

Please refer to the **AWG Template Documents on Lease
Novation/Assignment & Assumption Agreements – Guiding Principles**
October 2017 (as amended) at www.awg.aero for further drafting notes

[INSERT NAME OF EXISTING LESSOR]
AS EXISTING LESSOR

[INSERT NAME OF AIRLINE/OPERATOR OF THE AIRCRAFT]
AS LESSEE

[INSERT NAME OF NEW LESSOR]
AS NEW LESSOR

AIRCRAFT LEASE ASSIGNMENT, ASSUMPTION
AND AMENDMENT AGREEMENT IN RESPECT OF
ONE (1) *[INSERT NAME OF AIRCRAFT
MANUFACTURER AND AIRCRAFT MODEL]*
AIRCRAFT BEARING MANUFACTURER'S SERIAL
NUMBER [●] AND [TWO (2)/FOUR (4)] *[INSERT
ENGINE MODELS]* ENGINES BEARING
MANUFACTURER'S SERIAL NUMBERS [●]/[●]/[●]
AND [●]

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THIS AIRCRAFT LEASE ASSIGNMENT, ASSUMPTION AND AMENDMENT AGREEMENT (this "**Agreement**") is made as of [*Insert date*]

AMONG:

- (1) [*INSERT NAME OF EXISTING LESSOR*], a company [incorporated][organized] under the laws of [•] with its address at [•] ("**Existing Lessor**");
- (2) [*INSERT NAME OF AIRLINE/OPERATOR OF THE AIRCRAFT*], a company [incorporated][organized][under the laws of [•] with its address at [•] ("**Lessee**"); and
- (3) [*INSERT NAME OF NEW LESSOR*], a company [incorporated][organized] under the laws of [•] with its address at [•] ("**New Lessor**").

BACKGROUND

- (A) Pursuant to the Lease, the Existing Lessor [has agreed to lease] [leases] to the Lessee the Aircraft on the terms and subject to the conditions contained in the Lease.
- (B) By a sale and purchase agreement dated [•] (the "**Sale Agreement**") between[, amongst others,] the Existing Lessor and [*insert name of counterparty if different from new lessor*], the Existing Lessor has agreed to sell the Aircraft to the New Owner on the terms and conditions set out in the Sale Agreement.
- (C) For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged:
 - (a) the parties have agreed that with effect from the Effective Time the New Lessor shall assume the rights, liabilities and obligations of "**Lessor**" under the Lease, and that the Existing Lessor shall be released from its liabilities and obligations under the Lease, in each case, on the terms and conditions set out below; and
 - (b) the Existing Lessor, the New Lessor and the Lessee have agreed to enter into this Agreement for the purposes of giving effect to the assignment and assumption of the Lease and to amend and modify the Lease to reflect the foregoing.

NOW IT IS HEREBY AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1 Words and expressions defined in the [Lease Agreement]/[Common Terms Agreement] shall bear the same respective meanings in this Agreement (including the Recitals hereto) unless otherwise defined herein or the context otherwise indicates or requires.

In addition, in this Agreement the following expressions shall have the following meanings:

"**Aircraft**" means one (1) [*insert aircraft model*] aircraft with manufacturer's serial number [•] and [*two (2)/four (4)*] [*insert engine model*] engines with manufacturer's

serial numbers [●]/[●]/[●] and [●], as such aircraft is more particularly described in the Lease.

"Certificate of Acceptance" means the [certificate of acceptance]/[lease supplement]/[estoppel and acceptance certificate] relating to the Aircraft delivered pursuant to the Lease by the Lessee to the Existing Lessor on the [Delivery Date].

["Common Terms Agreement" means [●] [*Nb – relevant only for structures where the lease is subject to some form of common terms agreement or other similar master lease concept*].

"Effective Time" means the time set forth in the Effective Time Notice.

"Effective Time Notice" means a notice substantially in the form of Schedule 4 (*Form of Effective Time Notice*), signed by the Lessee, the Existing Lessor and the New Lessor.

"Lease" collectively means the Lease Agreement [,the Common Terms Agreement as and to the extent incorporated in the Lease Agreement]¹ and all related supplements, amendments, assignments and assumptions and other agreements and instruments which are more particularly described in Schedule 1 (*The Lease*).

"Lease Agreement" means [●].

["Lessee Notice and Acknowledgement" means the notice and acknowledgement of assignment to be entered into on or about the Effective Time between the Lessee, the New Lessor and the Security Trustee.]²

"New Owner" means [the New Lessor]/[other entity].

["Replacement Airframe Warranties Agreement" means [*to be described*]].

"Replacement Ancillary Documents" collectively means [*insert description of all documentation, other than warranty documentation, which needs to be reissued at the time of the assignment and assumption. Typical documentation will include any deregistration POA/IDERA, any air traffic control letter, any assignment of insurances/reinsurances, any Eurocontrol letter or any replacement guarantees for the lessee's or lessor's obligations.*]

["Replacement Engine Warranties Agreement" means [*to be described*]].

