

ภาคผนวก 3
Aircraft Sale and Purchase Agreement

GENERIC (SELLER)
SEPTEMBER 2003

AIRCRAFT
SALE AND PURCHASE AGREEMENT

BETWEEN

_____]

as Seller

- AND -

_____]

as Purchaser

DATED as of _____

AIRCRAFT:
SERIAL NUMBER:
REGISTRATION MARK:
ENGINES:

DONALD H. BUNKER AND ASSOCIATES
DUBAI, UNITED ARAB EMIRATES

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AIRCRAFT SALE AND PURCHASE AGREEMENT

THIS AIRCRAFT SALE AND PURCHASE AGREEMENT is made as of [_____].

BY AND BETWEEN: [_____], a limited liability company as is more fully described in Appendix "D".
("Seller")

AND: [_____], a limited liability company as is more fully described in Appendix "D".
("Purchaser")

(individually a "Party" and collectively the "Parties").

[DISCUSSION: See: supra, Common Provisions in Aviation Financing Documents, § 7.1.2(b).]

WHEREAS Seller presently owns the Aircraft (as defined below) which it has available for sale and Purchaser desires to purchase the Aircraft from Seller; and

WHEREAS Seller is ready, willing and able to sell the Aircraft to Purchaser in accordance with the terms and subject to the conditions of this Agreement.

NOW THEREFORE, THIS AGREEMENT WITNESSES that for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

[DISCUSSION: See: supra, Common Provisions in Aviation Financing Documents, § 7.1.2(c).]

ARTICLE 1 – DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following terms (except as otherwise expressly provided or unless the context otherwise requires) for all purposes of this Agreement shall have the respective meanings hereinafter specified:

“Agreement” means this Aircraft Sale and Purchase Agreement incorporating Appendices attached hereto and any future amendments introduced and duly signed on behalf of the Parties by their respective authorized representatives.

“Aircraft” means the aircraft identified and described in Appendix “A”, including:

- (a) the Airframe;
- (b) the Engines installed on the Airframe as of the Delivery Date and/or delivered therewith;
- (c) all Parts installed on or in or attached to the Airframe and/or Engines as of the Delivery Date and/or delivered therewith; and
- (d) all avionics, instruments, cargo equipment, attachments, Aircraft Documents, books, manuals, handbooks, data, drawings, logbooks, flights records and historical information pertaining to the Airframe or to any Engine; and

where the context requires, shall be deemed to refer to any one or more of the foregoing only.

[DISCUSSION: See: supra, Discussion with respect to the definition of “Aircraft” in the Model Aircraft Dry Lease Agreement, § 7.1.4.1.]

“Aircraft Acceptance Certificate” means a document substantially in the form set out in Appendix “I”.

“Aircraft Documents” means all:

- (a) logbooks, Aircraft records, manuals, historical, operational and maintenance data for the Aircraft and other documents delivered by Seller in connection with the Aircraft; and
- (b) documents listed in Appendix "C".

"Airframe" means the airframe described in Appendix "A" together with all Parts relating thereto (excluding Engines and Aircraft Documents).

"Bill of Sale" means a document substantially in the form set out in Appendix "J".

"Business Day" means any day other than a Saturday or a Sunday on which the commercial banks in the head office cities of both Parties are open to the public for business.

"Civil Aviation Authority" means the civil aviation authority of the State of Registration or any Government Entity which under the Laws of the State of Registration as at the Delivery Date has control over civil aviation or the registration, airworthiness or operation of aircraft in the State of Registration.

"Data" means all drawings, programs, engineering specifications, manuals and other technical data furnished by Seller to Purchaser pursuant to this Agreement and marked by Seller as confidential and proprietary to Seller.

"Default Interest" means interest on any due and unpaid amount payable by Purchaser pursuant to this Agreement calculated at the rate of interest specified in Appendix "D".

"Delivery Date" means the date specified in Appendix "D".

"Delivery Location" means the location specified in Appendix "D".

[DISCUSSION: See: supra, Discussion following Article 4.3 of the Model Aircraft Dry Lease Agreement, § 7.1.4.1.]

"Deposit" means the amount specified in Appendix "D".

"Dollars", "\$" or "U.S. \$" means the lawful currency of the United States of America.

"Engine" means:

- (a) each of the engines (as more particularly described in Appendix "A") whether or not installed on the Airframe as at the Delivery Date and specified in the Aircraft Acceptance Certificate; and
- (b) all related Parts installed on or in or attached to any of the Engines or delivered therewith.

[DISCUSSION: See: *supra*, Engines, § 1.3.2.]

"Event of Default" means any of the events specified in Article 12.1.

"Force Majeure" means, without limitation, acts of God, loss or damage to the Aircraft in an accident or other calamity, seizure or hijacking, airport closure, quarantine restrictions, fire, flood, explosion, earthquake, riots or civil commotion, strike or labour dispute or labour stoppage, war or hazards or dangers incident to a state of war, any act of government allocation, regulation or order, or any acts, matters or things, whether or not of a similar nature beyond the control of either Party.

"Governing Law" means the law specified in Appendix "D".

"Government Entity" means and includes any (a) national, state or local government; (b) board, commission, department, division, instrumentality, court, agency or political subdivision thereof; or (c) association, organization or institution or which any of the entities in (a) and (b) is a member or to whose jurisdiction any of such entities is subject or in whose activities any such entity is a participant.

"Indemnitees" means the persons specified in Appendix "D".

"Insurance" means the insurances contemplated by Article 9 and Appendices "F" and "G".

"Jurisdiction" means the jurisdiction specified in Appendix "D".

"Law" means and includes any (a) statute, decree, constitution, regulation, order or any directive of any Government Entity; (b) treaty, pact, compact or other agreement to which any Government Entity is a signatory or party; (c) judicial or administrative interpretation or application of any thereof; and (d) any amendment or revision of any of the foregoing.

"LIBOR" means the rate per annum which is the arithmetic mean (rounded upwards, if not already such a multiple, to the nearest whole multiple of one-sixteenth of one per cent) of the offered rates (if any) appearing on the LIBO page of the Reuters screen (or any replacement page) for deposits in Dollars for the period for which such rate is to be determined at 11:00 a.m. (GMT) on the day that is two (2) London business days before the date of such determination, provided that if at 11:00 a.m. (GMT) on the date that is two (2) London business days before the date of such determination no such rate is appearing on the LIBO page of the Reuters screen then "LIBOR" means the offered rate (if any) appearing on page 3750 of the Telerate screen (or any replacement page) which displays British Bankers Association Interest Settlement Rates for deposits in Dollars for the period for which such rate is to be determined at 11:00 a.m. (GMT) on the date that is two (2) London business days before the date of such determination, provided further, that if at 11:00 a.m. on the day that is two (2) London business days before the date of such determination of such determination no such rate is appearing on the LIBO page of the Reuters screen or page 3750 of the Telerate screen (or any replacement page, in each case) then "LIBOR" means the rate per annum determined by Lessor to be equal to the arithmetic mean (rounded upwards, if not already such a multiple, to the nearest whole multiple of one-sixteenth of one per cent) of the rates (as notified to Lessor) at which the Central Bank of England was offering to prime banks in the London Interbank Market deposits in Dollars for such period at or about 11:00 a.m. (GMT) on the day that is two (2) London business days before the date of such determination.

[DISCUSSION: See: supra, Interest, § 3.2.5.1.]

"Losses" means any and all liabilities, claims, demands, suits, judgments, damages and losses including the costs, expenses

and reasonable legal fees connected therewith or incident thereto.

"Minimum Liability Coverage" means the amount specified in Appendix "D".

"Month" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month save that, where any such period would otherwise end on a non-Business Day, it shall end on the next succeeding Business Day, unless such next Business Day falls in the next calendar month, in which case the relevant period shall end on the immediately preceding Business Day, and further provided that if a period starts on the last Business Day in a calendar month or if there is no numerically corresponding day in the month in which that period ends, that period shall end on the last Business Day in that later month.

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

- (a) any part, component, appliance, appurtenance, instrument, accessory, furnishing or item of equipment (other than a complete Engine) furnished with the Aircraft at the Delivery Date; and
- (b) any other part, component, appliance, appurtenance, instrument, accessory, furnishing or item of equipment (other than a complete Engine) title to which has (or should have) passed to Purchaser pursuant to this Agreement.

"Purchase Price" means the amount specified in Appendix "D" payable for the purchase of the Aircraft.

"Security Interest" means any encumbrance or security interest whatsoever, however and wherever created or arising including (without prejudice to the generality of the foregoing) any right of ownership, security, mortgage, pledge, charge, encumbrance, lease, lien, statutory or other right *in rem*, hypothecation, title retention, attachment, levy, claim or right of possession or detention.

"Seller's Account" means the account maintained by Seller with the bank specified in Appendix "D" or such other bank and account as may be notified by Seller to Purchaser from time to time.

"State of Registration" means the country, state or territory specified in Appendix "D".

"Taxes" or "taxes" means any and all present and future goods and services, sales, use, personal property, customs, ad valorem, value added, turnover, stamp, interest equalization, income, gross receipts, franchise or other similar taxes, fees, withholdings, imposts, duties, levies or other charges of any nature, together with any related penalties, fines or interest thereon, imposed, levied or assessed by or otherwise payable to, any Government Entity the whole as more fully specified in Article 9.1.

"Total Loss" means any of the following in relation to the Aircraft, Airframe or any Engine:

- (a) its actual, constructive or agreed total loss; or
- (b) its destruction, damage beyond repair or being rendered permanently unfit for normal use for any reason whatsoever; or
- (c) its theft, requisition for title, confiscation, sequestration, detention, forfeiture or any compulsory acquisition whatsoever or seizure or requisition for hire (other than a theft or requisition for hire for a temporary period not exceeding one hundred and eighty (180) days); or
- (d) its disappearance, resulting in loss of possession by Seller for a period in excess of thirty (30) consecutive days; or
- (e) its hijacking for a period in excess of ninety (90) consecutive days.

[DISCUSSION: See: supra, Discussion with respect to the definition of "Total Loss" in the Model Aircraft Dry Lease Agreement, § 7.1.4.1.]

"Warranty" means any and all conditions, warranties, guarantees, representations, service contracts, service life policies, patent indemnities, contracts to stock spare parts or other agreements of any nature whatsoever, verbal or written, express or implied, legal, statutory, conventional, collateral or otherwise, in respect of or that shall in any manner apply to the Airframe, the Engines or any Parts thereof.

1.2 Interpretation

- (a) All of the provisions of this Agreement (other than where expressly stated to be representations and warranties), where the context requires, are to be construed as covenants as though the words importing such covenants were used in each separate Article hereof.
- (b) Except where the context does not so admit, references in this Agreement to:
 - (i) an Event of Default includes a reference to any event which, with the giving of notice or lapse of time, or both, would constitute an Event of Default;
 - (ii) Articles and Appendices are, unless otherwise specified, references to Articles of, and Appendices to, this Agreement and references to this Agreement include its Appendices;
 - (iii) any statute or other legislative provision shall be construed as including any statutory or legislative modification or re-enactment thereof, or any substitution therefore;
 - (iv) the word "person" or "persons" or words importing persons include, without limitation, individuals, firms, partnerships, joint ventures, trusts, Government Entities, organizations, associations, corporations, committees, departments, authorities and other bodies,

corporate or incorporate, whether having distinct legal personality or not;

- (v) Seller and Purchaser include any assignee, novatee or successor in title to such person respectively (subject to the provisions of Article 14);
 - (vi) an "agreement" also includes a concession, contract, deed, franchise, licence, treaty or undertaking (in each case, whether oral or written); and
 - (vii) any agreement or instrument shall include such agreement or instrument as it may from time to time be amended, supplemented, novated or substituted.
- (c) Where the context so admits, words importing the singular number only shall include the plural and vice versa and words importing the neuter gender shall include the masculine or feminine gender.
- (d) Headings in this Agreement are for ease of reference only.

[DISCUSSION: To assist in reading any agreement, it is helpful to have all of the definitions located in one place, preferably at the front of the document. Each time a defined term is used in the body of the agreement it should be carefully considered whether or not it is appropriate. Altering defined terms late in the negotiations when that term appears in many places throughout the document can easily result in mistakes. There is no point however in including definitions of terms that are only used in one clause.]

ARTICLE 2 – REPRESENTATIONS AND WARRANTIES

2.1 Purchaser's Representations and Warranties

Purchaser represents and warrants to Seller that the following statements are, at the date hereof and on the Delivery Date will be, true and accurate:

2.1.1 Corporate Status

Purchaser is a corporation duly incorporated with limited liability, validly existing for an unlimited duration and in good standing under the Laws of the jurisdiction of its state of incorporation and has the corporate power and authority to carry on its business as presently conducted, to own or hold its assets and to perform its obligations under this Agreement.

