



MASTER AIRCRAFT LEASE NOVATION AGREEMENT, 2012

Template Document prepared jointly by AWG and IATA

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PREPARATORY NOTES

This template document was jointly prepared by AWG – IATA for permissive use by the aviation industry. It is designated as a template document and is intended as a mid-market text which could be used as such or as a framework for efficient negotiations, as the transaction parties deem fit. It may be used by any transaction party, whether or not a member of AWG or IATA.

Neither AWG nor IATA express a view on whether this template document should be used in a particular transaction or on whether the positions reflected in the template are appropriate for any particular transaction parties.

If used, this template document may be amended in any manner deemed appropriate by the transaction parties.

The structure of this template document is that of a master agreement – which is not signed – but rather is incorporated by reference in a particular transaction through an individually executed ‘Novation Agreement’ which is annexed hereto.

Transaction parties electing to make use of this template document should consult the User’s Guide and Commentary (2012) prepared in connection herewith.

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MASTER AIRCRAFT LEASE NOVATION AGREEMENT, 2011 ("Master Agreement") applies to aircraft lease novation arrangements contemplated hereby between one party ("**Existing Lessor**"), another party ("**New Lessor**") and a third party ("**Lessee**").

RECITALS

WHEREAS this standardized form has been developed to facilitate the novation of aircraft lease agreements; and

WHEREAS Existing Lessor, New Lessor and Lessee (individually a "**Party**" and collectively, the "**Parties**") wish to use this Master Agreement for specific transactions ("**Novation Agreements**") on the terms hereof as modified thereby.

IT IS HEREBY AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

The definitions and rules of interpretation specified in **annex 1** shall apply hereto and to any Novation Agreement.

2. TERMS OF NOVATION

2.1 Terms of Novation Agreement

2.1.1 This Master Agreement governs the novation of any aircraft lease agreement described in a Novation Agreement specifically incorporating the terms hereof.

2.1.2 A Novation Agreement modifies the terms hereof in respect of the Lease described therein. Where a Novation Agreement is executed, this Master Agreement as so modified, together with the Novation Agreement into which it is incorporated, shall be **(i)** read as a single independent contract applicable to such Lease and **(ii)** referred to herein as "**this Agreement**".

2.1.3 A Novation Agreement shall take the form of **annex 2**.

2.2 Novation

2.2.1 As of, and with effect from, the Effective Time:

(i) Existing Lessor assigns to New Lessor, and New Lessor agrees to assume, all of Existing Lessor's existing and future rights, title, benefit and interest, and obligations, covenants, undertakings, duties and liabilities under the Existing Lease arising on or after the Effective Time and New Lessor agrees to perform all of those obligations, covenants, undertakings, duties and liabilities;

(ii) Lessee consents to and accepts the assignment to and assumption by New Lessor of all of Existing Lessor's existing and future rights, title and interest and obligations, covenants, undertakings, duties and liabilities under the Existing Lease arising on or after the Effective Time and New Lessor's agreement to perform all of those obligations, covenants, undertakings, duties and liabilities;

(iii) Existing Lessor releases Lessee from all of Lessee's obligations, covenants, undertakings, duties and liabilities to Existing Lessor under the Existing Lease arising on or after the Effective Time and Existing Lessor agrees that it has no further rights against Lessee under the Existing Lease in respect of those obligations, covenants, undertakings, duties and liabilities;

(iv) Lessee releases Existing Lessor from all of Existing Lessor's obligations, covenants, undertakings, duties and liabilities to Lessee under the Existing Lease arising on or after the Effective Time and Lessee agrees that it has no further rights against Existing Lessor under the Existing Lease in respect of those obligations, covenants, undertakings, duties and liabilities; and

(v) Lessee acknowledges that its obligations, covenants, undertakings, duties and liabilities arising from the Effective Time to the "Lessor" under the Novated Lease are owed to New Lessor and Lessee agrees with New Lessor to perform all of those obligations, covenants, undertakings, duties and liabilities.

2.2.2 Each of the events and agreements in 2.2.1 is conditional upon the happening of the others and all of them shall occur simultaneously.

