**2024 Template Transfer Provisions**

It is understood that each lessor will have its own form of lease agreement, including an Assignment and Transfer clause. These 2024 Template Transfer Provisions are not designed to replace the full Assignment and Transfer clause, but to supplement it such that the 2024 Lease Transfer Principles are reflected in the clause. The 2024 Template Transfer Provisions are highlighted in yellow and have been included within a sample Assignment and Transfer Clause.

**1. ASSIGNMENT AND TRANSFER**

**1.1 Transfer by Lessee**

*[Lessee transfer clause to be included from lessor’s standard form lease agreement]*

*EXAMPLE:*

The Lessee may not assign or transfer any of its rights or obligations under this Agreement or any of the other Transaction Documents [without the prior written consent of the Lessor].

**1.2 Transfer by Lessor**

(a) *[Lessor transfer clause to be included from lessor’s standard form lease agreement]*

*EXAMPLE:*

The Lessor may, at any time during the Lease Period, without the consent of the Lessee, sell, transfer, assign absolutely or otherwise dispose of its rights, title and interest in and to this Agreement and any other Transaction Document to any person, including pursuant to a sale and leaseback or a novation of this Agreement together with a sale of the Aircraft, or mortgage, assign (a “**Lease Transfer**”) or otherwise grant an interest or transfer as security all or any portion of its right, title and interest in and to this Agreement, any Transaction Document and/or the Aircraft, to any person, including pursuant to a secured loan financing (a “**Security Transfer**” and together with a Lease Transfer, a “**Transfer**”)).

(b) Any Lease Transfer shall be implemented in accordance with the 2024 Lease Transfer Principles[[1]](#footnote-1) and documented pursuant to a transfer agreement substantially in the form of the [2024 Aircraft Lease Novation and Amendment Agreement][2024 Aircraft Lease Assignment and Assumption Agreement] attached at Schedule [ ] to this Agreement (the “**Transfer Agreement**”). In accordance with the 2024 Lease Transfer Principles, the Lessor and the Lessee shall use their best efforts to close a lease transfer within no more than eight (8) weeks from the date on which the Lessor notifies the Lessee of the intended transfer date, although any failure to meet such timetable shall not constitute an [Event of Default / Termination Event] for the purposes of this Agreement.

(c) *[Further assurances / lessee co-operation clause to be included from lessor’s standard form lease agreement, to include reference to execution of the Transfer Agreement.]*

(d) As conditions precedent to the Lessee’s obligations to execute the Transfer Agreement:[[2]](#footnote-2)

(i) **Costs:** The Lessor shall be responsible for any reasonable and customary, properly documented and evidenced, costs and expenses incurred by the Lessee in performing its obligations under this Clause [1.2];[[3]](#footnote-3)

(ii) **Increased costs:** The Lessee’s obligations under this Agreement and the other Transaction Documents will not increase as a result of any Transfer. Any such increase shall be determined by reference to the Lessee’s obligations at the relevant effective time of such Transfer based on the laws in effect at such time. The following will not constitute by itself or in the aggregate an increase in the obligations of the Lessee under this Agreement or any other Transaction Document: (A) entry into of the Transfer Agreement and/or any replacement Transaction Document, (B) a change to the additional insureds or loss payee in respect of the [Insurances and Reinsurances], (C) an increase in the number of, or a change in the nature of, financiers or the beneficiaries under any indemnification, insurance or other obligation, (D) payment into multiple bank accounts or a change in the location of any bank accounts, (E) the execution of any documents relating to any financing arrangements of the Lessor, (F) the putting in place of any head lease / sublease structure in respect of the Aircraft in connection with the transfer, (G) the transfer, assignment, amendment or reissuance of any letters of credit, (H) the completion of any necessary filings in connection with any Transfer, or (I) a change to, or the implementation of, any servicing arrangements in respect of the Aircraft and/or the Lease;

(f) With effect from the effective date of any Transfer:

(i) **Indemnitees [and Servicer]:** the [Indemnitees] [and [Tax Indemnitees]] [and Servicer] shall be updated in accordance with schedule [ ] of the relevant Transfer Agreement (the “**Transfer Details Schedule**”);[[4]](#footnote-4)

(ii) **Payment account:** the Lessee shall pay all amounts due and payable to or for the benefit of the Lessor under this Agreement to the new payment account specified in the relevant Transfer Details Schedule, or, if such Transfer Details Schedule indicates that there is no new account into which such amounts should be paid, it shall continue to pay all amounts due and payable to the Lessor into the existing payment account [[5]](#footnote-5);

(iii) **Insurances:** the [additional insureds and the loss payee] in respect of the [Insurances and Reinsurances] will be updated in accordance with the Transfer Details Schedule.[[6]](#footnote-6)

1. A definition will need to be included in the definitions section of the Transfer Agreement as follows: “2024 Lease Transfer Principles” means the lease transfer principles as published on [*date*] on [*place of publication*]. [↑](#footnote-ref-1)
2. Other conditions as may be set out in a lessor’s standard form lease agreement to be included as relevant, such as quiet enjoyment, net worth, assumption of obligations, competitors etc. [↑](#footnote-ref-2)
3. If a transfer fee is to be charged, this should be set out in this clause as well, in line with the 2024 Lease Transfer Principles. [↑](#footnote-ref-3)
4. The Transfer Agreement will contain a schedule setting out the mechanical details that are amended in the lease agreement upon the occurrence of the effective time of the transfer, including new party names and addresses, payment details, notice details, indemnitee details, insurance details, process agent details and requirements for nameplate changes. The Transfer Agreement will also contain the operative provisions required to make such amendments at the effective time. [↑](#footnote-ref-4)
5. Transfer Agreement should contain “wrong pockets” wording such that if there is a payment due on or around the effective time and the lessee has already implemented payment instructions, the outgoing lessor holds the payment on trust and will pay over to new lessor, without liability for lessee. [↑](#footnote-ref-5)
6. The agreement of, and provision of, the new insurance certificates themselves will be dealt with in the conditions precedent to the Transfer Agreement. [↑](#footnote-ref-6)