2.1.2 Governmental Approvals

Every consent, authorisation, license or approval of, or registration with, or declaration to, every Government Entity required by Purchaser to authorize, or required by Purchaser in connection with the execution, delivery, legality, validity, priority, enforceability, admissibility in evidence or effectiveness of this Agreement or the performance by Purchaser of any of its obligations under this Agreement has been duly obtained or made and is in full force and effect.

2.1.3 Binding

Purchaser's Board of Directors has authorized Purchaser to enter into this Agreement and perform its obligations under this Agreement. This Agreement has been duly authorized by all necessary corporate action and executed and delivered by Purchaser and represents the valid, enforceable and binding obligations of Purchaser except as enforceability may be limited by bankruptcy,

insolvency, reorganisation or other Laws of general application affecting the enforcement of creditors' rights.

2.1.4 No Breach

Neither the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby nor compliance by Purchaser with any terms and provisions hereof will contravene any Law applicable to Purchaser or result in any breach of, or constitute any default under, any indenture, mortgage, chattel mortgage, deed of trust, conditional sales contract, bank loan or credit agreement, corporate charter, by-law or other agreement or instrument to which Purchaser is a party or by which Purchaser or its properties or assets may be bound.

2.1.5 Licenses

Purchaser is a certificated air carrier and holds all necessary licenses, certificates and permits from applicable Government Entities in Purchaser's proposed state of registration to enable Purchaser to engage in air transportation and perform and comply with its obligations under this Agreement.

2.1.6 No Suits

There are no suits, arbitrations or legal proceedings (including any administrative proceedings) pending or threatened against Purchaser before any court or administrative agency or affecting Purchaser which, if adversely determined, would have a material adverse effect on the financial condition or business of Purchaser or its ability to perform its obligations under this Agreement.

2.1.7 No Withholding

Under the Laws of the jurisdiction of its state of incorporation or any other jurisdiction in which

Purchaser conducts business, Purchaser will not be required to deduct any withholding or other Tax from any payment it is required to make under this Agreement.

2.1.8 No Sovereign Immunity

Under the Laws of the jurisdiction of its state of incorporation or of any other jurisdiction in which Purchaser conducts business, Purchaser is subject to private commercial Law and suit. Neither Purchaser nor its properties or assets is entitled to sovereign immunity under any such Laws. Purchaser's performance of its obligations hereunder constitute commercial acts done for commercial purposes.

2.1.9 No Default

At the time of execution of this Agreement, no Event of Default has occurred or is continuing.

2.1.10 Authorisations of Payments

Under the Laws of the jurisdiction of its state of incorporation or of any other jurisdiction in which Purchaser conducts business, there are no present restrictions on Purchaser making the payments required by this Agreement. If at any time prior to the Delivery Date, such restrictions may be applicable, Purchaser shall obtain all certificates, licenses, permits, exemptions and other authorisations which are required for the making of the payments required by this Agreement on the dates and in the amounts and currency which are stipulated herein and shall maintain the same in full force and effect for so long as the same shall be required.

2.2 **Seller's Representations and Warranties**

Seller represents and warrants to Purchaser that the following statements are, at the date hereof and on the Delivery Date will be, true and accurate:

2.2.1 Corporate Status

Seller is a corporation duly incorporated with limited liability, validly existing for an unlimited duration and in good standing under the Laws of the jurisdiction of its state of incorporation and has the corporate power and authority to carry on its business as presently conducted and to perform its obligations under this Agreement.

2.2.2 Authorisations

Every consent, authorisation, licence or approval of, or registration with, or declaration to, every Government Entity required in the State of Registration by Seller to authorise, or required by Seller in connection with the execution, delivery, legality, validity, priority, enforceability, admissibility in evidence or effectiveness of this Agreement or the performance by Seller of any of its obligations under this Agreement has been duly obtained or made and is in full force and effect.

2.2.3 Binding

Seller's Board of Directors has authorised Seller to enter into this Agreement and perform its obligations under this Agreement. This Agreement has been duly authorized by all necessary corporate action and executed and delivered by Seller and represents the valid, enforceable and binding obligations of Seller except as enforceability may be limited by bankruptcy, insolvency, reorganisation or other Laws of general application affecting the enforcement of creditors' rights.

2.2.4 Title to Aircraft

Seller has good and valid title to the Aircraft free from any and all Security Interests other than those Security Interests which may arise from Purchaser's own acts or omissions or those of its directors,

officers, employees, servants or agents and that upon delivery of the Bill of Sale to Purchaser pursuant to Article 4.6, Seller shall have transferred such title to Purchaser.

2.3 No Prejudice

The rights and remedies of each Party in relation to any misrepresentation or breach of warranty by the other Party shall not be prejudiced by any investigation by or on behalf of a Party into the affairs of that other Party, by the performance of this Agreement or by any other act or thing which may be done or omitted to be done by a Party which would or might, but for this Article 2.3, prejudice such rights and remedies.

[DISCUSSION: See: supra, Discussion with respect to Representations and Warranties, Article 2 of the Model Aircraft Dry Lease Agreement, § 7.14.1 to the extent applicable.]

ARTICLE 3 – CONDITIONS PRECEDENT

3.1 Conditions Precedent

Seller's obligation to deliver and sell the Aircraft to Purchaser on the Delivery Date shall be subject to the fulfilment of the following conditions (save to the extent that any of the same are waived or deferred by Seller in its absolute discretion) to Seller's complete satisfaction within the timeframe set forth below:

3.1.1 Pre-Delivery Requirements

At least three (3) days prior to the Delivery Date:

- (a) the Parties shall have duly executed this Agreement.
- (b) Purchaser shall provide Seller with the following:
 - (i) a copy of Purchaser's Certificate of Incorporation and Memorandum and Articles of Association;
 - (ii) resolutions of the Board of Directors of Purchaser or other written evidence of appropriate corporate action, certified by the Secretary of Purchaser, duly authorising the purchase of the Aircraft hereunder and the execution, delivery and performance of this Agreement;
 - (iii) certificate of incumbency as to the person or persons authorised to execute and deliver documents on behalf of Purchaser;
 - (iv) a legal opinion substantially in the form set out in Appendix "E"; and
 - (v) the Deposit in accordance with Article 6.1.

3.1.2 Delivery Requirements

On the Delivery Date:

- (a) Purchaser shall accept the Aircraft by executing and delivering the Aircraft Acceptance Certificate to Seller pursuant to Article 4.5.
- (b) Purchaser shall provide Seller with the following:
 - (i) a certificate signed by an officer of Purchaser stating that (A) the representations and warranties contemplated in Article 2.1 are true and accurate on and as of the Delivery Date as though made on and as of such date (except to the extent that such representations and warranties relate solely to an earlier date); and (B) no Event of Default has occurred and is continuing or will result from Purchaser's purchase of the Aircraft hereunder;
 - (ii) a certificate of insurance and brokers' letter of undertaking substantially in the forms set forth in Appendices "G" and "H" respectively from Purchaser's insurance brokers evidencing insurance of the Aircraft in accordance with this Agreement;
 - (iii) such documents reasonably requested by Seller evidencing that Purchaser has obtained any necessary licenses for importation and ferrying of the Aircraft into Purchaser's proposed state of registration and that all applicable customs duties and Taxes in respect of the Aircraft have been discharged by Purchaser (or arrangements satisfactory

to Seller have been made for obtaining or paying for the same);

- (iv) a power of attorney empowering Purchaser's representatives to execute the documents contemplated in this transaction and accept delivery of the Aircraft on behalf of Purchaser;
 - (v) such other documents as Seller may reasonably request; and
 - (vi) the Purchase Price in full, less the Deposit.
- (c) Seller shall execute and deliver the Bill of Sale to Purchaser pursuant to Article 4.6 and shall cause the Aircraft to be deregistered pursuant to Article 4.7;
- (d) Seller shall deliver to Purchaser an assignment of Manufacturer and Engine manufacturer's rights and concurrently therewith Seller, to the extent that it has not previously done so, shall be deemed to have assigned all product assurance, product support and training applicable to the owner or operator of the Aircraft to Purchaser.
- (e) no Event of Default shall have occurred and be continuing under this Agreement.

3.2 Waiver or Deferral of Conditions

3.2.1 Seller's Waiver or Deferral

The conditions specified in this Article 3 are for the sole benefit of Seller and may be waived or deferred in whole or in part and Seller may attach to such waiver or deferral such requirements and further acts or other conditions as it thinks fit, and Purchaser shall fulfill, or procure the fulfillment of, all such requirements or other conditions as may be notified to Purchaser by Seller in accordance with the terms of such notification.

3.2.2 Relocation of the Aircraft

Subject to the provisions of this Article 3, if the conditions precedent are not fulfilled by Purchaser within a maximum of ten (10) days from the Delivery Date, then Seller may, at its sole option, starting with the eleventh day from the Delivery Date, relocate the Aircraft for other operations simultaneously with the termination of this Agreement without any further liability or obligation on the part of Seller to Purchaser or any third parties.

[DISCUSSION: See: supra, Discussion with respect to Conditions Precedent – Article 3 of the Model Aircraft Dry Lease Agreement, § 7.1.4.1 to the extent applicable.]

ARTICLE 4 – SALE, ACCEPTANCE AND DELIVERY**4.1 Agreement to Sell**

Subject to the conditions and pursuant to the terms of this Agreement, Seller hereby agrees to sell the Aircraft to Purchaser hereunder and Purchaser hereby agrees to purchase the Aircraft from Seller on the Delivery Date.

4.2 Delivery of the Aircraft**4.2.1 Delivery Location**

Subject to the terms and conditions of this Agreement, Seller shall deliver the Aircraft, at its sole cost and expense, to Purchaser at the Delivery Location on the Delivery Date.

4.2.2 Delivery Condition

Upon delivery, the Aircraft shall conform to the specifications set forth in Appendix "A" and be in the delivery condition specified in Appendix "B".

4.2.3 Aircraft Documents

Simultaneous with delivery of the Aircraft, Seller shall deliver to Purchaser, at the Delivery Location, the Aircraft Documents and any other relevant information reasonably requested by Purchaser including, but not limited to, data and inspection, modification, maintenance and overhaul records and historical records necessary to prove parts traceability, current and updated as applicable provided that such other information is in Seller's possession or control.

Purchaser agrees to keep confidential all Data and expressly covenants that such Data shall not be furnished or disclosed, except as required by applicable Law or by the normal operations of Purchaser, to any other person, firm, agency or corporation without the express written consent of Seller, and that Purchaser shall not reproduce the Data except for essential copies

for Purchaser's own internal use. The foregoing obligations shall remain in effect for a period of three (3) years from the date of this Agreement. The provisions of this Article 4.2.3 shall survive the termination of this Agreement for any reason whatsoever.

4.3 Purchaser's Inspection of the Aircraft

4.3.1 Aircraft

Upon Seller's written notice to Purchaser (such notice to be given at least [forty-eight (48) hours] prior to the Delivery Date), Purchaser shall have the right to observe a ground inspection and test flight of the Aircraft at the Delivery Location.

The ground inspection shall be conducted by Seller, at its sole cost and expense, in accordance with its approved maintenance program. Purchaser may inspect all open areas of the Airframe and each Engine but shall not be permitted to direct the opening of additional doors and panels of the Airframe or any Engine. The parties acknowledge and agree that the inspection shall not include an engine borescope.

[DISCUSSION: Often a seller will refuse to allow an engine borescope where the aircraft is being sold in an "AS IS, WHERE IS" condition and the purchaser is not bound to take delivery. If superficial damage is discovered during such inspection and the purchaser decides not to proceed with the purchase, the seller is obliged by law in most jurisdictions to immediately replace any damaged blades or components even such damage does not affect the airworthiness of the engine. Such replacement would normally only take place at the time of the next heavy maintenance.]

The test flight shall be conducted by a flight crew provided by Seller in accordance with its flight procedures. The duration the test flight shall not exceed two (2) hours and Purchaser shall have the right to have up to two (2) observers on board the Aircraft during such test flight. Purchaser shall, on demand, reimburse

Seller for all out of pocket costs and expenses incurred in connection with the test flight, including, but not limited to, fuel, landing charges and navigation fees.

4.3.2 Aircraft Documents

Upon Seller's written notice to Purchaser (such notice to be given at least [forty-eight (48) hours] prior to the Delivery Date), Purchaser shall have the right to inspect the Aircraft Documents at the Delivery Location.

4.4 **Correction of Discrepancies**

Upon completion of the ground inspection and test flight at Article 4.3, Seller shall, at no cost to Purchaser, correct reasonable discrepancies identified during such inspection and test flight. If requested by Purchaser, an additional ground inspection and test flight shall be made to inspect the correction of the discrepancies previously noted by Seller or Purchaser, but such additional inspection and test flight shall be limited in duration to the time necessary to determine whether the prior discrepancies have been corrected. For purposes of this Article, a "discrepancy" shall mean any material difference between the condition of the Aircraft being delivered and the condition in which the Aircraft must otherwise be in order to comply with Appendix "B".