2.2.3 Existing Lessor, New Lessor and Lessee accordingly agree that as of, and with effect from, the Effective Time:

(i) the Existing Lease is novated and constitutes an agreement between New Lessor, as lessor, and Lessee on the terms and conditions of the Novated Lease; and

(ii) the leasing of the Aircraft by Existing Lessor to Lessee terminates.

2.2.4 Without prejudice to the rights of New Lessor or Lessee hereunder or under the Novated Lease, Lessee and Existing Lessor agree that, in respect only of any obligations, covenants, undertakings, duties or liabilities arising prior to the Effective Time, each shall have the same rights and remedies against the other as it would have had if Existing Lessor had remained the "Lessor" under the Existing Lease and this Agreement had not been executed. New Lessor shall not be responsible to Lessee in respect of any obligations, covenants, undertakings, duties or liabilities arising prior to the Effective Time, nor shall Lessee exercise any right of set-off or counterclaim against New Lessor in respect thereof.

2.2.5 Lessee agrees that it will not assert:

(a) against New Lessor, any claim or defence that it may have or have had against Existing Lessor or any other person or entity under the Existing Lease and/or in respect of the Aircraft, in each case to the extent properly attributable to any event, circumstance, time or period occurring or falling prior to the Effective Time; or

(b) against Existing Lessor, any claim or defence that it may have or have had against New Lessor or any person or entity under the Existing Lease and/or the Novated Lease and/or in respect of the Aircraft, in each case to the extent properly attributable to any event, circumstance, time or period occurring or falling on or after the Effective Time.

2.3 Amendment

2.3.1 As of, and with effect from, the Effective Time the Novated Lease shall be amended as set out in **Appendix A** to the **Novation Agreement**.

2.3.2 Save as expressly amended pursuant to 2.3.1, the Novated Lease and all provisions thereof shall continue in full force and effect as the legal, valid and binding rights and obligations of each of New Lessor and Lessee enforceable in accordance with its terms.

2.4 Effective Time

2.4.1 This Agreement shall become effective at the time (the "**Effective Time**") specified in the Effective Time Acknowledgement, which shall coincide with Delivery under and as defined in the Purchase Agreement. Subject to 3, the Parties shall execute the Effective Time Acknowledgment on the date on which Delivery occurs under the Purchase Agreement. Lessee agrees to provide flight schedules a reasonable time, taking into account Lessee's operations, in advance of any proposed date upon which the Effective Time is scheduled to occur, and shall confirm the location of the Airframe and each Engine as at the Effective Time.

2.4.2 At any time before the Effective Time Acknowledgement has been entered into, Existing Lessor and New Lessor may serve notice on Lessee that this Agreement is cancelled and upon service of such notice this Agreement (other than 8.13) shall terminate and be of no effect.

2.4.3 If an Effective Time Acknowledgement has not been entered into on or before the Final Cut-off Date, this Agreement (other than 8.13) shall terminate and be of no effect.

3. CONDITIONS PRECEDENT

3.1.1 Existing Lessor's obligation to execute the Effective Time Acknowledgment is conditional on satisfaction, or discretionary waiver by Existing Lessor of, the conditions precedent (the "**Existing Lessor Conditions Precedent**") (i) specified in **Part A** of **annex 3** and (ii) if any, specified in **Part I, point 6A** of the **Novation Agreement**.

3.1.2 New Lessor's obligation to execute the Effective Time Acknowledgment is conditional on satisfaction, or discretionary waiver by New Lessor of, the conditions precedent (the "**New Lessor Conditions Precedent**") (i) specified in **Part B** of **annex 3** and (ii) if any, specified in **Part I, point 6B** of the **Novation Agreement**.

3.1.3 Lessee's obligation to execute the Effective Time Acknowledgment is conditional on satisfaction, or discretionary waiver by Lessee of, the conditions precedent (the "**Existing Lessor Conditions Precedent**") (i) specified in **Part C** of **annex 3** and (ii) if any, specified in **Part I, point 7** of the **Novation Agreement**.

