

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 000-56409

Global Crossing Airlines Group Inc.

(Exact name of registrant as specified in its charter)

Delaware

86-2226137

(State or other jurisdiction of
incorporation or organization)

**4200 NW 36th Street, Building 5A
Miami International Airport
Miami, Florida**

(I.R.S. Employer
Identification Number)

33166

(Address of principal executive office)

(Zip Code)

Registrant's telephone number, including area code: **(786) 751-8503**

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: common stock and Class B non-voting common stock

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☒

Smaller reporting company ☒

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of the registrant's Common Stock as of November 5, 2025 was 65,387,229 shares, consisting of 50,163,348 shares of common stock, 5,537,313 shares of Class A Non-Voting Common Stock and 9,686,568 shares of Class B Non-Voting Common Stock.

GLOBAL CROSSING AIRLINES GROUP INC.
Form 10-Q
Period Ended September 30, 2025

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GLOBAL CROSSING AIRLINES GROUP INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except par value and share quantities)

	September 30, 2025 (Unaudited)	December 31, 2024
Current Assets		
Cash and cash equivalents	\$ 7,055	\$ 12,345
Restricted cash	166	1,698
Accounts receivable, net of allowance for credit losses	4,875	6,678
Prepaid expenses and other current assets	4,008	2,142
Current assets held for sale	412	489
Total Current Assets	16,516	23,352
Property and equipment, net	32,672	10,308
Finance leases, net	30,237	27,489
Operating lease right-of-use assets	75,242	89,809
Deposits	12,225	11,552
Other assets	3,857	4,229
Total Assets	<u>\$ 170,749</u>	<u>\$ 166,739</u>
Current liabilities		
Accounts payable	\$ 14,077	\$ 12,568
Accrued liabilities	23,091	20,418
Deferred revenue	4,898	8,903
Customer deposits	3,989	4,080
Current portion of note payable	3,234	-
Current portion of long-term operating leases	14,326	16,479
Current portion of finance leases	6,949	3,434
Total current liabilities	70,564	65,882
Other liabilities		
Note payable, net of unamortized debt issuance costs	40,882	29,729
Long-term operating leases	62,046	75,128
Long-term finance leases	25,209	25,182
Other liabilities	292	286
Total other liabilities	128,429	130,325
Total Liabilities	<u>\$ 198,993</u>	<u>\$ 196,207</u>
Commitments and Contingencies (Note 9)		
Stockholders' Equity (Deficit)		
Common Stock		
\$.001 par value; 200,000,000 authorized; 64,954,008 and 61,758,727 issued and outstanding as of September 30, 2025 and December 31, 2024, respectively	\$ 65	\$ 62
Additional paid-in capital	43,330	40,949
Retained deficit	(71,763)	(70,566)
Total Company's stockholders' deficit	(28,368)	(29,555)
Noncontrolling interest	124	87
Total stockholders' deficit	(28,244)	(29,468)
Total Liabilities and Deficit	<u>\$ 170,749</u>	<u>\$ 166,739</u>

See accompanying notes to condensed consolidated financial statements.

GLOBAL CROSSING AIRLINES GROUP INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)
(In thousands, except share and per share amounts)

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Revenue	\$ 58,022	\$ 52,436	\$ 186,004	\$ 163,817
Operating Expenses				
Salaries, Wages, & Benefits	21,279	17,404	59,979	50,923
Aircraft Fuel	1,340	4,104	11,782	17,904
Maintenance, materials and repairs	5,153	3,448	14,413	9,026
Depreciation and amortization	3,245	1,866	8,099	4,476
Contracted ground and aviation services	3,343	3,281	14,123	14,941
Travel	1,708	2,216	6,988	9,185
Insurance	1,271	1,627	3,808	4,815
Aircraft Rent	14,649	16,031	43,809	43,554
Other	4,999	4,963	15,582	13,573
Total Operating Expenses	\$ 56,987	\$ 54,940	\$ 178,583	\$ 168,397
Operating Income (Loss)	1,035	(2,504)	7,421	(4,580)
Non-Operating Expenses				
Interest Expense	2,990	2,385	8,233	6,403
Total Non-Operating Expenses	2,990	2,385	8,233	6,403
Loss before income taxes	(1,955)	(4,889)	(812)	(10,983)
Income tax expense	-	-	-	-
Net Loss	(1,955)	(4,889)	(812)	(10,983)
Net Income (Loss) attributable to Noncontrolling Interest	4	(2)	385	(1)
Net Loss attributable to the Company	(1,959)	(4,887)	(1,197)	(10,982)
Loss per share:				
Basic	\$ (0.03)	\$ (0.08)	\$ (0.02)	\$ (0.18)
Diluted	\$ (0.03)	\$ (0.08)	\$ (0.02)	\$ (0.18)
Weighted average number of shares outstanding	64,664,058	60,817,884	63,649,789	60,024,188
Fully diluted shares outstanding	64,664,058	60,817,884	63,649,789	60,024,188

See accompanying notes to condensed consolidated financial statements.

GLOBAL CROSSING AIRLINES GROUP INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)
(In thousands, except shares quantities)

	Common Stock Number of Shares	Amount	Additional Paid in Capital	Retained Deficit	Total	Noncontroll ing Interest	Total
Beginning – January 1, 2024	58,925,871	\$ 59	\$ 38,943	\$ (59,094)	\$ (20,092)	\$ 225	\$ (19,867)
Issuance of shares - share based compensation on RSUs	742,079	1	342	—	343	—	343
Loss for the period	—	—	—	(6,379)	(6,379)	—	(6,379)
Ending – March 31, 2024	59,667,950	\$ 60	\$ 39,285	\$ (65,473)	\$ (26,128)	\$ 225	\$ (25,903)
Issuance of shares - share based compensation on RSUs	544,157	1	497	—	498	—	498
Issuance of shares - ESPP	391,574	—	221	—	221	—	221
Dividends	—	—	—	—	—	(100)	(100)
Income for the period	—	—	—	284	284	1	285
Ending – June 30, 2024	60,603,681	\$ 61	\$ 40,003	\$ (65,189)	\$ (25,125)	\$ 126	\$ (24,999)
Issuance of shares - share based compensation on RSUs	419,758	1	392	—	393	—	393
Loss for the period	—	—	—	(4,887)	(4,887)	(2)	(4,889)
Ending – September 30, 2024	61,023,439	\$ 62	\$ 40,395	\$ (70,076)	\$ (29,619)	\$ 124	\$ (29,495)

	Common Stock Number of Shares	Amount	Additional Paid in Capital	Retained Deficit	Total	Noncontroll ing Interest	Total
Beginning – January 1, 2025	61,758,727	62	40,949	(70,566)	(29,555)	87	(29,468)
Issuance of shares – options exercised	50,000	—	12	—	12	—	12
Issuance of shares – share based compensation on RSUs	1,876,109	2	534	—	536	—	536
Income for the period	—	—	—	154	154	372	526
Issuance of shares - ESPP	5,496	—	3	—	3	—	3
Ending – March 31, 2025	63,690,332	\$ 64	\$ 41,498	\$ (70,412)	\$ (28,850)	\$ 459	\$ (28,391)
Issuance of shares – options exercised	196,667	—	49	—	49	—	49
Issuance of shares – share based compensation on RSUs	309,994	1	776	—	777	—	777
Issuance of shares - ESPP	258,796	—	168	—	168	—	168
Proceeds from disgorgement of stockholders' short-swing profits (Note 11)	—	—	12	—	12	—	12
Dividends	—	—	—	—	—	(148)	(148)
Income for the period	—	—	—	608	608	9	617
Ending – June 30, 2025	64,455,789	\$ 65	\$ 42,503	\$ (69,804)	\$ (27,236)	\$ 320	\$ (26,916)
Issuance of shares - share based compensation on RSUs	498,219	—	827	—	827	—	827
Dividends	—	—	—	—	—	(200)	(200)
(Loss) Income for the period	—	—	—	(1,959)	(1,959)	4	(1,955)
Ending – September 30, 2025	64,954,008	\$ 65	\$ 43,330	\$ (71,763)	\$ (28,368)	\$ 124	\$ (28,244)

See accompanying notes to condensed consolidated financial statements.

GLOBAL CROSSING AIRLINES GROUP INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(In thousands)

	For the nine months ended September 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss	\$ (812)	\$ (10,983)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation expense	8,099	4,476
Credit losses	111	357
Loss on sale of spare parts	82	160
Amortization of debt issue costs	584	463
Amortization of operating lease right of use assets	14,950	10,556
Share-based payments	2,166	1,266
Interest on finance leases	3,295	1,991
Changes in assets and liabilities:		
Accounts receivable	1,714	3,413
Assets held for sale	(5)	(355)
Prepaid expenses and other current assets	(1,772)	131
Accounts payable	1,509	5,336
Accrued liabilities and other liabilities	(1,423)	(6,669)
Operating lease obligations	(15,618)	(10,507)
Other liabilities	(3,340)	(1,892)
Net cash provided by (used in) operating activities	9,540	(2,257)
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposits, deferred costs and other assets	(1,561)	(1,259)
Purchases of property and equipment	(10,042)	(4,998)
Net cash used in investing activities	(11,603)	(6,257)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on finance leases	(3,783)	(1,427)
Principal payments on note payable	(678)	—
Debt issue costs	(169)	—
Proceeds on issuance of shares	207	188
Dividends	(348)	(100)
Proceeds from disgorgement of stockholders' short-swing profits	12	—
Net cash used in financing activities	(4,759)	(1,339)
Net decrease in cash, cash equivalents, and restricted cash	(6,822)	(9,853)
Cash, cash equivalents and restricted cash - beginning of the period	14,043	17,676
Cash, cash equivalents and restricted cash - end of the period	\$ 7,221	\$ 7,823
Non-cash investing and financing activities		
Reclass of Property and equipment to Accounts receivable (aircraft receivable) and Prepaid expenses and other current assets (deferred maintenance)	\$ 117	\$ -
Right-of-use (ROU) assets acquired through operating leases	\$ 383	\$ 27,229
Aircraft acquired through note payable	\$ 14,650	\$ -
Aircraft acquired through finance leases	\$ 3,453	\$ 26,414
Airframe acquired through finance leases	\$ 3,536	\$ -
Equipment acquired through finance leases	\$ 387	\$ 57
Cash paid for		
Interest	\$ 7,794	\$ 4,385

See accompanying notes to condensed consolidated financial statements.

GLOBAL CROSSING AIRLINES GROUP INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Item 1 - Financial Statements

1. BASIS OF PRESENTATION AND GOING CONCERN

Global Crossing Airlines Group Inc. (the “Company” or “GlobalX”), as its principal business activity, provides passenger and cargo aircraft to customers through aircraft operating service agreements, including, crew, maintenance and insurance (“ACMI”) and charter services (“Charter”) serving the United States, Caribbean, Latin American and European markets.

The condensed consolidated financial statements include the accounts of the Company, and its subsidiaries, Global Crossing Airlines, Inc. and Global Crossing Airlines Operations, LLC (collectively “GlobalX USA”), Global Crossing Airlines Holdings, Inc, GlobalX Travel Technologies, Inc. (“Technologies”), GlobalX Air Tours, LLC (“GlobalX Tours”), LatinX Air S.A.S., UrbanX Air Mobility, Inc. (“UrbanX”), Charter Air Solutions, LLC (“Top Flight”), and MSN 3101 Acquisition LLC (“MSN 3101”). All intercompany transactions and balances have been eliminated in consolidation.

The accompanying unaudited condensed consolidated financial statements and related notes (the “Financial Statements”) have been prepared in accordance with the U.S. Securities and Exchange Commission (the “SEC”) requirements for quarterly reports on Form 10-Q, and consequently exclude certain disclosures normally included in audited consolidated financial statements prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”). In the opinion of the management, the Financial Statements contain all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of its financial position as of September 30, 2025, and its results of operations for the three and nine months ended September 30, 2025, and its cash flows for the nine months ended September 30, 2025. The condensed consolidated balance sheet at December 31, 2024, was derived from the Company's audited annual consolidated financial statements as of and for the year ended December 31, 2024, but does not contain all of the footnote disclosures from such audited annual consolidated financial statements. The Financial Statements should be read in conjunction with such audited consolidated financial statements and the notes included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024, which includes additional disclosures and a summary of our significant accounting policies.

The Company's quarterly results are subject to seasonal and other fluctuations and the operating results for any quarter are therefore not necessarily indicative of results that may be otherwise expected for the entire year.

