any Engine and constituted by this Agreement;

(ii) constituting any International Interest(s) or other registrable interests to be vested in the Lessor Parties or the Financing Parties with respect to the Aircraft and/or any Engine in connection with this Agreement;

(iii) entry into agreements (subordination or otherwise) to protect, perfect and/or enhance and/or improve the priority of any International Interest(s) or other registrable interests referred to in the foregoing Clauses 9.5(c)(i) and/or (ii); and

(iv) taking all relevant actions and cooperating as may be requested by Lessor in writing with respect to the issuance of an IDERA in favor of Lessor (or if requested, the Financing Parties Representative) to the extent such instrument becomes recognized in Mexico after the date hereof and all necessary Regulations implementing such recognition and measures with respect to the filing and acknowledgement of an IDERA have been fully adopted and implemented in Mexico after the date hereof; provided that Lessee shall only be required to take any such action or provide any such cooperation subject to, and in accordance with all applicable Laws and regulations of Mexico, and upon the deactivation of the Deregistration Power of Attorney in effect at that time.

(d) Lessee and Lessor agree that for all purposes of the Cape Town Convention, (i) this Agreement, and any sublease under the terms of this Agreement, will constitute a separate International Interest with respect to the Airframe and/or each Engine, and (ii) the Airframe and each Engine constitute Aircraft Objects.

(e) The costs and expenses in opening and maintaining the Transacting User Entity accounts for Lessee shall be borne by Lessee, but the costs and expenses in opening and maintaining the Transacting User Entity accounts of Lessor Parties and any Financing Party shall be

borne by Lessor Parties or the Financing Parties, as the case may be.

9.6 **Title and other Property and Security Interests**

Lessee shall:

(a) affix, and maintain in a prominent position, a fireproof plate (having dimensions of not less than 10 cm. x 7 cm.) on each Engine and in the cockpit or cabin of the Aircraft stating:

"THIS [AIRCRAFT/ENGINE] IS OWNED BY AND LEASED FROM WILMINGTON TRUST SP SERVICES (DUBLIN) LIMITED, AS OWNER TRUSTEE TO AEROVÍAS DE MÉXICO, S.A. DE C.V., AS LESSEE [AND IS SUBJECT TO A SECURITY INTEREST/LIEN IN FAVOR OF (THE FINANCING PARTIES REPRESENTATIVE)]";

provided that the replacement of any such fireproof plates required due to changes of ownership or lienholders shall be arranged and paid for by Lessor. Lessee will not allow the name of any person to be placed on the Airframe or on any Engine as a designation that might be interpreted as a claim of ownership or any Security Interest; provided that nothing herein contained shall prohibit Lessee or any Permitted Sublessee from placing its customary colours and insignia on the Airframe or any Engine;

(b) not at any time (i) represent to others that any Lessor Party, or the Financing Parties are in any way connected with or responsible for any operation of the Aircraft or the business of Lessee or carriage (whether for hire or reward or gratuitously) which may be undertaken by Lessee; or (ii) pledge the credit of any Lessor Parties or the Financing Parties;

(c) not hold itself out to any third party as owner of the Aircraft or any part of it, and on all occasions when the ownership of the Aircraft, any Engine or any Part is relevant, make clear to third parties that title is held by Lessor;

(d) not hold itself out to any third party as having any power to sell, charge, lease (other than as expressly permitted by Clauses 10.2 (*Wet leasing*) and 10.3 (*Subleasing*)) or otherwise dispose of or encumber the Aircraft or any Part thereof other than as permitted under this Agreement;

(e) not abandon the Aircraft, any Engine or any Part, or do or permit to be done anything which may expose the Aircraft or any part of it to the risk of damage, destruction, arrest, confiscation, seizure, deposit, attachment, forfeiture, impounding, detention or appropriation;

(f) not grant to any person other than Lessor or Financing Parties Representative an IDERA or a deregistration power of attorney with respect to the Airframe or any Engine, and the granting of an IDERA to Lessor or Financing Parties Representative shall be subject to Clause 9.5(c)(iv);

(g) not allow the Aircraft, any Engine or any Part or Lessor Party's or any Financing Party's interest in the same, or this Agreement, to become or remain subject to any Security Interest (other than Permitted Liens) and promptly at Lessee's expense take such action as may be necessary to discharge any such Security Interest other than Permitted Liens if the same shall exist at any time;

(h) not take any action or knowingly omit to take any action which has or may have the effect

of prejudicing the first priority nature of any Security Interests granted by Lessee or any Permitted Sublessee to any Lessor Party or Financing Party, or granted by any Lessor Party to any Financing Party, in each case, in respect of the Aircraft or this Agreement; or

(i) not consent to any interests conflicting with (whether or not taking priority over) the interests of Lessor as lessor and owner or any Financing Party to be registered at the International Registry without the prior written consent of Lessor, or such Financing Party (as the case may be).

9.7 **Lessee Existence**

Lessee will preserve its corporate existence, will not sell, lease, transfer or otherwise dispose of all or substantially all of its assets (in one or in any series of transactions) to any Person and will continue to be a regularly scheduled, commercial airline; provided that Lessee may sell, lease, transfer or otherwise dispose of all or substantially all of its assets (in one or a series of transactions) to any Person or merge or consolidate with any Person in a transaction in which it is not the surviving Person if the following conditions are satisfied:

(a) Lessee has provided Lessor with thirty (30) days prior written notice of such transaction;

(b) the Person acquiring such assets or the Person surviving such merger or consolidation (in either case, the "**Surviving Entity**") assumes all of the rights and obligations of Lessee under the Operative Documents to which Lessee is a party;

(c) the tangible net worth of the Surviving Entity is equal to or greater than the tangible net worth of Lessee immediately prior to such merger or consolidation, except where (if the Surviving Entity's tangible net worth would be lower than such prior tangible net worth of Lessee), this does not and could not reasonably be expected to cause an Event of Default or have a material adverse effect on the ability of the Surviving Entity to comply with its obligations under the Operative Documents;

(d) the Surviving Entity is duly organized and validly existing under the laws of its state of organization;

(e) the Surviving Entity shall execute and deliver to Lessor (i) an agreement, in form and substance reasonably satisfactory to Lessor, by which the Surviving Entity assumes the due and punctual performance and observance of each covenant and condition of Lessee under this Agreement and agrees to be bound thereby (such assumption of obligations to be legal, valid, binding and enforceable, except as enforcement of such agreement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting the rights of creditors generally and general principles of equity), (ii) an officer's certificate from a responsible officer of the Successor Entity confirming the legal, valid, binding and enforceable nature of such assumption and that the other requirements of this Clause 9.7 have been satisfied, and (iii) a legal opinion from counsel confirming the legal, valid, binding and enforceable nature of such assumption and other matters as Lessor may specify and otherwise in such form and substance reasonably satisfactory to Lessor;

(f) the Surviving Entity shall execute and deliver to Lessor and/or file such recordations and filings with any Government Entity (including the Aviation Authority) and such other documents as Lessor shall reasonably deem to be necessary or advisable (including, without limitation, to preserve and protect the interests of the Lessor Parties and the Financing Parties) to evidence, or in connection with, such transfer of assets, merger or

consolidation;

(g) prior to and immediately after giving effect to such transfer of assets, merger or consolidation, no Event of Default shall have occurred and be continuing; and

(h) promptly following the closing date of such merger or consolidation, but in no event later than three (3) Business Days thereafter, the Surviving Entity shall provide Lessor with a certificate signed by its chief financial officer to the effect that such merger or consolidation will not have a material adverse effect on the Surviving Entity's ability to perform its obligations under this Agreement.

Lessee shall pay all reasonable costs and expenses incurred by the Lessor Parties and, if applicable, any Financing Party (including all reasonable legal fees and expenses) in relation to any such transfer of assets, merger or consolidation following receipt of an invoice and supporting documentation in respect thereof.

9.8 **Preservation and Recognition of Rights**

(a) Lessee shall not do or knowingly permit to be done anything that would jeopardise the rights of any Lessor Party or any Financing Party in the Aircraft and shall cause to be taken all actions necessary or reasonably requested by Lessor to prevent the rights of any Lessor Party and Financing Party in the Aircraft from being jeopardised, and shall not do or permit to be done anything which, or omit to do anything the omission of which, would or would be likely to prejudice any material right that any Lessor Party may have against the Manufacturer, the Engine Manufacturer, any maintenance provider or any supplier or manufacturer of the Aircraft or any part thereof. At the reasonable request of Lessor, Lessee will do all acts and things (including making any filing, registration or recording with the Aviation Authority, the International Registry or any other Government Entity or as required to comply with any applicable law) and execute, notarise, file, register and record all documents as may be required by Lessor to establish, maintain, perfect, protect and preserve the rights and interests of Lessor hereunder and in the Aircraft and the rights and interests of any Financing Party under the Financing Documents. At the reasonable request of Lessor and at Lessor's expense, Lessee shall furnish to Lessor and any Financing Party an opinion of counsel or other evidence satisfactory to Lessor of each such filing, recordation and act.

(b) Lessee shall procure, when applicable, that any Person to whom possession of the Aircraft, the Airframe or any Engine is given (other than Manufacturers or Approved Maintenance Performers) in accordance with the provisions of this Agreement acknowledges in writing within a mortgage or lease or other agreement between Lessee and such Person or otherwise, that it will respect the interests of the owner and lessor of the Aircraft, the Airframe or such Engine, as applicable and the interests of the Financing Parties in respect of such Aircraft, the Airframe or such Engine and will not seek to exercise any rights whatsoever in relation to such Aircraft, Airframe or Engine. Lessor hereby acknowledges, on behalf of itself, the other Lessor Parties and any Financing Parties, and for the benefit of any holder of an interest in an engine that may at any time be attached to the Airframe, that it will respect the interests of such holders of interests and will not seek to exercise

any rights whatsoever in relation to such engine.

10. POSSESSION AND SUBLEASING

10.1 Possession

Lessee will not, without the prior written consent of Lessor (not to be unreasonably withheld or delayed), sublease or otherwise part with possession of the Aircraft, any Engine or any Part, except that Lessee shall have the right to deliver possession of the Aircraft, the Engines or any Part without Lessor's consent so long as no Event of Default has occurred and is continuing:

(a) with respect to the Aircraft, the Engines or any Part, to the relevant Manufacturer or Approved Maintenance Performer for testing, modification, maintenance, repair, overhaul or other work to the extent required or permitted by this Agreement;

(b) on a wet lease which complies with Clause 10.2 (*Wet leasing*);

(c) on a sublease which complies with Clause 10.3 (*Subleasing*); and

(d) with respect to an Engine or Part, as expressly permitted by this Agreement.

10.2 Wet leasing

Lessee shall be permitted to wet lease or charter the Aircraft to a third party provided that under the terms of such wet lease or charter:

(a) the Aircraft shall be operated solely by regular employees of Lessee possessing all current certificates and licenses that are required by applicable Regulations;

(b) the Aircraft shall remain subject to the insurance coverage required under Clause 15 (*Insurance*) or such other insurance coverage as is approved by Lessor;

(c) the Aircraft shall be maintained by Approved Maintenance Performers in accordance with the Maintenance Program and Lessee's normal maintenance practices;

(d) the Aircraft shall not be subject to any change in its State of Registration;

(e) such wet lease or charter is expressly subordinated to this Agreement and the rights of Lessor and the Financing Parties hereunder and to the Aircraft;

(f) Lessee's obligations under this Agreement shall continue in full force and effect notwithstanding any charter or wet lease;

(g) the duration of such wet lease or charter (including all extensions and renewals) does not extend and is not capable of extending beyond the scheduled Expiry Date;

(h) the Aircraft shall not be subject to a harsher operating environment that would materially affect the cost of maintaining the Aircraft;

(i) the Aircraft shall not be, or be located in, in an Excluded Country (except on a temporary basis in the event of an emergency situation), and the Habitual Base shall not be, or be located in, an Excluded Country, and the Habitual Base for the Aircraft shall be acceptable to Lessor (acting reasonably), and the airline operator to which Lessee will wet lease the Aircraft shall not be a Prohibited Person and Lessor shall have received such information concerning the prospective airline operator (and its Affiliates) to which Lessee will wet lease the Aircraft as shall be required for Lessor to satisfy its "know your customer"

requirements; and

(j) no Event of Default shall have occurred and be continuing or would result from such wet lease or charter.

10.3 **Subleasing**

Lessee may, (x) [REDACTED] or (y) with the written consent of Lessor (not to be unreasonably withheld or delayed), sublease the Aircraft to any Person not described in clause (x) above. Any proposed sublease shall satisfy each of the following conditions:

(a) either (i) the sublease shall state that it is subject and subordinate to this Agreement, and the sublessee shall execute an acknowledgment addressed to Lessor and any Financing Party Representative confirming the foregoing and acknowledging that the sublease will terminate on or before the Termination Date; or (ii) if Lessor notifies Lessee that Lessor's counsel in the relevant jurisdiction is of the opinion that a sublease assignment is necessary or advisable in such jurisdiction, Lessee shall grant Lessor or Financing Parties Representative (as applicable) a security assignment (in form and substance reasonably satisfactory to Lessor and Financing Parties Representative) assigning all of Lessee's rights, title and interest to, in and under such sublease to Lessor, or the Financing Parties Representative, as applicable;

(b) the proposed sublessee must be a commercial air carrier or air operator holding a valid air operator's certificate;

(c) no Event of Default shall have occurred and be continuing at the time of commencement of such sublease or would result as a consequence of such sublease;

(d) Lessee shall have given not less than thirty (30) days' prior written notice to Lessor of its intention to enter into any sublease agreement or arrangement (which notice shall include a description of the proposed subleasing arrangements including the identity of the proposed sublessee, the term of the sublease and the proposed delivery date under the sublease) and Lessee shall have provided to Lessor at least ten (10) days' prior to execution of the sublease agreement, a copy of the draft sublease agreement and the draft insurance certificate (it being acknowledged that in any event (A) Lessee may redact the amount of Rent and all other economic terms, (B) the conditions below are required to be satisfied prior to commencement of the relevant sublease and (C) the evidence and/or documentation specified below shall be required to be provided to Lessor prior to commencement of the relevant sublease so as to give Lessor a reasonable period of time to review the same);

(e) the sublease shall not permit the sublessee to take any action inconsistent with the requirements and obligations of Lessee under this Agreement and shall require the sublessee to operate the Aircraft on substantially similar or more favorable terms as those set out in this Agreement, including without limitation, Clause 9.3 (*Operation of the Aircraft*), Clause 11.4 (*Maintenance and Repair*), and if the sublessee is to maintain Insurances rather than Lessee, Clause 15 (*Insurance*) and Part B (*Redelivery Maintenance Payment*) of the Financial Terms Annex as applicable;

(f) the sublease shall not permit any further subleasing, wet leasing or charter of the Aircraft other than wet leasing on substantially similar terms or more favorable terms as those set out in Clause 10.2 (*Wet leasing*);

(g) the sublease shall not have a term which extends or is capable of extending beyond the

then scheduled Expiry Date;

(h) prior to the commencement of the sublease Lessee shall provide to Lessor evidence satisfactory to Lessor confirming that the Aircraft will continue to be insured in accordance with this Agreement including a broker's letter of undertaking;

(i) the sublessee under the sublease shall not at the time of commencement of the relevant sublease be insolvent or otherwise be subject to any events of the type set out in Clause 19.1(g) (*Insolvency*) through (i) (*Other Jurisdiction*) or be incorporated in an Excluded Country;

(j) the sublessee under the sublease shall hold all certificates, licenses, permits and authorizations required for its use and operation of the Aircraft;

(k) if the Aircraft is to be registered in a new State of Registration in connection with a sublease or the termination of a sublease, Lessee shall procure that all filings, recordings and registrations are made to the extent necessary (i) to deregister the Aircraft from the registry maintained by the then existing State of Registration, (ii) to register the Aircraft in the new State of Registration in the name of Lessor as owner (and if that is not possible, in the name of Lessee or the sublessee with the interests of Lessor, any Financing Parties Representative and Lessee noted in the registry) in accordance with and to the extent permitted by applicable Law in the new State of Registration, and (iii) to register, record, protect and/or perfect the Security Interest of any Financing Parties Representative in the new State of Registration in accordance with and to the extent permitted by applicable Law in the new State of Registration. Lessor shall co-operate and procure that the Financing Parties co-operate with Lessee upon reasonable request by Lessee to assist Lessee and/or the sublessee, as the case may be, in promptly making any filings, recordings and registrations in the existing State of Registration and, if applicable, any new State of Registration which are necessary in connection with any subleasing or change in the State of Registration. Lessee shall pay all reasonable and documented out-of-pocket costs and expenses incurred by Lessor and any Financing Party in connection with such filings, recordings and registrations (and no sublease shall be permitted unless and until such filings, recordings and registrations have been made or arrangements have been made to effect the same following the delivery of the Aircraft under the sublease); (iv) any new State of Registration may not be an Excluded Country; (v) Lessor shall have received a legal opinion from local counsel in such jurisdiction confirming that the terms of this Agreement are legal, valid, binding and enforceable in such country; that it is not necessary for Lessor or Financing Parties Representative to register or qualify to do business in such country solely as a consequence of the sublease; that absent an overt act or omission by the owner of an aircraft, there is no tort liability of the owner of an aircraft not in possession thereof under the laws of such country; and that the laws of such country require fair compensation for requisition of title or use of the Aircraft by the government of registration;

(l) Lessee shall provide Lessor with a copy of the executed sublease and any amendments thereto within five (5) Business Days after the execution of such sublease or such amendments and in any event before the commencement of such sublease; such copy may be in electronic form, it being agreed that Lessee may redact the amount of Rent and all other economic terms;

(m) no subleasing of the Aircraft shall release Lessee from its obligations under this Agreement, and Lessee hereby confirms and agrees that it shall remain fully liable to

perform all of its obligations under this Agreement notwithstanding any such subleasing and shall be primarily liable for any act or omission of any sublessee in connection with any such subleasing; provided Lessee's obligations hereunder shall be satisfied to the extent performed by a sublessee;

(n) Lessor shall have received a legal opinion or other confirmation from independent counsel reasonably acceptable to Lessor at Lessee's cost (provided that the fees of such counsel shall be reasonable and documented and shall have been pre-approved by Lessee), covering the following matters:

(i) that the rights and interests of Lessor and Financing Parties in respect of the Aircraft and the Operative Document, including their right to repossess the Aircraft in the case of an Event of Default, will not be adversely affected by the subleasing;

(ii) as to the perfection of the interests of Lessor and the Financing Parties Representative in respect of the Aircraft and under the Operative Documents (including the enforceability of any mortgage granted by Lessor to the Financing Parties Representative as a first priority perfected Security Interest over the Aircraft); and

(iii) as to the due execution by the Permitted Sublessee of the proposed sublease and any other document required to be delivered by the Permitted Sublessee pursuant to this Agreement and the validity and enforceability against the Permitted Sublessee of such documents; and

(iv) if the new State of Registration or the jurisdiction of incorporation of the proposed sublessee is a Contracting State for the purposes of the Cape Town Convention or sublessee is situated in a Contracting State for the purposes of Article 4 of the Cape Town Convention, addressing the effectiveness of registrations to be recorded at the International Registry to protect Lessor and Financing Parties Representative's interest.

(o) the Aircraft shall not be, or be located in, in an Excluded Country (except on a temporary basis in the event of an emergency situation), and the Habitual Base shall not be, or be located in, an Excluded Country, and the Habitual Base for the Aircraft shall be acceptable to Lessor (acting reasonably), and the Permitted Sublessee shall not be a Prohibited Person and Lessor shall have received such information concerning the prospective Permitted Sublessee and its Affiliates as shall be required for Lessor to satisfy its "know your customer" requirements;

(p) Lessee shall, upon the completion of the sublease for the Aircraft, provide to Lessor (i) a "no incident/no accident" statement for the Airframe, the Engines, the APU and the Landing Gear, (ii) a certified Life-Limited Parts report for each Engine, the Landing Gear and the APU and (iii) any other maintenance records reasonably requested by Lessor, in each case applicable to the period of the sublease and in a form and substance acceptable to Lessor (acting reasonably);

(q) that such sublease will not result in the imposition of, or increase in the amount of, any Taxes, fees or expenses imposed on any Indemnitee for which Lessee is not required to indemnify or is not then willing to indemnify each Indemnitee for such incremental Taxes that would not have been imposed but for the sublease to their satisfaction against such

imposed or increased Taxes, fees or expenses;

(r) Lessee shall provide Lessor in advance with written confirmation from the Engine maintenance provider that during the period of such permitted sublease, the Engines will continue to be covered by Lessee TCA (on the same terms (other than in relation to any adjustment of the charges payable to the Engine Maintenance Performer thereunder) as if the Engines were being operated by Lessee); and

(s) the Aircraft shall not be subject to a harsher operating environment that would materially affect the cost of maintaining the Aircraft.

11. TECHNICAL REPORTING, AIRCRAFT DOCUMENTS, INSPECTION, MAINTENANCE AND REPAIR

11.1 Maintenance Status Report

Throughout the Term, Lessee shall:

(a) provide Lessor within [REDACTED] days after the end of each calendar month a technical report for the Aircraft in the form of Schedule 16 (*Form of Maintenance Status Report*) which must have all [REDACTED] and the details of [REDACTED];

(b) give Lessor at least [REDACTED] months written notice as to the time, location and workscope of all Heavy Maintenance Checks and Engine Major Module Shop Visits; and

(c) promptly furnish to Lessor (or where applicable, shall cause the Manufacturer and/or the Engine Manufacturer to furnish to Lessor) all such information, documentation, certification and other instruments as Lessor may from time to time reasonably request regarding the Aircraft or any part thereof, including without limitation with respect to its use, registration, location, airworthiness, maintenance and condition.

11.2 Aircraft Documents

Lessee shall:

(a) keep accurate, complete and current records (which records shall form part of the Aircraft Documents and, notwithstanding that such records may be generated by Lessee, shall be deemed to be the property of Lessor and leased to Lessee hereunder) as listed in Schedule 7 (*Aircraft Documents at Redelivery*) or as may otherwise be required by the Aviation Authority, the Maintenance Program and all applicable Regulations and FAR Part 129 and the requirements for the issuance of a standard FAA certificate of airworthiness under FAR part 121;

(b) maintain all technical Aircraft Documents in English (except for the cockpit and cabin rectification log book which may be maintained in Spanish) in Lessee's format (which may be microfiche, microfilm or digital and/or electronic format or any other form);

(c) promptly furnish to Lessor all such information as Lessor may from time to time reasonably request regarding the Aircraft or any part thereof, its use, registration, location and condition;

(d) retain and store such Aircraft Documents, as required by the Aviation Authority, the Manufacturers, Maintenance Program and all applicable Regulations and other materials at either (i) Lessee's or any Permitted Sublessee's principal place of business, (ii) the facility of an Approved Maintenance Performer or (iii) a storage location under Lessee's

or any Permitted Sublessee's control, and not permit any other Person (other than an Approved Maintenance Performer or a Permitted Sublessee) to have possession of or control over the same without Lessor's prior written consent; and

(e) procure that the Manufacturer's manuals for the Aircraft are kept up to date in accordance with a continuous revision service from the Manufacturer and shall include a record of all maintenance, modifications and repairs carried out on the Aircraft.

Except as required by applicable law, the Aircraft Documents shall be the property of Lessor.

11.3 **Inspection**

(a) Upon Lessor's request, Lessee shall arrange that at any reasonable time during the Term (but no more than once per calendar year; provided that during the continuation of an Event of Default and during the last [REDACTED] months of the Term, up to [REDACTED] additional inspections will be permitted during any consecutive [REDACTED]-month period), Lessor or its authorized representatives (which may include representatives of the Financing Parties) may inspect the Aircraft and the Aircraft Documents, as provided herein and Lessee shall provide all reasonable assistance and co-operation in connection with such inspection (including facilitating access to the Aircraft and the Aircraft Documents). If the physical records are stored by any third party, Lessee will provide a letter granting access to the records for Lessor or its authorized representatives. Any such inspections shall not unreasonably interfere with Lessee's normal business operations and inspections of the Aircraft and shall be limited to a visual, walk-around inspection which may include going on board the Aircraft but shall not include the opening of any panels, bays or disassembly of any components. During any such inspection, Lessor may, at its own expense, make copies of the Aircraft Documents.

(b) Other than during the continuation of an Event of Default, each such inspecting Person shall be solely responsible for its cost of conducting an inspection (including all reasonable out-of-pocket expenses and insurance coverage) unless an inspection reveals that Lessee has failed to comply in any material respect with its obligations under this Agreement, in which case any follow up inspection required to verify that remedial work has been completed will be at Lessee's cost.

(c) Lessor shall not have any duty or obligation to inspect the Aircraft and Lessor shall not incur any liability as a result of non-exercise of any inspection rights in this Clause 11.3.

(d) Any inspection of the Aircraft (including any Aircraft Documents) shall be solely for Lessor's information and failure to notify Lessee of any discrepancies thereafter shall not imply that Lessee is in compliance with this Agreement, its maintenance provisions or applicable Law.

(e) Lessee will reasonably co-operate with the efforts of Lessor to sell the Aircraft, including, without limitation, permitting potential purchasers to inspect the Aircraft and the Aircraft Documents, subject to Lessee's security guidelines and policies (acting reasonably) and provided that (i) 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 by Lessor, (ii) Lessor shall use commercially reasonable efforts to minimize the number and frequency of such inspections, which shall be reasonably limited in duration and scope, and (iii) such potential purchasers and Lessor have executed a letter of intent to purchase

the Aircraft.

11.4 **Maintenance and Repair**

Lessee shall, or shall procure that an Approved Maintenance Performer shall, maintain, overhaul and repair the Aircraft so that at all times during the Term:

(a) the Aircraft is kept airworthy in all respects and in good operating condition and repair except while the Aircraft is undergoing maintenance, modification or repair required or permitted by this Agreement;

(b) Lessee shall not permit the Aircraft to be subject to any unusual maintenance procedures or any cessation of maintenance during the Term, other than as permitted under the Maintenance Program;

(c) Lessee has a current and valid certificate of airworthiness (maintained in accordance with the requirements for the issuance of a standard FAA certificate of airworthiness under FAR Part 121 and in the appropriate category for the nature of the operations of the Aircraft) for the Aircraft issued by the Aviation Authority except where the Aircraft is undergoing maintenance, modification or repair required or permitted by this Agreement, and Lessee will from time to time provide to Lessor and Owner Participant a copy thereof within ten (10) days of Lessor's request;

(d) the Aircraft complies with all Regulations, Mandatory Orders and Airworthiness Directives having a compliance date during the Term or (subject to the Redelivery Conditions) within ninety (90) days following the last day of the Term regardless of upon whom such requirements are imposed in each case without regard to any exemption waivers or delaying compliance therewith and with all applicable laws of the Aviation Authority and any other aviation authorities with jurisdiction over Lessee or any person in possession of the Aircraft, any Engine or any Part, regardless of upon whom such requirements are imposed, and which relate to the maintenance, inspection, service, repair, condition, use or operation of the Aircraft or require any modification or alteration to the Aircraft, any Engine or Part;

(e) Lessee shall ensure that any damage to the Aircraft that has an estimated repair cost in excess of the Damage Notification Threshold will be repaired by the Manufacturer or in the case of Engines (as applicable) by an Approved Maintenance Performer, in accordance with the requirements of the relevant Manufacturer;

(f) Lessee and the Aircraft are each in compliance with any other applicable Regulation which relates to the maintenance, condition, use or operation of the Aircraft or requires any modification or alteration to the Aircraft, any Engine or Part regardless of upon whom such requirements are imposed; and

(g) any replacement of an Engine or Part in the course of maintenance is in accordance with Clause 12 (*Replacement and Interchange of Engines and Parts*).

11.5 **Maintenance Program**

(a) Lessee shall at all times ensure that the Aircraft is subject to a maintenance program which is approved by the Aviation Authority and shall not conflict with the Manufacturer's Maintenance Planning Document (the "**Maintenance Program**").

(b) Upon Lessor's request, Lessee shall furnish to Lessor a copy of the then most current

version of the preamble and matrix from the Maintenance Program.

11.6 **Engine Health Monitoring; Electronic Information**.

In the event Lessee elects to participate in the Engine Manufacturer's Health Monitoring Program, Lessee will not object if Lessor seeks access from the Engine Manufacturer to its reports or data relating to the Engines, provided there is no cost to Lessee. In addition, if Lessee subscribes to the Airframe Manufacturer's on-line electronic information database and maintains on that system an updated record of the aircraft service bulletins and other configuration embodiment status and to the extent permissible as a result of future developments by the Airframe Manufacturer, Airworthiness Directives, structural repairs and maintenance planning data compliance status, Lessee will not object if Lessor seeks access to such on-line system with respect to the Aircraft, provided there is no additional cost to Lessee.

12. **REPLACEMENT AND INTERCHANGE OF ENGINES AND PARTS**

12.1 **Replacement of Parts**

(a) Lessee shall promptly replace or procure the replacement of any Part which has become time, cycle or calendar-expired, lost, stolen, seized, confiscated, destroyed, damaged beyond economic repair, unserviceable or permanently rendered unfit for use, in accordance with Clause 12.6 (*Permanent Replacement of Engines and Parts*).

(b) Lessee shall be entitled to install and permit the installation of engines on the Aircraft other than the Engines and Parts provided that:

(i) a permanent replacement of an Engine or Part shall be in accordance with Clause 12.6 (*Permanent Replacement of Engines and Parts*);

(ii) a temporary replacement of an Engine shall be in accordance with Clause 12.3 (*Installation of other engines*); and

(iii) a temporary replacement of a Part shall be in accordance with Clause 12.4 (*Installation of other parts*).

12.2 **Removed Engines and Parts**

Lessee shall be entitled to remove and permit the removal of an Engine or Part from the Aircraft provided that:

(a) such Removed Engine or Removed Part:

(i) is (A) installed on another aircraft in accordance with Clause 12.5 (*Installation of Engines and Parts on Other Aircraft*), (B) properly and safely stored, or (C) in the possession of an Approved Maintenance Performer for repair, maintenance, modification and/or refurbishment in accordance with this Agreement;

(ii) is re-installed on (A) any airframe owned by Lessee within [REDACTED] days after completion of an Engine shop visit or such other off-wing engine maintenance or (B) the Airframe on the earliest of (1) [REDACTED] days before the Expiry Date (unless such Removed Engine is undergoing an Engine shop visit or such other off-wing engine maintenance), (2) immediately upon receipt by Lessee of notice of the occurrence of an Event of Default as per the provisions of Clause 19.2(a)(i) (*Lessor Rights*) or automatically upon the occurrence or any Event of Default set forth in Clause 19.1 (*Events*), or (3) the Termination Date;

(iii) is kept free of Security Interests (other than Permitted Liens);

(iv) continues to be covered by the Insurances; and

(v) remains the property of Lessor unless and until there has been a permanent replacement in accordance with Clause 12.6 (*Permanent Replacement of Engines and Parts*) and unless and until title to that Replacement Engine or Replacement Part, as applicable, has passed to Lessor pursuant to and in accordance with this Agreement; and

(b) Lessee complies with Clause 9.6 (*Recognition of Rights*) with respect to any Removed Engine and Removed Part.

Lessee shall ensure that any Removed Engine or Removed Part is reinstalled on the Aircraft or, where relevant, permanently replaced by a Replacement Engine in accordance with Clause 12.6 (*Permanent Replacement of Engines and Parts*) by no later than the Termination Date.

12.3 **Installation of other engines**

Lessee may only install and permit the installation of an engine on the Airframe that is not a permanent replacement in accordance with Clause 12.6 (*Permanent Replacement of Engines and Parts*) if:

(a) such engine is suitable for operation on the Airframe;

(b) such engine is owned by or leased or conditionally sold to Lessee or a Permitted Sublessee or in Lessee's or a Permitted Sublessee's possession pursuant to a pooling arrangement; and

(c) the Insurances for the Aircraft are not adversely affected.

On the earliest of (i) [REDACTED] days before the Expiry Date, (ii) immediately upon receipt by Lessee of notice of the occurrence of an Event of Default and (iii) the Termination Date, Lessee shall remove any engine that is not an Engine and replace it with the relevant Removed Engine or, where relevant, a Replacement Engine in accordance with Clause 12.6 (*Permanent Replacement of Engines and Parts*).

12.4 **Installation of other parts**

Lessee may install and permit the installation of any part on the Aircraft that is not a permanent replacement pursuant to Clause 12.6 (*Permanent Replacement of Engines and Parts*) if:

(a) the Removed Part is unserviceable (or Lessee reasonably believes such Removed Part is unserviceable) or a defect is identified that requires the Part to be removed from the Aircraft for recertification;

(b) a part that is or would be a suitable permanent replacement pursuant to Clause 12.6 (*Permanent Replacement of Engines and Parts*) is not available in a timeframe that would not delay the return of the Aircraft to revenue service;

(c) as soon as commercially practicable after [REDACTED] and no later than [REDACTED], Lessee removes that part and [REDACTED] pursuant to Clause 12.6 (*Permanent Replacement of Engines and Parts*); and

(d) the Insurances for the Aircraft are not adversely affected.

12.5 **Installation of Engines on Other Aircraft**

(a) Lessee shall only be entitled to install or permit the installation of a Removed Engine or Removed Part on another aircraft (the "**Other Aircraft**") if such aircraft is operated by Lessee and if:

(i) such installation will not cause an Event of Default;

(ii) subject to Clause 12.6 (*Permanent Replacement of Engines and Parts*) below, Lessor remains the owner of the Removed Engine or Removed Part unless and until it is permanently replaced pursuant to Clause 12.6 (*Permanent Replacement of Engines and Parts*) and the Removed Engine or Removed Part does not thereby become subject to a Security Interest (other than a Permitted Lien) and remains subject to this Agreement;

(iii) neither the provisions of applicable Law nor the terms of any lease, pooling arrangement or other agreement or Security Interest to which the Other Aircraft is subject, (A) prohibit such installation, or (B) require that the Removed Engine or Removed Part become the property of a Person other than Lessor and/or subject to any Security Interest, or (z) will have the effect at any time of divesting or impairing the title and interests of Lessor as owner and lessor of the Removed Engine or Removed Part (or the rights of the Financing Parties under any Security Interest or assignment in respect of the Removed Engine or Removed Part); and

(iv) any lessor of, or person having a Security Interest on, an aircraft on which a removed Engine is installed acknowledges in writing for the benefit of Lessor and any Financing Party, that it will respect the interests of Lessor and any Financing Party in the removed Engine and it will not seek to exercise any rights whatsoever in relation to the removed Engine for so long as it remains owned by Lessor. Such acknowledgment may take the form of an acknowledgment contained within the pooling arrangements, the lease or financing document in respect of the airframe on which the removed Engine is installed, so long as such acknowledgement is enforceable by Lessor and any Financing Party.

(b) Lessee shall ensure that any Removed Engine or Removed Part is (i) reinstalled on any airframe owned by Lessee within [REDACTED] days after completion of an Engine shop visit or such other off-wing engine maintenance or (ii) reinstalled on the Aircraft or permanently replaced by a Replacement Engine or Replacement Part in accordance with Clause 12.6 (*Permanent Replacement of Engines and Parts*) by the earliest of (A) [REDACTED] days before the Expiry Date (unless such Removed Engine is undergoing an Engine shop visit or such other off-wing engine maintenance), (B) immediately upon receipt by Lessee of notice of the occurrence of an Event of Default, or (C) the Termination Date.

