

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FLOAT Alaska LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 26-10075 (CTG)

(Jointly Administered)

Objection Deadline:

June 22, 2026 at 4:00 p.m. (ET)

Hearing Date:

To be determined

**DEBTORS' OBJECTION TO JULIET ROMEO AVIATION LLC'S CLAIM PURSUANT
TO BANKRUPTCY CODE SECTION 502(b) AND BANKRUPTCY RULE 3007**

The above-captioned debtors and debtors in possession (collectively, the "Debtors") hereby object (this "Objection") to proof of claim number 99 (the "Claim")² filed by Juliet Romeo Aviation LLC ("Juliet Romeo") and respectfully state as follows:

Relief Requested

1. The Debtors respectfully request entry of an order substantially in the form attached hereto as **Exhibit A** (the "Proposed Order"), disallowing the Claim because (i) it does not allege sufficient facts to support *prima facie* validity of a debt owed by Debtor New Pacific Airlines, Inc. ("NPA") and (ii) the Debtors have no obligation to pay Juliet Romeo pursuant to the terms of the aircraft lease.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal EIN, are: FLOAT Alaska LLC (3705), Corvus Alaska Holdings Inc. (9732), FLOAT Alaska Holdings LLC (8617), FLOAT Alaska IP LLC (1986), New Pacific Airlines, Inc. (7666), FlyCoin, Inc. (2816), and FLOAT Shuttle Inc. (4269). The Debtors' mailing address is 101 W Mission Blvd, #110-201, Pomona, CA 91766.

² The Claim is attached hereto as **Exhibit C**.

Jurisdiction and Venue

2. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated as of February 29, 2012. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The Debtors consent pursuant to rule 9013-1(f) of the Local Rules of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”) to the entry of a final order by the Court in connection with this Objection to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

Background

4. On January 26, 2026 (the “Petition Date”), each Debtor commenced a voluntary case under chapter 11 of the Bankruptcy Code. The Debtors are managing their assets as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases. On February 11, 2026, the Office of the United States Trustee appointed an official committee of unsecured creditors (the “Committee”).

5. A description of the Debtors’ capital and corporate structures, businesses, and the events leading to the commencement of these chapter 11 cases are set forth in the *Declaration of Thomas Hsieh in Support of Chapter 11 Petitions and First Day Relief* (D.I. 9), which is incorporated herein by reference. The Debtors filed these cases with the goal of selling substantially all of their assets to maximize value for their stakeholders. The Debtors filed a bid procedures and sale motion on January 28, 2026. *See* D.I. 34.

6. In early 2025, the Debtors focused on their private charter business and explored options to expand their existing fleet of aircraft to bolster their private charter business. In furtherance of that goal, NPA and Juliet Romeo entered into that certain Aircraft Lease Agreement (the “Aircraft Lease”) dated June 20, 2025, a copy of which is attached to the Proof of Claim. The Aircraft Lease provided for NPA to lease a Boeing 757-200 aircraft (the “Aircraft”) from Juliet Romeo.

7. Pursuant to section 2.1 of the Aircraft Lease, NPA required the Aircraft to undergo a C-Check inspection (the “C-Check”) prior to delivery of the Aircraft. *See* Aircraft Lease § 2.1(b). The successful completion of the C-Check was a precondition to the effectiveness of the Aircraft Lease. *Id.* The rent due under the Aircraft Lease only became due after the Delivery Date. *See id.* at §§ 1.1 (Definitions: “‘Rent Period’ [commences on] the Delivery Date.”); 3.1 (“Basic Rent”);

8. As of the Petition Date, the C-Check was not complete.

9. As of the Petition Date, the Aircraft was not delivered to the Debtors.

10. Pursuant to section 3.5 of the Aircraft Lease, upon execution of the Aircraft Lease, the Debtors deposited a \$300,000.00 security deposit with Juliet Romeo. Furthermore, regarding the return of the security deposit, section 3.5 of the Aircraft Lease states:

the Security Deposit, less any costs incurred by Lessor on behalf of Lessee for which Lessee is responsible hereunder, in connection with the termination of the Lease or return of the Aircraft, shall be returned to Lessee (without interest) within five (5) days after the later of (i) the Expiration Date and (ii) Lessee’s return of the Aircraft and all Items of Equipment in compliance with Article 16 hereof.

Aircraft Lease § 3.5(b).

11. NPA paid the \$300,000.00 deposit in July, 2025 as required by the Aircraft Lease. Juliet Romeo never returned the security deposit to the Debtors.

12. The Aircraft was delivered by Juliet Romeo to Tucson, Arizona in July, 2025 for the required C-Check to be completed by Ascent Aviation Services (“Ascent”). Ascent found corrosion in the Aircraft that warranted extensive repairs before the Aircraft would pass the C-Check. In November, 2025 Juliet Romeo refused to pay Ascent and Ascent stopped performing the C-Check for a certain period. The Aircraft never passed the required C-Check.

13. The Aircraft Lease also provides that it is terminated and security deposit returned to NPA, with neither side having further liability, if Juliet Romeo does not make repairs identified in the C-Check. Aircraft Lease § 2.1(b).

14. As of the Petition Date, the Aircraft did not complete the C-Check, the Aircraft was not delivered to NPA, and Juliet Romeo did not return the security deposit. *See* Declaration of Thomas Hsieh at **Exhibit B**.

Objection

15. Section 502(a) of the Bankruptcy Code provides that “[a] claim or interest, proof of which is filed under section 501 of this title, is deemed allowed, unless a party in interest . . . objects.” 11 U.S.C. § 502(a). Pursuant to section 502(b) of the Bankruptcy Code:

[I]f such objection to a claim is made, the court, after notice and a hearing, shall determine the amount of such claim in lawful currency of the United States as of the date of the filing of the petition, and shall allow such claim in such amount, except to the extent that—
(1) such claim is unenforceable against the debtor and property of the debtor, under any agreement or applicable law for a reason other than because such claim is contingent or unmatured

11 U.S.C. § 502(b)(1).

16. The burden of proof for determining the validity of claims rests on different parties at different stages of the claims-objection process. As explained by the Third Circuit:

The burden of proof for claims brought in the bankruptcy court under 11 U.S.C.A. § 502(a) rests on different parties at different

times. Initially, the claimant must allege facts sufficient to support the claim. If the averments in his filed claim meet this standard of sufficiency, it is ‘prima facie’ valid [citations omitted]. In other words, a claim that alleges facts sufficient to support legal liability to the claimant satisfies the claimants’ initial obligation to go forward. The burden of going forward then shifts to the objector to produce evidence sufficient to negate the prima facie validity of the filed claim. . . . In practice, the objector must produce evidence which, if believed, would refute at least one of the allegations that is essential to the claim’s legal sufficiency. If the objector produces sufficient evidence to negate one or more of the sworn facts in the proof of claim, the burden reverts to the claimant to prove the validity of the claim by a preponderance of the evidence.

In re Allegheny Int’l Inc., 954 F.2d 167, 173–74 (3d Cir. 1992) (citation omitted). Once the *prima facie* validity of a claim is rebutted, the burden shifts back to the claimant to prove the validity of the claim by a preponderance of the evidence. *Id.* at 173. The burden of persuasion is always on the claimant. *Id.*

17. Bankruptcy Rule 3001(f) states that “[a] proof of claim signed and filed in accordance with these rules is prima facie evidence of the claim’s validity and amount.” Fed. R. Bankr. P. 3001(f). To obtain the presumption of prima facie validity, a proof of claim must be accompanied by adequate documentation. *In re BL Santa Fe, LLC*, No. 21-11190 (MFW), 2024 WL 4174388, at *5 n. 50 (Bankr. D. Del. Sept. 12, 2024), *aff’d sub nom.* 2025 WL 3043349 (D. Del. Oct. 31, 2025) (citing *In re Kincaid*, 388 B.R. 610, 614 (Bankr. E.D. Pa. 2008)).

18. Absent prima facie validity, the burden of proof by a preponderance of the evidence remains on the claimant. *Kincaid*, 388 B.R. at 614 (cited by *In re Am. Home Mortg., Holdings, Inc.*, 501 B.R. 44, 62 (Bankr. D. Del. 2013)); *In re New Century TRS Holdings, Inc.*, No. 07-10416 (KJC), 2014 WL 1466444, at *6 (Bankr. D. Del. Apr. 10, 2014)).

I. Juliet Romeo's Claim does not assert sufficient facts to support a *prima facie* valid claim

19. The Claim attaches the Aircraft Lease and asserts the amount of \$3,553,974.44 due based on the Aircraft Lease. However, the Proof of Claim provides no particular basis or explanation for how the amount of \$3,553,974.44 came due under the Aircraft Lease. Moreover, the Debtors' books and records do not reflect any amounts owed to Juliet Romeo on account of the Aircraft Lease. Accordingly, the Claim lacks sufficient information or documentation to establish a *prima facie* valid claim, as contemplated by Bankruptcy Rule 3001(f) and Bankruptcy Code section 502. The Claim should be disallowed for failing to allege sufficient facts to support the Claim.

II. The Debtors have no liability under the Aircraft Lease

20. Juliet Romeo could not allege sufficient facts to support a claim owed based on the Aircraft Lease because the term of the Aircraft Lease never became effective, and the Aircraft Lease terminated pursuant to its terms. Pursuant to section 2.1 of the Aircraft Lease, within five business days of execution of the Aircraft Lease, Juliet Romeo was required to tender the aircraft for the purpose of completing the C-Check in Tucson, Arizona. *See* Aircraft Lease § 2.1. After the Aircraft passed the C-Check, NPA was to accept delivery of the Aircraft and execute and deliver to Juliet Romeo a Technical Acceptance Receipt. *See* Aircraft Lease § 2.1(c). If the Aircraft did not pass the C-Check, Juliet Romeo had the option to (a) terminate the Aircraft Lease and return the deposit or (b) repair the Aircraft. It appears that Juliet Romeo chose not to complete the C-Check. The 36-month initial term of the Aircraft Lease only would have commenced after Juliet Romeo delivered the Aircraft to NPA and received a Technical Acceptance Receipt from NPA. *See* Aircraft Lease §§ 2.3(iii) and 3.3. Juliet Romeo never delivered the Aircraft to NPA,

and NPA never executed the Technical Acceptance Receipt and never delivered the Technical Acceptance Receipt to Juliet Romeo.

21. Under the Aircraft Lease, Juliet Romeo was required to pay the costs of the C-Check. *See* Aircraft Lease § 2.1(b) (“The cost of the C-Check and the repair of any discrepancies identified by Ascent Aviation Services, will be borne by Lessor.”). Juliet Romeo failed to pay Ascent to complete the C-Check resulting in delay. Any delay in completion of the C-Check is solely Juliet Romeo’s responsibility. Accordingly, the rent obligations under the Aircraft Lease never commenced, and the Aircraft Lease terminated before NPA incurred any obligations under the Aircraft Lease.

22. Juliet Romeo owes NPA a return of the \$300,000 security deposit.

Reservation of Rights

23. The Debtors expressly reserve the right to amend, modify, or supplement this Objection. Should the grounds for an objection stated in this Objection be dismissed or overruled, the Debtors reserve the right to object the claim on any other grounds that the Debtors discover or elect to pursue.

24. Notwithstanding anything contained in this Objection or the exhibits attached hereto, nothing herein shall be construed as a waiver of any rights that the Debtors may have to (i) commence avoidance actions or other causes of action under the applicable sections of the Bankruptcy Code against Juliet Romeo, (ii) enforce rights of setoff against Juliet Romeo relating to (a) the amounts that Juliet Romeo owes to NPA under the terms of the Aircraft Lease and (b) any avoidance actions, or (iii) seek disallowance pursuant to section 502(d) of the Bankruptcy Code of claims that are subject to such avoidance actions.

Notice

25. Notice of this Objection will be given to the following parties, or in lieu thereof, to their counsel: (i) the U.S. Trustee; (ii) counsel to the Committee; (iii) counsel to Jones Holding LLC; (iv) the Internal Revenue Service; (v) the United States Attorney for the District of Delaware; (vi) the offices of the attorneys general for the states in which the Debtors operate; (vii) Juliet Romeo; and (viii) any party that has requested notice pursuant to Bankruptcy Rule 2002.

Dated: May 22, 2026
Wilmington, DE

SAUL EWING LLP

/s/ Nicholas Smargiassi

Paige N. Topper (DE Bar No. 6470)
Nicholas Smargiassi (DE Bar No. 7265)
1201 N. Market Street, Suite 2300
Wilmington, DE 19801
Telephone: (302) 421-6800
Email: paige.topper@saul.com
nicholas.smargiassi@saul.com

-and-

Zev M. Shechtman (admitted *pro hac vice*)
1888 Century Park East, Suite 1500
Los Angeles, CA 90067
Telephone: (310) 255-6100
Email: zev.shechtman@saul.com

Counsel to the Debtors and Debtors in Possession

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FLOAT Alaska LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 26-10075 (CTG)

(Jointly Administered)

Objection Deadline:

June 22, 2026 at 4:00 p.m. (ET)

Hearing Date:

To be determined

**NOTICE OF DEBTORS' OBJECTION TO JULIET ROMEO AVIATION LLC'S
CLAIM PURSUANT TO BANKRUPTCY CODE SECTION 502(b)
AND BANKRUPTCY RULE 3007**

On May 22, 2026, the above-captioned debtors and debtors in possession (collectively, the "Debtors") filed the *Debtors' Objection to Juliet Romeo Aviation LLC's Claim Pursuant to Bankruptcy Code Section 502(b) Bankruptcy Rule 3007* (the "Objection") to disallow proof of claim number 99.

Responses, if any, to the relief requested in the Objection shall be in writing, conform to the Federal Rules of Bankruptcy Procedure and Local Rules for the United States Bankruptcy Court for the District of Delaware and, and shall be filed with the United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, Wilmington, Delaware 19801 on or before **June 22, 2026 at 4:00 p.m. (ET)** and served upon the undersigned counsel for the Debtors.

A hearing on the Objection will be held before the Honorable Craig T. Goldblatt, at the United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, 3rd Floor, Courtroom 7, Wilmington, Delaware 19801, on a date to be determined.

IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE OBJECTION WITHOUT FURTHER NOTICE OR HEARING.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal EIN, are: FLOAT Alaska LLC (3705), Corvus Alaska Holdings Inc. (9732), FLOAT Alaska Holdings LLC (8617), FLOAT Alaska IP LLC (1986), New Pacific Airlines, Inc. (7666), FlyCoin, Inc. (2816), and FLOAT Shuttle Inc. (4269). The Debtors' mailing address is 101 W Mission Blvd, #110-201, Pomona, CA 91766.

Dated: May 22, 2026
Wilmington, DE

SAUL EWING LLP

/s/ Nicholas Smargiassi

Paige N. Topper (DE Bar No. 6470)
Nicholas Smargiassi (DE Bar No. 7265)
1201 N. Market Street, Suite 2300
Wilmington, DE 19801
Telephone: (302) 421-6800
Email: paige.topper@saul.com
nicholas.smargiassi@saul.com

-and-

Zev M. Shechtman (admitted *pro hac vice*)
1888 Century Park East, Suite 1500
Los Angeles, CA 90067
Telephone: (310) 255-6100
Email: zev.shechtman@saul.com

Counsel to the Debtors and Debtors in Possession

EXHIBIT A

Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FLOAT Alaska LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 26-10075 (CTG)

(Jointly Administered)

Re: D.I. ____

**ORDER SUSTAINING DEBTORS' OBJECTION TO JULIET ROMEO AVIATION
LLC'S CLAIM PURSUANT TO BANKRUPTCY CODE SECTION
502(b) AND BANKRUPTCY RULE 3007**

Upon consideration of the *Debtors' Objection to Juliet Romeo Aviation LLC's Claim Pursuant to Bankruptcy Code Section 502(b) and Bankruptcy Rule 3007* (the "Objection"),² by which the Debtors request entry of an order pursuant to section 502(b) of the Bankruptcy Code and Bankruptcy Rule 3007 disallowing the Claim because (i) it does not allege sufficient facts to support a *prima facie* validity of a debt owed by NPA and (ii) the Debtors have no obligation to pay Juliet Romeo pursuant to the terms of the Aircraft Lease; and it appearing that the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and due and adequate notice of the Objection having been given under the circumstances; and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Objection is sustained as set forth herein.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal EIN, are: FLOAT Alaska LLC (3705), Corvus Alaska Holdings Inc. (9732), FLOAT Alaska Holdings LLC (8617), FLOAT Alaska IP LLC (1986), New Pacific Airlines, Inc. (7666), FlyCoin, Inc. (2816), and FLOAT Shuttle Inc. (4269). The Debtors' mailing address is 101 W Mission Blvd, #110-201, Pomona, CA 91766.

² Capitalized terms used but not defined have the definitions ascribed to them in the Objection.

2. Proof of claim number 99 filed by Juliet Romeo is disallowed and expunged in its entirety.

3. Nothing in this Objection or this Order shall be construed as an allowance of any claim.

4. The Debtors' rights to amend, modify, or supplement the Objection, to file additional objections to the claims listed in the Objection or any other claims (filed or not) which have been or may be asserted against the Debtors or their estates, and to seek further reduction of any claim, are preserved. Additionally, should the grounds of an objection stated in the Objection be dismissed, the Debtors' right to object on other stated grounds or any other grounds that the Debtors discover during the pendency of these cases are preserved.

5. The Debtors and the Debtors' claims and noticing agent, Stretto, Inc., are authorized to take all actions necessary and appropriate to give effect to this Order, including to make changes to the official claims register as necessary to reflect the terms of this Order.

6. The Court retains jurisdiction over all affected parties with respect to any matters, claims, or rights arising from or related to the implementation and interpretation of this Order.

EXHIBIT B

Declaration

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FLOAT Alaska LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 26-10075 (CTG)

(Jointly Administered)

**DECLARATION OF THOMAS HSIEH IN SUPPORT OF DEBTORS' OBJECTION
JULIET ROMEO AVIATION LLC'S CLAIM PURSUANT TO BANKRUPTCY CODE
SECTION 502(b) AND BANKRUPTCY RULE 3007**

I, Thomas Hsieh, hereby declare under penalty of perjury, pursuant to section 1746 of title 28 of the United States Code, as follows:

1. I am the President, Chief Executive Officer, and a director of New Pacific Airlines, Inc. ("NPA") formerly known as Northern Pacific Airways, Inc. and formerly known as Corvus Airlines Inc., a Washington corporation, and serve as an officer, manager or director for the following related entities: Corvus Alaska Holdings Inc., a Delaware corporation; FLOAT Alaska Holdings LLC, a Delaware limited liability company; FLOAT Alaska IP LLC, a Delaware limited liability company; FLOAT Alaska, LLC, a Delaware limited liability company; FLOAT Shuttle Inc., a Delaware corporation; and FlyCoin, Inc., a Delaware corporation (collectively, with NPA, the "Debtors").

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal EIN, are: FLOAT Alaska LLC (3705), Corvus Alaska Holdings Inc. (9732), FLOAT Alaska Holdings LLC (8617), FLOAT Alaska IP LLC (1986), New Pacific Airlines, Inc. (7666), FlyCoin, Inc. (2816), and FLOAT Shuttle Inc. (4269). The Debtors' mailing address is 101 W Mission Blvd, #110-201, Pomona, CA 91766.

2. I submit this Declaration in support of the *Debtors' Objection to Juliet Romeo Aviation LLC's Claim Pursuant to Bankruptcy Code Section 502(b) and Bankruptcy Rule 3007* (the "Objection").²

3. In early 2025, the Debtors sought to increase its existing fleet of Boeing 757 aircraft to expand the Debtors private charter business. NPA executed the Aircraft Lease with Juliet Romeo on June 20, 2025 to expand its existing fleet of Boeing 757 aircraft.

4. NPA required that the Aircraft complete a C-Check prior to the commencement of the Aircraft Lease. In July of 2025, Juliet Romeo delivered the Aircraft to Ascent Aviation Services ("Ascent") in Tucson, Arizona for Ascent to complete the C-Check. NPA paid a \$300,000.00 security deposit to Juliet Romeo prior to Ascent commencing the C-Check.

5. NPA employed an inspection supervisor in Tucson to oversee the C-Check. Ascent found extensive corrosion in the Aircraft during the C-Check. The corrosion required extensive repairs before the Aircraft would pass the C-Check. In November of 2025, Juliet Romeo ceased paying Ascent for the C-Check, and Ascent ceased performing the C-Check.

6. To my knowledge, the C-Check was never completed by Ascent. The Aircraft was never delivered to NPA by Juliet Romeo. NPA never executed a Technical Acceptance Receipt. Juliet Romeo never returned the security deposit paid by NPA.

Dated: May 22, 2026

/s/ Thomas Hsieh
Thomas Hsieh, CEO
New Pacific Airlines, Inc. and affiliated
debtors in possession

² Capitalized terms used but not defined herein are defined in the Objection.

EXHIBIT C

Juliet Romeo's Claim 99

Debtor New Pacific Airlines, Inc.United States Bankruptcy Court for the District of District of DelawareCase number 26-10079

Official Form 410

Proof of Claim

04/25

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. **Do not send original documents;** they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?

Juliet Romeo Aviation LLC

Name of the current creditor (the person or entity to be paid for this claim)

Other names the creditor used with the debtor _____

2. Has this claim been acquired from someone else?



No



Yes. From whom? _____

3. Where should notices and payments to the creditor be sent?

Where should notices to the creditor be sent?

Where should payments to the creditor be sent? (if different)

Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)

See Additional/Expanded Creditor Address(es) page:

Juliet Romeo Aviation LLC
Amy L. Nashon, Esq.
TroyGould PC
1801 Century Park East, Suite...
Los Angeles, CA 90067
United States
P: (310) 789-1245
E: anashon@troygould.com

Juliet Romeo Aviation LLC
Craig Ireland
12101 N. MacArthur Blvd., Su...
Oklahoma City, OK 73162
United States

Uniform claim identifier for electronic payments in chapter 13 (if you use one):

4. Does this claim amend one already filed?



No



Yes. Claim number on court claims registry (if known) _____

Filed on _____

MM/DD/YYYY

5. Do you know if anyone else has filed a proof of claim for this claim?



No



Yes. Who made the earlier filing? _____

6. Do you have any number you use to identify the debtor?

☒ No
☐ Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: _____

7. How much is a claim?

3,553,974.44

Does this amount include interest or other charges?

☒ No
☐ Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim?

Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card

Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).

Limit disclosing information that is entitled to privacy, such as health care information.

Maintenance work in connection with an aircraft lease (see attached)

9. Is all or part of the claim secured?

☒ No
☐ Yes. The claim is secured by a lien on property

Nature of property

☐ Real estate. If the claim is secured by the debtor's principal residence, file a Mortgage Proof of Claim Attachment (Official Form 410-A) with this Proof of Claim.
☐ Motor vehicle.
☐ Other. Describe: _____

Basis for perfection:

Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)

Value of property:

Amount of the claim that is secured:

Amount of the claim that is unsecured:

_____ (The sum of the secured and unsecured amounts should match the amount in line 7.)

Amount necessary to cure any default as of the date of the petition:

Annual Interest Rate (when case was filed)

_____ %

☐ Fixed
☐ Variable

10. Is this claim based on a lease?

☐ No
☒ Yes. Amount necessary to cure any default as of the date of the petition.

\$ _____

11. Is this claim subject to a right of setoff?

☒ No
☐ Yes. Identify the property: _____

12. **Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?**

A Claim may be partly priority and partly nonpriority. For example, law limits the amount entitled to priority.

☒

No

☐

Yes. Check one:

Amount entitled to priority

☐

Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).

☐

Up to \$3,800* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).

☐

Wages, salaries, or commissions (up to \$17,150*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4)

☐

Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).

☐

Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).

☐

Other. Specify subsection of 11 U.S.C. § 507(a)(i) that applies.