["Security Trustee" means [*insert name of security trustee*].]³

"Transaction Documents" means, together, each of this Agreement, the Effective Time Notice, [the Replacement Airframe Warranties Agreement, the Replacement

¹ All references to a Common Terms Agreement are required only if the underlying lease reflects that concept

² Only required where the new lessor is financing its acquisition of the Aircraft

³ Only required where the new lessor is financing its acquisition of the Aircraft

Engine Warranty Agreement]⁴, [the Lessee Notice and Acknowledgement,] the Replacement Ancillary Documents and any and all notices, acknowledgements and consents required to be executed in connection with the foregoing.

1.2 In this Agreement, unless the contrary intention is stated, a reference to:

- 1.2.1 each of the "Existing Lessor", the "New Lessor", the "Lessee", the "New Owner" or any other person includes, without prejudice to the provisions of this Agreement restricting transfer or assignment, any successor or permitted assignee or transferee;
- 1.2.2 words importing the plural shall include the singular and vice versa;
- 1.2.3 any document shall include that document and all exhibits, schedules and attachments, as amended, novated, assigned, assumed or supplemented in accordance with the provisions thereof;
- 1.2.4 a Clause or a Schedule is, unless otherwise specified, a reference to a Clause of or a Schedule to this Agreement; and
- 1.2.5 any law, or to any specified provision of any law, is a reference to such law or provision as amended, substituted or re-enacted.

2. ASSIGNMENT AND ASSUMPTION

2.1 With effect from the Effective Time and subject, where applicable, to the arrangements set forth in Clause 5.2:

- 2.1.1 the Existing Lessor releases the Lessee from the Lessee's obligations, duties and liabilities to the Existing Lessor under the Lease, and the Existing Lessor agrees that it has no further rights against the Lessee under the Lease, in each case insofar as the same are attributable to the period commencing at, or any event or circumstance occurring after, the Effective Time (but, for the avoidance of doubt, not the obligations, duties or liabilities required to be performed in, or relating to, the period prior to the Effective Time);
- 2.1.2 the Lessee releases the Existing Lessor from the Existing Lessor's obligations, duties and liabilities to the Lessee under the Lease, and the Lessee agrees that it has no further rights against the Existing Lessor under the Lease, in each case insofar as the same are attributable to the period commencing at, or any event or circumstance occurring after, the Effective Time (but, for the avoidance of doubt, not the obligations, duties or liabilities required to be performed in, or relating to, the period prior to the Effective Time);
- 2.1.3 the Existing Lessor assigns to the New Lessor, and the New Lessor agrees to assume, the rights, obligations, duties and liabilities of the "Lessor" under the Lease arising from and including the Effective Time and the New Lessor agrees to perform the obligations of the "Lessor" under the Lease, in each case

⁴ Warranty Agreements to be included where the structure requires replacement documentation to be signed at the time of a sale

arising from and including the Effective Time (but, for the avoidance of doubt, not the obligations, duties or liabilities required to be performed, or the rights arising, in, or relating to, the period prior to the Effective Time);

- 2.1.4 the Lessee consents to and accepts the assignment to and assumption by the New Lessor of the rights, obligations, duties and liabilities of "Lessor" under the Lease and the New Lessor's agreement to perform the obligations of the "Lessor" under the Lease (but, for the avoidance of doubt, not the obligations, duties or liabilities required to be performed, or the rights arising, in, or relating to, the period prior to the Effective Time);
- 2.1.5 the Lessee agrees that it will not assert against the New Lessor any claim or defense arising from circumstances occurring prior to the Effective Time, which it may have or have had against the Existing Lessor under the Lease prior to the Effective Time;
- 2.1.6 the Lessee acknowledges that its covenants, obligations, undertakings, duties and liabilities under the Lease arising from and including the Effective Time are owed to the New Lessor, and agrees with the New Lessor to assume, observe and perform the covenants, obligations, undertakings, duties and liabilities of the Lessee under the Lease arising from and including the Effective Time in favor of and for the benefit of the New Lessor;
- 2.1.7 the Lessee and the Existing Lessor agree that the Existing Lessor and the Lessee shall have the same rights and remedies against each other as each would have had under the Lease in respect of any losses, liabilities or claims suffered or incurred or brought against or payments due to each other in respect of or attributable to the period prior to the Effective Time as if the Existing Lessor had remained the "Lessor" under the Lease and this Agreement had not been executed and the New Lessor shall not have any liability for any such losses, liabilities or claims nor shall the Lessee exercise any set off or counterclaim against the New Lessor in respect of any such losses, liabilities or claims;
- 2.1.8 [for the purposes of the Cape Town Convention, the Lease is hereby assigned pursuant to the terms of this Agreement]⁵; and
- 2.1.9 the Lease is amended in accordance with Schedule 3 (*Amendments to the Lease*).

Each of the events set out in this Clause 2.1 is conditional upon the happening of the others and shall occur simultaneously.