4.5 **Acceptance of the Aircraft**

Delivery of the Aircraft by Seller to Purchaser shall be evidenced by Purchaser's execution and delivery of the Aircraft Acceptance Certificate to Seller on the Delivery Date. The Aircraft Acceptance Certificate shall be conclusive proof as between the Parties that Purchaser has fully inspected the Aircraft and is relying on such inspection and knowledge of the Aircraft in determining whether the Aircraft meets the requirements of this Agreement and has unconditionally accepted the Aircraft for purchase under this Agreement without any reservations whatsoever.

4.6 **Bill of Sale**

Upon receipt of the Purchase Price by Seller and acceptance of the Aircraft by Purchaser pursuant to Article 4.5, Seller shall execute and deliver the Bill of Sale to Purchaser duly conveying to Purchaser all of Seller's rights, title and interest in and to the Aircraft, free and clear of all Security Interests other than those Security Interests which arise from Purchaser's own acts or omissions or those of its directors, officers, employees, agents or servants. Upon delivery of the Bill of Sale by Seller to Purchaser pursuant to this Article 4.6, Purchaser shall promptly remove the Aircraft from the Delivery Location.

[DISCUSSION: Often the delivery of the bill of sale, deregistration of the aircraft (See Article 4.7 below) and the payment of the purchase price are coordinated through an escrow agent.]

4.7 Deregistration

Upon delivery of the Bill of Sale to Purchaser, Seller shall cause the Aircraft to be deregistered from the appropriate registry of the State of Registration and shall cause the Civil Aviation Authority to advise the civil aviation authority of Purchaser's proposed state of registration of such deregistration.

4.8 Licences

4.8.1 Certificate of Airworthiness for Export

If requested by Purchaser, Seller shall, at its sole cost and expense, obtain a Certificate of Airworthiness for Export issued by the Civil Aviation Authority.

4.8.2 Export Licences

Except as otherwise provided in Article 4.8.1, Purchaser shall, at its sole cost and expense, obtain all export licences, permits, approvals, documents and certificates which may be required from all applicable Government Entities in order for Purchaser, in its name, to export the Aircraft from the State of Registration. Seller shall provide such assistance as Purchaser may reasonably require, at Purchaser's cost and expense, to facilitate

Purchaser's export of the Aircraft from the State of Registration, if applicable.

4.8.3 Import Licences

Purchaser shall, at its sole cost and expense, obtain all licences, permits, approvals, certificates and other documents from all relevant Government Entities necessary to transport the Aircraft from the Delivery Location and import it into Purchaser's proposed state of registration.

4.9 **Purchaser's Failure to take Delivery**

If Purchaser fails to comply with the conditions contained in Articles 3 and 4 so as to allow delivery to take place on the Delivery Date or take delivery of the Aircraft when properly tendered for delivery by Seller in the condition required in this Agreement, Purchaser shall indemnify Seller for all costs and expenses incurred by Seller as a result thereof including (but without limitation) any payments which Seller becomes obliged to make to any third party in connection with the Aircraft.

4.10 **No Seller Liability**

If Seller delays in the delivery of, or fails to deliver, the Aircraft to Purchaser as a result of any delay or non-performance due to or arising out of Force Majeure or a Total Loss of the Aircraft then in any such case, Seller shall not be liable to Purchaser for any loss, including loss of profit, costs or expenses arising from or in connection with the delay or failure suffered or incurred by Purchaser unless such delay or failure arises as a direct consequence of the wilful misconduct of Seller.

4.11 **Termination for Delayed Delivery**

Upon Seller becoming aware of a delay in delivery of the Aircraft due to or arising out of Force Majeure and damage to the Aircraft not constituting a Total Loss, Seller shall notify Purchaser. Within ten (10) Business Days after Purchaser's receipt of such notice, either Party may, by written notice to the other Party, terminate this Agreement and this Agreement shall terminate on the date of receipt of such later notice. In the event

of such termination, neither Party shall have any further liability or obligation to the other Party, except Seller shall return the Deposit to Purchaser in accordance with Article 13.3. If neither Party gives notice of termination within the above-specified period, both Parties lose all right to terminate this Agreement under this Article 4.11 unless otherwise agreed in writing by the Parties.

[DISCUSSION: See: supra, Discussion with respect to Termination for Delayed Delivery – Article 4.8 of the Model Aircraft Dry Lease Agreement, § 7.1.4.1 to the extent relevant.]

4.12 Termination for Total Loss

In the event that the Aircraft suffers a Total Loss prior to the Delivery Date, Seller shall notify Purchaser and this Agreement shall terminate on the date of receipt of such notice. In the event of such termination, Seller shall return the Deposit to Purchaser in accordance with Article 13.3.

ARTICLE 5 - DISCLAIMERS**5.1 General**

SELLER AND PURCHASER AGREE THAT THE DISCLAIMERS, WAIVERS AND CONFIRMATIONS SET FORTH IN THIS ARTICLE 5 SHALL APPLY WITH EFFECT FROM PURCHASER'S ACCEPTANCE OF THE AIRCRAFT BY EXECUTION OF THE AIRCRAFT ACCEPTANCE CERTIFICATE.

5.2 Exclusion

PURCHASER UNCONDITIONALLY AGREES THAT AS BETWEEN SELLER AND PURCHASER, THE AIRCRAFT AND EACH PART THEREOF ARE TO BE SOLD, PURCHASED AND DELIVERED HEREUNDER "AS IS, WHERE IS" AND PURCHASER AGREES AND ACKNOWLEDGES THAT, SAVE AS EXPRESSLY STATED IN THIS AGREEMENT:

- (A) SELLER IS NOT THE MANUFACTURER OF THE AIRCRAFT;
- (B) NEITHER SELLER NOR ANY OF ITS OFFICERS, DIRECTORS, EMPLOYEES OR REPRESENTATIVES WILL HAVE ANY LIABILITY IN RELATION TO, AND NEITHER SELLER NOR ANY OF ITS OFFICERS, DIRECTORS, EMPLOYEES OR REPRESENTATIVES HAS OR WILL BE DEEMED TO HAVE MADE OR GIVEN (WHETHER BY VIRTURE 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 TERMS, CONDITIONS, COVENANTS, WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED (WHETHER STATUTORY OR OTHERWISE), WITH RESPECT TO THE DESCRIPTION, AIRWORTHINESS, COMPLIANCE WITH SPECIFICATIONS, OPERATION, PERFORMANCE, MERCHANTABILITY, FREEDOM FROM INFRINGEMENT OF PATENT OR OTHER PROPRIETARY RIGHTS, FITNESS FOR A PARTICULAR

USE OR PURPOSE (INCLUDING THE ABILITY TO OPERATE OR REGISTER THE AIRCRAFT OR USE THE AIRCRAFT DOCUMENTS IN ANY OR ALL JURISDICTIONS), VALUE, DURABILITY, CONDITION, OR DESIGN, OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP OR SUITABILITY OF THE AIRCRAFT, ENGINES OR ANY PARTS THEREOF OR THE AIRCRAFT DOCUMENTS, THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, KNOWN OR UNKNOWN, APPARENT OR CONCEALED, EXTERIOR OR INTERIOR, OR AS TO ANY OTHER MATTER WHATSOEVER, EXPRESS OR IMPLIED (INCLUDING ANY IMPLIED WARRANTY ARISING FROM A COURSE OF PERFORMANCE OR DEALING OR USAGE OF TRADE) WITH RESPECT TO THE AIRCRAFT, ANY ENGINE OR ANY PART OR THE AIRCRAFT DOCUMENTS.

5.3 No Seller Liability for Losses

SELLER SHALL NOT HAVE ANY OBLIGATION OR LIABILITY WHATSOEVER TO PURCHASER OR ANY PERSON (WHETHER ARISING IN CONTRACT OR IN TORT, AND WHETHER ARISING BY REFERENCE TO NEGLIGENCE OR STRICT LIABILITY OF SELLER OR OTHERWISE) FOR:

- (A) ANY LIABILITY, CLAIM, PROCEEDING, LOSS OR DAMAGE, COST OR EXPENSE OF ANY KIND CAUSED BY OR ALLEGED TO BE CAUSED DIRECTLY OR INDIRECTLY BY, OR ASSOCIATED WITH, THE AIRCRAFT OR ANY ENGINE OR PART OR THE AIRCRAFT DOCUMENTS OR BY ANY INADEQUACY THEREOF OR DEFICIENCY OR DEFECT THEREIN OR BY ANY OTHER CIRCUMSTANCE IN CONNECTION THEREWITH;
- (B) THE USE, OPERATION OR PERFORMANCE OF THE AIRCRAFT OR ANY RISKS RELATING THERETO;
- (C) ANY INTERRUPTION OF SERVICE, LOSS OF BUSINESS OR ANTICIPATED PROFITS OR ANY OTHER DIRECT,

INDIRECT OR CONSEQUENTIAL LOSS OR DAMAGES;
OR

- (D) THE DELIVERY, OPERATION, SERVICING, MAINTENANCE, REPAIR, IMPROVEMENT, MODIFICATION OR REPLACEMENT OF THE AIRCRAFT, ANY ENGINE OR ANY PART OR THE AIRCRAFT DOCUMENTS.

5.4 Waiver of Warranty Description

IN CONSIDERATION OF PURCHASER'S RIGHTS HEREUNDER TO INSPECT THE AIRCRAFT AND SELLER'S ASSIGNMENT TO PURCHASER OF ANY EXISTING AND ASSIGNABLE WARRANTIES OF MANUFACTURER, PURCHASER HEREBY AGREES THAT ITS ACCEPTANCE OF THE AIRCRAFT AT DELIVERY AND ITS EXECUTION AND DELIVERY OF THE AIRCRAFT ACCEPTANCE CERTIFICATE CONSTITUTES PURCHASER'S WAIVER OF THE WARRANTY DESCRIPTION, ANY CLAIMS PURCHASER MAY HAVE AGAINST SELLER BASED UPON THE FAILURE OF THE AIRCRAFT TO CONFORM WITH SUCH DESCRIPTION AND ANY AND ALL RIGHTS IT MAY HAVE TO THE REMEDIES AVAILABLE UNDER APPLICABLE LAW. EVEN IF AT THE TIME THE FAILURE OF THE AIRCRAFT TO CONFORM TO SUCH DESCRIPTION SUBSTANTIALLY IMPAIRS THE VALUE AND UTILITY OF THE AIRCRAFT AND EITHER (I) PURCHASER ACCEPTED THE AIRCRAFT BASED ON A REASONABLE ASSUMPTION THAT THE NONCONFORMITY WOULD BE CURED AND IT WAS NOT REASONABLY CURED OR (II) PURCHASER ACCEPTED THE AIRCRAFT WITHOUT DISCOVERING THE NONCONFORMITY BUT PURCHASER'S ACCEPTANCE OF THE AIRCRAFT WAS REASONABLY INDUCED EITHER BY SELLER'S ASSURANCES OR BY THE DIFFICULTY OF DISCOVERING ANY DEFECT PRIOR TO ACCEPTANCE, PURCHASER AGREES NOT TO LOOK TO SELLER FOR DAMAGES OR RELIEF ARISING OUT OF THE FAILURE OF THE AIRCRAFT TO CONFORM TO SUCH DESCRIPTION.

5.5 Conclusive Proof

DELIVERY BY PURCHASER TO SELLER OF THE AIRCRAFT ACCEPTANCE CERTIFICATE SHALL BE CONCLUSIVE PROOF AS BETWEEN SELLER AND PURCHASER THAT PURCHASER'S TECHNICAL EXPERTS HAVE FULLY INSPECTED THE AIRCRAFT, ENGINES, PARTS AND THE AIRCRAFT DOCUMENTS AND EACH COMPLIES WITH THE REQUIREMENTS OF THIS AGREEMENT AND IS IN EVERY WAY SATISFACTORY TO PURCHASER.

5.6 **Waiver**

PURCHASER HEREBY WAIVES AS BETWEEN ITSELF AND SELLER, ALL ITS RIGHTS IN RESPECT OF ANY WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED (WHETHER STATUTORY OR OTHERWISE), ON THE PART OF SELLER AND ALL CLAIMS AGAINST SELLER OR THE AIRCRAFT HOWSOEVER AND WHENEVER ARISING AT ANY TIME IN RESPECT OF OR OUT OF THE MATTERS REFERRED TO IN THIS ARTICLE 5 OR THE SALE OF THE AIRCRAFT BY SELLER TO PURCHASER.