*Amounts are subject to adjustment on 4/01/28 and every 3 years after that for cases begun on or after the date of adjustment.

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box

☐

I am the creditor.

☒

I am the creditor's attorney or authorized agent.

☐

I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.

☐

I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this Proof of Claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt

I have examined the information in this Proof of Claim and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date & time 04/06/2026 at 03:00 pm PT

MM / DD / YYYY HH : MM

/s/Craig Ireland

Signature

Print the name of the person who is completing and signing this claim:

Name

Craig

Ireland

First Name Middle Name Last Name

Title

Manager

Company

Juliet Romeo Aviation LLC

Identify the corporate servicer as the company if the authorized agent is a servicer

Address

12101 N.
MacArthur
Blvd., Suite
A-217

Number Street

Oklahoma OK 73162

City State ZIP Code

Contact phone

Email



Additional/Expanded Creditor Address(es):

Primary Address (Expanded)

Juliet Romeo Aviation LLC
Amy L. Nashon, Esq.
TroyGould PC
1801 Century Park East, Suite 1600
Los Angeles, CA 90067
United States
Phone: (310) 789-1245
anashon@troygould.com

Distribution Address (Expanded)

Juliet Romeo Aviation LLC
Craig Ireland
12101 N. MacArthur Blvd., Suite A-217
Oklahoma City, OK 73162
United States

AIRCRAFT LEASE AGREEMENT

Dated as of
June 20th, 2025

BETWEEN

JULIET ROMEO AVIATION, LLC

as Lessor

and

NEW PACIFIC AIRLINES, INC.

as Lessee

Concerning:

One Boeing 757-236 Aircraft
Manufacturer's Serial Number 22176
United States of America Registration Mark N757SS
Two (2) Rolls Royce Model RB211-535C-37 Engines
Serial Numbers 30029 and 30037

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Exhibit E	MONTHLY UTILIZATION REPORT

AIRCRAFT LEASE AGREEMENT

THIS AIRCRAFT LEASE AGREEMENT (this "**Lease**") dated as of June 20th 2025 between **JULIET ROMEO AVIATION, LLC**, a limited liability company organized and existing under the laws of Delaware, with its principal office located at 12101 N MacArthur Blvd, Suite A-217, Oklahoma City, OK 73162 ("**Lessor**"), and **New Pacific Airlines, Inc.** a company organized and existing under the laws of the state of Washington, with its principal office located at 4700 Old International Airport Rd., Anchorage, Alaska 99502 ("**Lessee**");

WITNESSETH:

WHEREAS, Lessor owns a Boeing 757-200 VIP Aircraft more particularly described herein;

WHEREAS, Lessor has agreed to lease the Aircraft to Lessee and Lessee has agreed to lease the Aircraft from Lessor upon the terms and conditions set forth in this Lease; and

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the meaning set forth in Article 1 hereof;

NOW, THEREFORE, in consideration of the mutual covenants herein set forth, Lessor and Lessee hereby agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

Unless the context requires otherwise, the following terms shall have the following meanings for all purposes of this Lease (including the recitals) and all Exhibits hereto and such meanings shall be equally applicable to both the singular and the plural forms of the terms defined:

"Acceptable Maintenance Organization" shall mean a maintenance facility approved, licensed, or certified by the FAA for the accomplishment of the maintenance, testing, inspection, repair, overhaul or modification that is intended to be accomplished with respect to the Airframe, any Engine, any Landing Gear, the APU or any Part, as the case may be.

"Additional Insureds" shall have the meaning given such term in Section 12.1 hereof.

"Affiliate" shall mean any other Person directly or indirectly controlling, directly or indirectly controlled by or under direct or indirect common control with the Person specified.

"After-Tax Basis" shall mean, with respect to any indemnity or other amount (an "Amount") which is required by any Lessee Document to be paid on an "After-Tax Basis" by Lessee (or by any other Person on account of any obligation of Lessee under the Lessee Documents) to any Indemnitee (or to any other Person for the account or benefit of any

Indemnatee), payment of such Amount supplemented to the extent necessary by a further payment or payments that will cause the sum of all such payments, reduced by the aggregate amount of all Taxes payable by any Indemnatee with respect to the accrual, actual receipt or constructive receipt of such payments by any Indemnatee, net of any actual current reduction in any Indemnatee's liability for Taxes caused by the allowance of any deduction, Tax credit or other Tax benefit for the Tax, Claim, cost or expense that gave rise to Lessee's liability to pay such Amount, to be equal to the Amount that is required to be paid on an "After-Tax Basis," provided that in the case of any Tax that is imposed on or measured by gross or net income and that is reported on a consolidated, combined, unitary or other group basis by any Indemnatee and its Affiliates the amount of such Tax shall be computed in accordance with the Laws applicable to the consolidated, combined, unitary or other group Tax return of such Indemnatee and its Affiliates.

"Agreed Value" shall mean the amount set forth in Exhibit A hereto.

"Aircraft" shall mean, as the context may require, the Airframe together with (a) the Engines, Landing Gear and the APU, whether or not installed on the Aircraft, (b) all Parts or components thereof, (c) spare parts or ancillary equipment or devices furnished with the Airframe or the Engines under this Lease, (d) all items of equipment and other property, tangible and intangible, which are delivered by Lessor to Lessee hereunder and not otherwise described in the preceding portions of this definition, (e) all Aircraft Documents, (f) all substitutions, replacements and renewals of any and all thereof, and (g) subject to Article 9 hereof, all alterations, modifications and additions which may be made to, installed on or incorporated into the Aircraft, including but not limited to, those required pursuant to any Airworthiness Directive.

"Aircraft Documents" shall mean, whether in paper, photographic, digital, electronic or other medium, (i) all records and documentation pertaining to the Airframe, Engines, Landing Gear, the APU and Parts delivered with the Aircraft on the Delivery Date and (ii) all other records and documentation generated during the Term that are related to the maintenance, inspections and alterations, modifications and additions accomplished during the Term with respect to the Aircraft, all of which shall be maintained by Lessee in the English language.

"Aircraft Inspection Commencement Date" shall have the meaning given such term in Section 2.1 hereof.

"Airframe" shall mean the Boeing model 757-236 aircraft (except for the Engines) with manufacturers serial number 22176 and United States of America registration mark N757SS, together with all Landing Gear, the APU and any and all Parts which are from time to time incorporated or installed in or attached thereto or which have been removed therefrom, so long as title thereto remains vested in Lessor in accordance herewith.

"Airframe Structural Inspection" shall mean a full and complete structural inspection of the Airframe or, in the event the Maintenance Program uses different terminology, another inspection of equivalent scope and detail as the structural inspection requirements set forth in the MPD.

"Airworthiness Directive" or **"AD"** shall mean any airworthiness directive, mandatory service bulletin or other governmentally mandated modification required to be made to

the Aircraft issued by the FAA, each to the extent such airworthiness directive is applicable to the Aircraft, any Engine, any Landing Gear, the APU or any Part.

"**APU**" shall mean the auxiliary power unit installed in the Airframe on the Delivery Date, or any replacement thereof made pursuant to this Lease, together, in any case, with any and all Parts which are from time to time incorporated in or attached to such auxiliary power unit and any and all Parts removed therefrom so long as title thereto remains vested in Lessor in accordance herewith.

"**APU Hour**" shall equal one (1) Hour of operation of the APU as recorded in the APU Reader.

"**Basic Rent**" shall have the meaning given such term in Section 3.1 hereof.

"**Business Day**" shall mean any day other than a Saturday, Sunday or day on which commercial banking institutions in Dallas, Texas are authorized by Law to be closed.

"**Calendar Check**" shall mean a calendar check equivalent in scope and detail to the tasks specified in the MPD to be accomplished at 12, 24, 48, 72 and 108 month intervals including all such MPD tasks with respect to the Aircraft that will require accomplishment (based on the MPD interval for such tasks) following completion of a calendar check.

"**Checks**" shall mean Calendar Checks and Hour Interval Checks, (or, in the event different terminology is used, another check or inspection of the Aircraft consisting of tasks with an equivalent workscope and detail as the tasks set forth in the MPD with respect to Hour Interval Checks, Calendar Checks and Hour Interval Checks, as applicable), and all other structural inspections and corrosion inspections, which are required to be performed on the Aircraft in connection with the Maintenance Program consisting of tasks with an equivalent workscope and detail as the tasks set forth in the MPD with respect to such other structural inspections and corrosion inspections and the rectifications of any defects directly resulting from one of the aforementioned inspections and checks.

"**Claims**" shall have the meaning given such term in Section 13.1 hereof.

"**Conformity Inspection**" shall have the meaning given such term in Section 2.1 hereof.

"**Cycle**" shall mean one (1) take-off and landing of the Aircraft (or in respect of any Engine, Landing Gear, the APU or Part, an aircraft on which such Engine, Landing Gear, the APU or Part is (or was) then currently installed).

"**Default**" shall mean any event or condition which, with the lapse of time or the giving of notice or both, would constitute an Event of Default.

"**Delivery**" shall have the meaning set forth in Section 2.1 hereof.

"**Delivery Date**" shall mean the date recorded in the Technical Acceptance Receipt.

"Delivery Location" shall mean Ascent Aviation Services, Tucson, Arizona, or such other location as may be agreed in writing by Lessor and Lessee.

"Dollars" or **"\$"** shall mean the lawful currency of the United States of America.

"Engines" and **"Engine"** shall mean both or each of the two (2) Rolls Royce Model RB211-535C-37 engines bearing Manufacturer's serial numbers 30029 and 30037 (or any other engine which replaces such engine or is substitutes therefor and of which title vests in the Lessor in accordance with the terms of this Lease) whether or not installed on the Airframe or installed or not installed on any other airframe for so long as title thereto shall remain vested in the Lessor in accordance with the terms of this Lease, together with any and all Parts which are from time to time incorporated in or attached to any such engine (or any other engine which replaces such engine or is substitutes therefor and of which title vests in the Lessor in accordance with the terms of this Lease) and any and all Parts removed therefrom so long as title thereto remains vested in Lessor in accordance herewith.

"Engine Performance Restoration Reserve Rate" shall mean the amount of the Engine Performance Restoration Reserve as set forth in Exhibit A hereto and determined in accordance with Exhibit C hereto.

"Engine Performance Restoration" shall mean any overhaul, refurbishment, or restoration of an Engine which, as a minimum, shall include a full refurbishment of the fan, compressor, HPT and LPT modules as provided in the Engine Manufacturer's Work Scope Planning Guide for such Engine.

"Engine Performance Restoration Reserve", "Engine Performance Restoration Maintenance" and **"Engine Performance Restoration Reimbursable Expenses"** shall have the meanings given such terms in Exhibit C hereto.

"Engine Reserve" shall include each Engine Performance Restoration Reserve and each Engine Life Limited Parts Reserve.

"Escrow Agent" shall mean AeroTitle attn. Meagan Vincent Oklahoma City, Oklahoma.

"Event of Default" shall have the meaning given such term in Section 17.1 hereof.

"Event of Loss" shall mean, with respect to any Item of Equipment any of the following events: (i) the loss of such Item of Equipment, or the use thereof, due to theft or other conversion which continues for more than forty five (45) days or until the payment by Lessee's insurers on account of such loss (whichever is earlier), disappearance (except with respect to Parts, for which, disappearance for ninety (90) days or more), destruction, damage beyond repair or rendition of such Item permanently unfit for normal use for any reason whatsoever or which affects the airworthiness of the Aircraft; (ii) any damage to such Item which results in an insurance settlement with respect to such Item on the basis of an actual, or constructive total loss; (iii) the condemnation, confiscation, seizure of, or requisition of use for a period in excess of thirty (30) days, or such shorter period ending on the last day of the Term or on the date on which an insurance settlement on the basis of total loss shall occur, of such Item of Equipment; (iv) the taking by

condemnation, confiscation, or requisition of title to such Item of Equipment other than as a result of Lessor's breach of its Obligations under Section 19.13 hereof. An Event of Loss with respect to the Aircraft shall be deemed to have occurred if an Event of Loss occurs with respect to the Airframe.

"Expiration Date" shall be the day on which the Term of this Lease shall be cancelled or terminated pursuant to the terms hereof.

"FAA" shall mean, as the context requires, the United States Federal Aviation Administration and/or the Administrator of the United States Federal Aviation Administration, or any person, governmental department, bureau, commission or agency succeeding to the functions of either of the foregoing.

"FARS" shall mean the federal aviation regulations as set forth in Title 14 of the *Code of Federal Regulations*, Chapter 1 (Parts 1-199).

"Financing Documents" shall mean all Loan Agreements, Security Documents, swaps and forward interest rate agreements entered into in connection with any Loan Agreement and all other documents from time to time executed by the Lessor or any third party by way of security for, or as a guarantee of the performance by, the Lessor of its obligations under any Loan Agreement (whether or not such document secures any other obligations as well).

"Flight Hour" shall mean each hour or part thereof elapsing from the moment the wheels of the Airframe (or in respect of any Engine, Landing Gear, APU or Part an aircraft on which such Engine, Landing Gear, the APU or Part is (or was) then currently installed) leave the ground on take-off to the moment when the wheels of the Airframe (or such aircraft on which an Engine, Landing Gear, the APU or Part is (or was) then currently installed) touch the ground on landing. For the purpose of all calculations under this Lease measured in Flight Hours, such hours, including fractions thereof measured to two (2) decimal places, shall be accumulated throughout each applicable Rent Period.

"Governmental Authority" shall mean and include, as applicable, (i) the FAA; (ii) any national government, or political subdivision thereof or local jurisdiction therein; (iii) any board, commission, department, division, organ, instrumentality, Court, or agency of any entity described in (ii) above, however constituted; and (iv) any association, organization, or institution of which any entity described in (ii) or (iii) above is a member or to whose jurisdiction any such entity is subject or in whose activities any such entity is a participant.

"Hereby", "herein", "hereof", "hereunder", and other like words shall refer to this Lease as originally executed or as amended, modified or supplemented pursuant to the applicable provisions hereof.

"Hour Interval Check" shall mean an hour interval check equivalent in scope and detail to the tasks (including, without limitation, all inspection, systems, zonal, structural and corrosion tasks) as specified in the MPD to be accomplished at five thousand (5,000) hour intervals, including all such MPD tasks with respect to the Aircraft that will require accomplishment (based upon the MPD interval for such tasks) following completion of an hour interval check.

"I.A.T.A." shall mean the International Air Transport Association.

"Indemnified Tax" shall have the meaning given such term in Section 10.1 hereof.

"Indemnitee" shall mean each of Lessor, each Lender, each Mortgagee and Affiliate of any of the foregoing, and each successor, assign, shareholder, member, partner, manager, director, agent, employee, servant and attorney-in-fact of any of the foregoing.

"Item of Equipment" or **"Item"** shall mean the Aircraft, the Airframe, any of the Engines, any Landing Gear, the APU or any of the Parts.

"International Registry" shall mean the international registry located in Dublin, Ireland, established pursuant to the Convention on International Interests in Mobile Equipment and the Protocol thereto on Matters Specific to Aircraft Equipment opened for signature on 16 November 2001 at Cape Town, South Africa.

"Landing Gear" shall mean each of the landing gear installed on the Airframe on the Delivery Date (or any replacement for any such landing gear made pursuant to the terms of this Lease) and shall consist of the complete strut assembly, consisting of the inner and outer cylinders of each of the two (2) main landing gear and the nose landing gear and all associated parts that comprise each landing gear assembly, as listed in the Manufacturer's illustrated parts catalogue ("IPC") for the Airframe.

"Laws" or **"Law"** shall mean and include (a) common, civil or customary law and equity; (b) any legislation, statute, decree, pronouncement, constitution, regulation, rule, order, judgment, AD or other directive of any Governmental Authority; (c) any treaty, pact, convention, protocol, compact or other agreement to which any Governmental Authority is a party; (d) any judicial or administrative interpretation or application of any item described in (a), (b) or (c) above; and (e) any amendment or revision of any item described in (a), (b) or (c) above.

"Lender" shall mean any bank or financial institution or other Person identified in writing to Lessee that may from time to time provide financial facilities or accommodations to Lessor in relation to the acquisition of, continuing ownership of or a security interest over the Aircraft by Lessor and/or any party acting as or agent of such bank, financial institution or other Person.

"Lessee's Actual Cost" shall mean Lessee's cost incurred in performing an obligation under this Lease, determined as follows: (i) if Lessee elects that such obligation be performed by a third party, then "Lessee's Actual Cost" shall be the actual charges of such third party paid by Lessee (without mark-ups, handling charges, or overhead by Lessee); and (ii) if Lessee elects that such obligation be performed by Lessee, then "Lessee's Actual Cost" shall be Thirty Dollars (\$30.00) per man hour plus Lessee's direct cost for materials and services provided by third parties without mark-ups by or overhead of Lessee.

"Lessee Documents" shall mean this Lease, the Technical Acceptance Receipt, any acknowledgment of the Security Documents by Lessee and all notices, consents, certificates, confirmations and other documents from time to time issued or entered into by Lessee pursuant to or in connection with any thereof.

"Lessor's Lien" shall mean any Lien of any kind over the Aircraft or any Engine or part thereof arising as a result of (i) any act or omission of Lessor or any Indemnatee that is not related to the transaction contemplated hereby or that constitutes a breach of any of the terms of this Lease, (ii) any indebtedness, liability or other obligation arising by through or under Lessor or any other Indemnatee, including without limitation any Tax, that is not indemnified against by Lessee or (iii) the Financing Documents or from time to time created by, through, or under Lessor or any other Indemnatee in connection with the financing or any refinancing of the Aircraft.

"Lien" shall mean any mortgage, pledge, lien, charge (including in the nature of a floating charge), encumbrance, lease, title retention agreement, conditional sale agreement, exercise of rights, security interest or claim.

"Life Limited Part" shall mean any Part that has a pre-determined life limit as mandated by the Manufacturer, the FAA, or any other applicable Governmental Authority, which requires any such Part to be discarded upon reaching such life limit.

"Loan Agreement" shall mean any agreement from time to time entered into between Lessor and one or more Lenders providing for financial or credit facilities or accommodations to Lessor in relation to the acquisition of, continuing ownership of or mortgage or security interest over, the Aircraft.

"Maintenance Program" shall mean Lessee's maintenance program (as approved by the FAA) for the Aircraft encompassing scheduled maintenance, condition monitored maintenance and on-condition maintenance of the Airframe and Engines, which maintenance program shall, at a minimum, comply with the recommendations of the Manufacturer of the Airframe and Engines.

"Maintenance Reserves" shall mean the amounts to be paid by Lessee to Lessor pursuant to the terms of Exhibit C hereto, including, where applicable, each Engine Reserve.

"Manufacturer" shall mean, in the case of the Airframe, Boeing, in the case of the Engines, Rolls Royce, and in the case of the Landing Gear, the APU or any Part, the manufacturer of the Landing Gear, APU or Part.

"Mortgagee" shall mean any bank, financial institution, trust company or other Person notified in writing to Lessee that may from time to time hold a Lien over or on the Aircraft whether acting in its individual capacity or as agent or trustee for a Lender.

"MPD" shall mean the Airframe Manufacturer's Maintenance Planning Data document or mutually authorized Low Utilization Maintenance Program (LUMP) issued from the Manufacturer to the Lessee, as revised from time to time to include all revisions up to and including the then most current revision issued by the Manufacturer.

"Obligations" shall mean all of Lessee's obligations, liabilities and agreements now existing or hereafter arising under this Lease or any other Lessee Document.

"Operative Agreements" shall mean the Lessee Documents, the Financing Documents, and all notices, consents, certificates, confirmations and other documents from time to time issued or entered into in connection with any of the foregoing.

"Overhaul" shall mean (i) the refurbishment or restoration of the Landing Gear, the APU or any Part, as applicable, in accordance with the overhaul or restoration procedures in the Manufacturer's overhaul manual or other applicable Manufacturer's maintenance or repair manual for such Landing Gear, the APU or Part, the extent of which refurbishes or restores such Landing Gear, the APU or Part, as applicable, to (A) a "zero time since overhaul" condition in accordance with such overhaul manual, or (B) such refurbished or restored condition that is sufficient to permit the reasonable expectation that such Landing Gear, the APU or Part, will not require removal due to its condition prior to its completion of the full expected interval between refurbishment or restoration based on the Manufacturer's recommendation, and (ii) with respect to any Engine, Engine Performance Restoration or Engine Performance Restoration Maintenance (as applicable).

"Parts" shall mean any and all appliances, components, parts, instruments, appurtenances, accessories, furnishings, seats, and other equipment and additions of whatever nature (other than (i) Engines or engines, (ii) Landing Gear, (iii) the APU or auxiliary power unit and (iv) temporary replacement parts installed pursuant to Article 9 hereof), which may from time to time be incorporated or installed in or attached to the Airframe or any Engine or which have been removed therefrom, but where title to which remains vested in Lessor in accordance with the terms hereof.

"Past Due Rate" shall mean interest at the rate per annum equal to the greater of (i) a fixed rate of 12% or (ii) two percent (2%) plus the prime rate of interest as publicly quoted by the Federal Reserve or its successor, subject to the maximum rate permitted by Law, calculated on the basis of a year of three hundred sixty five (365) or three hundred sixty-six (366) days, as applicable, and actual days elapsed.

"Permitted Liens" shall mean those Liens expressly permitted pursuant to Article 14 hereof.

"Permitted Transferee" shall mean (i) another Person with respect to which Lessee has provided to Lessor its prior written consent, such consent not to be unreasonably withheld.

"Person" shall mean an individual, general partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, limited liability company or limited partnership, Governmental Authority or other entity of whatever nature.

"Prior Period" shall have the meaning given such term in Exhibit C hereto.

"Redelivery Location" shall mean Tucson, Arizona, or such other location as may be agreed in writing by Lessor and Lessee.

"Register" shall mean the Registry of Aircraft which is maintained by the State of Registration and each other Governmental Authority having authority with respect to registration

of the Aircraft that is comparable to the authority of the FAA with respect to aircraft on such registry and any successor thereto.

"Related Lease" shall mean any subsisting or future lease agreement, lease purchase agreement, conditional sale agreement, capital lease, title retention agreement or other similar document between Lessor or any Affiliate of Lessor, as lessor or seller, and Lessee or any Affiliate of Lessee, as lessee or buyer, concerning an aircraft other than the Aircraft.

"Rent" shall mean Basic Rent and Supplemental Rent payable pursuant to Article 3.

"Rent Payment Date" shall have the meaning given such term in Section 3.1 hereof, on which date the payment of Basic Rent hereunder shall be due and payable.

"Rent Period" shall mean each of the consecutive monthly periods throughout the Term, the first such period commencing on and including the Delivery Date and ending on the last calendar day of the month of the Delivery Date and thereafter, each of the remaining monthly periods commencing on and including the first calendar day of each month and ending on the last calendar day of such month, provided that the final Rent Period of the Term may consist of less than a monthly period if this Lease expires, terminates or is cancelled effective as of or on a date other than the last day of the month.

"Repossessed Items" shall have the meaning given such term in Section 18.6 hereof.

"Security Deposit" shall have the meaning given such term in Section 3.5 hereof.

"Security Documents" shall mean any and all assignments by way of security or mortgage of any or all of Lessor's right, title and interest in and to the Aircraft, this Lease and/or the other Lessee Documents from time to time granted by the Lessor in favor of any Lender.

"Scheduled Maintenance" shall include Checks, out of phase tasks, hard time tasks, safe life and life limited part replacements as required by MPD and the FAA.

"State of Registration" shall mean the United States of America or such other country or state of registration of the Aircraft as Lessee may request and Lessor may, in its absolute discretion, approve in writing.