12.6 **Permanent Replacement of Engines and Parts**

(a) If an Engine is to be permanently replaced in accordance with Clause 12.9(a) (*Engine Major Module Shop Visit Avoidance*) or following a Total Loss of an Engine, Lessee shall procure that good and marketable title to a Replacement Engine free and clear of all Security Interests other than Permitted Liens is conveyed to Lessor and that such Replacement Engine is subject to this Agreement whereupon the Replacement Engine

shall be an Engine hereunder and the replaced Engine shall cease to be an Engine and title to the replaced Engine shall vest in Lessee. The parties shall supply to each other all such title documents as the other may reasonably require to evidence and perfect such transfer of title in accordance with all applicable Laws (including the provision if requested by the other party of bills of sale, any amendments or supplements to this Agreement and legal opinions), and where the Cape Town Convention applies, the parties shall procure the prompt registration of the transfers of title at the International Registry.

(b) Upon installation of a Replacement Part on the Airframe or any Engine, that Replacement Part shall without further act be deemed transferred to and owned by Lessor and subject to this Agreement, and the replaced Part shall be deemed transferred to and owned by Lessee and cease to be a Part hereunder.

12.7 **Equipment Changes**

(a) Lessee may from time to time make or permit Equipment Changes as it may consider desirable in the proper conduct of its business; provided that each Equipment Change (x) is approved by the Aviation Authority, and (y) (1) is required by the Aviation Authority or the FAA, or (2) is a change to or modification of the cabin configuration, the in-flight entertainment system or the Wi-Fi system or connection, or (3) has been approved by Lessor in writing, (4) is to be performed by an Approved Maintenance Performer in accordance with the requirements of the Manufacturer and approved by the FAA or EASA and (5) does not and will not:

(i) result in (A) a breach of Lessee's obligations under this Agreement, (B) any expense payable by Lessor or (C) any change in the category or status of the Aircraft for purposes of any laws of the State of Registration or of the Aviation Authority;

(ii) materially diminish or impair the value, utility or airworthiness of the Aircraft;

(iii) adversely affect the Manufacturer in relation to its ability to provide repair schemes or modifications for the Aircraft; or

(iv) have a cost in excess of US$[REDACTED] in [REDACTED] Dollars, with such amount to be escalated by [REDACTED] percent ([REDACTED]%) per annum on each anniversary of the Original Delivery Date after the Lease Commencement Date.

In the case of any Modification detailed in this Clause 12.7(a), Lessee shall provide Lessor with (A) written notice of the Approved Maintenance Performer, the cost estimates, and the engineering documentation for such Modification prior to commencing work in respect thereof and (B) written evidence that such Modification has been paid in full.

(b) Title to any equipment installed on the Aircraft pursuant to an Equipment Change after the Lease Commencement Date that is owned by Lessee will on installation, without further act, vest in Lessor and shall be a Part subject to this Agreement free and clear of all Security Interests (other than Permitted Liens). Lessee will at its own expense take all such steps and execute, and procure the execution of, all such instruments as Lessor may reasonably require and which are necessary to ensure that title so passes to Lessor

according to all applicable Laws.

(c) So long as no Event of Default has occurred and is continuing, Lessee may remove and retain any Equipment Change to the extent it is severable from the Aircraft and (i) such Equipment Change is not required by a Mandatory Order or an Airworthiness Directive, (ii) such severance will not adversely affect the value, utility, condition or airworthiness of the Aircraft in comparison to its value, utility, condition or airworthiness prior to the installation of such Equipment Change, and (iii) such Equipment Change did not constitute directly or by function a replacement of a Part or Parts installed on the Aircraft on the Original Delivery Date unless the Part or Parts so replaced are reinstalled on the Aircraft. Title to all parts, components, equipment and furnishings comprising any such removed Equipment Change will, on such removal, vest in Lessee free from any claim of Lessor or Security Interest of the Financing Parties and all such parts, components, equipment and furnishings shall cease to be Parts subject to this Agreement. For the avoidance of doubt, Lessee shall be entitled to remove any seats or in-flight entertainment equipment installed by Lessee provided that (A) it is severable from the Aircraft and (B) Lessee reinstalls the seats and/or in-flight entertainment equipment ([REDACTED]) that was [REDACTED] on the [REDACTED].

(d) Where, as a result of any such Equipment Change (other than a modification, alteration or addition required by any other provision of this Agreement) Lessee has installed or permitted the installation of a Part on the Aircraft, Lessee shall, at its sole cost and expense, be entitled to remove or permit the removal of such Part from the Aircraft, free from any claim to title on the part of Lessor, if at the time of such removal:

(i) either such Part is in addition to and not in replacement of or substitution for any Part previously installed on or attached to the Aircraft;

(ii) such Part is not required to be installed on or attached or added to the Aircraft to comply with any other provision of this Agreement;

(iii) such Part can be removed from the Aircraft without diminishing or impairing overall value, marketability, utility or airworthiness of the Aircraft and the Aircraft is restored to the condition it was in immediately prior to the installation of such Part;

(iv) no Event of Default shall have occurred and be continuing; and

(v) [REDACTED].

(e) Title to any [REDACTED] received by Lessee with respect to the Aircraft or any part thereof shall be deemed to have passed to Lessor upon the installation of such [REDACTED] on the Aircraft. Lessor, at its sole discretion, may purchase from Lessee any [REDACTED] (other than those [REDACTED] with respect to any [REDACTED], which will be furnished free of charge to Lessor), [REDACTED], which Lessee has purchased for the Aircraft and which [REDACTED] in accordance with this Agreement.

12.8 **Lessee Title**

Following (a) transfer of title of a Replacement Engine or Replacement Part in accordance with Clause 12.6(a) and (b) (*Permanent Replacement of Engines and Parts*) respectively, or (b) removal of an Equipment Change in accordance with Clause 12.7(c) (*Equipment Changes*), title to the replaced Engine or Part or removed Equipment Change will, pass to Lessee on an "AS IS, WHERE

IS" basis, without recourse, representation or warranty, except that Lessor shall represent and warrant to Lessee that it has conveyed to Lessee such title to such replaced Engine or Part or Equipment Change as was conveyed to it free and clear of all Lessor Liens, and Lessor will (at Lessee's request and cost) provide such documents as Lessee may reasonably require to evidence and perfect such transfer of title in accordance with all applicable Laws (including the provision, if required, to Lessee of bills of sale), and where the Cape Town Convention applies, cooperate with the prompt registration of the transfers of title at the International Registry.

12.9 **[REDACTED]**

Upon receipt of notice from Lessee that [REDACTED], either party may (but is not obliged to) request that the other party [REDACTED]. Such [REDACTED] shall include [REDACTED]: (a) Lessee [REDACTED], (b) Lessor and Lessee [REDACTED]; and/or (c) [REDACTED]. If the parties do not reach agreement on [REDACTED], Lessee shall [REDACTED].

13. **MANUFACTURER'S WARRANTIES**

(a) During the Term, Lessor hereby makes available to Lessee, and authorizes Lessee to exercise, at Lessee's cost, such rights as Lessor may have under any warranty with respect to the Aircraft, any Engine or any Part made by any manufacturer, vendor, sub-contractor or supplier (including compensation for loss of use of the Aircraft during the Term), to the extent that the same have not otherwise been made available to Lessee pursuant to any other agreement; provided that if an Event of Default has occurred and is continuing, any cash payments in respect of any warranty claim shall be subject to Clause 7.8 (*Retention of Certain Payments*).

(b) Lessee shall give Lessor and Owner Participant prompt written notice of any warranty claim in respect of the Aircraft which is expected to exceed the Damage Notification Threshold.

(c) Lessee shall take all steps and execute all documents as are necessary at the end of the Term to ensure that the benefit of any warranties to which this Clause 13 (*Manufacturer's Warranties*) applies and which have not expired are vested in Lessor including all claims thereunder (whether or not perfected and not including any claims relating to Lessee's loss of use and operation of the Aircraft); provided that in the event Lessee is required to pursue any such claims, Lessee will agree to do so only upon receipt of satisfactory indemnification for costs and expenses from Lessor.

(d) To the extent that the warranties may not be assigned or otherwise made available to Lessee and no Event of Default has occurred and is continuing, Lessor agrees, at Lessee's request and expense, to enforce such rights as Lessor may have with respect thereto for the benefit of Lessee. Where Lessee decides not to pursue any material claim under any such warranties, Lessee will immediately notify Lessor of such claim and of its intention not to pursue it. Lessor in such a case may direct Lessee to pursue such claim, and Lessee will pursue such claim in good faith on behalf of itself and Lessor. During the continuation of any Event of Default and upon any termination of the leasing of the Aircraft hereunder, all such rights shall immediately revert to Lessor including all claims thereunder whether or not perfected and Lessee shall assign to Lessor or its designee any rights Lessee may have under any other warranty, express or implied relating to the

Aircraft or any Engine or Part.

14. INDEMNITIES

14.1 General

Lessee agrees to assume liability for (as between itself and the Indemnitees), and to defend and indemnify and hold harmless each of the Indemnitees against any and all Losses (without duplication):

(a) which may at any time be suffered or incurred by any Indemnitee directly or indirectly as a result of, arising from or connected with the manufacture, ownership, possession, delivery, importation, transportation, pooling, interchange, leasing, subleasing, wet leasing, chartering, storage, registration, insurance, replacement, maintenance, modification, refurbishment, condition, service, repair, overhaul, control, management, use, operation, exportation or redelivery of the Aircraft, any Engine or Part (either in the air or on the ground), whether or not such Losses may be attributable to any defect in the Aircraft, any Engine or any Part or to its design, testing or use thereof or to any maintenance, service, repair, overhaul, or to any other reason whatsoever (whether similar to any of the foregoing or not), and regardless of whether it arises out of or is attributable to any act or omission, negligent, based on strict liability, or otherwise, of any Indemnitee;

(b) which arise as a result of the prevention or attempt to prevent the arrest, confiscation, seizure, taking in execution, impounding, forfeiture of the Aircraft or in securing release of the Aircraft, unless the foregoing occurs as a result of a Lessor Lien;

(c) which may at any time be suffered or incurred as a consequence of any design, testing, use of any article or material in the Aircraft, any Engine or any Part, including any defect therein (regardless of whether it is discoverable) or its operation or use constituting an infringement of patent, copyright, trademark, design or other proprietary right;

(d) arising directly or indirectly out of, or in any way connected with, any Security Interest (except Lessor's Liens) or any fuel, airport or enroute navigation charges, navigation service charges, landing fees and all charges payable for the use of or for services provided at any airport, whether in respect of the Aircraft or any other aircraft of Lessee; or

(e) arising as a result of any transfer of title following a Total Loss of the Airframe or any Engine or in connection with any Replacement Engine;

but excluding any Loss in relation to a particular Indemnitee to the extent that such Loss:

(i) arises solely as a result of the Gross Negligence or willful misconduct of any Indemnitee; or

(ii) is attributable to a Lessor Tax or a Lessor Lien; or

(iii) is, or is in respect of any claim for, a Tax, which shall instead be subject to Clause 20 (*Taxation*); or

(iv) is attributable to acts or events which occur before the Lease Commencement Date or after the Aircraft has been redelivered to Lessor in compliance with Clause 18 (*Redelivery*) and is no longer subject to this Agreement, unless any such act or event is attributable to an act, omission, event or circumstance which occurred

during the Term; or

(v) is attributable to the breach by any Indemnitee of the Trust Agreement, this Agreement or any other Operative Document or any misrepresentation made herein but excluding any such breach or misrepresentation to the extent it is attributable to or arises out of a breach or misrepresentation by Lessee under any Operative Document; or

(vi) constitutes the ordinary and usual operating and overhead expenses of an Indemnitee; or

(vii) arises in respect of any voluntary sale, assignment, conveyance, transfer or other disposition by any Indemnitee of (A) the Aircraft, an Engine or any interest therein that is not a replacement thereof under this Agreement or (B) any interest in the Trust Agreement, this Agreement or any other Operative Document;

(viii) is in respect of any claim for currency indemnification, which shall instead be subject to Clause 7.4 (*Currency Indemnity*);

(ix) represents or results from any decline in the market value of the Aircraft due to changes in the aircraft market and not related to Lessee's operation, maintenance or repair of the Aircraft;

(x) represents or results from a failure of such Indemnitee to realize any anticipated profit other than a Loss which is attributable to the breach by Lessee of its obligations under this Agreement or any other Operative Document;

(xi) is a Loss for which Lessor or any other Indemnitee has expressly agreed to be responsible under any other provision of the Trust Agreement, this Agreement or any other Operative Document;

(xii) represents or arises out of a claim by any Financing Party against any Lessor Party or its Affiliates; or

(xiii) is indemnified against elsewhere in this Agreement or any other Operative Document.

14.2 **Notification and Contest**

Each Indemnitee intending to claim any amounts from Lessee pursuant to Clause 14.1 (*General*), shall promptly notify Lessee in writing of any matter of which such Indemnitee, has received written notice and for which Lessee is obligated to indemnify under this Clause 14 (*Indemnities*) (each a "**Claim**"); provided, however, the delay or failure of such Indemnitee to give notice to Lessee in accordance with this Clause 14.2 will not discharge or release Lessee from any of its indemnity obligations under Clause 14.1 (*General*) except, and only to the extent, that such delay or failure constitutes gross negligence or willful misconduct, or such delay or failure prejudices Lessee's right to defend any such Claim or results in an increase in the amount which Lessee is required to indemnify (in such case to the extent of such increase). Lessor (and/or any other Indemnitee seeking indemnification, as the case may be) and Lessee shall, if and for so long as no Event of Default is continuing, then consult with one another in good faith for a period not exceeding fifteen (15) Business Days in order to determine what action (if any) may reasonably be taken to avoid or mitigate such Claim. Following such consultation, Lessee shall have the right to take all reasonable action (on behalf, and, if necessary, in the name, of Lessor and/or such other Indemnitee) in order to resist, defend or settle (provided such settlement is accompanied by

payment) any claims by third parties giving rise to such Claim, provided always that the following conditions are met or (as the case may be) complied with:

(a) Lessor (and/or any other such Indemnitee) shall have received a written acknowledgment from Lessee satisfactory to it (acting reasonably) of Lessee's responsibility for all expenses, costs, or other Losses incurred by any Indemnitee arising out of or related to the Claim and such contest and if Lessor or relevant Indemnitee is required by law to pay the Claim, Lessee shall comply with its obligation to indemnify Lessor or such Indemnitee in respect thereof;

(b) no Event of Default has occurred which is continuing;

(c) such contest will not result in any danger of the sale, forfeiture or loss of, or the creation of any Security Interest (other than any Permitted Lien) on, the Aircraft; and

(d) such contest does not involve any risk of criminal liability for Lessor or any other Indemnitee.

Where Lessee or its insurers undertake the defense of an Indemnitee with respect to a Claim, no additional legal fees or expenses of such Indemnitee in connection with such defense of such Claim shall be indemnified hereunder unless such fees or expenses were incurred at the request of Lessee or such insurers or were incurred prior to Lessee's assumption of the defense of such Claim; provided that if in the written opinion of counsel to such Indemnitee an actual or potential material conflict of interest exists such that it is advisable for such Indemnitee to be represented by separate counsel, the reasonable fees and expenses of such separate counsel shall be borne by Lessee. Subject to the requirements of any policy of insurance, any Indemnitee may participate at its own expense in any judicial proceeding controlled by Lessee or an insurer pursuant to the preceding provisions, and such participation shall not constitute a waiver of the indemnification provided in this Clause 14 (*Indemnities*).

14.3 **Refunds**

Any sums paid by Lessee to Lessor and/or any other Indemnitee in respect of any Claim pursuant to Clauses 14.1 (*General*) and 14.2 (*Notification and Contest*) shall be paid subject to the condition that, in the event that Lessor or such Indemnitee (whichever received the payment) is subsequently reimbursed in respect of that Claim by any other Person, Lessor or such Indemnitee (whichever received the payment) shall promptly pay to Lessee an amount equal to the sum received by Lessor (not to exceed the sum paid to it by Lessee), including any interest on such amount to the extent attributable thereto and actually received by Lessor or such Indemnitee, less any Tax payable by Lessor or such Indemnitee in respect of such reimbursement and less any costs and expenses incurred by Lessor or such Indemnitee in obtaining such reimbursement (to the extent that Lessor or such Indemnitee has not been reimbursed for such costs and expenses by Lessee).

14.4 **Subrogation**

Upon the payment in full of any indemnity pursuant to this Clause 14 (*Indemnities*) by Lessee, Lessee will be subrogated to any right of the relevant Indemnitee in respect of the matter against which such indemnity has been made.

14.5 **Duration**

The indemnities and obligations contained in this Agreement will continue in full force after the expiration, cancellation or other termination of this Agreement notwithstanding any breach or repudiation of this Agreement by Lessor or Lessee or the termination of the leasing of the Aircraft

under this Agreement.

15. **INSURANCE**

15.1 **Insurances**

(a) Lessee shall, at its own expense, obtain and maintain the Insurances in full force during the Term and thereafter and, in each case, as required by this Agreement which shall have such deductibles and be subject to such exclusions as may (in each case) be permitted by this Agreement or as otherwise approved by Lessor (acting reasonably) and with such insurers, brokers and underwriters complying with Clause 15.1(b).

(b) The Insurances shall be effected either:

(i) on a direct basis with insurers of recognized standing who normally participate in aviation insurances in the leading international insurance markets and led by reputable underwriter(s) and through brokers of recognized standing; or

(ii) with a single insurer or group of insurers who do not meet the requirements of Clause 15.1(b)(i) but who effect substantial reinsurance with reinsurers who normally participate in aviation insurances in the leading international insurance markets and through brokers, each of recognized standing.

15.2 **Requirements**

Requirements as to the Insurances are as specified in this Clause 15 (*Insurance*) and in Schedule 5 (*Insurance Requirements*).

15.3 **Insurance Covenants**

Lessee shall:

(a) comply with the terms and conditions of each policy of the Insurances and any applicable Regulations and not do, consent or agree to any act or omission which:

(i) invalidates the Insurances; or

(ii) renders void or voidable the whole or any part of any of the Insurances; or

(iii) brings any particular insured liability within the scope of an exclusion or exception to the Insurances;

provided that the foregoing shall not prohibit Lessee from operating the Aircraft temporarily in any manner or location in the event of an emergency;

(b) not, without the prior written consent of Lessor (acting reasonably) take out any insurance or procure any reinsurance in respect of the Aircraft other than those required to be maintained by Lessee under this Agreement unless relating solely to liability insurance, hull total loss, business interruption, profit commission and deductible risk;

(c) on request, provide to Lessor such documents and information as may be reasonably requested by Lessor (i) in respect of claims made under the insurances or (ii) evidencing payment of Insurance premiums (including daily status updates of payment or non-payment of premiums after issuance of any notice of cancellation for failure to pay

premiums until such time as the policy is reinstated);

(d) if at any time insurance clause AVN 2000A or its successor is endorsed on the policies of Insurance, ensure that the insurance write back clauses AVN 2001A and AVN 2002A as applicable (or any equivalent clauses) are endorsed on the policies of Insurance required to be maintained under this Agreement and give and comply with all representations, warranties and undertakings required by the insurers or reinsurers in connection with such clauses; and

(e) provide any other information and assistance in respect of the Insurances which Lessor may from time to time reasonably request.

15.4 **Renewal of Insurances**

Lessee shall commence renewal procedures at least thirty (30) days prior to the expiry of any Insurances, and provide to Lessor and Owner Participant upon written request:

(a) confirmation of completion of renewal prior to each insurance expiry date; and

(b) certificates of insurance (and where appropriate certificates of reinsurance), and a brokers' and any reinsurance brokers' letter of undertaking in a form acceptable to Lessor in English, detailing the coverage and confirming the insurers' (and any reinsurers') agreement to the specified insurance requirements of this Agreement within seven (7) days after each renewal date.

15.5 **Failure to Insure**

If Lessee fails to maintain the Insurances in compliance with this Agreement, Lessor will be entitled but not bound (without prejudice to any other rights of Lessor under this Agreement):

(a) to pay the premiums due or to effect and maintain insurances satisfactory to it or otherwise remedy Lessee's failure in such manner (including, without limitation to effect and maintain an owner's interest policy) as Lessor considers appropriate, and any sums so expended by Lessor will become immediately due and payable by Lessee to Lessor together with interest thereon at the Default Rate, from the date of expenditure by Lessor up to the date of reimbursement by Lessee; and

(b) at any time while such failure is continuing to require the Aircraft to remain grounded or to proceed to and remain at any airport designated by Lessor (or Financing Party) until the failure is remedied to its satisfaction.

15.6 **Continuing Insurance for Indemnity**

Except in case of a Total Loss, for a period ending on the earlier of the two (2) year anniversary of the Termination Date and the next due C Check after the Termination Date, Lessee shall effect and maintain for the benefit of the Indemnitees ongoing product liability and completed operations insurance in respect of the risks and liabilities covered by the insurance required by Clause 1(d) of Schedule 5 (*Insurance Requirements*). Additionally, if required to provide such insurance pursuant to a transfer in accordance with Clause 21.2 (*Lessor Transfer*) that provides for any transferring Indemnitee to be named as an additional insured, Lessee shall effect and maintain for the benefit of such Indemnitees ongoing product liability and completed operations insurance in respect of the risks and liabilities covered by the insurance required by Clause 1(d) of Schedule 5 (*Insurance Requirements*) for a period ending on the earlier of the two (2) year anniversary of such transfer

and the next due C Check after such transfer.

15.7 **Application of Insurance Proceeds**

As between Lessor and Lessee all insurance proceeds shall be paid in accordance with Schedule 5 (*Insurance Requirements*).

15.8 **AVN 67B**

Lessor confirms that notwithstanding the provisions of this Clause 15 (*Insurance*) and Schedule 5 (*Insurance Requirements*), Lessee shall be entitled to maintain insurance in respect of the Aircraft for the purposes of this Agreement which reflects the then current Lloyds' endorsement AVN 67B or any successor Lloyds' endorsement. In the event that any provision of the then current AVN 67B or any successor Lloyds' endorsement conflicts or is otherwise inconsistent with the requirements of this Clause 15 (*Insurance*) and Schedule 5 (*Insurance Requirements*), then (so long as it shall be general industry practice to insure aircraft financed or leased on the basis of any such endorsement) such conflicting or inconsistent provision of AVN 67B or any successor Lloyds' endorsement (as at the date hereof) shall prevail and such endorsement shall be deemed to satisfy the requirements of this Agreement.

15.9 **Assignment**

If any Lessor Party or Financing Party assigns or transfers its direct or indirect interest in the Aircraft as permitted under this Agreement, the Aircraft or this Agreement, Lessee will, upon request, promptly procure that the assignee or transferee (including any Financing Party) shall be added as a further named insured to any of the insurances referred to in this Clause 15 so as to enjoy the same rights and protection under such insurances as the transferring or assigning Lessor Party or Financing Party may from time to time have. If any Lessor Party or Financing Party so assigns or transfers such interest and thereafter ceases to have a direct or indirect interest in the Aircraft, Lessee shall, at the request of such Lessor Party or Financing Party effect and maintain for the benefit of such Lessor Party or Financing Party and its respective officers, directors, agents, shareholders, members, managers, partners, Affiliates, employees and contractors the insurance required by Clause 15.6 (*Continuing Insurance for Indemnity*) for a period of two years or until, if earlier, the next Heavy Maintenance Check and shall ensure that such persons shall be named as additional insureds thereunder.

15.10 **No Security Interests**

Lessee shall not create or permit to exist any Security Interest over the insurances required by this Agreement, or its interest therein save as constituted by this Agreement and the Operative Documents.

15.11 **Installation of Third Party Engine**

If Lessee installs an engine not owned by Lessor on the Aircraft, either (a) Lessee's hull insurance on the Aircraft will increase automatically to such higher amount as is necessary in order to satisfy both Lessor's requirement to receive the Agreed Value in the event of a Total Loss and the amount required by the third party engine owner or (b) separate additional insurance on such engine will attach in order to satisfy separately the requirements of Lessee to such third party engine owner.

15.12 **Lessor Coverage for Lessee's Employees**

Lessor and the other additional insureds will be covered under Lessor's legal liability insurance for

death or injury to Lessee's employees, pilots and crew.

16. **LOSS, DAMAGE AND REQUISITION**

16.1 **Total Loss**

(a) If a Total Loss of the Aircraft or Airframe occurs during the Term, Lessee shall pay the Agreed Value to Lessor (or if requested by Lessor, the Financing Parties Representative) on or prior to the earlier of:

(i) [REDACTED] days after the Total Loss Date in respect of that Total Loss (subject to Lessor using its commercially reasonable efforts to agree and execute a release agreement in form and substance satisfactory to the relevant insurers and reinsurers and, if relevant, the Financing Parties Representative (for the avoidance of doubt, so long as Lessor used commercially reasonable efforts to execute such a release agreement, the fact that a release agreement has not been executed by such date shall not relieve Lessee of its obligation to pay the Agreed Value to Lessor)); and

(ii) [REDACTED] Business Days after the date of receipt of insurance proceeds in respect of that Total Loss.

Lessee will pay all unpaid Rent calculated up to and including the date that it pays Lessor (or Financing Parties Representative, if applicable) the Agreed Value.

(b) Subject to the rights of any insurers and reinsurers or other third parties, upon irrevocable payment in full to Lessor of the Agreed Value and all other amounts which may be or become payable to Lessor under this Agreement, Lessor shall transfer to Lessee all of Lessor's right, title and interest in and to the Aircraft including any Engines and Parts not installed when the Total Loss occurred, on an "AS IS, WHERE IS" basis and without recourse, representation or warranty (except a representation and warranty that Lessor is transferring such title to the Aircraft as the transferee from the Airframe Manufacturer received from the Airframe Manufacturer free from all Lessor Liens), and Lessor shall provide such documents as Lessee may reasonably require to evidence and perfect such transfer of title in accordance with all applicable Laws (including the provision, if required, to Lessee of bills of sale and removal of any International Interests created by this Agreement from the International Registry).

(c) Upon a Total Loss of any Engine not involving a Total Loss of the Airframe, Lessee shall give Lessor and Owner Participant prompt written notice thereof, and Lessee shall replace the Engine that suffered the Total Loss by procuring that title to a Replacement Engine is conveyed to Lessor in accordance with Clause 12.6 (*Permanent Replacement of Engines and Parts*) within the earlier of (i) [REDACTED] days after the Total Loss Date and (ii) [REDACTED] Business Days after the date of receipt of insurance proceeds in respect of such Total Loss.

16.2 **Requisition**

(a) During any requisition for use or hire of the Aircraft, any Engine or any Part which does not constitute a Total Loss:

(i) the Rent and other amounts payable under this Agreement will not be suspended or abated either in whole or in part, and Lessee will not be released from any of its other obligations under the Agreement (other than operational obligations with

which Lessee is unable to comply solely by virtue of the requisition);

(ii) so long as no Event of Default has occurred and is continuing, Lessee shall be entitled to any rent or fees paid by the requisitioning authority in respect of the Term;

(iii) Lessee shall, as soon as practicable after the end of any such requisition, cause the Aircraft to be put into the condition required by this Agreement (including if the requisitioning period extends beyond the Expiry Date, putting the Aircraft into the Redelivery Condition); and

(iv) Lessor shall be entitled to all compensation payable by the requisitioning authority in respect of any change in the structure, state or condition of the Aircraft arising during the period of requisition, and Lessor shall apply such compensation in reimbursing Lessee for the cost of complying with its obligations under this Agreement in respect of any such change, provided that if any Event of Default has occurred and is continuing, Lessor may apply the compensation in or towards settlement of any amounts owing by Lessee under this Agreement.

16.3 **Other Loss or Damage**

If the Aircraft or any part thereof suffers loss or damage not constituting a Total Loss of the Aircraft or the Airframe, all the obligations of Lessee under this Agreement shall continue in full force, and Lessee shall promptly procure the repair or replacement of all damaged or lost Parts in accordance with this Agreement.

17. **DISCLAIMERS**

LESSOR AND LESSEE AGREE THAT THE DISCLAIMERS, WAIVERS AND CONFIRMATIONS SET FORTH IN CLAUSES 17.1 (*EXCLUSION*) TO 17.5 (*CONFIRMATION*) SHALL APPLY AT ALL TIMES WITH EFFECT FROM LESSEE'S ACCEPTANCE OF THE AIRCRAFT IN ACCORDANCE WITH CLAUSE 3 (*DELIVERY*), WHICH ACCEPTANCE SHALL BE CONCLUSIVE EVIDENCE THAT LESSEE HAS FULLY INSPECTED THE AIRCRAFT AND EVERY PART THEREOF AND THAT THE AIRCRAFT, THE ENGINES, THE PARTS AND THE AIRCRAFT DOCUMENTS ARE TECHNICALLY ACCEPTABLE TO LESSEE, INDEPENDENT OF AND WITHOUT RELIANCE ON ANY STATEMENT OR REPRESENTATION MADE BY LESSOR, ANY OTHER LESSOR PARTY, OR ANY AFFILIATE, AGENT, EMPLOYEE OR CONTRACTOR THEREOF, AND SATISFY THE DELIVERY CONDITION AND ARE IN SUITABLE CONDITION FOR DELIVERY TO AND ACCEPTANCE BY LESSEE EXCEPT AS MAY OTHERWISE BE EXPRESSLY SET FORTH IN THE ACCEPTANCE CERTIFICATE AND ACKNOWLEDGED IN WRITING BY LESSOR.

17.1 **Exclusion**

THE AIRCRAFT HAS BEEN LEASED HEREUNDER "AS IS, WHERE IS", AND LESSEE AGREES AND ACKNOWLEDGES THAT:

(a) LESSOR AND THE OTHER INDEMNITEES WILL HAVE NO LIABILITY IN RELATION TO, AND NEITHER LESSOR NOR ANY OTHER INDEMNITEE HAS MADE OR GIVEN NOR WILL BE DEEMED TO HAVE MADE OR GIVEN (WHETHER BY VIRTUE OF HAVING DONE OR FAILED TO DO ANY ACT, OR HAVING ACQUIRED OR FAILED TO ACQUIRE ANY STATUS UNDER OR IN RELATION TO THIS AGREEMENT OR OTHERWISE), ANY WARRANTIES,

CONDITIONS OR REPRESENTATIONS, EXPRESS OR IMPLIED, WITH RESPECT TO, THE AIRCRAFT OR ANY ENGINE OR PART UNDER THIS AGREEMENT INCLUDING THE TITLE, DESCRIPTION, AIRWORTHINESS, COMPLIANCE WITH SPECIFICATIONS, OPERATION, MERCHANTABILITY, QUALITY, FREEDOM FROM INFRINGEMENT OF PATENT OR OTHER PROPRIETARY RIGHTS, THE ACCURACY, VALIDITY, TRACEABILITY OR COMPLETENESS OF ANY AIRCRAFT DOCUMENTS, THE FITNESS FOR ANY PARTICULAR USE OR PURPOSE, VALUE, DURABILITY, CONDITION, OR DESIGN, OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP, THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, OR AS TO ANY OTHER MATTER WHATSOEVER, EXPRESS OR IMPLIED (INCLUDING ANY IMPLIED WARRANTY ARISING FROM A COURSE OF PERFORMANCE OR DEALING OR USAGE OR TRADE) WITH RESPECT TO THE AIRCRAFT, ANY ENGINE OR ANY PART OR ANY SERVICES PROVIDED BY LESSOR OR OWNER PARTICIPANT UNDER THIS AGREEMENT; PROVIDED THAT THIS CLAUSE 17.1(A) SHALL NOT APPLY TO LESSOR'S REPRESENTATION AND WARRANTY SET FORTH IN CLAUSE 2(G) (*LESSOR'S REPRESENTATIONS AND WARRANTIES*) OF SCHEDULE 2 (*REPRESENTATIONS AND WARRANTIES*); AND

(b) NEITHER LESSOR NOR ANY OTHER INDEMNITEE SHALL HAVE ANY OBLIGATION OR LIABILITY WHATSOEVER TO LESSEE (WHETHER ARISING IN CONTRACT OR IN TORT, AND WHETHER ARISING BY REFERENCE TO NEGLIGENCE OR STRICT LIABILITY OR OTHERWISE) FOR:

(i) ANY LIABILITY, CLAIM, PROCEEDING, FEE, LOSS OR DAMAGE CAUSED OR ALLEGED TO BE CAUSED DIRECTLY OR INDIRECTLY BY THE AIRCRAFT OR ANY ENGINE OR BY ANY INADEQUACY THEREOF OR DEFICIENCY OR DEFECT THEREIN OR BY ANY OTHER CIRCUMSTANCE IN CONNECTION THEREWITH (UNLESS LESSEE IS DEPRIVED OF POSSESSION OF THE AIRCRAFT AS A RESULT OF A LESSOR PARTY'S BREACH OF ITS QUIET ENJOYMENT COVENANT IN CLAUSE 8.1 (*QUIET ENJOYMENT*));

(ii) THE USE, OPERATION OR PERFORMANCE OF THE AIRCRAFT OR ANY RISKS RELATING THERETO (UNLESS LESSEE IS DEPRIVED OF POSSESSION OF THE AIRCRAFT AS A RESULT OF A LESSOR PARTY'S BREACH OF ITS QUIET ENJOYMENT COVENANT IN CLAUSE 8.1 (*QUIET ENJOYMENT*));

(iii) ANY INTERRUPTION OF SERVICE, LOSS OF BUSINESS OR ANTICIPATED PROFITS OR ANY OTHER DIRECT, INDIRECT OR CONSEQUENTIAL LOSS OR DAMAGE (UNLESS DUE TO A LESSOR PARTY'S BREACH OF ITS QUIET ENJOYMENT COVENANT IN CLAUSE 8.1 (*QUIET ENJOYMENT*));

(iv) ANY INADEQUACY OF THE AIRCRAFT OR ANY PART THEREOF FOR ANY PURPOSE OR ANY DEFICIENCY OR DEFECT THEREIN OR LOSS THEREOF; OR

(v) THE DELIVERY, OPERATION, SERVICING, MAINTENANCE, REPAIR, IMPROVEMENT OR REPLACEMENT OF THE AIRCRAFT, ANY ENGINE

OR ANY PART.

(c) LESSEE ALONE HAS SELECTED THE AIRCRAFT FOR LEASING BY LESSOR TO LESSEE.

17.2 **Waiver**

LESSEE HEREBY WAIVES, AS BETWEEN ITSELF AND LESSOR AND EACH OTHER INDEMNITEE, ALL ITS RIGHTS IN RESPECT OF ANY WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, ON THE PART OF LESSOR OR ANY OTHER INDEMNITEE AND ALL CLAIMS AGAINST LESSOR AND ANY OTHER INDEMNITEE HOWSOEVER AND WHENEVER ARISING AT ANY TIME IN RESPECT OF OR OUT OF THE MATTERS EXPRESSLY WAIVED IN CLAUSE 17.1 (*EXCLUSION*). LESSEE FURTHER AGREES THAT, SUBJECT TO CLAUSE 7.3 (C) (*ABSOLUTE OBLIGATIONS*), ITS ONLY RIGHT WITH RESPECT TO A DEFAULT BY LESSOR UNDER THIS AGREEMENT IS TO MAKE A CLAIM AGAINST LESSOR FOR ACTUAL DAMAGES RESULTING DIRECTLY THEREFROM. LESSEE HEREBY WAIVES ANY AND ALL OTHER RIGHTS OR REMEDIES IT MAY HAVE UNDER ARTICLE 2A OF THE UCC (INCLUDING WITHOUT LIMITATION 2A-211, 2A-406 AND 2A-508 THROUGH 2A-522) AS IN EFFECT IN THE STATE OF NEW YORK, OR OTHERWISE.

17.3 **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 LOSS OF BUSINESS, 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.

17.4 **No Duties**

LESSEE ACKNOWLEDGES AND AGREES THAT LESSOR HAS NO FIDUCIARY OR OTHER DUTIES TO LESSEE WHATSOEVER, AND THAT LESSOR'S ONLY OBLIGATIONS TO LESSEE ARE THOSE OBLIGATIONS EXPRESSLY SET FORTH HEREIN.