⁵ Only include where the Cape Town Convention already applies to the existing Lease as assigned in favor of the New Lessor as lessor, in which case, in addition to registering an assignment of the existing lease international interest registrations, it is advisable to make new lease international interest registrations (to address the possibility that this Agreement creates new lease international interests rather than assigning the existing lease international interest). Where the Cape Town Convention does not apply to the existing Lease, but the parties want the Convention to apply to the Lease going forward and the Convention is in force at the time this Agreement is entered into, appropriate actions to create new lease international interests are advisable and Cape Town registrations should be made in respect of such new interests.

- 2.2 The Lessee acknowledges that the Aircraft was delivered to the Lessee under the Lease Agreement on *[insert delivery date]* (the "**Delivery Date**") and that the New Lessor may rely on the Certificate of Acceptance issued by Lessee to the Existing Lessor on the Delivery Date as though it had been issued to the New Lessor. It is hereby acknowledged by all parties hereto that no further physical delivery of the Aircraft by the New Lessor to the Lessee is required or contemplated as a result of this Agreement.
- 2.3 [The assignment and assumption of the Lease as contemplated by Clause 2.1 and the amendments to the Lease to be effected by Clause 2.1 and Schedule 3 (*Amendments to the Lease*) shall not assign, amend, modify or supplement, or result in any assumption of obligations or liabilities under, the Common Terms Agreement as incorporated in any lease relating to any aircraft other than the Aircraft.]

3. **UNDERTAKINGS AND FACTUAL CONFIRMATIONS**

3.1 **Effective Time Notice**

Each of the parties hereto shall provide confirmation to the other parties hereto immediately upon satisfaction or waiver or deferral of each of the conditions precedent expressed to be for the benefit of such party in Schedule 2 (*Conditions Precedent*). Immediately thereupon, each of the parties hereto unconditionally and irrevocably agrees to sign and deliver to each of the other parties hereto the Effective Time Notice at the same time as (and subject to) the sale of the Aircraft to the New Owner is completed.

3.2 **No Increased Obligations**

[Without prejudice to Lessee's obligations under this Agreement, Lessee's obligations under the Lease will not, as determined at the Effective Time based on the law in effect at the Effective Time, increase as a consequence of the assignment and assumption contemplated by this Agreement. Neither a change in the person or persons to whom, or for whose benefit, Lessee performs its obligations under the Lease, nor an increase in the number of, or change in the nature of, beneficiaries under any indemnification, insurance or other obligation will, in each case, constitute by itself or in the aggregate an increase in the obligations of Lessee under the Lease.]⁶

3.3 **Costs and Expenses**

[[Existing Lessor]/[New Lessor]] shall promptly reimburse to the Lessee its reasonable out-of-pocket expenses (including, without limitation, legal expenses) actually incurred in connection with the assignment and assumption contemplated by this Agreement, provided that such expenses are substantiated to [[Existing Lessor's]/[New Lessor's]] reasonable satisfaction.

3.4 **Nameplates**

The Lessee agrees that it shall, as soon as reasonably practicable but in any case no later than ninety (90) days after the Effective Time, replace the fireproof plates

⁶ This provision to be updated to match the terms of the Lease in case of any inconsistency

currently on the Airframe and Engines with those bearing the text set out below (and the New Lessor and the Lessee agree that with effect from the Effective Time the text for the plates specified in Clause [] of the [Lease Agreement][Common Terms Agreement] shall be deleted and replaced with the text set out below):

"This [Aircraft/Engine] is owned by [*insert name of New Lessor*] ("**Lessor**") [*and mortgaged in favor of [•]*], and is leased to [*insert name of Lessee*] and may not be or remain in possession of, or be operated by, any other person without the prior written consent of Lessor".⁷

The [New][Existing] Lessor shall, upon receipt of an invoice therefor, reimburse the Lessee for the reasonable costs actually incurred by the Lessee to replace the fireproof plates pursuant to this Clause 3.4.

3.5 **Liability Insurance**

3.6 The Lessee agrees to maintain liability insurance for the benefit of each [Indemnitee] (as such term is defined in the Lease immediately prior to the Effective Time) as set forth in Clause [•] of the Lease.

3.7 **Post-Assignment and Assumption Undertakings**

[This should include any agreed post-completion steps required to be taken by any party. Typical areas for inclusion would be (i) procuring post-completion filings with/amending the records or registers of the aviation authority in the state of registry; (ii) setting out the steps required to complete transfer of any letter of credit; and (iii) providing for the delivery by the parties of original signed documentation following closing. Where possible, the time periods involved should reflect those contained in the underlying Lease.]

3.8 **Factual confirmations**

3.8.1 The Lessee confirms to the New Lessor on the date hereof and at the Effective Time (but, in respect of the Effective Time, subject to any qualifications noted in the Effective Time Notice):

- (a) no [Event of Default] has occurred and is continuing under the Lease;
- (b) no [[Event of Loss]/[Total Loss]] with respect to the [Airframe] or any Engine has occurred; and
- (c) no damage has occurred to the Aircraft resulting in repair costs in excess of the [Damage Notification Threshold].