4. RENT, DEPOSIT, SUPPLEMENTAL RENT OR MAINTENANCE RESERVES

4.1 Rent

4.1.1 New Lessor agrees with Lessee, with effect from the Effective Time, that Lessee shall be under no further obligation in respect of rent, if any, paid under the Existing Lease by Lessee to Existing Lessor before the Effective Time which relates to a period commencing on or after the Effective Time.

4.1.2 On and from the Effective Time all payments due from Lessee to New Lessor, including but not limited to rent payments, will be made to the bank account specified in **annex 2, Appendix A** of this Agreement; provided however that if any such payment is in fact made to Existing Lessor, then Existing Lessor shall remit same to New Lessor and Lessee shall be under no further obligation in respect thereof.

4.2 Deposit, Supplemental Rent or Maintenance Reserves

4.2.1 New Lessor agrees with Lessee, with effect from the Effective Time, that the moneys, if any, paid under the Existing Lease by Lessee to Existing Lessor before the Effective Time by way of deposit, supplemental rent or maintenance reserves (or any other amounts however labelled and which have the same purpose as such sums) shall be treated for all purposes of the Novated Lease as having been paid by Lessee in accordance with the Novated Lease and shall be dealt with in accordance with the Novated Lease.

4.3 Acknowledgment of Relevant Amounts

Each of the Parties acknowledges and agrees that the rent, if any, paid under the Existing Lease by Lessee to Existing Lessor before the date hereof which relates to a period commencing on or after the date hereof, and the balance of all moneys, if any, paid under the Existing Lease by Lessee to Existing Lessor before the date hereof by way of deposits and supplemental rent or maintenance reserves (or any other amounts however labelled and which have the same purpose as such sums) (after deducting amounts utilised or disbursed in accordance with the terms of the Existing Lease) are for all purposes of the Novated Lease the amounts specified in **Part I, point 8** of the **Novation Agreement**.

5. DELIVERY

5.1.1 Lessee acknowledges that the Aircraft was delivered by Existing Lessor to Lessee before the date hereof, that Lessee is in possession of the Aircraft pursuant to such delivery and that New Lessor may rely on the Certificate of Acceptance as though it had been issued to New Lessor.

5.1.2 It is acknowledged by all parties hereto that no further physical delivery of the Aircraft by New Lessor is required or contemplated as a result of this Agreement or the Novated Lease.

6. UNDERTAKINGS

6.1 Identification Plates

Lessee undertakes (at the cost of the Party identified in **Part I, point 18** of the **Novation Agreement**) to have replacement identification plates (bearing the inscription set forth in the Lease, as amended by this Agreement as provided in **Part I, point 9** of the **Novation Agreement**) affixed to the Aircraft and the Engines in the manner described in the Novated Lease as soon as practicable after the Effective Time.

6.2 Warranty Consents

New Lessor undertakes to provide Lessee as soon as reasonably practicable with a copy of any consents given pursuant to the airframe warranties or the Engine warranties, each dated as of the Effective Time and relating to the Aircraft or Engines, as applicable, in respect of the assignment of rights, title and interests thereunder from Existing Lessor to New Lessor. Any such assignment shall be expressly subject to Lessee's rights in respect of such warranties.

6.3 Registration of Aircraft

Lessee undertakes to procure that as soon as practicable after the Effective Time the registration of the Aircraft is modified where applicable to reflect the change of lessor and owner thereof specified in this Agreement.

6.4 Cape Town Convention

The Cape Town Convention shall apply to the Novated Lease to the maximum extent permitted by law, and to that extent the Novated Lease shall constitute an "international interest" as defined in the Cape Town Convention. Save to the extent New Lessor agrees otherwise, if the Cape Town Convention applies, the international interest constituted by the Novated Lease and any assignment of it shall be registered in the International Registry created under the Cape Town Convention, at the cost of the Party identified in **Part I, point 18** of the **Novation Agreement**.