17.5 **Confirmation**

LESSEE CONFIRMS THAT IT IS FULLY AWARE OF THE PROVISIONS OF THIS CLAUSE 17 (*DISCLAIMERS*) AND ACKNOWLEDGES THAT RENT AND OTHER AMOUNTS PAYABLE UNDER THIS AGREEMENT HAVE BEEN CALCULATED TAKING ITS PROVISIONS INTO ACCOUNT.

18. **REDELIVERY**

18.1 **Redelivery**

(a) On the Required Redelivery Date, Lessee shall (unless a Total Loss has occurred) redeliver the Aircraft and Aircraft Documents (which shall include each of the documents referred to in Schedule 7 (*Aircraft Documents at Redelivery*)) to Lessor at Lessee's expense at the Redelivery Location in accordance with the procedures, and in compliance

with the conditions set forth, in Schedule 8 (*Redelivery Conditions*).

(b) Lessee shall, at the request of Lessor (acting reasonably), promptly assist Lessor in taking all steps necessary to remove this Agreement from the registry of the Aviation Authority and effecting deregistration of the Aircraft and its export from the country where the Aircraft is situated and taking any other steps necessary to enable the Aircraft to be redelivered to Lessor in accordance with this Agreement.

(c) 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 (*Redelivery Maintenance Payment*) of the Financial Terms Annex. For the avoidance of doubt, no Redelivery Maintenance Payment is payable in the event of an Aircraft or Airframe Total Loss.

(d) Notwithstanding any other provision hereof to the contrary, Lessee shall not be obligated to pay Rent in respect of any period after execution by both parties of the Redelivery Acceptance Certificate.

(e) Lessee shall assign to Lessor or its designee in a form and substance acceptable to Lessor (acting reasonably) any rights Lessee may have under any warranties in respect of the Aircraft, including, without limitation, those relating to an overhaul event, redelivery maintenance, painting or any other maintenance or modification of the Aircraft (including any Engine or Part).

18.2 **Non-Compliance**

(a) If on the Required Redelivery Date, the condition of the Aircraft does not comply with this Agreement (regardless of the circumstance), then:

(i) Lessee shall rectify the non-compliance and/or compensate Lessor as contemplated by Schedule 8 (*Redelivery Conditions*) and to the extent that the non-compliance (including failure to pay any sum in lieu of compliance as permitted by the terms of Schedule 8 (*Redelivery Conditions*)) extends beyond the Expiry Date, the Term will be automatically extended solely for the purpose of enabling such non-compliance to be rectified;

(ii) Lessee shall not use the Aircraft in commercial passenger operations except such operations directly related to the redelivery of the Aircraft to Lessor;

(iii) all Lessee's obligations and covenants under this Agreement will remain in full force until Lessee so redelivers the Aircraft; and

(iv) Lessee shall pay to Lessor monthly in arrears Rent in an amount equal to the Rent due immediately before the Required Redelivery Date for the first [REDACTED] days of delay and [REDACTED] percent ([REDACTED]%) of Rent thereafter, prorated to reflect the actual days elapsed in respect of the period during which the Term is so extended.

(b) If on the Required Redelivery Date, the condition of the Aircraft does not comply with this Agreement (regardless of the circumstance), then Lessor may elect (either on first tender of the Aircraft for redelivery or at any time during a period of extension pursuant to Clause 18.2(a)(i)) to accept redelivery of the Aircraft notwithstanding non-compliance with Clause 18.1 (*Redelivery*) or Schedule 8 (*Redelivery Conditions*), in which case Lessee shall pay Lessor its reasonable and documented costs of putting the Aircraft into

the condition required by this Agreement. Any discrepancies between the condition of the Aircraft and Aircraft Documents and the Redelivery Conditions resolved by payment of compensation pursuant to the third paragraph of Schedule 8 (*Redelivery Conditions*) or Clause I (*Discrepancies at Redelivery*) of Schedule 8 (*Redelivery Conditions*) shall not constitute non-compliance for purposes of this Clause 18.2.

18.3 **Export Documents**

After redelivery of the Aircraft, and if requested by Lessor and subject to Lessor's cooperation therewith, Lessee shall provide to Lessor, at Lessee's cost and expense (except as set forth in Clause 18.3(b)), all documents necessary to export the Aircraft from the State of Registration (including, without limitation, a valid and subsisting (a) export license, and (b) if provided by the State of Registration, an export certificate of airworthiness for the Aircraft, at Lessor's cost and expense) required in relation to the deregistration of the Aircraft with the Aviation Authority or the re-registration of the Aircraft with another aviation authority.

18.4 **Acceptance and Acknowledgement**

When the Aircraft complies with the conditions set forth in Schedule 8 (*Redelivery Conditions*) to be complied with before redelivery and Lessee tenders the Aircraft to Lessor at the Redelivery Location, Lessor shall (in good faith and acting reasonably) promptly accept redelivery and Lessor shall deliver to Lessee the Redelivery Acceptance Certificate confirming that Lessee has redelivered the Aircraft to Lessor in accordance with this Agreement.

18.5 **Cooperation with Remarketing**

During the [REDACTED] months immediately preceding the Expiry Date, 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 and Lessor shall use commercially reasonable efforts to minimize the number and frequency of such inspections.

18.6 **Technical Report**

[REDACTED] months prior to the Expiry Date, Lessee shall provide Lessor with a technical report substantially in the form of Schedule 17 (*Form of Technical Report*). In addition, at Lessor's request, Lessee shall provide Lessor with (a) [REDACTED], (b) [REDACTED], (c) [REDACTED], (d) [REDACTED], (e) [REDACTED], (f) [REDACTED], (g) [REDACTED], (h) [REDACTED] and (i) any other data reasonably requested by Lessor.

19. **EVENTS OF DEFAULT**

19.1 **Events**

Each of the following events will constitute an Event of Default, a "default" under the Cape Town Convention and a breach of this Agreement by Lessee:

(a) **Non-payment**: Lessee fails to make any payment of Rent under this Agreement within [REDACTED] Business Days after such payment is due, or Lessee fails to make any other payment when due hereunder within [REDACTED] Business Days after Lessee receives written notice that such payment is due and has not been paid in accordance with the terms

hereof; or

(b) **Letter of Credit**:

(i) Lessee fails to provide a replacement Letter of Credit or a cash Security Deposit when required under Clauses 6.5(e) or (i) (*Letter of Credit*);

(ii) the issuer of the Letter of Credit (if any) fails to make any payment under the Letter of Credit when due unless Lessee pays Lessor an amount equal to the stated amount of the Letter of Credit within [REDACTED] Business Days of such failure;

(iii) any of the events mentioned in Clauses 19.1(h)(i) through (x) below applies to the issuer (references in those sub-clauses to Lessee being deemed to be the issuer) or the issuer ceases or suspends its business operations and Lessee fails to replace the Security Letter of Credit with cash within [REDACTED] Business Days; or

(c) **Insurance**:

(i) a notice of cancellation is given in respect of any Insurances required by Clause 15 (*Insurance*) or Schedule 5 (*Insurance Requirements*) and the same is not renewed or replaced in satisfaction of the requirements of Clause 15 (*Insurance*) or Schedule 5 (*Insurance Requirements*) at least [REDACTED] Business Days prior to such cancellation;

(ii) the Aircraft is operated at a time or in a place where any insurance required by Clause 15 (*Insurance*) and Schedule 5 (*Insurance Requirements*) is not in effect;

(iii) the existence, validity, enforceability or priority of the rights of Lessor in respect of the Aircraft hereunder, or of the Financing Parties Representative, as mortgagee, in the Aircraft or this Agreement or of the Financing Parties Representative as assignee of the insurances required under this Agreement is challenged by Lessee or any other person claiming through Lessee; or

(d) **Breach**:

(i) Lessee fails to comply with any other provision of this Agreement or any other Operative Document (other than any failure that relates to a period of time before the execution of this Agreement) and such failure continues for [REDACTED] days after written notice from Lessor to Lessee; provided that Lessee shall have an additional [REDACTED] days to remedy such failure if such breach is capable of remedy and Lessee is diligently seeking to rectify the breach;

(ii) Lessee or any person owning more than a [REDACTED] percent ([REDACTED]%) interest in or has control over Lessee is or becomes a Prohibited Person;

(iii) any of the Operative Documents or any provision thereof shall cease to be in full force or effect to the extent directly attributable to Lessee, or Lessee or any person acting by or on behalf of Lessee shall deny or disaffirm Lessee's obligations under any of the Operative Documents, except in the case of an Illegality Event pursuant to Clause 19.5 (*Illegality*) or a partial invalidity or unenforceability if that partial invalidity or unenforceability does not materially adversely affect the interests of any Lessor Party or Financing Party or Lessee's ability to perform its obligations

under any of the Operative Documents;

(iv) Lessee suspends or ceases or threatens to suspend or cease to carry on its business as a commercial air carrier; or

(e) **Representation**: any representation or warranty made by Lessee in or pursuant to this Agreement or any other Operative Document (other than any failure that relates to a period of time before the execution of this Agreement) is or proves to have been incorrect in any material respect when made or deemed made and such incorrectness has a materially adverse effect on the rights or interests of Lessor or the ability of Lessee to perform its obligations hereunder and the circumstances giving rise to the breach of such representation or warranty are not remedied to Lessor's satisfaction within [REDACTED] days after notice to Lessee from Lessor requiring such remedy; provided that Lessee shall have an additional [REDACTED] days to remedy such breach if the breach is capable of remedy and Lessee is diligently seeking to remedy the breach; or

(f) **Authorizations**:

(i) any authorization required by Lessee to authorize, or required in connection with, the execution, delivery, validity, enforceability or admissibility in evidence of this Agreement or the performance by Lessee of its obligations under this Agreement; or

(ii) the registration of the Aircraft or the Aircraft's certificate of airworthiness; or

(iii) any airline license or air transport license required by Lessee;

is withheld, or is revoked, suspended, cancelled, withdrawn, terminated or not renewed, or otherwise ceases to be in full force and is not, as applicable, restored, replaced, returned, re-granted or renewed within [REDACTED] Business Days, or otherwise ceases to be in full force and effect and Lessor reasonably determines that such modification, withholding, revocation, suspension, cancellation, withdrawal, termination, expiration, non-renewal or cessation may prejudice the rights of any Lessor Party or Financing Party under or in connection with the Operative Documents, may have a material adverse effect on ability to perform its obligations thereunder, may jeopardise the interest of any Lessor Party or Financing Party in the Aircraft or this Agreement or may give rise to criminal liability of any Lessor Party or Financing Party; provided that in the case of any consent, authorization, license, certificate, approval, registration or declaration necessary to enable Lessee to operate as a commercial air carrier, the Aircraft is not operated by Lessee until the circumstances are so remedied; or

(g) **Insolvency**:

Other than in respect of the Bankruptcy Cases, Lessee is, or is deemed for the purposes of any relevant Law to be, unable to pay its debts as they fall due or to be insolvent, or admits in writing its inability to pay its debts generally as they fall due; or.

(h) **Liquidation and Similar Proceedings**: Other than in respect of the Bankruptcy Cases:

(i) Lessee passes a resolution or takes any material step (including filing of a petition or application to the court or affidavit, giving of notice, petition proposal or convening a meeting or giving notice) with a view to a composition, assignment or arrangement with its creditors of, or the rehabilitation, administration (whether out of court or otherwise), custodianship, reorganization, liquidation, protection

from creditors or dissolution of, Lessee or any other insolvency or bankruptcy proceedings involving Lessee;

(ii) after Lessee's request therefore, any order (including an order for relief) is made or resolution passed or petition filed for any such composition, assignment, arrangement, rehabilitation, administration (whether out of court or otherwise), custodianship, reorganization, liquidation, dissolution or insolvency or bankruptcy proceedings, or Lessee becomes subject to or enters into any of the foregoing; provided that if a creditor of Lessee files an involuntary petition for Lessee's bankruptcy or liquidation, such petition has been in effect and unstayed for at least [REDACTED] days;

(iii) any liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator, examiner or similar officer (in each case, whether out of court or otherwise) is appointed, or an assignment for the benefit of creditors is made, or an order for relief under the bankruptcy laws of any jurisdiction is requested by Lessee and granted or entered, in respect of Lessee or any of its assets;

(iv) an administrative or other receiver or manager or other insolvency officer (in each case, whether out of court or otherwise) is appointed at the request of Lessee in respect of Lessee or any material part of its assets;

(v) an involuntary case or proceeding is commenced in a court of competent jurisdiction against Lessee seeking liquidation, reorganization, control, supervision or other relief with respect to Lessee or its debts under any insolvency law or seeking the appointment of a trustee, examiner, liquidator, administrator, receiver, custodian or similar official of Lessee or any material part of the business or assets of Lessee and such involuntary case or other proceeding shall remain un-dismissed and un-stayed for a period of [REDACTED] days;

(vi) all or any material part of the business or assets of Lessee is attached, sequestered, levied upon or subjected to any form of distraint or execution, unless (i) such attachment, sequestration, levy, distraint or execution (any of which, an "**Attachment**") is being contested in good faith by Lessee in appropriate proceedings, (ii) such Attachment, whether or not stayed or released, does not, in the reasonable opinion of Lessor, have a material adverse effect on Lessee's ability to perform its obligations under any of Operative Documents and (iii) such Attachment remains unstayed or unreleased for no more than [REDACTED] days;

(vii) Lessee suspends or threatens in writing to suspend making payments (whether of principal or interest) with respect to all or any of its debts or a moratorium is declared in respect of all or any of Lessee's debts;

(viii) Lessee commences a voluntary case or other proceeding (including any interim proceeding) seeking (A) liquidation, reorganisation, control, supervision or other relief with respect to itself or its debts under any Bankruptcy Law or (B) the appointment of a trustee, examiner, liquidator, administrator, receiver, custodian or similar official of Lessee or of any material part of the business or assets of Lessee;

(ix) consents to any such relief or to the appointment of or taking possession by any

such official;

(x) a final judgment, or in the aggregate, final judgments for the payment of money in excess of US$[REDACTED] (or the equivalent thereof) not covered by insurance shall be rendered against Lessee and the same shall remain undischarged for a period of at least [REDACTED] days during which neither execution of such judgment or judgments shall be effectively stayed nor adequate bonding fully covering such judgment or judgments shall exist; or

(i) **Other Jurisdiction**: there occurs in relation to Lessee any event in any jurisdiction which corresponds with any of the events mentioned in Clause 19.1(j) (*Liquidation and Similar Proceedings*), other than in respect of the Bankruptcy Cases; or

(j) **Security Interest**: The Aircraft, or any interest of any Lessor Party or any Financing Party in it, or any party's rights under this Agreement or any other Operative Document, becomes subject to any Security Interest (other than a Permitted Lien); or

(k) **Redelivery**: Lessee fails to redeliver the Aircraft to Lessor on the Expiry Date (or, if different, the Termination Date) in accordance with Clause 18.1 (*Redelivery*) and such failure continues for [REDACTED] days; provided that Lessee shall have an additional [REDACTED] days to remedy such failure if such breach is capable of remedy and Lessee is diligently seeking to rectify the breach; and provided further that to the extent that there is a failure to redeliver the Aircraft in accordance with Clause 18.1 (*Redelivery*) due to any discrepancies identified and agreed among the parties and the parties are diligently seeking to rectify such discrepancies, such failure shall not be considered as an Event of Default for the purposes of this Clause 19.1.

Notwithstanding anything herein to the contrary, Lessor agrees that the existence or continuance of the Bankruptcy Cases shall not be considered as an Event of Default for the purposes of this Clause 19.1.

19.2 **Lessor's Rights**

(a) **Lessor Rights and Remedies**: If an Event of Default occurs and for so long as it continues, Lessor may at its option (and without prejudice to any of its other rights or remedies under this Agreement or available under applicable Law, including under the Cape Town Convention as adopted and implemented in the State of Registration, including, all rights and remedies under Chapter III of the Cape Town Convention and Chapter II of the Protocol as adopted and implemented in the State of Registration), at any time thereafter while such Event of Default is continuing (and subject to compliance with any mandatory requirement of applicable Law then in effect):

(i) by notice to Lessee and with immediate effect, terminate or cancel the leasing of the Aircraft or, if such leasing has not yet commenced, terminate or cancel Lessor's obligations under this Agreement (but, in each case, without prejudice to any continuing obligations of Lessee under the Operative Documents (including to provide Insurance, maintain and repair the Aircraft and/or redeliver the Aircraft at the location and in the condition required hereunder)), whereupon all rights of Lessee under this Agreement shall cease; and/or

(ii) prohibit Lessee from removing any Engine, Part or Equipment Change from the Aircraft without the prior written consent of Lessor or on such terms and conditions as Lessor may provide in writing to Lessee (the right to issue such prohibition order

contained in this Clause 19.2(a)(ii) shall be exercisable by written notice from Lessor to Lessee while an Event of Default is continuing and such prohibition order shall cease automatically once all Events of Default have been cured); and/or

(iii) proceed by appropriate court action or actions to enforce performance of the Operative Documents and/or to recover damages for the breach of this Agreement; and/or

(iv) either:

(A) to the extent permitted by Law take possession of the Aircraft, for which purpose and to the extent permitted by Law, Lessor may enter any premises belonging to or in the occupation of or under the control of Lessee where the Aircraft may be located, or cause the Aircraft to be redelivered to Lessor at the Redelivery Location (or such other location as Lessor may require), and Lessor is hereby irrevocably by way of security for Lessee's obligations under this Agreement appointed attorney for Lessee in causing the redelivery or in directing the pilots of Lessee or other pilots to fly the Aircraft to that airport and will have all the powers and authorizations necessary for taking that action; or

(B) require Lessee to redeliver the Aircraft to Lessor at the Redelivery Location ([REDACTED]);

provided that irrespective of which remedy or remedies Lessor pursues, Lessee shall not be relieved of its obligations under Clause 18 (*Redelivery*).

Lessee and Lessor hereby agree that Lessor shall not be required to provide notice to Lessee as set forth in Article IX(6) of the Protocol in connection with a proposal to procure the de-registration and export of the Aircraft without a court order after termination of the leasing of the Aircraft under this Agreement. Lessee expressly agrees to permit Lessor to obtain from any applicable court, pending final determination of any claim resulting from an Event of Default hereunder, speedy relief in the form of any of the orders specified in Article 13 of the Cape Town Convention and Article X of the Protocol as Lessor shall determine, subject to any procedural requirements prescribed by applicable Laws. Lessor and Lessee hereby expressly agree that for purposes of this Agreement, other Operative Documents, and paragraph 2 of Alternative B of Article XI of the Protocol, the insolvency administrator or Lessee, as applicable, shall give Lessor the notice required by said paragraph 2 within [REDACTED] Business Days following a request by Lessor. Lessee hereby consents to the exercise by Lessor of the remedies granted herein and in the Cape Town Convention (in accordance with the terms of the Cape Town Convention). Following termination of the leasing of the Aircraft under this Agreement, Lessee agrees, upon demand by Lessor, to immediately consent to a discharge of any registration made with the International Registry in Lessee's favor.

(b) **Sale or Re-Lease of Aircraft**: If an Event of Default occurs and the leasing of the Aircraft hereunder is terminated, Lessor may sell or re-lease or otherwise deal with the Aircraft at such time and in such manner as Lessor considers appropriate in its sole discretion, free and clear of any interest of Lessee, as if this Agreement had never been entered into.

(c) **Deregistration/Removal of Lease from Registry**: If an Event of Default occurs and for so long as it continues and the leasing of the Aircraft hereunder has been terminated, Lessor may, to the extent permitted by applicable law and regulations, and Lessee shall at

the request of Lessor promptly assist Lessor to, take all steps necessary to remove this Agreement from the registry of the Aviation Authority and to effect deregistration of the Aircraft and its export from the country where the Aircraft is for the time being situated and any other steps necessary to enable the Aircraft to be redelivered to and re-leased or sold by Lessor in accordance with this Agreement (including, if required, a valid and subsisting export permit and certificate of airworthiness for the Aircraft). 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 an Event of Default or termination of this Agreement) as provided under Article 46 of the Civil Aviation Law of Mexico.

(d) **Payments**: If an Event of Default occurs, Lessor may require that Lessee pay to Lessor, and Lessee shall be liable for and immediately pay to Lessor, and Lessor may proceed by appropriate court action or actions to recover, any or all of the following amounts:

(i) [REDACTED];

(ii) [REDACTED];

(iii) [REDACTED];

(iv) [REDACTED];

(v) [REDACTED;

(vi) [REDACTED]; and

(vii) [REDACTED].

(e) **Interest**: Require Lessee to pay, and Lessee shall pay to Lessor, interest on all unpaid amounts at the Default Rate, from the due date until the date of payment in full.

(f) **Security Deposit**: Apply (and/or draw under the Letter of Credit and apply) an amount equal to all or part of the Security Deposit to any amounts owing or to be owing to Lessor under this Agreement.

(g) **No Exclusive Remedy**: No remedy referred to in this Clause 19.2 is intended to be exclusive, but, to the extent permissible under this Agreement or under applicable Law and provided that there shall be no duplication, each shall be cumulative and in addition to any other remedy referred to above or otherwise available to Lessor at law or in equity or under the Cape Town Convention and in Lessor's sole and absolute discretion; and the exercise by Lessor of any one or more of such remedies shall not preclude the simultaneous or later exercise by Lessor of any or all of such other remedies. No waiver by Lessor of any Event of Default shall in any way be, or be construed to be, a waiver of any future subsequent Event of Default.

19.3 **Lessor's Right To Remedy**

Following the occurrence of an Event of Default, Lessor may, without being in any way obliged to do so or responsible for so doing and without prejudice to the ability of Lessor to treat such non-compliance as an Event of Default, effect compliance on behalf of Lessee, whereupon Lessee shall become liable to pay immediately any sums expended by Lessor together with all costs and

expenses (including legal costs) in connection with the non-compliance.

19.4 **Mitigation**

Lessor shall use commercially reasonable efforts to mitigate any of its losses, costs or expenses for which Lessee is liable under this Clause 19 (*Events of Default*), 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 19.4.

19.5 **Illegality**

(a) If at any time there is a Change in Law binding upon Lessee or Lessor in its jurisdiction of incorporation or where it has its principal office or in any jurisdiction in which any action is required to be performed by it for the purposes of any Operative Document which renders, or which will render, it unlawful for (i) Lessee to perform any of its material obligations or to exercise any of its material rights under any Operative Document or (ii) Lessor to lease the Aircraft to Lessee or perform its quiet enjoyment obligation or any payment obligation hereunder (an "**Illegality Event**"), Lessor or Lessee (as the case may be) shall forthwith provide written notice of the Illegality Event to the other party.

(b) Lessor and Lessee shall, for a period of [REDACTED] days from the date of such notice, or such shorter period ending on the Business Day prior to the date on which such Illegality Event takes place, negotiate in good faith to mitigate the effects of such Illegality Event with a view to restructuring the transaction in a manner such that the leasing of the Aircraft to Lessee may continue on the same commercial terms as under the Operative Documents, including, without limitation, by way of amendment, novation or replacement to any Operative Document.

(c) If Lessor and Lessee are unable to restructure the transaction as contemplated in Clause 19.5(b) within the time period set forth therein, either party may by notice in writing to the other party terminate the leasing of the Aircraft under this Agreement, such termination to take effect on the latest date on which the relevant party may continue to perform such obligations or be a party to such document without being in breach of applicable Laws or regulations, whereupon Lessee shall forthwith redeliver the Aircraft to Lessor in accordance with Clause 18 (*Redelivery*).

(d) Lessor and Lessee shall bear their own costs and expenses arising out of any negotiations or restructuring pursuant to this Clause 19.5, except that (i) Lessee shall indemnify Lessor on demand for all costs and expenses incurred by Lessor where (A) Lessee is the relevant party and (B) the Illegality Event applies solely in and to Lessee's jurisdiction of incorporation and not in respect of or to another jurisdiction and (ii) Lessor shall indemnify Lessee on demand for all costs and expenses incurred by Lessee where (A) Lessor is the relevant party and (B) the Illegality Event applies solely in and to Lessor's jurisdiction of incorporation and not in respect of or to another jurisdiction.

20. **TAXATION**

20.1 **Gross-up**

(a) All payments by Lessee under or in connection with this Agreement and the other Operative Documents shall be made without set-off or counterclaim, free and clear of and without deduction for or on account of all Taxes unless Lessee is required by Law to make

any such deduction or withholding.

(b) All Taxes (other than Lessor Taxes) in respect of payments under this Agreement shall be for the account of Lessee and shall be paid by Lessee within the period for payment permitted by Law.

(c) If any Taxes are required to be deducted or withheld from any amount payable hereunder, Lessee shall:

(i) if such Tax is not a Lessor Tax, pay such additional amounts, in the same currency as such payment as may be necessary in order that the amount of such payment received on the date of such payment, after deduction or withholding for all such Taxes (including any deduction or withholding with respect to such additional amount), will be equal to the amount that such Tax Indemnitee would have received if such Taxes had not been deducted or withheld;

(ii) pay to the relevant authority within the period for payment permitted by applicable Laws the amount necessary to comply with its legal obligations in respect of such deduction or withholding; and

(iii) furnish to each Tax Indemnitee evidence of payment to the relevant authority of all amounts deducted or withheld as aforesaid, which evidence may be provided by certification of such payment by a responsible officer of Lessee if it is not possible to obtain a receipt from the relevant Tax authority.

(d) If any payment is made by Lessee under Clause 20.1(c) or Clause 20.3 (*Tax Indemnity*), and a Tax Indemnitee 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 Tax Indemnitee in respect of or calculated with reference to Taxes or deduction or withholding giving rise to such payment, such Tax Indemnitee 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 Tax Indemnitee 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 Tax Indemnitee shall in good faith have determined to be attributable to the relevant Taxes, deduction or withholding.

Nothing in this Clause 20.1(d) shall:

(i) interfere with the right of Lessor to arrange its tax affairs in whatever manner it thinks fit and, in particular, but without limitation, Lessor shall not 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 Lessor; or

(ii) oblige Lessor to disclose any information relating to its Tax affairs or any computations in respect thereof.

20.2 **Covenant to Pay Taxes**

Lessee shall promptly pay when due:

(a) all Taxes (other than Lessor Taxes) imposed by any Government Entity with respect to the Aircraft, including without limitation the ownership, presence, delivery, leasing,

possession, use, operation, maintenance, storage, registration, redelivery, import, export, sale or other disposition of the Aircraft; and

(b) all Taxes (other than Lessor Taxes) in respect of any premises where the Aircraft, any Engine or any Part thereof is located from time to time,

except to the extent that such payment is being contested in good faith by appropriate proceedings, in respect of which adequate reserves have been provided by Lessee and non-payment of which does not give rise to any material risk of the Aircraft or any interest therein being sold, forfeited or otherwise lost or any risk of criminal liability on the part of Lessor or any Tax Indemnitee or any Financing Party.

20.3 **Tax Indemnity**

(a) Lessee agrees to be liable for, and to indemnify and hold harmless each Tax Indemnitee against all Taxes (other than Lessor Taxes) levied or imposed against or upon any Tax Indemnitee or Lessee or the Aircraft and relating to or attributable to Lessee, this Agreement, or the Aircraft or directly or indirectly in connection with the possession, delivery, purchase, sale, transfer, location, existence, importation, transportation, pooling, interchange, leasing, subleasing, wet leasing, chartering, storage, registration, insurance, replacement, maintenance, modification, refurbishment, condition, service, repair, overhaul, control, management, ownership, presence, use, operation, exportation or redelivery of the Aircraft, any Engine or any Part or any part thereof or any rent, receipts, insurance proceeds, income or other amounts arising therefrom, or the making of any Equipment Change.

(b) The provisions of Clause 20.3(a) shall not apply to, and Lessee shall have no liability to any Tax Indemnitee in respect of, any Tax to the extent that such Tax (a "**Lessor Tax**"):

(i) arises solely as a result of the Gross Negligence or willful misconduct any Tax Indemnitee; or

(ii) is imposed as a result of a Lessor Lien; or

(iii) is imposed with respect to any period commencing or event occurring before the Aircraft has been delivered to Lessee or after the Aircraft has been redelivered to Lessor and is no longer subject to this Agreement unless such Tax is attributable to any act, omission, event or circumstance which occurred during the Term and would not have constituted a "Lessor Tax" had it arisen during the Term; or

(iv) arises solely from the breach by any Tax Indemnitee of this Agreement but excluding any such breach which is attributable to or arises out of any Event of Default; or

(v) is imposed as a result of any connection between that Tax Indemnitee and the jurisdiction imposing the Tax that is unrelated to the transactions contemplated by this Agreement or the use or operation of the Aircraft by Lessee or any Permitted Sublessee, or the location or registration of the Aircraft by Lessee or any Permitted Sublessee; or

(vi) is imposed or levied on or measured by or with respect to the net income, profits, capital gains, capital, net worth or franchise tax of such Tax Indemnitee by any Government Entity with jurisdiction over Lessor or the Financing Parties or any jurisdiction where any such Indemnitee is (A) organized or incorporated, (B) is a

resident for tax purposes or (C) has a principal place of business, but excluding any Tax imposed by any government or taxing authority of any jurisdiction if and to the extent that such Tax results from (A) the use, operation, presence or registration of the Aircraft, the Airframe, any Engine or any Part in the jurisdiction imposing the Tax, (B) any Default or any breach including for the avoidance of doubt a breach of a representation by Lessee, or (C) the situs of organization, any place of business or any activity of Lessee or any other person who lawfully has use, possession or custody of the Aircraft, the Airframe, any Engine or any Part in the jurisdiction imposing the Tax; or

(vii) is imposed in connection with the sale, transfer, assignment (whether legal or equitable) or other disposition by any Tax Indemnitee or Lessor Party of any or all of its rights, title and interest in or with respect to the Aircraft, the Airframe, any Engine or any Part or the Trust Agreement, this Agreement or any other Operative Document unless such sale, transfer, assignment or disposition occurs as a result of a Default or relates to the replacement of any Engine or Part as contemplated by this Agreement; or

(viii) is imposed on such Tax Indemnitee due to the failure of such Tax Indemnitee to file any relevant tax return or tax computation that such Tax Indemnitee was obliged to file by the applicable law in its jurisdiction of organization unless relating to a Tax otherwise indemnified pursuant to this Clause 20.3 and imposed as a result of Lessee's breach of Clause 20.3(c); or

(ix) is imposed on such Tax Indemnitee with respect to its employees or independent contractors; or

(x) results from a change by any Tax Indemnitee or Lessor Party of its principal place of business, participating office, jurisdiction of organization or tax residence; or

(xi) is imposed on any Assignee (A) if such Tax would not have been imposed on Lessor, or (B) to the extent such Tax exceeds the Tax that would have been imposed on Lessor; or

(xii) is imposed on or payable by such Tax 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 of any of its representations or covenants under this Agreement.

(c) Lessee will provide each Tax Indemnitee such information as may reasonably be requested by such Tax Indemnitee to enable it to fulfill its Tax filing or other information reporting requirements with respect to the transactions contemplated by this Agreement. If any report, return or statement is required to be made with respect to any Tax which is subject to indemnification under this Clause 20.3, Lessee will promptly notify Lessor of the requirement, and:

(i) if permitted by applicable Law, make and file in a timely manner such report, return or statement (except for any report, return or statement that Lessor has notified Lessee that Lessor or any other Tax Indemnitee intends to prepare and file), prepare such return in such manner as will indicate Lessor (or Owner Participant as beneficial owner if applicable) as owner and lessor of the Aircraft if required or appropriate, and provide Lessor upon request with a copy of each such

report, return or statement filed by Lessee, or

(ii) if Lessee is not permitted by applicable Law to file any such report, return or statement, Lessee will prepare and deliver to Lessor a proposed form of such report, return or statement within a reasonable time prior to the time such report, return or statement is to be filed.

20.4 **Notice and Contest Rights**

(a) If a written notice of any claim is made against any Tax Indemnitee for any Taxes for which Lessee is required to pay or against which Lessee is required to indemnify such Tax Indemnitee pursuant to Clause 20.3(a) (*Tax Indemnity*) or Clause 20.1 (*Gross-up*), such Tax Indemnitee 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 Lessee's or such Tax Indemnitee's successful defense of such claim is prejudiced thereby or Lessee's liability for costs or Taxes is increased. 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 means available by which to do so, such Tax Indemnitee shall, provided that no Event of Default shall have occurred and be continuing, in good faith diligently contest by pursuing all administrative appeals in the name of such Tax Indemnitee or, in such Tax Indemnitee's discretion if requested by Lessee, contest in the name of Lessee (or permit Lessee, in such Tax Indemnitee's discretion if requested by Lessee, to contest in the name of Lessor) 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) prior to taking such action Lessee shall have agreed to indemnify, and shall indemnify on demand, such Tax Indemnitee in a manner reasonably satisfactory to such Tax Indemnitee for the amount of the Tax claimed, all costs and expenses which such Tax Indemnitee may incur in connection with contesting such claim (including all reasonable legal and accountants' fees and disbursements and the amount of any interest, penalties or additions to tax which may be payable as a result of contesting such claim), (B) such Tax Indemnitee shall have determined in good faith that such contest shall not result in any material risk of sale, forfeiture or loss of, or creation of any Security Interest on, the Aircraft, other than Permitted Liens, (C) 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 Tax Indemnitee sufficient funds (on an interest-free basis and, if such Tax Indemnitee shall have determined in good faith that such advance results in taxable income to such Tax Indemnitee, on an after-tax basis) to make such payment, (D) such Tax Indemnitee shall have received an opinion of independent tax counsel selected by such Lessee and reasonably acceptable to Tax Indemnitee that a reasonable basis exists for such contest, (E) Lessee shall have delivered to such Tax Indemnitee a written acknowledgement of Lessee's obligation to indemnify such Tax Indemnitee for the Tax being contested if the contest is not successful, (F) in the case of a contest conducted by a Tax Indemnitee and not Lessee, the amount of the potential indemnity for which Lessee may be liable to pay such Tax Indemnitee under Clause 20.3(a) (*Tax Indemnity*) exceeds US$25,000 or the equivalent thereof and (G) the contest is not for a Tax, the imposition of which has been previously contested by Lessee or such Tax Indemnitee, and such contest (including all allowable appeals) was decided adversely to Lessee or such Tax Indemnitee and no change in facts or Law has occurred since then. Nothing contained in this Clause 20.4(a) shall require any Tax Indemnitee to contest, or permit Lessee to contest in the name of such Tax Indemnitee, a claim which such Tax Indemnitee would otherwise be required to contest pursuant to Clause 20.3(a)

(*Tax Indemnity*) if such Tax Indemnitee shall waive payment by Lessee of any amount that might otherwise be payable by Lessee under Clause 20.3(a) (*Tax Indemnity*) in connection with such claim.