5.7 **No Liability to Repair or Replace**

Except as contemplated at Article 4.5, Seller shall not be liable for any expense in repairing or replacing any item of the Aircraft or be liable to supply another aircraft or any item in lieu of the Aircraft or any part thereof if the same is lost, confiscated, damaged, destroyed or otherwise rendered unfit for use prior to the Delivery Date.

[DISCUSSION: See: supra, Discussion with respect to Disclaimers – Article 5 of the Model Aircraft Dry Lease Agreement, § 7.1.4.1 to the extent applicable.]

ARTICLE 6 – PAYMENT OBLIGATIONS

The amount of the Purchase Price is in consideration of Purchaser's waiver of warranties and indemnities set forth in Articles 5, 10 and 11 respectively and the other provisions of this Agreement. Purchaser undertakes to perform its payment obligations to Seller strictly in accordance with the terms provided herein.

6.1 Deposit

6.1.1 Deposit

Purchaser shall pay the Deposit to Seller at least three (3) days prior to the Delivery Date. The Deposit shall be applied as a credit to the Purchase Price upon delivery of the Aircraft.

6.1.2 Interest

Any interest earned on the Deposit shall be for Seller's account.

6.1.3 Non-refundable Deposit

The Deposit shall be non-refundable except as otherwise provided in Article 4.11, 4.12 and 13.3.

6.2 Purchase Price

6.2.1 Invoice

If requested by Purchaser, Seller shall provide Purchaser with an invoice for the Aircraft no later than two (2) Business Days prior to the Delivery Date.

6.2.2 Payment of Purchase Price

Purchaser shall pay Seller the full Purchase Price (less the Deposit) on the Delivery Date.

6.3 Currency of Payment

6.3.1 Currency

All payments hereunder, whether of the Deposit, Purchase Price or otherwise, shall be made in Dollars by telegraphic bank transfer of immediately available Dollars to Seller's Account and shall be net of bank charges or other bank deductions.

6.3.2 Notice of Transfer

Purchaser shall simultaneously fax to Seller the details of such transfer pursuant to the notice provisions at Article 15.6.

6.4 **Currency Indemnity**

If, under any applicable Law, whether as a result of judgment against Purchaser or the liquidation of Purchaser or for any other reason, any payment hereunder is made or recovered in a currency other than Dollars then, to the extent that the payment (when converted into Dollars at the "rate of exchange" on the date for payment or, in the case of liquidation, the latest date for the determination of liabilities permitted by applicable Law) falls short of the amount of the payment required by this Agreement, Purchaser shall, as a separate and independent obligation, fully indemnify Seller against the amount of the shortfall. If the amount of the payment converted into Dollars exceeds the amount unpaid under this Agreement, Seller shall remit such excess to Purchaser. For the purposes of this Article 6.4, "rate of exchange" means the rate reasonably selected by Seller to enable it on the relevant date to purchase Dollars in New York or London (at Seller's option) with such other currency. Purchaser irrevocably waives any right it may have in any jurisdiction to pay any amount under this Agreement in a currency other than that in which such amount is expressed to be payable.

6.5 **Default Interest**

6.5.1 Default Interest

If Purchaser fails to pay the Purchase Price on the Delivery Date, Seller shall suffer loss and damage the exact nature and amount of which are difficult or

impossible to ascertain. Purchaser shall pay to Seller on demand from time to time (by way of agreed compensation and not as a penalty) Default Interest on any due and unpaid amounts payable by Purchaser under this Agreement.

6.5.2 Application and Accrual of Default Interest

Such Default Interest shall be applied to the amount due and unpaid from the date the amount was due to the actual date of payment (after as well as before judgement) by Purchaser to Seller. Default Interest will accrue on a daily basis and be compounded Monthly and shall be calculated on the basis of the actual number of days elapsed and a 360 day year.

6.6 **No Deductions or Withholdings**

All payments made by Purchaser under this Agreement shall be made in full without any deduction or withholding whether in respect of set-off, counterclaim, duties or Taxes imposed by the jurisdiction of Purchaser's state of incorporation or any other jurisdiction from which such payments are made unless Purchaser is prohibited by Law from doing so, in which event Purchaser shall gross up the payment amount such that the net payment received by Seller after any deduction or withholding equals the amount required under this Agreement. Purchaser will also do all of the following:

- (a) ensure that the deduction or withholding does not exceed the minimum amount legally required;
- (b) pay to the relevant Government Entity within the period for payment permitted by applicable Law the full amount of the deduction or withholding (including the full amount of any deduction or withholding from any additional amount paid pursuant hereto); and
- (c) furnish to Seller within thirty (30) days after each payment an official receipt of the relevant Government Entity involved for all amounts so deducted or withheld.

6.7 Value Added Taxes

The Purchase Price and other amounts payable by Purchaser under this Agreement are exclusive of any value added tax, turnover tax or similar tax or duty which may be payable in respect thereof. If a value added tax or any similar tax or duty is payable in any jurisdiction in respect of the Purchase Price or any other amounts payable by Purchaser under this Agreement, Purchaser shall pay the full amount of such Purchase Price and such other amounts and shall, in addition, pay all such tax or duty and indemnify Seller against any claims for the same.

6.8 Customs Duties

Purchaser shall be the importer of record for the Aircraft at Purchaser's proposed state of registration and shall pay the amount of any customs duties required to be paid with respect to the importation of the Aircraft.

ARTICLE 7 – MANUFACTURERS’ AND VENDOR’S WARRANTIES**7.1 Assignable Warranties**

On the Delivery Date, Seller shall assign to Purchaser such rights as Seller may have under any Warranty with respect to the Aircraft. Seller makes no representation or warranty whatsoever that there are any such Warranties, manufacturer’s or otherwise, which still exist. The foregoing assignment shall be subject to:

- (a) the receipt by Seller and Purchaser of all necessary third party consents;
- (b) Purchaser entering into such agreements and undertakings as may be required by such third parties regarding the assignment of the Warranties to Purchaser; and
- (c) transfer of title to the Aircraft having occurred.

7.2 Non-Assignable Warranties

To the extent that any Warranty given to Seller with respect to the Aircraft cannot be assigned, Purchaser shall be entitled to take such action to enforce such Warranty in Seller’s own name, but subject to Purchaser ensuring that Seller is indemnified against all Losses thereby incurred or to be incurred.

7.3 Warranty Claims

Upon the request of Purchaser, Seller may provide reasonable assistance to Purchaser in the pursuit of claims arising under any Warranty provided that Purchaser shall reimburse Seller for the costs and expenses incurred by Seller rendering such assistance.

ARTICLE 8 - TITLE AND REGISTRATION**8.1 Title and Risk of Loss**

Title to, and all risk of loss, theft, damage, destruction or inoperability of, the Aircraft and every part thereof howsoever caused and all liabilities howsoever arising in respect of the Aircraft shall transfer from Seller to Purchaser upon delivery of the Bill of Sale by Seller to Purchaser pursuant to Article 4.6.

8.2 Registration of the Aircraft

Purchaser shall, at its sole cost and expense, register and maintain the registration of the Aircraft in the appropriate register with the civil aviation authority in Purchaser's proposed state of registration.

ARTICLE 9 – INSURANCE

9.1 Insurances

9.1.1 General

From the Delivery Date for a period of three (3) years from such date or until completion of the next major check with respect to the Aircraft (whichever is the earlier to occur), Purchaser shall, at its sole cost and expense, effect and maintain or cause to be effected and maintained, in full force and effect, comprehensive aviation liability and property damage insurance in respect of the Aircraft, its ownership, use, maintenance and operation in form and substance reasonably satisfactory to Seller and consistent with best industry practices of persons operating similar aircraft in similar circumstances covering the liability assumed by Purchaser under Article 10 (the "Insurances", which expression shall where the context so admits include any relevant re-insurance(s) obtained in respect thereof).

[DISCUSSION: Most prudent sellers will require that they be included in the purchaser's liability insurance coverage to be protected from any claims arising out of any accident involving the aircraft, and the legal fees arising therefrom. A previous owner may be held liable because of any faulty maintenance attributable to him during his ownership. The insurance will only cover the seller if the indemnities contemplated in Article 10 hereof are in effect.]

9.1.2 Brokers

The Insurances shall be effected through such brokers and with such insurers, and shall be subject to such deductibles and exclusions, as may (in each case) be approved by Seller, such approval not to be unreasonably withheld or delayed.

9.1.3 Insurances/Reinsurances

The Insurances shall be effected either:

- (a) 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) reasonably approved by Seller; or
- (b) with a single insurer or group of insurers reasonably approved by Seller who does not fully retain the risk but effects substantial reinsurance with reinsurers in the leading international aviation markets and through brokers each of recognized standing and reasonably acceptable to Seller for a percentage reasonably acceptable to Seller (the "Reinsurances").

9.2 Requirements

Seller's requirements as to the Insurances as at the date of this Agreement are as specified in this Article 9 and in Appendices "F" and "G".

9.3 Information

Through the period contemplated at Article 9.1, Purchaser shall provide Seller with any information reasonably requested by Seller from time to time concerning such Insurances including, but not limited to, evidence of the Insurances satisfactory to Seller in addition to the certificates of Insurances required hereunder and evidence of premium payment.

9.4 Continuing Insurance for Indemnity

Purchaser's obligation in this Article 9 shall not be affected by Purchaser ceasing to be owner or operator of the Aircraft and/or any of the Indemnitees ceasing to have any interest in the Aircraft. In the event that Purchaser sells or otherwise disposes of the Aircraft before the expiry of the period contemplated at Article 9.1, Purchaser shall cause the new owner or operator of such Aircraft to comply with the requirements of Articles 9 and 10.

ARTICLE 10 – INDEMNITIES**10.1 General Indemnities**

Purchaser agrees at all times to defend, indemnify and hold each of the Indemnitees harmless from and against any and all Losses imposed on, incurred by or asserted against any Indemnitee in anyway relating to, based on or arising out of the following:

- (a) this Agreement or any transactions contemplated hereby;
- (b) any act or omission which invalidates or renders voidable any of the Insurances referred to in Article 10;
- (c) the sale, purchase, finance, acceptance, rejection, delivery, non-delivery, import, export, registration, ownership, management, performance, possession, operation, use, non-use, storage, control, assignment pursuant to Article 14.1, lease, sublease, condition, airworthiness, merchantability, fitness for use or purpose, maintenance, repair, modification, rebuilding, service, overhaul, testing, enforcement of Warranties whether in Seller's or Purchaser's name or other transfer of use or possession of the Aircraft, Engine or any Part (either in the air or on the ground) whether or not the same is in compliance with the terms of this Agreement including, but not limited to, claims for death, personal injury, property damage, other loss or harm to any person whatsoever and claims relating to any Laws including, but not limited to, environmental control, noise and pollution laws, rules or regulations;
- (d) the manufacture, design, article or material in the Aircraft, Engine or any Part or any other defects, whether or not discoverable, or its operation or use constituting an infringement of patent, copyright, trademark, design or other proprietary right or a breach of any obligation of confidentiality owed to any person;
- (e) any non-compliance by Purchaser with any term or condition of this Agreement or the falsity or inaccuracy

of any representation or warranty of Purchaser set forth in Article 2;

- (f) as a consequence of any failure by Purchaser in the payment of any amount to be paid by Purchaser when due under this Agreement or any other failure by Purchaser in the due and punctual performance of its obligations under this Agreement.

The foregoing indemnities by Purchaser are intended to include and cover any Losses to which an Indemnitee may be subject (in contract, tort, strict liability or under any other theory) regardless of the negligence, active or passive or any other type, of such Indemnitee, so long as such Losses do not fall within any of the exceptions contained in Article 10.2.

10.2 Exceptions to General Indemnities

The indemnities contemplated at Article 10.1 shall not extend to Losses of any Indemnitee to the extent that such Losses are mutually agreed by the Parties, or absent mutual agreement have been judicially determined:

- (a) to have resulted from the gross negligence or willful misconduct of that Indemnitee; or
- (b) to be attributable to acts or events which occur prior to the Delivery Date, but in any such case only to the extent not attributable to acts or omissions of Purchaser, its directors, officers, employees, agents or servants.

10.3 Defense of Losses

Purchaser and its insurers shall have the right (but not the obligation), at Purchaser's sole cost and expense, to investigate or, provided that Purchaser or its insurers have not reserved the right to dispute liability with respect to any insurance policies pursuant to which coverage is sought, defend or compromise any claim covered by insurance for which indemnification is sought pursuant to Article 10.1 and each Indemnitee shall cooperate with Purchaser or its insurers with respect thereto.

10.4 After-Tax Basis

The amount which Purchaser shall be required to pay with respect to any Losses indemnified against pursuant to Article 10.1 shall be an amount sufficient to restore the Indemnitee, on an after-tax basis, to the same position such Indemnitee would have been in had such Losses not been incurred.