3.8.2 The Lessee and the Existing Lessor confirm to the New Lessor that the documentation listed in Schedule 1 (*the Lease*) hereto constitutes the entire agreement between the Lessee and the Existing Lessor in relation to the leasing of the Aircraft which will continue in effect following the Effective Time and there have been no amendments, consents, waivers or modifications

⁷ Language in the Lease may also be used.

entered into with respect to such documentation which will continue to have effect following the Effective Time.

4. REPRESENTATIONS AND WARRANTIES⁸

4.1 Each party to this Agreement hereby represents and warrants to the others on the date of this Agreement and at the Effective Time (each in relation to itself only) that:

4.1.1 it duly exists under the laws of its jurisdiction of [incorporation][organization];

4.1.2 it has the capacity and power to enter into and perform this Agreement and the other Transaction Documents to which it is a party and has duly authorized and executed this Agreement and other Transaction Documents to which it is a party after completion of all necessary corporate and/or governmental action;

4.1.3 its obligations under this Agreement are valid, binding and enforceable against it (except as may be limited by applicable bankruptcy and similar laws affecting creditors' rights generally or general principles of equity); and

4.1.4 entering into and the performing its obligations under this Agreement does not conflict with, and will not result in default under, any document binding upon it or any of its assets.

4.2 [The New Lessor represents and warrants to Lessee on the date hereof and at the Effective Time (but, in respect of the Effective Time, subject to any qualifications noted in the Effective Time Notice) that:

4.2.1 *[section to include any specific representations that required to be given to address specific transfer requirements set out in the underlying Lease].⁹*

5. PAYMENTS

5.1 Rent

5.1.1 To the extent that the Existing Lessor has received (or, on the next scheduled date for payment of [Rent], does receive) from Lessee any amount of [Rent] payable by Lessee pursuant to the Lease that is referable to any period after the Effective Time, Existing Lessor shall arrange for such [Rent] to be paid to the New Lessor at or as soon as reasonably practicable after the Effective Time and such payment shall discharge *pro tanto* and without penalty the Lessee's obligation to pay the New Lessor for the relevant period.

5.1.2 To the extent that the New Lessor has received (or, on the next scheduled date for payment of [Rent], does receive) from Lessee any amount of [Rent] payable by Lessee pursuant to the Lease that is referable to any period prior to the Effective Time, the New Lessor shall arrange for such [Rent] to be paid to

⁸ Note that the intention is that all representations and warranties to be given by existing lessor/seller to new lessor/buyer will be set out in the applicable sale agreement, rather than the novation

⁹ Clause 4.2 to be included only whether the Lease transfer provisions specifically require representations to be given by the new lessor on a transfer

the Existing Lessor as soon as reasonably practicable after the Effective Time and such payment shall discharge *pro tanto* and without penalty the Lessee's obligation to pay the Existing Lessor for the relevant period.

5.2 Security Deposit, Supplemental Rent and other Lessor contributions

5.2.1 [With effect from the Effective Time, the current balance of the [Security Deposit] and the [Supplemental Rent] (in each case in the amounts set forth in the Effective Time Notice) shall be transferred in full to the New Lessor. Each party hereto agrees that with effect from the Effective Time [and subject to Clause 5.2.2 below], any claim by the Lessee for reimbursement of the [Security Deposit] or payment of [any maintenance contribution¹⁰] shall be made only against the New Lessor, and the New Lessor hereby expressly confirms that it shall assume such obligations with effect from the Effective Time.¹¹]

5.2.2 [*To the extent that the Lease sets out any other lessor maintenance or similar reimbursement obligations which are not passed in their entirety to New Lessor, a section to be added to clearly state who assumes responsibility for those matters.*]

6. MISCELLANEOUS

6.1 Variation

The terms of this Agreement shall not be varied otherwise than by an agreement in writing duly executed by or on behalf of all the parties; provided that following the Effective Time and the issuance of the Effective Time Notice, the New Lessor and the Lessee shall be entitled to amend, modify or vary the terms of the Lease and any side letters, warranty agreements or any other ancillary documents relating to the Lease or the Aircraft after the Effective Time without reference to or the signature of the Existing Lessor.

6.2 Notices

Every notice, request, direction or other communication under this Agreement shall be made in accordance with clause [[•] (*Notices*) of the [*Lease Agreement*] and shall be sent:

to the New Lessor at:

[*insert address details of the New Lessor*]

¹⁰ Adapt to track how the underlying lease describes any lessor contributions paid in relation to qualifying work for which the lessee has paid reserves

¹¹ This Clause assumes that at closing, the entire balance of any security deposit and reserves will be transferred to the new lessor, and that new lessor will assume responsibility for any reimbursements (regardless of when the relevant claim for a reimbursement arose). To the extent that a different commercial agreement is reached between the relevant seller and buyer, this clause will need to be adjusted to reflect that and the details reflected in Clause 5.3. The Effective Time notice will also set out details of any claim for a lessor contribution which has been made by the Lessee at that time but not yet paid.