(b) Each Tax Indemnitee agrees that it shall, as soon as reasonably practicable after it becomes aware of any circumstances which shall, or could reasonably be expected to, become the subject of a claim for indemnification by such Tax Indemnitee pursuant to Clause 20.3(a) (*Tax Indemnity*) or require Lessee to indemnify or pay an amount under Clause 20.5 (*Value Added Tax*) or make an increased payment pursuant to Clause 20.1 (*Gross-Up*), notify Lessee in writing accordingly, provided that a failure to so notify will not diminish, or relieve Lessee of, any obligations hereunder or diminish the rights of the Tax Indemnitee. Similarly, Lessee shall, as soon as reasonably practicable after it becomes aware of any circumstances which shall, or would reasonably be expected to, result in a claim for indemnification under Clause 20.3(a) (*Tax Indemnity*) or require Lessee to indemnify or pay an amount under Clause 20.5 (*Value Added Tax*) or make an increased payment pursuant to Clause 20.1 (*Gross-up*), notify Lessor in writing accordingly. Provided no Event of Default is then continuing, Lessor and Lessee shall then consult with one another in good faith, for a period of up to thirty (30) days in order to determine what action (if any) may reasonably be taken to lawfully mitigate or avoid the incidence of the relevant Taxes (and Lessee shall pay Lessor's reasonable out of pocket expenses (including legal fees) in relation to any such consultations). Lessor shall then take such steps as it agreed during such consultation to take for that purpose, provided always that (i) it is fully indemnified by Lessee to Lessor's satisfaction (acting reasonably) for so doing, (ii) it shall not be required to take, or omit to take, any action, if the effect of such action or omission would reasonably be expected to adversely affect Lessor or would be contrary to applicable law, (iii) Lessor shall not be responsible for or obliged to achieve any particular result from the taking of such steps notwithstanding anything to the contrary herein, (iv) no Tax Indemnitee shall be required to disclose or do anything that might interfere with its tax affairs or otherwise to disclose any such information that it deems in its opinion (acting reasonably) to be commercially sensitive, confidential or proprietary, except for any such information that would materially affect the result of any contest pursuant to this Clause 20 (*Taxation*); and (v) no Tax Indemnitee shall be required to take any action that it determines in its sole discretion (acting reasonably) to be materially adverse to its rights or interests or that may subject it to considerable cost, expense or liability that is not paid or indemnified by Lessee.

20.5 **Value Added Tax**

(a) For the purposes of this Clause 20.5:

(i) "**VAT**" means value added tax and any goods and services, sales or turnover tax, imposition or levy of a like nature; and

(ii) "**supply**" includes anything on or in respect of which VAT is chargeable.

(b) Lessee shall pay to each Tax Indemnitee (without duplication) or the relevant taxing authority, as the case may be, the amount of any VAT chargeable in respect of any supply for VAT purposes under this Agreement except to the extent such VAT is a Lessor Tax.

(c) Each amount stated as payable by Lessee under this Agreement is exclusive of VAT (if any), and if VAT is payable in respect of any amount as aforesaid, Lessee shall pay all such VAT and shall indemnify each Tax Indemnitee against any claims for the same (and where appropriate Lessee shall increase the payments which would otherwise be required

to be made under this Agreement so that such Tax Indemnitee is left in the same position as it would have been in had no VAT been payable); and Lessee shall provide evidence to such Tax Indemnitee, if available, in respect of payment of any such VAT.

20.6 **Information regarding Taxes**

(a) If Lessee is required by any applicable Laws, or by any third party, to deliver any report or return in connection with any Taxes, Lessee shall complete the same and shall state therein (if appropriate) that Lessee is exclusively responsible for the use and operation of the Aircraft and for any Taxes arising therefrom, and Lessee shall, on request supply a copy of the report or return to Lessor.

(b) Lessee shall within thirty (30) days after Lessor's written request, furnish to Lessor evidence reasonably satisfactory to Lessor of payment of all Taxes arising in connection with or as a result of the transactions contemplated by this Agreement requiring payment within any PBH Rent Period or Fixed Rent Period, including, without limitation, copies of receipts from the relevant tax authorities or other Government Entities for payments of withholding taxes, any Sales Taxes, any VAT and payment of customs duties.

(c) Prior to the Lease Commencement Date and as soon as practicable following a request from Lessee, but in any case within the first sixty (60) days of each calendar year during the Term, Lessor shall procure that Owner Participant or if different, the Rent beneficiary, shall deliver to Lessee a certification from the appropriate governmental tax authority confirming Owner Participant's (or, if applicable, such Rent beneficiary's) residency for tax purposes in its jurisdiction of tax residence with which Mexico has an income tax treaty for the avoidance of double taxation, and provided it remains the practice of the relevant governmental tax authority to provide such certification. If the issuance of such certificate by Owner Participant (or, if applicable, the Rent beneficiary) is not possible due to the relevant tax authority's practice or applicable legislation, Owner Participant and Lessee shall mutually agree on the evidence to be provided by Owner Participant in place thereof (each acting reasonably). In addition to the foregoing, Lessor agrees to furnish, and to procure that any other relevant Tax Indemnitee furnishes, from time to time to Lessee or to such other Person as Lessee may designate, at Lessee's request and expense, such other duly executed and properly completed forms by each Tax Indemnitee as such Tax 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 indemnify against hereunder, unless such Tax Indemnitee determines that furnishing such forms would or could reasonably be expected to have an adverse effect on the business or operations of such Tax Indemnitee.

20.7 **Taxation of Indemnity Payments**

(a) If and to the extent that any sums payable to any Indemnitee or any Tax Indemnitee by Lessee under this Agreement by way of indemnity or otherwise under this Agreement are insufficient, by reason of any Taxes payable in respect of those sums, for such Indemnitee or such Tax Indemnitee to discharge the corresponding liability to the relevant third party (including any taxation authority), or to reimburse such Indemnitee or such Tax Indemnitee for the cost incurred by it to a third party (including any taxation authority), Lessee shall pay to such Indemnitee or such Tax Indemnitee such sum as will after the tax liability has been fully satisfied leave that Indemnitee or such Tax Indemnitee with the same after-tax amount as it would have been entitled to receive in the absence of that

liability.

(b) If and to the extent that any sums constituting (directly or indirectly) an indemnity or other payment under this Agreement to an Indemnitee or a Tax Indemnitee but paid by Lessee to any Person other than such Indemnitee or such Tax Indemnitee are treated as taxable in the hands of such Indemnitee or such Tax Indemnitee, Lessee shall pay to such Indemnitee or such Tax Indemnitee such sum as will, after the tax liability has been fully satisfied at the applicable marginal rate in such jurisdiction, indemnify such Indemnitee or such Tax Indemnitee to the same extent as it would have been indemnified in the absence of such liability.

20.8 **Verification**

At Lessee's written request within thirty (30) days following Lessee's receipt of any Tax Indemnitee's claim for an indemnity pursuant to this Clause 20 (*Taxation*), or of an amount otherwise payable on an after-Tax basis pursuant to this Agreement, the amount of such claim shall be subject to confidential verification in writing by an internationally recognized firm of certified public accountants selected by Lessee and reasonably acceptable to such Tax Indemnitee. 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 (a) be delivered simultaneously to Lessee and such Tax Indemnitee and (b) absent prima facie error, be final, binding and conclusive upon Lessee and such Tax Indemnitee. Where the amount of any claim is due and payable by any Tax Indemnitee to a Government Entity prior to the conclusion of any such review then Lessee shall on written demand pay such amount to that Tax Indemnitee for the purposes of enabling that Tax Indemnitee to duly satisfy its obligation to that Government Entity, provided if Lessee pays any indemnity in whole or in part before completion of the verification procedure, for any reason, 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, including by having Lessor refund to Lessee any excess indemnity amounts paid to it. The fee and disbursements of such accounting firm shall be paid by Lessee unless such verification shall disclose an error in such Tax Indemnitee's claimed indemnity amount in favor of such Tax Indemnitee exceeding ten percent (10%), in which case such fee and disbursements shall be paid by such Tax Indemnitee. Lessee and such Tax Indemnitee shall cooperate with such accounting firm and (subject to such accounting firm's execution of a confidentiality agreement reasonably satisfactory to Lessee and such Tax Indemnitee) shall supply such accounting firm with all information reasonably necessary to permit such review and determination.

20.9 **Duration**

The obligations and indemnities contained in this Clause 20 (*Taxation*) shall continue in full force after the expiration, cancellation or termination of this Agreement notwithstanding any breach or repudiation of this Agreement by Lessor or Lessee or the termination of the leasing of the Aircraft under this Agreement.

21. **ASSIGNMENT AND TRANSFER**

21.1 **By Lessee**

Except as expressly permitted by the terms hereof (including without limitation, Clause 10.3 (*Subleasing*)) Lessee will not assign, delegate or otherwise transfer (voluntarily, involuntarily, by operation of law or otherwise) any of its rights or obligations under this agreement or create or permit to exist any Security Interest over any of its rights under this Agreement or any other

Operative Document, and any attempt to do so will be null and void.

21.2 **Lessor Transfer**

(a) Without any consent of Lessee other than as provided in Clause 21.2(e), Lessor and/or Owner Participant may at its own expense assign or grant a Security Interest over the Aircraft or any interest therein and/or Lessor and/or Owner Participant may assign or grant a Security Interest over all or any part of its rights under this Agreement, the Trust Agreement and any other Operative Document or any interest therein, in either case, by way of security to any other Person (an "**Assignee**"); provided that:

(i) Lessor shall promptly notify Lessee in writing of any proposed assignment and all relevant details with respect thereto;

(ii) such assignment or Security Interest shall not increase any of Lessee's risk, obligations, responsibilities, liabilities, and costs (including Taxes for which Lessee is responsible pursuant to Clause 20 (*Taxation*)) related to the transactions contemplated by this Agreement, and shall not reduce any of Lessee's rights and benefits related thereto as based on applicable Laws in effect as of the date of such transfer or assignment; provided that it is agreed that a change in the number of additional insureds and Indemnitees shall not be considered such an increase;

(iii) prior to any such assignment or Security Interest becoming effective, the Assignee shall execute and deliver to Lessee an undertaking containing terms substantially similar to Clause 8.1 (*Quiet Enjoyment*) to the effect that neither it nor any Person claiming by, through or under it will disturb the quiet use, possession and enjoyment of the Aircraft by Lessee or any Permitted Sublessee during the Term so long as no Event of Default is continuing;

(iv) if the Security Deposit is assigned or charged or subject to a Security Interest in favor of the Assignee or if any Assignee is to be named as the beneficiary under any Letter of Credit, the Assignee shall acknowledge that the Security Deposit under its control shall only be applied in accordance with the provisions of this Agreement and that it will not draw under that Letter of Credit except in accordance with the terms of this Agreement and that proceeds of any such drawings shall only be applied in accordance with the provisions of this Agreement. All costs and expenses of such assignment or grant or a Security Interest of change of the beneficiary under any Letter of Credit shall be for the account of Lessor and Assignee shall not be entitled to request any changes to the Letter of Credit (other than to reflect the Assignee or its designee as a beneficiary) or any changes to the issuing bank;

(v) as at the date of such assignment and under the laws then in effect in the State of Incorporation, it shall not be unlawful for Lessee to lease an aircraft financed by a Person organized under the laws of the country where the Assignee is organized, and the Assignee shall provide to Lessee representations and warranties in respect of itself on the terms set forth in Clause 22.17 (*True Lease*);

(vi) the Assignee and each of the other Financing Parties on whose behalf the Assignee is acting is not an airline or an Affiliate of such airline or a direct competitor of Lessee; and

(vii) if the Assignee is not reasonably experienced in the business of commercial aircraft

leasing, it shall agree with Lessee that upon the enforcement of its rights under the relevant security documents it shall contract with such a Person experienced in the business of commercial aircraft leasing to manage this Agreement (and for such purposes, an experienced servicer will be an entity with at least [REDACTED] commercial passenger aircraft under its management or has a majority of its executive management team comprised of individuals who each have at least [REDACTED] years of experience with the financing, leasing or servicing of commercial passenger aircraft); provided that if the Assignee represents that it and its Affiliates hold title to at least [REDACTED] commercial passenger aircraft or a majority of the executive management team of the Assignee is comprised of individuals who each have at least [REDACTED] years of experience with the financing, leasing or servicing of commercial passenger aircraft on the date of such assignment, it shall be deemed to be reasonably experienced in the business of commercial aircraft leasing.

(b) Without any consent of Lessee other than as provided in Clause 21.2(e) and subject to Clause 21.2(f), Lessor may at its own expense transfer the Aircraft and its interest therein and/or transfer and/or assign all or any part of its rights and obligations under this Agreement and any other Operative Document to any Person (a "**Transferee**"); provided that:

(i) Lessor shall promptly notify Lessee in writing of any proposed transfer and all relevant details with respect thereto;

(ii) the Transferee shall assume all payment and other obligations of Lessor under this Agreement and any other Operative Documents to which Lessor is a party;

(iii) if the Transferee is not assuming the obligations of Lessor under this Agreement or becoming the "Lessor" under this Agreement as assigned or novated, it shall execute and deliver to Lessee an undertaking containing terms substantially similar to Clause 8.1 (*Quiet Enjoyment*) to the effect that neither it nor any Person claiming by, through or under it will disturb the quiet use, possession and enjoyment of the Aircraft by Lessee or any Permitted Sublessee during the Term so long as no Event of Default is continuing;

(iv) the Transferee shall confirm and agree that such transfer or assignment shall not increase any of Lessee's risk, obligations, responsibilities, liabilities and costs (including Taxes for which Lessee is responsible pursuant to Clause 20 (*Taxation*)) related to the transactions contemplated by this Agreement and shall not reduce any of Lessee's rights and benefits related thereto, as based on applicable Laws in effect as of the date of such transfer or assignment; provided that it is agreed that a change in the number of additional insureds and Indemnitees shall not be considered such an increase;

(v) at the time of such transfer or assignment, the Transferee shall provide to Lessee representations and warranties on the terms set forth in Clause 22.17 (*True Lease*) and Clause 2 (*Lessor's Representations and Warranties*) of Schedule 2 (*Representations and Warranties*);

(vi) at the time of such transfer or assignment, the Transferee (or, in the case of Clause 21.2(b)(vi)(A), a guarantor of such Transferee) (A) shall have a tangible net worth of not less than US$[REDACTED] (or the Transferee's obligations to Lessee in respect of the Aircraft under this Agreement and the other Operative Documents

shall be guaranteed on terms acceptable to Lessee by a Person that has a tangible net worth of not less than US[REDACTED]), in either case, such net worth to be evidenced by a certificate of net worth of a responsible officer of such Person, the Transferee or such guarantor, as the case may be, certifying as to such net worth; (B) shall be an experienced lessor in commercial aircraft leasing or will have appointed an experienced servicer in commercial aircraft leasing (and for such purposes, an experienced lessor or experienced servicer will be an entity with at least [REDACTED] commercial passenger aircraft in its portfolio or under its management or has a majority of its executive management team comprised of individuals who each have at least [REDACTED] years of experience with the financing, leasing or servicing of commercial passenger aircraft); and (C) is not an airline or a direct competitor of Lessee; and

(vii) at the date of such transfer and under the laws then in effect in the State of Incorporation, it shall not be unlawful for Lessee to lease an Aircraft owned or leased by a Person organized under the laws of the country where the Transferee is organized.

(c) Without any consent of Lessee, after the Lease Commencement Date, Owner Participant may at its own expense transfer and/or assign all but not less than all of its rights and obligations under the Trust Agreement and any other Operative Document to any Person (an "**OP Transferee**"); provided that:

(i) Lessor shall promptly notify Lessee in writing of any proposed transfer and all relevant details with respect thereto;

(ii) the OP Transferee shall assume all obligations of Owner Participant under this Agreement and any other Operative Documents to which Owner Participant is a party and shall execute and deliver the Owner Participant Letter to Lessee;

(iii) the OP Transferee shall execute and deliver to Lessee an undertaking containing terms substantially similar to Clause 8.1 (*Quiet Enjoyment*) to the effect that neither it nor any Person claiming by, through or under it will disturb the quiet use, possession and enjoyment of the Aircraft by Lessee or any Permitted Sublessee during the Term so long as no Event of Default is continuing;

(iv) the OP Transferee shall confirm and agree that such transfer or assignment shall not increase any of Lessee's risk, obligations, responsibilities, liabilities and costs (including Taxes for which Lessee is responsible pursuant to Clause 20 (*Taxation*)) related to the transactions contemplated by this Agreement and shall not reduce any of Lessee's rights and benefits related thereto, as based on applicable Laws in effect as of the date of such transfer or assignment; provided that it is agreed that a change in the number of additional insureds and Indemnitees shall not be considered such an increase;

(v) at the time of such transfer or assignment, the OP Transferee (or, in the case of Clause 21.2(c)(v)(A), a guarantor of such OP Transferee) (unless, in the case of Clauses 21.2(c)(v)(A) and (B), the OP Transferee is an Affiliate of the Owner Participant and the existing Lessor Guarantee remains in full force and effect), (A) has a tangible net worth of not less than US$[REDACTED] or such Person's obligations to Lessee in respect of the Aircraft under the Owner Participant Letter and the other Operative Documents are guaranteed on terms acceptable to Lessee by a Person that has a tangible net worth of not less than US$[REDACTED], in

either case, such net worth to be evidenced by a certificate of net worth of a responsible officer of the OP Transferee or such guarantor, as the case may be, certifying as to such net worth or such other evidence as is reasonably acceptable to Lessee; (B) shall be an experienced lessor in commercial aircraft leasing or will have appointed an experienced servicer in commercial aircraft leasing (and for such purposes, an experienced lessor or experienced servicer will be an entity with at least [REDACTED] commercial passenger aircraft in its portfolio or under its management or has a majority of its executive management team comprised of individuals who each have at least [REDACTED] years of experience with the financing, leasing or servicing of commercial passenger aircraft); and (C) is not an airline or a direct competitor of Lessee; and

(vi) at the date of such transfer and under the laws then in effect in the State of Incorporation, it shall not be unlawful for Lessee to lease an Aircraft owned or leased by a Person organized under the laws of the country where the OP Transferee is organized.

(d) Lessee shall upon request from Lessor and at the expense of Lessor cooperate in effecting any assignment or transfer referred to in Clauses 21.2(a), (b) or (c) and will execute any agreements or other instruments reasonably requested by Lessor in form and substance reasonably satisfactory to Lessee (including, without limitation, any supplement or amendment to or novation of this Agreement) and if the transfer involves the assumption by the Transferee of any of Lessor's obligations under this Agreement or the other Operative Documents to which Lessee is a party, release Lessor from the obligations so assumed and will execute such certificates and shall provide such corporate documents as shall be reasonably requested by Lessor for the purposes of Lessor obtaining a legal opinion in respect of Lessee's due execution and due authorization of the transfer documents. Lessor agrees to reimburse Lessee for its reasonable and documented out-of-pocket costs and expenses (including, without limitation reasonable attorney fees) and any Taxes thereon, in connection with any assignment or transfer referred to in Clauses 21.2(a), (b) or (c).

(e) For the purpose of Article 33(1) of the Cape Town Convention and Article XV of the Protocol, and without prejudice to the preceding provisions of this Clause 21.2 to the extent applicable, Lessee hereby consents in advance to the transfer of the associated rights and related international interests in respect of any assignment or sale by Lessor or the granting of any Security Interest by Lessor in accordance with this Agreement (and for the avoidance of doubt, no additional consent by Lessee will be required in connection with any such assignment of associated rights, the related international interests and the related right to discharge such international interest pursuant to the Cape Town Convention).

(f) Any bank or trust company acting in the capacity of owner trustee as Lessor may, from time to time at its own expense, transfer its interest in the trust establishing such Lessor trust pursuant to the terms thereof. Any such successor shall, succeed to all the rights, powers and title of such predecessor bank or trust company and of Lessor, as applicable, hereunder without the necessity of any consent or approval by Lessee and without in any way altering the terms of this Agreement or Lessee's obligations hereunder.

(g) Except as permitted in this Clause 21.2, neither Lessor nor Owner Participant will assign or otherwise transfer (voluntarily, involuntarily, by operation of law or otherwise) any of its rights in and to the Aircraft or any of its rights and obligations under any Operative

Document or permit to exist any Security Interest over any of the foregoing, and any attempt to do so will be null and void *ab initio*.

22. MISCELLANEOUS PROVISIONS

22.1 Rights Cumulative, Waivers

The rights of Lessor under this Agreement may be exercised as often as Lessor considers appropriate (except as otherwise expressly stated herein), are cumulative and are in addition to its rights under any Law. The rights of Lessor against Lessee or in relation to the Aircraft (whether arising under this Agreement or any Law) cannot be waived or varied other than by an express waiver or variation in writing. Any failure to exercise or any delay in exercising any of such rights shall not operate as a waiver or variation of that or any other such right; any defective or partial exercise of any of such rights shall not preclude any other or further exercise of that or any other such right; and no act or course of conduct or negotiation on Lessor's part or on its behalf shall in any way preclude it from exercising any such right or constitute a suspension or any variation of any such right.

22.2 Delegation

Lessor may delegate to any Person or Persons all or any of its rights, powers or discretions vested in it by this Agreement, and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as Lessor deems fit; provided, however, that notwithstanding any such delegation, Lessor shall at all times remain primarily liable for the obligations of "Lessor" hereunder.

22.3 Expenses

Each of Lessor and Lessee shall pay its own costs and expenses (including legal fees) in connection with the negotiation of this Agreement and the other Operative Documents. Lessee shall pay to Lessor on demand all expenses (including legal, professional, and out-of-pocket expenses) incurred or payable by Lessor in connection with the enforcement or preservation of any of Lessor's rights or remedies under this Agreement in connection with and following any Event of Default. On the Lease Commencement Date, Lessee will issue, at no cost to Lessor, a customary in-house legal opinion as to Mexican law matters. If Lessor requires an external Mexican legal opinion, Lessor shall be responsible for the cost of obtaining such legal opinion from Mexican counsel of its choosing. For the avoidance of doubt, the cost of de-registering and registering the Aircraft with the AFAC (if not already registered), including any out-of-pocket costs incurred by Lessee in connection with any ferry flight, will be borne by Lessee.

22.4 Provisions of Cape Town Convention

Except to the extent expressly provided herein, any terms of this Agreement which expressly incorporate any provisions of the Cape Town Convention shall prevail in the case of any conflict with any other provision contained herein. Each of the parties hereto acknowledges and agrees that for purposes of the Cape Town Convention (to the extent applicable hereto), separate rights may exist with respect to the Airframe and Engines.

22.5 Set-off

(a) Lessor may set off any matured obligation owed by Lessee under this Agreement against any obligation (whether or not matured) owed by Lessor or Owner Participant to Lessee hereunder, regardless of the place of payment or currency. If the obligations are in different currencies, Lessor may convert either obligation at the market rate of exchange

available in London or (at Lessor's option) New York for the purpose of the set-off.

(b) If an obligation is unascertained or unliquidated, Lessor may in good faith estimate that obligation and set off in respect of the estimated amount, in which case when the obligation is ascertained or liquidated Lessor or Lessee shall make a payment to the other (as appropriate) in respect of any amount by which the ascertained or liquidated amount differs from the estimated amount.

(c) Notwithstanding any other provision of this Agreement, Lessor shall not be obliged to pay any amount to Lessee under this Agreement so long as any sums which are then due from Lessee to any Lessor Party, any Indemnitee or any Tax Indemnitee under any Operative Document remain unpaid or if any Event of Default has occurred and is continuing, and any such amount which would otherwise be due shall fall due only if and when Lessee has paid all such sums and cured all Events of Default, except to the extent that Lessor otherwise agrees in writing or sets off such amounts against such payment pursuant to Clause 22.5(a).

22.6 **Time of Essence**

The time stipulated in this Agreement for all payments by Lessee to Lessor and for the prompt performance of Lessee's other obligations under this Agreement are of the essence of this Agreement.

22.7 **Entire Agreement**

This Agreement and the other Operative Documents constitute the sole and entire agreement between Lessor and Lessee in relation to the leasing of the Aircraft and supersede all previous agreements in relation to that leasing. Any amendments to this Agreement must be in writing and signed on behalf of Lessor and Lessee.

22.8 **Rights of Third Parties**

(a) All rights expressed to be granted to each Indemnitee or Tax Indemnitee (other than Lessor) under this Agreement are given to Lessor on behalf of that Indemnitee or Tax Indemnitee, and each Indemnitee or Tax Indemnitee is an express third party beneficiary hereof. Except for Lessor, each Indemnitee and each Tax Indemnitee, no other Person shall be a third party beneficiary of this Agreement.

(b) Any Tax Indemnitee or Indemnitee who is not a party to this Agreement may enforce the terms of this Agreement expressed to be for its benefit or given by Lessee to or in favor of such Tax Indemnitee or Indemnitee.

(c) All terms of this Agreement may be varied, amended or otherwise released by an agreement between Lessor and Lessee without reference to any Indemnitee or Tax Indemnitee.

(d) If an Indemnitee or Tax Indemnitee is not a party to this Agreement, Lessee may require such Indemnitee or Tax Indemnitee to agree in writing, in a form reasonably acceptable to Lessee, to the terms of Clause 14 (*Indemnities*) and Clause 20 (*Taxation*), as the case may be, prior to making any payments to such Indemnitee or Tax Indemnitee under Clause

14 (*Indemnities*) or Clause 20 (*Taxation*), as the case may be.

22.9 **Counterparts**

This Agreement may be executed in two or more counterparts each of which will be deemed an original but all of which together will constitute one and the same agreement.

22.10 **Language**

All notices, requests, direction and other communications to be given under this Agreement will be in English. Unless otherwise provided herein, all documents delivered to Lessee and Lessor pursuant to this Agreement will be in English or, if not in English, will be accompanied by a certified English translation (except for Lessee's organizational documents, corporate approvals and other authorizations or documents issued by any authority). If there is any inconsistency between the English version of this Agreement and any version in any other language, the English version will prevail.

22.11 **Confidentiality**

This Agreement, the terms hereof and all non-public information obtained by a party about any party are confidential and are between Lessor Parties and Lessee only. Lessor Parties and Lessee shall not, and shall procure that their respective officers, employees, directors and professional advisors shall not, disclose the contents of this Agreement or such nonpublic information to any third party (other than (a) to such party's or its Affiliates' auditors, legal advisors, regulators, financial advisors, insurers and rating agencies; (b) in connection with any filing or disclosure of this Agreement in accordance with, or as required by, any applicable Regulation; (c) in connection with Lessor's or Owner Participant's potential sale, financing, refinancing of or related to the Aircraft and/or transfer or assignment of this Agreement; provided that any recipient of any such confidential information in such case shall as a condition precedent to receipt of the information execute and deliver a confidentiality agreement containing terms no less stringent than the terms of this Clause 22.11; or (d) as required for enforcement by either party of its rights and remedies with respect to this Agreement), without the prior written consent of the other party. If any disclosure will result in the Agreement becoming publicly available, Lessor, Owner Participant and Lessee will cooperate with one another to obtain confidential treatment or limit the scope of disclosure as to the commercial terms and other material provisions of this Agreement. Notwithstanding the foregoing, Lessee may disclose this Agreement (i) as may be required to obtain the Bankruptcy Court's approval of this Agreement; or (ii) to the U.S. Trustee, the Unsecured Creditors Committee or the entities providing the debtor-in-possession financing to Lessee, its Affiliates and any of their respective related persons.

22.12 **Invalidity of any Provision**

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

22.13 **Survival**

All indemnities, representations and warranties of Lessee and Lessor shall survive, and remain in full force and effect, notwithstanding the expiration or other termination of this Agreement and/or

the leasing of the Aircraft hereunder.

22.14 **Further Assurance**

(a) Each of the parties agrees to perform (or procure the performance of) all further acts and things within its control, and execute and deliver (or procure the execution and delivery of) such further documents, as may be required by applicable Laws or as may be necessary or reasonably desirable to implement and/or give effect to this Agreement and the transactions contemplated by this Agreement.

(b) Except as otherwise expressly set forth herein, the out-of-pocket costs and expenses of performing the acts contemplated by Clause 22.14(a) shall be borne by the requesting party.

22.15 **No Brokers**

Except for SkyWorks Capital, LLC (whose fees and expenses are the sole responsibility of Lessee), each of the parties represents and warrants to the other that it has not paid, agreed to pay, or caused to be paid directly or indirectly to any Person in any form, any commission percentage contingent fee, brokerage or other similar payments of any kind, in connection with the establishment or operation of this Agreement. Each party agrees to indemnify and hold the other harmless from and against any and all claims, suits, damages, costs and expenses (including, reasonable legal fees and expenses) asserted by any agent, broker or other third party for any commission or compensation of any nature whatsoever based upon this Agreement or the Aircraft, if such claim, suit, damage, cost or expense arises out of any breach by the indemnifying party, its employees or agents of this Clause 22.15.

22.16 **Chattel Paper**

To the extent, if any, that this Agreement constitutes chattel paper (as such term is defined in the UCC as in effect in any applicable jurisdiction), no Security Interest in this Agreement may be created through the transfer or possession of any counterpart other than the original counterpart, which shall be identified as the counterpart designated as the "chattel paper original" on the signature page of this Agreement by the Financing Parties Representative (if any) or Lessor, as the case may be.

22.17 **True Lease**

The parties intend and agree that this Agreement:

(a) constitutes a "true lease", and not a "security interest" as defined in Section 1-201(37) of the UCC;

(b) to the extent applicable, constitutes a "true lease" for United States federal income tax purposes; and

(c) confers only a leasehold interest on Lessee in and to the Aircraft on and subject to the terms of this Agreement, and no ownership or other interest with respect to the Aircraft is provided to Lessee under this Agreement.

Lessee shall not file a tax return that is inconsistent with the provisions of this Clause 22.17.

22.18 **Know Your Customer/OFAC Compliance**

(a) Each party represents, warrants and agrees that neither it nor any of its Affiliates is in

violation of any Law relating to terrorism or money laundering enacted or promulgated by the United Nations, the European Union, the United States of America or Mexico ("**Anti-Terrorism Laws**"), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "**Executive Order**"), and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56 (the "**Patriot Act**").

(b) Each party represents, warrants and agrees that it is not any of the following:

(i) a person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(ii) a person owned or controlled by, or acting for or on behalf of, any person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(iii) a person that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order; or

(iv) a person that is named as a "special designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control ("**OFAC**") at its official website or any replacement website or other replacement official publication of such list.

(c) Each party represents, warrants and agrees that it does not and for the Term shall not (i) conduct any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any person described in Clause 22.18(b), (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or any similar laws of Mexico, or (iii) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

22.19 **USA Patriot Act Notice**

Lessee agrees that pursuant to the requirements of the Patriot Act, Lessor may obtain, verify, and record information from Lessee that identifies Lessee, which information may include the name and address of Lessee, and its officers, directors and shareholders, and other information that will allow Lessor to identify Lessee in accordance and for purposes of compliance with the Patriot Act.

22.20 **Statements of Trust Company**

Anything contained in this Agreement to the contrary notwithstanding, no recourse shall be had with respect to this Agreement against Trust Company in its individual capacity or against any institution or person which becomes a successor trustee or co-trustee or any officer, director, trustee, servant or direct or indirect parent or controlling person or persons of any of them; provided, however, that nothing in this Clause 22.20 shall be deemed to limit in scope or substance the personal liability of Trust Company (and Trust Company shall be personally liable) (a) in respect of the representations, warranties, agreements and covenants of Trust Company contained in this Agreement and the other Operative Documents and (b) for the consequences of its own wilful misconduct or grossly negligent conduct, and in receiving, handling or remitting funds only, its misconduct or simple negligence as a trustee; and provided, further, that nothing in this Clause 22.20 shall be construed to limit the exercise and enforcement in accordance with the terms of this Agreement or such other agreements of rights and remedies against the Trust Estate. The foregoing

provisions of this Clause 22.20 shall survive the termination of this Agreement and the other Operative Documents.

22.21 **Prepetition General Unsecured Damage Claims; Prior Maintenance Reserves**

(a) Notwithstanding anything to the contrary set forth herein or in any other Operative Document, the parties agree and stipulate that (a) in accordance with the terms of the Bankruptcy Court order (and associated rejection terms agreement) authorizing the rejection of the Rejected Lease, the Lessor Parties validly applied the US$510,000 security deposit held by the Lessor Parties prior to the commencement of Lessee's bankruptcy proceedings (the "**Prepetition Security Reserves**") to prepetition claims of the Lessor Parties asserted against Lessee, (b) after accounting for application of the Prepetition Security Reserves, the Lessor Parties shall be deemed to hold an allowed general unsecured non-priority prepetition claim against the bankruptcy estate of Lessee in the amount of US$3,600,000 (the "**Prepetition Damages Claim**") as damages for any prepetition claim, breach, default or termination event under the Rejected Lease (the "**Prepetition Breaches**"), (c) no breach, default, termination event or other like consequence will arise hereunder based upon the Prepetition Breaches or based upon the filing or continuance of the Bankruptcy Cases themselves, (d) the Prepetition Damages Claim is freely transferable by the Lessor Parties (without the consent of, or notice to, Lessee), in whole or in part, at any time before or after the confirmation of Lessee's Chapter 11 plan of reorganization, and (e) Lessee shall promptly take any commercially reasonable actions requested by Lessor (including, without limitation filing a motion with the Bankruptcy Court seeking allowance of the Prepetition Damages Claim), in order to obtain a court order formally allowing the Prepetition Damages Claim.

(b) Notwithstanding anything to the contrary set forth herein or in any other Operative Document, after the Lease Commencement Date Lessor shall be entitled to retain in full the Prior Maintenance Reserves and Lessee waives and relinquishes any right, title, or interest that it may have in the Prior Maintenance Reserves and any claims or causes of action related to the Prior Maintenance Reserves (including any potential claims for repayment, recovery, or avoidance of any portion of the Prior Maintenance Reserves). For the avoidance of doubt, such retention shall be without prejudice to Lessor's allowed Prepetition Damages Claim related to the Prepetition Breaches and/or any other claim that Lessor might have against Lessee under the Rejected Lease, and Lessor shall not be required to apply the Prior Maintenance Reserves to the Prepetition Damages Claim or other claims against Lessee or any affiliate of Lessee.

22.22 **Lease Manager**

Lessor has appointed the Servicer as its agent to act on its behalf under this Agreement generally. Lessee shall and shall be entitled to deal with and rely on the instructions and directions of the Servicer (and any replacement servicer complying with the requirements in Clause 21.2(b)(vi)(B) (*Lessor Transfer*) appointed by Lessor and notified to Lessee).

22.23 **Delegation**

Lessor may delegate to the Servicer or any other person or persons all or any of the rights, powers or discretions vested in it by this Agreement and any such delegation may be made upon such terms and conditions as Lessor in its absolute discretion thinks fit; provided, however, that notwithstanding any such delegation, Lessor shall at all times remain primarily liable for the

obligations of "Lessor" hereunder.

23. **NOTICES; ELECTRONIC SIGNATURES**

23.1 Every notice, request, direction or other communication under this Agreement shall be in English and be in writing delivered personally or sent with an internationally recognized courier service or by electronic mail (including PDF) and shall be deemed to have been received:

(a) in the case of a letter when delivered personally or where sent with an internationally recognized courier service, on the date shown as the delivery date (or, if delivery was refused, the date of such refusal) in the records of the Person who effected such delivery; or

(b) in the case of an electronic mail, at the time of dispatch with confirmed receipt,

provided always that where delivery by hand or by electronic email occurs after 6:00 p.m. on a Business Day, or on a day which is not a Business Day, service shall be deemed to occur at 9:00 a.m. on the next Business Day.

23.2 Every notice, request, direction or other communication under this Agreement shall be sent:

To Lessor at:

Address: Fourth Floor
3 George's Dock
IFSC
Dublin 1
Ireland

Telephone: +353-1-612-5550
Attention: Managing Director
Email: irishownertrusts@wilmingtontrust.com

with a copy to BBAM US LP at:

Address: 50 California Street, 14th Floor
San Francisco, California 94111 USA

Telephone: +1-415-267-1600
Attention: General Counsel
Email: legal@bbam.com

with a copy to BBAM Aviation Services Limited at:

Address: West Pier
Dún Laoghaire
Co. Dublin
A96 N6T7
Ireland

Telephone: +353-1-231-1900
Attention: Company Secretary

Email: legal@bbam.com

To Lessee at:

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
Email: malvarez@aeromexico.com
amnotificacionesjuridico@aeromexico.com

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

23.3 In connection with the performance of their respective duties hereunder, each party may give notices, consents, directions, approvals, instructions and requests to, and otherwise communicate with, each other using electronic means, including email transmission to such email addresses as each such party shall designate to the other parties, and, if necessary or if requested by the other party or parties, with an "electronic signature" or other "electronic record" (as such terms are defined in the New York State Electronic Signatures and Records Act). Delivery of an executed counterpart of this Agreement or any other Operative Document by email, "electronic signature" or other "electronic record" will be deemed as effective as delivery of an originally executed counterpart. Any party delivering an executed counterpart of this Agreement or any other Operative Document by email, "electronic signature" or other "electronic record" will also deliver an originally executed counterpart thereof, but the failure of any party to deliver an originally executed counterpart of this Agreement or any other Operative Document will not affect the validity or effectiveness of this Agreement or such other Operative Document.