7. REPRESENTATIONS AND WARRANTIES

7.1 General Representations

Each Party represents to the other that as at the date hereof the following are true in all material respects:

- (i)** it is duly organised and validly existing under the Laws of the jurisdiction of its organisation or incorporation, and, if relevant under such laws, in good standing;
- (ii)** it has the power to execute, deliver and perform its obligations under this Agreement and documents contemplated hereby, and that execution, delivery and performance have been properly authorised;
- (iii)** such execution, delivery and performance do not violate or conflict with (a) any provisions of its constitutional documents, (b) Laws applicable to it, (c) order or judgment of any court or other Government Entity applicable to it, or (d) any contractual restriction binding on or affecting it or any of its assets;
- (iv)** all Consents that it is required to obtain with respect to this Agreement, the documents and transactions contemplated hereby (a) have been (or will on or before the Effective Time have been) obtained and (b) are (or will on or before the Effective Time be) in force, with all its conditions complied with;
- (v)** its obligations under this Agreement and the documents contemplated hereby constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to (a) applicable

insolvency law and (b) as to enforceability, equitable principles of general application and other customary limitations under the Laws selected to govern this Agreement under 8.7; and

(vi) it is subject to civil and commercial Laws, and not entitled to any jurisdictional or enforcement immunity (based on theories of sovereign immunity or otherwise), with respect to its obligations under this Agreement and the documents and transactions contemplated hereby.

7.2 Specific Representations

Existing Lessor and Lessee each represents to New Lessor that as at the date hereof the following are true in all material respects, unless excluded or varied in **Part I, point 13** of the **Novation Agreement**:

7.2.1 the entire agreement between Existing Lessor and Lessee in respect of the leasing of the Aircraft to Lessee is constituted by the Existing Lease; and

7.2.2 so far as it is aware, no event of default (howsoever defined) has occurred and is continuing under the Existing Lease.

New Lessor represents to Existing Lessor and Lessee as at the date hereof that the matters specified in **Part I, point 13** of the **Novation Agreement** are true in all material respects.

8. MISCELLANEOUS PROVISIONS

8.1 Annexes are Integral

The annexes form an integral part of this Agreement. Any reference to hereto or thereto include the annexes.

8.2 Entire Agreement

This Agreement constitutes the entire agreement and understanding of Parties with respect to its subject matter, superseding any agreements or understandings relating to the novation of the Existing Lease.

8.3 Amendments in Writing

No amendment, modification or waiver in respect of this Agreement will be effective unless in writing.

8.4 No Waiver of Rights

A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver.

8.5 Notices

Any notices or other communication hereunder shall be in English. They **(a)** shall be in writing, **(b)** may be given in any manner specified in **Part I, point 14** of the **Novation Agreement**, and **(c)** will be deemed effective as indicated:

- (i)** if in writing and delivered in person or by courier, on the date it is delivered;
- (ii)** if sent by facsimile transmission, on the date that transmission is received in legible form;
- (iii)** if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date that mail is delivered; or
- (iv)** if sent by electronic messaging system, on the date that an electronic message is received,

unless the date of that delivery or that receipt, as applicable, is not a Business Day or that communication is delivered or received, as applicable, after 5pm local time on a Business Day in the location specified for the

recipient in **Part I, point 14** of the **Novation Agreement**, in which case that communication shall be deemed given and effective on the first following day that is a Business Day for the recipient.

8.6 Governing Law

This Agreement and any non-contractual obligations arising out of or in connection with this Agreement will be governed by and construed in accordance with the Laws of England.

8.7 Jurisdiction

The provisions specified in **Part I, point 15** of the **Novation Agreement** shall apply hereto.

8.8 Service of Process

If the Parties agree that they shall designate agents for service of process under this Agreement, a letter confirming that designation shall be delivered to the other Parties prior to the Effective Time.

8.9 Severability

If a provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect the legality, validity or enforceability:

8.9.1 in that jurisdiction of any other provision of this Agreement; or

8.9.2 in any other jurisdiction of that or any other provision of this Agreement.

8.10 Counterparts

8.10.1 A Novation Agreement may be executed in any number of separate counterparts by the Parties, and by each party on separate counterparts. Each counterpart is an original but all counterparts shall together constitute one and the same instrument.