Attention: [•]
Email: [•]
Fax: [•]

to the Existing Lessor at:

[insert address details of the Existing Lessor]

Attention: [•]
Email: [•]
Fax: [•]

to the Lessee at:

[insert address details of the Lessee]

Attention: [•]
Email: [•]
Fax: [•]

6.3 **Governing Law; Jurisdiction**

The terms of clause []¹² [(*Governing Law and Jurisdiction*)] of the [*Lease Agreement*] shall apply to this Agreement as if set out in full herein and as if references therein to ["this Agreement"] were to this Agreement and references therein to "Lessor" were to the Existing Lessor and the New Lessor.

6.4 **WAIVER OF JURY TRIAL**

THE TERMS OF CLAUSE [] [(WAIVER OF JURY TRIAL)] OF THE [LEASE AGREEMENT] SHALL APPLY TO THIS AGREEMENT AS IF SET OUT IN FULL HEREIN AND AS IF REFERENCES THEREIN TO ["THIS AGREEMENT"] WERE TO THIS AGREEMENT AND REFERENCES THEREIN TO "LESSOR" WERE TO THE EXISTING LESSOR AND THE NEW LESSOR.

6.5 **Assignment and Transfer**

6.5.1 This Agreement will be binding upon and inure to the benefit of each party hereto and its successors and permitted assigns and transferees.

6.5.2 No party may assign or transfer any of its rights or obligations under this Agreement (and any purported assignment or transfer in breach of this clause 6.5.2 shall be void *ab initio*), except the New Lessor may, without the consent of the other parties, assign or transfer its rights and obligations under this Agreement in connection with an assignment or transfer of its rights or obligations under the Lease which is permitted in accordance with the terms thereof.

¹² Please insert cross-references to both the governing law and jurisdiction clauses

6.6 Third Parties

6.6.1 No person who is not a party to this Agreement shall have any rights hereunder, provided that, each Indemnitee (as defined in the Lease (both prior to and following the Effective Time) and its successors and assigns and transferees is, in relation to the rights to be named as additional insureds in accordance with the Lease or this Agreement, an express third party beneficiary of this Agreement and shall be entitled to enforce such rights.

6.6.2 The consent of any third party is not required for any variation or termination of this Agreement.

6.7 Counterparts

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

6.8 Delivery of documents by fax and email

Delivery of an executed counterpart of this Agreement or of any other document in connection with this Agreement by fax or email will be deemed as effective as delivery of an originally executed counterpart. Any party delivering an executed counterpart of this Agreement or other document by fax or email will also deliver an originally executed counterpart, but the failure of any party to deliver an originally executed counterpart of this Agreement or such other document will not affect the validity or effectiveness of this Agreement or such other document.

6.9 Further Assurances

Each party hereto agrees that it shall, at any time and from time to time (and in the case of the Lessee, at no cost to itself), promptly and duly execute and deliver any and all such further instruments and documents and take such further action as may be reasonably required in order to obtain the full benefits of this Agreement and to implement the rights and powers herein granted.

IN WITNESS WHEREOF the parties hereto have executed and delivered this Agreement on the date first above written.

SCHEDULE 1
THE LEASE¹³

1. Aircraft [Specific] Lease Agreement dated [•] between the Existing Lessor and the Lessee.
2. [Aircraft Lease Common Terms Agreement dated [•] between [*insert name of counterparty to any CTA*] and the Lessee].
3. Certificate of Acceptance dated [•] from the Lessee to the Existing Lessor.
4. [Certificate of Technical Acceptance dated [•] from the Lessee to the Existing Lessor.]
5. [*list any other amendment agreement or side letter to the lease which will continue to have effect following the Effective Time*].

¹³ This list is intended to set out only those lease documents which will be assigned to, and assumed by, the new lessor at the Effective Time or which will remain in place following the Effective Time. Usually this list will only include the lease, related acceptance certificates and any amendments to the foregoing. Documents such as warranty agreements, insurance assignments, DPOAs and so on will usually be terminated and replaced at the Effective Time by new versions issued to the new lessor.

SCHEDULE 2 CONDITIONS PRECEDENT

[this section includes a typical list of conditions precedent. It will need to be adapted to take account of the actual documentation provided at delivery under the underlying Lease and also to take account of advice from local legal counsel. To the extent that there are any guarantees provided in relation to the obligations of the Lessee or the New Lessor, the requirement to deliver opinions corporate, KYC and process agent documentation should also include the guarantor entities]

1. New Lessor Conditions Precedent

It shall be a condition precedent for the New Lessor to the occurrence of the Effective Time that each of the following have been satisfied or waived or deferred.