24. GOVERNING LAW, JURISDICTION AND WAIVER OF JURY TRIAL

24.1 Governing Law

PURSUANT TO AND IN ACCORDANCE WITH SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW, THE PARTIES HERETO AGREE THAT THIS AGREEMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AGREEMENT, AND ALL ISSUES CONCERNING THE RELATIONSHIP OF THE PARTIES HEREUNDER AND THE ENFORCEMENT OF THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK AS APPLIED TO CONTRACTS TO BE PERFORMED WHOLLY WITHIN THE STATE OF NEW YORK (EXCLUSIVE OF SECTION 7-101 OF THE NEW YORK GENERAL OBLIGATIONS LAW WHICH IS INAPPLICABLE TO THIS AGREEMENT) WITHOUT REGARD TO ANY CONFLICTS OF LAW PRINCIPLES. THE PARTIES AGREE THAT THIS AGREEMENT WAS DELIVERED IN THE STATE OF NEW YORK.

THE FOREGOING ELECTION OF THE LAWS OF THE STATE OF NEW YORK IS WITHOUT PREJUDICE TO THE RIGHT OF LESSOR TO APPLY THE LAWS OF THE FEDERAL DISTRICT OF MEXICO TO ANY REPOSSESSION OR OTHER ENFORCEMENT OF RIGHTS UNDER THIS AGREEMENT WHILE THE AIRCRAFT IS LOCATED IN

MEXICO.

24.2 **Jurisdiction**

Pursuant to and in accordance with Section 5-1402 of the New York General Obligations Law, Lessee and Lessor each irrevocably agrees that (a) the United States District Court for the Southern District of New York sitting in The Borough of Manhattan and any New York state court sitting in the County of New York, New York, and all related appellate courts, and (b) the courts of the jurisdictions in which the Aircraft at the relevant time is located in the case of enforcement proceedings in respect of remedies hereunder, have exclusive jurisdiction to settle any disputes arising out of or relating to this Agreement or any of the other Operative Documents and submits itself and its property to the jurisdiction of the foregoing courts with respect to such dispute, hereby waiving any other jurisdictions which may be available thereto by reason of domicile or otherwise.

24.3 **Process Agent**

(a) Without prejudice to any other mode of service, Lessee:

(i) appoints Cogency Global Inc., at 122 East 42nd Street, 18th Floor, New York, NY 10168, as its agent for service of process relating to any proceedings before the New York courts described in Clause 24.2 (*Jurisdiction*) in connection with this Agreement and agrees to maintain the process agent in New York notified to Lessor;

(ii) agrees that failure by a process agent to notify Lessee of the process shall not invalidate the proceedings concerned; and

(iii) consents to the service of process relating to any such proceedings by prepaid mailing or by personal delivery of a copy of the process to Lessee's agent at the address identified in Clause 24.3(a)(i) or prepaid mailing by air mail, certified or registered mail, or by personal delivery, of a copy of the process to Lessee at the address set forth in Clause 23.2 (*Notices; Electronic Signatures*).

(b) Without prejudice to any other mode of service, Lessor:

(i) appoints Corporation Service Company, at 19 West 44th Street, Suite 200, New York, NY 10036, United States of America as its agent for service of process relating to any proceedings before the New York courts described in Clause 24.2 (*Jurisdiction*) in connection with this Agreement and agrees to maintain the process agent in New York notified to Lessee;

(ii) agrees that failure by a process agent to notify Lessor of the process shall not invalidate the proceedings concerned; and

(iii) consents to the service of process relating to any such proceedings by prepaid mailing or by personal delivery of a copy of the process to Lessor's agent at the address identified in Clause 24.3(b)(i) or prepaid mailing by air mail, certified or registered mail, or by personal delivery, of a copy of the process to Lessor at the address set forth in Clause 23.2 (*Notices; Electronic Signatures*).

24.4 **Waiver of Objections**

Each of Lessee and Lessor:

(a) waives to the fullest extent permitted by Law any objection which it may now or hereafter

have to the courts referred to in Clause 24.2 (*Jurisdiction*) on grounds of inconvenient forum or otherwise as regards proceedings in connection with this Agreement;

(b) 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 courts referred to in Clause 24.2 (*Jurisdiction*); and

(c) to the extent permitted by applicable law, agrees that a judgment or order of any court referred to in Clause 24.2 (*Jurisdiction*) in connection with this Agreement is conclusive and binding on it and may be enforced against it in the courts of any other jurisdiction as if made by the highest court in that other jurisdiction and accordingly neither Lessee nor Lessor will seek to, nor be entitled to, contest and/or delay and/or obstruct registration or enforcement of any such judgment and/or award and/or order on grounds of public policy or otherwise.

24.5 **No Alternative Jurisdictions**

This Clause 24 (*Governing Law, Jurisdiction and Waiver of Jury Trial*) shall survive, continue to take full effect and not merge in any order or judgment and this Clause 24.5 prohibits either party to bring proceedings against the other in connection with this Agreement or any other Operative Document in any court other than as provided in Clause 24.2 (*Jurisdiction*).

24.6 **Waiver of Sovereign Immunity and Other Defenses**

Each of Lessee and Lessor irrevocably and unconditionally:

(a) agrees that if the other brings legal proceedings against it or its assets in relation to this Agreement no sovereign or other immunity from such legal proceedings (which will be deemed to include suit, court jurisdiction, attachment prior to judgment, attachment in aid of execution of a judgment, other attachment, the obtaining of judgment, execution of a judgment or other enforcement or legal process or remedy) will be claimed by or on behalf of itself or with respect to its assets;

(b) waives any such right of immunity which it or its assets now has or may in the future acquire and agrees that the foregoing waiver shall have the fullest extent permitted under the Foreign Sovereign Immunities Act of 1976 of the United States of America and is intended to be irrevocable for the purposes of such Act; and

(c) waives any requirement, of any kind whatsoever, for the other party to provide any form of security in respect of the payment of any damages, costs, expenses or any other financial obligation resulting from the commencement or prosecution of proceedings or the making of or service of any order and Lessee undertakes (i) not to challenge the validity of any proceedings or the making of any orders without any requirement for the provision of such security, (ii) to advise any court upon the other party's request that it requires no such security, and (iii) to provide security itself for any third party claims arising out of or in connection with such proceedings and/or orders.

24.7 **Waiver of Jury Trial**

EACH OF LESSEE AND LESSOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY AND ALL RIGHTS TO A JURY TRIAL IN RESPECT OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THE LESSOR/LESSEE RELATIONSHIP

BEING ESTABLISHED, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND OTHER COMMON LAW AND STATUTORY CLAIMS. EACH OF LESSOR AND LESSEE REPRESENTS AND WARRANTS THAT EACH HAS REVIEWED AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH ITS LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT. IN THE EVENT OF LITIGATION, THIS CLAUSE 24.7 MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

[*Signature Page Follows*]

IN WITNESS WHEREOF Lessor and Lessee have executed and delivered this Agreement, both as of the date shown at the beginning of this Agreement.

Aerovías de México, S.A. de C.V.

Lessee

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

Wilmington Trust SP Services (Dublin) Limited, in its capacity as trustee of the Aircraft MSN 34954 (Ireland) Trust

Lessor

By: _____

Name: _____

Title: _____

TO THE EXTENT IF ANY THAT THIS DOCUMENT CONSTITUTES CHATTEL PAPER UNDER THE UNIFORM COMMERCIAL CODE, NO SECURITY INTEREST IN THIS DOCUMENT MAY BE PERFECTED THROUGH THE POSSESSION OF ANY ORIGINAL OR COPY HEREOF OTHER THAN THAT MARKED "CHATTEL PAPER ORIGINAL".

CHATTEL PAPER ORIGINAL

IN WITNESS WHEREOF Lessor and Lessee have executed and delivered this Agreement, both as of the date shown at the beginning of this Agreement.

Aerovías de México, S.A. de C.V.

Lessee

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

Wilmington Trust SP Services (Dublin) Limited, in its capacity as trustee of the Aircraft MSN 34954 (Ireland) Trust

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SCHEDULE 1

DEFINITIONS AND CONSTRUCTION

Defined Terms

The following words and expressions have the respective meanings set forth below:

"**Acceptable LC Bank Rating**" has the meaning given to it in Clause 6.4(c) (*Provision of Letter of Credit*);

"**AFAC**" means the *Agencia Federal de Aviación Civil* of the *Secretaría de Comunicaciones y Transportes de México* and each other Mexican governmental airworthiness authority having authority with respect to the Aircraft that is comparable to the authority of the FAA and any successor thereto;

1.

"**Affiliate**" means, in relation to any Person, any Person directly or indirectly controlling, controlled by, or under common control with such first Person; and a Person shall be deemed to control another Person if such first Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, contract or otherwise;

"**Agreed Form**" means the form agreed between Lessor and Lessee;

"**Agreed Value**" has the meaning provided in Part A of the Financial Terms Annex;

"**Agreement**" means this Amended and Restated Aircraft Lease Agreement together with its Schedules;

"**Aircraft**" means the aircraft described in Schedule 6 (*Description of Aircraft*), including all buyer furnished equipment and in-flight entertainment equipment installed thereon (which term includes where the context admits a separate reference to all Engines, Parts and Aircraft Documents);

"**Aircraft Documents**" means the documents, data, aircraft manuals and technical records relating to the Aircraft on the Rejected Lease Delivery Date and any other documents and records referred to in Clause 11.2 (*Aircraft Documents*) and Schedule 7 (*Aircraft Documents at Redelivery*) and all additions, renewals, revisions and replacements from time to time made thereto in accordance with this Agreement;

"**Aircraft Object**" has the meaning given to such term in the Consolidated Text;

"**Airframe**" means the Aircraft, excluding the Engines and the Aircraft Documents;

"**Airframe C Check Contribution**" has the meaning given to it in Clause **Error! Reference source not found.** (*Airframe C Check Contribution*) of Part A of the Financial Terms Annex;

"**Airframe Manufacturer**" means The Boeing Company;

"**Airframe Warranty Assignment**" means the airframe warranty assignment entered into or to be entered into between Lessor and Lessee, and the related consent and agreement between Lessor, Lessee and the Airframe Manufacturer, in respect of the Aircraft in the Agreed Form;

"**Airworthiness Directive**" or "**AD**" means any and all State of Manufacture airworthiness directives and/or State of Registration airworthiness directives and/or airworthiness directives

issued by the AFAC;

"**AMM**" means, from time to time, the latest revision of the Airframe Manufacturer's approved maintenance manual for the Aircraft;

"**Anti-Terrorism Laws**" has the meaning given to it in Clause 22.18 (*Know Your Customer/OFAC Compliance*);

"**Approved Maintenance Performer**" means (a) for all Heavy Maintenance Checks, any shop visit for an Engine, the APU or any Landing Gear or the overhaul of any serialized components and all major modifications, any maintenance facility approved by (i) the Aviation Authority and (ii) either EASA or the FAA and (b) for all lower-level checks, repairs and maintenance, any maintenance facility approved by the Aviation Authority which may be Lessee so long as Lessee has the requisite licenses and approvals;

"**APU**" means the auxiliary power unit installed on the Aircraft on the Original Delivery Date and any replacement auxiliary power unit installed in accordance with this Agreement title to which is vested in Lessor in accordance with this Agreement;

"**APU Hour**" means each hour or part thereof (rounded to the nearest minute) elapsing from the moment the APU is started to the moment when the APU is shut down;

"**APU Manufacturer**" means Honeywell, Inc.;

"**APU Medium Repair Shop Visit**" means, with respect to the APU, [REDACTED];

"**Assignee**" has the meaning given to it in Clause 21.2(a) (*Lessor Transfer*);

"**Aviation Authority**" means the AFAC and the RAM for so long as the State of Registration is Mexico, and, if the Aircraft is registered in another State of Registration, the authorities, government departments, committees or agencies which under the laws of that State of Registration shall from time to time:

(a) have control or supervision of civil aviation in that state; or

(b) have jurisdiction over the registration, airworthiness or operation of, or other matters relating to, the Aircraft;

"**Back to Birth Traceability**" means in respect of any Part or part, original documentary evidence specifying the part number and the unique serial number of such Part or part, and providing a detailed full operational history record which shall include but not be limited to the following: (a) the "**Original Delivery Document**" where Original Delivery Document means (i) for a part delivered new as a spare part, the manufacturer's airworthiness document (FAA Form 8130–3 or EASA Form One (to the extent such EASA form is permitted by the FAA and the Maintenance Program)) showing the part number and serial number, (ii) for a part delivered new installed on an assembly, the manufacturer's assembly bill of material showing the part number, serial number, assembly serial number and where relevant the as-delivered model and thrust rating; and (b) a removal/installation ("on/off") transaction history detailing an unbroken record of the Flight Hours and Cycles elapsed at each relevant thrust rating (for Engine Life Limited Parts) from new up to current which shall be supported by (i) a LLP Sheet at each installation, removal and change of operator which shall include the time since new operated at each thrust setting, (ii) a non-incident statement for each historical operator of such part, and (iii) a no PMA/DER statement for each

historical operator of such part;

"**Bankruptcy 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;

"**Bankruptcy Court**" means the United States Bankruptcy Court for the Southern District of New York;

"**Bankruptcy Court Order**" has the meaning set forth in Clause 1(a)(iii) (*Bankruptcy Court Order*) of Schedule 3 (*Conditions Precedent and Post-Closing Matters*);

"**Base Lease Term**" has the meaning given to such term in Part A of the Financial Terms Annex;

"**Business Day**" means any day (other than a Saturday or Sunday) on which banks are open for business in Ireland, New York City and Mexico City;

"**C Check**" means a block **"C**" check in accordance with the Maintenance Program in effect on the date when such check is carried out;

"**Cape Town Convention**" means The Convention on International Interests in Mobile Equipment, concluded in Cape Town, South Africa, on November 16, 2001 (utilizing the English-language version thereof as in effect in Mexico on the Lease Commencement Date), and references to the Cape Town Convention will include the Protocol as appropriate, and for so long as the Aircraft is registered in Mexico, references to the Cape Town Convention refer to the Cape Town Convention as adopted and implemented in Mexico;

"**Change in Law**" means any enactment, introduction, adoption, abolition, making or variation of, or any change in, deletion from or amendment or addition to, any applicable law, treaty, order or regulation, in each case in any applicable jurisdiction or any change in or any new or further or different interpretation or application of any thereof in any court, and in each case from that existing as at the Lease Commencement Date;

"**Claim**" has the meaning given to it in Clause 14.2 (*Notification and Contest*);

"**Conditions Precedent**" means the conditions specified in Schedule 3 (*Conditions Precedent*);

"**Consolidated Text**" means the Consolidated Text of the Cape Town Convention and the Protocol attached to Resolution No. 1 of the Final Act of the Diplomatic Conference to adopt the Cape Town Convention and the Protocol held under the auspices of ICAO and UNIDROIT at Cape Town, South Africa from 29 October to 16 November 2001;

"**Core Major Module**" means the major module of an Engine that is defined as core a module in the Engine Manufacturer's Maintenance Manual as in effect at that time which includes the high pressure compressor, combustor and high pressure turbine modules;

"**CPCP**" means corrosion prevention and control program;

"**Cycle**" means one take-off and landing of the Aircraft or, in respect of any Engine or Part temporarily installed on another airframe, one take-off and landing of that other airframe;

"**Damage Notification Threshold**" has the meaning provided in Part A of the Financial Terms

Annex;

"**Default Interest**" means any interest paid or payable pursuant to Clause 7.2 (*Default Interest*);

"**Default Rate**" has the meaning given to such term in Part A of the Financial Terms Annex;

"**Deregistration Power of Attorney**" means the irrevocable power of attorney from Lessee authorizing Lessor to do anything or act or to give any consent or approval which may be required to obtain deregistration of the Aircraft and export the Aircraft from the State of Registration upon termination of the Lease as a result of an Event of Default;

"**Discount Rate**" has the meaning set forth in Part A of the Financial Terms Annex;

"**Dollars**", "**$**" and "**US$**" means the lawful currency of the United States of America and, in relation to all payments in dollars to be made under or pursuant to this Agreement, in immediately available funds;

"**EASA**" means the European Aviation Safety Agency and any successor thereof;

"**Engine**" means, whether or not for the time being installed on the Aircraft:

(a) the engines specified in the Original Acceptance Certificate; or

(b) any engine which has replaced that engine, title to which has, or should have, passed to Lessor in accordance with this Agreement, including, without limitation, any Replacement Engine,

and in each case includes all modules and Parts from time to time belonging to or installed in that engine but excludes any properly replaced engine title to which has, or should have, passed to Lessee pursuant to this Agreement;

"**Engine Core Modules**" means, at any time, any of the major modules of an Engine that are defined as core modules in the Engine Manufacturer's Maintenance Manual as in effect at that time;

"**Engine Major Module Shop Visit**" means in respect of an Engine Major Module, the performance of off wing engine maintenance and repair accomplished for that Engine Major Module in accordance with the performance or higher workscope sections of the Engine Manufacturer's Maintenance Manual as in effect at that time which results in such Engine Major Module having, at a minimum, a performance restoration or higher level of work performed on the Engine Major Module which results in a build release of no less than 10,000 Cycles of that Engine Major Module (and no less than 5,000 Cycles on the other Engine Major Modules that are not having a performance restoration or higher workscope in such shop visit) and other Engine Major Modules as applicable per the Engine Manufacturer's Maintenance Manual as in effect at that time;

"**Engine Major Modules**" means each of the Fan/Booster Major Module, Core Major Module and LPT Major Module;

"**Engine Manufacturer**" means CFM International, S.A.;

"**Engine Performance Restoration**" means in respect of an Engine, the performance of off wing engine maintenance and repair accomplished for that Engine in accordance with the performance or higher workscope sections of the Engine Manufacturer's Maintenance Manual which results in such Engine having, at a minimum, [REDACTED];

"**Engine Warranties Assignment**" means the engine warranty and/or product support assignment

entered into or to be entered into between Lessor and Lessee, and the related consent and agreement between Lessor, Lessee and the Engine Manufacturer, in respect of the Engines in the Agreed Form;

"**Equipment Change**" means any modification in or alteration and addition to the Aircraft;

"**Event of Default**" means any event or circumstance specified in Clause 19.1 (*Events*);

"**Excluded Country**" means (a) any state, country or jurisdiction which is subject to any United Nations Security Council Resolution, European Union Decision or United States or other Trade Laws which would have the effect of prohibiting the sale, lease, charter, or flight of the Aircraft to, from, or over such state, country or jurisdiction or otherwise cause Lessor, Lessee or Financing Party to be in contravention of any Trade Laws to which such party is subject; (b) any country in which flights to, from or over are not covered under the insurances required to be maintained by Lessee pursuant to this Agreement; (c) any country which Lessor and/or any Financing Party determines now or in the future due to a change in law or circumstances that flights of the Aircraft to, from, or over would materially prejudice Lessor's or any Financing Party's ability to repossess the Aircraft, or enforce the remedies or realize the benefit of the Security Interests and rights established under this Agreement and the other Operative Documents;

"**Executive Order**" has the meaning given to it in Clause 22.18 (*Know Your Customer/OFAC Compliance*);

"**Expiry Date**" means the scheduled last day of the Base Lease Term or if a Renewal Lease Term is then in effect, the scheduled last day thereof, in each case as may be extended by an Operational Extension;

"**FAA**" means the Federal Aviation Administration of the United States of America and any successor thereof;

"**Fan/Booster Major Module**" means the fan and booster modules of an Engine as described in the Engine Manufacturer's Maintenance Manual as in effect at that time;

"**FAR**" means the Federal Aviation Regulations set forth in Title 14 of the United States Code of Federal Regulations;

"**Financial Information Norms**" means the Normas de Información Financiera, being the accounting and financial reporting principles generally accepted in Mexico;

"**Financial Terms Annex**" means Schedule 4, which contains financial terms that shall be redacted in the counterpart of this Agreement that is filed for recordation with any Aviation Authority or any other Government Entity;

"**Financing Documents**" means each present and/or future document which is from time to time related to any financing of the Aircraft (including for such purpose any mortgage or leasing arrangements whether or not constituting a financing and any documents ancillary thereto);

"**Financing Parties**" means any Person or Persons from time to time notified by Lessor to Lessee as providing financing to Lessor in respect of Lessor's or Owner Participant's acquisition, ownership or leasing of the Aircraft, whether by way of loan, head lease or otherwise and shall include the Financing Parties Representative;

"**Financing Parties Representative**" means the Person or Persons that from time to time represent the Financing Parties as agent, trustee, secured party, security trustee, or in another similar capacity, the identity of which Lessor from time to time notifies Lessee as being a Financing Parties

Representative;

"**Fixed Rent**" has the meaning given to it in Clause 1 (*Base Lease Term and Rent*) of Part A of the Financial Terms Annex;

"**Fixed Rent Date**" means the first (1st) day of each calendar month in the Fixed Rent Period; provided, however that the first Fixed Rent Date shall be the Transition Date;

"**Fixed Rent Period**" has the meaning given to it in Clause 5.1 (*Fixed Rent Periods*);

"**Flight Hour**" means each hour or part thereof (rounded to the nearest minute) elapsing from the moment at which the wheels of the Aircraft leave the ground on the take-off of the Aircraft until the wheels of the Aircraft touch the ground on the landing of the Aircraft following such take-off, or in the case of any Engine or Part installed on another aircraft means each hour or part thereof (rounded to the nearest minute) elapsing from the moment at which the wheels of that aircraft leave the ground on take-off of that aircraft until the wheels of that aircraft touch the ground on the landing of that aircraft following such take-off;

"**FM Rent**" has the meaning given to it in Clause 4.2.2 (*Renewal Rent and Documentation*);

"**Geneva Convention**" means the Convention on the International Recognition of Rights in Aircraft signed at Geneva, Switzerland on 19 June 1948, and amended from time to time;

"**Government Entity**" means:

(a) any national government, political subdivision thereof, or local jurisdiction therein;

(b) any instrumentality, board, commission, court, or agency of any thereof, however constituted;

(c) any association, organization, or institution of which any of the above is a member or to whose jurisdiction any of the above is subject or in whose activities any of the above is a participant; and

(d) to the extent that an airport, ground handling or air navigation service is not run or provided by an entity which falls within clauses (a) through (c) above, such relevant entity, body, corporate, organization or institution;

"**Gross Negligence**" means, in relation to an Indemnitee or Tax Indemnitee, gross negligence as determined under New York Law;

"**Grupo Aeromexico**" means Grupo Aeroméxico S.A.B. de C.V. and any entity of which Grupo Aeroméxico S.A.B. de C.V. owns directly or indirectly more than fifty percent (50%) of the voting share capital;

"**Habitual Base**" means Mexico or such other location or jurisdiction from time to time agreed by Lessor;

"**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 authorization pursuant to and for

the purposes of the Cape Town Convention;

"**Illegality Event**" has the meaning given to it in Clause 19.5(a) (*Illegality*);

"**Indemnitees**" means each of Lessor Parties, the Servicer, the Financing Parties and each of their respective shareholders, members, managers, partners, Affiliates, contractors, trustees, beneficiaries, directors, officers, servants, agents, representatives, employees, successors, assigns and transferees;

"**Insurances**" means insurances and any reinsurances in respect of the Aircraft described in and complying with the requirements of Clause 15 (*Insurance*) and Schedule 5 (*Insurance Requirements*);

"**International Interest**" has the meaning given to such term in the Consolidated Text;

"**International Registry**" has the meaning given to such term in the Consolidated Text;

"**KYC Laws**" means all anti-corruption and anti-money laundering laws applicable to the Owner, Lessor, any Financing Party and Lessee, the State of Registration, the country of manufacturer of the Aircraft (which shall include the United States), and the country of the Habitual Base, including without limitation Title III to the U.S.A. Patriot Act, Pub. L. 107-56 (Oct. 26, 2001), the Bank Secrecy Act, 31 U.S.C. §§ 5311 et. seq., the Money Laundering Control Act, 18 U.S.C. §§ 1956 and 1957, the U.S. Foreign Corrupt Practices Act, 15 U.S.C. §§ 78dd 1, et seq., and the UK Bribery Act.

"**Landing Gear**" means the complete strut assembly, consisting of the inner and outer cylinders of each main landing gear and nose landing gear and all associated parts that comprise each landing gear assembly, as listed in the Aircraft Documents including side struts, braces, and uplock and downlock mechanisms but excluding, without limitation, rotable parts such as wheels, tires, brakes, transducers and switch assemblies, title to which is vested in Lessor;

"**Landing Gear Overhaul**" means an overhaul of a Landing Gear assembly in accordance with the Landing Gear Manufacturer's repair manual that restores such Landing Gear to a "zero time since overhaul" condition in accordance with the Landing Gear Manufacturer's repair manual and is performed in accordance with the Landing Gear Manufacturer's overhaul specifications and operating criteria (excluding any rotable components such as wheels, tires, brakes and consumable items);

"**Law**" includes common or customary law and any constitution, decree, judgment, legislation, order, ordinance, regulation, statute, treaty or other legislative measure in any jurisdiction or any present or future directive, regulation, request or requirement (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the general practice of Persons to whom the directive, regulation, request or requirement is addressed);

"**LC Renewal Date**" has the meaning given to it in Clause 6.5(c) (*Letter of Credit*);

"**Lease Commencement Date**" means 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 9 (*Form of Lease Commencement Date Confirmation*);

"**Lessor Guarantee**" means the New York law guarantee of the obligations of Lessor under this Agreement and the other Operative Documents, in the form to be agreed to by the parties;

"**Lessor Guarantor**" means Incline B Aviation Limited Partnership, a Cayman Islands exempted limited partnership, or any replacement thereof in accordance with Clause 21 (*Assignment and Transfer*);

"**Lessor Lien**" means:

(a) any Security Interest in respect of the Aircraft or any Security Interest over the rights under any Operative Document from time to time created by, through or under any Lessor Party or any Affiliate of any Lessor Party in connection with the financing of the Aircraft;

(b) any other Security Interest in respect of the Aircraft which results from (i) acts of or claims against any Lessor Party, any Affiliate of any Lessor Party, any Financing Party or any Affiliate of any Financing Party not related to the transactions contemplated by or permitted under this Agreement or the other Operative Documents, or (ii) any indebtedness, liability or other obligation arising by, through or under any Lessor Party, any Affiliate of any Lessor Party, any Financing Party or any Affiliate of any Financing Party that is not the subject of any Lessee's indemnity, payment or reimbursement obligation under this Agreement; and

(c) any Security Interest in respect of the Aircraft for Lessor Taxes;

"**Lessor Party**" means each of Lessor, Servicer, Trust Company, Owner Participant and Lessor Guarantor;

"**Lessor Taxes**" means Taxes specified in Clause 20.3 (*Tax Indemnity*);

"**Letter of Credit**" means a letter of credit provided pursuant to and in accordance with Clause 6.4 (*Provision of Letter of Credit*);

"**Life Limited Part**" or "**LLP**" means any Part that has a pre-determined life limit as mandated by Manufacturer, the Aviation Authority, the FAA or EASA which requires any such Part to be discarded upon reaching such life limit;

"**Loss**" means any loss, liability, action, claim, proceeding, judgment, penalty, fine, damages, fee, cost or expense (including legal fees and expenses, including legal fees and expenses incurred to enforce any applicable indemnity);

"**LPT Major Module**" means the low pressure turbine module of an Engine as described in the Engine Manufacturer's Maintenance Manual as in effect at that time;

"**Maintenance Program**" has the meaning given to it in Clause 11.5 (*Maintenance Program*);

"**Mandatory Orders**" means all and any Aviation Authority and FAA mandatory orders and Regulations applicable to the Aircraft, any Engine or any Part;

"**Manufacturer**" means, in relation to the Airframe, the Airframe Manufacturer or, in relation to the Engines, the Engine Manufacturer or in relation to any Part, the manufacturer of that Part;

"**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);

"**Manufacturer's Maintenance Planning Document**" or "**MPD**" means the planning document

relating to recommended maintenance of the Aircraft issued by Manufacturer, including the airworthiness limitation section, as the same may from time to time be amended, modified or supplemented;

"**Maximum Deductible Amount**" has the meaning provided in Part A of the Financial Terms Annex;

"**Mexico**" means the United Mexican States;

"**Minimum Liability Coverage**" has the meaning provided in Part A of the Financial Terms Annex;

"**OEM**" means in relation to any Part or part the original equipment manufacturer or the original type certification bidder of such Part or part;

"**OFAC**" has the meaning given to it in Clause 22.18 (*Know Your Customer/OFAC Compliance*);

"**OP Transferee**" has the meaning given to it in Clause 21.2(c) (*Lessor Transfer*);

"**Operational Extension**" has the meaning set forth in Clause 4.2.1(a) (*Renewal Notice*);

"**Operative Documents**" means (a) this Agreement, the Original Acceptance Certificate, the Rejected Lease Acceptance Certificate, the Lease Commencement Date Confirmation, the Redelivery Acceptance Certificate, any Renewal Notice, the Airframe Warranty Assignment, the Engine Warranties Assignment, any IDERA issued pursuant to the terms hereof, the Deregistration Power of Attorney, the Owner Participant Letter, the Lessor Guarantee and any acknowledgment of the Financing Documents executed by Lessee, together with (b) any schedules, documents, notices or certificates from time to time executed or issued by Lessee pursuant hereto or thereto and (c) any side letters, supplements, amendments or modifications to any of the foregoing from time to time executed or agreed to by Lessee which (other than in the case of amendments to Operative Documents, which shall automatically be Operative Documents), are agreed in writing by Lessor and Lessee to be Operative Documents for the purposes of this Agreement;

"**Original Acceptance Certificate**" means the certificate of acceptance dated April 6, 2021 delivered to Lessor by Lessee under the Prior Lease;

"**Original Delivery Date**" means April 6, 2021;

"**Other Aircraft**" has the meaning given to it in Clause 12.5(a) (*Installation of Engines and Parts on Other Aircraft*);

"**Owner Participant**" means Incline Aviation 4 Limited, a private limited company duly incorporated under the laws of Ireland;

"**Owner Participant Letter**" means a letter agreement executed by the OP Transferee in the form attached hereto as Schedule 12 (*Form of Owner Participant Letter*);

"**Paid Amount**" has the meaning given to it in Clause 6.5(h) (*Letter of Credit*);

"**Part**" means, whether or not for the time being installed on the Aircraft:

(a) any component, furnishing or equipment (including any APU and Landing Gear but excluding a complete Engine) furnished with the Aircraft on the Original Delivery Date; and

(b) any other component, furnishing or equipment (other than a complete Engine) title to which

has, or should have, passed to Lessor pursuant to this Agreement;

but excludes any such items title to which has, or should have, passed to Lessee pursuant to this Agreement. For the avoidance of doubt, Part includes the APU;

"**Patriot Act**" has the meaning given to it in Clause 22.18 (*Know Your Customer/OFAC Compliance*);

"**PBH Period**" has the meaning given to it in Clause 5.2 (*PBH Period*);

"**PBH Rent**" has the meaning given to it in Clause 1 (*Base Lease Term and Rent*) of Part A of the Financial Terms Annex;

"**PBH Rent Date**" has the meaning given to it in Clause 5.2 (*PBH Period*);

"**Permitted Lien**" means:

(a) any lien for Taxes not assessed or, if assessed, not yet due and payable, or being contested in good faith by appropriate proceedings; or

(b) any lien of a repairer, mechanic, carrier, hangarkeeper, airport, air navigation authority or other similar lien arising in the ordinary course of business by operation of law in respect of obligations which are not overdue or are being contested in good faith by appropriate proceedings; or

(c) any Lessor Lien; or

(d) any lien arising from the Operative Documents; or

(e) any rights of a Permitted Sublessee under a sublease;

but only if (in the case of both (a) and (b)) (i) adequate reserves have been taken by Lessee for the payment of such Taxes or obligations; and (ii) such proceedings, or the continued existence of such lien, do not give rise to any material risk of the sale, forfeiture or other loss of the Aircraft or any interest therein or any material risk of criminal liability or material civil liability against Lessor or any other Indemnitee;

"**Permitted Sublessee**" means a sublessee permitted pursuant to the terms of Clause 10.3 (*Subleasing*);

"**Person**" means any individual, firm, partnership, joint venture, trust, corporation, Government Entity, corporate or business association, committee, department, authority or any other entity, incorporated or unincorporated, whether having distinct legal personality or not, or any member of the same and Persons shall be construed accordingly;

"**Post-Closing Authorizations and Filings**" means the authorizations, registrations, documents, filings and other items to be delivered or provided by Lessee after the Lease Commencement Date pursuant to Clause 5 (*Post-Closing Matters*) of Schedule 3 (*Conditions Precedent and Post-Closing Matters*);

"**Prepetition Breaches**" has the meaning given to it in Clause 22.21 (*Prepetition General Unsecured Damage Claims*);

"**Prepetition Damages Claim**" has the meaning given to it in Clause 22.21 (*Prepetition General Unsecured Damage Claims*);

"**Prior Lease**" has the meaning given to it in Clause 2(a) (*Agreement to Lease*);

"**Prior Maintenance Reserves**" means any maintenance reserves paid by Lessee to Lessor under the Rejected Lease and not otherwise paid to Lessee by Lessor pursuant to the terms of the Rejected Lease or this Agreement as more particularly described in Clause 7 (*Prior Maintenance Reserves*) of Part A of the Financial Terms Annex;

"**Prohibited Person**" means any individual or entity: (a) with whom Lessor, Lessee, or a citizen of the United States is prohibited or restricted in engaging in transactions or exporting goods or services to under any Trade Laws; (b) who is a resident of, or organized under the laws of any Restricted Country; (c) who is designated on any U.N. Security Council Resolution or any European Union or United States list, order, or other published designation of terrorists, narcotics traffickers, proliferators of weapons of mass destruction or other lists of barred or restricted entities or individuals, including without limitation (i) the U.S. Department of Treasury Specially Designated Nationals and Blocked Persons List; (ii) the U.S. Department of Commerce Denied Persons List; (iii) the U.S. Department of Commerce Entity List; and (iv) the EU Sanctions List;

"**Protocol**" means the Protocol to the Convention on Matters Specific to Aircraft Equipment, signed in Cape Town, South Africa on 16 November 2001;

"**RAM**" means the Mexican Aeronautical Registry (*Registro Aeronáutico Mexicano*) or any other Mexican Government Entity succeeding to its functions;

"**Redelivery Acceptance Certificate**" means a redelivery acceptance certificate to be executed and delivered by the parties at redelivery of the Aircraft to Lessor substantially in the form appearing at Schedule 15 (*Form of Redelivery Acceptance Certificate*);

"**Redelivery Check**" means Lessee's next due block "C" check in accordance with the Maintenance Program during the Term and the revision of the MPD in effect two (2) months prior to the commencement date of such check, and includes all inspections, checks and work up to and including those required every [REDACTED];

"**Redelivery Conditions**" means the conditions set forth in Schedule 8 (*Redelivery Conditions*);

"**Redelivery Date**" means the date on which the Aircraft is redelivered by Lessee to Lessor in accordance with the terms of this Agreement;

"**Redelivery Location**" means a maintenance or storage facility in Mexico selected by Lessee or such other location as may be agreed by Lessor and Lessee;

"**Redelivery Maintenance Payment**" has the meaning set forth in Part B (*Redelivery Maintenance Payment*) of the Financial Terms Annex;

"**Regulation**" means any Law or regulation (including any internal corporate regulation), official directive or recommendation, requirement or contractual undertaking which applies to Lessee or the Aircraft;