The Financial Statements have been prepared in conformity with GAAP on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As of September 30, 2025, the Company had a working capital deficit of \$54.0 million and a retained deficit of \$71.8 million. Without ongoing income generation or additional financing, the Company will be unable to fund general and administrative expenses and working capital requirements for the next 12 months from the date of the filing of this Quarterly Report on Form 10-Q. These material uncertainties raise substantial doubt as to the Company’s ability to continue as a going concern. The Company is evaluating financing its future requirements through a combination of debt, equity and/or other facilities. There is no assurance that the Company will be able to obtain such financing or obtain them on favorable terms. The Financial Statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses or the statements of financial position classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

Reclassification

The Company reclassified \$87,000 from Retained Deficit to Noncontrolling Interest related to a prior year change on its condensed consolidated balance sheet as of September 30, 2025, to conform with current year presentation. In addition, a reclassification adjustment of \$2,000 was done from Additional paid-in capital to Common Stock for the condensed consolidated balance sheet as of December 31, 2024. We consider these adjustments to be immaterial to the Financial Statements.

2. NEW ACCOUNTING STANDARDS

Recently Issued Accounting Standards

In December 2023, the FASB issued ASU 2023-09 – Improvements to Income Tax Disclosures – Amendments (the "Update"). This update requires that public business entities on an annual basis (1) disclose specific categories in the rate reconciliation and (2) provide additional information for reconciling items that meet a quantitative threshold (if the effect of those reconciling items is equal to or greater than 5 percent of the amount computed by multiplying pretax income (or loss) by the applicable statutory income tax rate). All entities disclose on an annual basis the following information about income taxes paid: (1) the amount of income taxes paid (net of refunds received) disaggregated by federal (national), state, and foreign taxes; and (2) the amount of income taxes paid (net of refunds received) disaggregated by individual jurisdictions in which income taxes paid (net of refunds received) is equal to or greater than 5 percent of total income taxes paid (net of refunds received). All entities disclose the following information: (1) income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign; and (2) income tax expense (or benefit) from continuing operations disaggregated by federal (national), state, and foreign. The amendments in this Update eliminate the requirement for all entities to (1) disclose the nature and estimate of the range of the reasonably possible change in the unrecognized tax benefits balance in the next 12 months or (2) make a statement that an estimate of the range cannot be made. The amendments in this Update remove the requirement to disclose the cumulative amount of each type of temporary difference when a deferred tax liability is not recognized because of the exceptions to comprehensive recognition of deferred taxes related to subsidiaries and corporate joint ventures. The amendments in this Update replace the term public entity as currently used in Topic 740 with the term public business entity as defined in the Master Glossary of the Codification. The amendments in this Update are effective for public business entities for fiscal years beginning after December 15, 2024. The Company will adopt ASU 2023-09 in its fourth quarter of 2025 using a prospective transition method. The Company is currently evaluating the full effect that the adoption of this standard will have on its condensed consolidated financial statements.

In March 2024, the FASB issued ASU 2024-01 – Compensation-Stock Compensation – Amendments. This update aims to improve GAAP by adding an illustrative example to demonstrate how an entity should apply the scope guidance in paragraph 718-10-15-3 to determine whether profits interest and similar awards ("profits interest awards") should be accounted for in accordance with Topic 718, Compensation-Stock Compensation. The amendments in this update are effective for public business entities for fiscal years beginning after December 15, 2024. The Company adopted the provisions of ASU 2024-01 as of January 1, 2025, which did not materially impact the Company's Financial Statements.

In November 2024, the FASB issued ASU 2024-03 – Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures. This update require disclosure, in the notes to financial statements, of specified information about certain costs and expenses. The amendments require that at each interim and annual reporting period an entity: (1) disclose the amounts of (a) purchases of inventory, (b) employee compensation, (c) depreciation, (d) intangible asset amortization, and (e) depreciation, depletion, and amortization recognized as part of oil and gas-producing activities (DD&A) (or other amounts of depletion expense) included in each relevant expense caption with a relevant expense caption being an expense caption presented on the face of the income statement within continuing operations that contains any of the expense categories listed in (a)–(e); (2) include certain amounts that are already required to be disclosed under GAAP in the same disclosure as the other disaggregation requirements; (3) disclose a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively; and (4) disclose the total amount of selling expenses and, in annual reporting periods, an entity's definition of selling expenses. An entity is not precluded from providing additional voluntary disclosures that may provide investors with additional decision-useful information. The amendments in this update are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Managements expect no significant impact after adoption of the new standard.

In January 2025, the FASB issued ASU 2025-01 – Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures. This update amends the effective date of Update 2024-03 to clarify that all public business entities are required to adopt the guidance in annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Managements expect no significant impact after adoption of the new standard.

In July 2025, the FASB issued ASU 2025-05 – Financial Instruments—Credit Losses. This update provides all entities with a practical expedient in developing reasonable and supportable forecasts as part of estimating expected credit losses. All entities may elect a practical expedient that assumes that current conditions as of the balance sheet date do not change for the remaining life of the asset. This update will be effective for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. Early adoption is permitted in both interim and annual reporting periods in which financial statements have not yet been issued or made available for issuance. Managements expect no significant impact after adoption of the new standard.

3. INVESTMENTS

Investment in Canada Jetlines Operations Ltd. ("Jetlines"):

On June 28, 2021, the Company completed the spin-out pursuant to the Arrangement under which the Company transferred 75% of shares of Jetlines to GlobalX stockholders. At that time, GlobalX retained 25% of the shares issued and outstanding of Jetlines and accounts for the investment in accordance with the equity method.

On September 11, 2024, *Jetlines* filed an Assignment in Bankruptcy after finding that it would be unable to secure financing to continue with its Proposal under the Bankruptcy and Insolvency Act. BDO Canada Limited was assigned as Trustee of the bankrupt estate. Prior to bankruptcy, the Company held approximately 7% ownership of Jetlines. As a result of the filing, Jetlines shares were deemed to be worthless with its outstanding shares cancelled in accordance with its Proposal under the Bankruptcy and Insolvency Act.

The Company had provided a guarantee for one of Jetlines' aircraft and as a result the Company settled a \$1.3 million obligation with Jetlines' lessor of related aircraft during the year ended December 31, 2024, which was recorded in current liabilities and non-operating expenses on the Company's condensed consolidated balance sheet and statement of operations, respectively.

4. PROPERTY AND EQUIPMENT, NET

Property and equipment are recorded at cost at the acquisition date of such property or equipment and depreciated on a straight-line basis to an estimated residual value over their estimated useful lives or lease term, whichever is shorter, as follows:

Leasehold Improvements, Aircraft, other	1-10 years (or life of lease, if shorter)
Office and Ground Equipment	5 years
Computer Hardware and Software	3-5 years
Property and Equipment under Finance Leases	5-30 years (or life of lease, if shorter)
Rotable Parts	Average remaining life of aircraft fleet, currently estimated to be 48 months
Airframe	6 years (lesser of 25 years or date until next 12-Y check)
Engines	Average remaining life of aircraft fleet associated to the engines, currently estimated to be 43 months

Modifications that enhance the operating performance or extend the useful lives of leased airframes are considered leasehold improvements and are capitalized and depreciated over the economic life of the asset or the term of the lease, whichever is shorter.

The Airframe and Engines of the Company have an estimated salvage and residual value of \$2.8 million and \$11.0 million, respectively. Such amounts were determined in conjunction with third-party appraisers.

The components of property and equipment, net are as follows:

	September 30, 2025	December 31, 2024
Rotable Parts	\$ 15,288	\$ 6,657
Engines	12,082	-
Leasehold Improvements, Aircraft, Other	3,368	2,880
Airframe	3,000	-
Office and Ground Equipment	1,516	1,289
Computer Hardware and Software	1,379	1,303
Less: Accumulated Depreciation	(3,961)	(1,821)
Total Property and Equipment, Net	<u>\$ 32,672</u>	<u>\$ 10,308</u>

During the three and nine months ended September 30, 2025, depreciation of property and equipment was \$3.3 million and \$8.1 million, respectively.

During the three and nine months ended September 30, 2024, depreciation of property and equipment was \$1.9 million and \$4.5 million, respectively.

5. NOTES PAYABLE

On August 2 and December 21, 2023, the Company consummated the placement of \$35 million and \$0.7 million, respectively, of senior secured notes due 2029 (the “Secured Notes”).

The terms of the Secured Notes include:

- a term of 6 years and maturity date of June 30, 2029 with no principal payments due until maturity date;
- the notes bear interest at a fixed rate of 15% per annum and include an upfront fee of 2% of the principal payment;
- the Company is permitted to prepay all (but not less than all) of the notes beginning on July 1, 2025 subject to a redemption premium of (i) 7.5% of the principal to be redeemed on or prior to August 2, 2026, (ii) 5.0% of the principal to be redeemed after August 2, 2026 and on or prior to August 2, 2027, (iii) 2.5% of the principal to be redeemed after August 2, 2027 and on or prior to August 2, 2028, (iv) 0% of the principal to be redeemed after August 2, 2028;
- the investors were granted 10 million warrants, each exercisable into one share of Class A common stock at an exercise price of \$1.00 per share, with such warrants expiring on June 30, 2030;
- each of the Company's material subsidiaries guaranteed the notes;
- the notes and the related guarantees are secured by a lien on substantially all of the property and assets of the Company and the guarantors of the notes.
- financial covenants requiring minimum adjusted EBITDA of (i) \$5,000,000 for the fiscal year ended December 31, 2023, (ii) \$15,000,000 for the fiscal year ended December 31, 2024 and (iii) \$25,000,000 for the fiscal year ending December 31, 2025;
- minimum liquidity of \$5,000,000 measured at each quarter end; and
- collateral of substantially of all the Company's assets.

The Company determined that the terms of the warrants issued in the financing require the warrants to be classified as equity. Accordingly, upon issuance, the Company recorded debt issuance costs of \$3.8 million related to the warrants along with a corresponding credit to additional paid in capital. As the warrants are classified as equity warrants the Company will not remeasure the warrants each accounting period.

The debt issuance costs resulting from the warrants along with other direct costs of the financing will be amortized to interest expense using the effective interest method.

Related to issuance of Secured Notes of \$0.7 million on December 21, 2023, the Company and the purchasers of the Secured Notes amended the original placement of \$35 million of the Secured Notes to allow for the sale of an additional \$5 million senior secured notes due 2029 to current purchasers and the total warrants increased by 142,874 warrants with an exercise price of \$1.00 per warrant. The net proceeds from the sale of the additional notes were used to repurchase \$4.3 million principal amount of Secured Notes from a current purchaser of the Secured Notes plus payment of accrued interest due of \$251,000, with the remaining balance used for general corporate purposes, including the transaction expenses and deposits to expand its current fleet of aircraft. No other substantial modification to the terms of the \$35 million Secured Notes from August 2, 2023 was made in the issuance of the additional notes.

On July 11, 2025, MSN 3101 Acquisition LLC, a wholly owned subsidiary of the Company, consummated the Company's first aircraft acquisition, an Airbus A320 (MSN 3101), currently operating in its fleet as N630VA and powered by two CFM56-5B engines. The aircraft was purchased from former lessor Falcon 2019-1 Aerospace Limited, and the lease agreement with Falcon 2019-1 Aerospace Limited was terminated simultaneously with the consummation of the purchase of the aircraft.

The purchase price of approximately \$17.0 million (including transaction costs, less deposits and cash maintenance reserves of approximately \$2.4 million) paid to seller was financed by Volofin Capital Management Ltd. of London pursuant to, among other documents, a loan agreement and a promissory note (the “Loan Documents”).

The terms of the Loan Documents include monthly payments equal to (i) \$375,000, for the first twelve monthly payments, (ii) \$300,000, for the subsequent twelve monthly payments, and (iii) \$225,000, for each monthly payment thereafter, and all remaining outstanding indebtedness shall be due and payable on the earlier of (a) March 1, 2031, and (b) the day immediately prior to the next scheduled 12Y-Check for the aircraft. Interest on the debt will accrue at the annual rate of 8.84 %.

The Loan Documents include customary covenants including, maintenance of a “loan to value” ratio of at least 85% on the first anniversary of the first utilization of the loan which shall be reduced by 5% on each anniversary thereafter.

Notes Payable is comprised of the following in thousands:

	For the Nine Months Ended September 30, 2025	For the Year Ended December 31, 2024
Subscription Agreement	\$ 35,684	\$ 35,684
Promissory Note	13,972	-
Less unamortized debt issuance costs, noncurrent	(5,540)	(5,955)
Total carrying amount	44,116	29,729
Less current maturities	(3,234)	—
Total long-term Note Payable	\$ 40,882	\$ 29,729

6. SHARE CAPITAL AND ADDITIONAL PAID IN CAPITAL AUTHORIZED

As of September 30, 2025 and December 31, 2024, the Company had 49,695,529 and 44,667,815 common shares, 5,537,313 and 5,537,313 Class A Non-Voting Common Shares, and 9,721,166 and 11,553,599 Class B Non-Voting Shares outstanding, respectively.