8.10.2 Whether a Novation Agreement may be executed and delivered by facsimile and/or an electronic media shall be specified in **Part I, point 16** of such **Novation Agreement**, and, if so, shall include what addresses and procedures shall be employed in connection therewith.

8.11 Costs and Expenses

Unless otherwise specified in **Part I, point 17** of the **Novation Agreement**, each of Existing Lessor and New Lessor shall bear its own fees, costs and expenses in connection with the preparation, negotiation and completion of this Agreement and performance of the transactions contemplated hereby, except as expressly provided herein. Whether or not the Effective Time occurs, either New Lessor or Existing Lessor, as specified in **Part I, point 17** of the **Novation Agreement**, agrees, upon receipt of Lessee's invoices and subject to any pre-agreed limits, to pay to or reimburse Lessee for all out-of-pocket costs and expenses (including legal fees and expenses) reasonably incurred by Lessee in connection with the preparation, negotiation and completion of this Agreement and performance of the transactions contemplated hereby.

8.12 Further Assurances

The Parties agree to take all actions reasonably requested by the others to carry out the intent of this Agreement.

8.13 Confidentiality

The Parties undertake to keep this Agreement and non-public information relating to this Agreement provided to it by the other Party confidential, provided that disclosure may be made **(i)** to affiliates and permitted assignees, **(ii)** to professional advisers or auditors, **(iii)** as required by law, including filing and

registration requirements, and (iv) with the prior consent of the other Parties. Any Party making a disclosure under (i), (ii) or (iv) shall be responsible for ensuring that the person to whom disclosure has been made also maintains confidentiality in accordance with the terms hereof in relation to the disclosed information. Any confidentiality provisions contained in the Existing Lease shall also apply to this Agreement and information supplied hereunder and such Existing Lease provisions shall prevail if there is any conflict between them and this clause 8.13.

8.14 Assignment

8.14.1 The Parties may not assign or transfer any of their respective rights or obligations under this Agreement without the prior Consent of the others, provided that nothing herein shall interfere with the rights of any Party to assign or transfer its respective rights or obligations under the Novated Lease in accordance with the terms thereof.

8.14.2 This Agreement is binding on and inures to the benefit of successors and assignees permitted hereunder.

8.15 Third Party Rights

The parties do not intend that any term of this Agreement shall be enforceable solely by virtue of the Contracts (Rights of Third Parties) Act 1999 (the "**Act**") by any person who is not a party to this Agreement, provided that any person who is not a party but who has the benefit of any indemnification provision of this Agreement may enforce its rights under this Agreement in accordance with the terms of the Act. The parties may rescind, vary, waive, release, assign, novate or otherwise dispose of all or any of their respective rights or obligations under this Agreement without the consent of any person who is not a party to this Agreement.

[ANNEXES FOLLOW]

Annex 1 - Definitions and Rules of Interpretation

Definitions

Aircraft means the Airframe, the Engines, the Parts and the Aircraft Documents described in **Part I, point 1** of the **Novation Agreement**.

Aircraft Documents means all logbooks, aircraft records, manuals and other documents described in **Part I, point 1** of the **Novation Agreement**.

Airframe means the Aircraft excluding the Engines.

Aviation Authority means the civil aviation authority of the State of Registration.

Business Day means any day, other than a Saturday or Sunday, on which banks are open for business in all the cities specified in **Part I, point 18** of the **Novation Agreement**.

Cape Town Convention means the Convention as modified by the Protocol.

Certificate of Acceptance means the Certificate of Acceptance or equivalent document as specified in **Part I, point 5** of the **Novation Agreement** given by Lessee to Existing Lessor in respect of the delivery of the Aircraft under the Existing Lease.

Consents means any consent, approval, action, authorisation, exemption, license or permit of any kind, given made or issued by a Government Entity.

Convention means the Convention on International Interests in Mobile Equipment signed in Cape Town on 16 November 2001.

Effective Time has the meaning given in 2.4.

Effective Time Acknowledgement means a notice taking the form of **Appendix B** to the **Novation Agreement**.