"Supplemental Rent" shall mean all amounts, liabilities and obligations (other than Basic Rent and Maintenance Reserves) which Lessee assumes or agrees to pay to Lessor hereunder, including without limitation, (a) any payment of Agreed Value, (b) any payment of indemnity required by Articles 7, 10, 12 and 13 hereof, (c) any maintenance obligations, and (d) to the extent permitted by Law, interest at the Past Due Rate (all computations of interest under this Lease to be made on the basis of the actual number of days elapsed) calculated: (i) on any part of any installment of Basic Rent not paid on the Rent Payment Date for the period the same remains unpaid and (ii) on any Supplemental Rent or Maintenance Reserves not paid when due hereunder until the same is paid.

"Taxes" shall have the meaning given such term in Section 10.1 hereof.

"Technical Acceptance Receipt" shall mean the receipt to be executed and delivered by Lessee as of the Delivery Date substantially in the form of Exhibit B hereto.

"Term" shall have the meaning given to such term in Section 3.3 hereof.

"this Lease" shall mean this Aircraft Lease Agreement between Lessor and Lessee, as the same may be amended, modified or supplemented from time to time.

"Time Controlled Part" shall mean any Item of Equipment, including any Life Limited Part, that has a predetermined time limit or interval in accordance with the Maintenance Program or as required by the FAA which requires such Item of Equipment to be discarded, overhauled, or re-certified upon reaching such time limit or interval.

1.2 Interpretation

References in this Lease to:

(a) Articles, Sections, Exhibits, Schedules or Supplements are, unless otherwise specified, references to Articles and Sections of, and Exhibits, Schedules or Supplements to, this Lease and references to this Lease include Exhibits, Schedules and Supplements;

(b) any statutory or other legislative provision shall be construed as including any statutory or legislative modification or re-enactment thereof, or any provision enacted in substitution therefor;

(c) any Person shall include such Person's successors and permitted assigns;

(d) any agreement or instrument includes such agreement or instrument as it may from time to time be amended, modified, supplemented, novated or substituted; and

(e) an "agreement" also includes a concession, contract, deed, instrument, franchise, license, treaty or undertaking (in each case, whether oral or written).

ARTICLE 2 LEASE, DELIVERY AND ACCEPTANCE

2.1 Lease, Delivery and Acceptance.

(a) Subject to the conditions set forth herein, Lessor hereby agrees to lease the Aircraft to Lessee, and Lessee hereby agrees to lease the Aircraft from Lessor, on the terms of this Lease. No later than five (5) Business Days following the date of this Agreement or at such other time mutually agreed by the parties, Lessor shall tender the Aircraft, with the Items of Equipment, together with all Aircraft Documents, for the purposes of Lessee completing a conformity inspection of the Aircraft at the Delivery Location. The date of such delivery referred in the preceding sentence shall be the **"Aircraft Inspection Commencement Date"**.

(b) Lessee may complete a “**Conformity Inspection**” of the Aircraft commencing upon the Aircraft Inspection Commencement Date and lasting no longer than required for Ascent Aviation Services to complete such Conformity Inspection. The scope of the Conformity Inspection is limited to a C-Check (C-8) of the Aircraft and any Checks required to bridge Manufacturer's recommended maintenance to Lessor's LUMP program, under its Maintenance Program. The cost of the C-Check and the repair of any discrepancies identified by Ascent Aviation Services, will be borne by Lessor. If (i) Lessor, upon Lessor's sole election, is not willing to repair any discrepancies as part of the Conformity Inspection, or (ii) upon Lessee's sole discretion, there are discrepancies in the condition of the Aircraft, Engine, Landing Gear, APU and Parts that do not meet the return conditions set forth in Exhibit D and Lessor is not willing to repair such discrepancies, then this Agreement will terminate, Lessor will return the Security Deposit, less the cost to deliver the Aircraft to the Delivery Location, and neither party will have any further liability to the other.

(c) No later than three (3) Business Days following the satisfactory completion of the Conformity Inspection and subject to all the other terms and conditions of this Lease, Lessee shall accept the Aircraft, delivery of the Aircraft shall have occurred (“**Delivery**”) and thereupon the Aircraft shall be deemed subject to this Lease. Lessee shall indicate and confirm its acceptance of the Aircraft by execution and delivery to Lessor of the Technical Acceptance Receipt.

(d) Lessee Acceptance of Aircraft: No Lessor Liability. Lessee acknowledges that in accepting the Aircraft under this Lease it relied on its own knowledge and inspection of the Aircraft and specifically disclaims any reliance upon any representation or assurance by Lessor in accepting the Aircraft. Lessor will not be liable for any failure of the Aircraft to conform with the requirements of this Lease at the time of acceptance of the Aircraft by Lessee.

(e) Disclaimer. EXCEPT AS EXPRESSLY PROVIDED HEREIN, THE AIRCRAFT TO BE LEASED HEREUNDER SHALL BE DELIVERED TO LESSEE "AS IS," "WHERE IS". LESSEE ACKNOWLEDGES THAT THE DESCRIPTION OF THE AIRCRAFT SET FORTH IN THIS LEASE IS BASED UPON INFORMATION SUPPLIED BY MANUFACTURER OR OTHERWISE AVAILABLE TO IT. LESSEE COVENANTS TO LESSOR THAT LESSEE HAS USED ITS OWN JUDGMENT IN SELECTING THE AIRCRAFT AND HAS DONE SO BASED ON ITS SIZE, DESIGN AND TYPE. LESSEE ACKNOWLEDGES THAT LESSOR IS NOT A SELLER, MANUFACTURER, REPAIRER OR SERVICING AGENT OF THE AIRCRAFT.

2.2 Lease Only.

(a) At all times during the Term, full legal title to the Aircraft shall remain vested in Lessor to the exclusion of Lessee, notwithstanding the delivery of the Aircraft to, and the possession and use thereof by, Lessee.

(b) Lessor and Lessee acknowledge and agree that this Lease transfers to Lessee with respect to the Aircraft a leasehold interest only and that Lessor is the owner and lessor of the Aircraft, and Lessee is the lessee of the Aircraft, for all purposes, including for purposes of the application of all relevant Laws and all relevant financial accounting principles.

2.3 Lessor Conditions.

Lessor's obligation to lease the Aircraft to Lessee hereunder shall be subject to the satisfaction of the following conditions (any such documents shall be received on or before the day which is thirty (30) days from the date hereof, unless otherwise stated below, and shall be reasonably satisfactory in form and substance to Lessor and its counsel), any of which conditions may be waived or modified by the agreement in writing of Lessor:

- (a) Lessor shall have received the Basic Rent due on each Rent Payment Date;
- (b) Lessor shall also have received the following:
 - (i) one (1) original of the Lease which has been duly executed by Lessor and Lessee;
 - (ii) a Letter of Undertaking, executed by independent aircraft insurance brokers and/or reinsurance brokers acceptable to Lessor, together with certificates of insurance/reinsurance signed by such insurance broker and/or reinsurance broker addressed to Lessor and each Lender which evidences the insurance required by Article 12 hereof together with copies, if requested by Lessor, of the policies of insurance,
 - (iii) the Technical Acceptance Receipt, dated, executed and delivered by Lessee;
 - (iv) evidence reasonably satisfactory to Lessor confirming that this Lease and each other Operative Agreement (as necessary or advisable) have been or will be duly registered, filed or recorded with the FAA and the International Registry, and all other necessary or advisable action shall have been taken in order to ensure the validity, effectiveness and enforceability of this Lease and the other Lessee Documents and to protect the rights of Lessor and any Lender in the Aircraft and the other Items of Equipment and in this Lease, including without limitation a copy of the certificate of recordation of this Lease duly certified by an officer of Lessee;
 - (v) evidence of the Aircraft having a valid and effective certificate of registration in the Register and certificate of airworthiness for operation in such Register;
 - (vi) evidence of a Manufacture approved Low Utilization Maintenance Program in a form satisfactory to Lessor; and
 - (vii) such other certificates, documents, opinions and agreements relating to the transactions contemplated by or related to this Lease and the other Lessee Documents, as may be necessary or reasonably requested by Lessor;

- (c) On the Delivery Date and the date hereof, there shall have been no Event of Loss with respect to the Aircraft.

2.4 Lessee Conditions.

Lessee's obligation to lease the Aircraft from Lessor hereunder shall be conditioned upon (any of which conditions may be waived or modified by the agreement in writing of the Lessee)

- (a) On the Delivery Date and the date hereof, there shall have been no Event of Loss with respect to the Aircraft;
- (b) Each Lessee Document duly executed by Lessor (in escrow pending written confirmation by Lessor that all Lessor conditions have either been satisfied or waived); and
- (c) An IRS Form W-9 properly completed and executed by Lessor.

ARTICLE 3 RENT AND TERM

3.1 Basic Rent.

As rental for the Aircraft for each Rent Period hereunder during the Term, and except where Section 5.5(c) applies, Lessee shall pay to Lessor per Rent Period the amount set forth in Exhibit A hereto ("**Basic Rent**") which amount of Basic Rent shall be paid by Lessee to Lessor in advance on the Delivery Date and on the first (1st) day of each month thereafter of each Rent Period (each, a "**Rent Payment Date**"). In the event the Delivery Date of the Lease does not fall on the first (1st) day of the month, the Basic Rent payable for the first Rent Period shall be a pro-rated amount calculated on a daily basis based on a three-hundred sixty-five (365) day year.

3.2 Supplemental Rent and Maintenance Reserves.

Lessee shall pay to Lessor the Maintenance Reserves pursuant to the terms of Article 5 hereof. With respect to all Supplemental Rent, Lessee shall pay to Lessor, or to whomsoever shall be entitled thereto, any and all Supplemental Rent within ten (10) days after demand or such other relevant period as may be provided herein. If Lessee fails to pay any Supplemental Rent or Maintenance Reserves due to Lessor, Lessor shall have all rights, powers and remedies provided for herein or by Law or otherwise in the case of non-payment of Basic Rent. Lessee also shall pay to Lessor, or to whomsoever may be entitled thereto, on demand, as Supplemental Rent or Maintenance Reserves to the extent permitted by Law, interest at the Past Due Rate (i) on any part of any installment of Basic Rent not paid when due for any period for which the same shall be overdue and (ii) on any payment of Supplemental Rent (excluding interest at the Past Due Rate payable under clause (i) above) or Maintenance Reserves not paid when due until the same shall be paid.

3.3 Term.

Except as otherwise provided herein, the Aircraft shall be leased to Lessee hereunder for a term of thirty-six (36) months commencing on the Delivery Date and ending at 5:00 p.m., Central time on the last day of the thirty-sixth (36th) Rent Period occurring thereafter (the "Initial Term"). No later than sixty (60) days prior to the end of the Initial Term and the two (2) subsequent Additional Terms, Lessee may extend this Agreement, with written notice to Lessor, for an additional twelve (12) month period, for a total of three (3) additional twelve (12) month extension periods (each twelve (12) month period an "Additional Term, and together with the Initial Term, the "Term").

3.4 Place of Payment.

Each payment of Rent, Security Deposit and Maintenance Reserves shall be made by Lessee to Lessor by wire transfer of immediately available funds as follows:

BANK NAME:	Lakeside Bank 5950 Berkshire Ln. Suite 800 Dallas Texas 75225
BENEFICIARY:	Juliet Romeo Aviation LLC (a Delaware LLC) Attn: Craig Ireland, Manager 12101 N MacArthur Blvd, Suite A-217 Oklahoma City, OK 73162
SWIFT:	
TRANSIT NUMBER:	[To Be Provided Under Separate Cover]
ACCOUNT NUMBER:	
ACCOUNT TYPE:	
Details of Payment:	

with advice of payment by email to the attention of cireland@redriveraircraftleasing.com. If any payment hereunder is due on a day which is not a Business Day, such payment shall be due and payable on the preceding Business Day without additional interest as a result of such extension.

Lessee shall add Forty Dollars (\$40.00) to any wire payments made by the Lessee for amounts owing pursuant to this Lease.

3.5 Security Deposit.

Lessee shall deposit with Escrow Agent, as a security deposit, such amount as outlined in Exhibit A attached hereto (the "**Security Deposit**") no later than five (5) Business Days from the date of this Agreement. Escrow Agent will release the Security Deposit to Lessor on the Aircraft Inspection Commencement Date, without further consent required by Lessee. The Security Deposit shall be held by Lessor as security for the timely and faithful performance by Lessee of all of Lessee's Obligations, and Lessee hereby grants Lessor a continuing security

interest therein, and in all proceeds thereof. Lessor may commingle the Security Deposit with its general funds. If Lessee fails to pay Rent hereunder or to pay any other sums due or to perform any of the other terms and provisions of this Lease or an Event of Default has otherwise occurred and is continuing hereunder, in addition to all other rights Lessor shall have as a secured party or otherwise pursuant to any Law, Lessor may use, apply or retain all or any portion of the Security Deposit in full or partial payment for sums due to Lessor by Lessee under the terms and conditions of this Lease, to compensate Lessor for any sums it may in its reasonable discretion and acting in good faith advance as a result of an Event of Default, or to apply toward losses or expenses Lessor may suffer or incur as a result of the occurrence of an Event of Default hereunder. If Lessor uses or applies all or any portion of such Security Deposit, such application shall not be deemed a cure of any Default or Event of Default unless and until Lessee shall (which shall be accomplished within ten (10) days after written demand therefor) deposit with Lessor in cash an amount sufficient to fully restore the Security Deposit to its original sum required herein on the Delivery Date, and the failure of Lessee to do so shall be a material breach of this Lease by Lessee. Provided no Event of Default has occurred and is continuing under this Lease, the Security Deposit, less any costs incurred by Lessor on behalf of Lessee for which Lessee is responsible hereunder, in connection with the termination of the Lease or return of the Aircraft, shall be returned to Lessee (without interest) within five (5) days after the later of (i) the Expiration Date and (ii) Lessee's return of the Aircraft and all Items of Equipment in compliance with Article 16 hereof.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES; COVENANTS OF THE PARTIES

4.1 Lessor's Disclaimer.

LESSOR LEASES THE ITEMS OF EQUIPMENT TO LESSEE "AS-IS, WHERE-IS". LESSEE ACKNOWLEDGES AND AGREES THAT LESSOR HAS NOT, NOR SHALL LESSOR BE DEEMED TO HAVE MADE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE AIRWORTHINESS, CONDITION, DESIGN, OPERATION, MERCHANTABILITY, FREEDOM FROM CLAIMS OF INFRINGEMENT OR THE LIKE, OR FITNESS FOR USE FOR A PARTICULAR PURPOSE OF THE AIRCRAFT, OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE AIRCRAFT, THE ABSENCE THEREFROM OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, OR AS TO ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE AIRCRAFT; AND LESSEE HEREBY WAIVES, RELEASES, RENOUNCES AND DISCLAIMS EXPECTATION OF OR RELIANCE UPON ANY SUCH WARRANTY OR WARRANTIES. LESSOR SHALL NOT HAVE ANY RESPONSIBILITY OR LIABILITY TO LESSEE OR ANY OTHER PERSON, WHETHER ARISING IN CONTRACT OR TORT OUT OF ANY NEGLIGENCE OR STRICT LIABILITY OF LESSOR FOR (i) ANY LIABILITY, LOSS OR DAMAGE CAUSED OR ALLEGED TO BE CAUSED DIRECTLY OR INDIRECTLY BY THE AIRCRAFT OR ANY ENGINE OR ANY PART THEREOF OR BY ANY INADEQUACY THEREOF OR DEFICIENCY OR DEFECT THEREIN OR BY ANY OTHER CIRCUMSTANCE IN CONNECTION THEREWITH, (ii) THE USE, OPERATION OR PERFORMANCE OF THE AIRCRAFT OR ANY RISKS RELATING THERETO, (iii) ANY INTERRUPTION OF SERVICE, LOSS OF BUSINESS OR ANTICIPATED PROFITS OR CONSEQUENTIAL DAMAGES, (iv) THE DELIVERY, OR (v) OPERATION, SERVICING,

MAINTENANCE, REPAIR, IMPROVEMENT OR REPLACEMENT OF THE AIRCRAFT. THE WARRANTIES AND REPRESENTATIONS SET FORTH IN THIS SECTION 4.1 ARE EXCLUSIVE AND IN LIEU OF ALL OTHER REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, AND LESSOR SHALL NOT BE DEEMED TO HAVE MADE ANY OTHER WARRANTIES, EXCEPT AS EXPRESSLY SET FORTH IN SECTION 4.2 AND THAT LESSOR REPRESENTS, WARRANTS AND COVENANTS THAT ON THE DELIVERY DATE TITLE TO THE AIRCRAFT SHALL BE VESTED IN LESSOR AND LESSOR HAS THE RIGHT TO LEASE IT TO LESSEE HEREUNDER, AND LESSOR WARRANTS QUIET ENJOYMENT OF THE AIRCRAFT TO THE EXTENT PROVIDED IN SECTION 19.13 HEREOF.

4.2 Representations and Warranties of the Parties.

Except as otherwise provided in this Section, each party represents and warrants to the other, as to itself, that:

- (a) Legal Validity. This Lease and each other Lessee Document to which such party is a party have each been duly authorized by such party, this Lease and each other Lessee Document dated as of the date hereof have been duly executed and delivered by such party, and such Lease and Lessee Documents and any other Lessee Documents to be entered into by such party will be, upon due execution and delivery thereof and registration, filing or recordation of this Lease with the FAA and the International Registry, legal, valid and binding obligations of such party, enforceable against such party in accordance with their terms, except as its enforceability may be limited by bankruptcy, insolvency, reorganization and other Laws of general application affecting the enforcement of creditors' rights and general principles of equity (regardless of whether such proceeding is considered a proceeding at law or in equity); and
- (b) Governmental Requirements. Lessee represents and warrants that the Maintenance Program complies in all material respects with the applicable requirements of the FAA.

ARTICLE 5

POSSESSION; USE; LAWFUL INSURED OPERATIONS;
MAINTENANCE; REGISTRATION AND INSIGNIA

5.1 Possession.

Except as otherwise provided herein and subject to Laws of any Governmental Authority, during the Term, the Items of Equipment and the operations performed therewith shall be in the exclusive possession and custody of the Lessee. Without the prior written consent of Lessor, Lessee shall not sublease or otherwise in any manner deliver, relinquish or transfer possession of the Aircraft or any Item or Items of Equipment, provided, however, that, Lessee may, without the written consent of Lessor but subject to the other provisions of this Lease deliver possession of any Item of Equipment to an Acceptable Maintenance Organization for the service,

repair, modifications, alterations, maintenance or overhaul work to be accomplished and as required by the terms hereof.

Except as otherwise permitted herein, Lessee will not permit any Item of Equipment to be utilized on any aircraft other than the Aircraft. No relinquishment of possession pursuant to the terms of this Section 5.1 shall in any way discharge or diminish any of Lessee's Obligations to Lessor hereunder.

5.2 Assignment by Lessee.

Except as expressly permitted under this Lease, Lessee shall not transfer or assign any interest in this Lease or any of its rights hereunder or in any Item of Equipment, and any such purported assignment shall be void *ab initio*.

5.3 Lawful and Safe Operation.

Lessee will:

- (a) comply in all material respects with the Law for the time being in force in any country or jurisdiction which may for the time being be applicable to the Aircraft and its use, maintenance and operation, including but not limited to the holding of all certificates, licenses, permits, authorizations and regulations, regardless of upon whom their obligations are imposed or, so far as concerns the use and operation of the Aircraft or operator thereof, take all reasonable steps to ensure that the Aircraft is not used for any illegal purpose;
- (b) not use any Item of Equipment in any manner contrary to any recommendation of the Manufacturer of such Item of Equipment, or regulation of the FAA or for any purpose for which the Aircraft is not designed or reasonably suitable;
- (c) ensure that all personnel employed by it in the operation and maintenance of the Aircraft have the qualifications and hold the licenses required by the FAA and Law;
- (d) use the Aircraft solely in commercial or other operations for which Lessee is duly authorized by the FAA and under Law;
- (e) during the Term, operate the Aircraft from a base of operations at Anchorage, Alaska, or such other location as approved by Lessor, which approval shall not be unreasonably withheld;
- (f) not operate the Aircraft contrary to any Manufacturer's operating manuals or instructions, or in violation of any airworthiness certificate or registration relating thereto; and
- (g) pay for and provide all electric power, oil, fuel, and lubricant consumed by and required to operate the Aircraft.

5.4 Lawful Insured Operations.

Lessee agrees not to operate or locate any Item of Equipment, (A) unless such Item is covered by insurance required by the terms of this Lease, (B) contrary to the terms or outside the scope of the insurance required by the provisions of Article 12 hereof or (C) in any place, location, area or jurisdiction excluded from coverage by any insurance required by the terms of Article 12 hereof. The Aircraft shall be operated at all such times in compliance with all applicable regulations of the FAA.

5.5 Maintenance.

(a) Except as provided in Section 5.5(c) herein, Lessee, at its own expense, shall cause the Items of Equipment to be serviced, repaired, overhauled, tested and maintained (i) by personnel in accordance with applicable FAA requirements, (ii) in accordance with the most current revision of the Maintenance Program and the operations and maintenance manuals of the Manufacturer thereof, (iii) so as to keep such Item in as good operating condition and appearance as when delivered to Lessee hereunder, ordinary and reasonable wear and tear excepted, (iv) so as to keep such Item in such operating condition as may be necessary to cause the airworthiness certificate of the Aircraft to be maintained in good standing at all times under the applicable rules and regulations of the FAA, (v) so as to keep it airworthy and fit for commercial passenger service in each jurisdiction in which Lessee will operate the Aircraft and to the standards for international operation of passenger aircraft, (vi) in compliance with all service bulletins and (vii) in compliance with all Airworthiness Directives.

(b) Without limitation of the foregoing, Lessee shall cause, at its expense, all Checks to be performed on the Aircraft as they become due. Any damage, defects or corrosion discovered during the Term shall be repaired in accordance with the Manufacturer's approved procedures at the sole expense of Lessee, and Lessee shall obtain FAA approval with respect to any repairs or modifications, Lessee, at its own expense, shall furnish Lessor upon return of the Aircraft originals of all records maintained relating to the Aircraft and, at such times during the Term as Lessor shall reasonably request copies of such records, with a certificate signed by an officer of Lessee affirming that all the maintenance work represented by such records was performed by either (i) Lessee, to the extent Lessee is approved by the FAA to perform the work accomplished, or (ii) an Acceptable Maintenance Organization and that the maintenance work represented by such records was performed in accordance with Manufacturer's maintenance manual requirements or other procedures approved by the FAA. Lessee, at its own expense, shall also maintain all Aircraft Documents in the English language, including Aircraft Documents required by the FAA to be maintained in respect of each Item of Equipment, and promptly furnish to Lessor upon Lessor's request such information as may be required to enable Lessor to file any reports required to be filed with any Governmental Authority because of Lessor's ownership of the Aircraft. All Aircraft Documents, including records and documentation of maintenance accomplished on the Airframe, the Engines, the Landing Gear, the APU and Parts, to the extent such Parts are then currently installed on the Aircraft, shall be retained by Lessee until the Expiration Date, at which time all records and Aircraft Documents shall be returned to Lessor in original form.

(c) For maintenance events that occur during the first one hundred (100) hours of operation, the parts cost shall be shared equally; provided that the Lessor shall not be required to

contribute for the replacement of parts which result from foreign object damage, operational misuse or are the subject of an insurance claim.

(d) Except as otherwise provided herein, Lessee shall not remove any Item of Equipment from the Aircraft and any Item removed in accordance with this Lease shall be properly and safely stored in a secure storage location and maintained in accordance with the requirements of the Aircraft and Engine Manufacturers and the FAA, accepted industry standard practice and the Manufacturer recommendations, specifications and procedures. Any replacement of any Part shall be pursuant to Article 9 hereof.