7. WARRANTS

Following is a summary of the warrant activity during the three and nine months ended September 30, 2025 and 2024:

	Number of Share Purchase Warrants	Weighted Average Exercise Price
Outstanding January 1, 2024	22,571,471	\$ 1.22
Issued	—	—
Exercised	—	—
Expired	(4,838,707)	1.24
Outstanding March 31, 2024	17,732,764	\$ 1.21
Issued	—	—
Exercised	—	—
Expired	—	—
Outstanding June 30, 2024	17,732,764	\$ 1.21
Issued	—	—
Exercised	—	—
Expired	—	—
Outstanding September 30, 2024	17,732,764	\$ 1.21
Outstanding January 1, 2025	17,732,764	\$ 1.21
Issued	—	—
Exercised	—	—
Expired	—	—
Outstanding March 31, 2025	17,732,764	\$ 1.21
Issued	—	—
Exercised	—	—
Expired	—	—
Outstanding June 30, 2025	17,732,764	\$ 1.21
Issued	—	—
Exercised	—	—
Expired	—	—
Outstanding September 30, 2025	17,732,764	\$ 1.21

As of September 30, 2025, the following share purchase warrants were outstanding and exercisable:

Outstanding	Exercise Price	Remaining life (years)	Expiry Date
7,537,313	\$1.50	0.58	April 29, 2026
10,195,451	\$1.00	4.75	Jun 30, 2030
17,732,764			

As of September 30, 2024, the following share purchase warrants were outstanding and exercisable:

Outstanding	Exercise Price	Remaining life (years)	Expiry Date
7,537,313	\$1.50	1.58	April 29, 2026
10,195,451	\$1.00	5.75	June 30, 2030
17,732,764			

8. STOCK-BASED COMPENSATION

The maximum number of shares of common stock of the Company (the “Common Stock”) issuable pursuant to share-based payment arrangements, including stock options, restricted share units and performance share units, is 9,400,000.

Stock options

The Company grants stock options to directors, officers, employees and consultants as compensation for services, pursuant to its Amended Stock Option Plan (the “Stock Option Plan”). The maximum exercise price per share shall not be less than the closing price of a share of Common Stock on the last trading day preceding the date on which the grant of options is approved by the Board of Directors. Options have a maximum expiry period of ten years from the grant date. Vesting conditions are determined by the Board of Directors in its discretion with certain restrictions in accordance with the Stock Option Plan.

The following is a summary of stock option activities for the three and nine months ended September 30, 2025 and 2024:

	Number of stock options	Weighted average exercise price	Weighted average grant date fair value
Outstanding January 1, 2024	470,668	\$ 0.25	\$ 0.29
Granted	—	—	—
Exercised	—	—	—
Forfeited	(157,334)	0.37	0.36
Outstanding March 31, 2024	313,334	\$ 0.25	\$ 0.25
Granted	—	—	—
Exercised	—	—	—
Forfeited	(66,667)	0.25	0.25
Outstanding June 30, 2024	246,667	\$ 0.25	\$ 0.25
Granted	—	—	—
Exercised	—	—	—
Forfeited	—	—	—
Outstanding September 30, 2024	246,667	\$ 0.25	\$ 0.25
Outstanding Jan 1, 2025	246,667	\$ 0.25	\$ 0.25
Granted	—	—	—
Exercised	(50,000)	0.25	0.25
Forfeited	—	—	—
Outstanding March 31, 2025	196,667	\$ 0.25	\$ 0.25
Granted	—	—	—
Exercised	(196,667)	0.25	0.25
Forfeited	—	—	—
Outstanding June 30, 2025	—	\$ -	\$ -
Granted	—	—	—
Exercised	—	—	—
Forfeited	—	—	—
Outstanding September 30, 2025	—	\$ -	\$ -

As of September 30, 2025, there were no stock options outstanding and exercisable.

As of September 30, 2024, the following stock options were outstanding and exercisable:

Outstanding	Exercisable	Exercise Price	Remaining life (years)	Expiry Date
246,667	246,667	\$ 0.25	—	June 23, 2025
246,667	246,667			

The Company recognizes share-based payments expense for all stock options granted using the fair value based method of accounting. The fair value of stock options is determined by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Common Stock, forfeiture rate, and expected life of the options.

There were no stock options granted during the three and nine months ended September 30, 2025 and 2024.

Restricted share units

The Company grants restricted share units (“RSUs”) to directors, officers, employees and consultants as compensation for services, pursuant to its Amended RSU Plan (the “RSU Plan”). One restricted share unit has the same value as a share of Common Stock. The number of RSUs awarded and underlying vesting conditions are determined by the Board of Directors in its discretion.

At the election of the Board of Directors, upon each vesting date, participants receive (a) the issuance of Common Stock from treasury equal to the number of RSUs vesting, (b) a cash payment equal to the number of vested RSUs multiplied by the fair market value of a share of Common Stock, calculated as the closing price of a share of Common Stock on the OTCQB for the trading day immediately preceding such payment date or (c) a combination of (a) and (b).

On the grant date of RSUs, the Company determines whether it has a present obligation to settle in cash. If the Company has a present obligation to settle in cash, then the RSUs are accounted for as liabilities, with the fair value remeasured at the end of each reporting period and at the date of settlement, with any changes in fair value recognized in profit or loss for the period. The Company has a present obligation to settle in cash if the choice of settlement in shares has no commercial substance, or the Company has a past practice or a stated policy of settling in cash, or generally settles in cash whenever the counterpart asks for cash settlement.

If no such obligation exists, then RSUs are accounted for as equity settled share-based payments and are valued using the share price on grant date. Upon settlement:

- If the Company elects to settle in cash, then the cash payment is accounted for as the repurchase of an equity interest (i.e. as a deduction from equity), except as noted in (c) below.
- If the Company elects to settle by issuing shares, then the value of RSUs initially recognized in reserves is reclassified to capital, except as noted in (c) below.
- If the Company elects the settlement alternative with the higher fair value, then as of the date of settlement, the Company recognizes an additional expense for the excess value given (i.e. the difference between the cash paid and the fair value of shares that would otherwise have been issued, or the difference between the fair value of the shares and the amount of cash that would otherwise have been paid, whichever is applicable).

The following is a summary of RSU activities for the three and nine months ended September 30, 2025 and 2024:

	Number of RSUs	Weighted average grant date fair value per RSU
Outstanding January 1, 2024	4,989,603	\$ 0.98
Granted	2,573,333	0.52
Vested	(794,579)	1.02
Forfeited	(870,002)	1.11
Outstanding March 31, 2024	5,898,355	\$ 0.75
Granted	231,667	0.54
Vested	(619,908)	1.26
Forfeited	(330,892)	0.71
Outstanding June 30, 2024	5,179,222	\$ 0.69
Granted	605,000	0.24
Vested	(371,425)	0.63
Forfeited	(150,576)	0.72
Outstanding September 30, 2024	5,262,221	\$ 0.64
Outstanding January 1, 2025	5,268,373	\$ 0.65
Granted	4,149,000	0.67
Vested	(1,876,109)	0.60
Forfeited	(246,669)	0.66
Outstanding March 31, 2025	7,294,595	\$ 0.67
Granted	250,002	0.66
Vested	(309,994)	0.91
Forfeited	(16,669)	0.84
Outstanding June 30, 2025	7,217,934	\$ 0.67
Granted	680,706	0.61
Vested	(498,219)	0.58
Forfeited	(347,578)	0.69
Outstanding September 30, 2025	7,052,843	\$ 0.67

During the three and nine months ended September 30, 2025, the Company recognized total share-based payments expense with respect to stock options, RSUs and employees' stock purchase plan of \$0.8 million and \$2.2 million, respectively, as presented in Salaries, Wages and Benefits on our Condensed Consolidated Statements of Operations.

During the three and nine months ended September 30, 2024, the Company recognized total share-based payments expense with respect to stock options, RSUs and employees' stock purchase plan of \$0.4 million and \$1.3 million, respectively, as presented in Salaries, Wages and Benefits on our Condensed Consolidated Statements of Operations.

The remaining compensation that has not been recognized as of September 30, 2025 and 2024 with regards to RSUs and the weighted average period in which they will be recognized are \$3.0 million and 1.80 years and \$2.3 million and 2.02 years, respectively. As of September 30, 2025, all compensation expense with respect to stock options has been recognized.

Employee Stock Purchase Plan

In September 2021, the Board adopted the GlobalX 2021 Employee Stock Purchase Plan ("ESPP"). There are 2 offering periods during which the employees make contributions to the ESPP. The first offering period runs from May 16th to October 31st of each year and the second offering period runs from November 1st to May 15th of each year. Eligible employees may purchase a maximum of 10,000 shares of Common Stock per offering through payroll deductions at a price per share equal to 85% of the lower of the fair market values of a share of Common Stock as of the beginning or the end of six-month offering periods. An employee's payroll deductions under the ESPP are limited to 15% of the employee's compensation and an employee may not purchase more than \$25,000 of Common Stock during any calendar year in which the employee's option to purchase shares under the ESPP is outstanding at any time.

At the Annual Meeting of Stockholders of the Company held on November 22, 2024, the Company's stockholders approved an amendment to the ESPP. The amendment was approved by Company's Board of Directors, subject to the approval of Company's stockholders, and became effective with such stockholder approval on November 22, 2024.

As a result of such stockholder approval, the ESPP was amended to increase the number of shares authorized for issuance under the ESPP by 3,000,000 shares of Common Stock (from 1,000,000 shares to 4,000,000 shares).

During the three and nine months ended September 30, 2025, the Company issued zero and 264,292 shares, respectively, under the ESPP. During the three and nine months ended September 30, 2024, the Company issued zero and 391,574 shares, respectively, under the ESPP.

As of September 30, 2025 and 2024, total recognized equity-based compensation costs related to ESPP were approximately \$171,000 and \$222,000, respectively, and are included within additional paid-in capital in the consolidated balance sheets.

ESPP payroll contributions accrued at September 30, 2025 and 2024 totaled approximately \$85,000 and \$48,000, respectively, and are included within accrued expenses in the consolidated balance sheets. Employee payroll contributions used to purchase shares under the ESPP will be reclassified to stockholders' equity at the end of the offering period.

9. INCOME TAXES

The Company's expected effective tax rate for the three and nine months ended September 30, 2025, and 2024 was 0%. The effective tax rate varies from the statutory rate due to the change in the valuation allowance.

10. COMMITMENTS AND CONTINGENCIES

The Company has contractual obligations and commitments primarily with regard to management and development services, lease arrangements and financing arrangements.

On October 14, 2021, the Company entered into a lease agreement for one Airbus A321 converted freighter. The ten-year lease term commenced on January 23, 2023. Under the agreement, the Company will pay the lessor a fixed monthly rent for 120 months, plus supplemental rent for maintenance of the aircraft.

On June 21, 2022, the Company entered into a lease agreement for one A321F cargo aircraft. The eight-year lease term commenced on August 1, 2023. Under the agreement, the Company will pay the lessor a fixed monthly rent for 94 months, plus supplemental rent for maintenance of the aircraft.

On December 14, 2022, the Company entered into a lease agreement for one A319 passenger aircraft. The two-year lease term commenced on August 18, 2023. Under the agreement, the Company will pay the lessor a fixed monthly rent for 24 months, plus supplemental rent for maintenance of the aircraft.

On January 27, 2023, the Company entered into a lease agreement for one A320 passenger aircraft. The six-year lease term commenced on April 21, 2023. Under the agreement, the Company will pay the lessor a fixed monthly rent for 72 months, plus supplemental rent for maintenance of the aircraft.

On May 22, 2023, the Company entered into a lease agreement for a commercial property warehouse. The approximately five-year lease term commenced on June 1, 2023. Under the agreement, the Company will pay the lessor variable monthly rents increasing once every year for 62 months, plus estimated expenses for insurance, utilities, taxes, management fees and other operating expenses.

On June 16, 2023, the Company entered into a lease agreement for one A320 passenger aircraft. The four-year lease term commenced on November 13, 2023. Under the agreement, the Company will pay the lessor a fixed monthly rent for 48 months, plus supplemental rent for maintenance of the aircraft.

On August 8, 2023, the Company entered into a lease agreement for one A320 passenger aircraft. The three-year lease commenced on September 3, 2024. Under the agreement, the Company will pay the lessor a fixed monthly rent for 36 months, plus supplemental rent for maintenance of the aircraft.

On September 8, 2023, the Company entered into a lease agreement for one A321F cargo aircraft. The eight-year lease term commenced on October 6, 2023. Under the agreement, the Company will pay the lessor a fixed monthly rent for 96 months, plus supplemental rent for maintenance of the aircraft.