10.5 Timing of Payment

It is the intent of the Parties that each Indemnitee shall have the right to the indemnities set forth in Article 10.1 whether or not liability is established (but without prejudice to the obligations of both Parties under Article 10.3). Purchaser shall pay an Indemnitee pursuant to this Article 10 within ten (10) days after receipt of a written demand therefore from such Indemnitee accompanied by a written statement describing in reasonable detail the basis for such indemnity.

10.6 Subrogation

Upon the payment in full of any indemnities pursuant to this Article 10 by Purchaser, Purchaser will be subrogated to any right of the Indemnitee in respect of the matter against which such indemnity has been made.

10.7 Notice

Each Indemnitee shall give prompt written notice to Purchaser of any liability of which such Indemnitee has knowledge for which Purchaser is, or may be, liable pursuant to this Article 10 provided, however, that failure to give such notice shall not terminate any of the rights of Indemnitees under this Article 10 except to the extent that Purchaser has been materially prejudiced by the failure to provide such notice.

10.8 Refunds

If any Indemnitee obtains a recovery of all or any part of any amount which Purchaser has paid to such Indemnitee, such Indemnitee shall pay to Purchaser the net amount recovered by such Indemnitee.

10.9 Survival of Obligation

The indemnities contained in this Article 10 are in addition to and not in substitution for each other. Notwithstanding any provision of this Agreement to the contrary, the indemnities by Purchaser in favor of the Indemnitees shall continue in full force and effect notwithstanding any breach by Seller or Purchaser of this Agreement, the termination of this Agreement or the repudiation by either Party of this Agreement. The representatives, warranties, indemnities and agreements of Purchaser provided in this Article 10 shall survive the termination of this Agreement.

[DISCUSSION: See: supra, Discussion with respect to Indemnities – Article 16 of the Model Aircraft Dry Lease Agreement, § 7.1.4.1 to the extent applicable.]

ARTICLE 11 – TAXES

11.1 General Obligations

Except as set forth in Article 11.2, Purchaser agrees to promptly pay when due, and to indemnify and hold Seller and the other Indemnitees harmless on a full indemnity basis from all license and registration fees and all Taxes of any nature whatsoever together with any assessments, fines, additions to tax or interest thereon, howsoever or wherever imposed (whether imposed upon Seller, Purchaser or all or part of the Aircraft or Engines or otherwise) by any Government Entity or taxing authority in the state of incorporation of Purchaser or any foreign country or by any international taxing authority upon or with respect to, based upon or measured by any of the following:

- (a) the Aircraft, the Engines or any Parts;
- (b) the use, operation or maintenance of the Aircraft or carriage of passengers, cargo and mail;
- (c) this Agreement, the payments due hereunder and the terms and conditions hereof; and
- (d) the purchase, ownership, delivery, financing, import or export or sale of the Aircraft.

11.2 Exceptions to Indemnities

The indemnities provided for in Article 11.1 do not extend to any of the following Taxes:

- (a) imposed by any Government Entity of the State of Registration on Seller's net income, gross receipts, capital or net worth;
- (b) attributable to Seller's gross negligence, willful misconduct or breach of this Agreement; or
- (c) attributable to the period prior to the Delivery Date.

11.3 After-Tax Basis

The amount which Purchaser is required to pay with respect to any Taxes indemnified against under Article 11.1 is an amount sufficient to restore the Indemnitee on an after-tax basis to the same position such Indemnitee would have been in had such Taxes not been incurred.

11.4 Timing of Payment

Any amount payable to an Indemnitee pursuant to this Article 11 will be paid within ten (10) days after receipt of a written demand therefor from such Indemnitee accompanied by a written statement describing in reasonable detail the basis for such indemnity and the computation of the amount so payable provided, however, that such amount need not be paid by Purchaser prior to the earlier of (i) the date any Tax is payable to the appropriate Government Entity or taxing authority or (ii) in the case of amounts which are being contested by Purchaser in good faith or by Seller or any other Indemnitee pursuant to Article 11.6, the date such contest is finally resolved.

11.5 Subrogation

Upon the payment in full of any Tax pursuant to this Article 11 by Purchaser, Purchaser shall be subrogated to any right of the relevant Indemnitee in respect of the Tax paid by Purchaser pursuant to this Article 11.

11.6 Contests

If a claim is made against an Indemnitee for Taxes with respect to which Purchaser is liable for a payment or indemnity under this Agreement, such Indemnitee shall promptly give Purchaser notice in writing of such claim; provided, however, that such Indemnitee's failure to give notice shall not relieve Purchaser of its obligations hereunder unless such failure materially impairs or precludes Purchaser's ability to contest the claim. At Purchaser's written request, the Indemnitee shall not pay such assessment, penalty or interest thereon except under protest and, if payment is made, such Indemnitee shall, at Purchaser's written request, in good faith, with due diligence and at Purchaser's sole cost and expense, contest (or permit Purchaser to contest in the name of Purchaser or Seller) the validity, applicability or amount of such Taxes.

11.7 Refunds

Upon receipt by the relevant Indemnitee of a refund of all or any part of any Taxes (including any deductions or withholdings referred to in Article 6.6) which Purchaser has paid, such Indemnitee shall pay to Purchaser the net amount of such Taxes refunded.

11.8 Co-operation in Filing Tax Returns

Purchaser and Seller shall co-operate with one another in providing information which may be reasonably required to fulfill each Party's tax filing requirements and any audit information request arising from such filing.

11.9 Survival of Obligations

The representations, warranties, indemnities and agreements of Purchaser provided in this Article 11 shall survive the termination of this Agreement.

ARTICLE 12 – DEFAULT**12.1 Events of Default**

Each of the following events shall constitute an Event of Default and a repudiation of this Agreement by Purchaser:

- (a) Purchaser fails to take delivery of the Aircraft when obliged to do so under the terms of this Agreement; or
- (b) Purchaser fails to pay the Deposit, Purchase Price or any other amount due under this Agreement in the manner and by the due date or within three (3) Business Days after such amount is due; or
- (c) Purchaser fails at any time to comply with any provision of Article 9 or Appendices "F" and "G" or Purchaser commits any breach of or makes any misrepresentation in respect of such Insurances resulting in the relevant insurer avoiding the policy or otherwise being excused or released from all or any of its indemnity liability thereunder to any of the insureds described in Appendix "G" or any of the said Insurances ceases for any reason whatsoever to be in full force and effect; or
- (d) Purchaser fails to comply with any other provision of this Agreement (other than any obligations referred to in Articles 12.1(a), 12.1(b) and 12.1(c) above) and such failure, if capable of being remedied, is not remedied to Seller's satisfaction within fifteen (15) days after written notice thereof from Seller requiring such remedy. If such failure or default cannot by its nature be cured within such fifteen (15) days, Purchaser will have a reasonable number of days necessary to cure such failure or default (not to exceed a period of sixty (60) days) provided Purchaser uses its best efforts to do so; or
- (e) any representation or warranty made (or acknowledged to have been made) or repeated (or deemed to be repeated) by Purchaser in or pursuant to this Agreement or contained in any document, certificate, notice or statement provided by Purchaser under this Agreement

is or proves to have been materially incorrect when made or so repeated or would at any time prove to be materially incorrect if then repeated by reference to the facts and circumstances then existing and such inaccuracy (if capable of being remedied) is not remedied within fifteen (15) days after Purchaser first became aware of the same; or

- (f) Purchaser either temporarily or permanently changes substantially the nature of its business or disposes of, or threatens to dispose of, all or a material part of its business or a substantial part of its assets; or
- (g) Purchaser (i) suspends payment of its debts or other obligations; or (ii) is unable to or admits its inability to pay its debts or other obligations as they fall due; or (iii) is adjudicated or becomes bankrupt or insolvent; or (iv) proposes or enters into any composition or other arrangement for the benefit of its creditors generally; or
- (h) any proceedings, resolutions, filing or other steps are instituted with respect to Purchaser relating to the bankruptcy, liquidation, reorganization or protection from creditors of Purchaser or a substantial part of Purchaser's property. If instituted by Purchaser, the same shall be an immediate Event of Default. If instituted by another person, the same shall be an Event of Default if not dismissed, remedied or relinquished within sixty (60) days; or
- (i) any order, judgment or decree is entered by any court of competent jurisdiction appointing a receiver, trustee, administrator, liquidator or similar officer of Purchaser or a substantial part of its property, or if a substantial part of Purchaser's property is to be sequestered. If instituted by or done with the consent of Purchaser, the same shall be an immediate Event of Default. If instituted by another person, the same shall be an Event of Default if not dismissed, remedied or relinquished within sixty (60) days; or
- (j) this Agreement is or becomes wholly or partly invalid, ineffective or unenforceable due to reasons beyond

Seller's control and either (i) Purchaser fails in its continuing performance notwithstanding such invalidity, ineffectiveness or unenforceability or (ii) after good faith negotiation, the Parties have not arrived at a mutually acceptable alternative basis for continuation of this Agreement within fifteen (15) days after Seller's notice requiring negotiation.

12.2 Seller's Rights

Upon the occurrence of any Event of Default or at any time thereafter for so long as such Event of Default is continuing, Seller shall, at its sole option and discretion, be entitled, without prejudice to any of its other rights hereunder, by notice in writing to Purchaser, to:

- (a) accept such repudiation and by notice to Purchaser and with immediate effect terminate this Agreement whereupon all rights of Purchaser under this Agreement shall cease without any further liability or obligation on the part of Seller to Purchaser; and/or
- (b) retain the Deposit, provided that such retention of the Deposit by Seller shall in no way be deemed to be an election of remedies by Seller; and/or
- (c) exercise any other right or remedy that Seller may have available to it under applicable Law or in equity against Purchaser or proceed by appropriate court action or actions to enforce performance of this Agreement or recover damages incurred by Seller as a result of the Event of Default by Purchaser.

12.3 Purchaser's Liability for Damages

Upon the occurrence of any Event of Default or at any time thereafter for so long as such Event of Default is continuing, Seller shall have the right to recover from Purchaser, and Purchaser shall pay to Seller within two (2) Business Days after Seller's written demand (by way of agreed compensation for loss of bargain and not as a penalty, and without prejudice to any right to damages of Seller) the amount notified by Seller to Purchaser as the aggregate of:

- (a) any lost profits suffered by Seller because of Seller's inability to sell the Aircraft on financial terms as favorable to Seller as the terms of this Agreement or because whatever use, if any, to which Seller is able to put the Aircraft or the funds arising from a sale or other disposition of the Aircraft are not as profitable to Seller as selling the Aircraft in accordance with the terms hereof would have been; and
- (b) all costs associated with Seller's exercise of its remedies hereunder, including but not limited to legal fees, Aircraft storage costs, Aircraft re-sale or lease costs and Seller's internal costs and expenses (including the cost of personnel time calculated based upon the compensation paid to the individuals involved on an annual basis and general Seller overhead allocation).

12.4 Waiver of Default

Seller may, by written notice to Purchaser, at its election waive any Event of Default and its consequences and rescind and annul any prior notice of termination of this Agreement. The respective rights of the Parties shall then be as they would have been had no Event of Default occurred and no such notice been given.

ARTICLE 13 – TERMINATION AND RETURN OF THE DEPOSIT**13.1 Termination of Agreement**

This Agreement may be terminated at any time before the Delivery Date upon the occurrence of any of the following events:

- (a) by either Party pursuant to Article 4.11;
- (b) Total Loss of the Aircraft prior to the Delivery Date pursuant to Article 4.12;
- (c) an Event of Default pursuant to Article 12.1.

13.2 Survival of Certain Purchaser Obligations

The obligations of Purchaser set forth in Articles 9.4, 10.9, 11.9 and 15.9 shall survive such termination.

13.3 Return of Deposit

Upon termination of this Agreement in accordance with Article 13.1(a) or 13.1(b), Seller shall return to Purchaser the amount of the Deposit then held by Seller, without interest.

ARTICLE 14 – ASSIGNMENT AND TRANSFER**14.1 No Assignment by Purchaser**

This Agreement and the right to acquire the Aircraft shall not be assigned by Purchaser without the prior written consent of Seller. Notwithstanding the foregoing, Purchaser shall be entitled, without the consent of Seller, to assign its right to purchase the Aircraft to any bank, trust company or other bona fide financial institution, organisation or intermediary or any bona fide leasing entity for the purpose of financing its acquisition of the Aircraft, provided such assignment does not relieve Purchaser of its obligation to be bound by and to comply with all other applicable terms, conditions and limitations of this Agreement. In addition, this Agreement may be assigned by Purchaser to any entity that results from a reorganization or merger of Purchaser, provided such assignment does not materially adversely affect the ability of Purchaser to perform its obligations under this Agreement. In no event shall any assignment by Purchaser be permitted if it causes Seller to incur, or be subject to, any greater or other liability or obligation which it would not otherwise incur but for such assignment by Purchaser. In such event, Purchaser shall indemnify and hold Seller harmless from and against any such increased liability or obligation.