"**Rejected Lease**" has the meaning given to it in Clause 2(b) (*Agreement to Lease*);

"**Rejected Lease Delivery Date**" means April 8, 2016;

"**Rejected Lease Acceptance Certificate**" means the certificate of acceptance dated April 8, 2016 delivered to Lessor by Lessee under the Prior Lease;

"**Removed Engine**" means any Engine not installed on the Airframe so long as title thereto remains vested in Lessor in accordance with the terms of this Agreement;

"**Removed Part**" means any Part not installed on the Aircraft so long as title thereto remains vested in Lessor in accordance with the terms of this Agreement;

"**Renewal Lease Term**" means, if applicable, any renewal of the Term pursuant to Clause 4.2 (*Renewal Option*) for a period of twelve (12), twenty-four (24) or thirty-six (36) months duration;

"**Renewal Notice**" a notice substantially in the form of Schedule 10 (*Form of Renewal Notice*) delivered by Lessee to Lessor pursuant to Clause 4.2.1 (*Renewal Notice*);

"**Rent**" means the PBH Rent and/or the Fixed Rent;

"**Replacement Engine**" means in respect of any Engine to be replaced under this Agreement, an engine that (a) is of the same manufacturer and model (or at Lessee's option an improved model) as that Engine; (b) taking into account [REDACTED]; (c) is capable of being installed on the Airframe without impairing the value or utility of the Airframe; and (d) is delivered with the FAA Form 8130-3 or EASA Form One or equivalent form identifying the serial number of such engine and [REDACTED] and shall include all documents listed under Schedule 7 (*Aircraft Documents at Redelivery*); and in respect of which title is capable of passing to Lessor free and clear of all Security Interests other than Permitted Liens;

"**Replacement Part**" means in respect of any Part to be replaced under this Agreement, a component furnishing or part that (a) is certified in accordance with FAR Part 145 or its equivalent successor for installation on the Aircraft; (b) [REDACTED]; (c) [REDACTED]; and (d) [REDACTED]; (e) [REDACTED]; (f) [REDACTED]; (g) [REDACTED]; (h) [REDACTED]; and in respect of which title is capable of passing to Lessor free and clear of all Security Interests other than Permitted Liens;

"**Required Redelivery Date**" means the Termination Date (other than a Termination Date of the type described in Clause 4.1(b) (*Termination Date*)) without regard to any extension of the Term pursuant to Clause 18.2 (*Non-Compliance*);

"**Sales Taxes**" means sales, use, rental, value added, goods and services and similar Taxes;

"**SD Difference**" has the meaning given to it in Clause 4.2.2(c) (*Renewal Rent and Documentation*);

"**Security Deposit**" means the amount provided in Part A of the Financial Terms Annex;

"**Security Interest**" means any mortgage, charge, pledge, lien, encumbrance, assignment, lease, sublease, hypothecation, right of set-off or any other agreement or arrangement having the effect of conferring security or creating an encumbrance;

"**Servicer**" means BBAM US LP and/or BBAM Aviation Services Limited;

"**State of Incorporation**" means Mexico;

"**State of Manufacture**" means United States of America;

"**State of Registration**" means Mexico or any other country in which the Aircraft is from time to time registered in accordance with Clause 9.5 (*Registration and Protection*);

"**Stipulation Agreement**" means the interim stipulation agreement permitted by the Bankruptcy

Court to be entered into between Lessor and Lessee in respect of the Aircraft;

"**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 Maintenance Program 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 Maintenance Program or if the Maintenance Program 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 Maintenance Program; 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 Maintenance Program 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 Maintenance Program or if the Maintenance Program 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 Maintenance Program;

"**Surviving Entity**" has the meaning given to it in Clause 9.7(b) (*Lessee Existence*);

"**Tax Indemnitee**" means each of the following: (a) Lessor, (b) Owner Participant, (c) the Trust Estate and (d) each successor and permitted assign of any of the persons described in clause (a), (b) and (c) hereof;

"**Taxes**" means all present and future taxes, levies, imposts, duties or charges of any nature whatsoever, and wheresoever imposed, including (without limitation) value added tax or any similar tax and any franchise, transfer, sales, use, business, occupation, excise, personal property, real property, stamp, gross income, personal property, fuel, leasing, occupational, turnover, excess profits, excise, gross receipts, franchise, registration, license, corporation, capital gains, export/import, income, levies, imposts, withholdings or other taxes or duties of any nature whatsoever (or any other amount corresponding to any of the foregoing) now or hereafter imposed, levied, collected, withheld or assessed by any national or regional taxing or fiscal authority or agency, together with any penalties, additions to tax, fines or interest thereon, and Tax and Taxation shall be construed accordingly;

"**Term**" means the period commencing on the Lease Commencement Date and ending on the Termination Date and shall include the Base Lease Term and, if applicable, any Renewal Lease Term or Operational Extension;

"**Termination Date**" means the date determined in accordance with Clause 4.1 (*Expiry Date*);

"**Total Loss**" means, with respect to the Aircraft (including for the purposes of this definition the Airframe) or an Engine:

(a) the actual, constructive, compromised, arranged or agreed total loss of the Aircraft or any Engine (including any damage to the Aircraft or any Engine or requisition for use or hire

which results in an insurance settlement on the basis of a total loss); or

(b) the Aircraft or any Engine being destroyed, damaged beyond economic repair or permanently rendered unfit for normal use for any reason whatsoever; or

(c) the requisition of title, confiscation, forfeiture or other compulsory acquisition of title for any reason of the Aircraft or any Engine by the government of the State of Registration or any other authority (whether de jure or de facto); or

(d) any sale of the Aircraft in connection with navigation or airport charges; or

(e) the hi-jacking, theft, disappearance, seizure (other than any seizure resulting from a breach by Lessor of its covenant of quiet enjoyment set forth in Clause 8.1 (*Quiet Enjoyment*)) or requisition for use or hire of the Aircraft or any Engine which deprives any Person permitted by this Agreement to have possession and/or use of the Aircraft of its possession and/or use for more than [REDACTED] consecutive days or [REDACTED] days beyond the scheduled Expiry Date in the case of requisition for use or hire by the government of the State of Registration;

"**Total Loss Date**" means with respect to the Aircraft (including for the purposes of this definition, the Airframe) or an Engine:

(a) in the case of an actual total loss or destruction, damage beyond economic repair of the Aircraft or any Engine, or the Aircraft or an Engine being rendered permanently unfit, the date on which such loss, destruction, damage or rendition occurs (or, if the date of loss or destruction is not known, the date on which the Aircraft or Engine was last heard of);

(b) in the case of a constructive, compromised, arranged or agreed total loss of the Aircraft or any Engine, whichever shall be the earlier of (i) the date being [REDACTED] days after the date on which notice claiming such total loss is issued to the insurers or brokers, and (ii) the date on which such loss is agreed or compromised by the insurers;

(c) in the case of requisition for title, confiscation, forfeiture or other compulsory acquisition or similar event of the Aircraft or any Engine by the government of the State of Registration or any other authority, the date on which the same takes effect; or

(d) in the case of hi-jacking, theft, disappearance, seizure or requisition for use or hire of the Aircraft or any Engine, the earlier of (i) the last day of the period referred to in clause (d) of the definition of Total Loss and (ii) the date on which the insurers make payment on the basis of a Total Loss;

"**Trade Laws**" means all economic or trade sanctions and export control laws applicable to Lessor, any Financing Party and Lessee, the State of Registration, the country of manufacturer of the Aircraft (which shall include the United States), and the country of the Habitual Base, including but not limited to all applicable provisions of (a) any United Nations Security Council Resolutions imposing sanctions, (b) any sanctions or restrictive measures imposed by European Union Council decision or regulation promulgated thereunder (c) United States export control and economic sanctions laws including without limitation, (i) the Export Administration Regulations, 15 C.F.R.

§§ 730 et. seq. and (ii) the regulations administered by OFAC, 31 C.F.R. §§ 501 et. seq.

"**Transferee**" has the meaning given to it in Clause 21.2(b) (*Lessor Transfer*);

"**Transition Date**" has the meaning given to it in Clause 5.1(b) (*Fixed Rent Periods*);

"**Trust Agreement**" means the Declaration of Trust (Aircraft MSN 34954) dated December 5, 2019 between Trust Company and Owner Participant in respect of the Aircraft;

"**Trust Company**" means Wilmington Trust SP Services (Dublin) Limited, a private limited company duly incorporated under the laws of Ireland, in its individual capacity;

"**Trust Estate**" has the meaning set out in the Trust Agreement;

"**UCC**" means the Uniform Commercial Code as enacted in the State of New York or, if the laws of another state of the United States of America so provide, as enacted in such state; and

"**VAT**" has the meaning given to it in Clause 20.5 (*Value Added Tax*).

Construction and Usage

(a) References in this Agreement to:

(a) any statutory or other legislative provision shall be construed as including any statutory or legislative modification or re-enactment thereof, or any provision enacted in substitution therefor;

(b) "Lessor", "Owner Participant", "Lessor Guarantor" or "Lessee" includes any assignee or successor in title to Lessor, Owner Participant, Lessor Guarantor or Lessee respectively (subject to the provisions of Clause 21 (A*ssignment and Transfer*));

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(c) any deed, agreement or instrument shall include any such deed, agreement or instrument as may from time to time be amended, supplemented or substituted;

(d) an "agreement" also includes a concession, contract, deed, franchise, license, treaty or undertaking (in each case, whether oral or written);

(e) the "assets" of any Person shall be construed as a reference to the whole or any part of its business, undertaking, property, assets and revenues (including any right to receive revenues);

(f) "month" is a reference to a period which starts on one day in a calendar month and ends on the day immediately preceding the numerically corresponding day in the next calendar month, except that if there is no numerically corresponding day in that next month it shall end on the last day of that next month (and references to "months" shall be construed accordingly); and

(g) "includes," "including", "include" or similar terms shall not be construed as limiting and shall mean "including, without limitation".

(b) Headings are for ease of reference only.

(c) Where the context so admits, words importing the singular number only shall include the plural and vice versa, and words importing neuter gender shall include the masculine or feminine gender.

SCHEDULE 2

REPRESENTATIONS AND WARRANTIES

Lessee's Representations and Warranties

Lessee represents and warrants to Lessor on the date of execution of this Agreement and on the Lease Commencement Date, in each case by reference to the facts and circumstances existing on such date that:

(a) **Status**: Lessee is a company duly incorporated and validly existing under the laws of the State of Incorporation;

1. (b) **Power and Authority**: subject to approval by the Bankruptcy Court of the transactions contemplated by this Agreement, (i) Lessee has the company power and authority to carry on its business as presently being conducted and to enter into and perform its obligations under this Agreement and each other Operative Document to which Lessee is a party, (ii) Lessee has taken all necessary company action to authorize the entry into, performance and delivery of, this Agreement and each other Operative Document to which Lessee is a party, and (iii) this Agreement and each other Operative Document to which Lessee is a party has been duly executed and delivered by Lessee;

(c) **Legal validity**: subject to approval by the Bankruptcy Court of the transactions contemplated by this Agreement, this Agreement and each other Operative Document to which Lessee is a party constitutes (or when executed and delivered will constitute) legal, valid and binding obligations of Lessee, enforceable against Lessee in accordance with its terms, except insofar as enforceability may be limited by (i) applicable bankruptcy and/or similar laws affecting creditors' rights generally, or (ii) general principles of equity;

(d) **Non-conflict**: the entry into and performance by Lessee of, and the transactions contemplated by, this Agreement and each other Operative Document to which Lessee is a party do not: (i) conflict with any Laws or Regulations applicable to Lessee; or (ii) conflict with the organizational documents of Lessee; or (iii) conflict with or result in default under any document which is binding upon Lessee or any of its assets nor result in the creation of any Security Interest over any of its assets (other than as contemplated hereby and thereby);

(e) **Licenses and permits**: Lessee holds all material licenses, certificates, permits and approvals necessary for the conduct of its business and the performance of its obligations under this Agreement and each other Operative Document to which Lessee is a party;

(f) **Approvals and Consents**: subject to approval by the Bankruptcy Court of the transactions contemplated by this Agreement, all authorizations, approvals, consents and notifications required by Lessee in connection with the entry into, performance, validity and enforceability of, this Agreement and each other Operative Document to which Lessee is a party and the transactions contemplated by this Agreement and each other Operative Document to which Lessee is a party, have been obtained or effected (as appropriate) and are in full force and effect;

(g) **Registrations and Filings**: except for the Post-Closing Authorizations and Filings, no filing or recording of any instrument or document is necessary under the laws of the State of Incorporation or the State of Registration in order to ensure the validity, effectiveness

and enforceability of this Agreement or to establish, perfect or protect the rights and interests of Lessor in the Aircraft and this Agreement against Lessee and all other Persons;

(h) **Excluded Countries**: Lessee does not hold a contract or other obligation to operate the Aircraft to or from any country which is an Excluded Country unless applicable consents, exemptions or licenses have been obtained or apply in respect of such contracts, obligations or operations;

(i) **No Litigation**: except as related to the Bankruptcy Cases, no litigation, arbitration or administrative proceedings are pending or, to Lessee's knowledge, threatened before any court or administrative agency against Lessee which, could reasonably be expected to have a material adverse effect upon Lessee's ability to perform its obligations under this Agreement or any other Operative Document;

(j) **No Event of Default**: other than in respect of any Event of Default as it relates to (1) the period of time before the Bankruptcy Cases or (2) the filing or continuance of the Bankruptcy Cases, no Event of Default has occurred and is continuing or will result from the entry into or performance of this Agreement by Lessee;

(k) **Pari Passu**: the obligations of Lessee under this Agreement or any other Operative Document are direct, general and unconditional obligations and rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations (including contingent obligations) of Lessee, with the exception of such obligations as are mandatorily preferred by Law and not by virtue of any contract;

(l) **No Immunity**: Lessee a is subject to civil commercial law with respect to its obligations under this Agreement and each other Operative Document, neither Lessee nor any of its assets are entitled to any right of immunity and the entry into and performance of this Agreement or any other Operative Document by Lessee constitute private and commercial acts;

(m) **Compliance:** (i) neither Lessee nor any person or entity that owns more than a ten percent (10%) interest in, or has any control over, Lessee is a Prohibited Person; (ii) in connection with the transaction(s) contemplated under this Agreement, Lessee is in material compliance with all applicable Trade Laws and KYC Laws; (iii) Lessee acknowledges that the Aircraft is subject to U.S. export controls and economic sanctions regulations and agrees not to export, reexport or divert the Aircraft or Engines in violation of any Trade Law; and

(n) **Interests:** Lessee has not granted to any person other than Lessor an international interest, national interest, prospective international interest or an irrevocable de-registration and export request authorisation with respect to the Airframe or any Engine.

Lessor's Representations and Warranties

Lessor represents and warrants to Lessee on the date of execution of this Agreement and on the Lease Commencement Date, in each case by reference to the facts and circumstances existing on such date that:

(a) **Status**: Lessor is a statutory trust organized under and subject to the laws of Ireland;

(b) **Power and Authority**: (i) Lessor has the power and authority to carry on its business as presently being conducted and to enter into and perform its obligations under this Agreement and each of other Operative Document to which it is a party, and (ii) this

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Agreement and each other Operative Document to which Lessor is a party has been (or will be on or before the Lease Commencement Date) duly executed and delivered by Lessor;

(c) **Legal Validity**: this Agreement and each other Operative Document to which Lessor is a party constitutes (or when executed and delivered will constitute) its valid, legal and binding obligation enforceable against it in accordance with its terms except insofar as enforceability may be limited by (i) applicable bankruptcy and similar laws afflicting creditors' rights generally or (ii) general principles of equity;

(d) **Non-conflict**: the entry into and performance by Lessor of, and the transactions contemplated by, this Agreement and each other Operative Document to which it is a party, does not and will not: (i) conflict with any Laws or Regulations applicable to Lessor; or (ii) conflict with the constitutional documents of Lessor; or (iii) conflict with or result in default under any document which is binding upon Lessor or any of Lessor's assets; or (iv) result in the creation of any Security Interest over any of Lessor's assets other than Lessor Liens in favor of the Financing Parties Representative;

(e) **Approvals and Consents**: no consent, approval, order or authorization of, or giving of notice to, or registration with, or taking of any other action in respect of any state or local governmental authority or agency or any United States federal governmental authority or agency is required for the execution and delivery of or the carrying out by Lessor of any of the transactions contemplated hereby or by this Agreement or any other Operative Document to which Lessor is a party, other than any such consent, approval, order, authorization registration, notice or action as has been duly obtained, given or taken;

(f) **No Litigation**: no litigation, arbitration or administration proceedings are pending or to Lessor's knowledge threatened before any court or administrative agency against Lessor which could reasonably be expected to have a material adverse effect upon Lessor's ability to perform its respective obligations under this Agreement or any other Operative Document; and

(g) **Title**: Lessor has good and marketable title to the Aircraft, free of all Security Interests arising by, through or under any Lessor Party other than Lessor Liens in favor of the Financing Parties Representative.

Survival

The representations and warranties pursuant to Clauses 1 (*Lessee's Representations and Warranties*) and 2 (*Lessor's Representations and Warranties*) of this Schedule 2 (*Representations and Warranties*) shall survive the execution of this Agreement.

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SCHEDULE 3

CONDITIONS PRECEDENT AND POST-CLOSING MATTERS

Conditions Precedent to be Satisfied by Lessee: Lessor's obligations to lease the Aircraft to Lessee on the terms and conditions set forth herein is subject to the satisfaction of the Conditions Precedent set out in Clause 1 of this Schedule 3 (the "**Lessee Conditions Precedent**"). All documents delivered to Lessor pursuant to Clause 1 of this Schedule 3 will be at Lessee's cost and in English (other than any organizational documents and any approvals, consents, filings and other official documents issued by Mexican governmental authorities, which may be in Spanish).

1. (a) On or before the Lease Commencement Date, Lessee shall provide the following each in full force as of the Lease Commencement Date and each in form and substance satisfactory to Lessor and Owner Participant (acting reasonably):

(i) **Corporate Documents**: a copy of the following items of Lessee: (a) the organizational documents of Lessee, (b) an abstract of the resolutions of the board of directors of Lessee or other written evidence of appropriate corporate action authorizing the execution, delivery and performance of the Operative Documents and the leasing of the Aircraft thereunder and appointing a specified Person or Persons to execute each Operative Document to which Lessee is a party on its behalf and (c) a specimen of the signature of each Person authorized to execute the Operative Documents on behalf of Lessee;

(ii) **Officer's Certificate**: a certificate of an officer or director of Lessee certifying that on the Lease Commencement Date: (a) the documents provided in Clause 1(a)(i) are true and complete copies of such items and have not been modified or amended and are in full force and effect; (b) no Event of Default has occurred or would be caused by the leasing of the Aircraft to Lessee pursuant to this Agreement; and (c) all of the representations and warranties of Lessee under the Operative Documents that are entered into on the Lease Commencement Date are true and correct;

(iii) **Bankruptcy Court Order**: a final, non-appealable order entered by the Bankruptcy Court, in form and substance satisfactory to Lessor authorizing the Stipulation Agreement and Lessee's entry into the transactions contemplated under this Agreement;

(iv) **Opinion**: a legal opinion issued by Lessee's in-house legal counsel substantially in the Agreed Form concerning matters relating to the delivery and registration of the Aircraft;

(v) **Approvals and Consents**: evidence of the issue of each authorization, approval, consent and notification other than the Post-Closing Authorizations and Filings which may be required in relation to, or in connection with the performance by Lessee of any of its obligations hereunder or under the other Operative Documents to which it is a party or, if no such approvals are required, a statement to that effect included in the legal opinion described in Clause 1(a)(iv) of this Schedule;

(vi) **Operative Documents**: Lessor shall have received copies of this Agreement and the other Operative Documents to which Lessee is a party, in each case, duly

executed by Lessee;

(vii) **Licenses**: copies of Lessee's air transport license (*concesion*), air operator's certificate, and all other licenses, certificates and permits required by Lessee in relation to, or in connection with, the operation of the Aircraft;

(viii) **Insurance**: a certificate of insurance and, if applicable, reinsurance evidencing the due compliance by Lessee with the insurances required to be maintained pursuant to this Agreement together with a broker's letter of undertaking;

(ix) **Payments**: all sums due to Lessor under this Agreement on or before the Lease Commencement Date;

(x) **International Registry**: evidence in a "priority search certificate" from the International Registry that there are no International Interests, prospective International Interests or other interests registered in the International Registry in relation to the Airframe or any Engine, other than those arising under the transactions contemplated by the Operative Documents or in respect of Lessor Liens or prospective Lessor Liens;

(xi) **UCC**: an agreed form UCC Form 1 financing statement with respect to this Agreement in a form acceptable to Lessor for filing in Washington, D.C.;

(xii) **Maintenance Program**: copies of the preamble and matrix of the Maintenance Program and Lessee's approved continued airworthiness management exposition (CAME) approved by the Aviation Authority; and

(xiii) **Deregistration Power of Attorney**: a Deregistration Power of Attorney executed by Lessee in favor of Lessor.

(b) On or before the Lease Commencement Date, Lessor shall have received a legal opinion issued by Lessor's Mexican counsel at Lessor's cost as to such matters of Mexican law as Lessor may reasonably require.

(c) On the Lease Commencement Date, the following conditions shall be satisfied (and confirmed by a certificate of an authorized signatory of Lessee dated the Lease Commencement Date):

(i) **Default**: no Event of Default shall have occurred and be continuing or might result from the leasing of the Aircraft to Lessee under this Agreement; and

(ii) **Representations and Warranties**: Lessee shall repeat the representations and warranties in Clause 1 of Schedule 2 (*Representations and Warranties*).

Waiver: Each of the Conditions Precedent set out in Clause 1 (*Conditions Precedent to be Satisfied by Lessee*) of this Schedule 3 is for the sole benefit of Lessor and may be waived or deferred by Lessor in whole or in part with or without conditions.

Conditions Precedent to be Satisfied by Lessor: Lessee's willingness to lease the Aircraft from Lessor on the terms and conditions set forth herein is subject to the satisfaction of the Conditions Precedent set out in this Clause 3 to this Schedule 3 (the "**Lessor Conditions Precedent**"). All documents delivered to Lessee pursuant to this Clause 3 of this Schedule 3 will be at Lessor's cost

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and in English.

(a) On or before the Lease Commencement Date, Lessor shall provide the following each in full force as of the Lease Commencement Date and each in form and substance satisfactory to Lessee (acting reasonably):

(i) **Corporate Documents**: (A) a copy of (1) the organizational documents of Lessor, (2) an abstract of the resolutions of the board of directors of Lessor which may be standing resolutions sufficient to authorize officers or others to execute and deliver the Operative Documents entered into as of the Lease Commencement Date to which Lessor is a party and this Agreement and each other Operative Document entered into as of the Lease Commencement Date to which Lessor is a party on behalf of Lessor and (3) a specimen of the signature of each Person authorized to execute the Agreement and each other Operative Document entered into as of the Lease Commencement Date on behalf of Lessor; (B) a copy of (1) the organizational documents of Owner Participant, (2) an abstract of the resolutions of the board of directors of Owner Participant or other written evidence of appropriate corporate action authorizing the execution, delivery and performance of the Operative Documents entered into as of the Lease Commencement Date to which Owner Participant is party and appointing a specified Person or Persons to execute the same on their behalf, and (3) a specimen of the signature of each Person authorized to execute the Operative Documents entered into as of the Lease Commencement Date on behalf of the Owner Participant; and (C) a copy of (1) the organizational documents of the Lessor Guarantor, (2) an abstract of the resolutions of the board of directors of the Lessor Guarantor or other written evidence of appropriate corporate action authorizing the execution, delivery and performance of the Operative Documents entered into as of the Lease Commencement Date to which the Lessor Guarantor is party and appointing a specified Person or Persons to execute the same on their behalf, and (3) a specimen of the signature of each Person authorized to execute the Operative Documents entered into as of the Lease Commencement Date on behalf of the Lessor Guarantor;

(ii) **Officer's Certificate**: (A) a certificate of an officer or director of Lessor certifying that on the Lease Commencement Date: (1) the documents provided in Clause 3(i)(A) by Lessor are true and complete copies of such items and have not be modified or amended and are in full force and effect; and (2) all of the representations and warranties of Lessor in the Operative Documents entered into as of the Lease Commencement Date are true and correct, (B) a certificate of an officer or director of the Owner Participant certifying that on the Lease Commencement Date: (1) the documents provided in Clause 3(i)(B) are true and complete copies of such items and have not be modified or amended and are in full force and effect; and (2) all of the representations and warranties of Owner Participant in the Operative Documents entered into as of the Lease Commencement Date are true and correct, and (C) a certificate of an officer or director of the Lessor Guarantor certifying that on the Lease Commencement Date: (1) the documents provided in Clause 3(i)(C) are true and complete copies of such items and have not be modified or amended and are in full force and effect; and (2) all of the representations and warranties of the Lessor Guarantor in the Operative Documents entered into as of the Lease Commencement Date are true and correct;

(iii) **Approvals and Consents**: evidence of the issue of each authorization, approval,

consent and notification other than the Post-Closing Authorizations and Filings which may be required in relation to, or in connection with the performance by Lessor, Lessor Guarantor and Owner Participant of any of their obligations hereunder or any Operative Document (if any);

(iv) **Opinion**: opinions issued by counsel to each of Lessor, Owner Participant and Lessor Guarantor, in each case addressed to Lessee and confirming the existence of such Person, the due execution by such Person, of this Agreement and each other Operative Document entered into as of the Lease Commencement Date to which such Person is a party and as to such other matters as may reasonably be requested;

(v) **Quiet Enjoyment**: Lessee shall have received an undertaking executed by the Owner Participant containing terms substantially similar to Clause 8.1 (*Quiet Enjoyment*) to the effect that neither it nor any Person claiming by, through or under it will disturb the quiet use, possession and enjoyment of the Aircraft by Lessee or any Permitted Sublessee during the Term so long as no Event of Default is continuing; and

(vi) **Operative Documents.** Lessee shall have received: (A) a copy of this Agreement duly executed by Lessor, (B) a copy of the Lessor Guarantee duly executed by the Lessor Guarantor and (C) copies of the other Operative Documents duly executed by the parties thereto (other than Lessee).

Waiver: Each of the Conditions Precedent set out in Clause 3 (*Conditions Precedent to be Satisfied by Lessor*) of this Schedule 3 is for the sole benefit of Lessee and may be waived or deferred by Lessee in whole or in part with or without conditions.

Post-Closing Matters: Lessee shall:

(a) within [REDACTED] Business Days after the later of: (i) Lease Commencement Date, and (ii) receipt by Lessee of necessary documents from Lessor, including, if required, a ratified and apostilled copy of this Agreement signed by Lessor, provide evidence to Lessor of the filing of this Agreement with the AFAC;

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(b) within [REDACTED] Business Days after the Lease Commencement Date, provide to Lessor (i) a certified translation of this Agreement filed with the AFAC and (ii) the Deregistration Power of Attorney executed before a Mexican notary public by Lessee in favor of Lessor;

5.

(c) within [REDACTED] Business Days of delivery of the updated permanent certificate of registration in accordance with Clause 5(d) (or such longer period as may be required giving consideration to any delays or closures arising from COVID-19), a copy of the official letter(s) granting registration issued by the AFAC with respect of the Aircraft and approving the recordation of this Agreement with the RAM;

(d) deliver to Lessor not later than [REDACTED] days after the Lease Commencement Date (or such longer period as may be required giving consideration to any delays or closures arising from COVID-19), a copy of an updated permanent certificate of registration (*Certificado de Matrícula Definitivo*) in the name of Lessee as lessee and also noting the interests of Lessor as owner, and if applicable, the Finance Parties Representative;

(e) as soon as reasonably practicable and in any event not later than [REDACTED] Business Days after the Lease Commencement Date (or such longer period as may be required

giving consideration to any delays or closures arising from COVID-19) effect the registrations relating to the Aircraft with the International Registry in accordance with Clause 9.5 (*Registrations and Protections*) and provide to Lessor copies of the AEP Codes issued by the RAM in respect of each International Interest to be registered with the International Registry pursuant to this Agreement and a copy of the priority search certificates of the International Registry in respect of the Airframe and each Engine evidencing such registrations; and

(f) within [REDACTED] Business Days of the Lease Commencement Date, evidence of the filed UCC Form 1 financing statement with respect to this Agreement.

SCHEDULE 4

FINANCIAL TERMS ANNEX (CONFIDENTIAL)

(NOT FOR FILING WITH THE AVIATION AUTHORITY)

PART A

BASE LEASE TERM, RENT AND CERTAIN DEFINITIONS

Base Lease Term and Rent

The Base Lease Term shall commence on the Lease Commencement Date and end on [REDACTED] (the "**Base Lease Term**").

Fixed Rent

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

PBH Rent

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

[REDACTED]

where:

[REDACTED]

Security Deposit

Subject to Clause 6 (*Security Deposit*), following entry of the Bankruptcy Court Order, Lessee shall pay to Lessor the Security Deposit which shall be equal to one (1) month's Fixed Rent. The amount of the Security Deposit will be adjusted during each Renewal Lease Term pursuant to Clause 4.2.2(c) (*Renewal Rent and Documentation*).

Damage Notification Threshold

2. For the purposes of Clause 9.2(b) (*Information – General and Financial*) and Schedule 5 (*Insurance Requirements*) of this Agreement:

"**Damage Notification Threshold**" means US$[REDACTED].

Insurance and Default Matters

3. For the purposes of Clause 15 (*Insurance*) and Schedule 5 (*Insurance Requirements*) of this Agreement:

"**Agreed Value**" means in the case of the Aircraft, US$[REDACTED]; [REDACTED].

4. "**Minimum Liability Coverage**" means no less than US$[REDACTED], each occurrence, each

aircraft [REDACTED].

"**Maximum Deductible Amount**" means no more than US$[REDACTED].

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

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

AD Cost Sharing

Lessor will reimburse Lessee for the portion of cost of incorporating each Airworthiness Directive on the Aircraft as determined in accordance with the following formula:

[REDACTED]

where:

5. [REDACTED].

Approved Appraisers

The appraisers for purposes of Clause 4.2.2(b) (*Renewal Rent and Documentation*) of the Agreement are: Cirium, AVITAS, Inc., The Aircraft Value Analysis Company (AVAC) Limited and MBA Aviation.

Prior Maintenance Reserves

6. Prior Maintenance Reserves as at the Lease Commencement Date equals US$[REDACTED] held in cash by Lessor. Any such Prior Maintenance Reserves shall be retained by Lessor.

[REDACTED]

Lessor will [REDACTED] as determined in accordance with the following formula:

7. [REDACTED]

where:

8. [REDACTED].

PART B

REDELIVERY MAINTENANCE PAYMENT

1. Redelivery Maintenance Payment

On the Redelivery Date, Lessee shall pay Lessor an amount (the "**Redelivery Maintenance Payment**") calculated on a mirror-in-mirror-out basis, measured by comparing the maintenance condition of each of the Airframe, Engines, Engine LLPs, Landing Gear and APU comprising the Aircraft as of the Redelivery Date to the maintenance condition of such component as of the Lease Commencement Date. Such Redelivery Maintenance Payment shall be made on an "upsie-downsie" basis as described in this Part B of the Financial Terms Annex. For the avoidance of doubt, the Redelivery Maintenance Payment may be offset by the Security Deposit pursuant to Clause 6.2 (*Lessor Payment*).

2. Airframe 9Y Check

(a) If the number of days elapsed from the completion of the last Prior Airframe 9Y Check before the Lease Commencement Date to the Lease Commencement Date is greater than the number of days elapsed from the completion of the last Airframe 9Y Check before the Redelivery Date to the Redelivery Date, Lessor shall pay to Lessee the amount calculated pursuant to the following formula:

(x-y)(z)

(b) If the number of days elapsed from the completion of the last Airframe 9Y Check before the Redelivery Date to the Redelivery Date is greater than the number of days elapsed from the completion of the last Prior Airframe 9Y Check before the Lease Commencement Date to the Lease Commencement Date, Lessee shall pay to Lessor the amount calculated pursuant to the following formula:

(y-x)(z)

(c) The variables in the above formulae in this Clause 2 shall have the following values:

x = the number of days elapsed from the completion of the Prior Airframe 9Y Check before the Lease Commencement Date to the Lease Commencement Date;

y = the number of days elapsed from the completion of the last Airframe 9Y Check before the Redelivery Date to the Redelivery Date; and

z = US$[REDACTED];

where:

"**Airframe 9Y Check**" means a structural check for the airframe in accordance with the MPD including tasks having an initial and repeat inspection interval of nine (9) years.

"**Prior Airframe 9Y Check**" means the Airframe 9Y Check performed on the Lease Commencement Date (and therefore x will equal zero (0) as a result of Lessor making the Airframe C Check Contribution).

3. Airframe 12Y Check

(a) If the number of days elapsed from the completion of the Prior Airframe 12Y Check before the Lease Commencement Date to the Lease Commencement Date is greater than the number of days elapsed from the completion of the last Airframe 12Y Check before the Redelivery Date to the Redelivery Date, Lessor shall pay to Lessee the amount calculated pursuant to the following formula:

(x-y)(z)

(b) If the number of days elapsed from the completion of the last Airframe 12Y Check before the Redelivery Date to the Redelivery Date is greater than the number of days elapsed from the completion of the Prior Airframe 12Y Check before the Lease Commencement Date to the Lease Commencement Date, Lessee shall pay to Lessor the amount calculated pursuant to the following formula:

(y-x)(z)

(c) The variables in the above formulae in this Clause 3 shall have the following values:

x = the number of days elapsed from the completion of the Prior Airframe 12Y Check before the Lease Commencement Date to the Lease Commencement Date;

y = the number of days elapsed from the completion of the last Airframe 12Y Check before the Redelivery Date to the Redelivery Date; and

z = US$[REDACTED];

where:

"**Airframe 12Y Check**" means a structural check for the airframe in accordance with the MPD including tasks having an initial and repeat inspection interval of twelve (12) years.

"**Prior Airframe 12Y Check**" means the Airframe 12Y Check performed on November 8, 2018.

4. Engines

For each Engine Major Module, the maintenance payment to be paid at redelivery will be determined in accordance with the following formula. If the result obtained by applying the formula yields a positive number for an Engine Major Module, then Lessee shall pay to Lessor that amount in US dollars in respect of that Engine Major Module. If the result obtained from applying the formula yields a negative number for an Engine Major Module, then Lessor shall pay to Lessee that amount in US dollars in respect of that Engine Major Module.

[(y).(z).(w)]-[(x).(z).(w)]

In respect of an Engine, the variables in the formulae in this Clause 4 shall have the following values:

x = the number of flight hours accumulated by that Engine Major Module from its last Prior Engine Major Module Shop Visit before the Lease Commencement Date to the Lease Commencement Date (or since new if such Engine Major Module is first run);

y = the number of flight hours accumulated by that Engine Major Module from its last Engine Major Module Shop Visit before the Redelivery Date to the Redelivery Date (or since new if such Engine Major Module is first run); and

z = The Engine Payment Rate as per the applicable hour to cycle ratio, thrust setting and first or mature run as set out in Table 1 below.