On November 17, 2023, the Company signed a lease agreement for one A321 passenger aircraft and paid commitment fees to the lessor. The lease will commence upon aircraft delivery which is expected to be in 2025 and will run through 24 months from delivery date. In addition to basic rent due, the Company will pay the lessor supplemental rent for maintenance of the aircraft.

On November 20, 2023, the Company entered into a lease agreement for one A320 passenger aircraft. The approximately seven-year lease term commenced on February 9, 2024. Under the agreement, the Company will pay the lessor a fixed monthly rent for 86 months, plus supplemental rent for maintenance of the aircraft.

On December 22, 2023, the Company entered into a lease agreement for one A321F cargo aircraft. The ten-year lease commenced on March 8, 2024. Under the agreement, the Company will pay the lessor a fixed monthly rent for 120 months, plus supplemental rent for maintenance of the aircraft.

On January 19, 2024, the Company entered into a lease agreement for one A320 passenger aircraft. The approximately one-year lease commenced on July 9, 2024. Under the agreement, the Company will pay the lessor a fixed monthly rent for 16 months, plus supplemental rent for maintenance of the aircraft.

On April 16, 2024, the Company entered into a lease agreement for one A320 passenger aircraft. The six-year lease commenced on April 17, 2024. Under the agreement, the Company will pay the lessor a fixed monthly rent for 72 months, plus supplemental rent for maintenance of the aircraft.

On April 29, 2024, the Company entered into a lease agreement for one A321F passenger aircraft. The approximately one-year lease commenced on January 31, 2025. Under the agreement, the Company will pay the lessor a fixed monthly rent for 22 months, plus supplemental rent for maintenance of the aircraft. Following the expiration date, the aircraft is expected to undergo a passenger-to-freighter conversion and a second lease after completion which will run through an additional 102 months from redelivery date.

On June 6, 2025, the Company signed a lease agreement for one A319 passenger aircraft and paid commitment fees to the lessor. The lease will commence upon aircraft delivery which is expected to be in 2025 and will run through 36 months from delivery date. In addition to basic rent due, the Company will pay the lessor supplemental rent for maintenance of the aircraft.

On June 6, 2025, the Company signed a lease agreement for one A319 passenger aircraft and paid commitment fees to the lessor. The lease will commence upon aircraft delivery which is expected to be in 2025 and will run through 37 months from delivery date. In addition to basic rent due, the Company will pay the lessor supplemental rent for maintenance of the aircraft.

On June 6, 2025, the Company signed a lease agreement for one A319 passenger aircraft and paid commitment fees to the lessor. The lease will commence upon aircraft delivery which is expected to be in 2025 and will run through 39 months from delivery date. In addition to basic rent due, the Company will pay the lessor supplemental rent for maintenance of the aircraft.

On August 8, 2025, the Company entered into a lease agreement for one V2527-A5 aircraft engine. The lease commenced on August 8, 2025 and will run through the earliest to occur of: (a) the date the agreement is terminated due to the unservicability of the engine as set forth in Section 10(a) of the Engine Lease General Terms Agreement, dated as of January 17, 2024 and attached hereto as Exhibit 10.5; (b) five years after the date the engine was delivered; (c) the date of removal of the engine due to AD 2022-02-09; (d) the date

the engine becomes unserviceable as a result of the failure of the existing 600FH Nozzle Guide Vane re-inspection; (e) the date the Engine becomes unserviceable due to failure of the existing 600FH HPT Blade re-inspection; or (f) an FAA Airworthiness Directive falls due that requires removal of Engine from wing. Under the agreement, the Company will pay the lessor a fixed monthly rent for the duration of the lease, plus supplemental rent for maintenance of the aircraft engine.

On August 15, 2025, the Company signed a lease agreement for one V2527-A5 aircraft engine. The term of the two-year lease commenced on October 8, 2025. Under the lease agreement, the Company will pay the lessor a fixed monthly rent for 24 months, plus supplemental rent for maintenance of the aircraft engine.

On August 15, 2025, the Company entered into a lease agreement for one A320 passenger aircraft airframe. The three-year lease commenced on August 28, 2025. Under the lease agreement, the Company will pay the lessor a fixed monthly rent for 36 months. According to the lease terms, at the end of the lease the Company will own the airframe.

The Company reviewed the operating leases for extension options that may be reasonably certain to be exercised and then would become part of the right-of-use assets and lease liabilities. On December 21, 2022, and October 10, 2023, the Company signed extensions for two aircraft extending their lease terms for an additional 60 and 15 months from original ending date of June 1, 2023, and October 1, 2023, to May 31, 2028, and December 31, 2024, respectively. In addition, on March 27, 2024 an additional extension was signed to extend aircraft lease term for an additional 74 months from previous extended ending date of December 31, 2024 to February 28, 2031. Terms of extensions were agreed solely to grant the Company the right to use the asset for the related additional time including no changes in payment rent. As such, extension was accounted as a modification of lease in accordance with ASC 842 rather than as a new contract and the Company remeasured at modification date the following: right-of-use asset, lease liability, discount rate, lease term and classification. Furthermore, on August 1, 2024, the Company signed a new lease to extend one A320 passenger aircraft for a lease term of an additional 93 months from original ending date of November 15, 2023. Terms of extension included contingencies on lessor of timely deliveries of repairs on engines and incremental increases in monthly basic rents throughout the lease. As such, extension was accounted as a new lease in accordance with ASC 842 from a new contract and the Company recorded at lease commencement date a new right-of-use asset and lease liability.

The following table provides details of the Company's future minimum lease payments under finance lease liabilities and operating lease liabilities recorded in thousands on the Company's condensed consolidated balance sheet as of September 30, 2025. The table does not include commitments that are contingent on events or other factors that are currently uncertain or unknown.

	Finance Leases	Operating Leases
Remainder of 2025	\$ 2,769	\$ 6,275
2026	10,757	23,052
2027	8,687	20,608
2028	7,522	16,232
2029	6,327	13,820
2030 and thereafter	8,707	30,592
Total minimum lease payments	44,769	110,579
Less amount representing interest	12,611	34,207
Present value of minimum lease payments	32,158	76,372
Less current portion	6,949	14,326
Long-term portion	\$ 25,209	\$ 62,046

The table below presents information for lease costs related to the Company's finance and operating leases in thousands:

	For The Three Months Ended September 30,		For The Nine Months Ended September 30,	
	2025	2024	2025	2024
Finance lease cost				
Amortization of leased assets	\$1,642	\$1,039	\$4,628	\$2,163
Interest of lease liabilities	1,113	950	3,295	1,991
Operating lease cost				
Operating lease cost ⁽¹⁾	6,995	6,644	14,950	10,556
Short-term lease cost ⁽²⁾	1,004	996	1,969	1,838
Total lease cost	\$10,754	\$9,629	\$24,842	\$16,548

⁽¹⁾ Expenses are classified within Aircraft Rent on the Company's condensed consolidated statements of operations.

⁽²⁾ Expenses are classified within Other on the Company's condensed consolidated statements of operations.

The Company utilizes the rate implicit in the lease whenever it is easily determined. For leases where the implicit rate is not readily available, we utilize our incremental borrowing rate as the discount rate. The table below presents lease terms and discount rates related to the Company's finance and operating leases:

	September 30, 2025	September 30, 2024
Weighted-average remaining lease term		
Operating leases	5.62 years	6.08 years
Finance leases	5.01 years	6.58 years
Weighted-average discount rate		
Operating leases	14.00%	13.95%
Finance leases	14.62%	14.75%

The table below presents cash and non-cash activities associated with our leases in thousands:

	For The Nine Months Ended September 30,			
	2025		2024	
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from operating leases	\$	15,618	\$	10,507
Financing cash flows from finance leases	\$	3,783	\$	1,427

The Company is subject to various legal proceedings in the normal course of business and records legal costs as incurred. Management believes these proceedings will not have a materially adverse effect on the Company.

11. LOSS PER SHARE

Basic earnings per share, which excludes dilution, is computed by dividing Net income (Loss) available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. The number of incremental shares from the assumed issuance of shares relating to share based awards is calculated by applying the treasury stock method.

The following table shows the computation of basic and diluted earnings per share for the three months ended September 30, 2025 and 2024 in thousands, except share and per share amounts:

	Three Months Ended September 30,			
	2025		2024	
Numerator:				
Net Loss	\$	(1,959)	\$	(4,887)
Denominator:				
Weighted average common shares outstanding - Basic		64,664,058		60,817,884
Dilutive effect of stock options, RSUs and warrants		—		—
Weighted average common shares outstanding - Diluted		64,664,058		60,817,884
Basic loss per share	\$	(0.03)	\$	(0.08)
Diluted loss per share ⁽¹⁾	\$	(0.03)	\$	(0.08)

The following table shows the computation of basic and diluted earnings per share for the nine months ended September 30, 2025 and 2024 in thousands, except share and per share amounts:

	Nine Months Ended September 30,	
	2025	2024
Numerator:		
Net Loss	\$ (1,197)	\$ (10,982)
Denominator:		
Weighted average common shares outstanding - Basic	63,649,789	60,024,188
Dilutive effect of stock options, RSUs and warrants	—	—
Weighted average common shares outstanding - Diluted	63,649,789	60,024,188
Basic loss per share	\$ (0.02)	\$ (0.18)
Diluted loss per share ⁽¹⁾	\$ (0.02)	\$ (0.18)

(1) There were 17,732,764 warrants and 7,292,844 RSUs outstanding at September 30, 2025 and there were 17,732,764 warrants, 246,667 options, and 5,262,221 RSUs outstanding at September 30, 2024. The Company excluded the warrants, options and RSUs from the calculation of diluted EPS for the three and nine months ended September 30, 2025 and 2024, as inclusion would have an anti-dilutive effect.

12. RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the consolidated financial statements not disclosed elsewhere in these consolidated financial statements are summarized below and include transactions with the following individuals or entities.

As mentioned in footnote 3, on June 28, 2021, the Company completed the spin-out of Jetlines to GlobalX stockholders.

As of September 30, 2025 and 2024, amounts due to related parties include the following:

- Jetlines earned \$0 during the three and nine months ended on September 30, 2025, respectively, and it was owed \$0, in relation to flights flown by Jetlines for GlobalX. Jetlines earned approximately \$0.2 and \$1.3 million during the three and nine months ended on September 30, 2024, respectively, and it was owed approximately \$18,000, in relation to flights flown by Jetlines for GlobalX.

As described in footnote 4 above, on August 2 and December 21, 2023, the Company issued Secured Notes of \$35.7 million to purchasers, including an entity of which its executive remained elected as a member of the Board of Directors of the Company during the last annual stockholders meeting in December 2024.

During the three and nine months ended September 30, 2025 and 2024, Red Oak Partners LLC ("Red Oak Partners"), the Red Oak Fund, LP, The Red Oak Long Fund, LP, and David Sandberg (collectively, the "Reporting Persons") were Section 16 filers with respect to the securities of Global Crossing Airlines Group Inc. As disclosed in a Form 4 filing made by the Reporting Persons on December 24, 2024, several investment funds for which Red Oak Partners, LLC serves as the investment manager, each of which individually owns less than 10% of the outstanding shares of the Company's common stock (the "Investment Vehicles"), purchased an aggregate of 20,000 shares on July 16, 2024 at a price of \$.435 per share and 1,142,500 shares on July 16, 2024 at a price of \$.45 per share that have been matched against sales by certain of the Investment Vehicles on December 19, 2024 of an aggregate of 1,162,500 shares a price of \$.46 per share. The Reporting Persons note that the sales made by the Investment Vehicles represent standard rebalancing transactions made in the ordinary course of business.

The aforementioned purchase prices constitute the lowest purchase prices paid by the Investment Vehicles matched against the highest sale prices that the Investment Vehicles received for the sale of shares. Accordingly, the Reporting Persons delivered to the Company \$11,925, representing the full amount of the Reporting Persons' pecuniary interest in the profit realized in connection with the short-swing transactions.

The Reporting Persons have advised the Company that the submission of payment by the Reporting Persons is not an admission that any such payment is required under Section 16(b) of the Securities Exchange Act of 1934, as amended, and the Reporting Persons reserve all of their rights with respect to such matter.

The Company recognized these proceeds as a capital contribution from stockholders and recorded an increase of \$11,926, to additional paid-in capital in its unaudited condensed consolidated statement of changes in equity for the three and nine months ended September 30, 2025.

13. ACCRUED LIABILITIES

Accrued liabilities consisted of the following as of September 30, 2025 and December 31, 2024, in thousands:

	September 30, 2025	December 31, 2024
Salaries, wages and benefits	\$ 2,688	\$ 2,954
Passenger Taxes	11,143	6,254
Aircraft fuel	275	993
Contracted ground and aviation services	874	1,025
Maintenance	1,649	954
Aircraft Rent	2,921	2,981
Other	3,541	5,257
Accrued liabilities	\$ 23,091	\$ 20,418

14. REVENUE & CONTRACT LIABILITY

Deferred revenue for customer contracts represents amounts collected from, or invoiced to, customers in advance of revenue recognition. The balance of deferred revenue will increase or decrease based on the timing of invoices and recognition of revenue.