14.2 Assignment by Seller

Subject to Purchaser's rights pursuant to this Agreement, Seller may at any time before the Delivery Date, and without Purchaser's consent, assign or transfer its rights and interest in this Agreement or with respect to the Aircraft to a third party.

ARTICLE 15 – FURTHER PROVISIONS

15.1 Nature of Purchaser's Obligations

All obligations of Purchaser under this Agreement shall constitute conditions and the time for performance of such conditions shall be of the essence (without prejudice to the grace periods specified in Article 12.1).

15.2 Further Assurances

Each Party agrees to do and perform such other and further acts and execute and deliver any and all such other instruments as may be required from time to time by Law or reasonably required by the other Party to establish, maintain and protect the rights and remedies of such Party and to carry out and effect the intent and purpose of this Agreement.

[DISCUSSION: Article 15.2 is a catch-all provision to avoid having to list all the possible documents or actions that could be requested or required.]

15.3 Rights Cumulative, Waivers

The rights of the Parties under this Agreement are cumulative, may be exercised as often as each Party considers appropriate and are in addition to such Party's rights under general Law. The rights of one Party against the other Party (whether arising under this Agreement or the general Law) shall not be capable of being waived or varied otherwise than by an express waiver or variation in writing and, in particular, any failure to exercise or 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 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 a Party'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.

[DISCUSSION: See: supra, Discussion with respect to Rights Cumulative, Waivers – Article 22.3 of the Model Aircraft Dry Lease Agreement, § 7.1.4.1.]

15.4 Seller's Payment Obligations

Any obligation of Seller under this Agreement to pay or release any amount to Purchaser is conditional upon no Event of Default having occurred and continuing hereunder at the time such payment or release of payment is payable to Purchaser.

15.5 Variation

The provisions of this Agreement shall not be varied otherwise than by an instrument in writing executed by or on behalf of the Parties.

15.6 Entire Agreement

Save as may be otherwise expressly agreed between the Parties, this Agreement constitutes the entire agreement between the Parties in relation to the sale of the Aircraft by Seller to Purchaser and supersedes all previous proposals, agreements and other written and oral communications in relation thereto.

15.7 Notices

Any notice or communication to be made hereunder or in connection with this Agreement shall be in writing in the English language and shall be delivered personally or by post, telex, facsimile transmission or SITA communication to the respective addresses, telex, facsimile numbers or SITA in Appendix "D" or such other address or telex, facsimile number of SITA as the recipient may have notified to the sender in writing. Proof of delivery, posting or dispatch shall be deemed to be proof of receipt:

- (a) in the case of a letter, upon delivery thereof (if delivered by hand) or (if sent by post) on the tenth (10th) Business Day after posting;
- (b) in the case of a telex, facsimile transmission or SITA communication on the Business Day immediately following the date of dispatch.

[DISCUSSION: Notices should be sent to the attention of a specific officer or other agent of the addressee rather than to a specifically named individual.]

15.8 Invalidity of any Provision

If any of the provisions 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.

15.9 Confidentiality

This Agreement and any other agreement between Seller and Purchaser in respect of the Aircraft and all non-public information obtained by either Party about the other are confidential and between Seller and Purchaser only and shall not be disclosed by either Party to third parties (other than to the Government Entities as required by Law, such Parties' auditors, legal or professional advisors) without the prior written consent of the other Party. If disclosure is required as a result of applicable Law, the Parties shall co-operate with one another to obtain confidential treatment as to the commercial terms and other material provisions of this Agreement. The provisions of this Article 15.9 shall survive the expiration or termination of this Agreement.

15.10 Transaction Fees

Each Party acknowledges and covenants with the other that there are no brokers involved in this transaction and each Party shall be responsible for its own respective costs (including, but not limited to, legal costs) incurred in connection with the negotiation and preparation of this Agreement.

ARTICLE 16 – GOVERNING LAW AND JURISDICTION**16.1 Governing Law**

This Agreement, regardless of where executed, shall be subject to, governed by and construed in accordance with the Governing Law.

[DISCUSSION: See: supra, Discussion with respect to Governing Law – Article 23.1 of the Model Aircraft Dry Lease Agreement, § 7.1.4.1.]

16.2 Jurisdiction**16.2.1 Submission to Jurisdiction**

For the benefit of Seller, Purchaser agrees that the courts of the country of Jurisdiction shall have jurisdiction to settle any disputes which may arise in connection with the legal relationships established by this Agreement including, but not limited to, claims for set-off or counterclaim or otherwise arising in connection with this Agreement, and Purchaser submits to the jurisdiction of the courts of the country of Jurisdiction in connection with this Agreement.

16.2.2 Retention of Seller's Right for Non-exclusive Jurisdiction

The agreement contained in Article 16.2.1 above is included for the benefit of Seller. Accordingly, Seller shall retain the right to bring proceedings in any other court which has jurisdiction.

16.2.3 Purchaser's Waiver

Purchaser irrevocably waives any objections on the ground of venue or forum non conveniens or any similar grounds.

16.4 Counterparts

This Agreement may be executed in any number of counterparts and each such counterpart shall constitute an original. All such

counterparts, when taken together, shall constitute one single instrument when each Party has signed and delivered one such counterpart to the other Party. Delivery of an executed counterpart of this Agreement by facsimile transmission shall be deemed effective delivery of an originally executed counterpart. Any Party delivering an executed counterpart of this Agreement by facsimile transmission shall also deliver an originally executed counterpart; provided however, the failure of any Party to deliver an originally executed counterpart of this Agreement shall not affect the validity or effectiveness of this Agreement.

ARTICLE 17 – THIRD PARTIES**17.1 Contracts (Rights of Third Parties) Act 1999**

Subject to this Article 17, a person who is not a Party to this Agreement has no right under the Contracts (Rights of Third Parties) Act of 1999 of Great Britain ("Third Parties Act") to enforce any provision of this Agreement but this does not affect any right or remedy of a third party which exists or is available apart from under the Third Parties Act.

17.2 Enforcement of Indemnity Provisions

Each Indemnitee that is not a party to this Agreement may enforce the terms of Articles 10 and 11 subject to and in accordance with this Article 17 and the provisions of the Third Parties Act. Each indemnitee that is not a party to this Agreement must obtain the written consent of Seller (such consent to be given or refused in its absolute discretion) before it may bring proceedings to enforce the terms of Articles 10 and 11.

17.3 Available Defenses

If any Indemnitee which is not a party to this Agreement brings proceedings to enforce the terms of Articles 10 and 11, Purchaser shall only have available to it by way of defence, set-off or counterclaim a matter that would have been available by way of defence, set-off or counterclaim if such Indemnitee had been a party to this Agreement.

17.4 Recovery by Seller on behalf of Indemnitees

Without prejudice to the rights of any Indemnitee that is not a party to this Agreement under this Agreement, if Purchaser is in breach of any of its obligations under Articles 10 and 11, the Parties intend that Seller may recover from Purchaser on behalf of such Indemnitee any sum in respect of such Indemnitee's Losses arising from that breach.

17.5 No Consent Required

The Parties to this Agreement do not require the consent of an Indemnatee that is not a party to this Agreement to rescind or vary this Agreement at any time.

IN WITNESS WHEREOF the Parties have caused this Agreement to be executed by their respective officers as of the day and year first herein written:

[SELLER]

[PURCHASER]

Per: _____

Per: _____

Name: _____

Name: _____

Title: _____

Title: _____

WITNESS

WITNESS

APPENDIX "A"

DESCRIPTION OF AIRCRAFT

AIRFRAME

Model:		Engine Model:	
Serial No.:		APU:	
Line No.:		Current Registration:	
Date of Manufacture:		Previous Operator:	

OPERATIONAL WEIGHTS

Basic Empty Weight:		Max Zero Fuel Weight:	
Max. Taxi Weight:		Operating Empty Weight:	
Max. Take-Off Weight:		Max. Landing Weight:	
Fuel Capacity:		Lower Cargo Capacity:	

HOUR/CYCLE DATA - AIRFRAME (AS OF _____)

Hours Since New:		Time Remaining to "A" Check:	
Cycles Since New:		Time Remaining to "C" Check:	
Total Landings:		Time Remaining to "D" Check:	

HOUR/CYCLE DATA - ENGINES (AS OF _____)

Pos	MSN	Total Hours	Total Cycles	Hrs/cycles to next shop visit		Time remaining to next LLP removal		Thrust Rating
				Hours	Cycles	Hours	Cycles	
1								
2								
3								
4								

HOUR/CYCLE DATA - APU (AS OF _____)

Total Hours	Hrs/cycles remaining until HIS inspection		Hrs/cycles remaining on turbine and compressor life limited parts	
	Hours	Cycles	Hours	Cycles

HOUR/CYCLE DATA - LANDING GEAR (AS OF _____)

<u>Pos</u>	<u>MSN</u>	<u>Total Hrs/cycles</u>		<u>Hrs/cycles since last overhaul</u>		<u>Hrs/cycles to next scheduled removal</u>	
		Hours	Cycles	Hours	Cycles	Hours	Cycles
Nose							
Right Main							
Left Main							

MAINTENANCE INTERVALSINTERIOR CONFIGURATION

A Check:		Seating Capacity:	
B Check:		Galley Units:	
C Check:		Service Centers:	
D Check:		Beverage & Aux. Bars:	
T Check:		Lavatories:	

ANNEX 1 TO APPENDIX "A"
AIRCRAFT PRINCIPAL DIMENSIONS

ANNEX 2 TO APPENDIX "A"

AVIONICS

APPENDIX "B"

DELIVERY CONDITION

The Aircraft and Aircraft Documents shall be delivered to Purchaser in an "AS-IS WHERE-IS" condition. Upon delivery, the Aircraft (except as otherwise provided) shall meet the description of the Annexes hereto and, based upon Seller's maintenance program, be in the following condition:

- (a) be airworthy, clean by international airline standards and suitable for immediate operation in commercial service;
- (b) be in good operating condition and appearance, ordinary wear and tear excepted;
- (c) have installed the full complement of Engines, furnishings and other equipment, parts and accessories and loose equipment as should be installed in such aircraft and all systems and equipment will be properly functioning; [have all units and components for the Aircraft duly installed thereon and serviceable at the time of delivery].
- (d) be free from any and all Security Interests other than those Security Interests which may arise from Purchaser's own acts of omissions or those of its directors, officers, employees, servants or agents;
- (e) have been inspected for corrosion;
- (f) exterior fuselage shall be painted white with smooth aerodynamic surfaces and be in the interior configuration contemplated in Appendix "A"; [have Seller's exterior aircraft insignia, if any, removed];
- (g) have a valid certificate of airworthiness or, if requested by Purchaser, an export certificate of airworthiness to the State of Registration issued by the appropriate civil aviation authority;
- (h) comply with all applicable airworthiness directives and manufacturer's mandatory service bulletins issued by the Civil

Aviation Authority prior to the Delivery Date and which require terminating action prior to the Delivery Date; and

- (i) be free from any waivers, deferred maintenance, open or carryover items on the Aircraft or any Engines as at the Delivery Date.

At the time of delivery of the Aircraft, the Airframe, each Engine and all time-controlled components will conform to the following:

- (i) Airframe – the airframe shall have undergone a complete block "C" check including all phases and multiples in accordance with Seller's maintenance program. The time remaining to the structural requirements of the 4C inspection will be not less than fifty (50) percent of the allowable interval between inspections.
- (ii) Engine – each engine shall have undergone a complete video taped hot and cold section borescope inspection and a power assurance run in accordance with the engine manufacturer's manual and all items beyond the manufacturer's limits will be repaired. Each engine will have no more than two thousand (2,000) hours since last hot section refurbishment and no more than four thousand (4,000) hours since last cold section refurbishment. No engine will be "on watch" for any reason requiring any special or out of sequence inspection. Each life limited part within each engine will have at least fifty (50) percent of its allowable life remaining. In addition, engine trend monitoring will show no adverse trends during the last thirty (30) days operation.
- (iii) APU – the time since last heavy shop visit will be no more than fifty (50) percent of the mean time between heavy shop visits as determined by the manufacturer and all outputs will be in the normal operating range.
- (iv) Landing Gear – the time remaining to overhaul will not be less than fifty (50) percent of the overhaul interval. In addition, each life limited part within each landing gear will have at least the same time remaining as the landing gear itself.
- (v) Parts – the time remaining to overhaul will not be less than fifty (50) percent of the allowable overhaul interval or one complete block "C" check interval whichever is the greater.