- (a) On or before the Effective Time, the New Lessor will have received the following in form and substance reasonably satisfactory to it:
 - (i) copies of the certificate of insurance and broker's undertaking relating to the insurances in compliance with the provisions of the Lease and this Agreement;
 - (ii) a certificate from a duly authorized officer of the Lessee and the Existing Lessor:
 - (A) attaching in respect of each of the Lessee and the Existing Lessor copies of:
 - (1) its constitutional documents;
 - (2) all necessary corporate authorizations approving the terms of, and the transactions contemplated by the Transaction Documents to which it is a party;
 - (3) the powers of attorney (if any) required by such entity to authorize the execution and performance of the Transaction Documents and any other agreements or instruments to which it is a party; and
 - (4) the specimen signature of each person authorized pursuant to the above; and
 - (B) certifying that the documents referred to in paragraph (A) above are true, correct and up-to-date copies.
 - (iii) [all such documentation and information from the Lessee as requested by the New Lessor and agreed to be provided by the Lessee in respect of the New Lessor's "Know Your Customer" checks, anti-money laundering checks and any other similar requirements (which such

checks and requirements shall be satisfactory to the New Lessor in its sole and absolute discretion)]¹⁴;

- (iv) a legal opinion from [*counsel in jurisdiction of incorporation*][*organization*] of Lessee and the State of Registration];
 - (v) copies of each of the Transaction Documents duly executed by each of the parties thereto;
 - (vi) [a letter from the process agent in the State of New York appointed by the Lessee in relation to the Transaction Documents to which it is a party accepting that appointment;]
 - (vii) [a replacement [Letter of Credit] in favor of the New Lessor in respect of the Deposit [[and/or] [Maintenance Reserves/Supplemental Rent]], such Letter of Credit being substantially in the same form and substance as the Letter of Credit currently held by the Existing Lessor in respect of the Deposit [[and/or] [Maintenance Reserves/Supplemental Rent]];]¹⁵
 - (viii) [*other documentation TBC*]¹⁶;
- (b) [The New Lessor shall be satisfied that at the Effective Time or as soon as practicable thereafter, that Cape Town Convention registrations with the International Registry of a new international interest and an assignment of the existing international interest, and recordation of an IDERA with the [Aviation Authority], shall have been made in accordance with the Cape Town Convention]¹⁷.
 - (c) [The New Lessor shall be satisfied that at the Effective Time [all documentation required in order to [register the interests of the New Owner and the Security Trustee with the [Aviation Authority] has been prepositioned with [insert name of responsible party] for filing at the Effective Time].¹⁸
 - (d) Each of the representations of the Lessee and the Existing Lessor set forth herein shall be true and accurate by reference to the facts and circumstances then existing.

¹⁴ KYC CP may not be required in all cases – to be included as needed

¹⁵ This wording has been included as a placeholder – we would imagine that the wording needs to be amended on a case by case basis to reflect the actual requirements for the underlying LC (in some cases a replacement LC will be available at closing, in other cases it may need to be addressed through the post-closing undertakings section)

¹⁶ To be inserted on a case by case basis. The expectation is that this would include replacement versions of any eurocontrol/air traffic control letters

¹⁷ Include if the Cape Town Convention applies. If registrations are to be made after closing, the CP can be adapted to refer to all PUE consents required for the new registrations having been granted

¹⁸ This is a placeholder and will need to be adapted on a case by case basis to reflect the formalities needed in order to register the New Owner (and any new financier) with the aviation authority in the state of registry. In many cases, these issues may need to be addressed via the post-closing undertakings section of the agreement

The conditions precedent specified in this paragraph 1 of Schedule 2 above have been inserted for the benefit solely of New Lessor and may be waived, deferred or extended in writing in whole or in part and with or without conditions, without prejudicing the right to receive fulfillment of such conditions.

2. Lessee Conditions Precedent

It shall be a condition precedent for the Lessee to the occurrence of the Effective Time that each of the following have been satisfied or waived or deferred.

- (a) On or before the Effective Time, the Lessee will have received the following in form and substance reasonably satisfactory to it:
 - (i) a certificate from a duly authorized officer of the New Lessor and the Existing Lessor:
 - (A) attaching in respect of each of the New Lessor and the Existing Lessor copies of:
 - (1) its constitutional documents;
 - (2) all necessary corporate authorizations approving the terms of, and the transactions contemplated by the Transaction Documents to which it is a party;
 - (3) the powers of attorney (if any) required by such entity to authorize the execution and performance of the Transaction Documents and any other agreements or instruments to which it is a party; and
 - (4) the specimen signature of each person authorized pursuant to the above; and
 - (B) certifying that the documents referred to in paragraph (A) above are true, correct and up-to-date copies.
 - (ii) [a letter from the process agent in the State of New York and appointed by the New Lessor in relation to the Transaction Documents to which it is a party accepting that appointment;]
 - (iii) copies of each of the Transaction Documents duly executed by each of the parties thereto;
 - (iv) a legal opinion from [*counsel to the New Lessor*]/[*inhouse counsel to the New Lessor*] addressed to the Lessee in respect of the due capacity of, and execution by the New Lessor of each Transaction Document to which it is a party, in form and substance acceptable to the Lessee; and
 - (v) [*other documentation TBC*]¹⁹.

¹⁹ Other lessee conditions precedent to be added on a case by case basis as required

- (b) Each of the representations of the New Lessor and the Existing Lessor set forth herein shall be true and accurate by reference to the facts and circumstances then existing.

The conditions precedent specified in this paragraph 2 of Schedule 2 above have been inserted for the benefit solely of the Lessee and may be waived, deferred or extended in writing in whole or in part and with or without conditions, without prejudicing the right to receive fulfillment of such conditions.