Existing Lease means the aircraft lease agreement between Existing Lessor and Lessee relating to the Aircraft together with all supplements, amendments, security, agreements, documents and undertakings given in respect thereof or entered into in connection therewith, as specified in **Part I, point 4** of the **Novation Agreement**.

Final Cut-off Date has the meaning specified in **Part I, point 12** of the **Novation Agreement**.

Government Entity means any international, national or local executive, legislative, judicial or administrative authority (however described, characterised or classified), including courts and agencies.

IDERA means an irrevocable de-registration and export request authorization pursuant to article 25 of the Cape Town Convention.

Novated Lease means the Existing Lease, as novated, amended and supplemented by this Agreement.

Purchase Agreement means the purchase agreement between Existing Lessor, as seller, and New Lessor, as purchaser, as specified in **Part I, point 11** of the **Novation Agreement**.

Protocol means the Protocol to the Convention on Matters Specific to Aircraft Equipment.

State of Registration has the meaning specified in **Part I, point 10** of the **Novation Agreement**.

Rules of Interpretation

Headings are inserted for convenience only, and lack legal effect. Words denoting the singular include the plural and vice versa. References to documents or instruments are to the same as modified from time to time. A reference to any person includes a reference to the successors in interest and permitted assigns of that person, and, in the case of a Government Entity, a person succeeding to any of its functions. The word "including" is construed as "including without limitation". Save where the context otherwise requires, references to an or the

"Aircraft" are to the Aircraft described in the subject Novation Agreement. References to matters "hereunder" are to those under this "Agreement", as defined.

Annex 2 - Form of Novation Agreement

Novation Agreement msn [insert MSN]

This Novation Agreement is made as of _____ between _____ ("**Existing Lessor**"), _____ ("**New Lessor**") and _____ ("**Lessee**"). It refers to and incorporates the terms of the Master Aircraft Lease Novation Agreement, 2011 ("**Master Agreement**").

This Novation Agreement modifies the Master Agreement, and, as so modified, constitutes a single contract applicable to the novation of the Existing Lease (defined below), as contemplated by clause 2.1.2 of the Master Agreement.

Part I – Referenced Provisions

For purposes of the Master Agreement ("N/A" denotes non-applicability):

<p>1. Aircraft (annex 1, definition) [specify Manufacturer, make, model, generic model, manufacturer's serial number, nationality and registration marks, other particulars] and the Engines (as described in point 2), Parts and Aircraft Documents as defined in the Existing Lease.</p>	<p>2. Engines (annex 1, definition) [specify Engine Manufacturer, make, model, generic model, manufacturer's serial number, other particulars], the whole as defined in the Existing Lease.</p>
<p>3. Delivery Location (annex 1, definition) [specify]</p>	<p>4. Existing Lease (annex 1, definition) [specify lease documents including amendments]</p>
<p>5. Certificate of Acceptance (annex 1, definition) [specify]</p>	<p>6A Additional Conditions Precedent to Existing Lessor's obligations (clause 3, Part A of annex 3) [specify] <u>or</u> [indicate if N/A] 6B Additional Conditions Precedent to New Lessor's obligations (clause 3, Part B of annex 3) [specify] <u>or</u> [indicate if N/A]</p>
<p>7. Additional Conditions precedent to Lessee's obligations (clause 3, Part C of annex 3) (6C) [specify] <u>or</u> [indicate if N/A]</p>	<p>8. Advance Rent, Deposit and Supplemental Rent or Maintenance Reserves (clause 4.3) [specify] <u>or</u> [indicate if N/A]</p>
<p>9. Identification Plates (clause 6.1 and Appendix A) [specify]</p>	<p>10. State of Registration (annex 1, definition) [specify]</p>
<p>11. Purchase Agreement (annex 1, definition) [specify]</p>	<p>12. Final Cut-off Date (annex 1, definition) [specify]</p>
<p>13. Additional Representations and Warranties (clause 7.2) [specify] <u>or</u> [indicate if N/A]</p>	<p>14. Notices (clause 8.5) [specify permissible means and addresses]</p>
<p>15. Jurisdiction (clause 8.7) [set out relevant provisions in full] [specify exclusive / nonexclusive]</p>	<p>16. Contracting by Fax/Electronic Writing (clause 8.10.2) [specify permissibility and addresses/protocol] <u>or</u> [indicate if N/A]</p>