Table 1: The Engine Payment Rate to be used for each Engine Major Module as per the applicable hour to cycle ratio, thrust setting and first or mature run – z

Flight Hour: Cycle	0.7 : 1	1.0: 1	1.5: 1	2.0: 1	2.5: 1	3.5 : 1 and above
Engine Payment Rate – first run at [REDACTED] thrust	US$[REDACTED]	US$[REDACTED]	US$[REDACTED[	US$[REDACTED]	US$[REDACTED]	US$[REDACTED]
Engine Payment Rate – first run at [REDACTED] thrust	US$[REDACTED]	US$[REDACTED]	US$[REDACTED]	US$[REDACTED]	US$[REDACTED]	US$[REDACTED]
Engine Payment Rate – mature run at [REDACTED] thrust	US$[REDACTED]	US$[REDACTED]	US$[REDACTED]	US$[REDACTED]	US$[REDACTED]	US$[REDACTED]
Engine Payment Rate – mature run at [REDACTED] thrust	US$[REDACTED]	US$[REDACTED]	US$[REDACTED]	US$[REDACTED]	US$[REDACTED]	US$[REDACTED]

w = the factor applicable to such Engine Major Module according to Table 2 below:

Table 2: Flight Module Percentage

Engine Module	**Engine Module Percentage**
Fan/Booster Major Module	[REDACTED]%
Core Major Module	[REDACTED]%
LPT Major Module	[REDACTED]%
Total	[REDACTED]%

where:

"**Prior Engine Major Module Shop Visit**" means the engine shop visit performed on (a) the Engine with serial number 896219 at [REDACTED] and [REDACTED] for the Core Major Module and [REDACTED] for each of the Fan/Booster Major Module and LPT Major Module, and (b) the Engine with serial number 896222 at [REDACTED] and [REDACTED] for the Core Major Module and [REDACTED] for each of the Fan/Booster Major Module and LPT Major Module.

5. Landing Gear Overhaul

(a) For each of the nose Landing Gear and main Landing Gear in respect of which the number of days elapsed from the completion of the last Prior Landing Gear Overhaul before the Lease Commencement Date to the Lease Commencement Date is greater than the number of days elapsed from the completion of the last Landing Gear Overhaul before the Redelivery Date to the Redelivery Date, Lessor shall pay to Lessee the amount calculated pursuant to the following formula:

(x-y)(z)

(b) For each of the nose Landing Gear and each main Landing Gear in respect of which the number of days elapsed from the completion of its last Landing Gear Overhaul before the Redelivery Date to the Redelivery Date is greater than the number of days elapsed from the completion of the Prior Landing Gear Overhaul before the Lease Commencement Date to the Lease Commencement Date, Lessee shall pay to Lessor the amount calculated pursuant to the following formula:

(y-x)(z)

(c) In respect of a Landing Gear the variables in the formulae in this Clause 5 shall have the following values:

x = the number of days elapsed from the completion of the Pre-Delivery Landing Gear Overhaul before the Lease Commencement Date to the Lease Commencement Date;

y = the number of days elapsed from the completion of its last Landing Gear Overhaul before the Redelivery Date to the Redelivery Date; and

z = US$[REDACTED] for the main Landing Gear (total for left and right hand) and US$[REDACTED] for the nose Landing Gear;

where:

"**Pre-Delivery Landing Gear Overhaul**" means the Landing Gear Overhaul performed on the Landing Gear assemblies on (i) June 26, 2015 for the nose landing gear and (ii) May 11, 2017 for the left hand and right hand main landing gear assemblies.

6. APU Overhaul

(a) If the number of APU hours accumulated from completion of the Prior APU Medium Repair Shop Visit before the Lease Commencement Date to the Lease Commencement Date is greater than the number of APU hours accumulated from completion of the last APU Medium Repair Shop Visit (or higher level repair) before the Redelivery Date to the Redelivery Date, Lessor shall pay to Lessee the amount calculated pursuant to the following formula:

(x-y)(z)

(b) If the number of APU hours accumulated from completion of the last APU Medium Repair Shop Visit before the Redelivery Date (or higher level repair) to the Redelivery Date is greater than the number of APU hours accumulated from completion of the Prior APU Medium Repair Shop Visit before the Lease Commencement Date to the Lease Commencement Date, Lessee shall pay to Lessor the amount calculated pursuant to the following formula:

(y-x)(z)

(c) The variables in the formulae in this Clause 6 shall have the following values:

x = the number of APU hours accumulated from the completion of the Prior APU Medium Repair Shop Visit before the Lease Commencement Date to the Lease Commencement Date;

y = the number of APU hours accumulated from the completion of the last APU Medium Repair Shop Visit before the Redelivery Date to the Redelivery Date; and

z = US$[REDACTED];

where:

"**Prior APU Medium Repair Shop Visit**" means the APU Medium Repair Shop Visit performed on the APU with serial number P-7733 at [REDACTED] and [REDACTED].

7. Engine Life-Limited Part

(a) For each Engine LLP in respect of which the number of flight cycles accumulated by that Engine from new before the Lease Commencement Date to the Lease Commencement Date is greater than the number of flight cycles it accumulated from new before the Redelivery Date to the Redelivery Date, Lessor shall pay to Lessee the amount in respect of that Engine LLP calculated pursuant to the following formula:

[(x).(z1)]-[(y).(z2)]

(b) For each Engine LLP in respect of which the number of flight cycles accumulated by that Engine LLP from new before the Redelivery Date to the Redelivery Date is greater than the number of flight cycles it accumulated from new before the Lease Commencement Date to the Lease Commencement Date, Lessee shall pay to Lessor the amount in respect of that Engine LLP calculated pursuant to the following formula:

[(y).(z2)]-[(x).(z1)]

(c) In respect of an Engine LLP, the variables in the formulae in this Clause 7 shall have the following values:

x = the number of flight cycles accumulated by that Engine LLP from new before the Lease Commencement Date to the Lease Commencement Date;

y = the number of flight cycles accumulated by that Engine LLP from new before the Redelivery Date to the Redelivery Date;

z1 = the quotient of (i) the Engine manufacturer's current list price of that LLP prevailing as of the Lease Commencement Date and (ii) [REDACTED] percent ([REDACTED]%) of the number of cycles total life of that LLP as specified by the Engine manufacturer as of the Redelivery Date; and

z2 = the quotient of (i) the Engine manufacturer's current list price of that LLP prevailing as of the Redelivery Date and (ii) [REDACTED] percent ([REDACTED]%) of the number of cycles total life of that LLP as specified by the Engine manufacturer as of the Redelivery Date.

8. Escalation

The value of the variables "z" in Clauses 2 through 6 above will be subject to escalation from the Lease Commencement Date at the rate of [REDACTED] percent ([REDACTED]%) per annum compounded annually.

SCHEDULE 5

INSURANCE REQUIREMENTS

Types of Insurance

The Insurances required to be maintained are as follows:

(a) Hull All Risks of loss or damage while flying and on the ground with respect to the Aircraft on an agreed value basis for the Agreed Value and with a deductible not exceeding the Maximum Deductible Amount each claim, or such other amount agreed by Lessee and Lessor from time to time, it being agreed that any deductible in excess of the Maximum Deductible Amount may be covered by a deductible buy-down. In the event that such insurances required hereunder are subject to any aggregate limit, Lessee shall from to time
1. purchase additional coverage such that the balance of coverage available under any such aggregate limit shall at all times be equal to at least ten times the Agreed Value;

(b) Hull War and Allied Perils, being such risks excluded from the Hull All Risks Policy to the fullest extent available from the leading international insurance markets, including confiscation and requisition by the State of Registration, for the Agreed Value;

(c) All Risks (including War and Allied Risk except when on the ground or in transit other than by air) property insurance on all Engines and Parts when not installed on the Aircraft on an "agreed value" basis for their full replacement value and including engine test and running risks;

(d) Aircraft Third Party, Property Damage, Passenger, Baggage, Cargo and Mail and Airline General Third Party (including Products) Legal Liability for a combined single limit (bodily injury/property damage) of an amount not less than the Minimum Liability Coverage (or the equivalent thereof in any other currency approved by Lessor) for any one accident. War and Allied Risks are also to be covered under the policy to the fullest extent available from the leading international insurance markets (which coverage shall include but not be limited to an extended war risk coverage endorsement equivalent to the terms of AVN52E but for a combined single limit of an amount not less than the Minimum Liability Coverage).

Terms of Hull Insurance

All required hull insurance, so far as it relates to the Aircraft, will:

(a) **Additional Assureds**: name Lessor and any Financing Parties Representative, and each of their respective successors and assigns, as additional insureds for their respective rights and interests;

(b) **Settlement of Losses**: name Lessor (or, if Lessor so notifies Lessee, the Financing Parties Representative) as (sole) Loss Payee for the Agreed Value in respect of any Total Loss of
2. the Aircraft or Airframe for an amount equal to the Agreed Value, and provided that any such Total Loss will be settled with Lessor (or, if applicable, the Financing Parties Representative) and will be payable in Dollars directly to Lessor (or, if applicable, the Financing Parties Representative) as sole Loss Payee (or, if applicable, the Financing Parties Representative) may direct in accordance with this Agreement or the Financing Documents and provided further that where proceeds do not relate to a Total Loss of the Aircraft or the Airframe such proceeds will be applied in accordance with Clause 6(b) of this Schedule 5 and where the loss does not exceed the Damage Notification Threshold and

Lessor has not notified the insurers to the contrary due to the continuance of an Event of Default, the loss will be settled with and paid to Lessee;

(c) **50/50 Provision**: if separate hull "all risks" and "war risks" insurances are arranged, include a 50/50 provision in accordance with market practice (AVS 103 is the current market language); and

(d) **No Option to Replace**: confirm that the insurers are not entitled to replace the Aircraft in the event of an insured Total Loss.

Terms of Liability Insurance

All required liability insurances will:

(a) **Additional Insureds**: name the Indemnitees and the Financing Parties Representative (if any) for their respective rights and interests;

(b) **Severability**: include a severability of interests clause which provides that the insurance, except for the limit of liability, will operate to give each insured the same protection as if there was a separate policy issued to each insured;

3.

(c) **Primary Policy**: contain a provision confirming that the policy is primary without right of contribution, and the liability of the insurers will not be affected by any other insurance of which any Indemnitee or Lessee may have the benefit so as to reduce the amount payable to the additional insureds under such policies.

Terms of All Insurances

All Insurances will to the extent not inconsistent with AVN67B (or any subsequent endorsement generally accepted by lessors and lenders in respect of insuring leased and financed aircraft operated by commercial air carriers):

(a) **Dollars**: provide cover denominated in dollars and any other currencies which Lessor may reasonably require in relation to liability insurance;

(b) **Worldwide**: operate on a worldwide basis subject to such limitations and exclusions as are customary in insurance coverages carried by major North American air carriers operating aircraft of the same type as the Aircraft;

4.

(c) **Acknowledgement**: acknowledge the insurer is aware of this Agreement and that the Aircraft is owned by Lessor and to the extent applicable mortgaged to the Financing Parties Representative (if any);

(d) **Breach of Warranty**: provide that, in relation to the interests of each of the additional insureds, the Insurances will not be invalidated by any act or omission by Lessee (including misrepresentation and nondisclosure), or any other Person (including misrepresentation and nondisclosure) other than the respective additional insureds seeking protection and shall insure the interests of each of the additional insureds regardless of any breach or violation by Lessee, or any other Person other than the respective additional insureds seeking protection of any warranty, declaration or condition, contained in such Insurances;

(e) **Subrogation**: provide that upon payment of any loss or claim to or on behalf of any Additional Insured, the respective insurer shall to the extent and in respect of such payment be thereupon subrogated to all legal and equitable rights of the Additional Insured indemnified hereby but not against any other Additional Insured; provided that such insurer

shall not exercise such rights without the consent of the indemnified Additional Insured, such consent not to be unreasonably withheld;

(f) **Premiums**: provide that the additional insureds will have no obligation or responsibility for the payment of any premiums due (but reserve the right to pay the same should any of them elect so to do) and that the insurers will not exercise any right of set-off or counter-claim in respect of any premium due against the respective interests of the additional insureds other than outstanding premiums relating to the Aircraft, any Engine or Part the subject of the relevant claim;

(g) **Cancellation/Change**: provide that the insurers shall promptly notify Lessor and each Financing Party in the event of cancellation of, or any material change in, the insurances or any act or omission or any event that might invalidate or render unenforceable the Insurances or in the event that any premium or installment of premium shall not have been paid when due and that the Insurances will continue unaltered for the benefit of the additional insureds for at least thirty (30) days after written notice by registered mail or fax of any cancellation, change, event of non-payment of premium or installment thereof has been sent by insurer(s) to Lessor, Owner Participant, the Financing Parties Representative (if any), or where an insurance broker is appointed to the insurance broker who shall promptly send on such notice to Lessor, Owner Participant and the Financing Parties Representative (if any), except in the case of war risks for which seven (7) days (or such lesser period as is or may be customarily available in respect of war risks or allied perils) will be given;

(h) **Other:** provide coverage with respect to losses and claims in connection with the change of year from 1999 to 2000, the change of date from 21 August 1999 to 22 August 1999 and/or any other change of year, date or time to the fullest extent as customary in the worldwide aviation insurance market, including date recognition limited coverage clauses AVN 2001A and AVN 2002A;

(i) **Reinsurance**: reinsurance, as applicable, shall be placed with reinsurers and through brokers, in each case satisfying the requirements of Clause 15.1(b)(ii) (*Insurances*) and such reinsurance will:

(i) be on the same terms as the original insurances and will include the provisions of this Schedule 5;

(ii) provide that notwithstanding any bankruptcy, insolvency, liquidation, dissolution or similar proceedings of or affecting the reinsured that the reinsurers' liability will be to make such payments as would have fallen due under the relevant policy of reinsurance if the reinsured had (immediately before such bankruptcy, insolvency, liquidation, dissolution or similar proceedings) discharged its obligations in full under the original insurance policies in respect of which the then relevant policy of reinsurance has been effected; and

(iii) contain a "cut-through" and assignment clause in the following form (or otherwise reasonably satisfactory to Lessor):

"The Reinsurers hereby agree (at the request and with the agreement of the Reinsured) that in the event of any valid claim arising hereunder the Reinsurers shall in lieu of payment to the Reinsured, its successors in interest and assigns pay to the relevant Indemnitee that portion of any claim for which the Reinsurers would otherwise be liable to pay the Reinsured (subject to

proof of loss).

Payment shall be made under this reinsurance notwithstanding any bankruptcy, insolvency, liquidation or dissolution of the Reinsured, and/or that the original Insurer has made no payment under the original insurance policies.

Subject any payment due under this clause shall not contravene any law or decree of the Government of Mexico or any other applicable jurisdiction;"

(j) **Initiating Claims**: contain a provision entitling Lessor or any insured party to initiate a claim under any policy in the event of the refusal or failure of Lessee to do so; and

(k) **Indemnities**: accept and insure the indemnity provisions of this Agreement.

Deductibles

Lessee shall be responsible for any and all deductibles under the Insurances.

Application of Insurance Proceeds

The Insurances will be endorsed to provide for payment of proceeds as follows:

(a) **Total Loss**: all insurance payments received as the result of a Total Loss occurring during the Term will be paid to or as directed by Lessor and Lessor will pay the balance of those amounts to Lessee after deduction of the Agreed Value and all other amounts which may be or become payable by Lessee to Lessor under this Agreement;

5.

(b) **Other Loss/Damage**: all insurance proceeds of any property, damage or loss to the Aircraft, any Engine or any Part occurring during the Term not constituting a Total Loss will be applied in payment (or to reimburse Lessee) for repairs or replacement property upon Lessor being satisfied (acting reasonably) that the repairs or replacement have been effected in accordance with this Agreement;

6.

(c) **Liability Proceeds**: all insurance proceeds in respect of third party liability will be paid directly in satisfaction of the relevant liability or to Lessee in reimbursement of any payment so made; and

(d) **Default**: notwithstanding Clauses 6(a) and (b) above, if at the time of the payment of any such insurance proceeds under the insurances required under Clause 1(a), (b) or (c) of this Schedule 5 an Event of Default has occurred and is continuing, all such proceeds will be paid to or retained by Lessor to be applied toward payment of any amounts which may be or become payable by Lessee pursuant to this Agreement in such order as Lessor may elect with any remainder after payment of all amounts payable hereunder or thereunder to be paid to Lessee.

To the extent that insurance proceeds are paid to Lessee, Lessee agrees to comply with the foregoing provisions and apply or pay over such proceeds as so required.

SCHEDULE 6

DESCRIPTION OF AIRCRAFT

GENERAL DESCRIPTION

Aircraft Type	**B737-800**
Maximum Taxi Weight	**174,663 lbs**
Maximum Take-Off Weight	**174,198 lbs**
Maximum Landing Weight	**144,000 lbs**
Maximum Zero Fuel Weight	**135,999 lbs**
Engines	**CFM56-7B27/3 engines bearing serial numbers 896219 and 896222**
Configuration	**186Y**
Winglets	**Yes**
ETOPS	**120 min**
Landing Category	**CAT IIIB**

SCHEDULE 7

AIRCRAFT DOCUMENTS AT REDELIVERY

The following documentation and information is part of the Aircraft, and is the property of Lessor. All documentation shall have the necessary stamps, endorsements, certifications and signatures where appropriate. All documentation requiring a quality control certification shall be signed by Lessee's quality control representative.

Lessee may maintain all Aircraft Documents (or any subset thereof) in electronic format. Lessee may return the Aircraft Documents for the Aircraft to Lessor at the end of the Lease Term in digital format provided that (a) Lessee's systems and procedures relating to the use of digital records for the Aircraft are approved by the Aviation Authority, (b) the return of the technical records for the Aircraft in digital form only shall not (i) restrict and/or limit Lessor's access to and/or onward utility of such records or (ii) result in any additional cost to Lessor, and (c) Lessee shall return all hard copy records for the Aircraft to Lessor to the extent such documents are in the possession of Lessee (and in a manner consistent with Lessee's record keeping practices for all aircraft of the same make and model as the Aircraft without discrimination against the Aircraft).

All records listed in this Part shall be provided notwithstanding any policies of the Aviation Authority that may allow the disposal of such records, provided that the Lessee shall not be obligated to provide any such document if such document was not received at the Rejected Lease Delivery Date as noted in the Rejected Lease Acceptance Certificate, and provided further that if, for any reason, Lessee is unable to provide any such document on or prior to the Redelivery Date and such document (a) is no longer required to be maintained by the Aviation Authority and the FAA, (b) is not related to serviceability and/or airworthiness certification, (c) does not prohibit Lessor procuring a certification of airworthiness from the relevant aviation authority, (d) would not reasonably prohibit a commercial airline operating under FAA standards putting the Aircraft into revenue service or cause excessive operational complications or affect the value and/or utility of an affected Part and (e) Lessor and Lessee agree (both acting reasonably) a mechanism to provide such document or an alternative means of providing such document after redelivery, Lessee shall not be in violation of the Redelivery Conditions.

1. Certificates

(a) Certificate of Airworthiness;

(b) Certificate of Registration;

(c) Aircraft De-Registration Confirmation (if applicable);

(d) Export Certificate of Airworthiness issued by the last country of registry (if applicable);

(e) Noise Limitation Certificate (AFM page) (if applicable);

(f) Radio License Certificate;

(g) Type Certificate Data Sheet (TCDS);

(h) Material Flammability Certification;

(i) Latest Maintenance Release Certificate;

(j) Burn Certificates (Cabin Interiors)

Manuals (but only to the extent that the below was supplied by the Manufacturer on or prior to the Rejected Lease Delivery Date)

(a) Aircraft Flight Manual;

(b) Weight and Balance Control and Cargo Loading Manual and Supplements;

(c) Operations Manual (Manufacturer's generic);

2. (d) Quick Reference Handbook (Manufacturer's generic);

(e) Structural Repair Manual;

(f) Aircraft Maintenance Manual;

(g) Component Overhaul Manuals, (MM, IPC, SRM) for the following cabin BFE, if such BFE is not factory installed and included in the Aircraft Documents:

(i) Galleys;

(ii) Coffee Makers, Ovens, Hot Jugs and other galley equipment;

(iii) Lavatories;

(iv) Toilet Assemblies;

(v) Closets;

(vi) Class Dividers;

(vii) Passenger Seats;

(h) Aircraft Illustrated Parts Catalog (I.P.C.) (operator customized);

(i) Operator part number to manufacturer part number cross reference, if operator maintains its own part numbering system;

(j) Aircraft Wiring Diagrams/Wiring Diagram Manual & Wiring Practices Manual;

(k) Electrical Standard Practice Manual;

(l) Troubleshooting Manual;

(m) Engine shop manual;

(n) APU shop manual;

(o) Fault Isolation Manual;

(p) Schematics Manual;

(q) Summary of Lessee's Maintenance Program;

(r) List of Certification Maintenance Requirements;

(s) Master Minimum Equipment List;

(t) Configuration Deviation List;

(u) Fault Reporting Manual (if applicable);

(v) Maintenance Planning Document;

(w) Aircraft Fueling Manual;

(x) Maintenance Task Cards

(y) Power Plant Build-up Manual.

Airworthiness Directives Documentation

(a) The Aircraft shall have all records associated with AD compliance:

(i) A complete and current applicable AD status list of the Airframe and each appliance, Engine and APU Airworthiness Directive applicable to the Aircraft. This list shall include, but not be limited to:

3.

(A) AD number and revision number;

(B) AD title;

(C) Aircraft serial number, Engine serial number, APU serial number, as applicable;

(D) Engineering documentation reference;

(E) Manufacturer's Service Bulletin reference and cross-references where appropriate;

(F) Specify terminated or repetitive status;

(G) Date of initial accomplishment;

(H) Date of last maintenance accomplishment, if repetitive;

(I) The means by which compliance was accomplished (either by means of repetitive inspections, modifications or terminating action); and

(J) Details of any alternate means of compliance, including references, intervals, and applicability;

(b) The list shall be typed, [REDACTED];

(c) Legible copies of [REDACTED]. [REDACTED]. [REDACTED], signature of a certified mechanic and/or inspector, and/or the mechanics/inspector's certificate number or repair station number of the mechanic accomplishing the work. [REDACTED] and the operator's internal maintenance form used to document [REDACTED]; and

(d) [REDACTED].

Engineering Documentation

(a) A current list of Engine and APU Service Bulletins, Engineering Orders, major repairs and Supplemental Type Certificates accomplished on each Engine and the APU. A current list of Airframe Engineering Orders, major repairs and Supplemental Type Certificates accomplished on the Airframe. For appliances, a current list of AD related Service

4.

Bulletins, major repairs, Supplemental Type Certificates and Engineering Orders are required;

(b) Legible copies of [REDACTED], to include the following:

(i) SB number and revision number;

(ii) SB title;

(iii) Aircraft serial number, Engine serial number, APU serial number, appliance serial number as applicable;

(iv) Engineering documentation reference;

(v) Manufacturer's Service Bulletin reference and cross-references where appropriate;

(vi) Specify terminated or repetitive status;

(vii) Date of accomplishment of each portion of such engineering document;

(viii) Date of last maintenance accomplishment, if repetitive;

(ix) Statement of the means by which compliance was accomplished (e.g., modified, repaired, inspected);

(c) [REDACTED];

(d) [REDACTED];

(e) [REDACTED]

(i) [REDACTED];

(f) [REDACTED]; and

(g) [REDACTED]

Aircraft Maintenance Status Summaries

(a) Certified current Time in Service (Flight Hours & Cycles);

(b) Certified maintenance status of the Aircraft, including Aircraft serial number, hours, cycles and days since Heavy Maintenance Checks and applicable time remaining to Heavy Maintenance Checks;

5. (c) Certified status of structural tasks, including SSI (including last accomplished and next due);

(d) Certified status of CPCP (including last accomplished and next due), where the CPCP is not part of the Manufacturer's SSI program;

(e) Certified current status for all Life Limited Parts and hard time components for the Airframe, Landing Gears, Engines and APU, including back-to-birth history for all Landing Gear and Engine Life Limited Parts and, to the extent any Engine Life Limited Parts ("**Engine LLPs**") have been used in higher rated engines, a summary of the Flight Hours and Cycles consumed on each such Engine LLP by use on such higher rated engines(s);

(f) Certified listing of Aircraft, Landing Gear, Engine and APU hard time components & LLPs status by P/N – S/N – Description Position – TSO – TSN, CSO – CSN, Total time, Total Cycles, next Due Time;

(g) Certified status of all non-SB and Major Modifications/STC's including acceptable State of Manufacture Certification and/or equivalent FAA or EASA approval;

(h) List of out of Phase Checks, Service Bulletins requiring continuous surveillance and Special Requirements (if any); and

(i) Declaration of Aircraft Accident/Incident Report, if applicable.

Aircraft Maintenance Records

(a) Aircraft & Pilot maintenance log from the past [REDACTED];

(b) Cabin maintenance log (if maintained separately from the Aircraft maintenance log) from the past [REDACTED];

(c) C Checks- Complete work card packages, tally sheets, material data sheets and maintenance releases for all C Checks (or equivalent) (which shall be in electronic format, except for documents in respect of the final C Check which may be hard copy records);

6.

(d) Complete work card packages, tally sheets, material data sheets and maintenance releases for all Structural Checks;

(e) Documentation and records concerning the last Aircraft major structural inspection including CPCP Tasks and Structural Sampling Inspection;

(f) Last Weight & Balance Report including Schedule;

(g) Compass Swing Report (if applicable);

(h) Last Test Flight Report (if applicable);

(i) [REDACTED];

(j) [REDACTED];

(k) Weighing reports; and

Configuration Status

(a) FAA or EASA approved and certified LOPA;

(b) [REDACTED];

(c) Emergency, Safety and Loose Equipment Layout/Listing showing description, quantity, manufacturer, part number and location;

7. (d) Inventory Listing of Avionics installed units;

(e) List of applicable STC's;

(f) Aircraft Inspection Record;

(g) Buyer Furnished Equipment List (if applicable and including, but not limited to seats, galley, lavatories, entertainment, cargo handling, emergency equipment); and

(h) Electrical Load Analysis documents and data but only if supplied by the Manufacturer on or prior to the Rejected Lease Delivery Date.

Engine Records

(a) Engine Data Submittal;

(b) Current Disk Sheet (LLP Sheet) [REDACTED];

(c) Complete historical engine/ module shop visit reports and Engine Module Performance Restoration reports, for all Engine Module Performance Restorations;

8. (d) [REDACTED];

(e) On Wing Repair records;

(f) Master Records of Installation/Removals;

(g) Last Borescope Report, including video if available;

(h) Test Cell Run Report (if applicable);

(i) Certified Statement that Engines are not involved in an accident/incident for the full history of operation;

(j) a no PMA/DER statement for the full history of operation for each Engine (and installed LLP);

(k) Certified "On-Watch" statement;

(l) List of "On-Watch Items" items requiring repetitive inspections;

(m) [REDACTED];

(n) Engine Trend Monitoring data for the last twelve (12) months of operation (if applicable);

(o) Last engine run and power assurance report;

(p) [REDACTED];

(q) Each LLP will have [REDACTED]. Notwithstanding, any LLPs replaced during the term of the lease will have the most recent FAA Form 8130-3 tag or EASA Form One, as applicable, used to install such LLP into the applicable Engine or module;

(r) [REDACTED]

(i) [REDACTED]; and

(s) [REDACTED]

(i) [REDACTED].

APU

(a) Certified Statement on Status of APU;

9.

(b) [REDACTED];

(c) Approved Release to Service Certification for installed units;

(d) APU Log Book/ Master Record of Installation/ Removals;

(e) APU shop visit reports (including dirty fingerprint documentation) & reason for removal, for all APU shop visits;

(f) [REDACTED];

(g) Statement of APU hours to Aircraft Flying hours (if applicable);

(h) APU Borescope Report;

(i) Last Test Run Report;

(j) [REDACTED];

(k) [REDACTED];

(l) [REDACTED]

(i) [REDACTED];

(m) [REDACTED]

(i) [REDACTED]; and

(n) [REDACTED].

Components

(a) FAA Form 8130-3 or EASA Form One for Hard Time Components;

(b) FAA Form 8130-3 or EASA Form One for on-condition and condition monitored components;

(c) Certified Quick Engine Change (QEC) rotable parts list and FAA Form 8130-3 or EASA Form One for each QEC rotable part;

10.

Landing Gear

(a) [REDACTED];

(b) [REDACTED];

(c) all shop visit reports (including dirty fingerprint records);

(d) LLP status report;

11.

(e) all LLPs will have complete Back to Birth Traceability of time consumed (Cycles and/or Flight Hours as applicable) since new; and

(f) each LLP will have a signed and certified cover page including total hours, total Cycles, part total Flight Hours and date for each removal and installation depicting the life of the part since new.

Notwithstanding the foregoing, any LLPs replaced during the term of the lease will have the most recent FAA Form 8130-3 tag or EASA Form One, as applicable, used to install such LLP into the applicable Landing Gear.

Damage and Repairs

(a) [REDACTED];

(b) All repairs will be in accordance with the Manufacturer's Maintenance Manual and Manufacturer's Structural Repair Manual, or will have Manufacturer's or FAA or EASA approved data.

(c) [REDACTED]

12.

(i) [REDACTED].

(d) All supporting documentation for repairs, such as engineering orders, drawings, FAA Form 8110-3, supplemental type certificates, material certificates (including batch number references), SRM pages applicable to the repair at that time, all Airframe Manufacturer messages relating to the repair master change notice, FAA type certificate conformity approval from the Manufacturer or approved design organisation etc., as necessary to define work done, certification basis, and approval authority;

(e) Copies of applicable Engineering Orders (EOs);

(f) Copies of applicable Supplemental Type Certificates (STCs);

(g) Copies of applicable Alternative Means of Compliance (AMOC).

Software

(a) A certified listing of onboard loadable software and databases to include the following:

(i) ATA chapter;

(ii) nomenclature;

(iii) part number;

13.

(iv) revision date;

(v) expiration date; and

(b) Procedures for obtaining downloadable software from the internet, if applicable.

SCHEDULE 8

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 Redelivery 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 8.

During the period commencing [REDACTED] months and ending no less than [REDACTED] months prior to the Expiry 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 Expiry Date.

With respect to any discrepancies between the condition of the Aircraft and Aircraft Documents and the Redelivery Conditions described herein [REDACTED], Lessee and Lessor agree that Lessee will have the option of either correcting such discrepancy at its own expense or providing compensation as described in Section I of this Schedule 8 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 AFAC of Mexico 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 Redelivery Acceptance Certificate executed by Lessor (and notarized by a Mexican notary public and/or notarized and apostilled as required by the AFAC), Lessee shall [REDACTED]. Upon redelivery, the Aircraft shall be [REDACTED]. Lessee will provide an Export Certificate of Airworthiness following redelivery of the Aircraft to Lessor hereunder.

The Aircraft shall be in compliance with Lessee's Maintenance Program.

Lessee will comply with any ADs that require compliance within [REDACTED] 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 Redelivery Acceptance Certificate. [REDACTED].

B. General Condition

The Aircraft shall (a) have [REDACTED], (b) be in good operating condition, normal wear and tear excepted, (c) be clean by international commercial airline standards, (d) be in a passenger configuration, (e) be with equipment, components and systems fully functional and operating within limits under the Maintenance Program and the Aircraft Maintenance Manual and the requirements of the relevant Manufacturer, and (f) be 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. All damage to the Aircraft shall be permanently repaired (with a CAT A or CAT B or repair) in accordance with the requirements of the relevant Manufacturer and the FAA. The cabin and cockpit interior shall be clean and in good condition.

C. Redelivery Check

The Airframe shall have completed, within [REDACTED] 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 [REDACTED] months remaining (the "**Landing Gear Hard Time Minimum**") until the next scheduled performance restoration visit under the Maintenance Program as measured by Flight Hour, Cycle or calendar day, whichever is applicable and most limiting. Each tire shall have at least [REDACTED] percent ([REDACTED]%) tread remaining. The Landing Gear brakes will each have an average of at least [REDACTED] percent ([REDACTED]%) life remaining before their removal with no individual brake having less than [REDACTED] percent ([REDACTED]%) service life remaining.

E. Engine LLP Minimum

No Engine LLP shall have fewer than [REDACTED] Cycles remaining to reaching the then manufacturer's published Chapter 5 life limit (the "**Engine LLP Hard Life Cycle Minimum**"); provided, the life-limited parts for the LPT Major Module of an Engine shall be permitted to have no less than [REDACTED] Cycles remaining to the next scheduled removal in the event that such LPT Major Module did not undergo an Engine Major Module Shop Visit during the Term. No Engine (or module therefor) shall [REDACTED].

F. Engine Performance Restoration Hard Time Minimum

Each Engine (and each module thereof) shall have no fewer than [REDACTED] performance restoration visit of such Engine under the Maintenance Program and based on Engine Manufacturer recommendations (any such visit, an "**Engine Performance Restoration Visit**"), as measured by Lessee's expected time on wing to such next sequential Engine Performance Restoration Visits for engines in Lessee's fleet of the same make and model as the Engines. [REDACTED].

G. Components

Each time controlled component [REDACTED] will have no less than [REDACTED] Months [REDACTED] 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 [REDACTED] 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 [REDACTED] (the "**APU Hard Life Cycle Minimum**"), as evidenced by an APU borescope and condition test performed in accordance with the Manufacturer's AMM.

I. Discrepancies at Redelivery

In the event that Lessee provides by written request, a proposal to compensate for rather than correct a discrepancy on the Airframe that (a) is not related to serviceability and/or airworthiness certification, (b) does not prohibit Lessor procuring a certification of airworthiness from the relevant aviation authority, and (iii) such discrepancy would not reasonably prohibit a commercial airline putting the Aircraft into revenue service, Lessee shall have the option to request Lessor that Lessee shall provide compensation in lieu of such correction in an amount to be mutually agreed upon by Lessee and Lessor; provided that in the event

that Lessor and Lessee do not mutually agree upon compensation in lieu of correcting such discrepancy, then Lessee shall correct such discrepancy.

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 with Lessor's livery. 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 [REDACTED] recent invoices or quotations for the same.

K. Records

No less than [REDACTED] months prior to the targeted Redelivery Check induction date, Lessee will provide for the review of Lessor all Aircraft Documents and, provided that all such Aircraft Documents are made available to Lessor at the commencement of the [REDACTED] month period, Lessor will provide to Lessee its response and findings on such Aircraft Documents at least [REDACTED] days prior to the targeted Redelivery Check date. All Aircraft Documents shall [REDACTED].

L. Borescope Inspections; Power Assurance Runs

A hot and cold section video borescope inspection of each Engine and its modules and the APU in accordance with the Manufacturer's AMM and a power assurance run for each Engine in accordance with the AMM shall be performed after the demonstration flight described in Clause M of this Schedule 8, and in any event, at or before the Redelivery Date by Lessee or its representative [REDACTED]. Lessee will record the Engine power assurance test conditions and results on the Redelivery Acceptance Certificate. Lessee will correct any discrepancies in accordance with the guidelines set out by the 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 [REDACTED] months of operation, or since its last Engine Performance Restoration Visit if such event occurred within the [REDACTED]. [REDACTED] If the parties [REDACTED], Lessor and Lessee will [REDACTED].

M. Demonstration Flight

At Lessor's request, Lessee will perform, at its 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 [REDACTED] 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.

N. Liens

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

O. 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.

P. Inspection

The Aircraft inspection shall occur during the Redelivery Check. During the Redelivery Check, Lessor and/or its representatives will have an opportunity to perform a visual inspection of the Aircraft only in those areas that are visible during the Redelivery Check.

SCHEDULE 9

FORM OF LEASE COMMENCEMENT DATE CONFIRMATION

LEASE COMMENCEMENT DATE CONFIRMATION

Wilmington Trust SP Services (Dublin) Limited, in its capacity as trustee of the Aircraft MSN 34954 (Ireland) Trust ("**Lessor**") and Aerovías de México, S.A. de C.V. ("**Lessee**") hereby agree as follows:

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 Boeing 737-800 aircraft bearing manufacturer's serial number 34954, registration mark XA-AMW equipped with two CFM56-7B27/3 engines bearing ESNs 896219 and 896222 (the "**Aircraft**").

Terms used in this Confirmation shall have the meanings given them in the Lease.