The following table presents disaggregated revenues by service type for the three and nine months ended September 30, 2025 and 2024 in thousands:

Revenue	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Charter	\$ 2,310	\$ 14,987	\$ 48,143	\$ 73,618
ACMI	53,216	36,841	132,067	87,374
Other	2,496	608	5,794	2,825
Total	\$ 58,022	\$ 52,436	\$ 186,004	\$ 163,817

Significant changes in our deferred revenue liability balances during the period and year ended, September 30, 2025 and December 31, 2024, respectively, were as follows in thousands:

	September 30, 2025	December 31, 2024
Beginning Balance	\$ 8,903	\$ 9,896
Revenue Recognized	(8,903)	(9,896)
Amounts Collected or Invoiced	4,898	8,903
Ending Balance	\$ 4,898	\$ 8,903

During the three months ended September 30, 2025, two customers of the Company (referred to herein as “Customer A” and “Customer B”, respectively) accounted for approximately 57% and 13% of the Company's revenue, respectively, and during the nine months ended September 30, 2025, Customer A accounted for approximately 50% of the Company's revenue.

During the three and nine months ended September 30, 2024, Customer A and another customer (“Customer C”) accounted for approximately 48% and 12% and 39% and 13% of the Company's revenue, respectively. The Company expects to maintain these relationships with those customers.

15. SEGMENT INFORMATION

The Company's business activity is providing customized, non-scheduled air transport services to customers. Management structured business model to derive revenue from customers from two types of contracts: (1) ACMI and (2) Charter, as discussed in Management's Discussion and Analysis of Financial Condition and Results of Operations.

The Company's President and Chief Financial Officer is the Chief Operating Decision Maker ("CODM"). The Company manages the business activities on a consolidated basis and operates in one reportable segment. The CODM assesses performance for the Company's single operating segment and decides how to allocate resources based on net income or loss that is also reported on the Condensed Consolidated Statement of Operations. Net income is used to monitor actual versus budget results.

Significant expenses within net income or loss, which include operating expenses, are each separately presented on the Company's Condensed Consolidated Statements of Operations. Other segment items within net income or loss include Interest Expense, Loss in Canada Jetlines Operations Ltd. and Income tax expense. The measure of segment assets is reported on the Condensed Consolidated Balance Sheets as total consolidated assets.

16. SUBSEQUENT EVENTS

On June 6, 2025, the Company entered into a lease agreement for one A319 passenger aircraft. The two-year lease commenced on October 24, 2025. Under the agreement, the Company will pay the lessor a fixed monthly rent for 27 months, plus supplemental rent for maintenance of the aircraft.

Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the Financial Statements included in Item 1 of this report and the consolidated financial statements and the related notes to consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2024. This Item 2 contains forward-looking statements that involve risks and uncertainties. Undue reliance should not be placed on these forward-looking statements, which speak only as of the date of this report. Actual results may differ materially from those expressed or implied in such forward-looking statements.

Background

Certain Terms - Glossary

The following represents terms and statistics specific to our business and industry. They are used by management to evaluate and measure operations, results, productivity, and efficiency.

ACMI	Service offering, whereby we provide outsourced cargo and passenger aircraft operating solutions, including the provision of an aircraft, crew, maintenance, and insurance, while customers assume fuel, demand and price risk. In addition, customers are generally responsible for landing, navigation and most other operational fees and costs.
Block Hour	The time interval between when an aircraft departs the terminal until it arrives at the destination terminal.
Charter	Service offering, whereby we provide cargo and passenger aircraft charter services to customers. The customer generally pays a fixed charter fee that includes fuel, insurance, landing fees, navigation fees and most other operational fees and costs.
Net Available Aircraft	The number of aircraft available each month reduced by (netted) days the aircraft is unavailable due to various maintenance events or deliveries during a month.
2Y Check	"Heavy" airframe maintenance checks, which are the most extensive in scope and are generally performed every two years and can take from 20 – 40 days to complete.
6Y Check	"Heavy" airframe maintenance checks, which are the most extensive in scope and are generally performed every six years and can take from 45-75 days to complete.
12Y Check	"Heavy" airframe maintenance checks, which are the most extensive in scope and are generally performed every twelve years and can take from 60 – 100 days to complete.
Heavy Maintenance	Scheduled maintenance activities that are extensive in scope and are primarily based on time or usage intervals, which include, but are not limited to 2Y Checks, 6Y Checks, 12Y Checks and engine overhauls. In addition, unscheduled engine repairs involving the removal of the engine from the aircraft are considered to be Heavy Maintenance.
Line Maintenance	Maintenance events occurring during normal day-to-day operations.
Non-heavy Maintenance	Discrete maintenance activities for the overhaul and repair of specific aircraft components, including landing gear, auxiliary power units and engine thrust reversers.
Utilization	The average number of Block Hours operated per day per aircraft.

Business Overview

GlobalX operates a U.S. Part 121 domestic flag and supplemental airline using the Airbus A320 family of aircraft, operating both passenger and cargo aircraft. GlobalX's business model is to (1) provide services on an ACMI using wet lease contracts to airlines and non-airlines, and (2) on a Charter basis, provide passenger aircraft charter services to customers by charging an "all-in" fee that includes fuel, insurance, landing fees, navigation fees and most other operational fees and costs. GlobalX operates within the United States, Europe, Canada, Central and South America.

Business Strategy

GlobalX intends to become the best-in-class U.S. narrow-body, ACMI charter airline, operating both passenger and cargo charter aircraft while recruiting and maintaining a dynamic team of customer-centric flight crews, ground and maintenance teams and management staff.

GlobalX operates its A320 family aircraft for airlines, tour operators, college and professional sports teams, incentive groups, resorts and casino groups and government agencies. It is our goal to deliver best in class on time performance and dispatch reliability, expand existing relationships and develop additional relationships with leading charter/tour operators to provide aircraft during their peak seasons; and provide ad-hoc and track charter programs for non-airline customers.

Business Developments

During the nine-month period ended September 30, 2025, the team devoted efforts towards our stated goal of creating the largest narrow body charter operation in North America generating sustainable, long-term profits. To achieve this goal, GlobalX continues to invest in its three key assets—certifications, aircraft, and crew.

GlobalX achieved the following during the nine month period ended September 30, 2025:

- Took delivery of one A321 passenger aircraft.
- Entered into lease agreements for four A319 passenger aircrafts.
- Purchased one A320 passenger aircraft which had been previously leased by GlobalX.
- Took delivery of one A320 airframe.
- Returned one A319 aircraft to the lessor per the terms of the applicable lease.
- Completed six heavy maintenance events and thirty-three non-heavy maintenance events.
- Continued to manage the hiring of new crew to match our crew levels to our current aircraft count. In total, we increased our pilot headcount from 140 to 154.

The Cargo Charter Market

GlobalX added the A321F (passenger to freighter) aircraft to its operating certificate during the first quarter of 2023. The Company continues to believe that the A321F will be a highly sought after cargo aircraft over the next few years as a replacement for the aging and retiring B757 freighter fleet. During nine months ended September 30, 2025, we had four cargo aircraft operating. GlobalX has seen over a 185% increase in block hours operated compared to the same period in 2024 attributed to contracts entered into during 2025. The cargo charter market continues to be soft due to, general economic conditions and excess capacity in the North American freight market. In response to this continued slowdown during the quarter, the Company continues to make progress establishing our reputation for on-time performance as the market better understands the capabilities of the A321F aircraft. While the Company cannot predict when the cargo market will recover, GlobalX has taken concrete steps to reduce our financial exposure in 2025 by canceling or deferring freighters ordered while expanding our customer base for the aircraft the Company does have.

The Passenger Charter Market

Unlike the cargo charter market, the passenger charter market continues to demonstrate strong demand. There are several macro factors, including the supply of aircraft, reduced direct competition, increased reliance on air charter by colleges and a general increased customer demand, driving increased demand for our services. GlobalX anticipates the high level of demand will continue through the end of the year and well into 2026. To address this demand, the Company has prioritized passenger aircraft deliveries over cargo, devoted sales and operational resources to develop long-term relationships with key customers and to expand the markets served as opportunities arise. Passenger charter services have continued to be the economic engine for GlobalX in 2025.

GlobalX Aircraft Fleet

Critical to GlobalX's business model is, a fleet of modern and cost-effective aircraft. To achieve this objective, GlobalX has selected the A320 family of aircraft which it believes is the best overall single-aisle aircraft family to operate. This approach differs from traditional airlines, which purchase a variety of aircraft, often from different manufacturers, to achieve their operational flight sectors, resulting in increased training, operating and spare part costs. GlobalX conducted research to determine the best aircraft to fly in competition with other narrow-body charter airlines in the single-aisle seat market and GlobalX selected the A320 aircraft family.

The following factors support GlobalX's choice to operate the Airbus A320 and A321 aircraft versus the Boeing 737 family of aircraft:

Cost and Operating factors: the A320 family of aircraft have lower fuel burn, and better aircraft and cockpit crew pool availability.

Operational Capability: the A320 family of aircraft has a range advantage over the Boeing 737-800 and can fly non-stop from Miami to selected airports in North America, South America, the Caribbean, and between most major destinations in Europe. The A320 has excellent maintenance dispatch reliability and strong availability of spare parts and components, making the A320, in management's estimation, the most popular aircraft among low-cost airlines.

Passenger comfort: better seat width, cargo bin volume for carry-on baggage and cargo hold volume.

Aircraft Maintenance

GlobalX expects to continue to outsource heavy maintenance checks to FAA-approved service providers. The 6Y Checks and 12Y Checks will be primarily paid for using funds from the accrued maintenance reserves paid to lessors under operating leases.

Strategy to Address Competitive Response

The U.S. Charter market continues to evolve as several airlines provide charter aircraft. Specifically, Eastern Airlines Express, Breeze Airways and Avelo continue to dedicate aircraft to charter operations, each of which has increased competition and applied downward pricing pressure on the charter market. It is our expectation that our competitors, including Eastern Airlines Express, will continue to add aircraft to expand their business domestically and in the Caribbean. In response we are focusing on our core business, emphasizing on-time performance, customer service, reinforcing our differentiation of our Airbus product and actively soliciting longer-term contracts with key customers.

Experienced Management Team

Our management team has extensive operating and leadership experience in the airfreight, airline, and aircraft leasing, maintenance, and management industries at companies such as JetBlue Airways, Virgin America, American Airlines, US Airways, Atlas Air, Breeze Airways, DHL, Eastern Airlines Express, Emirates, North American Airlines, Miami Air, Spirit Airlines, Continental Airlines, Pan Am, and Flair Airlines, as well as the United States Army, and Air Force. In addition, our management team has a diversity of experience from other industries at companies such as KBR, Teladoc, Halliburton, Lehman Brothers, and the Burger King Corporation.

Results of Operations

The following discussion should be read in conjunction with our Financial Statements and other financial information appearing and referred to elsewhere in this report.

Three months ended September 30, 2025 and 2024

The following discussion should be read in conjunction with our Financial Statements and other financial information appearing and referred to elsewhere in this report.

The analysis of GlobalX results for the three month period ended on September 30, 2025 and 2024 requires an understanding of how the Company fundamentally evolved during that time period. 2024 was our third year of full operations and was a period where the Company was focused on securing new customers, entering new markets, and flying to new locations; primarily in the domestic and Caribbean markets.

In 2025, GlobalX has expanded on our existing relationships both domestically and internationally and grew operations in the ACMI market through increased focus on operating for government agencies and other key customers. As the Company grows, operational efficiency and margins have continued to improve. Our key metrics are block hours flown and block hours flown per available aircraft, which are the measures by which the Company tracks commercial activity. While other airlines discuss available seat miles, revenue per available seat mile (“rasm”), and cost per available seat mile (“casm”), these metrics are not germane to our business model as an ACMI and Charter operator. GlobalX charts the entire aircraft, does not take fuel risk, and does not take third party risk and therefore all results are evaluated on a block hour basis.

Revenue & Statistics

The following table compares our Operating Fleet (average aircraft equivalents during the period) and total Block Hours operated:

Operating Fleet	Three Months Ended September 30,		Inc/(Dec)	% Change
	2025	2024		
A319	0.3	1.0	(0.7)	-70.0%
A320	10.0	9.7	0.3	3.1%
A321	8.0	5.7	2.3	40.4%
Total Operating Average Aircraft Equivalents	18.3	16.4	1.9	11.6%
Net Aircraft Available	15.9	15.2	0.7	4.8%
Total Block Hours	9,843	7,460	2,383	31.9%
Average Utilization per available aircraft	617.5	490.8	126.7	25.8%

The following table describes the degree to which variations in revenues in thousands can be attributed to fluctuations in prices and nature of GlobalX services.