APPENDIX "C"

AIRCRAFT DOCUMENTS

Seller shall deliver the following Aircraft Documents to Purchaser simultaneously with delivery of the Aircraft:

A. Manuals to be delivered with the Aircraft

1. Aircraft Flight Manual.
2. Weight and Balance Control and Loading Manual and Supplements.
3. Operations Manual.
4. Aircraft/Engine Maintenance Manual.
5. Aircraft/Engine Illustrated Parts Catalogue.
6. Aircraft/Engine Wiring Diagram, including equipment list.

B. Airworthiness Directives Documentation

1. Complete and current airworthiness directive ("ADs") status lists and other documentation for the Airframe and each Engine for all ADs applicable to the Airframe and Engines. These lists and documentation shall include, but not be limited to:
 - a. AD number;
 - b. AD title;
 - c. Aircraft fin number and/or Engine serial number;
 - d. Engineering documentation reference;
 - e. Manufacturer's Service Bulletin reference and cross-references where appropriate;
 - f. Specify terminated or repetitive status;
 - g. Date of last maintenance accomplishment, if repetitive;
 - h. Name, serial number and copies of the internal maintenance forms used to document accomplishment of ADs, if applicable; and
 - i. State means by which compliance was accomplished (e.g., modified, repaired, inspected).

The lists shall be certified and signed by an authorized quality assurance representative.

2. Exemptions or deviations granted to Seller on AD compliance, including copy of exemption request and approval.

C. Aircraft and Engine Records

1. Engine last shop visit report;
2. Documentation and records concerning the last Aircraft overhaul;
3. Engine trend monitoring data, if available;
4. Copies of log book entries for the last twelve (12) months of operation;
5. Declaration of Aircraft accident and major repairs, if any;
6. Listing of Airframe and Engine time controlled components status;
7. Engine life-limited parts status and history, including "back-to-birth" records, if available;
8. Delivery letter with Serial No. – total time/total cycles and the time to next inspection or removal of Engines or components; and
9. All Engine records, up to and including the last major overhaul or heavy maintenance and shop visits.

APPENDIX "D"

FURTHER DEFINITIONS AND VALUES

"Default Interest"	Three Month LIBOR plus [5] % per annum
"Delivery Date"	
"Delivery Location"	
"Deposit"	U.S. \$ _____
"Governing Law"	
"Indemnitees"	Seller and its directors, officers, agents, employees and insurers
"Jurisdiction"	
"Minimum Liability Coverage"	U.S. \$ _____ per occurrence
"Notices"	<p>Seller:</p> <p>Address:</p> <p>Telephone: ■</p> <p>Facsimile ■</p> <p>SITA ■</p> <p>Attention:</p>
	<p>Purchaser:</p> <p>Address:</p> <p>Telephone: ■</p> <p>Facsimile ■</p> <p>SITA ■</p> <p>Attention:</p>
"Purchase Price"	U.S. \$ _____
"Purchaser"	
"Seller"	
"State of Registration"	

APPENDIX "E"

LEGAL OPINION TO BE PROVIDED BY PURCHASER

To: [insert Seller's details]
[Date]

Dear Sirs:

Aircraft Sale and Purchase Agreement dated [insert date] between [insert Seller's details] ("Seller") and [insert Purchaser's details] ("Purchaser") relation to [insert Aircraft details] (the "Aircraft") (the "Agreement")

I am the senior legal counsel of Purchaser and, in that capacity, I have acted as legal counsel to Purchaser in connection with the purchase by Purchaser from Seller of the Aircraft pursuant to the terms and conditions of the Agreement. Words and expressions used herein shall bear the same meanings as defined in the Agreement.

Pursuant to the Agreement, I am required to render my legal opinion to you on certain matters set forth below. The laws upon which this opinion is based are in all cases those in effect at the date hereof.

I have examined executed copies of the Agreement and other pertinent records, documents, certificates and other matters as in my judgment are sufficient to render the opinion set forth herein. For the purposes of this opinion, I have assumed that all documents examined or reviewed by me which purport to be originals are authentic and those which purport to be certified copies conform to the originals thereof.

Based upon and subject to the foregoing, I am of the opinion that:

1. Purchaser is a corporation duly incorporated with limited liability, validly existing for an unlimited duration and in good standing under the Laws of [*insert jurisdiction of incorporation*] and has the corporate power to own its property and assets and to carry on its business as it is now being conducted;
2. Purchaser has the corporate power to enter into and perform the Agreement and has taken all necessary action to authorize the purchase of the Aircraft upon the terms and conditions of the Agreement;
3. The Agreement constitutes legal, valid and binding obligations of Purchaser enforceable in accordance with its terms; and
4. The execution, delivery and performance of the Agreement will not violate in any respect any provision of (i) any Law of [*insert jurisdiction of incorporation*], or (ii) the Memorandum and Articles of Association of Purchaser, or (iii) any agreement or other undertaking or instrument which to my knowledge Purchaser is a party.

My opinion expressed above is subject to the following qualification:

- (A) The rights and remedies of the Parties to the Agreement are subject to any applicable bankruptcy, insolvency, reorganization, liquidation, limitation of action or similar Laws affecting creditors' rights generally;
- (B) The availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceedings therefor may be brought;
- (C) The enforceability of provisions contained in the Agreement to indemnify Purchaser may be limited by applicable Law; and
- (D) I have assumed for the purposes of my opinion that the Agreement and the covenants, commitments, rights, duties and obligations recited or impliedly contained therein would be found to be legal, valid and binding under the laws of, and not otherwise contrary to public policy in, or contrary to any mandatory provisions of the Laws of [*insert jurisdiction of incorporation*] as

presently or hereafter in force or given effect. As we are qualified to render legal advice only with regard to the Laws of [*insert country of incorporation*], I do not pass upon and I do not express or imply any opinion in respect of matters governed by or construed in accordance with the Laws of any other jurisdiction.

This opinion is personal to you and may not be delivered to or relied upon by any other person without my prior written consent.

Yours faithfully,

APPENDIX "F"

INSURANCE REQUIREMENTS

1.1 Type of Insurance

The Insurance required to be maintained is AIRCRAFT THIRD PARTY, CONTRACTUAL LIABILITY, 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 for the time being for any one occurrence (but in respect of "products and personal injury (non-passenger)" liability, this limit may be U.S \$ [] in the aggregate and any one loss). War and Allied Risks (AVN 52C) are also to be covered the policy to the fullest extent available from the leading international insurance markets.

In the event that Purchaser or any third party maintains HULL insurance on the Aircraft while it is owned or operated by Purchaser, Purchaser shall require any such hull insurers to waive any and all rights of subrogation which they may or could have against Seller, its directors, officers, employees, agents and servants for any loss, damage or destruction of the Aircraft.

1.2 Terms of Liability Insurance

The Insurance shall:

- (a) **Additional Assureds:** include Seller and each of the other Indemnitees, as additional assureds for their respective rights and interests, warranted, each as to itself only, on operational interest;
- (b) **Severability:** include a "Severability of Interest" clause which provides that the insurance, except for the limit of liability, shall operate to give each assured the same protection as if there was a separate policy issued to each assured;
- (c) **Primary Policy:** contain a provision confirming that the policy is primary without right of contribution and the

- liability of the insurers shall not be affected by any other insurance of which any Indemnitee may have the benefit so as to reduce the amount payable to the additional assureds under such policies;
- (d) **Best Industry Practice:** be in accordance with best industry practice of persons operating similar aircraft in similar circumstances;
 - (e) **Dollars:** provide cover payable in U.S. Dollars;
 - (f) **Acknowledgement:** acknowledge that the insurer is aware (and has seen a copy) of this Agreement;
 - (g) **Subrogation:** provide that the insurers will hold harmless and waive any rights of recourse of subrogation against the additional assureds or to be subrogated to any rights of the additional assureds or Purchaser;
 - (h) **Breach of Warranty:** provide that, in relation to the interests of each of the additional assureds, the Insurances will not be invalidated by any act or omission (including misrepresentation and non-disclosure) by Purchaser, or any other person which results in a breach of any term, condition or warranty of the Insurance and shall insure the interest of each of the additional assureds regardless of any breach or violation by Purchaser, or any other person save to the extent that the respective additional assured seeking protection of any warranty, declaration or condition, contained in such Insurances caused, contributed to or knowingly condoned the said act or omission;
 - (i) **Premiums:** provide that the additional assureds 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 assureds other than outstanding premiums relating to the Aircraft, or the Engines or Parts which is the subject of the relevant claim;

- (j) **Cancellation/Change:** provide that the Insurances shall continue unaltered for the benefit of the additional assureds for at least thirty (30) days after written notice by registered mail or telex of any cancellation, change, event of non-payment of premium or installment thereof has been sent to Seller, except in the case of war risk for which seven (7) days written notice (or such lesser period as is or may be customarily available in respect of war risks or allied perils) will be given, or in the case of war between the five great powers or nuclear peril for which termination is automatic;
- (k) **Reinsurance:** if reinsurance is a requirement pursuant to Article 9, such reinsurance shall:
 - (A) be on the same terms as the original insurances and shall include the provisions of this Appendix;
 - (B) 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
 - (C) contain a "cut-through" clause in form and substance satisfactory to Seller.
- (l) **Initiating Claims:** contain a provision entitling Lessor or any insured party to initiate a claim under any policy in the event of the refusal to failure of Lessee to do so; and
- (m) **Indemnities:** accept and insure the indemnity provisions of this Agreement, to the extent of the risks covered by the policies.

1.3 Deductibles

Purchaser shall be responsible for any and all deductibles under the Insurances.

1.4 Application of Insurance Proceeds

The Insurances will be endorsed to provide that all insurance proceeds in respect of third party liability will, except to the extent paid by the insurers to the relevant third party, be paid to Seller to be paid directly in satisfaction of the relevant liability or to Purchaser in reimbursement of any payment so made.

To the extent that insurance proceeds are paid to Purchaser, Purchaser agrees to comply with the foregoing provision and apply or pay over such proceeds as so required.

APPENDIX "G"

FORM OF INSURANCE / REINSURANCE CERTIFICATE

From: [insert Brokers details]

To: [insert Seller's details]

[Date]

THIS IS TO CERTIFY THAT we in our capacity as Insurance Brokers to [insert Purchaser's details] have arranged the following insurances with Underwriters at [insert underwriter's details] and certain Insurance Companies up to the limits stated, whilst operating anywhere in the world, other than as specified below:

Assured	[insert Purchaser's details].
Policy Period	12 months from [].

Aircraft	[insert Aircraft and Engine details]
Situation	Worldwide, excluding Iraq

Agreed Value	U.S.\$[]
--------------	------------------

Coverages

1. Hull All Risks insurance covering the above Aircraft on an agreed value basis whilst in flight, taxiing or on the ground, subject to a deductible of U.S.\$ [] each and every claim (not applicable to total loss, constructive total loss or arranged total loss).

Cover includes a 50/50 provisional claims settlement provision (AVS 103) and is subject to War, Hi-jacking and Other Perils Clause AVN 48B.

2. Hull War and Other Perils insurance covering the above Aircraft whilst in flight, taxiing and on the ground. This policy is also subject to an overall policy limit of U.S.\$ [] any one loss and in all during policy period.

Cover includes a 50/50 provisional claims settlement provision (AVS 103).

3. Aviation Legal Liability insurance covering the Insured's Third Party Legal Liability, Contractual Liability, Personal Injury, Bodily Injury and Property Damage, Passenger (including passenger's baggage) Legal Liability, Cargo, Mail, Premises, Hangarkeepers and Products Legal Liability

Limit of Liability:

Combined Single Limit US\$ [] any one occurrence each aircraft and in the aggregate in respect of Products.

Personal injury limited to US\$ [] any one offence and in the aggregate, subject to an excess of US\$ [] each and every loss for Baggage Liability and US\$ [] for Cargo Liability.

This policy is subject to the War and Other Perils Exclusion Clause AVN 48B but all sections, except (b) are written back subject to Clause AVN 52C. Paragraph (a) not applicable in respect of property damage on the ground outside USA and Canada unless arising from use of aircraft.

The above policies are subject to the following:

Date Recognition Exclusion Clause AVN 2000 (in respect of coverages 1, 2 & 4) Date Recognition Limited Coverage Clauses AVN 2001 & AVN 2002 (in respect of coverages 1 & 4).

Aircraft: *[Aircraft details]*
 [manufacturer's serial number]
 [registration mark]
 [Agreed Value]

Policy Deductible: HULL - Not applicable to Total Loss or Constructive Total Loss or Arranged Total Loss.

US\$ [] each and every claim

Nevertheless, in the event of an incident arising hereon involving the application of more than one deductible, if beneficial to such Insured, only one deductible shall apply, being the highest deductible applicable to the incident. This deductible shall be applied as an aggregate deductible for all claims arising out of that incident.