<p>17. Costs and Expenses (clause 8.11)</p> <p>[specify whether one of Existing Lessor or New Lessor will bear the other's costs]</p> <p>[specify which of Existing Lessor and New Lessor will bear the Lessee's costs]</p> <p>[specify which of Existing Lessor and New Lessor will bear other costs – e.g. costs of new ownership plates; cost of Cape Town filings]</p>	<p>18. Business Day (annex 1, definition)</p> <p>[specify relevant cities]</p>
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Part II – Other Modification to Master Agreement

As regards this Novation Agreement, the Master Agreement is further modified as follows ("N/A" denotes non-applicability):

Part III – Appendix

Appendix A hereto sets out the amendments to the Novated Lease which shall take effect as of the Effective Time.

Appendix B hereto is the form of Effective Time Acknowledgment.

IN WITNESS whereof, Parties have executed this Novation Agreement on the respective dates specified below.

<p>EXISTING LESSOR</p> <p>DATE:</p> <p>LESSEE</p> <p>DATE:</p>	<p>NEW LESSOR</p> <p>DATE:</p>
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Annex 2, Appendix A - Amendments to the Novated Lease

As of, and with effect from, the Effective Time the Novated Lease shall be (and it is hereby) amended as follows:

- (i) the expression "Lessor" shall be construed, wherever it appears in the Novated Lease (as amended hereby), as if it referred to New Lessor in place of Existing Lessor, save and except:
 - (a) in any references to any act taken by, or any delivery of a document or notice by or to, Existing Lessor under the Existing Lease prior to the Effective Time; and
 - (b) in any condition precedent in favour of, or representation and warranty made by, Existing Lessor under the Existing Lease prior to the Effective Time;
- (ii) the expressions "the Aircraft Lease Agreement", "this Lease" and "the Lease" shall be construed wherever they appear in the Novated Lease, and wherever the context so permits, as if they referred to the Novated Lease;
- (iii) the expression "Operative Documents" shall be construed wherever it appears in the Novated Lease, and wherever the context so permits, as if it included this Agreement;
- (iv) the definition of "Business Day" shall be amended in the following manner: [_____];
- (v) the definition of "Indemnatee" shall be amended in the following manner: [_____];
- (vi) the definition of "Tax Indemnatee" shall be amended in the following manner: [_____];
- (vii) the details of Lessor's Bank Account shall be replaced by the following details: [_____];
- (viii) the Notice details for Lessor shall be replaced by the following details: [_____]; and
- (ix) the inscription for the Aircraft and Engine identification plates referred to in the Novated Lease shall be replaced with the following words: [_____].

Annex 2, Appendix B - Effective Time Acknowledgement

Re: _____ (Generic Model _____) Aircraft bearing manufacturer's serial number _____
(the "Aircraft")

Pursuant to clause 2.4.1 of the novation agreement dated _____, 20__ and made between _____,
_____ and _____ in respect of the Aircraft (the "**Novation Agreement**"), the undersigned hereby
acknowledge that the Effective Time (as defined in and for the purposes of the Novation Agreement) occurred while
the Aircraft was located in _____ at _____ hours _____ time
on the date hereof.

As of the Effective Time, Existing Lessor has transferred to New Lessor the security deposit of _____ and
maintenance reserves of _____ received from the Lessee pursuant to Article ___ of the Lease.