1. Aircraft Documents; Aircraft Manuals; Hard Time Components; Avionics; Loose Equipment Inventory

[REDACTED]	see Annex [1]
[REDACTED]	see Annex [2]
[REDACTED]	see Annex [3]
[REDACTED]	see Annex [4]
[REDACTED]	see Annex [5]
[REDACTED]	see Annex [6]
[REDACTED]	see Annex [7]
[REDACTED]	see Annex [8]
[REDACTED]	see Annex [9]
[REDACTED]	see Annex [10]
[REDACTED]	see Annex [11]
[REDACTED]	see Annex [12]
[REDACTED]	see Annex [13]
[REDACTED]	[None][see Annex [14]]

2.

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 Commencement Date is this _____ day of _____, 2021.

4.

Wilmington Trust SP Services (Dublin) Limited,
in its capacity as trustee of the Aircraft MSN 34954 (Ireland) Trust
as Lessor

By:_____
Name:
Title:

Aerovías de México, S.A. de C.V.
as Lessee

By:_____
Name:
Title:

SCHEDULE 10

FORM OF RENEWAL NOTICE

[Lessee Letterhead]

To: Wilmington Trust SP Services (Dublin) Limited, in its capacity as trustee of the Aircraft MSN 34954 (Ireland) Trust ("**Lessor**")

[Address]

Cc: [●] ("**Owner Participant**")

[Address]

[●] ("**Lessor Guarantor**")

[Address]

_____, 20__

Re: Renewal Notice in respect of One Boeing 737-800 Aircraft bearing Manufacturer's Serial Number 34954 (the "**Aircraft**")

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Aircraft Lease Agreement dated [●], 2021 (as further amended, modified or supplemented from time to time, the "**Lease**") between Lessor and Aerovías de México, 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 4.2.1 (*Renewal Notice*) 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 [REDACTED] year[s] commencing on _____ and ending _____ which as of the date hereof shall be the Expiry Date.

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

Aerovías de México, S.A. de C.V.

By: _____

Name: _____

Title: _____

Acknowledged and Agreed:

Wilmington Trust SP Services (Dublin) Limited, in its capacity as trustee of the Aircraft MSN 34954 (Ireland) Trust
Lessor

By: _____

Name: _____

Title: _____

SCHEDULE 11

FORM OF LETTER OF CREDIT

_____

Letter of Credit No. _____

Beneficiary: [●], and its successors and assigns

Attention: [●]

Applicant: [●]

Expiry: [●]

Place: _____

Payable: [●] at sight

Dear Sir or Madam:

WE HEREBY ESTABLISH IN YOUR FAVOR, AT THE REQUEST AND FOR THE ACCOUNT OF [●] (THE "**COMPANY**"), OUR IRREVOCABLE TRANSFERABLE STANDBY LETTER OF CREDIT IN THE AMOUNT OF [●] DOLLARS (THE "**STATED AMOUNT**") AVAILABLE ON PRESENTATION OF A SIGHT DRAFT DRAWN ON US AT SIGHT IN OUR OFFICE AT [INSERT ADDRESS] IN THE FORM OF THE EXHIBIT A HERETO SIGNED BY THE BENEFICIARY AND STATEMENT DATED THE DATE OF SUCH DRAFT IN THE FORM OF THE EXHIBIT B HERETO SIGNED BY THE BENEFICIARY.

DRAWINGS MAY ALSO BE PRESENTED TO US BY FACSIMILE TRANSMISSION TO FACSIMILE NUMBER [●] (EACH SUCH DRAWING, A "FAX DRAWING"); PROVIDED, HOWEVER, THAT A FAX DRAWING WILL NOT BE EFFECTIVELY PRESENTED UNTIL YOU CONFIRM BY TELEPHONE OUR RECEIPT OF SUCH FAX DRAWING BY CALLING US AT TELEPHONE NUMBER [●]. IF YOU PRESENT A FAX DRAWING UNDER THIS LETTER OF CREDIT YOU DO NOT NEED TO PRESENT THE ORIGINAL OF ANY DRAWING DOCUMENTS, AND IF WE RECEIVE ANY SUCH ORIGINAL DRAWING DOCUMENTS THEY WILL NOT BE EXAMINED BY US. IN THE EVENT OF A FULL OR FINAL DRAWING THE ORIGINAL STANDBY LETTER OF CREDIT MUST BE RETURNED TO US BY OVERNIGHT COURIER.

MULTIPLE AND PARTIAL DRAWING(S) ARE PERMITTED UNDER THIS LETTER OF CREDIT; PROVIDED, HOWEVER, THAT THE TOTAL AMOUNT OF ANY PAYMENT(S) MADE UNDER THIS LETTER OF CREDIT WILL NOT EXCEED THE TOTAL AMOUNT AVAILABLE UNDER THIS LETTER OF CREDIT.

WE HEREBY AGREE WITH YOU THAT DRAFT(S) DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS CREDIT SHALL BE DULY HONORED IF PRESENTED TOGETHER WITH DOCUMENT(S) AS SPECIFIED ABOVE AT OUR OFFICE LOCATED AT [●] OR VIA A FAX DRAWING ON OR BEFORE THE ABOVE STATED EXPIRY DATE, OR ANY EXTENDED EXPIRY DATE IF APPLICABLE.

IF A DRAFT AND CERTIFICATE ARE PRESENTED TO US AT OR PRIOR TO 10:00 A.M. [LONDON][NEW YORK] TIME ON A BUSINESS DAY, (AS DEFINED BELOW), PAYMENT OF

THE AMOUNT SPECIFIED SHALL BE MADE BY US ON THE BUSINESS DAY ON WHICH WE RECEIVED SUCH DOCUMENTS.

IF A DRAFT AND CERTIFICATE ARE PRESENTED TO US AFTER 10:00 A.M. [LONDON][NEW YORK] TIME ON A BUSINESS DAY, PAYMENT OF THE AMOUNT SPECIFIED SHALL BE MADE BY US ON THE FIRST BUSINESS DAY AFTER THE DATE ON WHICH WE RECEIVED SUCH DOCUMENTS.

PAYMENT UNDER THIS LETTER OF CREDIT SHALL BE MADE BY WIRE TRANSFER IN IMMEDIATELY AVAILABLE FUNDS TO SUCH ACCOUNT AS IS DESIGNATED BY YOU IN WRITING UPON SUCH PRESENTATION. AS USED HEREIN "BUSINESS DAY" SHALL MEAN ANY DAY ON WHICH WE ARE OPEN FOR THE PURPOSE OF CONDUCTING A COMMERCIAL BANKING BUSINESS.

ANY INSTRUCTION OR REQUIREMENT FOR SIGNATURES PROVIDED HEREUNDER (INCLUDING ON ANY EXHIBIT) TO BE AUTHENTICATED BY THE [BANK] IS NOT PERMITTED.

THIS LETTER OF CREDIT WILL BE AUTOMATICALLY REDUCED BY ANY PAYMENTS MADE, UNTIL THE STATED AMOUNT IS REDUCED TO ZERO.

THIS LETTER OF CREDIT IS SUBJECT TO AND GOVERNED BY ["UNIFORM CUSTOMS AND PRACTICES FOR DOCUMENTARY CREDITS" (2007 REVISION) I.C.C. PUBLICATION NO. 600] AND, TO THE EXTENT NOT INCONSISTENT THEREWITH, THE LAWS OF THE STATE OF NEW YORK. NOTWITHSTANDING ARTICLE 36 OF THE UCP, IF THE EXPIRY DATE OF THIS LETTER OF CREDIT FALLS DURING AN INTERRUPTION OF BUSINESS AS DESCRIBED IN SAID ARTICLE 36, 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 THE UCP, THIS LETTER OF CREDIT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF [THE STATE OF NEW YORK/ENGLAND].

THIS LETTER OF CREDIT IS TRANSFERABLE AND ASSIGNABLE MORE THAN ONCE, BUT IN EACH INSTANCE ONLY TO A SINGLE TRANSFEREE AND ONLY IN THE FULL AMOUNT AVAILABLE TO BE DRAWN UNDER THE LETTER OF CREDIT AT THE TIME OF SUCH TRANSFER. ANY SUCH TRANSFER MAY BE EFFECTED ONLY THROUGH [●] AND ONLY UPON PRESENTATION TO US AT OUR PRESENTATION OFFICE SPECIFIED HEREIN OF A DULY EXECUTED TRANSFER REQUEST IN THE FORM ATTACHED HERETO AS EXHIBIT C WITH INSTRUCTIONS THEREIN IN BRACKETS COMPLIED WITH, TOGETHER WITH THE ORIGINAL OF THIS LETTER OF CREDIT AND ANY AMENDMENT THERETO AND PAYMENT OF OUR TRANSFER FEE. ALL CHARGES IN CONNECTION WITH ANY TRANSFER OF THIS LETTER OF CREDIT ARE FOR THE BENEFICIARY'S ACCOUNT.

WE ARE SUBJECT TO VARIOUS LAWS, REGULATIONS AND EXECUTIVE AND JUDICIAL ORDERS (INCLUDING ECONOMIC SANCTIONS, EMBARGOES, ANTI-BOYCOTT, ANTI-MONEY LAUNDERING, ANTI-TERRORISM, AND ANTI-DRUG TRAFFICKING LAWS AND REGULATIONS) OF THE U.S. AND OTHER COUNTRIES THAT ARE ENFORCEABLE UNDER APPLICABLE LAW. WE WILL NOT BE LIABLE FOR OUR FAILURE TO MAKE, OR OUR DELAY IN MAKING, PAYMENT UNDER THIS LETTER OF CREDIT OR FOR ANY OTHER ACTION WE TAKE OR DO NOT TAKE, OR ANY DISCLOSURE WE MAKE, UNDER OR IN CONNECTION WITH THIS LETTER OF CREDIT (INCLUDING, WITHOUT LIMITATION, ANY REFUSAL TO

TRANSFER THIS LETTER OF CREDIT) THAT IS REQUIRED BY SUCH LAWS, REGULATIONS, OR ORDERS.

THIS IRREVOCABLE LETTER OF CREDIT SETS FORTH IN FULL THE TERMS OF OUR UNDERTAKING. THIS UNDERTAKING IS INDEPENDENT OF AND SHALL NOT IN ANY WAY BE MODIFIED, AMENDED, AMPLIFIED, OR INCORPORATED BY REFERENCE TO ANY DOCUMENT, CONTRACT, OR AGREEMENT REFERENCED HEREIN.

ALL BANKING CHARGES, INCLUDING ANY ADVISING AND NEGOTIATING BANK CHARGES AND COSTS RELATED TO TRANSFER OF BENEFICIARY, ARE FOR THE ACCOUNT OF AIRLINE.

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.

ALL COMMUNICATIONS UNDER THIS LETTER OF CREDIT SHALL BE ADDRESSED TO:

Issuing Bank

Bank Name: [●]

Bank Address: [●]

Contact Name: [●]

Tel: [●]

Fax: [●]

Yours faithfully

[●]

By: _____

Name:

Title:

Exhibit A to
Letter of Credit No. _____

SIGHT DRAFT

Irrevocable Letter of Credit No. [●] Date of Draft: [●] 20[●]

To the Order of [●]

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]

[Beneficiary]

By: _____

Name:

Title:

[*Endorse on bank*]

Exhibit B

Letter of Credit No. _____

DRAWING CERTIFICATE

Irrevocable Letter of Credit No. _____

The undersigned, a duly authorised representative of [NAME OF LESSOR OR TRANSFEREE] ("**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. [An "Event of Default" has occurred and is continuing under and as defined in the Amended and Restated Aircraft Lease Agreement, dated [_____] between [NAME OF LESSOR] and [AIRLINE].]

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

By:_____[1]

Name:_____

Title:_____

[1] Any signature hereunder shall not require bank authentication.

EXHIBIT C

TRANSFER REQUEST OF IRREVOCABLE STANDBY

LETTER OF CREDIT NUMBER: _____

TO: [*Issuing Bank*].

DATE: _____

[*Insert Issuing Bank Address*]

FOR VALUE RECEIVED, THE UNDERSIGNED BENEFICIARY OF THE ABOVE DESCRIBED LETTER OF CREDIT (THE "TRANSFEROR") HEREBY IRREVOCABLY TRANSFERS ALL ITS RIGHTS UNDER THE LETTER OF CREDIT AS AMENDED TO THIS DATE (THE "CREDIT") TO THE FOLLOWING TRANSFEREE (THE "TRANSFEREE"):

_____

NAME OF TRANSFEREE

_____

ADDRESS

BY THIS TRANSFER, ALL RIGHTS OF TRANSFEROR IN THE LETTER OF CREDIT ARE TRANSFERRED TO THE TRANSFEREE, AND THE TRANSFEREE SHALL BE THE SOLE BENEFICIARY OF THE LETTER OF CREDIT, POSSESSING ALL RIGHTS PERTAINING THERETO, INCLUDING, BUT NOT LIMITED TO, SOLE RIGHTS RELATING TO THE APPROVAL OF ANY AMENDMENTS, WHETHER INCREASES OR EXTENSIONS OR OTHER AMENDMENTS, AND WHETHER NOW EXISTING OR HEREAFTER MADE. YOU ARE HEREBY IRREVOCABLY INSTRUCTED TO ADVISE FUTURE AMENDMENT(S) OF THE LETTER OF CREDIT TO THE TRANSFEREE WITHOUT THE TRANSFEROR'S CONSENT OR NOTICE TO THE TRANSFEROR.

ENCLOSED ARE THE ORIGINAL LETTER OF CREDIT AND THE ORIGINAL(S) OF ALL AMENDMENTS TO DATE.

THE TRANSFEROR WARRANTS TO YOU THAT THIS TRANSFER AND THE TRANSACTION(S) HEREUNDER WILL NOT CONTRAVENE ANY FEDERAL LAWS OR REGULATIONS OF THE UNITED STATES NOR THE LAWS OR REGULATIONS OF ANY STATE THEREOF. PLEASE NOTIFY THE TRANSFEREE OF THIS TRANSFER AND OF THE TERMS AND CONDITIONS OF THE LETTER OF CREDIT AS TRANSFERRED. THIS TRANSFER WILL BECOME EFFECTIVE UPON [*LC Issuing Bank*]'S WRITTEN NOTIFICATION TO THE TRANSFEREE THAT SUCH TRANSFER WAS EFFECTED.

_____

(TRANSFEROR'S NAME)

BY:_____

PRINTED NAME:_____

TITLE:_____

PHONE NUMBER:_____

THE BANK SIGNING BELOW GUARANTEES THAT THE TRANSFEROR'S SIGNATURE IS GENUINE AND THAT THE INDIVIDUAL SIGNING THIS TRANSFER REQUEST HAS THE AUTHORITY TO DO SO:

_____

(BANK'S NAME)

BY:_____

PRINTED NAME:_____

TITLE:_____

[A CORPORATE NOTARY ACKNOWLEDGMENT OR A CERTIFICATE OF AUTHORITY WITH CORPORATE SEAL IS ACCEPTABLE IN LIEU OF A BANK GUARANTEE]

SCHEDULE 12

FORM OF OWNER PARTICIPANT LETTER

[Owner Participant Letterhead]

Aerovías de México, S.A. de C.V.
Paseo de la Reforma, 445
Colonia Cuauhtémoc
Mexico, DF 06500
Mexico

Re: Boeing 737-800 Aircraft bearing manufacturer's serial number 34954 (the "**Aircraft**")

Dear Sirs:

Reference is made to the (i) Trust Agreement dated [●], 20[●] (the "**Trust Agreement**") between Wilmington Trust SP Services (Dublin) Limited (the "**Trust Company**") and [●] ("**Owner Participant**") and (ii) Amended and Restated Aircraft Lease Agreement dated [●], 2021 (the "**Lease**") between Wilmington Trust SP Services (Dublin) Limited, in its capacity as trustee of the Aircraft MSN 34954 (Ireland) Trust, not in its individual capacity, except as otherwise provided therein, but solely as owner trustee under the Trust Agreement ("**Lessor**") and Aerovías de México, S.A. de C.V. ("**Lessee**"). Words and expressions defined in the Lease shall have the same meanings when used in this letter (unless the context otherwise requires).

Owner Participant's Representations and Warranties

Owner Participant represents and warrants to Lessee on the date of execution of this letter agreement, in each case by reference to the facts and circumstances existing on such date that:

(a) **Status**: Owner Participant is a [company duly incorporated and validly existing] under the laws of [●] and is a tax resident of [●];

1. (b) **Power and Authority**: (i) Owner Participant has the [company] power and authority to carry on its business as presently being conducted and to enter into and perform its obligations under this letter agreement and each other Operative Document to which Owner Participant is a party, (ii) Owner Participant has taken all necessary [company] action to authorize the entry into, performance and delivery of, this letter agreement and each other Operative Document to which Owner Participant is a party, and (iii) this letter agreement and each other Operative Document to which Owner Participant is a party has been duly executed and delivered by Owner Participant;

(c) **Legal validity**: this letter agreement and each other Operative Document to which Owner Participant is a party constitutes legal, valid and binding obligations of Owner Participant, enforceable against Owner Participant in accordance with its terms, except insofar as enforceability may be limited by (i) applicable bankruptcy and/or similar laws affecting creditors' rights generally, or (ii) general principles of equity;

(d) **Non conflict**: the entry into and performance by Owner Participant of, and the transactions contemplated by, this letter agreement and each other Operative Document to which the Owner Participant is a party do not and will not: (i) conflict with any Laws or Regulations applicable to Owner Participant; or (ii) conflict with the organizational documents of

Owner Participant; or (iii) conflict with or result in default under any document which is binding upon Lessee or any of its assets nor result in the creation of any Security Interest over any of its assets other than any Security Interest in favor of the Financing Parties Representative;

(e) **Licenses and permits**: Owner Participant holds all material licenses, certificates, permits and approvals necessary for the conduct of its business and the performance of its obligations under this letter agreement and each other Operative Document to which Owner Participant is a party;

(f) **Approvals and Consents**: all other authorizations, approvals, consents and notifications required by Owner Participant in connection with the entry into, performance, validity and enforceability of, this letter agreement and each other Operative Document to which Owner Participant is a party and the transactions contemplated by this letter agreement and each other Operative Document to which Owner Participant is a party, have been obtained or effected (as appropriate) and are (or will on their being obtained or effected be) in full force and effect;

(g) **Net Worth**: the certificate of net worth of a responsible officer of the Owner Participant certifying as to its net worth requirement and such other evidence delivered to Lessee is true and correct as of the date hereof;

(h) **No Litigation**: no litigation, arbitration or administrative proceedings are pending or, to Owner Participant's knowledge, threatened before any court or administrative agency against Owner Participant which, could reasonably be expected to have a material adverse effect upon Owner Participant's ability to perform its obligations under this letter agreement or any other Operative Document;

(i) **Lessee**: Owner Participant has received a copy of the Lease and the other Operative Documents;

(j) **Trust Agreement**: the Trust Agreement delivered to Lessee on the date hereof is a true and complete copy thereof;

(k) **Know Your Customer/OFAC Compliance**: in connection with the transaction(s) contemplated under the Lease, Owner Participant is in material compliance with all applicable Trade Laws and KYC Laws;

Owner Participant's Covenants

Owner Participant hereby covenants to and with Lessee that:

(a) at all times prior to the Termination Date, it will maintain its corporate existence and, in full force and effect, all consents, licenses, authorizations, approvals, permits, rights and privileges material to its business or to the performance of its obligations under this Agreement;

2. (b) provided no Event of Default has occurred and is continuing under the Lease, neither it nor any Person lawfully claiming by, through or under it shall take or cause to be taken any action to interfere with Lessee's or any Permitted Sublessee's right to use, possession and quiet enjoyment of the Aircraft during the Term;

(c) it will undertake and perform the obligations of "Owner Participant" under the Lease (whether as an Indemnitee or otherwise) as if it were a party thereto;

(d) it will not assign, transfer, novate or otherwise dispose of all or any portion of its right, title or interest in and to the Trust Agreement, any Operative Document or the Aircraft other than in accordance with Clause 21.2 (*Lessor Transfer*) of the Lease;

(e) it will not amend, supplement or modify the Trust Agreement in such a manner as to adversely affect the rights or obligations of Lessee without the prior written consent of Lessee, such consent not to be unreasonably withheld or delayed;

(f) for the duration of the Term it shall be in material compliance with all applicable Trade Laws and KYC Laws;

(g) it shall remain tax resident in [●]; and

(h) it will provide to Lessee, on an annual basis, a tax certificate certifying Clause 2(g) above and all other tax forms required by Lessee under Clause 8.3 (*Lessor Obligations regarding Tax Information*) of the Lease.

Governing Law

3. PURSUANT TO AND IN ACCORDANCE WITH SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW, THE PARTIES HERETO AGREE THAT THIS LETTER AGREEMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS LETTER AGREEMENT, AND ALL ISSUES CONCERNING THE RELATIONSHIP OF THE PARTIES HEREUNDER AND THE ENFORCEMENT OF THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK AS APPLIED TO CONTRACTS TO BE PERFORMED WHOLLY WITHIN THE STATE OF NEW YORK (EXCLUSIVE OF SECTION 7-101 OF THE NEW YORK GENERAL OBLIGATIONS LAW WHICH IS INAPPLICABLE TO THIS AGREEMENT) WITHOUT REGARD TO ANY CONFLICTS OF LAW PRINCIPLES. THE PARTIES AGREE THAT THIS AGREEMENT WAS DELIVERED IN THE STATE OF NEW YORK.

Miscellaneous

4. The provisions of Clauses 22.1 (*Rights Cumulative, Waivers*), 22.7 (*Entire Agreement*), 22.9 (*Counterparts*), 22.10 (*Language*), 22.11 (*Confidentiality*), 22.12 (*Invalidity of any Provision*), 22.13 (*Survival*), 22.14 (*Further Assurance*), 22.22 (*Notices; electronic signatures*), 24.2 (*Jurisdiction*), 24.4 (*Waiver of Objections*), 24.5 (*No Alternative Jurisdictions*), 24.6 (*Waiver of Sovereign Immunity and Other Defenses*) and 24.7 (*Waiver of Jury Trial*) of the Lease are incorporated herein *mutatis mutandis* with references to "Lessor" and "this Agreement" being reference to Owner Participant and this letter agreement, respectively, and Owner Participant's notice details shall be as follows:

Address: [_____]
[_____]
[_____]

Attention: [_____]

Facsimile: [_____]

Email: [_____]

Yours faithfully

[●]

_____

Name:

Title:

Acknowledged:

Aerovías de México, S.A. de C.V.

_____

Name:

Title:

SCHEDULE 13

[NOT USED]

SCHEDULE 14

[NOT USED]

SCHEDULE 15

FORM OF REDELIVERY ACCEPTANCE CERTIFICATE

This Redelivery Acceptance Certificate (this "Certificate") is delivered at the time and on the date set forth below by Wilmington Trust SP Services (Dublin) Limited, in its capacity as trustee of the Aircraft MSN 34954 (Ireland) Trust, (the "Lessor") to Aerovías de México, S.A. de C.V. (the "Lessee") pursuant to the Amended and Restated Aircraft Lease Agreement dated [●], 2021 (as amended, modified or supplemented from time to time, the "Lease") in respect of one (1) Boeing 737-800 aircraft bearing manufacturer's serial number 34954 together with two (2) CFM56-7B27/3 engines bearing manufacturer's serial numbers 896219 and 896222 (the "Aircraft"). The capitalized terms used in this Redelivery Acceptance Certificate shall have the respective meanings given to such terms in the Lease.

Lessor hereby confirms that as at _____ hours on _____ at _____:

(a) the Aircraft satisfies the redelivery requirements of Schedule 8 of the Lease in all respects**;**

(b) redelivery of the Aircraft (including the Engines) has been accepted by Lessor; and

(c) the Term of the Lease has terminated.

This Redelivery Acceptance Certificate may be executed and delivered by the parties hereto in separate counterparts.

This Redelivery Acceptance Certificate is executed and delivered by the parties at _____.

[*Signature Page Follows*]

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

WILMINGTON TRUST SP SERVICES (DUBLIN) LIMITED, IN ITS CAPACITY AS TRUSTEE OF THE AIRCRAFT MSN 34954 (IRELAND) TRUST, as Lessor[2]

By:_____

Name:_____

Title:_____

AEROVÍAS DE MÉXICO, S.A. DE C.V.

By:_____

Name:_____

Title:_____

[2] Signature to be notarized by a Mexican notary public and/or notarized and apostilled.

ANNEX I

PAYMENT AND ADJUSTMENT AMOUNTS DUE AT REDELIVERY[3]

Upon redelivery, the following is due from the Lessor to the Lessee:

1.	Clause 6.2 of the Lease (return of Security Deposit)	$_____ $_____

Upon redelivery, the following is due from the Lessee to the Lessor:

1.	Redelivery Maintenance Payment under Part B of the Financial Terms Annex	$_____
2.	[REDACTED]	$_____
3.	[REDACTED]	$_____
	Net Payments from [Lessee to Lessor]	$_____

Payments [to Lessor] should be made to the following Account Details:

Beneficiary Name:
Beneficiary Bank:
Swift Code:
Sort Code:
Account No:
IBAN:

[3] Annex to be revised to reflect applicable payments.

SCHEDULE 16

FORM OF MAINTENANCE STATUS REPORT

AIRCRAFT SUMMARY REPORT

Report Period from _____ to _____

Aircraft Specification	
Manufacturer	
Type	
Model	
Serial number	
Date of Manufacture	
Current Registration	
Current Operator	
Aircraft Operating Limitation	

Airframe Status	
Total Airframe Hours	
Total Airframe Cycles	

Main Engines (Currently Installed)		
Manufacturer		
Position		
Part number		
Serial number		
Time Since New		
Cycles Since New		
Time Since OH		
Cycles Since OH		
Last OH Date		

Main Engines		
Manufacturer		
Aircraft or Location		
Position		
Part number		

Serial number		
Time Since New		
Cycles Since New		
Time Since OH		
Cycles Since OH		
Last OH Date		

Auxiliary Power Unit	
Manufacturer	
Position	
Part number	
Serial number	
Flight Time Since New	
Flight Cycles Since New	
Time Since OH	
Cycles Since OH	
Last OH Date	
APU Hours Since New	
APU Cycles Since New	

Landing Gears			
Manufacturer			
Position			
Part number			
Serial number			
Time Since New			
Cycles Since New			
Time Since OH			
Cycles Since OH			
Last OH Date			

SCHEDULE 17

FORM OF TECHNICAL REPORT

As of date:

GENERAL

Aircraft Type	
Model Number	
Serial Number	
Registration	
Date of Manufacture	
Operator	
Previous Operator(s)	
Total Flight Hours Since New	
Total Flight Cycles Since New	

AIRFRAME – Maintenance Status

[For Airbus Aircraft]

Check	**Interval**	**Date of Last Check**	**Time at Last Check**	**Cycles at Last Check**	**Location**	**Next Due**
"C" Check						
"6Yr" Check						
"12Yr" Check						

[For Boeing 737 Classic Aircraft]

Check	**Interval**	**Date of Last Check**	**Time at Last Check**	**Cycles at Last Check**	**Location**	**Next Due**
'A' Check						
'C' Check						

'D' Check						

[For Boeing 737NG Aircraft]

Check	**Interval**	**Date of Last Check**	**Time at Last Check**	**Cycles at Last Check**	**Location**	**Next Due**
'C' Check						
'8Yr' Check						
'10Yr' Check						
'12Yr' Check						

[For Boeing "Other" Aircraft]

Check	**Interval**	**Date of Last Check**	**Time at Last Check**	**Cycles at Last Check**	**Location**	**Next Due**
'C' Check						
HMV Check						

POWERPLANT (Contract Engines)

Type		
Thrust Rating (Lbs)		
Position	**1**	**2**
Serial Number		
Total Hours Since New		
Total Cycles Since New		
Hours since last **Engine Shop Visit**		
Cycles since last **Engine Shop Visit**		
Facility Name - last **Engine Shop Visit**		
Date - last **Engine Shop Visit**		
LLP Cycles Remaining to First Limiter (Current)		
Current Take-Off EGT Margin (ECM Trend Report)		

Modifications & Other Comments: Location:

AUXILIARY POWER UNIT

Type	
Serial Number	
Total Cycles since new	
Date of last APU Overhaul	
Facility Name – last APU Overhaul	
LLP Cycles Remaining to First Limiter (Current)	

LANDING GEAR

Position	LEFT	NOSE	RIGHT
Part Number			
Serial Number			
Overhaul Interval			
Total Time Since New			
Total Cycles Since New			
Time Since Last Overhaul			
Cycles Since Last Overhaul			
Date of Last Overhaul			
Facility Name- Last Overhaul			
Date of Next Overhaul Due Date			
Wheel Hub P/N			
Brake Unit P/N			

AIRCRAFT WEIGHTS (current operator)

	LBS	KILOGRAMS
Maximum Taxi Weight		
Maximum Take-Off weight		
Maximum Landing Weight		
Maximum Zero Fuel Weight		
Operating Empty Weight		
Airbus Approved Weight Variant		
Date of Last Weighing Report		

MAXIMUM STRUCTURAL DESIGN

	LBS	KILOGRAMS
Maximum Taxi Weight		

Maximum Take-Off weight		
Maximum Landing Weight		
Maximum Zero Fuel Weight		
Operating Empty Weight		
Approved Airbus Weight Variant(s)		

PASSENGER CABIN

Number of Seats	J Class:	Y Class:
Manufacturer		
Model / Part Number		
Seat Covers P/N		
Seat Foams P/N		
Seat Audio - SEB		
Seat Audio - PCU		
IFE System (drop down LCD or overhead monitors)		
Floor Path Lighting System (type & P/N)		
Lavatory Configuration		

GALLEYS

Galley Configuration	
Galley Standard (Atlas / KSSU)	
Manufacturer	
Model / Part Number	
Oven - Quantity & P/N	
Water Boiler - Quantity & P/N	

Hot Cup – Quantity & P/N	
Coffee Maker-Quantity & P/N	

CERTIFICATION STANDARD

	Details
EASA / FAA	
Original Country of Export	
Certificate of Airworthiness Expiry Date	
Airworthiness Review Cert ("ARC") Expiry Date	
Airplane Flight Manual Approval -- EASA / FAA	
BRNAV / PRNAV (level)	
Landing Category Approval	
ETOPS Approval Standard	
RVSM Approval	Yes/ No
AFM Approved Tailwind Component	
AFM Single Engine Operation Approval	

MODIFICATIONS

	Details
FMC / FMGC Database Spec & Memory Capacity	
TCAS Change 7	
8.33 KHZ Spacing	
FM Immunity	
GPS/ SATCOM	
ACARS & Printer	
HF System – Single/ Dual or Partial Provisions	
Cargo Fire suppression System	

Cargo Handling System	
Fixed Automatic ELT with 406 kHz Capability	
Auxiliary Fuel Tanks	
In Flight Entertainment (IFE)	
Enhanced Cockpit Door	
Cockpit Door Surveillance System	
Winglets / Scimitar winglets / sharklets	
Air stairs and partial provisions	

AVIONICS/EQUIPMENT FITTED LIST

[Airbus Aircraft]

ATA	Component	Manufacturer	Part Number	Quantity
21	Ozone Catalytic Converters			
	Cabin Pressure Controller			
22	Flight Augmentation Comp ("FAC")			
	Flight Control Unit ("FCU")			
	Multi-Purpose Control and Display Unit ("MCDU")			
23	VHF Transceiver			
	HF Transceiver			
	Radio Management Panel ("RMP")			
	Audio Control Panel ("ACP")			

	Cockpit Voice Recorder ("CVR")			
	Emergency Locator – Fixed ("ELT")			
	Emergency Locator-Portable ("ELT")			
	SELCAL Decoder			
	Cabin Intercom Data Sys Module ("CDIS")			
	Pre Recorded Announcement and Music Reproducer ("PRAM")			
	Aircraft Communications Address & Reporting System ("ACARS")			
	ACARS Printer			
	SATCOM			
24	Integrated Drive Generator ("IDG")			
25	Passenger Seat			
	Passenger Seat Control Unit – Audio ('PCU')			
	Passenger Seat Electronic Box- Audio ('SEB')			
	IFE – Drop Down Monitor			
	IFE- Overhead Monitor			
	Video Control Unit			
	Airshow			
	Passenger Life Vest			

	Crew Life Vest			
	Portable Breathing Equipment – Crew ('PBE')			
	Passenger Door Escape Slide/ Raft			
	Service Door Escape Slide /Raft			
	Escape Path Lighting System			
	Cockpit Door Surveillance System ('CDSS')			
26	Cargo Hold Fire Suppression and Extinguishing System			
	Cargo Hold Floor Liner Material			
27	Elevator & Aileron Computer ('ELAC')			
	Spoiler & Elevator Computer ('SEC')			
	Hort. Stabiliser Trim Actuator			
31	Multi-Function Printer			
	Digital Flight Data Recording System ('DFDRS')			
	Central Fault Display Interface Unit ('CFDS')			
	Aircraft Integrated Data System ('AIDS')			

34	Air Data Inertial Reference Unit ('ADIRU')			
	Multi-Mode Receiver ('MMR')			
	ILS Receiver			
	Microwave Landing System ('MLS')			
	Weather Radar Transciever			
	Radio Altimeter Transciever			
	Traffic Collision and Avoidance System Computer ('TCAS')			
	Enhanced Ground Proximity System ('EGPWS')			
	DME Interrogator			
	ATC Transponder			
	ADF Computer			
	Flight Management Guidance Comp. ("FMGC")			
	FMGC Database and Memory Capacity			
	VOR Marker Receiver			
	GPS Computer			
35	Crew Oxygen Bottle and Capacity - Fixed			
	Crew Oxygen Mask			

[Boeing Aircraft - all]

ATA	Component	Manufacturer	Part Number	Quantity
22	Flight Control Computer ("FCC")			
	Stall Management Yaw Damper Computer			
23	VHF Transciever			
	HF Transciever			
	Radio Tuning Panel ('RTP')			
	Cockpit Voice Recorder ("CVR")			
	PA Amplifier			
	SELCAL Decoder			
	Music Reproducer			
	Aircraft Communications Address & Reporting System ('ACARS')			
	Pre-recorded Announcement & Boarding Music ('PRAM') Unit			
	SATCOM			
24	Integrated Drive Generator ("IDG")			
25	Passenger Seat			
	Passenger Seat Control Unit – Audio ('PCU')			

	Passenger Seat Electronic Box- Audio ('SEB')			
	IFE – Drop Down Monitor			
	IFE- Overhead Monitor			
	Video Distribution Unit			
	Passenger Life Vest			
	Crew Life Vest			
	Portable Breathing Equipment – Crew ('PBE')			
	Passenger Door Escape Slide/ Raft			
	Service Door Escape Slide /Raft			
25	Escape Path Lighting System			
	Cockpit Door Surveillance System ('CDSS')			
	Emergency Locator – Fixed ("ELT")			
	Emergency Locator- Portable ("ELT")			
26	Cargo Hold Fire Suppression and Extinguishing System			
	Cargo Hold Floor Liner Material			
31	Digital Flight Data Recording System ('DFDRS')			

	Airborne Data Loader & Recorder			
	Flight Data Acquisition Unit ('DFDAU')			
	Aircraft Condition Monitoring System ('ACMS')			
	Multi-Port Printer			
34	Flight Management Computer ('FMC')			
	FMC Database and Memory Capacity			
	Multi-Mode Receiver ('MMR')			
	Inertial Reference Unit ('IRU')			
	ILS Receiver			
	Air Data Computer			
	Weather Radar Transciever			
	Radio Altimeter Transciever			
	Traffic Collision and Avoidance System Computer ('TCAS')			
	Enhanced Ground Proximity System ('EGPWS')			
	DME Interrogator			
	ATC Transponder			
	ADF Computer			
	VOR Marker Receiver			
	GPS Computer			

35	Crew Oxygen Bottle and Capacity - Fixed			
	Crew Oxygen Mask			