3. Existing Lessor Conditions Precedent

It shall be a condition precedent for the Existing Lessor to the occurrence of the Effective Time that each of the following have been satisfied or waived or deferred.

- (a) On or before the Effective Time, the Existing Lessor will have received the following in form and substance reasonably satisfactory to the Existing Lessor:
 - (i) copy of the certificate of insurance and brokers' undertaking relating to the insurances in compliance with the provisions of the Lease and this Agreement; and
 - (ii) a certificate from a duly authorized officer of the Lessee and the New Lessor:
 - (A) attaching in respect of each of the Lessee and the New Lessor copies of:
 - (1) its constitutional documents;
 - (2) all necessary corporate authorizations approving the terms of, and the transactions contemplated by the Transaction Documents to which it is a party;
 - (3) the powers of attorney (if any) required by such entity to authorize the execution and performance of the Transaction Documents and any other agreements or instruments to which it is a party; and
 - (4) the specimen signature of each person authorized pursuant to the above; and
 - (B) certifying that the documents referred to in paragraph (A) above are true, correct and up-to-date copies.
 - (iii) copies of each of the Transaction Documents duly executed by each of the parties thereto;
- (b) Each of the representations of the New Lessor and the Lessee set forth herein shall be true and accurate by reference to the facts and circumstances then existing.

The conditions precedent specified in this paragraph 3 of Schedule 2 above have been inserted for the benefit solely of the Existing Lessor and may be waived, deferred or extended in writing in whole or in part and with or without conditions, without prejudicing the right to receive fulfillment of such conditions.

**SCHEDULE 3
AMENDMENTS TO THE LEASE**

[This Schedule will list out the non-substantive administrative changes necessary to the Lease which are required in order to reflect the change in ownership structure, to include changes to bank details, notice details, party details and other similar issues. Suggested drafting is included below, but will need to be adapted to reflect the relevant clauses of the underlying Lease].

It is hereby agreed that from and after the Effective Time, the Lease as assigned and assumed pursuant to Clause 2.1 of this Agreement shall be amended as set out in this Schedule 3.

1. GENERAL

- 1.1 All references in the Lease Agreement [and the Common Terms Agreement] to ["the Lease", "this Lease", "the Agreement" or "this Agreement"] shall be references to the Lease Agreement as assigned, assumed and amended by this Agreement;
- 1.2 All references to the ["Lease Agreement"] shall be references to the [Lease Agreement]] as assigned, assumed and amended by this Agreement.
- 1.3 [All references to the "Common Terms Agreement", shall be references to the Common Terms Agreement as modified hereby and, notwithstanding any provision of the Lease as assigned, assumed and amended hereby or the Common Terms Agreement to the contrary, no further amendments, modifications or supplements after the Effective Time to the Common Terms Agreement shall be effective as between, or binding upon, the New Lessor and the Lessee unless consented or agreed to in writing by such parties.]
- 1.4 All references in the Lease to "Lessor" or to [*insert name of Existing Lessor*] shall refer to the New Lessor in place of the Existing Lessor.
- 1.5 [*Add any other general interpretative changes as may be required for the particular lease – for instance express named references to the parent/any affiliate of the Existing Lessor will need to be altered.*]

2. AMENDMENTS TO THE LEASE AGREEMENT [AND COMMON TERMS AGREEMENT]

From and after the Effective Time, the [Lease Agreement/the Common Terms Agreement as and to the extent incorporated in the Lease Agreement] as assigned and assumed pursuant to Clause 2.1 of this Agreement is amended as follows:

2.1 Servicer

[If required for incoming New Lessor] A new clause [•] shall be inserted into the [Lease Agreement]/[Common Terms Agreement] as follows:

"[•] SERVICER

Lessor has appointed Servicer as its agent to act on its behalf under the [Lease] generally. Lessee shall (and shall be entitled to), until Lessee receives notice

from Lessor to the contrary, communicate with and deal with and rely on the directions, consents, approvals and instructions of, Servicer (and any replacement servicer appointed by Lessor) as though given by Lessor".]

2.2 Bank Account Details

The bank account details in clause [•] (*Payments*) of the [Lease Agreement]/[Common Terms Agreement] shall be deleted and replaced with the following:

| | |
|----------------------|-----|
| Account Bank: | [•] |
| Swift: | [•] |
| Sort Code: | [•] |
| Account Number: | [•] |
| IBAN: | [•] |
| Account Beneficiary: | [•] |

2.3 Notice Details

The Lessor's contact details in clause [•] (*Notices*) of the [Lease Agreement]/[Common Terms Agreement] shall be deleted and replaced by the following:

[•]

Attention: [•]

Email: [•]

Fax: [•]

2.4 Process Agent Appointment

[For the purposes of clause [•] of the [Lease Agreement]/[Common Terms Agreement], the New Lessor appoints [•] as its process agent to accept service of any proceedings issued by the Lessee in the State of New York in relation to the Lease and clause [•] of the [Lease Agreement]/[Common Terms Agreement] is amended accordingly.]