Revenue	Three Months Ended September 30,		Inc/(Dec)	% Change
	2025	2024		
Charter	\$ 2,310	\$ 14,987	\$ (12,677)	-84.6%
ACMI	53,216	36,841	16,375	44.4%
Other	2,496	608	1,888	310.3%
Total	\$ 58,022	\$ 52,436	\$ 5,586	10.7%
Block Hours				
Charter	178	813	(635)	-78.1%
Sub-service Charter	-	441	(441)	-99.9%
Total Charter	178	1,254	(1,076)	-85.8%
ACMI	9,469	6,408	3,061	47.8%
Subservice ACMI	58	163	(105)	-64.5%
Total ACMI	9,527	6,571	2,956	45.0%
Non Revenue	196	239	(43)	-18.0%
Total	9,901	8,064	1,837	22.8%
Revenue per Block Hour				
Charter	\$ 13.0	\$ 12.0	\$ 1.0	8.3%
ACMI	\$ 5.6	\$ 5.6	\$ -	0.0%

Charter revenue for the period decreased \$12.7 million or 84.6%, from \$15.0 million in 2024 to \$2.3 million in 2025. The rate for Charter flying for the period increased 8.3% from \$11,953 per block hour in 2024 to \$13,015 per block hour in 2025, creating a \$0.2 million increase. There was also a \$12.9 million reduction for the period due to charter block hours decreasing 85.8% from 1,254 block hours in 2024 to 178 block hours in 2025. The decrease in charter block hours was due to an intentional focus on increased level of flying on an ACMI basis.

ACMI revenue for the period increased by \$16.4 million or 44.4%, from \$36.8 million in 2024 to \$53.2 million in 2025. This variance was primarily driven by an increase from 6,571 block hours in 2024 to 9,527 block hours in 2025, an increase of 45.0% or 2,956 block hours. This volume accounted for a 101.2% or \$16.6 million of the increase during the period.

Other revenue for the period increased by \$1.9 million from \$0.6 million in 2024 to \$2.5 million in 2025. The increase was primarily driven by additional ancillary services provided to our customers.

Operating Expenses

The following table compares our Operating Expenses (in thousands):

Operating Expenses	Three Months Ended September 30,			
	2025	2024	Inc/(Dec)	% Change
Salaries, Wages, & Benefits	\$21,279	\$17,404	\$3,875	22.3%
Aircraft Fuel	1,340	4,104	(2,764)	-67.3%
Maintenance, materials and repairs	5,153	3,448	1,705	49.4%
Depreciation and amortization	3,245	1,866	1,379	73.9%
Contracted ground and aviation services	3,343	3,281	62	1.9%
Travel	1,708	2,216	(508)	-22.9%
Insurance	1,271	1,627	(356)	-21.9%
Aircraft Rent	14,649	16,031	(1,382)	-8.6%
Other	4,999	4,963	36	0.7%
Total Operating Expenses	\$56,987	\$54,940	\$2,047	3.7%

Salaries, wages, and benefits for the period increased by \$3.9 million, from \$17.4 million in 2024 to \$21.3 million in 2025, or 22.3%, primarily due to the hiring of personnel necessitated by the growing fleet and operations. Our total employees for the period increased 4.4% from 688 in 2024 to 718 in 2025 and pilots for the period increased from 144 in 2024 to 154 in 2025, or 6.9%.

Aircraft fuel for the period decreased by \$2.8 million, from \$4.1 million in 2024 to \$1.3 million in 2025, or 67.3%, primarily driven by the volume of Charter and Non-Revenue block hours for the period which decreased by 64.5% or \$2.7 million.

Maintenance, materials, and repairs for the period increased by \$1.7 million, from \$3.4 million in 2024 to \$5.1 million in 2025, or 49.4%. An increase of \$1.1 million for the period was primarily due to volume from the increase in both the number of aircraft to 18 aircraft in 2025 and the number of block hours operated which increased 2,382 or 31.9% from 7,460 block hours in 2024 to 9,843 block hours in 2025. Also, an increase of a \$0.6 million increase for the period occurred as the rate per block hour increased 13.3% from \$462 per block hour in 2024 to \$524 per block hour in 2025.

Depreciation and amortization for the period increased \$1.4 million, from \$1.9 million in 2024 to \$3.3 million in 2025 or 74.3%, primarily driven by aircraft deliveries secured on capital leases, the purchase of an A320 aircraft, and an increase in Rotable parts owned.

Travel for the period decreased \$0.5 million, from \$2.2 million in 2024 to \$1.7 million in 2025 or 22.9%. Throughout the period we expanded local hiring in key bases that support our government agency business and the reliance on travel dropped and is a cost that we expect to be a continued focus throughout 2025.

Insurance for the period decreased \$0.3 million, from \$1.6 million in 2024 to \$1.3 million in 2025 or 21.9%, primarily related to the receiving more favorable rates despite the increase in the number of aircraft.

Aircraft rent for the period decreased \$1.4 million, from \$16.0 million in 2024 to \$14.6 million in 2025 or 8.6%, primarily driven by a \$2.6 million decrease in short-term ACMI leases from other airlines as increased GlobalX capacity to meet demand was achieved. Adding to the savings was the decrease in the average number of aircraft on operating leases of aircraft in the fleet from 14.4 in 2024 to 13.3 in 2025 decreasing base rent expenses \$0.3 million, of which, \$0.5 million is due to decreased aircraft, offset by \$0.2 million due to average rate across the fleet. The increase in block hours resulted in an increase for the period of \$1.5 million in supplemental rent expenses.

Operating income (loss) for the period increased \$3.5 million, from an operating loss of \$2.5 million in 2024 to an operating income of \$1.0 million in 2025. In addition, operating (loss) income as a percentage of revenue for the period improved from (4.4)% in 2024 to 1.8% in 2025. This was a direct result of GlobalX's ability to grow its revenue faster than its cost structure as the airline focused on achieving scale and profitability. Two factors drove the improved margins. The first factor was utilization as our average utilization per available aircraft grew 25.8% for the period. The second factor was scale. As an example, when measured on a per block hour basis, there were savings on a per block hour basis in travel and insurance, which combined with the other factors to drive the improvement.

Non-operating Expenses

The following table compares our Non-operating Expenses (in thousands):

Non-Operating Expenses (Income)	Three Months Ended September 30,		Inc/(Dec)	% Change
	2025	2024		
Interest Expense	\$2,990	\$2,385	\$605	25.4%
Total Non-Operating Expenses (Income)	\$2,990	\$2,385	\$605	25.4%

Interest expense for the period increased \$0.6 million, from \$2.4 million in 2024 to \$3.0 million in 2025, driven by the increase of aircraft on capital lease from 1.0 to 4.0 equivalent aircraft, and the financed purchase of one A320 aircraft.

Net Loss

Net Loss for the period, due to events noted above, improved by \$2.9 million, from \$4.9 million in 2024 to \$2.0 million in 2025.

Nine months ended September 30, 2025 and 2024

Revenue and Statistics

The following table compares our Operating Fleet (average aircraft equivalents during the period) and total Block Hours operated:

Operating Fleet	Nine Months Ended September 30,		Inc/(Dec)	% Change
	2025	2024		
A319	0.8	1.0	(0.2)	-20.0%
A320	10.0	9.0	1.0	11.1%
A321	7.9	5.3	2.6	49.1%
Total Operating Average Aircraft Equivalents	18.7	15.3	3.4	22.2%
Net Aircraft Available	16.6	13.8	2.8	20.2%
Total Block Hours	25,072	19,252	5,820	30.2%
Average Utilization per available aircraft	1,512.2	1,395.1	117.0	8.4%

The following table describes the degree to which variations in revenues in thousands can be attributed to fluctuations in prices and nature of GlobalX services.

Revenue	Nine Months Ended September 30,		Inc/(Dec)	% Change
	2025	2024		
Charter	\$ 48,143	\$ 73,618	\$ (25,475)	-34.6%
ACMI	132,067	87,374	44,693	51.2%
Other	5,794	2,825	2,969	105.1%
Total	\$ 186,004	\$ 163,817	\$ 22,187	13.5%
Block Hours				
Charter	3,211	4,553	(1,342)	-29.5%
Sub-service Charter	367	1,189	(822)	-69.1%
Total Charter	3,578	5,742	(2,164)	-37.7%
ACMI	21,315	14,141	7,174	50.7%
Subservice ACMI	73	634	(561)	-88.5%
Total ACMI	21,388	14,775	6,613	44.8%
Non Revenue	546	558	(12)	-2.2%
Total	25,512	21,075	4,437	21.1%
Revenue per Block Hour				
Charter	\$ 13.5	\$ 12.8	\$ 0.7	5.5%
ACMI	\$ 6.2	\$ 5.9	\$ 0.3	5.1%

Charter revenue for the period decreased \$25.5 million or 34.6%, from \$73.6 million in 2024 to \$48.1 million in 2025. The rate for Charter flying for the period increased 5.5% from \$12,823 per block hour in 2024 to \$13,457 per block hour in 2025, creating a \$2.2 million increase. This was primarily offset by a \$27.7 million reduction due to charter block hours decreasing 37.7% from 5,742 block hours in 2024 to 3,578 block hours in 2025. The decrease in charter block hours was due to an intentional focus on increased level of flying on an ACMI basis.

ACMI revenue for the period increased by \$44.7 million or 51.2%, from \$87.4 million in 2024 to \$132.1 million in 2025. This variance was primarily driven by an increase from 14,141 block hours in 2024 to 21,388 block hours in 2025, an increase of 44.8% or 6,613 block hours. This volume accounted for 87.5% or \$39.1 million of the increase during the period. The average revenue per block hour for the period increased by \$261 per block hour from \$5,914 per block hour in 2024 to \$6,175 per block hour in 2025. The rate increase accounted for \$5.6 million or 12.5% of the increase during the period. The primary driver for the increase was related to both high market demand and a shortage of supply as competitors reduce capacity.

Other revenue for the period increased by \$3.0 million from \$2.8 million in 2024 to \$5.8 million in 2025. The increase was primarily driven by additional ancillary services provided to our customers.

Operating Expenses

The following table compares our Operating Expenses (in thousands):

Operating Expenses	Nine Months Ended September 30,		Inc/(Dec)	% Change
	2025	2024		
Salaries, Wages, & Benefits	\$59,979	\$50,923	\$9,056	17.8%
Aircraft Fuel	11,782	17,904	(6,122)	-34.2%
Maintenance, materials and repairs	14,413	9,026	5,387	59.7%
Depreciation and amortization	8,099	4,476	3,623	80.9%
Contracted ground and aviation services	14,123	14,941	(818)	-5.5%
Travel	6,988	9,185	(2,197)	-23.9%
Insurance	3,808	4,815	(1,007)	-20.9%
Aircraft Rent	43,809	43,554	255	0.6%
Other	15,582	13,573	2,009	14.8%
Total Operating Expenses	\$178,583	\$168,397	\$10,186	6.0%

Salaries, wages, and benefits for the period increased by \$9.1 million, from \$50.9 million in 2024 to \$60.0 million in 2025, or 17.8%, primarily due to the hiring and training of pilots and other airline personnel necessitated by the growing fleet and operations. Total employees increased 4.4% from 688 to 718 and pilots increased from 144 in 2024 to 154 in 2025 or 6.9%.

Aircraft fuel for the period decreased by \$6.1 million, from \$17.9 million in 2024 to \$11.8 million in 2025, or 34.2%. The volume of Charter and Non-Revenue block hours for the period decreased by 26.5% or \$4.7 million, while base jet fuel price decreased 10.5% or \$1.4 million.

Maintenance, materials, and repairs for the period increased by \$5.4 million, from \$9.0 million in 2024 to \$14.4 million in 2025, or 59.7%. \$1.6 million cost increase for the period was primarily due to volume from the increase in both the number of aircraft to an all-time Company high of 19 aircraft in 2025 and the number of block hours operated which increased 5,820 or 30.2% from 19,252 block hours in 2024 to 25,072 block hours in 2025. Also, a \$2.7 million increase for the period occurred as the rate per block hour increased 22.6% from \$469 per block hour in 2024 to \$575 per block hour in 2025, driven by repairs of some high value Rotable parts.

Depreciation and amortization for the period increased \$3.6 million, from \$4.5 million in 2024 to \$8.1 million in 2025 or 81.1%, primarily driven by aircraft deliveries secured on capital leases, the purchase of an A320 aircraft, and an increase in Rotable parts owned.