(e) It is intended by Lessor and agreed by Lessee that any and all service, repair, overhaul and maintenance on the Aircraft will be performed by Lessee (to the extent Lessee is approved by the FAA to accomplish such maintenance) or by an Acceptable Maintenance Organization, in each case pursuant to the Maintenance Program and Lessee shall not discriminate against such Aircraft in any manner of operation, care or maintenance. Lessor shall be entitled to have representatives present during the performance of such maintenance subject to the policies of the Acceptable Maintenance Organization (if applicable), to observe, without interference, all aspects of such performance, including, but not limited to, the workscope thereof.

5.6 Registration and Insignia.

Except as otherwise permitted hereunder, during the Term Lessee shall at its expense take such action as Lessor may reasonably request to maintain (i) the Aircraft at all times registered under the Laws of the State of Registration in the name of Lessor, as owner, and Lessee, as operator, including, without limitation, any successor lessor under this Lease, and showing Lessee as lessee and operator of the Aircraft and (ii) this Lease and any other of the Operative Agreements (including, without limitation, any Security Documents) signed by Lessee and designated by Lessor, recorded with the Register or other appropriate Governmental Authority in the State of Registration. Lessee shall not take or permit any action inconsistent with the continued registration of the Aircraft in Lessor's name under the Register and applicable regulations or with the continued recordation of this Lease with the Register or other appropriate Governmental Authority in the State of Registration. Lessee shall not remove, or cause or permit the removal of, any plate, disc or other similar device affixed to the Airframe or any Engine indicating Lessor's ownership thereof. If any of the same shall come to be removed, Lessee shall promptly affix a replacement therefor, at its own expense, in the same place that the removed plate, disc or similar device had been affixed. Lessee shall not allow the name of any other Person to be placed on the Airframe or any Engine as a designation that might be interpreted as a claim of ownership or of any interest therein; provided, however, that Lessee may cause the Airframe to be lettered or otherwise marked in an appropriate manner for convenience of identification of the interest of Lessee therein and may place its customary livery on the Aircraft.

5.7 Maintenance Reserves.

Lessee agrees to pay to Lessor Maintenance Reserves with respect to the Aircraft during the Term of this Lease in accordance with Exhibit C hereto. All Maintenance Reserves shall be applied in accordance with the applicable provisions of said Exhibit C.

5.8 Application of Maintenance Reserves Upon Aircraft Return.

Any amounts remaining in the Maintenance Reserves after application in accordance with Exhibit C hereto, upon the expiration, cancellation or termination of this Lease for any reason, shall be retained by Lessor.

5.9 Concerning Maintenance Reserves.

(a) At the time Lessee pays amounts into the Maintenance Reserves, Lessee shall provide to Lessor a certificate as to the computation of each such payment, duly executed by the director of flight operations of Lessee, certifying (i) the number of Flight Hours and Cycles accumulated for each Engine during the Prior Period, (ii) the number of APU Hours accumulated for the APU during the Prior Period and (iii) such other information as reasonably requested by Lessor.

(b) Lessor and Lessee intend that the Maintenance Reserves are amounts paid by Lessee to the Lessor in satisfaction of the Obligations of Lessee under the Lessee Documents and that, when paid, the Maintenance Reserves are not to be returned to Lessee unless under the provisions of Exhibit C. For greater certainty, in the event there is an Event of Loss where Lessor has received the full Agreed Value, the balance of Maintenance Reserves shall be retained by Lessor.

5.10 Spare Engine.

During the Term, Lessor will provide Lessee with one (1) spare Rolls Royce Model RB211-535C-37 engine, to be utilized for the Aircraft, if one of the installed engines becomes unairworthy for a period of time exceeding a ten (10) calendar day period. Lessee will be responsible for the cost to ship and remove and install the spare engine.

ARTICLE 6
INSPECTION; INFORMATION

6.1 Inspection.

During the Term, Lessee shall furnish to Lessor such information within Lessee's possession or which Lessee is responsible to have available concerning the location, condition, use, maintenance and operation of the Items of Equipment as Lessor may reasonably request. Lessee shall permit any Person (including any Lender, and prospective purchasers or lessees of the Aircraft) designated in writing by Lessor, to visit and inspect (at any reasonable time, provided that such inspection shall not unreasonably interfere with Lessee's business or operational commitments) the Items of Equipment, their condition, use and operation and the records maintained in connection therewith and to make copies of such records as Lessor may reasonably designate.

6.2 Aircraft Information.

During the Term, Lessee agrees to furnish to Lessor the following with respect to the Aircraft: (i) on a monthly basis, a monthly utilization report with respect to the Airframe,

Engines, the APU and Landing Gear reflecting the Flight Hours and Cycles of operation thereof, including, without limitation, a report in the form of Exhibit E hereto or such other, updated or amended form as acceptable to or prescribed by Lessor, (ii) notification within seventy two (72) hours of the removal of any Engine, the APU or Landing Gear, as to (A) the reason for such removal, (B) the location of such Item of Equipment, (C) the total accumulated Flight Hours and Cycles of such Item of Equipment, (D) the Flight Hours and Cycles accumulated since the most recent Engine Performance Restoration or Engine Performance Restoration Maintenance (as applicable) with respect to any Engine or the most recent Overhaul with respect to the APU or any Landing Gear, as applicable, and (E) the intended workscope, if applicable, (iii) information of any accident or incident with respect to any Item of Equipment (other than Parts) within twenty-four (24) hours of the occurrence or detection thereof, (iv) at least thirty (30) days prior written notice as to the time and location of all Hour Interval Checks and Airframe Structural Inspection, (v) promptly, but in any event prior to the accomplishment of any Engine Performance Restoration Maintenance with respect to any Engine, notification as to the maintenance provider of such, and the workscope intended to be accomplished, (vi) upon request of Lessor, a copy of the Maintenance Program, inclusive of all revisions issued as of the date of such request, such document to be held and maintained by Lessor on a confidential basis, and (vii) from time to time such other information in Lessee's possession or which Lessee is responsible to have available as Lessor may reasonably request. The preceding information shall be sent to Lessor using one of the following options: (a) by mail or overnight courier to Lessor, or (b) by email address jrw@wikert.com or to such other address as may be specified by Lessor.

ARTICLE 7 LESSEE'S COVENANTS

Lessee covenants and agrees that, during the Term, it will:

- (a) remain duly qualified to operate the Aircraft under Law.
- (b) undertake to maintain in full force and effect all governmental consents, licenses, authorizations, approvals, declarations, filings and registrations obtained or effected in connection with this Lease and every document or instrument contemplated hereby (including without limitation the registration of the Aircraft with the Register, the registration of this Lease) and to take all such additional action as may be proper or advisable in connection herewith or therewith. Lessee further undertakes to timely obtain or effect any new or additional governmental consents, licenses, authorizations, approvals, declarations, filings or registrations as may become necessary for Lessee's performance of any of the terms and conditions of this Lease or any other document or instrument contemplated hereby.
- (c) not, at any time during the Term voluntarily suspend its certificated operations of the Aircraft or its fleet.
- (d) (i) pay promptly when due all navigation and en-route, parking and storage charges and all other charges payable by Lessee for the use of or services provided at any airport, whether in respect of the Aircraft or any other aircraft in Lessee's fleet, and will indemnify and hold Lessor harmless with

respect to any and all such charges, including legal fees and disbursements. Lessee's obligation to indemnify Lessor hereunder shall survive the expiration, cancellation or termination of this Lease; and

- (ii) provide, at Lessor's request before or after the Expiration Date, to Lessor a list of the airports to which Lessee has operated the Aircraft during the (A) prior twelve (12) months, if requested during the Term, or (B) twelve (12) months prior to the Expiration Date, if requested by Lessor after the Expiration Date, and will authorize Lessor to confirm the status of Lessee's payment of airport, navigation, and en-route charges; and
 - (iii) ensure that no liens, other than Permitted Liens, will be created or permitted to exist over the Aircraft and will ensure that the FAA shall not be entitled to execute any seizure and detention rights that it may have.
- (e) not operate the Aircraft in any jurisdiction (A) not specifically approved by the Lessor as outlined in Appendix I to Exhibit A attached hereto, or (B) not otherwise approved by the Lessor in writing (the “*Approved Jurisdiction*”).

ARTICLE 8

NO SET-OFF, COUNTERCLAIM. ETC.

8.1 No Set-off. Counterclaim. etc.

This Lease is a net lease and Lessee's obligation to pay Rent and Maintenance Reserves payable hereunder shall be absolute and unconditional and shall not be affected by any circumstance, including, without limitation, (i) any withholding, set-off, counterclaim, recoupment, defense or other right which Lessee may have against Lessor or any other Person for any reason whatsoever; (ii) any defect in the airworthiness, condition, design, operation, or fitness for use of, or any damage to or loss or destruction of, the Aircraft, or any interruption or cessation in the use or possession thereof by Lessee or any other Person for any reason whatsoever, (iii) any Liens with respect to the Aircraft; (iv) the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease or any absence of right, power or authority of Lessor or Lessee to enter into this Lease; (v) any insolvency, bankruptcy, reorganization or similar proceedings by or against Lessor, Lessee, or any other Person; (vi) any other circumstance or happening of any nature whatsoever, whether or not similar to any of the foregoing; or (vii) any imposition of Taxes; it being the express intention of Lessor and Lessee that all Rent and Maintenance Reserves payable hereunder shall be payable in all events, unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease. Each payment of Rent and Maintenance Reserves made by Lessee to Lessor shall be final and Lessee will not seek to recover any part of such payment from Lessor for any reason whatsoever.

8.2 Waiver of Remedies, etc.

Lessee agrees that its only right with respect to a default by Lessor hereunder in failing to deliver the Aircraft to Lessee in default hereof is to make a claim against Lessor for actual damages resulting directly from such default, subject to Section 19.17 hereof, and hereby waives any other rights or remedies it may have under any applicable Law or otherwise. Upon

Delivery, Lessee hereby waives any right it may have under any applicable Law or otherwise to revoke acceptance of the Aircraft or any Item of Equipment.

ARTICLE 9

REPLACEMENT OF PARTS; ALTERATIONS, MODIFICATIONS AND ADDITIONS

9.1 Replacement of Parts.

Lessee, at its own cost and expense, shall promptly replace all Parts which may from time to time become worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or permanently rendered unfit for use for any reason whatsoever. Each replacement part (a) shall be free and clear of all Liens, except Permitted Liens; (b) shall be in as good operating condition and shall have a value, utility and maintenance status at least equal to the Part replaced, assuming such replaced Part was in the condition and repair required to be maintained by the terms hereof; (c) shall have documentation certifying compliance with all applicable FAA requirements; and (d) shall (i) have the same part number (except to the extent the Manufacturer has superseded the part number of such Part, and in such an event the superseding part number shall be acceptable) and be of the same Manufacturer as the replaced Part (unless such Part from such Manufacturer is no longer available), (ii) have the same or an improved modification status as compared to the modification status of the replaced Part, and (iii) with respect to Time Controlled Parts, have not accumulated more time since new (and time since Overhaul if such replaced Part has previously been Overhauled) than that of the replaced Part.

9.2 Title to Replaced and Replacement Parts.

Any Part removed from the Airframe and the Engines shall remain the property of Lessor and subject to this Lease, no matter where located, until such time as such Part shall be replaced by a part which has been incorporated or installed in or attached to the Airframe or an Engine pursuant to the requirements for replacement parts specified in Section 9.1 hereof, and title to such replacement part has been vested in Lessor. Subject to Section 9.4(b) herein with respect to temporary replacement parts, immediately upon any replacement part becoming incorporated, installed or attached as above, such part shall become the property of the Lessor, title to such replacement part shall immediately vest in Lessor and such replacement part shall become subject to this Lease and be deemed a Part for all purposes hereof to the same extent as the Part which it has replaced.

9.3 Alterations, Modifications and Additions.

(a) Lessee shall not make any alteration, modification or addition to the Airframe or any of the Engines without the prior written consent of Lessor; provided, however, that, notwithstanding Lessor having given such consent, at Lessor's option Lessee shall, on or before the Expiration Date, restore the Aircraft to the condition it was in prior to the accomplishment of any such alteration, modification or addition, assuming such condition was in compliance with the terms of this Lease.

(b) Lessee, at its own expense, will make such alterations, modifications and additions to the Items of Equipment as may be required from time to time to comply with (i) service bulletins issued by the relevant Manufacturer which by the terms of each such alert service bulletin (a) is

applicable to the respective Item of Equipment and (b) requires compliance during the Term, (ii) Airworthiness Directives which by the terms of each such AD require compliance during the Term and (iii) all regulations of the FAA which require compliance during the Term.

9.4 Title to Parts.

(a) Title to all parts incorporated or installed in or attached or added to any Item of Equipment as the result of any alteration, modification or addition shall, without further act, vest in Lessor and shall thereafter be deemed a Part and become subject to this Lease.

(b) Any Part incorporated or installed in or attached or added to any Item of Equipment may be substituted or replaced temporarily with a part which does not satisfy the requirements of Section 9.1 hereof, provided that (i) there shall not have been available to Lessee at the time and in the place a substitute or replacement part complying with the requirements of Section 9.1; (ii) it would have resulted in an unreasonable disruption of the operation of the Aircraft and/or the business of Lessee as an airline to have grounded the Aircraft until such time as a substitute or replacement part complying with the requirements of Section 9.1 became available for installation on the Aircraft; (iii) Lessee shall have notified Lessor as soon as practicable after the making of such substitution or replacement; and (iv) as soon as practicable after installation of the same on the Airframe or Engine (and in any event no later than the earlier to occur of (A) thirty (30) days following such installation or (B) the Expiration Date), Lessee shall remove any such part not complying with the requirements of Section 9.1 and replace or substitute the same with a part complying with such requirements. Upon the replacement by Lessee of any such non-conforming part pursuant to the foregoing provisions, title to such replacement part shall, without further act, vest in Lessor and such part shall be deemed a Part hereunder.

9.5 Exchanging Parts.

Any Part removed from the Airframe or any Engine as provided in Section 9.1 hereof may be subjected by Lessee to normal exchanges customary in the airline industry in the ordinary course of Lessee's business provided that (A) the parts replacing such removed Parts shall be incorporated or installed in or attached to the Airframe or such Engine in accordance with Section 9.1 hereof, as promptly as possible after the removal of such removed Parts, and (B) all applicable requirements of the FAA shall be adhered to with respect to all such Parts being incorporated, installed, or attached, whether or not such Part was originally removed from the Airframe or an Engine or is a replacement for any such removed Part. In addition, in the event that any replacement parts are not owned by Lessee, Lessee shall, at its own expense, as promptly thereafter as practicable, either (i) cause title to any such replacement part to vest in Lessor as contemplated by this Article 9 by acquiring title thereto for the benefit of; and transferring such title to, Lessor free and clear of all Liens, or (ii) replace any such replacement part by incorporating or installing in or attaching to the Airframe or any Engine from which it is removed a further replacement part which is free and clear of all Liens and cause title to any such further replacement part to vest in Lessor as contemplated by this Article 9, in either of which event such replacement part shall become subject to the Lease and be deemed a Part for all purposes hereof to the same extent as the Part which it has replaced.

ARTICLE 10
TAX INDEMNITY

10.1 Scope.

(a) Withholding. Lessee agrees that all amounts payable by Lessee to Lessor or any Indemnatee pursuant to this Lease or any other Lessee Document shall be paid without any deduction or withholding on account of any Taxes, monetary transfer fees, or other charges or withholdings of any nature, except to the extent that withholding is required by Law, and in the event any withholding from any such payment is required by any Law, Lessee shall:

- (i) pay to Lessor or the Indemnatee entitled to receive such payment (the "**Payee**") such additional amount as is necessary so that the Payee receives, after such withholding (including any withholding with respect to such additional amount), an amount equal to the amount that the Payee would have received if such withholding had not been made;
- (ii) withhold the amount required by Law to be withheld and pay such amount to the proper Governmental Authority or taxing authority in a timely and proper manner; and
- (iii) indemnify the Payee and each Indemnatee against any and all liabilities, losses, costs and expenses incurred by the Payee or such Indemnatee as a result of any failure of Lessee to comply with the provisions of this Section 10.1(a).

(b) Indemnity. Lessee shall pay, and shall indemnify each Indemnatee and hold each Indemnatee harmless from liability for, any and all taxes, levies, imposts, withholdings, fees, assessments, duties and other charges of any nature, and any penalties, fines, additions to tax, interest or other charges thereon or calculated by reference thereto which are imposed by any Governmental Authority or other taxing authority in any jurisdiction or by any international or multinational taxing or regulatory authority ("**Taxes**"), upon or with respect to, based upon or measured by, or arising or resulting from:

- (i) any Item of Equipment or any Aircraft Documents;
- (ii) any of the transactions and activities contemplated in the Lessee Documents;
- (iii) the payment, receipt or accrual of the rentals, receipts, insurance proceeds, gains or earnings arising from any Item of Equipment pursuant to the Lessee Documents (including, without limitation, the Rent or Maintenance Reserves and earnings thereon); or
- (iv) the execution, delivery, filing, registration, performance or enforcement of any of the Lessee Documents and any costs and expenses (including, without limitation, reasonable attorney's fees) and disbursements paid or incurred by any Indemnatee with respect to any Tax for which Lessee is

required to indemnify such Indemnatee pursuant to this Section 10.1(b) (an "**Indemnified Tax**") or in connection with the enforcement of such Indemnatee's rights under this Article 10.

(c) Exceptions to Indemnity. The indemnities provided for in Section 10 do not extend to, and expressly exclude, Taxes:

- (i) computed on, based on, in respect of or by reference to the net income, profits or capital gains of a Tax Indemnatee (unless such Taxes (a) are clearly stated in the applicable Laws to be in lieu of or in substitution for any Taxes Lessee would otherwise have been obliged to pay, reimburse or indemnify under this Agreement and (b) if electively paid by such Tax Indemnatee, do not exceed such Taxes); provided that this Section 10.1(b) shall apply to exclude Taxes imposed by any taxing authority from indemnification only to the extent any such Tax is not in any way connected with, due to or arising out of the location of the Aircraft, any Engine or any Part thereof in the jurisdiction imposing such Tax, Lessee's use, registration or operation of the Aircraft, any Engine or any Part thereof in the jurisdiction imposing such Tax, or any place of business or any activity of Lessee, any sublessee or other user of the Aircraft in the jurisdiction imposing such Tax;
- (ii) imposed on or with respect to a sale, transfer, assignment or other disposition of all or any portion of any interest in the Aircraft or any Operative Agreement by any Tax Indemnatee, except a sale, transfer, assignment or other disposition resulting from (1) Lessor's exercise of remedies after the occurrence and during the continuation of an Event of Default or (2) the Total Loss of the Aircraft, the Airframe or any Engine;
- (iii) to the extent attributable to any act, event, circumstance or period of time (a) before Delivery or (b) after return of the Aircraft to Lessor in accordance with this Agreement or, if applicable, after payment in full of the Total Loss Proceeds, provided that this Section 10.1(c)(iii) shall not apply to exclude any Taxes arising in connection with Lessee's performance of any of its obligations under the Lessee Documents after such return of the Aircraft or such Total Loss Proceeds payment;
- (iv) to the extent attributable to any Tax Indemnatee's gross negligence or willful misconduct;
- (v) to the extent incurred or increased as a result of the inaccuracy or breach of any representation, warranty, covenant or agreement of any Tax Indemnatee in any Lessee Document;
- (vi) to the extent incurred or increased as a result of (a) any transaction with any Lender relating to the Aircraft, or (b) the failure of any Tax Indemnatee or any Affiliate thereof to file when due a Tax return that it is required by

applicable Law to file (unless such filing obligation arises from the operation or presence of the Aircraft in a jurisdiction which Lessee has failed to inform Lessor of in accordance with Section 7(e)) or to pay when due a Tax that it is required by applicable Law to pay, unless such failure is due to Lessee' failure to comply with its obligations under Section 10.2; or

- (vii) for which a Tax Indemnatee would have been liable even if this Agreement had not been entered into.

10.2 Tax Filings; Information.

(a) Lessee shall prepare and file when due all reports, returns, declarations and other documents that are required by Law to be filed with any Governmental Authority or other taxing authority with respect to any Indemnified Tax (whether the legal obligation to file is imposed on Lessee, Lessor, any other Indemnatee, or otherwise) (each a "**Tax Document**"), except to the extent expressly provided in Section 10.2(b).

(b) If any Tax Document with respect to an Indemnified Tax is required by Law to be prepared and filed in the name of an Indemnatee:

- (i) Lessee shall give such Indemnatee notice of such requirement at least thirty (30) Business Days before the date on which the filing of such Tax Document is due,
- (ii) if permitted by Law, Lessee shall prepare and file such Tax Document (unless an Indemnatee notifies Lessee in writing that such Indemnatee will prepare and file such Tax Document) in a timely and proper manner and (if appropriate in such Tax Document) in a manner that will show the ownership of the Aircraft in Lessor and send a copy of such Tax Document to Lessor within thirty (30) days after the date on which such Tax document is filed with the relevant Governmental Authority or taxing authority, and
- (iii) if Lessee is not permitted by Law to file such Tax Document or if such Tax Document requires information about transactions of Lessor that are unrelated to the transactions contemplated in the Operative Agreements, Lessee shall (A) prepare such Tax Document to the extent that Lessee has possession or control of, or access to, the information necessary to do so and in a manner reasonably satisfactory to such Indemnatee, (B) send such Tax Document to such Indemnatee at least fifteen (15) Business Days before the date on which such Tax Document is required to be filed with the relevant Governmental Authority or taxing authority, and (C) pay to such Indemnatee the aggregate amount of Taxes and other amounts required to be paid concurrently with the filing of such Tax Document at least five (5) Business Days before the date on which payment of such Taxes or other amounts is due, and such Indemnatee shall be responsible for filing such Tax Document.

(c) Lessee shall indemnify each Indemnatee and hold each Indemnatee harmless from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs and expenses arising out of any insufficiency, inaccuracy or error in any Tax Document prepared and filed by Lessee pursuant to this Section 10.2 or prepared by Lessee and delivered to an Indemnatee pursuant to Section 10.2(b) or any insufficiency, inaccuracy or error in any information or certification provided by Lessee to any Indemnatee pursuant to Section 6.2 or 10.2(d).

(d) Lessee shall deliver to each Indemnatee as soon as reasonably practicable after receipt of such Indemnatee's written request therefor:

- (A) copies of such records and other documents (including, without limitation, the flight log for the Aircraft) and information maintained by Lessee in the regular course of its business, and
- (B) such other information and certifications relating to any Item of Equipment,

as such Indemnatee may request from time to time to enable such Indemnatee to comply with applicable Tax reporting, audit, audit dispute resolution, and litigation requirements, and if requested by any Indemnatee, make such information, records and other documents available for inspection by such Indemnatee or its authorized representatives.

10.3 Indemnities and Other Supplemental Rent to be Paid on an After-Tax Basis.

Each indemnity and other amount of Supplemental Rent (other than interest and Agreed Value) payable pursuant to this Lease (including, without limitation, any indemnity payable pursuant to this Article 10 or Article 13 hereof) shall be paid on an After-Tax Basis.

10.4 Payment of Taxes and Indemnities.

(a) To the extent required or permitted by Law, Lessee shall pay each Indemnified Tax directly to the proper taxing authority when such Indemnified Tax is due, unless Lessee has received written notice from Lessor stating that Lessor or another Indemnatee will pay such Indemnified Tax to the proper taxing authority, in which event Lessee shall pay to Lessor (or to such other Indemnatee, as the case may be), in immediately available funds to such bank account as Lessor shall specify in writing, the amount of such Indemnified Tax not later than the fifth Business Day before the date on which payment of such Indemnified Tax to the relevant taxing authority is due.

(b) Any indemnity payable by Lessee to an Indemnatee shall be paid within ten (10) Business Days after the date on which Lessee receives such Indemnatee's written demand therefor (which demand shall include or be accompanied by a description in reasonable detail of the Indemnified Taxes for which the indemnity payment is being demanded and the calculation of the amount of the indemnity payment demanded).