DATED this ____ day of _____, 20__.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Annex 3 – Conditions Precedent

PART A – EXISTING LESSOR CONDITIONS PRECEDENT

Existing Lessor shall have received each of the following documents and evidence, subject to any additions in **Part I, point 6A** of the **Novation Agreement**:

- (a) evidence of acceptance of appointment by Lessee's and New Lessor's process agent in respect of this Agreement and related documents;
- (b) evidence of the corporate authorisation of Lessee to enter into and perform under this Agreement and related documents;
- (c) certificate from New Lessor confirming that as at the Effective Time the representations set out in 7.1 and 7.2 of the Novation Agreement are true and correct in all material respects insofar as same are applicable to New Lessor;
- (d) certificate from Lessee confirming that as at the Effective Time the representations set out in 7.1 of the Novation Agreement are true and correct in all material respects insofar as same are applicable to Lessee;
- (e) legal opinion, in form and substance acceptable to Existing Lessor acting reasonably, from Lessee's counsel, in relation to this Agreement and related documents; and
- (f) certificates of insurance and an undertaking from Lessee's insurance broker confirming due compliance with the provisions of the Novated Lease as to insurances required to be effected and maintained thereunder from and after the Effective Time.

PART B – NEW LESSOR CONDITIONS PRECEDENT

New Lessor shall have received each of the following documents and evidence, subject to any additions in **Part I, point 6B** of the **Novation Agreement**:

- (a) evidence of acceptance of appointment by Existing Lessor's and Lessee's process agent in respect of this Agreement and related documents;
- (b) evidence of the corporate authorisation of Lessee to enter into and perform under this Agreement and related documents;
- (c) legal opinion, in form and substance acceptable to New Lessor acting reasonably, from Lessee's counsel, in relation to this Agreement and related documents;
- (d) certificates of insurance and an undertaking from Lessee's insurance broker confirming due compliance with the provisions of the Novated Lease as to insurances required to be effected and maintained thereunder from and after the Effective Time;
- (e) evidence of the issue of each Consent, if any, which is required or advisable in relation to or in connection with the performance by Lessee of any of its obligations under the Novated Lease (including the remittance to New Lessor of all amounts payable under the Novated Lease in the requisite currency);
- (f) certificate from Existing Lessor confirming that as at the Effective Time the representations set out in 7.1 and 7.2 of the Novation Agreement are true and correct in all material respects insofar as same are applicable to Existing Lessor;
- (g) certificate from Lessee confirming that as at the Effective Time the representations set out in 7.1 and 7.2 of the Novation Agreement are true and correct in all material respects insofar as same are applicable to Lessee;
- (h) a replacement deregistration power of attorney and IDERA (if applicable) by Lessee in favour of New Lessor and its delegates;

- (i) a copy of the current and valid certificate of airworthiness in respect of the Aircraft;
- (j) a copy of the current Air Operator's Certificate or licence to carry on the business of air navigation issued by the Aviation Authority to Lessee with respect to aircraft of the type of the Aircraft;
- (k) a copy of the current and valid certificate of registration in respect of the Aircraft;
- (l) if applicable, a replacement Eurocontrol Charges Letter; and
- (m) if applicable, a replacement letter or letters of credit.

PART C – LESSEE CONDITIONS PRECEDENT

Lessee shall have received each of the following documents and evidence, subject to any additions in **Part I, point 6C** of the **Novation Agreement**:

- (a) evidence of acceptance of appointment by Existing Lessor's and New Lessor's process agent in respect of this Agreement and related documents;
- (b) evidence of the corporate authorisation of Existing Lessor and New Lessor to enter into and perform under this Agreement and related documents;
- (c) certificate from New Lessor confirming that as at the Effective Time the representations set out in 7.1 and 7.2 of the Novation Agreement are true and correct in all material respects insofar as same are applicable to New Lessor;
- (d) certificate from Existing Lessor confirming that as at the Effective Time the representations set out in 7.1 of the Novation Agreement are true and correct in all material respects insofar as same are applicable to Existing Lessor;
- (e) legal opinion, in form and substance acceptable to Lessee acting reasonably, from Existing Lessor's and New Lessor's, in relation to this Agreement and related documents;
- (f) a copy of all documents necessary or advisable for filing with the Aviation Authority in connection with this Agreement and related documents; and
- (g) the return and release of the irrevocable power of attorney (and IDERA, if applicable) in favour of Existing Lessor in respect of the lease of the Aircraft.