Contracted ground and aviation services for the period decreased by \$0.8 million, from \$14.9 million in 2024 to \$14.1 million in 2025, or 5.5%. An increase in ACMI block hours, which drive these expenses to be passed through to the customer, and decreased Charter block hours resulted in lower expenses.

Travel for the period decreased \$2.2 million, from \$9.2 million in 2024 to \$7.0 million in 2025 or 23.9%. Throughout the period we expanded local hiring in key bases that support our government agency business and the reliance on travel dropped and is a cost that we expect to be a continued focus throughout 2025.

Insurance for the period decreased \$1.0 million, from \$4.8 million in 2024 to \$3.8 million in 2025 or 20.9%, primarily related to the receiving more favorable rates despite the increase in the number of aircraft.

Aircraft rent for the period increased \$0.3 million, from \$43.5 million in 2024 to \$43.8 million in 2025 or 0.6%, primarily driven by \$6.8 million decrease in short-term ACMI leases from other airlines as increased GlobalX capacity to meet demand was achieved. Offsetting the savings was the increase in the average number of aircraft, on operating leases of aircraft in the fleet from 13.5 in 2024 to 14.4 in 2025 increasing base rent expenses \$2.0 million, of which \$1.4 million or 68% is due to increased aircraft and \$0.6 million or 32% is due to average rate across the fleet. Also, the increase in block hours resulted in an increase for the period of \$5.1 million in supplemental rent expenses.

Operating income (loss) for the period improved \$12.0 million, from an operating loss of \$4.6 million in 2024 to an operating income of \$7.4 million in 2025. In addition, operating (loss) income as a percentage of revenue for the period improved from (2.8%) in 2024 to 4.0% in 2025. This was a direct result of GlobalX's ability to grow its revenue faster than its cost structure as the airline focused on achieving scale and profitability. Several factors drove the improved margins. The first factor was rates as the Company was able to secure higher rates for ACMI contracts. The Company's ACMI rate for the period grew 4.4%, from \$5,914 per block hour in 2024 to \$6,175 per block hour in 2025. The second factor was utilization as our average utilization per available aircraft grew 8.4% for the period. The third factor was scale. As an example, when measured on a per block hour basis, there were savings on a per block hour basis in travel and insurance, which combined with the other factors to drive the improvement.

Non-operating Expenses

The following table compares our Non-operating Expenses (in thousands):

Non-Operating Expenses (Income)	Nine Months Ended September 30,		Inc/(Dec)	% Change
	2025	2024		
Interest Expense	\$8,233	\$6,403	\$1,830	28.6%
Total Non-Operating Expenses (Income)	\$8,233	\$6,403	\$1,830	28.6%

Interest expense for the period increased \$1.8 million from \$6.4 million in 2024 to \$8.2 million in 2025, driven by the increase of aircraft on capital lease from 1.8 to 4.0 equivalent aircraft, and the financed purchase of one aircraft.

Net Loss

Net Loss for the period, due to events noted above, improved by \$9.8 million from a net loss of \$11.0 million in 2024 to a net loss of \$1.2 million in 2025.

Liquidity and Capital Resources

As of September 30, 2025, the Company had approximately \$7.1 million in unrestricted cash and cash equivalents and approximately \$0.2 million in restricted cash, a decrease of approximately \$5.3 million and a decrease of approximately \$1.5 million, respectively, from December 31, 2024, primarily due to new aircraft deliveries, deposits, and net loss. Management is confident that the augmented cash and cash equivalents, coupled with the anticipated rise in sales linked to the Company's strategies to attract more funds, will adequately address the Company's liquidity requirements. Management is actively assessing various options to procure additional funds, including exploring opportunities for additional equity or debt financing.

Net Cash provided by operating activities during the nine months ended September 30, 2025 increased \$11.7 million to \$9.5 million, consisting primarily of \$23.6 million in noncash adjustments for depreciation and amortization of fixed assets, operating lease right of use assets and debt issue costs, \$3.3 million in interest on finance leases, \$0.8 million of net loss, \$2.2 million of share-based payments, \$1.7 million of decrease in accounts receivable and \$1.5 million of increase in accounts payable. These were partially offset by \$15.6 million of decrease in operating lease obligations, \$4.8 million of decrease in accrued liabilities and other liabilities, and \$1.8 million of increase in prepaid expenses and other current assets. Net Cash used in operating activities during the nine months ended September 30, 2024 decreased \$4.5 million to \$2.3 million, consisting primarily of \$11.0 million of net loss, \$8.6 million of decrease in accrued liabilities and other liabilities, \$10.5 million of decrease in operating leases obligations, and \$0.4 million of increase in assets held for sale. These were partially offset by \$3.4 million of increase in accounts receivable, \$5.3 million of increase in accounts payable, and \$15.5 million in noncash adjustments for depreciation and amortization of fixed assets, operating lease right of use assets and debt issue costs, \$2.0 million in interest on finance leases, \$1.3 million of share-based payments, \$0.4 million of credit losses, and \$0.1 million of increase in prepaid expenses and other current assets.

The Company has significant fixed and noncancelable lease commitments of aircraft, equipment and related maintenance checks. As of September 30, 2025, the Company had total of \$21.3 million due in the next 12 months of future minimum lease payments under finance and operating leases. As of September 30, 2025, the Company had total of \$87.3 million due after 12 months from the balance sheet date of future minimum lease payments under finance and operating leases, and approximately \$44.3 million in notes payable included in the current and non-current liabilities presented in the Company's consolidated balance sheet. The Company ended the period of January 1 to September 30, 2025 with fourteen passenger aircraft and four cargo aircraft and expects the fleet to increase to sixteen passenger aircraft and remain at four cargo aircraft by the end of 2025. In an effort to achieve the number of aircraft deliveries in 2025, the Company currently has five aircrafts under lease with partial or total deposits paid. The Company plans to add three passenger aircraft to its fleet in 2026.

During the nine months ended September 30, 2025, net cash used in investing activities increased \$5.4 million to \$11.7 million, consisting of \$10.0 million of Purchases of property and equipment and \$1.7 million of increase of deposits, deferred costs and other assets. During the nine months ended September 30, 2024, net cash used in investing activities decreased \$1.5 million to \$6.3 million, consisting of \$5.0 million of Purchases of property and equipment and \$1.3 million of increase of deposits, deferred costs and other assets.

During the nine months ended September 30, 2025, net cash used in financing activities increased \$3.3 million to \$4.6 million of net cash used in financing activities, consisting primarily of \$3.8 million of Principal payments on finance leases and \$0.7 million of principal payments on note payable. During the nine months ended September 30, 2024, net cash used in financing activities increased \$27.7 million to \$1.3 million, consisting primarily of \$1.4 million of Principal payments on finance leases.

The Company continuously seeks to identify external sources of capital from time to time depending on our cash requirements, assessment of current and anticipated market conditions, and the after-tax cost of capital. Our access to capital markets can be adversely impacted by prevailing economic conditions and by financial, business and other factors, some of which are beyond our control. Additionally, the Company's borrowing costs are affected by market conditions and may be adversely impacted by a tightening in credit markets.

The Company regularly assesses our anticipated working capital needs, debt and leverage levels, debt maturities, capital expenditure requirements and future investments or acquisitions to maximize stockholder return, efficiently finance our ongoing operations and maintain flexibility for future strategic transactions. The Company also regularly evaluates its liquidity and capital structure to ensure financial risks, adequate liquidity access and lower cost of capital are efficiently managed.

Item 3 – Quantitative and Qualitative Disclosures about Market Risk

Not applicable.

Item 4 – Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Executive Chairman and President & Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934) as of September 30, 2025. Based upon that evaluation, our Executive Chairman and President & Chief Financial Officer concluded that, as of September 30, 2025, the Company's disclosure controls and procedures were effective in ensuring that information relating to the Company required to be disclosed by the Company in the reports that the Company files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, including ensuring that such information is accumulated and communicated to the Company's management, including the Company's Executive Chairman and the President & Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934) that occurred during the three month period ended September 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1 Legal Proceedings

None.

ITEM 2 Unregistered Sales of Equity Securities and Use of Proceeds

None.

ITEM 3 Defaults Upon Senior Securities

None.

ITEM 4 Mine Safety Disclosures

Not Applicable

ITEM 5 Other Information

None.

Item 6 - Exhibits

Exhibit Number	Description
10.1	<u>Aircraft Airframe Finance Lease Agreement between TVPX Aircraft Solutions, Inc., not in its individual capacity but solely as Owner Trustee, and Global Crossing Airlines, Inc.</u>
10.2	<u>Certificate of Acceptance (MSN 2840), by Global Crossing Airlines, Inc., to TVPX Aircraft Solutions Inc., not in its individual capacity but solely as Owner Trustee.</u>
10.3	<u>IATA Document No. 5016-01 Master Short-term Engine Lease Agreement October 2012, prepared in conjunction with the Aviation Working Group.</u>
10.4	<u>Lease Agreement ESN V12844, dated as of August 15, 2025 between Gryphon Trading Company, LLC, and Global Crossing Airlines, Inc.</u>
10.5	<u>Engine Lease General Terms Agreement, dated as of January 17, 2024 between WWTAI Airopco 1 Bermuda LTD., and Global Crossing Airlines, Inc.</u>
10.6	<u>Equipment Schedule No. 3, dated as of August 8, 2025 between WWTAI Airopco 1 Bermuda LTD., and Global Crossing Airlines, Inc.</u>
31.1	<u>Rule 13a-14(a)/15d-14(a) Certification of acting principal executive officer.</u>
31.2	<u>Rule 13a-14(a)/15d-14(a) Certification of acting principal financial officer.</u>
32.1*	<u>Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
32.2*	<u>Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* Furnished, rather than filed, herewith, pursuant to Item 601(b)(32) of Regulation S-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 6, 2025

Global Crossing Airlines Group Inc.

By: /s/ Ryan Goepel
Ryan Goepel,
President & Chief Financial Officer

AIRFRAME LEASE AGREEMENT

Dated as of

August 15, 2025

between

TVPX AIRCRAFT SOLUTIONS INC.,
not in its individual capacity but solely as Owner Trustee,

as Lessor

and

GLOBAL CROSSING AIRLINES, INC.,

as Lessee

in respect of

Airframe: AIRBUS A320-200ceo Manufacturer's Serial No: 2840

Registration Mark N521SH

This Agreement has been executed in multiple counterparts. The counterpart to be deemed the Original Counterpart contains a receipt therefor executed by the Lessor on its signature page. To the extent that this Agreement constitutes chattel paper (as such term is defined in the Uniform Commercial Code as in effect in any applicable jurisdiction), a security interest in this Agreement may be created only by the transfer of possession of that Original Counterpart.

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Schedule 2 Form of Certificate of Acceptance

Schedule 3 Commercial Terms

Schedule 4 Insurance Requirements

Schedule 5 Return Conditions

Schedule 6 Form of Redelivery Certificate

THIS AIRFRAME LEASE AGREEMENT (this “**Agreement**” or this “**Lease**”) is made as of this 15th day of August, 2025 between **TVPX AIRCRAFT SOLUTIONS INC.**, not in its individual capacity but solely as Owner Trustee under the Trust Agreement, a corporation incorporated under the laws of the State of Utah, U.S.A., having its principal place of business at

19495 Biscayne Boulevard, Suite 604, Aventura, Florida 33180 U.S.A. (“**Lessor**”), and **GLOBAL CROSSING AIRLINES, INC.**, a corporation incorporated under the laws of the State of Delaware, U.S.A., having its principal place of business at Building 5A, 4th Floor, Miami International Airport, 4200 NW 36th Street, Miami, Florida 33146 U.S.A. (“**Lessee**”).

WHEREAS: Lessor wishes to lease to Lessee and Lessee is willing to lease from Lessor the Airframe on the terms of this Agreement.

IT IS AGREED as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement the following expressions have the respective meanings set forth below:

“**Affiliate**” means, in relation to any Person, a Subsidiary of that Person or a Holding Company of that Person or any other Subsidiary of that Holding Company.

“**Agent**” means, if applicable, the “facility agent or security trustee” under the Credit Agreement (if any), or any other Financing Party which Lessor notifies Lessee from time to time shall constitute the “Agent” for all purposes of this Agreement.

“**Agreed Maintenance Performer**” means such maintenance facility (including Lessee) approved by the FAA pursuant to FAA Part 145 (which may include a dual rated EASA approved facility) for the accomplishment of the maintenance, testing, inspection, repair, overhaul or modification that is intended to be accomplished with respect to the Airframe.

“**Agreed Value**” has the value assigned to such term as specified in Schedule 3 (*Commercial Terms*) attached hereto.

“**Agreement**” has the meaning specified in the Recitals.