10.5 Contest.

(a) If any Indemnatee receives a written claim from any taxing authority for any Indemnified Tax (a "**Tax Claim**"), such Indemnatee shall give Lessee prompt written notice of such Tax Claim.

(b) If reasonably requested by Lessee in a written notice delivered to such Indemnatee within thirty (30) days after the date on which such Indemnatee gives the notice required by Section 10.5(a) with respect to a Tax Claim, and if the conditions described in Section 10.5(c) are satisfied and continue to be satisfied at all times during the contest, such Indemnatee shall contest such Tax Claim (or, at the option of such Indemnatee, may permit Lessee to contest such Tax Claim in the name of Lessee or in the name of such Indemnatee), in each case at Lessee's expense, in accordance with Law, and in a manner determined and controlled by the party that is conducting such contest (for example, by contesting the validity, applicability or amount of the Indemnified Taxes that are the subject of such Tax Claim by resisting payment of such Indemnified Taxes, or by not paying such Indemnified Taxes except under protest if protest is necessary and proper, or by paying such Indemnified Taxes and using reasonable efforts to obtain a refund thereof), provided, that such Indemnatee shall have the right to refuse to begin or continue (or to permit Lessee to begin or continue) the contest of any or all of the Indemnified Taxes that are the subject of such Tax Claim if such Indemnatee (A) waives in writing its right under this Article 10 to be indemnified for the Indemnified Taxes which such Indemnatee declines to contest and (B) repays to Lessee the amount (if any) which Lessee previously advanced to such Indemnatee in accordance with Section 10.5(c)(iv) with respect to the Indemnified Taxes that such Indemnatee declines to contest. Any request by Lessee to contest a Tax Claim pursuant to this Section 10.5 shall constitute an acknowledgment and agreement by Lessee that the Taxes which are the subject of such Tax Claim are Indemnified Taxes and that Lessee shall pay on demand and on an After-Tax Basis all costs and expenses paid or incurred by such Indemnatee in connection with the conduct of such contest (including, without limitation, reasonable attorneys' and accountants' fees and disbursements).

(c) An Indemnatee shall have no obligation to begin or continue (or to permit Lessee to begin or continue) to contest any Tax Claim pursuant to this Section 10.5 unless all of the following conditions are satisfied at the time such contest is to be commenced and at all times during the contest:

- (i) no Event of Default (or Default consisting of the occurrence of any event described in Section 17.1(a), (l) or (o) hereof which has not yet become an Event of Default) shall have occurred and be continuing;
- (ii) contesting such Tax Claim would not, in the opinion of Lessor, result in any risk of criminal or civil penalty or any reasonable possibility of any sale, forfeiture, confiscation, seizure or loss of; or the imposition of a Lien (other than a Lien for the Tax that is the subject of such contest provided that enforcement of such Lien is stayed until the final determination of such contest and Lessee maintains adequate reserves with respect to such Lien in accordance with generally accepted accounting principles in the United States of America) on any Item of Equipment or any interest therein;

- (iii) the amount of the Indemnified Tax that is the subject of such Tax Claim exceeds Fifteen Thousand Dollars (\$15,000) (or its equivalent in any other currency) or, if the Indemnified Tax that is the subject of such Tax Claim is a recurring Tax, the sum of (A) the amount of the Indemnified Tax that is the subject of such Tax Claim plus (B) the aggregate amount of the Indemnified Taxes that would be required to be paid in all subsequent years during the remainder of the Term if the Tax Claim is not contested exceeds Fifteen Thousand Dollars (\$15,000) (or its equivalent in any other currency);
- (iv) if such Indemnatee decides to contest such Tax Claim by paying the Indemnified Tax that is the subject of such Tax Claim and taking action to obtain a refund thereof, Lessee shall have made an interest-free advance to such Indemnatee in an amount equal to the amount of the Indemnified Tax and shall have delivered to such Indemnatee a written undertaking to indemnify such Indemnatee and its Affiliates for any adverse Tax consequences to such Indemnatee or any of its Affiliates resulting from such interest-free advance;
- (v) Lessee shall be paying, on demand and on an After-Tax Basis, all costs and expenses paid or incurred by such Indemnatee in connection with the conduct of such contest (including, without limitation, reasonable attorneys' and accountants' fees and disbursements);
- (vi) if requested by such Indemnatee, Lessee shall have delivered to such Indemnatee, at Lessee's expense, a written opinion of independent tax counsel selected by such Indemnatee and reasonably acceptable to Lessee and having expertise with respect to the Tax that is the subject of the Tax Claim to the effect that it is more likely than not that the requested contest of such Tax Claim will be successful; and
- (vii) if the sum of the Indemnified Taxes that are the subject of such Tax Claim exceeds an amount equal to one-half (1/2) of the amount of Basic Rent due on the Rent Payment Date in the month in which such Indemnatee receives Lessee's request to contest such Tax Claim, Lessee shall have delivered to such Indemnatee a letter of credit, surety bond or other collateral in form, substance and amount satisfactory to such Indemnatee, in its sole discretion, to secure the obligations of Lessee under this Article 10 with respect to the Indemnified Taxes that are the subject of such Tax Claim unless Lessee shall have paid, or shall have advanced pursuant to Section 10.5(c)(iv) funds to pay, such Tax Claim.

(d) If and to the extent that an Indemnatee determines in good faith (i) that it has actually realized a reduction in its current liability for an Excluded Tax (a "***Tax Saving***"), as a result of any deduction, Tax credit or other Tax benefit for any Indemnified Tax which Lessee has paid to the appropriate taxing authority or for which Lessee has paid an indemnity to such Indemnatee pursuant to Section 10.1, or (ii) that it has actually received a refund (a "***Refund***") of

any Indemnified Tax paid by Lessee to the appropriate taxing authority or for which Lessee has paid an indemnity to such Indemnatee pursuant to Section 10.1, then provided that such Indemnatee may do so without adversely affecting its right to retain such Tax Saving or Refund and provided that no Event of Default (or Default consisting of the occurrence of any event described in Section 17.1(a), (l) or (o) hereof which has not yet become an Event of Default) has occurred and is continuing, such Indemnatee shall pay to Lessee an amount equal to the lesser of (A) the amount of such Tax Saving or Refund (as the case may be) minus the net amount of all Taxes payable by such Indemnatee with respect to the receipt or accrual of such Refund or Tax Saving, or (B) the amount of the Indemnified Tax or indemnity payment previously paid by Lessee with respect to such Indemnified Tax, provided that such Indemnatee shall not thereby be in a less favorable position than it would have been in if the Indemnified Tax had not been paid or incurred. A written statement of such Indemnatee as to the availability and/or amount of such Tax Saving or Refund shall be final and conclusive, except for any manifest error.

(e) No Indemnatee shall have any obligation to make available, disclose or deliver to Lessee or any other Person any Tax return of such Indemnatee or any other Indemnatee or any work papers or other documents relating to any such Tax return.

(f) Any additional Tax that is imposed on an Indemnatee as a result of the disallowance, loss, unavailability, recapture, or reduction of any Tax Saving or Refund for which any Indemnatee made a payment to Lessee pursuant to Section 10.5(d) shall be treated as an Indemnified Tax for which Lessee is required to indemnify such Indemnatee pursuant to Section 10.1, without regard to the proviso in Section 10.1(b) and without regard to Sections 10.5(a) and 10.5(b).

10.6 Withholding Tax Exemption Certificates.

Each Indemnatee will deliver to Lessee, as soon as reasonably practicable after receipt of Lessee's written request therefor (accompanied by a copy of each requested form, any published instructions for such form, and an English translation of each such form and instruction that is not in English), such forms, certifications and other documents as may be required by Law to permit Lessee to make any payment to or for the account of such Indemnatee pursuant to this Lease without withholding (or withholding at a reduced rate, as the case may be) any withholding Tax that Lessee would be required by any Law to withhold in the absence of such document; provided, however, that no Indemnatee shall have any obligation to deliver any document which such Indemnatee would (but for this proviso) be required to deliver to Lessee if such Indemnatee determines in good faith that there is a reasonable likelihood that delivering such document would result in any Indemnatee's incurring a liability, loss, cost or expense for which Lessee is not required by any Lessee Document to indemnify such Indemnatee.

10.7 VAT.

All amounts payable by Lessee pursuant to this Lease or any other Lessee Document are exclusive of any Tax that is, or is in the nature of, a value added, turnover, sales, use, rental, leasing, services, goods and services, consumption, or transaction privilege Tax ("**VAT**"). Lessor and Lessee acknowledge and agree that any VAT that is required by any Law to be paid with respect to any of the transactions, activities or payments contemplated in any of the Lessee Documents is a Tax to which the provisions of this Article 10 apply.

10.8 Survival.

The respective obligations of Lessee and each Indemnatee under this Article 10 shall remain in full force and effect, notwithstanding the expiration or earlier cancellation or termination of this Lease.

ARTICLE 11 EVENTS OF LOSS

11.1 With Respect to the Aircraft.

Risk of loss of or damage to the Aircraft shall at all times during the Term be with Lessee. Upon the occurrence of an Event of Loss with respect to the Aircraft, Lessee shall forthwith (and in any event within two (2) Business Days after such occurrence) give Lessor written notice of such Event of Loss, and Lessor and Lessee shall proceed diligently and cooperate fully with each other in the recovery of any and all proceeds of insurance applicable thereto. Upon the earlier of the date (a) which is ninety (90) days after the occurrence of such an Event of Loss or (b) which is within three (3) Business Days after the date on which insurance proceeds are received with respect to such Event of Loss, Lessee shall pay to Lessor the Agreed Value. At such time as Lessor shall have received the Agreed Value, together with all Rent and Maintenance Reserves then due hereunder (or accrued to the date of such payment), Lessor shall transfer to Lessee all Lessor's right, title and interest, "as-is, where-is," without recourse or warranty (except as to the absence of Lessor's Liens), express or implied, in and to (i) such Aircraft, (ii) all claims for damage against third Persons arising from the Event of Loss (except to the extent that any insurance carrier requires that such claims be assigned to it), and (iii) all rights to any insurance claims and proceeds under all insurance relating to the Aircraft, except liability insurance, maintained by Lessee hereunder, all without representation, recourse or warranty of any kind whatsoever and, provided no Default or Event of Default has occurred and is continuing, shall return to Lessee the Security Deposit (without interest), and thereupon Lessor shall terminate this Lease, with neither party hereto having any further liability to the other hereunder except for those Obligations of Lessee which specifically survive the expiration, cancellation or termination of this Lease. Lessee shall be entitled to receive all insurance proceeds from policies maintained by Lessee applicable to the Aircraft over and above the Agreed Value, if any, as compensation for the loss of Lessee's leasehold interest in the Aircraft. For greater certainty, if an Event of Loss shall have occurred, all Maintenance Reserves paid or payable by Lessee to Lessor shall be retained by Lessor, and shall not be returned to Lessee.

11.2 With Respect to an Engine, a Landing Gear or the APU.

(a) Upon the occurrence of an Event of Loss with respect to an Engine, under circumstances in which there has not occurred an Event of Loss with respect to the Aircraft, Lessee shall forthwith (and in any event within two (2) Business Days after such occurrence) give Lessor written notice thereof and Lessee shall replace such Engine as soon as reasonably possible, but in any event, before the end of the Term and not more than sixty (60) days after the occurrence of such Event of Loss, by duly conveying to Lessor, free and clear of all Liens, title to another engine of the same or an improved model and suitable for installation and use on the Airframe and/or Engine (as the case may be). The replacement engine shall have a value and utility at least equal

to, and be in as good operating condition as, the Engine with respect to which such Event of Loss shall have occurred, based on but not limited to (i) Cycles accumulated on each Engine Life Limited Part (as the case may be), (ii) Flight Hours accumulated since new (and accumulated since completion of the most recent Engine Performance Restoration if an Engine Performance Restoration had previously been accomplished), and (iii) Flight Hours accumulated since new (and accumulated since the most recent restoration or refurbishment of each engine module with respect to any module for which a restoration or refurbishment had previously been accomplished), assuming such Engine was of the value and utility and in the condition and repair as required by the terms hereof immediately prior to the occurrence of such Event of Loss. Lessor shall be entitled to inspect such replacement engine, which shall include, at the option of Lessor, (A) a full borescope inspection of the compressor, turbine and combustion sections of the replacement engine and (B) a records inspection, and the results of each such inspection must be satisfactory to Lessor. Upon acceptance by Lessor, such replacement engine shall be deemed an "**Engine**", as defined herein for all purposes hereunder. Each of Lessor and Lessee agrees to take such action and execute and deliver such documents, including, but not limited to a warranty bill of sale, a supplement hereto and legal opinions, as the other may reasonably request in order that (i) in the case of Lessee, any such replacement Engine shall be duly and properly titled in the name of Lessor and leased hereunder to the same extent as any Engine replaced thereby and (ii) in the case of Lessor, any such engine with respect to which such Event of Loss shall have occurred shall be duly and properly titled in the name of Lessee. No Event of Loss covered by this Section 11.2(a) shall result in any reduction or abatement of any Rent.

(b) Upon the occurrence of an Event of Loss with respect to a Landing Gear or the APU, under circumstances in which there has not occurred an Event of Loss with respect to the Aircraft, Lessee shall forthwith (and in any event within two (2) Business Days after such occurrence) give Lessor written notice thereof and Lessee shall replace such Landing Gear or the APU as soon as reasonably possible, but in any event, before the end of the Term and not more than sixty (60) days after the occurrence of such Event of Loss, by duly conveying to Lessor, free and clear of all Liens, title to another landing gear or auxiliary power unit (as the case may be) of the same or an improved model and suitable for installation and use on the Airframe. The replacement landing gear or auxiliary power unit shall have a value and utility at least equal to, and be in as good operating condition as, the Landing Gear or the APU with respect to which such Event of Loss shall have occurred, based on but not limited to (i) Flight Hours, Cycles and calendar time accumulated since new with respect to each Landing Gear Life Limited Part (as applicable) and (ii) Flight Hours, Cycles and calendar time accumulated since new (and accumulated since Overhaul if an Overhaul had previously been accomplished), assuming such Landing Gear or the APU was of the value and utility and in the condition and repair as required by the terms hereof immediately prior to the occurrence of such Event of Loss. Lessor shall be entitled to inspect such replacement landing gear or auxiliary power unit, which shall include, at the option of Lessor, (A) a full visual inspection of the replacement landing gear or auxiliary power unit and (B) a records inspection, and the results of such inspection must be satisfactory to Lessor. Upon acceptance by Lessor, any such replacement landing gear or auxiliary power unit shall be deemed "**Landing Gear**" or "**APU**", as defined herein for all purposes hereunder. Each of Lessor and Lessee agrees to take such action and execute and deliver such documents, including, but not limited to a warranty bill of sale, a supplement hereto and legal opinions, as the other may reasonably request in order that (i) in the case of Lessee, any such replacement landing gear or auxiliary power unit shall be duly and properly titled in the name of Lessor and leased hereunder to the same extent as

any Landing Gear or the APU replaced thereby and (ii) in the case of Lessor, the landing gear or auxiliary power unit with respect to which such Event of Loss shall have occurred shall be duly and properly titled in the name of Lessee. No Event of Loss covered by this Section 11.2(b) shall result in any reduction or abatement of any Rent.

11.3 Application of Payments from Governmental Authorities.

Payments received by Lessor or Lessee from any Governmental Authority or entity with respect to an Event of Loss resulting from the condemnation, confiscation or seizure of, or requisition of title to or use of the Aircraft or the Airframe, shall be retained by Lessor, if received by Lessor, or promptly paid over to Lessor, if received by Lessee, up to the Agreed Value (plus any amounts of unpaid Rent and any other amounts due to Lessor hereunder or under any other Lessee Documents). At such time as Lessor has received such amounts in full, Lessor shall promptly remit the excess, if any, of such payments to the Lessee. Payments received by Lessor or Lessee from any Governmental Authority or entity with respect to an Event of Loss resulting solely from the condemnation, confiscation or seizure of, or requisition of title to or use of any Engine shall be paid over to, or retained by, Lessee, provided that Lessee shall have fully performed its obligations under Section 11.2 hereof with respect to such Engine. If an Aircraft, Airframe or any Engine is requisitioned for use by any Governmental Authority and such requisition does not constitute an Event of Loss, Lessee will promptly notify Lessor of such requisition. Payments received by Lessor or Lessee from any Governmental Authority with respect to a requisition of use during the Term of the Aircraft, the Airframe or any of the Engines, which requisition does not constitute an Event of Loss, shall, so long as no Default or Event of Default has occurred and is continuing, be paid to, or retained by, Lessee.

ARTICLE 12 INSURANCE

12.1 Public Liability and Property Damage Liability Insurance.

Lessee, at its own expense, shall maintain in effect comprehensive third party aircraft liability insurance against bodily injury and property damage losses arising from ground, flight and taxiing exposures, including, but not limited to, passenger legal liability, cargo liability, contractual liability, products liability insurance, during the Term in an amount not less than Five Hundred Million Dollars (\$500,000,000), for any one accident, or series of accidents arising out of any one event with respect to the Aircraft and Items of Equipment and in the aggregate with respect to products liability (including war and allied risks). Such policy shall include coverage for confiscation of the Aircraft by the State of Registration and war and allied risks in accordance with standard market practice (currently, "The Extended Coverage Endorsement - AVN 52E", and, in the event AVN 52E shall no longer be applicable, any form substituted in lieu of such form in the major international aircraft insurance markets,) plus such excess coverage through government indemnity or commercial insurance up to the full limit required herein. All such policies shall be maintained in effect with insurers and/or reinsurers of recognized international reputation and responsibility, as are, acting reasonably and in good faith, satisfactory to Lessor. Any policies of insurance carried in accordance with this Section 12.1 and any policies taken out in substitution or replacement for any of such policies shall: (1) name the Indemnitees as additional insureds ("**Additional Insureds**") as to liability coverage; (2) provide that in respect of the interests of the

Additional Insureds such policies of insurance shall insure the Additional Insureds regardless of any breach or violation of any warranty, declarations or conditions contained in such policies by Lessee; (3) provide that if the insurers cancel such insurance for any reason whatever, or the same is allowed to lapse for non-payment of premium, or if there is any material change in policy terms and conditions adverse to the interests of the Additional Insureds, such cancellation, lapse or change shall not be effective as to Lessor and the Lenders until thirty (30) days after notice thereof is given to such Person from such insurers of such cancellation, lapse or change (ten (10) days for non-payment of premium and with respect to war risk insurance, such shorter period as shall be customary on the London market for such insurance in such area of the world); (4) provide that the Additional Insureds shall have no responsibility for any premiums, assessments, warranties or representations in connection with such insurance; (5) waive any right of the insurer to any setoff, counterclaim or other deduction, whether by attachment or otherwise, in respect of any liability of Lessor or any Additional Insured; (6) provide that the insurer shall waive any rights of subrogation against Lessor or any other Additional Insured to the extent that Lessee has waived its rights in this Lease; and (7) include at a minimum the geographic limits, if any, of all territories over which the Aircraft will be operated. Each liability policy shall (i) be primary without right of contribution from any other insurance which is carried by the Additional Insureds and (ii) expressly provide that all of the provisions thereof, except the limits of liability, shall operate in the same manner as if there were a separate policy covering each insured.

12.2 Insurance Against Loss or Damage to the Aircraft.

(a) Lessee, at its own expense, shall maintain in effect with insurers and/or reinsurers of recognized international reputation and responsibility which are, acting reasonably and in good faith, satisfactory to Lessor: (i) all-risk (ground, flight and taxiing exposures) aircraft hull insurance covering the Aircraft; (ii) each Engine, after removal, shall be insured for not less than replacement cost and a replacement cost loss valuation clause for Parts, Landing Gear and the APU while removed from the Aircraft under an "all risk" ground risks policy which is, acting reasonably and in good faith, acceptable to Lessor; and (iii) war risk insurance, including, but not limited to, coverage against political/non-political hijacking, acts of terrorism, confiscation, expropriation (or appropriation), nationalization or seizure, including by the State of Registration, including any excess or government indemnity necessary to cover the perils in LSWS55D, or, in the event LSWS55D shall no longer be applicable, any form substituted in lieu of such form in the major international aircraft insurance markets. All such insurance shall be payable in Dollars and shall be in the amount of not less than the Agreed Value from time to time and on an "agreed value" basis. Any hull insurance carried in accordance with this Section 12.2 shall not contain any provision for self-insured amounts or a deductible, provided that such insurance may be subject to a deductible which does not exceed One Million Dollars (\$1,000,000) per occurrence. Any policies carried in accordance with this Section 12.2 shall (1) designate Lessor and the Mortgagee as first loss payee, as their interests may appear, for all insurance proceeds up to the Agreed Value and Lessee as first loss payee for all insurance proceeds in excess of the Agreed Value for policies maintained by Lessee applicable to the Aircraft over and above the Agreed Value, if any, and if there is no Mortgagee designate Lessor as owner and lessor of the Aircraft covered thereby and first loss payee up to the Agreed Value, on behalf of the Additional Insureds as their respective interests may appear; (2) be primary without right of contribution from any other insurance which is carried by any Additional Insureds with respect to the Aircraft; (3) provide that if such insurance is cancelled or materially changed in a manner adverse to the Mortgagee or Lessor for any reason

whatsoever, or the same is allowed to lapse for non-payment of premium, such cancellation, change or lapse shall not be effective as to the Additional Insureds for thirty (30) days (for non-payment of premium and with respect to war risk insurance, such shorter period as shall be customary on the London market for such insurance in such area of the world) after receipt by the Additional Insureds of written notice from such insurers of such cancellation or lapse or material change in policy terms and conditions; (4) include coverage for the territorial limits of any country (including its airspace) in which the Aircraft, at any time, is located or flying while so located or flying; (5) provide that in respect of the interest of the Additional Insureds in such policies the insurance shall insure the Additional Insureds regardless of any breach or violation of any warranties, declarations or conditions contained in such policies by Lessee or any other Person; (6) waive any rights of set-off, counterclaim or deduction, whether by attachment or otherwise, and all rights of subrogation against the Additional Insureds and their respective successors, assigns, agents, officers, employees and servants; (7) shall provide that the Additional Insureds shall have no liability for any premiums, assessments, warranties or representations in connection with such insurance; (8) provide that the coverage for each Additional Insured is provided for such solely in its capacity as Mortgagee, Lender or Lessor under the Operative Agreements, as the case may be, and not in any other capacity, and that any knowledge that any Additional Insured may have, or acquire, or actions that it may take or fail to take in any other capacity (pursuant to any other contract or otherwise) shall not invalidate the coverage afforded by this Article 12; and (9) to the extent of reinsurance, include a "cut-through" provision in customary form permitting the Mortgagee or Lessor (as the case may be) on behalf of all interests to file claims and to obtain payment directly from the reinsurers under the reinsurance policies.

(b) Lessor is not under any duty or obligation to verify the existence or adequacy of insurance.

12.3 Application of Proceeds in an Event of Loss of Aircraft.

All insurance payments received from policies maintained by Lessee as the result of the occurrence of an Event of Loss with respect to the Aircraft or the Airframe and the Engines (whether or not installed thereon) shall be paid to the Mortgagee (or if there is no Mortgagee, to Lessor) in an amount equal to the Agreed Value, in the case of an Event of Loss with respect to the Airframe, or an amount equal to the amount specified with respect to each Engine in Section 12.2(a) hereof in the case of an Event of Loss with respect to an Engine. Lessor and Lessee shall proceed diligently and cooperate fully with each other in the recovery of any and all proceeds of insurance applicable thereto.