Contract Parties: *[insert appropriate details]*

and in addition, in respect of legal liability insurances, their respective successors and assigns and the respective officers, agents and employees of each of the above.

Contracts: Aircraft Sale and Purchase Agreement between *[Seller]* and *[Purchaser]* dated *[insert date]*.

Additional Premium: U.S.\$ 100 (receipt of which is hereby acknowledged)

Effective Date: Date of delivery to be advised.

Insurers have agreed to the following Endorsement to the above insurance policies:

It is noted that the Contract Parties have an interest in respect of the Aircraft under the Contracts. Accordingly, with respect to losses occurring during the period from the Effective Date until the expiry of the insurance or the expiry or the agreed termination of the Contract(s), or until the obligations under the Contract(s) are terminated by any action of the Insured or the Contract Parties whichever shall first occur, in respect of the Contract Parties and in consideration of the Additional Premium it is confirmed that the Insurance afforded by the policy is in force and effect and it is further agreed that the following provisions are specially endorsed to the policy:

1. Under the Hull, Hull War and Aircraft Spares Insurance:

- 1.1 In respect of any claim on Aircraft that becomes payable on the basis of a Total Loss, settlement (net of any relevant

policy deductible) shall be made to, or to the order of the Contract Party(ies). In respect of any other claim, settlement (net of any relevant policy deductible) shall be made with such party(ies) as may be necessary to repair the Aircraft unless otherwise agreed after consultation between the Insurers and Insured and, where necessary under the terms of the Contract(s), the Contract Party(ies). Such payments shall only be made provided they are in compliance with all applicable laws and regulations.

- 1.2 Insurers shall be entitled to the benefit of salvage in respect of any property for which a claim settlement has been made.

2. Under the Legal Liability Insurance

- 2.1 Subject to the provisions of this Endorsement, the Insurance shall operate in all respects as if a separate Policy has been issued covering each party insured hereunder, but this provision shall not operate to include any claim howsoever arising in respect of loss or damage to the equipment insured under the Hull or Spares Insurance of the Insured. Notwithstanding the foregoing the total liability of Insurers in respect of any and all Insured shall not exceed the limits of liability stated in the Policy.
- 2.2 The Insurance provided hereunder shall be primary and without right of contribution from any other insurance which may be available to the Contract Party(ies).
- 2.3 This Endorsement does not provide coverage for the Contract Party(ies) with respect to claims arising out of their legal liability as manufacturer, repairer, or servicing agent of the Aircraft.

3. Under ALL Insurances;

- 3.1 The Contract Party(ies) are included as Additional Insured(s)
- 3.2 The coverage afforded to each Contract Party by the Policy in accordance with this Endorsement shall not be invalidated by any act or omission (including misrepresentation and non disclosure) of any other person

or party which results in a breach of any terms, condition or warranty of the Policy PROVIDED THAT the Contract Party so protected has not caused, contributed to or knowingly condoned the said act or omission.

- 3.3 The provisions of this Endorsement apply to the Contract Party(ies) solely in their capacity as financier(s) / lessor(s) in the identified contract(s) and not in any other capacity. Knowledge that any Contract Party may have or acquire or actions that it may take or fail to take in that other capacity (pursuant to any other contract or otherwise) shall not be considered as invalidating the cover afforded by this Endorsement.
- 3.4 The Contract Party(ies) shall have no responsibility for premium and Insurers shall waive any right of set-off or counterclaim against the Contract Party(ies), except in respect of outstanding premium in respect of the Aircraft.
- 3.5 Upon payment of any loss or claim to or on behalf of any Contract Party(ies), Insurers shall to the extent and in respect of such payment be thereupon subrogated to all legal and equitable rights of the Contract Party(ies) indemnified hereby (but not against any Contract Party). Insurers shall not exercise such rights without the consent of those indemnified, such consent not to be unreasonably withheld. At the expense of Insurers such Contract Party(ies) shall do all things reasonably necessary to assist the Insurers to exercise said rights.
- 3.6 Except in respect of any provision for Cancellation or Automatic Termination specified in the Policy or any endorsement thereof cover provided by this endorsement may only be cancelled or materially altered in a manner adverse to the Contract Party(ies) by the giving of not less than thirty (30) days notice in writing to the appointed broker (7 days or such lesser period as may be customarily available in respect of War and Allied Perils). Notice shall be deemed to commence from the date of such notice is given by the Insurers.

Such notice will NOT, however, be given at the normal expiry date of the Policy or any endorsement.

EXCEPT AS SPECIFICALLY VARIED OR PROVIDED BY THE TERMS OF THIS ENDORSEMENT.

1. THE CONTRACT PARTY(IES) ARE COVERED BY THE POLICY SUBJECT TO ALL TERMS AND CONDITIONS, LIMITATIONS, WARRANTIES, EXCLUSIONS AND CANCELLATION PROVISIONS THEREOF.
2. THE POLICY SHALL NOT BE VARIED BY ANY PROVISIONS CONTAINED IN THE CONTRACT(S) WHICH PURPORT TO SERVE AS AN ENDORSEMENT OR AMENDMENT TO THE POLICY.

SUBJECT TO THE POLICY TERMS, CONDITIONS, LIMITATIONS, EXCLUSIONS AND CANCELLATION PROVISIONS.

ADDENDUM (may be in separate document)

It is hereby noted and agreed that the following clauses are applicable hereon in respect of Hull All Risks, Spares and Aviation Legal Liability Insurances:

AVN 2000 Date Recognition Exclusion Clause
AVN 2001 Date Recognition Limited Coverage Clause
AVN 2002 Date Recognition Limited Coverage Clause

APPENDIX "H"

BROKERS' LETTER OF UNDERTAKING

To: [insert Seller's details]

[Date]

Dear Sirs:

We confirm that insurances set out in Article 9 and Appendices "F" and "G" of a certain sale and purchase agreement dated [insert date] between [insert Seller details], as Seller, and [insert Purchaser's details] as Purchaser, are in effect on and in respect of the [insert aircraft description] aircraft whose manufacturer's serial number is [insert MSN] and whose current registration mark is [insert Reg. Mark] for the risks set out in the attached certificate of insurance and that all premiums due to the date hereof in respect of such insurances have been paid in full. We also confirm that you are named as additional assured(s) on the insurance policies (including any part thereof, the "Insurances") evidenced in the attached certificate of insurance for the periods stipulated therein.

At the request of Purchaser and in consideration of your approving our acting as the insurance broker for the Insurances, we undertake:

1. to advise you promptly upon becoming aware of:
 - (i) any change or alteration made to or proposed to be made to the Insurances by Purchaser which would be material and adverse to any insured party's interests at least thirty (30) days before such proposed change or alteration is to take effect;
 - (ii) any cancellation or any proposed cancellation of the Insurances at least thirty (30) days (or such lesser period as may be specified from time to time in the case of war risks and allied perils) before such proposed cancellation is to take effect;

- (iii) of any act or omission or of any event which might invalidate or render unenforceable in whole or in part the Insurances;
 - (iv) non-receipt by us of renewal instructions from Purchaser at least fifteen (15) days prior to the expiration date of Insurances; and
 - (v) if any premiums are not paid to us in accordance with the insurers requirements.
2. We undertake to advise you immediately if we cease to be insurance brokers to Purchaser.

The above undertakings are given subject to:

- (a) our lien, if any, on the policies referred to above for premiums due under such policies in respect of the above-mentioned Aircraft; and
- (b) our continuing appointment for the time being as insurance brokers to Purchaser; and
- (c) all claims being collected through us as insurance brokers to the extent of our interest as evidenced by the attached certificate.

Yours faithfully,

[Insurance Broker]

APPENDIX "I"

AIRCRAFT ACCEPTANCE CERTIFICATE

To: *[insert Seller's Details]*

Aircraft Sale and Purchase Agreement dated as of *[insert date]* between *[insert Seller's details]* ("Seller") and *[insert Purchaser's details]* ("Purchaser") (the "Agreement") relating, inter alia, to *[insert Aircraft details]* (the "Aircraft").

Purchaser confirms that as at this _____ day of _____, _____
(Time: _____) (the "Delivery Date"):

1. the Aircraft and all Aircraft Documents, including the usual and customary manuals, log books, flight records and historical information relating to the Aircraft, Engines and Parts was duly accepted by Purchaser in accordance with and subject to the provisions of the Agreement and the execution and delivery of this Certificate further confirms the acceptance of the Aircraft and Aircraft Documents by Purchaser for all purposes of the Agreement;
2. pursuant to the terms of the Agreement, Purchase Price was due and payable on the Delivery Date and Purchaser became obliged to pay to Seller the amounts stipulated in the Agreement with respect to the Aircraft;
3. the Aircraft is insured in accordance with the Agreement;
4. the representations and warranties contained in Article 2 of the Agreement are, by reference to the facts and circumstances existing today, true and accurate in all respects;
5. the Aircraft, Engines, Parts and Aircraft Documents have been fully examined by Purchaser and have been received in a condition fully satisfactory to Purchaser and in full conformity with the Agreement in every respect;
6. the Agreement is in full force and effect, Seller has fully, duly and timely performed all its obligations of every kind or nature

thereunder and Purchaser has no claim, right of set-off, deduction, withholding or counterclaim against Seller whatsoever in connection with this Agreement;

- 7. prior to the Delivery Date, Purchaser has obtained all required permits, authorisations, licenses and fees of Purchaser's proposed state of registration or any Government Entity thereof necessary in order for Purchaser to perform a ferry flight of the Aircraft;
- 8. no Event of Default is subsisting; and
- 9. the amount of fuel on board the Aircraft at the Delivery Date is:
_____.

[PURCHASER]

Per: _____

Name: _____

Title: _____

APPENDIX "I"BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS:

THAT the undersigned, [insert Seller's details], a limited liability company with its principal place of business at [insert Seller's address] ("Seller"), is the owner of the full legal and beneficial title to that certain [insert Aircraft details] aircraft bearing manufacturer's serial number [insert MSN], together with [insert number of Engines and Engine details] engines bearing manufacturer's serial numbers [insert MSNs] and the aircraft documentation and all fixed equipment, parts, components and accessories installed on said aircraft and engines and/or delivered therewith (collectively, the "Aircraft").

THAT for good and valuable consideration, Seller does this _____ day of _____, grant, convey, transfer, bargain and sell, deliver and set over, all of its right, title and interest in and to the Aircraft unto [insert Purchaser's details] ("Purchaser"), a limited liability company with its principal place of business at [insert Purchaser's address].

THAT the undersigned company hereby warrants to Purchaser, its successors and assigns, that there is hereby conveyed to Purchaser good title to the Aircraft free and clear of all liens, encumbrances and rights of others and that it will warrant and defend such title forever against all claims and demands whatsoever, and that this Bill of Sale is made and delivered pursuant to the provisions of the Aircraft Sale and Purchase Agreement between Seller and Purchaser dated as of [insert date of Aircraft Sale and Purchase Agreement] (the "Aircraft Sale and Purchase Agreement").

THAT THE AIRCRAFT IS BEING DELIVERED IN AN "AS-IS WHERE-IS" CONDITION AND NEITHER SELLER NOR ANY OF ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR SERVANTS HAS OR SHALL BE DEEMED TO HAVE MADE ANY OTHER REPRESENTATIONS OR WARRANTIES WHATSOEVER WITH RESPECT TO THE AIRCRAFT, INCLUDING BUT NOT LIMITED TO, THE AIRWORTHINESS AND CONDITION OF THE AIRCRAFT, AND PURCHASER HEREBY WAIVES, RELEASES AND RENOUNCES ALL OTHER WARRANTIES, OBLIGATIONS AND LIABILITIES OF SELLER

AND RIGHTS, CLAIMS AND REMEDIES OF PURCHASER AGAINST SELLER, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, WITH RESPECT TO ANY NONCONFORMANCE OR DEFECT IN THE AIRCRAFT OR ANY OTHER THING DELIVERED UNDER THE AIRCRAFT SALE AND PURCHASE AGREEMENT, INCLUDING, BUT NOT LIMITED TO: (A) ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE; (B) ANY IMPLIED WARRANTY ARISING FROM COURSE OR PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE; (C) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY IN TORT, WHETHER OR NOT ARISING FROM THE NEGLIGENCE OF SELLER, ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR SERVANTS, ACTUAL OR IMPUTED; AND (D) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY FOR LOSS OF OR DAMAGE TO THE AIRCRAFT, FOR LOSS OF USE, REVENUE OR PROFIT WITH RESPECT TO THE AIRCRAFT, OR FOR ANY OTHER DIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES.

IN WITNESS WHEREOF, Seller has caused this Bill of Sale to be executed by its duly authorized representative this _____ day of _____.

[SELLER]

Per: _____

Name: _____

Title: _____