2.5 Amendments to Definitions

Clause [] (*Definitions and Interpretation*) of the [Lease Agreement]/[Common Terms Agreement] shall be amended as follows:

- (a) The definition of "**Indemnitees**" in [clause/schedule] [•] of the [[CTA]/[ASLA]/[Lease Agreement]] shall be deleted and replaced by the following:

"**Indemnitees** means each of [*insert names of each indemnitee*] [each Financing Party] and each of their respective successors and assigns, subsidiaries, affiliates, contractors, directors, officers, agents and employees."

- (b) [A new definition of "Servicer" shall be added in [clause/schedule] [•] of the [Lease Agreement]/[Common Terms Agreement], as follows:

"**Servicer** means [*insert name of servicer*] and/or any other person providing services to Lessor related to the Aircraft, identified as "Servicer" for the purposes of this Agreement, as notified by Lessor to Lessee from time to time on the same terms as set out in clause [•] of the [Lease Agreement]/[Common Terms Agreement]."]

- (c) The definition of "Tax Indemnitees" in [clause/schedule] [•] of the [Lease Agreement]/[Common Terms Agreement] shall be deleted and replaced by the following:

"**Tax Indemnitees**" means [*insert names of each tax indemnitee*]."

- (d) [*any other new definitions or amendments to existing definitions to be added as required*].

2.6 **Finance Parties**

The New Lessor hereby notifies the Lessee that the ["Financing Parties]" for the purposes of the Lease shall be: [*insert the names of all relevant Financing Parties*].

**SCHEDULE 4
FORM OF EFFECTIVE TIME NOTICE**

[insert date]

Aircraft Lease Assignment, Assumption and Amendment Agreement dated [insert date] between [insert name of New Lessor], as new lessor ("New Lessor"), [insert name of Existing Lessor], as existing lessor ("Existing Lessor") and [insert name of Lessee], as lessee ("Lessee") ("Assignment and Assumption Agreement"), in respect of [a Lease Agreement] dated [•] between the Existing Lessor and the Lessee [(which incorporates the terms and the conditions of an Aircraft Lease Common Terms Agreement dated [•] between [] and the Lessee)] relating to one (1) [insert aircraft model] Aircraft bearing manufacturer's serial number [insert serial number].

We refer to the Assignment and Assumption Agreement. Terms used herein and not otherwise defined will, unless the context otherwise requires, have the respective meanings ascribed thereto in the Assignment and Assumption Agreement including by reference to another document.

Each of the Existing Lessor, the New Lessor and the Lessee hereby confirms satisfactory receipt or waiver, as the case may be, of its respective conditions precedent set out in Schedule 2 of the Assignment and Assumption Agreement and accordingly that for all purposes of the Assignment and Assumption Agreement the Effective Time is _____ [a.m./p.m.] (_____ time) this [insert day] day of [insert month and year] whilst the Aircraft and the engines installed thereon bearing serial numbers [insert engine serial number] and [insert engine serial number] were located at [insert location of Aircraft and Engines] and that the assignment and assumption contemplated by the Assignment and Assumption Agreement has occurred.

At the Effective Time:

- (a) the Lessee confirms that [the Engines bearing serial numbers [insert engine serial number] and [insert engine serial number] are installed on the Airframe;]
- (b) all parties agree and acknowledge that:
 - (i) the [Rent] payable under the Lease [on each Rent Date is US\$[insert number]/[on the Rent Date immediately preceding the Effective Time is US\$[insert number]]];
 - (ii) the Deposit amount is US\$[insert deposit amount] and is held [in cash]/[by way of [Letter of Credit]]];
 - (iii) the [Agreed Value] of the Aircraft is US\$[insert agreed value];
 - (iv) [the [[Supplemental Rent]/[Maintenance Reserves]] rates and balances as of the Effective Time are:

[insert details of current reserve rates and balance for each applicable pot];
and

- (v) *[insert details of any pending claim for payment of a contribution from Maintenance Reserves or any other lessor contribution (e.g. AD Cost Sharing) which have been submitted to Existing Lessor and which await payment at the Effective Time].*

This notice may be signed in one or more counterparts.

This notice shall be construed in accordance with, and this notice and all matters arising out of or relating in any way whatsoever to this notice (whether in contract, tort or otherwise) shall be governed by, the law of the State of New York.

SIGNATURE PAGE - EFFECTIVE TIME NOTICE

[INSERT NAME OF EXISTING LESSOR]

By: _____
Name:
Title:
Signed at:

[INSERT NAME OF NEW LESSOR]

By: _____
Name:
Title:
Signed at:

[INSERT NAME OF LESSEE]

By: _____
Name:
Title:
Signed at:

**EXECUTION PAGE – AIRCRAFT LEASE ASSIGNMENT, ASSUMPTION AND
AMENDMENT AGREEMENT MSN [•]**

SIGNED

by _____

[INSERT NAME OF EXISTING LESSOR]

Name: _____

Title: _____

Location: _____

SIGNED

by _____

[INSERT NAME OF LESSEE]

Name: _____

Title: _____

Location: _____

SIGNED

by _____

[INSERT NAME OF NEW LESSOR]

Name: _____

Title: _____

Location: _____