12.4 Application of Proceeds in the Absence of an Event of Loss.

All insurance payments resulting from any property damage loss to any Item of Equipment not constituting an Event of Loss with respect thereto (or constituting an Event of Loss solely with respect to an Engine) will be applied in payment for repairs or for replacement property in accordance with the terms of Article 5 and Article 9 hereof and/or Section 11.2 hereof, if not already paid for by Lessee (or to reimburse Lessee for such repairs or replacements already paid for by Lessee), and any balance remaining after full compliance with such Articles and/or Section with respect to such loss shall be paid to Lessee or as otherwise may be directed by Lessee. Upon completion of the repairs of any loss on which the insurers have paid insurance proceeds to Lessee,

Lessee shall deliver to each of Lessor or any Mortgagee an officer's certificate certifying that such repairs have been completed in accordance with the Manufacturer's recommended procedures. Any amount which is payable to Lessee under this Article 12 may be withheld if at the time of such payment a Default or an Event of Default shall have occurred and be continuing, but shall be held by any Mortgagee on behalf of Lessor (or Lessor is there is no Mortgagee) as security for the Obligations of Lessee under this Lease and such amount shall be paid to Lessee at such time as there no longer exists any Default or Event of Default.

12.5 Reports, etc.

Lessee and its insurance/reinsurance underwriters or brokers shall advise Lessor in writing promptly of any default in the payment of any premium and of any other act or omission on the part of Lessee which might invalidate or render unenforceable, in whole or in part, any insurance on the Aircraft. On or before the Delivery Date, and thereafter on or prior to each renewal or replacement by Lessee of the insurance required hereby, but not less often than annually, Lessee will furnish to Lessor, any Mortgagee and each Lender one or more original certificates each executed and delivered by an insurance broker appointed by Lessee and, if not in the English language, a certified English translation thereof, which together shall describe in reasonable detail insurance carried on the Aircraft and shall certify that the insurance then maintained on the Aircraft complies with the terms of this Lease. Lessee will cause each such approved insurance broker to agree to advise Lessor in writing at least thirty (30) days (seven (7) days or such lesser period as may from time to time be applicable in the case of any war risk and allied perils coverage and ten (10) days for reason of non-payment of premiums) prior to the termination or cancellation by the underwriters for any reason (including, without limitation, failure to pay the premium therefor) of any such insurance or as soon as possible in respect of "non-renewal" or automatic termination for war risk insurance required hereunder. Certificates of insurance shall be provided to Lessor, any Mortgagee and each Lender on or prior to the expiration or replacement date of the insurance required hereunder. Otherwise, not less than five (5) Business Days before the expiration or termination date of any insurance required hereunder, Lessee will provide Lessor, any Mortgagee and each Lender with faxed confirmation from Lessee's insurance brokers certifying that renewal certificates of insurance evidencing the renewal or replacement of such insurance pursuant to the provisions of this Article 12 will be issued effective as of the termination date of the prior certificate of insurance coverage. Within fifteen (15) days after such renewal, Lessee will furnish to Lessor, any Mortgagee and each Lender an original certificate of such insurance coverage from such insurance broker.

12.6 Endorsement AVN 67B.

Notwithstanding anything to the contrary contained in this Article 12, Lessor shall accept the terms of AVN 67B, or, in the event AVN 67B shall no longer be applicable, any form substituted in lieu of such form in the major international aircraft insurance markets, ("Airline Finance/Lease Contract Endorsement") where such endorsement is contrary to the terms of this Lease as long as such endorsement is customary in the London international insurance markets for commercial passenger airlines.

12.7 Endorsement AVS 103.

In the event of separate Insurance being arranged to cover the "all risk" hull insurance and the "war risk" and related insurance, the underwriters subscribing to such insurance shall agree to a 50/50 claims funding arrangement in the event of any dispute as to which insurance is applicable, provided in the form of AVS 103, or, in the event AVS 103 shall no longer be applicable, any form substituted in lieu of such form in the major international aircraft insurance markets.

12.8 Failure to Insure.

If at any time Lessee fails to maintain Insurance in compliance with this Article 12, Lessor will be entitled, but not bound (without prejudice to any other rights which it may have under this Lease by reason of such failure) at any time while such failure is continuing, to require the Aircraft to remain at any airport or (as the case may be), proceed to and remain at any airport designated by Lessor or any Mortgagee, until such failure is remedied to Lessor's or Mortgagee's satisfaction.

ARTICLE 13
GENERAL INDEMNIFICATION

13.1 Scope.

Lessee agrees to indemnify, reimburse and hold harmless each Indemnatee from and against any and all claims, damages, losses, liabilities, demands, suits, judgments, causes of action, legal proceedings, whether civil or criminal, penalties, Taxes, fines and other sanctions, and any reasonable attorney's fees and other reasonable costs and expenses in connection therewith or in establishing the right to indemnification hereunder, including any of the foregoing arising or imposed with or without the fault or negligence (whether passive or active) of Lessor or under the doctrine of strict liability (any and all of which are hereafter referred to as "**Claims**") which in any way may result from, pertain to or arise in any manner out of, or are in any manner related to (a) the Aircraft, this Lease or any other Lessee Document, or the breach of any representation, warranty or covenant made by Lessee hereunder or thereunder, or (b) the condition, design, ownership, manufacture, purchase, delivery, non-delivery, lease, acceptance, rejection, possession, return, disposition, use, or operation of the Aircraft either in the air or on the ground, or (c) any defect in the Aircraft or any Item of Equipment (whether or not discovered or discoverable by Lessee or Lessor) arising from the material or any articles used therein or from the design, testing, or use thereof or from any maintenance, service, repair, overhaul, or testing of the Aircraft or any Item of Equipment, whether or not the Aircraft or any Item of Equipment is in the possession of Lessee, and regardless of where the Aircraft or any Item of Equipment may then be located, or (d) the accuracy, validity or traceability of any of the Aircraft Documents, or (e) any transaction, approval, or document contemplated by this Lease or any other Lessee Document or given or entered into in connection herewith or therewith or (f) any payment made or received pursuant to any Lessee Document, or (g) the execution, delivery, registration, recording, performance or enforcement of any Lessee Document or related document. Upon payment in full to any Indemnatee of any indemnities contained in this Article 13 by Lessee, Lessee shall be subrogated to all rights and remedies which such indemnified party has or may have against the Manufacturer

or any other Person. If any Indemnitee or Lessee has knowledge of any Claim for which Lessee is obligated to indemnify under this Article 13, it shall give prompt written notice thereof to Lessee or such Indemnitee, as the case may be, but failure to give such notice shall not relieve Lessee of its obligations hereunder.

13.2 Exceptions to General Indemnities. The indemnity provided for in Section 17.1 does not extend to, and expressly excludes, Claims of any Indemnitee to the extent resulting from or arising out of any of the following:

- (a) the gross negligence or willful misconduct of such Indemnitee (other than gross negligence or willful misconduct imputed by law to such Indemnitee by reason solely of its interest in the Aircraft);
- (b) any breach or default by that Indemnitee of its express obligations under an Operative Agreement;
- (c) acts or events which occur before the Delivery Date or after the Termination Date and return of the Aircraft to Lessor in the condition required hereunder, but in any such case only to the extent not attributable to acts or omissions of Lessee or any Permitted Transferee;
- (d) except to the extent necessary to make any payment hereunder on an After-Tax Basis, Taxes, whether or not Lessee is required to indemnify therefor pursuant to another provision of this Agreement, it being acknowledged that the terms of Section 10 hereof apply exclusively to Lessee's indemnity obligations with respect to Taxes;
- (e) any matter or thing for which Lessor has agreed to pay or bear or which Lessee is expressly not obligated to pay or in respect of which such Indemnitee is fully indemnified or compensated by Lessee or an express amount is payable by Lessee, pursuant to another provision of this Agreement or any other Operative Agreement;
- (f) any Claim arising as a result of a Lessor Lien created by that Indemnitee; or
- (g) any Claim which is covered pursuant to another indemnity provision of this Agreement;

13.3 Lessee's Release.

Lessee hereby waives and releases each Indemnitee from any Claims (whether existing now or hereafter arising) for or on account of or arising or in any way connected with injury to or death of personnel of Lessee or loss or damage to property of Lessee or the loss of use of any property which may result from or arise in any manner out of or in relation to the ownership, leasing, condition, use or operation of the Aircraft or any Item of Equipment, either in the air or on the ground, or which may be caused by any defect in the Aircraft or any Item of Equipment from the material or any article used therein or from the design or testing thereof, or use thereof, or from any maintenance, service, repair, overhaul or testing of the Aircraft or any Item of

Equipment regardless of when such defect may be discovered, whether or not the Aircraft or any Item of Equipment is at the time in the possession of Lessee, and regardless of the location of the Aircraft or any Item of Equipment at any such time.

13.4 Cooperation; Payment.

In the case of any Claim indemnified by Lessee, (a) which is covered by a policy of insurance maintained by Lessee, each Indemnatee agrees, at Lessee's expense, to cooperate reasonably with the insurers in the exercise of their rights to investigate, defend or compromise such Claim as may be reasonably required to retain the benefits of such insurance with respect to such Claim; and (b) Lessee shall pay directly to each Indemnatee all amounts due under this Article 13 within five (5) Business Days of the receipt of written notice by Lessee from such Indemnatee that such payment is due.

13.5 After-Tax Nature of Indemnity.

Each indemnity payable pursuant to this Article 13 shall be paid on an After-Tax Basis.

13.6 Survival.

The indemnities contained in this Article 13 shall continue in full force and effect notwithstanding the expiration, cancellation or termination of this Lease, and are expressly made for the benefit of and shall be enforceable by each Indemnatee.

ARTICLE 14
LIENS

14.1 Permitted Liens.

Lessee shall not, directly or indirectly, create, incur, assume or suffer to exist any Lien on or with respect to this Lease, any Item of Equipment, title thereto or any interest therein, except (i) the respective rights of Lessor and Lessee as herein provided; (ii) a Lessor's Lien; (iii) Liens for Taxes not yet due or being contested in accordance with Article 10 hereof and so long as adequate reserves are maintained with respect to such Liens; (iv) inchoate materialmen's, mechanics', workmen's, repairmen's, employees' or other like Liens arising in the ordinary course of business and for amounts the payment of which is either not yet delinquent or is being contested in good faith by appropriate proceedings; and (v) Liens for airport, navigation, and en-route charges arising in the ordinary course of business and for amounts the payment of which is either not yet delinquent or is being contested in good faith by appropriate proceedings. Lessee shall not be permitted to contest any Lien if such contest gives rise to any material possibility of the sale, forfeiture, confiscation, seizure or loss of any Item of Equipment or any interest therein in the course of any such proceedings, or as a result of any such Lien. Lessee shall promptly, at its own expense, take such action as may be necessary to duly discharge any such Lien not excepted above if the same shall arise at any time with respect to any Item of Equipment.

14.2 Engine Liens.

Notwithstanding anything in this Lease to the contrary, Lessor hereby agrees for the benefit of each lessor, conditional seller, indenture trustee or secured party of any engine leased to or purchased by Lessee which is subject to a lease, conditional sale agreement, trust indenture or other security agreement that Lessor will not acquire or claim, as against such lessor, conditional seller, indenture trustee or secured party, any right, title or interest in any engine as the result of any such engine being installed on the Airframe at any time while such engine is subject to such lease, conditional sale agreement, trust indenture or other security agreement and owned by such lessor or conditional seller or subject to a trust indenture or security interest in favor of such indenture trustee or secured party. No Engine shall be installed on any airframe subject to a lease, conditional sale agreement, trust indenture or other security agreement unless the lease, conditional sale agreement, trust indenture or other security agreement applicable to such airframe contains an acknowledgment substantially to the same effect as this Section 14.2 (in form and substance reasonably satisfactory to Lessor) on the part of the lessor, conditional seller, indenture trustee or secured party thereunder with respect to such Engine or unless the lessor, conditional seller, indenture trustee or secured party under any such applicable agreement with respect to the airframe provides to Lessor an acknowledgement substantially to the same effect as that contained in this Section 14.2 (in form and substance reasonably satisfactory to Lessor).

ARTICLE 15

PERFECTION OF TITLE AND FURTHER ASSURANCES

15.1 Perfection of Title.

To ensure the validity, effectiveness or enforceability of this Lease or to establish, maintain, preserve, perfect and protect Lessor's and any Mortgagee's Lien under this Lease, Lessee shall, at its own expense, cause, or, at Lessor's request, assist Lessor in causing, this Lease any Security Documents designated by Lessor, and any and all additional instruments which shall be executed pursuant to the terms hereof as permitted by Law or regulations, to be kept, registered, filed and recorded as required by the Register, the FAA and any Law. Lessee shall, at its own cost and expense, cause this Lease, any Security Documents designated by Lessor, and any and all additional instruments which shall be executed pursuant to the terms hereof, as permitted by Law in the State of Registration, to be kept, registered, filed and recorded in the offices of any other Governmental Authorities in the State of Registration and the International Registry. Lessee shall not take any action which would conflict with or adversely affect such filings and recordation of the Lease and such other documents as provided herein.

15.2 Further Assurances.

Lessee, at Lessee's expense, will promptly and duly execute and deliver to Lessor such further documents and assurances and take such further actions as Lessor may from time to time reasonably request in order to more effectively carry out the intent and purpose of this Lease and to establish, maintain, and protect the interests, rights and remedies of Lessor, any Mortgagee and the Lenders under the Operative Agreements and to carry out and effect the intent and purpose of the Operative Agreements, including, without limitation, if reasonably requested by Lessor at the expense of Lessee, the execution and delivery of supplements or amendments hereto in

recordable form subjecting to this Lease any replacement Engine and the recording or filing of counterparts thereof, in accordance with the Laws of any appropriate jurisdiction.

ARTICLE 16
RETURN OF ITEMS AND RECORDS

16.1 Time and Place.

On the Expiration Date and unless the Aircraft has suffered an Event of Loss, Lessee, at its own expense, shall, following Lessee's compliance with the provisions of Exhibit D hereto (other than the return of the Aircraft to the Redelivery Location and matters to be accomplished following the completion of the redelivery flight of the Aircraft) and technical acceptance of the Aircraft (other than with respect to any matters specified in Exhibit D hereto not then accomplished) in the United States of America, return the Aircraft with the Engines, Landing Gear, the APU and all Parts installed thereon and with all Items of Equipment and the Aircraft Documents, by delivering the same forthwith, accompanied by the Lessor's representatives, to Lessor at the Redelivery Location. Upon re-delivery of the Aircraft in accordance with the terms of this Agreement and completion of Lessor's technical acceptance of the Aircraft, the parties will execute and deliver a return acceptance certificate. Such return acceptance certificate shall state that Lessor has irrevocably accepted the return of the Aircraft and that the Aircraft is in the condition at return required hereunder, subject to any discrepancies noted thereon and the agreement between Lessee and Lessor with respect to resolution of those discrepancies. Unless a Default or an Event of Default shall have occurred and be continuing or unless this Lease shall have been cancelled by Lessor as provided in Section 18.1 hereof, upon such execution and delivery, this Lease shall terminate, with neither party hereto having any further liability to the other hereunder except for those Obligations of Lessee which specifically survive the expiration, cancellation or termination of this Lease.

16.2 Condition.

The Aircraft will be redelivered with a LUMP C-check inspection completed within the past thirty (30) days. Notwithstanding anything to the contrary herein, Lessee shall return the Aircraft to Lessor in compliance with the provisions of Exhibit D hereto.

16.3 Corrections and Subsequent Corrections.

In the event that the Airframe or any Engine fails upon the return thereof hereunder to be in compliance with any return condition requirement imposed by this Lease and particularly Section 16.1 and Exhibit D hereof, Lessor may, without prejudice to the right of Lessee to claim that the Aircraft did comply with such return condition requirement, (i) continue the Lease in effect until such time as the Aircraft is in compliance with all applicable provisions of this Lease with (A) Maintenance Reserves (as applicable) becoming payable on a daily prorated basis and (B) Basic Rent becoming payable on a daily basis at the rate of one-thirtieth (1/30) of the Basic Rent payable for one month of the Term for the first two (2) weeks of such continuance of the Lease and thereafter at the rate of one hundred twenty five percent (125%) of the Basic Rent payable for one month of the Term (except to the extent that Lessee's non-compliance is a result of force majeure, in which circumstances the rate of one-thirtieth (1/30) of the Basic Rent shall be

applicable), and Lessee shall not operate or permit others to operate the Aircraft after the Expiration Date except for acceptance or ferry flights approved in advance in writing by Lessor, or (ii) accept the return of the Aircraft and thereafter, subject to Lessor's duty to mitigate, have any such non-compliant condition corrected, as promptly as practicable, at commercially reasonable rates then charged by the Person selected by Lessor, acting reasonably and in good faith, to perform such correction. The direct out-of-pocket expense incurred by Lessor for such correction shall become Supplemental Rent payable by Lessee within thirty (30) days following the submission of a written statement by Lessor to Lessee, identifying the items corrected and setting forth the expense of such correction. Lessee's Obligations to pay such Supplemental Rent shall survive the expiration, cancellation, or termination of this Lease.

16.4 Legal Status Upon Return.

At the time of the return of the Aircraft, the Aircraft shall be: (i) free and clear of all Liens, except Lessor's Liens; (ii) duly certified as an airworthy aircraft by the FAA with the current and effective airworthiness certificate installed on the Aircraft; (iii) equipped and in full airworthy condition for operation according to all applicable FAA requirements to allow the Aircraft to be operated for commercial transportation of passengers under applicable rules and regulations; and (iv) duly registered in the name of Lessee, as lessee, and evidencing the ownership interest of Lessor under the Law of the State of Registration of the Aircraft (including, without limitation, execution and delivery by Lessee of such documents as may be required to de-register the Aircraft from the Register or to terminate registration, filing or recording of this Lease from or with the FAA and to terminate this Lease or to evidence the expiration, termination or cancellation of this Lease).

16.5 Fuel.

Lessee shall redeliver the Aircraft with at least the same quantity of fuel on board the Aircraft as was on board the Aircraft at Delivery.

16.6 Assistance in Maintenance Program Bridging.

On or prior to the Expiration Date or such later date as requested by Lessor, Lessee shall provide Lessor such excerpts from the Maintenance Program and/or general procedures manual as Lessor may reasonably request (i) in order to substantiate procedures followed by Lessee and/or documentation used by Lessee which are specific to the Maintenance Program, in connection with the return of the Aircraft to Lessor pursuant to this Article 16 and Exhibit D hereof, and (ii) reasonably necessary to assist with the bridging of the Aircraft onto a maintenance program other than the Maintenance Program subsequent to the return of the Aircraft to Lessor pursuant to this Article 16 and Exhibit D hereof.

ARTICLE 17
EVENTS OF DEFAULT

17.1 Lessee's Defaults.

Any one or more of the following events shall constitute an "Event of Default":

(a) Lessee shall fail to make any payment of Basic Rent or Maintenance Reserves (including payments required pursuant to Sections 5.7 and 5.9 hereof), when due hereunder and such failure shall continue for five (5) Business Days; or

(b) Lessee shall fail to make any payment of Supplemental Rent by the tenth (10th) calendar day after Lessee has received written notice from Lessor that such non-payment constitutes a Default; or

(c) Lessee shall fail to procure and maintain any insurance required by Article 12 hereof, or Lessee shall operate the Aircraft at a time when or in a place where insurance required by the provisions of Article 12 shall not be in effect or otherwise outside the scope of the insurance coverage maintained with respect to the Aircraft; or

(d) Lessee shall fail to timely comply with the provisions of Section 3.5 or Article 16 hereof; or

(e) Lessee shall fail to perform or observe in any material respect any of the covenants, conditions or agreements to be performed or observed by it under Article 5 (except payments required pursuant to Sections 5.7 and 5.9 hereof) hereof and such failure shall continue for a period in excess of ten (10) Business Days after notice thereof is given by Lessor to Lessee of such failure; or

(f) Lessee shall de-register the Aircraft or otherwise discontinue the registration of the Aircraft with the FAA except if permitted or required pursuant to this Lease; or

(g) Lessee shall fail to timely comply with its obligation under Article 2 hereof to accept delivery of the Aircraft when validly tendered by the Lessor hereunder in the condition and at a time when the conditions precedent to Lessee's acceptance have been accomplished, or the Lessee fails in any material respect to satisfy the conditions precedent for Delivery for which and to the extent of which it is responsible under Section 2.3 hereof; or

(h) Lessee shall fail to timely comply with its obligations pursuant to Article 14 or Article 15 hereof and such failure shall continue for a period of five (5) Business Days after notice thereof is given by Lessor to Lessee; or

(i) Lessee shall fail to perform or observe in any material respect any other of the covenants, conditions, or agreements to be performed or observed by it hereunder and such failure shall continue for a period in excess of thirty (30) days after written notice thereof is given by Lessor to Lessee of such failure; or

(j) any representation or warranty made by Lessee herein or in any document or certificate furnished to Lessor in connection herewith or pursuant hereto shall prove to have been incorrect in any material respect when made; or

(k) Lessee voluntarily suspends substantially all of its airline operations or the franchises, concessions, permits, rights or privileges required for the conduct of the business and operations of Lessee are revoked, cancelled or otherwise terminated or the free and continued use and exercise thereof curtailed or prevented, and as a result of any of the foregoing the preponderant business activity of Lessee shall cease to be that of a commercial airline; or

(l) (i) Lessee shall commence any case, proceeding or other action (A) under any existing or future Law relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, or other similar official for it or for all or any substantial part of its assets, or Lessee shall make a general assignment for the benefit of its creditors; or (ii) here shall be commenced against Lessee any case, proceeding or other action of a nature referred to in clause (l) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains un-dismissed, un-discharged or un-bonded for a period of sixty (60) days; or (iii) there shall be commenced against Lessee any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, stayed or bonded pending appeal within sixty (60) days from the entry thereof; or (iv) Lessee shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) Lessee shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(m) Lessee shall default in the payment of any obligation for the payment of borrowed money, for the deferred purchase price of property or for the payment of rent or hire under any lease of aircraft which has a principal amount of Two Million Dollars (\$2,000,000) or more when the same becomes due if the effect of such non-payment is to cause or allow an acceleration of such indebtedness; or Lessee shall default in the performance of any other term, agreement or condition contained in any material agreement or instrument under or by which any such obligation is created, evidenced or secured, if the effect of such default is to cause or allow such obligation to become due prior to its stated maturity; or

(n) a final judgment or award for the payment of money not covered by insurance in excess of Two Hundred Fifty Thousand Dollars (\$250,000), or final judgments or awards for the payment of money not covered by insurance in excess of Two Hundred Fifty Thousand Dollars (\$250,000) in the aggregate, shall be rendered against Lessee and the same shall remain undischarged for a period of sixty (60) days during which (i) execution thereof shall not be effectively stayed by agreement of the parties involved, or stayed by Court order or the pendency of an appeal, or (ii) execution thereof shall not be adequately bonded, or (iii) attachments or other Liens, except for Permitted Liens, shall be asserted against Lessee's interest in the Aircraft or this Lease; or

(o) attachments or other Liens shall be issued or entered against all or substantially all of the property of Lessee and shall remain un-discharged or un-bonded for thirty (30) days except for security interests created in connection with monies borrowed or obligations agreed to by Lessee in the ordinary course of its business; or

(p) the occurrence of an event of default (as defined therein) or material breach by Lessee of any obligation of Lessee or any Affiliate of Lessee under any Related Lease, or any of the Lessee Documents; or

(q) Lessee shall fail to provide in any material respect the information to be provided by it pursuant to Article 6 hereof or the same shall be materially false, misleading, incomplete or inaccurate and such failure shall continue for a period in excess of five (5) Business Days after written notice thereof is given by Lessor to Lessee of such failure; or

(r) Lessee shall at any time fail to maintain current and valid the certification and other required documentation relating to the airworthiness of the Aircraft; or

(s) this Lease or any Related Lease shall cease to be a valid and enforceable agreement and in full force and effect for any reason by operation of Law due to any action or inaction of Lessee or otherwise due to any action or inaction of Lessee; or

(t) Lessee ceases to hold its current Air Operators certificate, under FAR Part 125 or FAR Part 121 (or equivalent document); or

(u) Lessee or any other Person claiming through Lessee shall challenge the existence, validity, enforceability or priority of the rights of Lessor or the Mortgagee in respect of the Aircraft or the insurances; or

(v) any consent, authorization, license or approval of, or registration with or declaration to any government entity required by Lessee to authorize, or required by Lessee in connection with, the execution, delivery, validity, enforceability or admissibility in evidence of this Lease or any other Lessee Document or the performance by Lessee of its Obligations hereunder or thereunder is modified in a manner unacceptable to Lessor or is withheld, or is revoked, suspended, cancelled, withdrawn or terminated or expires and is not renewed, or otherwise ceases to be in full force and effect and such modification, withholding revocation, suspension, cancellation, withdrawal, termination or non-renewal or cessation significantly prejudices Lessor's rights under or in connection with this Lease, has a material adverse effect on Lessee's ability to perform its Obligations hereunder or materially jeopardizes the respective interests of Lessor, any Mortgagee or any Lender in the Aircraft or is likely to give rise to criminal liability of Lessor; or

(w) any Governmental Authority (i) shall have condemned, seized or appropriated a substantial part of the property of Lessee or (ii) shall have taken any other action which, in the opinion of Lessor, materially adversely affects such Lessee's ability to pay any indebtedness under any of the Lessee Documents; or

(x) Lessee shall do or cause to be done any act or thing evidencing its intention to repudiate this Lease or any other of the Lessee Documents to which it is a party; or

(y) Lessee shall fail (i) to perform, observe or uphold any obligation or covenant to be performed, observed or upheld or a default or event of default shall exist, under any agreement with an Affiliate of Lessor, or (ii) to make any payment when due to an Affiliate of Lessor under any such agreement, and any such failure shall continue for five (5) Business Days; or

(z) due to the action or inaction of Lessee, any of the Security Documents ceases to constitute a duly perfected and enforceable security interest over the Aircraft, this Lease and/or any of the Lessee Documents (as applicable) free and clear of all Liens other than Permitted Liens.

Lessee hereby acknowledges that the occurrence of any one of the foregoing Events of Default would represent a material default in the performance of its Obligations.

ARTICLE 18 RIGHTS AND REMEDIES

18.1 Remedies.

Upon the occurrence of any Event of Default and at any time thereafter so long as the same shall be continuing, Lessor may, at its option and without notice to Lessee, declare this Lease to be in default and at any time thereafter, Lessor may exercise any remedies available at Law including (without limitation) one or more of the following remedies with respect to the Aircraft (or any Item of Equipment or part thereof) as Lessor, in its sole discretion, shall elect, to the extent available and permitted by, and subject to compliance with any mandatory requirements of Law then in effect:

(a) accept such repudiation and by written notice to Lessee and with immediate effect cancel this Lease (without prejudice to the continuing Obligations of Lessee under this Lease), whereupon all rights of Lessee thereunder shall immediately cease; and/or

(b) proceed by appropriate Court action or actions to enforce performance by Lessee of this Lease or to recover damages for the breach of this Lease; and/or

(c) demand that Lessee, and Lessee shall upon the written demand of Lessor and at Lessee's expense, immediately return the Aircraft and all Items of Equipment to Lessor at the Redelivery Location, unless some other location in the State of Registration is specified in such notice, in which event such return shall not be delayed for purposes of complying with the return conditions specified in Article 16 hereof (none of which conditions shall be deemed to affect Lessor's right to possession of the Aircraft and all Items of Equipment) or delayed for any other reason. Notwithstanding the foregoing, at Lessor's option Lessee shall be required thereafter to take such actions as would be required by the provisions of this Lease if the Aircraft were being returned at the end of the Term hereof and Lessor agrees to cooperate with Lessee's required actions. Notwithstanding anything herein to the contrary, Lessor may institute summary proceedings or any other proceedings at law or in equity in any jurisdiction where the Aircraft, Landing Gear, the APU, Parts or Engines may be located. Lessor is hereby irrevocably by way of security for Lessee's Obligations under this Lease appointed attorney for Lessee, if and only for so long as Lessor is exercising remedies pursuant to this Article 18, in causing the redelivery provided for herein, or in directing the pilots of Lessee or other pilots to fly the Aircraft to the Redelivery

Location or other location specified in the notice, and will have all powers and authorizations necessary for taking such action; and/or

(d) do anything reasonable that may be required to cure the Event of Default and recover from Lessee all costs incurred in doing so; and/or

(e) exercise any of the rights, and avail itself of any of the remedies provided under any Law.

Without prejudice to Lessor's other remedies under this Lease, Lessee agrees that the occurrence of an Event of Default shall entitle Lessor to automatically and unilaterally cancel this Lease without requirement of any notice or judicial intervention for all legal purposes, and Lessor shall promptly give Lessee written notice thereof.

18.2 De-Registration.

If an Event of Default occurs, Lessor may otherwise deal with the Aircraft as if this Lease has never been made and Lessee will at the request of Lessor and, without prejudice to the rights of the Lessor under Section 18.1 hereof, take all steps necessary to effect (if applicable) de-registration of the Aircraft from the Register and its export from the country where the Aircraft is for the time being situated and any other steps necessary to enable the Aircraft to be redelivered to Lessor in accordance with this Lease. Lessee hereby irrevocably and by way of security for its Obligations under this Lease appoints (which appointment is coupled with an interest) Lessor as its attorney, if and only for so long as Lessor is exercising remedies pursuant to this Article 18, to execute and deliver any documentation and to do any act or thing required in connection with the foregoing.

18.3 Default Payments.

If an Event of Default occurs, Lessee will compensate Lessor for its costs and expenses (including reasonable legal fees and costs) and its losses and damages recoverable by Lessor pursuant to this Lease and in accordance with Law and will indemnify Lessor on demand against any loss (including loss of profit), damage, expense, cost or liability which Lessor may sustain or incur directly or indirectly as a result.

18.4 Further Rights.

In addition to the foregoing, Lessee shall be liable for any and all accrued and unpaid Rent during or after the exercise of any of the aforementioned remedies, together with interest on such unpaid amounts at the Past Due Rate, and for all reasonable legal fees and other costs and expenses incurred by reason of the occurrence of any Default or Event of Default (including, without limitation, the failure by Lessee to perform or observe any of the covenants, conditions, or agreements to be performed or observed by it pursuant to Articles 10 and 13 hereof), or the exercise of Lessor's remedies with respect thereto, including all costs and expenses incurred in connection with the return of any Item of Equipment in accordance with the terms of Article 16 hereof or in placing such Item in the condition and with airworthiness certificates as required by said Article 16 and Exhibit D hereto.

18.5 Remedies Cumulative.

No remedy referred to in this Article 18 is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to Lessor; and the exercise by Lessor of any one or more of such remedies shall not preclude the simultaneous or later exercise by Lessor of any or all of such other remedies. No express or implied waiver by Lessor of any Default or Event of Default shall in any way be, or be construed to be, a waiver of any future or subsequent Default or Event of Default.

18.6 Concerning Remedies.

(a) In effecting any repossession of the Aircraft (including the Aircraft Documents, any Item of Equipment, an Engine, or Part) ("**Repossessed Items**"), Lessor and its representatives and agents, to the extent permitted by Law, shall: (i) have the right to enter upon any premises where it reasonably believes the Repossessed Items to be located; (ii) not be liable, in conversion or otherwise, for the taking of any personal property of Lessee which is in or attached to any of the Repossessed Items; provided, however, that Lessor shall return to Lessee all personal property of Lessee and other Persons, including its employees or its passengers, which was on the Aircraft at the time Lessor repossessed the Aircraft; (iii) not be liable or responsible, in any manner, for any inadvertent damage or injury to any of Lessee's property in repossessing and holding any of the Repossessed Items, except for that directly and solely caused by Lessor's gross negligence or willful misconduct; and (iv) have the right to maintain possession of and dispose of the Repossessed Items on any premises owned by Lessee or under Lessee's control.

(b) Lessee hereby agrees that, in the event of the return to or repossession by Lessor of any of the Repossessed Items, any rights in any warranty (express or implied) heretofore assigned to Lessee or otherwise held by Lessee shall, without further act, notice or writing be assigned or reassigned to Lessor, if assignable, and, so long as the matter for which the warranty claim was filed has been rectified, the proceeds of any such claim filed thereunder by Lessee and received by Lessor shall be applied against Lessee's Obligations hereunder and the balance, if any, shall be paid over to Lessee. Lessee shall be liable to Lessor for all reasonable expenses, disbursements, costs and fees incurred in (i) repossessing, storing, preserving, shipping, maintaining, repairing and refurbishing any of the Repossessed Items to the condition required by Article 16 hereof and (ii) preparing any of the Repossessed Items for sale or lease, advertising the sale or lease of any of the Repossessed Items and selling or releasing any of the Repossessed Items. Lessor is hereby authorized and instructed, at its option, to make reasonable expenditures which Lessor considers advisable to repair and restore any of the Repossessed Items to the condition required by Article 16 hereof, all at Lessee's sole expense.

(c) Any and all payments received by Lessor under this Lease and under any other Lessee Document while an Event of Default is continuing whether in respect of Rent, Supplemental Rent or otherwise may be applied by Lessor to the Obligations of Lessee then due and unpaid in any manner or order as Lessor may determine in its sole discretion, notwithstanding any instructions, directions or notice given by Lessee or any other Person with respect to the application of such payments, and the balance, if any, of such payments shall be paid over to Lessee at such time as no Event of Default shall be continuing.

ARTICLE 19
MISCELLANEOUS

19.1 Construction.

Any provision of this Lease prohibited by or unlawful or unenforceable under any Law actually applied by any Court of competent jurisdiction shall, to the extent required by such Law, be severed from this Lease and rendered ineffective so far as is possible without modifying the remaining provisions of this Lease. Where, however, the provisions of any such Law may be waived, they are hereby waived by the parties hereto to the full extent permitted by Law, to the end that this Lease shall be a valid and binding agreement enforceable in accordance with its terms. The parties to this Lease shall use their best efforts to substitute for such void provision a valid, legal and enforceable provision which will approach as closely as possible the intention of such void provision. This Lease shall constitute an agreement of lease, and nothing herein shall be construed as conveying to Lessee any right, title or interest in the Aircraft or any Item of Equipment except as a lessee only. The headings in this Lease are for convenience of reference only and shall not define or limit any of the terms or provisions hereof. Whenever required by the context hereof, the singular shall include the plural and vice versa. Reference to this Lease shall mean this Lease as amended or supplemented from time to time. No term or provision of this Lease may be changed, waived, discharged or terminated orally, but only by a written instrument signed by Lessor and/or Lessee, as applicable. Although this Lease is dated for convenience and for the purpose of reference as of the date first set forth above, this Lease shall be effective on the latest date of execution by the parties hereto.

19.2 Governing Law; Jurisdiction.

THIS LEASE SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS AND THE FEDERAL LAWS OF THE UNITED STATES APPLICABLE THEREIN APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE WITHOUT REGARD FOR CONFLICT OF LAWS PRINCIPLES. Each of Lessor and Lessee hereby irrevocably consents that any legal action or proceeding against it or any of its assets with respect to this Lease will be brought in the Courts of the State of Texas, located in Dallas County and by execution and delivery of this Lease each of Lessor and Lessee hereby irrevocably submits to and accepts with regard to any such action or proceeding, for itself and in respect of its assets, generally and unconditionally, the jurisdiction of the aforesaid Courts; provided, however, Lessor may file a claim in the courts where the Aircraft is located to recover position of the Aircraft. Lessee further irrevocably consents to the service of process out of any of the aforementioned Courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to Lessee at its address set forth in Section 19.3 hereof. The foregoing, however, shall not limit the rights of Lessor to serve process in any other manner permitted by applicable Law or to bring any legal action or proceeding or to obtain execution of judgment in any jurisdiction.

19.3 Notices.

All notices provided for herein shall be in writing and shall be deemed to have been given when delivered personally, when sent by facsimile, or delivered by electronic mail (receipt acknowledged), or if deposited in the United States mail (return receipt requested), when received, addressed as follows:

If to Lessee: New Pacific Airlines, Inc.
4700 Old International Airport Rd.
Anchorage, Alaska 99502
Attention: Tom Hsieh, President and CEO
Telephone:
E-mail: t@np.com

With a copy to:

Barnes & Thornburg LLP
2029 Century Park East, Third Floor
Los Angeles, CA 90067
Attention: William B. Kirshenbaum
Telephone No. 424-239-3750
Email: wkirshenbaum@btlaw.com

If to Lessor: Juliet Romeo Aviation LLC (a Delaware LLC)
12101 N MacArthur Blvd, Suite A-217
Oklahoma City, OK 73162
Attention: Craig Ireland, Manager
Telephone: (214) 223-5345
Facsimile No.: (405) 437-1757
Email: cireland@redriveraircraftleasing.com

With a copy to: The Wikert Group, Inc
8611 Lemmon Avenue, Suite B-120
Dallas, TX 75209
Attention: Jim Wikert, President
Telephone: (214)-417-2020
Email: jrw@wikert.com

With a copy to: Carriere Little & Leach, LLP
8001 S. Interport Blvd., Suite 310
Englewood, CO 80112
Attention: Ty Little, Esq.
Telephone: (303) 884-9810
Email: tlittle@carrierelittle.com

or to such other address as any party may designate for itself by written notice to the other party.

19.4 Lessor's Right to Perform.

If Lessee fails to perform or comply with any of its Obligations hereunder, Lessor shall have the right, but not the obligation, after consultation with Lessee, to discharge such obligation, and the amount of such payment made and the expenses of Lessor incurred in connection with such discharge shall be payable by Lessee upon demand, together with interest at the Past Due Rate from the date such expenses were incurred.

19.5 Counterparts.

This Lease may be executed simultaneously in two or more counterparts and by different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. To the extent, if any, that this Lease constitutes chattel paper no security interest in this Lease may be created through the transfer or possession of any counterpart other than the counterpart which contains a receipt therefor signed by the Lessor and any Mortgagee on or after the signature page thereof.

19.6 Assignment and Financing by Lessor.

(a) Lessor, at Lessor's expense, shall have the absolute right to (i) sell, transfer, delegate, pledge or assign, to any Permitted Transferee all but not less than all of Lessor's rights, obligations, benefits and interests in any Item of Equipment and under this Lease, including, without limitation, the right to receive Rent or any other payment due under this Lease, (ii) grant, assign or create in favor of any Mortgagee a Lien on the Aircraft and enter into Financing Documents in connection therewith, (iii) transfer its obligations hereunder, (iii) transfer or assign title to any Item of Equipment, (iv) transfer or assign the right to purchase any Item of Equipment and (v) transfer or assign the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the occurrence of any Event of Default, or to do any and all other things which Lessor is or may become entitled to do under this Lease. Lessor shall give Lessee written notice of any such transaction; provided, however, that failure of Lessor to give such notice shall not affect the validity of any such transaction. Lessee acknowledges that, if Lessor should sell or transfer to a Permitted Transferee all but not less than all of Lessor's interest under this Lease and in the Items of Equipment, Lessor shall thereupon be relieved of all of its obligations hereunder and the Permitted Transferee shall succeed to all of Lessor's rights and interests and assume all of Lessor's obligations under this Lease as though Lessor's transferee had been the initial lessor hereunder; provided, however, that, in event of a transfer or assignment or the creation of a security interest in any Item of Equipment, Lessor shall remain liable hereunder and, as a condition to such transfer or assignment, such transferee or assignee provides, at Lessor's expense, to Lessee in writing a covenant of quiet enjoyment to the same extent as that set forth in Section 19.13 hereof. The Lessee shall, at no cost to the Lessee, do such acts and things (including, without limitation, making any filing or registration with the FAA or any other Governmental Authority) and execute and deliver such documents (including, without limitation, any amendment, novation, assumption or assignment of this Agreement and any acknowledgement of any Security Document) as may reasonably be requested by Lessor: (A) in respect of any change to the ownership of the Aircraft including, without limitation, accommodating a head lease structure and in establishing, maintaining, preserving, perfecting and protecting the rights of the new owner in the Aircraft, (B) in respect of any financing of the Aircraft including, without

limitation, the securing of the Lessor's or the new owner's (as the case may be) obligations in favor of the Mortgagee and the Lender(s), and (C) in connection with any sale, transfer, delegation, pledge or assignment made by Lessor hereunder; provided, that Lessee shall not be required to take any action or execute or deliver any document or instrument pursuant to this Section 19.6 which would materially adversely affect the rights or materially increase the obligations of Lessee hereunder or under any other Lessee Document. Any assignment, pledge or other conveyance, for security or otherwise, of this Lease by Lessor shall be subject to Lessee's rights under this Lease. The agreements, covenants, obligations and liabilities contained herein, including, but not limited to, all obligations to pay Rent and indemnify such Indemnatee are made for the benefit of each Indemnatee and their respective successors and assigns.

(b) Lessee acknowledges that Lessor may borrow funds to finance and/or refinance its acquisition or ownership of the Aircraft and in connection therewith to incur obligations under the Financing Documents. Lessor may, upon written notice to Lessee, at any time during the Term, grant a security interest or security interests over its interests in the Aircraft and the benefit of Lessee Documents to one or more Lenders pursuant to such Financing Documents. Lessee acknowledges that any Lender may require approval of this Lease and Lessee and Lessee undertakes, at no expense to Lessee, to take all steps reasonably requested to obtain such approval. Lessee undertakes at no expense to Lessee to acknowledge the Security Documents by executing and delivering a consent to such documents in such form as Lessor shall reasonably request, to give the insurers notice of the interests of any such Lender and to procure that the insurers acknowledge the same and otherwise to provide such reasonable assistance and cooperation to Lessor, each Lender, each Mortgagee and their respective representatives and advisers as may be reasonably requested of it in connection with the perfection and maintenance of such security interests, including, without limitation, the effecting of all necessary registrations, filings and recordings of the Security Documents in the State of Registration and International Registry. Lessor will reimburse Lessee for its reasonable out-of-pocket expenses incurred in complying with the preceding sentence.

19.7 Survival.

The representations, warranties, covenants, agreements and indemnities of Lessee and Lessor set forth in this Lease, and Lessee's and Lessor's obligations hereunder, shall survive the expiration, cancellation or termination of this Lease to the extent required for full performance and satisfaction thereof.

19.8 Entire Lease

This Lease (including all Schedules and Exhibits hereto) and the other Lessee Documents executed pursuant hereto constitute the entire agreement between Lessor and Lessee regarding the Aircraft and any prior or contemporaneous written or oral understandings with regard to the subject matter hereof are superseded hereby in their entirety.

19.9 Successors and Assigns.

This Lease shall be binding on and shall inure to the benefit of Lessee, Lessor and their respective successors and assigns.

19.10 Payments in U.S. Dollars.

All amounts to be paid hereunder shall be paid in Dollars, in immediately available funds, and all letters of credit delivered hereunder shall provide for payment in Dollars. Lessee acknowledges that the specification of Dollars in this transaction is of the essence and that Dollars shall be the currency of account in any and all events.

19.11 Brokers.

Each party agrees to indemnify and hold the other harmless from and against any and all claims, suits, damages, costs and expenses (including, but not limited to reasonable attorney's fees and disbursements) asserted by any agent, broker or other third party for any commission or compensation of any nature whatsoever based upon the lease of the Aircraft, if such claim, damage, cost or expense arises out of any action or alleged action by the indemnifying party, its employees or agents. It is understood and agreed between the parties that this Lease has been concluded by direct negotiation without any intermediaries or agents. Lessee hereby represents and warrants that it has not been paid, agreed to pay or caused to be paid directly or indirectly in any form, any commission, percentage, contingent fee, brokerage or other similar payments of any kind, in connection with the establishment or operation of this Lease, to any employee of Lessor or to any Person in the United States of America or elsewhere.

19.12 Transaction Costs.

Whether or not the transactions contemplated hereby are consummated, each party hereto agrees to pay its own costs and expenses incurred in connection with the preparation, execution and delivery of this Lease and any other documents delivered in connection herewith, including without limitation the fees, expenses and disbursements of legal counsel, except as otherwise expressly set forth herein.

19.13 Quiet Enjoyment.

Lessor covenants that so long as an Event of Default shall not have occurred and be continuing, Lessee shall quietly enjoy the Aircraft and all rents, revenues, profits and income thereto and the free exercise of the rights and privileges of Lessee under this Lease, without interference by Lessor or by any Person claiming by, through or under Lessor.

19.14 Time is of the Essence.

Time and strict and punctual performance are of the essence with respect to each provision of this Lease.

19.15 Confidentiality Agreement.

(a) During the Term the terms and conditions of this Lease and any information delivered to any party to this Lease in connection with this Lease (the "Information") shall remain confidential and the parties hereto and their respective Affiliates will use their respective reasonable efforts not to disclose the Information to any other Person without prior written consent of each other party, which consent shall not be unreasonably withheld or delayed; provided, that

Lessor and Lessee may, without the consent of each other party, disclose the Information in any of the following situations:

- (i) to directors, officers, employees, permitted assigns and agents of Lessor, Lessee or any Affiliate (direct or indirect) of any of such parties; or
- (ii) to auditors, accountants or legal advisors of Lessor, Lessee or any Affiliate (direct or indirect) of any of such parties; or
- (iii) to actual or potential lenders, Mortgagees, purchasers or other permitted assigns of Lessor, Lessee or any Affiliate of any of such parties, including but not limited to providing financial information about Lessee to potential lenders to, and purchasers from, Lessor, provided that, upon the request of Lessee, such potential lenders or purchasers provides to Lessee a confidentiality agreement in a form reasonably acceptable to Lessee; or
- (iv) to such other parties as Lessor or Lessee may reasonably believe to be required by Law, by government regulation or order (including, without limitation any regulation or order of a bank regulatory agency), by subpoena or by any other legal process.

(b) Notwithstanding any of the foregoing, Information will not be considered confidential, and Lessor and Lessee and their respective Affiliates may disclose any item of the Information without restriction in any of the following circumstances, if such item:

- (i) is publicly available (either to the general public or to any relevant trade or industry) prior to any party's receipt of it from another party hereto;
- (ii) is thereafter made publicly available (either to the general public or to any relevant trade or industry) by another party hereto or by a third party which is entitled to make such item publicly available;
- (iii) becomes available to any party hereto on a non-confidential basis from a source which has represented to such party that such source is entitled to disclose it; or
- (iv) was known to any party hereto on a non-confidential basis prior to its disclosure to such party by another party hereto.

19.16 Language.

This Lease is in the English language and all Lessee Documents, notices, opinions, financial statements, certificates and other documents given under this Lease shall be provided in the English language or, if not submitted in the English language, shall be accompanied by one certified copy of an English translation thereof for each copy of the foregoing so submitted. The meaning and interpretation of the English version of this Lease and all documents delivered in connection herewith shall govern in the event of any conflict with the non-English version thereof including, but not limited to, any disputes, arbitration or litigation relating hereto.

19.17 Disclaimer of consequential damages.

EACH PARTY AGREES THAT IT SHALL NOT BE ENTITLED TO RECOVER, AND HEREBY DISCLAIMS AND WAIVES ANY RIGHT THAT IT MAY OTHERWISE HAVE TO RECOVER, CONSEQUENTIAL DAMAGES AS A RESULT OF ANY BREACH OR ALLEGED BREACH BY THE OTHER PARTY OF ANY OF THE AGREEMENTS, REPRESENTATIONS OR WARRANTIES OF THE OTHER PARTY CONTAINED IN THIS LEASE.

19.18 Waiver of Jury Trial.

THE LESSEE AND THE LESSOR HEREBY WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING TO WHICH THEY ARE BOTH PARTIES INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS LEASE, ANY OF THE LESSEE DOCUMENTS OR THE RELATIONSHIP ESTABLISHED HEREUNDER OR THEREUNDER.

19.19 No Rights of Third Parties.

No third parties (other than Indemnitees with respect only to indemnities provided herein) are intended to nor shall they be deemed to have a right to (a) benefit from, or (b) seek to enforce, any of the provisions of this Lease.

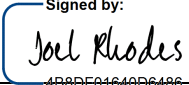
19.20 No Construction Against Drafter; No Waiver.

The terms and conditions of this Agreement shall be construed as a whole according to its fair meaning and not strictly for or against any party. The parties acknowledge that each of them has reviewed this Agreement and has had the opportunity to have it reviewed by its or her attorneys and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, Lessor and Lessee have each caused this Lease to be duly executed by their authorized officers as of the date first above written.

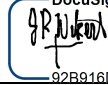
**NEW PACIFIC AIRLINES, INC.,
Lessee**

Per:  Signed by:
4B8DF04648D6486...

Name: Joel Rhodes

Title: Vice President

**JULIET ROMEO AVIATION, LLC,
Lessor**

Per:  DocuSigned by:
92B916DE38FF477

Name: Jim Wikert

Title: Manager

EXHIBIT A
TO
AIRCRAFT LEASE AGREEMENT

BASIC RENT, MAINTENANCE RESERVES AND AGREED VALUE

LEASE RATES :

I. Basic Rent: \$100,000.00 per month

II. Security Deposit \$300,000.00

III. Maintenance Reserves:

Reserve

Amount of Maintenance Reserve

Engines

Engine Performance Restoration Reserve Rate \$300.00 per Engine per Flight Hour

IV. Agreed Value: \$7,500,000

APPENDIX I

AIRCRAFT AREA OF OPERATIONS

1. Accepted Areas of Operations:

- United States of America (excepting any areas or countries noted below)

For clarity and lack of any doubts, if the Lessee wishes to operate the Aircraft outside of the United States of America, prior Lessor approval in writing shall be required, such approval not to be unreasonably withheld.

Lessee shall not operate the Aircraft in any country except in strict compliance with the (i) *United States Export Administration Regulations*; (ii) the *United States International Traffic in Arms Regulations*; (iii) *United Nations Act*; (iv) all sanctions imposed by the United Nations Security Council Sanctions Committee; (v) any sanctions program administered by the U.S. Treasury Department Office of Foreign Asset Control; and (vi) as otherwise advised by Lessor in writing (collectively the “Sanctions”).

Lessee further shall not operate the Aircraft in Belarus, Burma, Central African Republic, Cote d’Ivoire, Cuba, Democratic Republic of Congo, Eritrea, Iran, Iraq, Lebanon, Liberia, Libya, North Korea, Somalia, South Sudan, Sudan, Syria, Yemen, Zimbabwe, or any other country except and unless in full compliance with the Sanctions, and agrees to further comply with the Sanctions relating to the Crimea region as they relate to specific individuals and military equipment in the Ukraine and Russia.

Lessee shall indemnify and hold Lessor harmless with to any and all costs, penalties, fines, expenses or liabilities arising from Lessee breach of the Sanctions.

EXHIBIT B
TO
AIRCRAFT LEASE AGREEMENT
TECHNICAL ACCEPTANCE RECEIPT

NEW PACIFIC AIRLINES, INC. ("Lessee") hereby acknowledges that on the ____ day of _____, 2025 (the "**Delivery Date**") **JULIET ROMEO AVIATION, LLC ("Lessor")** did deliver to Lessee one (1) One Boeing 757-236 Aircraft manufacturer's serial number 22176 United States of America registration mark N757SS, with two (2) Rolls Royce Model RB211-535C-37 Engines serial numbers 30029 and 30037, together with the Landing Gear, all Parts and Aircraft Documents in accordance with and as defined by the Aircraft Lease Agreement made between Lessor and Lessee dated as of [DATE] (the "**Lease**"). Words and expressions used herein that are defined in the Lease have the same meaning herein.

The undersigned hereby further acknowledges that: (i) it did conduct an inspection of the aforementioned Aircraft, Engines, Landing Gear, Parts, and Aircraft Documents as contemplated by the Lease; (ii) the same are technically acceptable to it and in the condition for delivery and acceptance as required under the Lease subject to any discrepancies and related remediation as agreed to by both the Lessee and Lessor as noted in Appendix I hereto; and (iii) the execution and delivery of this Technical Acceptance Receipt by Lessee signifies the absolute and irrevocable acceptance by Lessee of the Aircraft, Engines, Landing Gear, Parts and Aircraft Documents under the Lease, and Lessee hereby unconditionally and irrevocably waives its right to revoke acceptance of Delivery of any Item of Equipment.

The Delivery Date of the Items of Equipment is the date of this Technical Acceptance Receipt and the Items of Equipment are hereby delivered and accepted on such date at _____ (time) at _____ (location).

The amount of fuel on board the Aircraft at the time of delivery hereunder is _____.

Lessee hereby confirms to Lessor that (i) the Aircraft and each Engine installed thereon or belonging thereto have been duly marked in accordance with the terms of Section 5.6 of the Lease or will be so marked promptly following Delivery hereunder, (ii) Lessee has inspected the Aircraft and has accepted the Aircraft for all purposes hereof and of the Lease, (iii) the information set forth herein is correct as of the date hereof; (iv) the Lease is in full force and effect; and (v) any Lender may rely upon all of the foregoing in granting substantial financial accommodations to Lessor and Lessee understands and agrees that any funds being advanced by Lessor's Lender will be made in reliance upon the foregoing.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, this Technical Acceptance Receipt has been executed and delivered as of the day first above written.

New Pacific Airlines, Inc.

By: _____

Name: _____

Title: _____

**APPENDIX I
TO
TECHNICAL ACCEPTANCE RECEIPT**

DISCREPANCIES AND REMEDIATION

Discrepancy

Remediation

Agreed to and accepted this _____ day of _____ 20____.

NEW PACIFIC AIRLINES, INC., Lessee

JULIET ROMEO AVIATION, LLC, Lessor

Per: _____

Per: _____

Name: _____

Name: _____

Title: _____

Title: _____

EXHIBIT C
TO
AIRCRAFT LEASE AGREEMENT

MAINTENANCE RESERVES

Lessee agrees to report and pay to the Lessor, on a monthly basis, within fifteen (15) days of the last day of each month (such month being the "**Prior Period**"), the aggregate of the designated amounts, on account of the operation of the Engines, Engine Life Limited Parts (as defined below), and the APU during the Prior Period as follows:

I. MAINTENANCE RESERVES.

(a) Engine Performance Restoration Reserve.

Lessee agrees to pay to Lessor the amount set forth in Exhibit A as the Engine Performance Restoration Reserve Rate (adjusted as provided in paragraph (a) of Section II of this Exhibit C) multiplied by the number of Flight Hours of operation of each Engine during such Prior Period (all such sums paid with respect to each Engine, an "**Engine Performance Restoration Reserve**" and collectively, the "**Engine Performance Restoration Reserves**"). A separate Engine Performance Restoration Reserve shall be established and maintained with respect to each Engine.

Upon the accomplishment of any Engine Performance Restoration Maintenance (as hereinafter defined) during a Covered Engine Shop Visit (as hereinafter defined) for any Engine during the Term, then the Engine Performance Restoration Reserve with respect to such Engine shall be used to reimburse the Lessee, or pay at the Lessee's direction, for the Lessee's costs incurred (after deducting any rebates or credits received by the Lessee or credited to the account of the Lessee as a result of such Engine Performance Restoration Maintenance) in completing such Engine Performance Restoration Maintenance, provided however, that for purposes of this paragraph (a)(i), the costs of purchasing replacement Engine Life Limited Parts for such Engine shall not be included. For purposes of this paragraph (a)(i) the Lessee's costs so incurred are referred to as "**Engine Performance Restoration Reimbursable Expenses**".

Ninety (90) days prior to the anticipated requirement for such Engine Performance Restoration Maintenance, Lessee shall provide Lessor with a written notice containing a reasonable estimate of when such Engine Performance Restoration Maintenance will be required. Following such notice, and prior to the performance of such Engine Performance Restoration Maintenance, Lessee shall provide Lessor with the work scope to be accomplished for approval by Lessor. As used herein, "**Engine Performance Restoration Maintenance**" shall be defined as any overhaul, restoration or refurbishment of an Engine or part thereof that would be accessed during the course of the workscope or as determined by additional inspection tasks as called out by the workscope, including the use of parts that will allow a predetermined minimum number of Flight Hours and Cycles of operation until the next expected removal as mutually agreed upon by Lessor and Lessee prior to commencement of such Engine Performance Restoration Maintenance. Engine Performance Restoration Reimbursable Expenses shall include Engine disassembly, assembly and testing required thereof, but shall exclude the cost of (i) any maintenance and material required solely to correct or repair damage caused by improper operations, abuse, neglect, or misuse,

(ii) any maintenance and material covered by Manufacturer's service bulletins or which is reimbursable by a claim under the Manufacturer's warranties or by insurance (with deductibles being treated as reimbursable by insurance for purposes of this exclusion), (iii) shipping, (iv) any freight charges, (v) handling charges, (vi) engine removal and installation charges, (vii) charges for labor and material necessary for the removal and installation of quick engine change components and Parts ("**QEC**"), except when such QEC is removed or installed at the maintenance facility of the Acceptable Maintenance Organization accomplishing such Engine Performance Restoration Maintenance, (viii) replacement, repair or Overhaul of external engine Parts and QEC, and (ix) rental of tooling or equipment. As used herein "**Covered Engine Shop Visit**" shall be defined as a shop visit requiring a major disassembly of an Engine and the removal and reinstallation of internal rotating Parts to the extent such shop visit results in Engine Performance Restoration Maintenance. Upon receipt by Lessor of an invoice for the amount of such Engine Performance Restoration Reimbursable Expenses claimed by Lessee, and documentation evidencing completion of such Engine Performance Restoration Maintenance accomplished during such Covered Engine Shop Visit, and the cost associated therewith claimed by Lessee for reimbursement hereunder, Lessor shall reimburse Lessee by paying (i) to Lessee (provided Lessee has delivered to Lessor evidence of payment by Lessee for the amount of such reimbursement claimed by Lessee), or (ii) upon receipt of written instruction from Lessee, pay to Lessee's maintenance provider accomplishing such Engine Performance Restoration Maintenance, an amount equal to the amount of the Engine Performance Restoration Reimbursable Expenses with respect to such Engine.

II. GENERAL AND ADDITIONAL PROVISIONS.

(a) The Maintenance Reserves rates set forth in paragraph (a) of Section I above (the "**Base Reserve Rates**") shall be effective as of the Delivery Date and shall be adjusted thereafter annually on January 1 of each year during the Term commencing on January 1, 2026 with respect to inflation (the date of each such annual adjustment, a "**Reserve Adjustment Date**"), with each such adjustment to be effective as of each such Reserve Adjustment Date, as follows:

- (i) Prospective Inflation Adjustment. Effective (A) on the first Reserve Adjustment Date, the Base Reserve Rates, and (B) on the second and each subsequent Reserve Adjustment Date, the Inflation Adjusted Base Reserve Rates (as hereinafter defined) shall be increased for inflation by a percentage amount equal to three percent (3%) or in accordance with the Engine Manufacturer's escalation formulae, whichever is greater (the Base Reserve Rates so adjusted on each such Reserve Adjustment Date hereinafter referred to as, the "**Inflation Adjusted Base Reserve Rates**"), with each such Inflation Adjusted Base Reserve Rate to be effective as of the first such Reserve Adjustment Date, and as further adjusted, on each such subsequent Reserve Adjustment Date. The reserves rates shall be further subject to adjustment, as determined by the Lessor, in the event that the Cycle/ Flight Hour Ratio is greater than 1:1.

(b) The Lessor shall not be obligated to cure any Event of Default by granting an offset to the Lessee for any amounts that would be payable hereunder in the absence of such Default or Event of Default. In no event shall the Lessor reimburse the Lessee for any amount that is greater than

the then current balance in the respective Maintenance Reserve for which such reimbursement is claimed by the Lessee, except to the extent specifically provided in Section I of this Exhibit C.

(c) Notwithstanding anything to the contrary contained in the Lease, any maintenance with respect to the Aircraft that is reimbursable in accordance with the terms of this Exhibit C shall be accomplished at an Acceptable Maintenance Organization acceptable to the Lessor in its sole discretion, and the Lessor shall be entitled to have representatives present during the performance of such maintenance to observe all aspects of such performance, including, but not limited to, the work scope thereof; provided, however, in no event shall the Lessor's representatives interfere with the performance of any such maintenance operations and, if any such maintenance is not accomplished directly by the Lessee, the presence of the Lessor's representatives shall also be subject to the rules and policies of the maintenance provider.

With respect to any payment provided for in this Exhibit C out of any Maintenance Reserves, the Lessor shall not be obligated to make any such payment if and for so long as a Default or Event of Default has occurred and is continuing. The Lessor shall not be obligated to cure any such Default or Event of Default by granting an offset to the Lessee for any amounts that would be payable hereunder in the absence of such Default or Event of Default.

**APPENDIX I
TO
MAINTENANCE RESERVES**

Maintenance Reserve Reimbursable Expense Claim Form

Please complete and return via email to contracts@avmax.com

Lessee:		Airframe MSN:	
Date of Submission:		Airframe Reg:	

Component Type:			
Part Number:		Serial Number:	
Delivery of Aircraft:		Removal Aircraft:	
TAT at Removal:		TAC at Removal:	
Reason for Removal:			
Total Invoice:		MR Claim Amount:	
Lessor Contribution:		Lessee Cost:	

The following supporting documentation is the minimum requirement to be included when submitting a component claim:

- Copy of removal task card with discrepancy noted or logbook removal entry.
- Vendor invoice with detailed breakdown of labour, materials and subcontract work.

- Invoices from material supplies for any materials supplied by Lessee.
- Vendor teardown report for component (shop findings report).
- Vendor certs. package.
- Replaced parts report in the event of BER, include certification for replacement part and tractability documents TTSN, TCSN, TTSO, TCSO as applicable.

EXHIBIT D
TO
AIRCRAFT LEASE AGREEMENT

RETURN CONDITION REQUIREMENTS

In addition to the requirements set forth in Article 16 of the Lease, on the Expiration Date, Lessee shall, at Lessee's expense, return the Aircraft to Lessor at the Redelivery Location in compliance with all of the following provisions; Lessee shall reimburse Lessor at Lessor's cost for the cost of fuel, navigation fees, and landing fees incurred by Lessor in accomplishing the return of the Aircraft from the United States of America, to the Redelivery Location, upon submission to Lessee of an invoice and substantiating documentation reasonably satisfactory to Lessee. In determining such compliance, any modification to the Maintenance Program first effective on or after the Delivery Date, shall be disregarded to the extent that as a result of such modification, a standard or requirement of Article 16 of the Lease or this Exhibit D would not be met or if such modification would otherwise affect any of such standards or requirements:

GENERAL

At return, the Aircraft shall be returned in the same condition as delivered (mirror in/mirror out), reasonable wear and tear accepted. In the event a LUMP C Check is not performed within thirty (30) days of the Expiration Date and the hours or cycles remaining to the next LUMP C Check vary from that at the Delivery Date, there shall be an economic settlement for a proportional cost of a LUMP C-Check based on the hours and cycles remaining. The terms of the economic settlement will be per the following:

- i. If the lease is not extended, per the terms of Section 3.3, then the economic settlement is \$500,000.
- ii. If the lease is extended one additional 12 months, per the terms of Section 3.3, and the most recent C-Check was completed less than 370 days prior then the economic settlement will be \$250,000.
- iii. If the lease is extended a second additional 12 months, per the terms of Section 3.3, and the most recent C-Check was completed less than 740 days prior then the economic settlement will be \$100,000.
- iv. If the lease is extended a third additional 12 months, per the terms of Section 3.3, or longer there will be no economic settlement.

(1) The Aircraft shall be airworthy and have therefore been maintained and operated in accordance with Articles 5 and 9 of the Lease with the same care and consideration for the technical condition of the Aircraft as if it were to have been kept in continued regular service by Lessee.

(2) The Aircraft exterior and the interior shall be clean. The cockpit shall be repainted if required to eliminate existing stains, excessive wear, and inappropriate markings. Placards shall be replaced if unreadable, missing or not in the English language.

(3) The Aircraft shall have installed each Engine, Landing Gear, APU, all Parts (including Parts that were installed pursuant to Section 9.5 of the Lease) and all other Items of Equipment as were installed on the Aircraft on the Delivery Date, on the date hereof and pursuant to Article 9 of the Lease, and/or as were delivered by Lessor to Lessee pursuant to the terms of the Lease, each such Item functioning in accordance with its intended use.

(4) The Aircraft shall comply with the Airframe Manufacturer's original type certificate specifications, as revised up to the Expiration Date, subject to any modifications installed in compliance with the terms of this Lease.

(5) The Airframe, Engines, Landing Gear, APU and Parts shall comply with all applicable (i) FAA requirements for passenger operation as a transport category commercial aircraft in accordance with all applicable FARs as required to obtain the issuance of a United States certificate of airworthiness for the Aircraft and (ii) ADs which by their terms require compliance on or before the Expiration Date, notwithstanding any waiver, deviation or time extension obtained from the FAA, or otherwise. Any alternate method of compliance obtained to comply with any AD shall have been approved by the FAA, without restriction or limitation.

(6) The Aircraft shall comply with all requirements for immediate issuance of a current and effective FAA certificate of airworthiness immediately upon registration of the Aircraft with the FAA, as applicable, assuming the Aircraft is to be registered on the Civil Aircraft Registry of the United States, as applicable, promptly following de-registration from the Register.

(7) Cockpit windows shall have no crazing or delamination that exceeds maintenance manual allowable limits, and passenger compartment windows shall have no crazing that obstructs the view from the windows. All equipment and furnishings in the interior of the Aircraft which are defective, damaged, or excessively worn shall be repaired or replaced by Lessee.

(8) The Aircraft shall have no leakage of fuel, oil, hydraulic fluid, or water that exceed the Airframe Manufacturer's maintenance manual allowable limits.

(9) The Aircraft (including each Engine, Landing Gear, APU and Part) shall not have any open, deferred or placarded maintenance items, nor shall they have any Flight Hour, Cycle, or calendar time extensions or waivers.

(10) All repair per manufacturing data.

(11) The wear of all brakes and tires installed on the Aircraft shall have, on average, at least fifty percent (50%) of their service life remaining with no individual brake having less than twenty percent (20%) of its service life remaining.

INTERIOR

(1) The Aircraft shall be in the same configuration (including, but not limited to, interior seating configuration, galleys and lavatories) as when such Aircraft was originally delivered to Lessee hereunder.

(2) Aircraft seats shall be in a condition that is within the manufacturer's guidelines.

ENGINES, LANDING GEAR AND APU

- (1) Immediately prior to the return of the Aircraft, which shall be after the redelivery flight for the Aircraft, Lessor shall have the right to accomplish a complete borescope inspection of the compressor, turbine, and combustion sections of each Engine, to be performed by Lessor's representative or, at Lessor's expense, an agency selected by Lessor. All defects discovered as a result of such inspections, which exceed the maintenance manual allowable limits for an installed Engine, shall be corrected at Lessee's expense.
- (2) At the Redelivery Location, immediately prior to the return of the Aircraft, Lessor shall have the right to accomplish at Lessor's expense a full take-off power engine run-up in accordance with manufacture requirements, using the appropriate procedures for the applicable variant of such engine in accordance with the maintenance manual procedures, in the presence of Lessor's representatives. Lessee shall be responsible, at its expense, for correcting any deficiencies which exceed or are outside of maintenance manual allowable limits set forth in such test, for an installed engine.
- (3) Each Landing Gear shall be in serviceable condition with no discrepancies that exceed maintenance manual allowable limits.
- (4) The APU shall be in serviceable condition with no discrepancies that exceed maintenance manual allowable limits.

INSPECTION

- (1) All (a) Aircraft Documents and other current and historical records delivered with the Aircraft on the Delivery Date, and (b) all other Aircraft Documents acquired or prepared by Lessee during the Term, shall be returned with the Aircraft, including, without limitation, (i) time logs showing Aircraft and Engine Flight Hours and Cycles on any given date during the Term, (ii) documents, (iii) manuals (revised up to and including the most current revisions issued by the applicable Manufacturers), (iv) data, (v) Overhaul records, (vi) Time Controlled Part traceability to Overhaul for then currently installed Time Controlled Parts which were installed during the Term, (vii) Life Limited Part traceability to manufacture ("zero time since new") for then currently installed Life Limited Parts which were installed during the Term, (viii) log books, (ix) serviceable parts tags for all then currently installed Parts which were installed during the Term, (x) teardown reports for then currently installed Time Controlled Parts which were installed during the Term (except to the extent that the description of the work accomplished can be determined from other documentation delivered to Lessor by Lessee), (xi) FAA forms (as applicable to the Aircraft), (xii) modification records, including (A) any applicable FAA form, (B) to the extent applicable, documentation of FAA approval, and documentation of FAA approval, (C) supplemental type certificates, and (D) records pertaining to major repairs or alterations to the Aircraft), (xiii) inspection records (including records with respect to Checks, structural inspection tasks, corrosion prevention and control program records, and non-destructive testing (NDT) documentation such as x-ray, eddy current, etc.), (xiv) records pertaining to compliance with ADs, FARS and applicable regulations of the FAA (xv) records of compliance with Manufacturer's service bulletins, (xvi) burn test certification records, and (xvii) all other documentation in the possession of Lessee pertaining to the Aircraft,

including the Engines, the Landing Gear, the APU and Parts. All discrepancies found in the Aircraft Documents shall be corrected, and any missing Aircraft Documents shall be reconstructed by Lessee at Lessee's sole cost and expense prior to the return of the Aircraft. All Aircraft Documents of maintenance, inspection, modification, and Overhauls accomplished during the Term shall be in the English language.

(2) All aircraft and engine systems (including those in galleys, passenger compartments and cargo compartments) shall be fully operational for their intended functions. Lessor shall operationally check all systems prior to the return of the Aircraft and all defects found shall be permanently repaired by Lessee, at Lessee's expense, prior to return of the Aircraft.

(3) In the event the Aircraft has been maintained on a maintenance program other than the Manufacturer's recommended maintenance program, Lessee shall cause the Aircraft to be bridged onto the Manufacturer's recommended maintenance program in accordance with the MPD, or its successor in the event the MPD is no longer in effect.

EXHIBIT E
TO
AIRCRAFT LEASE AGREEMENT
MONTHLY UTILIZATION REPORT

Monthly Utilization Report

Please complete and return via email to: cireland@redriveraircraftleasing.com;

Lessee:		Airframe MSN:	
Reporting Period Date from - to:		Airframe Reg.:	

Airframe	Airframe		TAT at Last	Date of Last	Est. Next	Current Month Util.	
Status	TAT	TAC	5000 Hour Check	Major Calendar Check	5000 Hour Check Date	Hours	Cycles
Delivery							
Current							

Engine	Serial # Original	Current	Projected	Current Month Util.	
Status	Delivered	Location	Due	Hours	Cycles
#1					
#2					
Spare	If provided by Lessor				
APU					

Prop	Assembly Serial # as Delivered	Cycles Remaining & List Limiter	Due by Calendar & Limiter
#1		e.g. Shock Strut / 2000 CR	
#2			

Components covered by reserves removed status, include TAT & TAC at time of removal and reason for removal.

Forecasting for Removals (Provide Estimated Due Hours/Cycles/Date) please provide as much notice as possible (i.e. 90 days)