“**Air Authority**” means the FAA and/or any Government Entity that, under the laws of the State of Registration, from time to time (i) have control or supervision of civil aviation or (ii) have jurisdiction over the registration, airworthiness or operation the Airframe.

“**Air Operator Certificate**” or “**AOC**” means an air carrier’s operating certificate issued by the FAA.

“**Airframe**” means the Airframe described in Schedule 1 (*Airframe Description*), which term includes where the context permits, a separate reference to all Parts, and Airframe Documents, and which term excludes any Engines or APU from time to time installed on the Airframe.

“Airframe Documents” means the documents, data, manuals and records identified in Schedule 1 (*Airframe Description*) and all additions, renewals, revisions and replacements from time to time made in accordance with this Agreement.

“Airframe Manufacturer” means Airbus S.A.S.

“Airworthiness Directives” or **“ADs”** means all airworthiness directives and other legally mandatory instructions issued by the FAA and/or EASA applicable to the Airframe or any Part.

“AMM” means the latest version of the Airframe maintenance manual applicable to the Airframe.

“Anticipated Delivery Date” means August 15, 2025.

“Approved Maintenance Program” means Lessee’s Airframe maintenance program approved by the Air Authority and meeting the requirements of the MPD.

“APU” means any auxiliary power unit that may be installed on the Airframe during the Term.

“Bankruptcy Code” means the United States Bankruptcy Code, 11 United States Code §§101 *et seq.* in effect as of any date of determination.

“Business Day” means a day (other than a Saturday or Sunday) on which banks are open for business in New York, New York and Fort Lauderdale, Florida, U.S.A.

“C-Check” means a maintenance check on the Airframe under the Approved Maintenance Program designated as a “C” check (or the equivalent check if not so designated) and consisting of full and complete zonal, systems and structural check including the corresponding lower checks (“A” or equivalent) and any other maintenance and inspections tasks that are a part of such checks, all in accordance with the Approved Maintenance Program, or if the Approved Maintenance Program changes and no longer refers to a full and complete zonal, systems and structural block “C” check, then a check consisting of those items of maintenance characterized by the MPD and best industry practice as a “C” check (or its equivalent) and that shall clear the Airframe for 24 months, 7500 hours and 5,000 cycles of operation.

“Cape Town Agreements” means the Cape Town Convention as supplemented by the Cape Town Aircraft Protocol (in each case, utilizing the English-language version thereof).

“Cape Town Aircraft Protocol” means The Protocol to the Convention on International Interests in Mobile Equipment, concluded in Cape Town, South Africa, on November 16, 2001 (utilizing the English-language version thereof).

“Cape Town Convention” means the Convention on International Interests in Mobile Equipment which was adopted on November 16, 2001 at a diplomatic conference held in Cape Town, South Africa (as amended, supplemented or modified from time to time) and shall mean when referring to such Convention with respect to the Contracting State, such Convention, as is in effect in such Contracting State unless otherwise indicated.

“Certificate of Acceptance” means a Certificate of Acceptance in the form of Schedule 2 (*Form of Certificate of Acceptance*) hereto.

“Certificated Air Carrier” means a holder of an air carrier operating certificate issued by the Air Authority for aircraft capable of carrying ten or more individuals or 6,000 pounds of cargo.

“Certificate of Airworthiness” or **“CoA”** means a certificate of airworthiness issued by the FAA or the relevant Air Authority, as applicable.

“Claim” has the meaning specified in Section 11.1 (*Indemnity; General*).

“Closing” has the meaning specified in Section 6.3 (*Purchase Obligation*).

“Closing Date” has the meaning specified in Section 6.3 (*Purchase Obligation*).

“Contractual Currency” has the meaning specified in Section 16.5 (*Currency Indemnity*).

“Contracting State” means a country that has ratified, accepted, approved or acceded to the CTC in accordance with its terms and with respect to which no denunciation in accordance with the terms of the CTC has taken effect.

“CTC” means the Cape Town Convention and the Cape Town Airframe Protocol together and shall mean when referring to the CTC with respect to such Contracting State, the CTC, as is in effect in such Contracting State unless otherwise indicated.

“Credit Agreement” means any loan agreement, as identified in writing by Lessor, entered into or to be entered into between Lessor, as borrower, the facility agent, security trustee (if any) and the lenders party thereto, together with any other credit agreement to be entered into by Lessor and the applicable Financing Parties in connection with the financing of the Airframe.

“Cycle” means one take-off and landing of the Airframe.

“Damage Notification Threshold” has the meaning specified in Schedule 3 (*Commercial Terms*).

“Default” means any Event of Default and any event which with the giving of notice, lapse of time, determination of materiality or fulfillment of other condition would constitute an Event of Default.

“Default Interest” shall have the meaning specified in Section 6.10 (*Default Interest*).

“Deferred Pre-Delivery Modifications” means the installation of the ADSB out and the data link activation and as more particularly set forth in Schedule 1 (*Airframe Description*), to be performed following Delivery of the Airframe pursuant to Section 4.7 (*Deferred Pre-Delivery Modifications*).

“Delivery” has the meaning specified in Section 5.3 (*Delivery*).

“Delivery Deposit” has the meaning specified in Section 6.12(a) (*Security Deposit*) in the amount set forth in Schedule 3 (*Commercial Terms*).

“Delivery Inspection” has the meaning specified in Section 4.3(b) (*Technical Acceptance and Delivery Inspection*).

“Delivery Inspection Deadline” has the meaning specified in Section 4.3(b) (*Technical Acceptance and Delivery Inspection*).

“Delivery Location” means the facilities of eCube in Coolidge, Arizona, U.S.A.

“Deregistration Power of Attorney” or **“DPOA”** means a deregistration power of attorney relating to the Airframe and issued by Lessee in favor of Lessor and/or the Financing Parties (if applicable) in form and delivered in such manner as Lessor and any Financing Party may request (and, if applicable, notarized, legalized, apostilled and/or translated for use in the State of Registration, in each case at Lessee’s cost), empowering Lessor or any Financing Party (as the case may be):

- (a) to de-register the Airframe in the name of Lessee from the Airframe register in the State of Registration;
- (b) to export the Airframe from the State of Registration; and
- (c) to take any action required to release the Airframe from any Lien.

“Dollars” or **“US\$”** means the lawful currency of the United States of America.

“EASA” means the European Aviation Safety Agency, an agency of the European Union, or any successor agency thereto.

“Engine” means any aircraft engine that may be installed on the Airframe during the Term.

“Event of Default” means an event specified in Section 14.1 (*Events*).

“Event of Loss” means with respect to the Airframe:

- (a) the actual or constructive total loss of the Airframe (including any damage to the Airframe which results in an insurance settlement on the basis of a total loss, or

requisition for use or hire which results in an insurance settlement on the basis of a total loss); or

(b) the loss of use of the Airframe, due to destruction or damage beyond repair or being rendered permanently unfit for normal use for any reason; or

(c) the requisition of title, or other compulsory acquisition, capture, seizure, deprivation, confiscation or detention for any reason of the Airframe by the government of the State of Registration, the State of Incorporation or other competent authority (whether de jure or de facto) resulting in Owner or Lessor being divested of title to any interest in such property, other than by voluntary act; or

(d) the hijacking, theft, condemnation, confiscation or seizure of the Airframe which deprives Lessee, or any sublessee permitted hereunder to have possession and/or use of the Airframe, of its possession and/or use for more than 30 consecutive days; or

(e) the requisition for use of the Airframe (other than in the circumstances referred to in (c) above) which deprives the Lessee or any permitted sublessee of the use of the Airframe for more than 60 consecutive days.

“Expiry Date” means the Scheduled Expiry Date (as such date may be extended by way of Section 4.7 (*Deferred Pre-Delivery Modifications*) or to comply with the requirements of Article 13 (*Return of Airframe*)) or, if earlier, the date on which:

(a) this Agreement shall terminate in accordance with the terms hereof; or

(b) Lessor receives the Agreed Value following an Event of Loss.

“FAA” means the Federal Aviation Administration of the U.S. Department of Transportation or any successor thereto under the Laws of the U.S. Where it is stated in this Lease that a repair station or a repair, overhaul or maintenance facility will be an "FAA approved" station or facility, such station or facility must be approved by the FAA to perform maintenance and repair work on the Airframe.

“FAA Counsel” means McAfee & Taft, Erin Van Laanen, Esq., Oklahoma City, Oklahoma.

“Final Delivery Date” means September 1, 2025, unless otherwise agreed in writing between Lessor and Lessee.

“Final Inspection” has the meaning specified in Section 13.2 (*Final Inspection*).

“Financing Parties” means such financial institution(s), noteholders and/or other

providers of finance or funds, or any trustee(s) acting on behalf of such Persons as identified by Lessor from time to time in writing to Lessee, from whom funds for the acquisition or continued ownership of the Airframe by Owner is to be, or is for the time being obtained and/or in whose favor or for whose benefit security over, or rights relating to, the Airframe and/or this Agreement is granted by Lessor or at its request. Until notified otherwise by Lessor to Lessee, the Financing Parties shall include the Agent and each lender under the Credit Agreement, if any.

“Flight Hour” means each hour or part thereof (rounded to two decimal places) elapsing from the moment the wheels of the Airframe leave the ground on take-off until the wheels of the Airframe next touch the ground.

“GAAP” means generally accepted accounting principles then used in the State of Incorporation.

“Governing Law” means the laws of the State of New York with respect to agreement made and to be entirely performed in such State by residents thereof.

“Government Entity” means:

- (a) the FAA, or other approved Air Authority;
- (b) any national government, political subdivision, or local jurisdiction;
- (c) any instrumentality, board, commission, court, or agency of any thereof, however constituted; and
- (d) any association, organization, or institution of which any of the above is a member or to whose jurisdiction any thereof is subject or in whose activities any of the above is a participant.

“Habitual Base” means the continental United States of America, or other location affiliated with the short or long term charter or ACMI operations of Lessee, or subject to the prior written consent of Lessor, any other state, province or country in which the Airframe is from time to time habitually based within the geographical limits imposed by the Insurances.

“Holding Company” means, in relation to a Person, any other Person in respect of which it is a Subsidiary.

“Illegality Event” means:

- (a) it being or becoming impossible or unlawful under any applicable law for the Lessee or Lessor to perform any of its material obligations or to exercise any of its material rights under any Transaction Document; or

(b) any Transaction Document becoming invalid, ineffective or unenforceable, in whole or in part, or ceasing to constitute the legally valid, binding and enforceable obligations of the Parties with the result that the Lessor's interests under any Transaction Document are materially and adversely affected,

in each case as a result of an event which is not caused by and is beyond the control of the Lessee.

"Illegality Termination Date" has the meaning specified in Section 14.5(b) (*Termination Upon Illegality*).

"Indemnitees" or **"Indemnitee"** means each of Lessor, Owner, Owner Trustee, Owner Participant, Servicer, the Agent, the Financing Parties, AvCap Managers, LLC (as Holding Company), AvCap Asset Trading, LLC (as prior owner participant), Gryphon Aviation Leasing, LLC (as Affiliate), Avolon Leasing Ireland 3 Limited (as prior owner), Avolon Aerospace Leasing Limited (as prior servicer), including, all of their respective successors and assigns; direct and indirect members, managers, partners, or shareholders, subsidiaries, Holding Company, Subsidiaries, Affiliates, contractors, subcontractors, representatives, controlling persons, directors, officers, servants, agents, employees and transferees.

"Indemnitee Taxes", in respect of any Tax Indemnitee, means any Taxes:

(a) based on or measured by the net income, profits, capital, or net worth of the Tax Indemnitee imposed by any Government Entity, other than any such taxes that are in the nature of sales, use, gross receipts, ad valorem, license, property or VAT;

(b) sales, general excise, use or similar transfer Taxes imposed on a Tax Indemnitee upon any voluntary or involuntary transfer or disposition by the Indemnitee of the Airframe, or any interest in Tax Indemnitee other than any transfer or disposition requested by Lessee or made while an Event of Default is continuing;

(c) Taxes to the extent incurred with respect to any act occurring after:

(i) the expiration or earlier termination of this Agreement and not related to the transactions contemplated by this Agreement,

(ii) the (A) return of possession of the Airframe in accordance with the relevant provisions of this Agreement or (B) sale or other transfer of the Airframe

following an Event of Loss with respect to the Airframe pursuant to the terms hereof, and

(iii) the payment by Lessee of all amounts payable pursuant to this Agreement;

(d) Taxes to the extent incurred in respect of any act or circumstance occurring

prior to Lessee's acceptance of the Airframe on the Lease Commencement Date and unrelated to the transactions contemplated by this Agreement;

(e) imposed as a result of or in respect of the provision of finance in respect of the Airframe, or as a result or in respect of any Lessor Lien; or

(f) any Taxes imposed on such Tax Indemnatee to the extent such Taxes are attributable to that Tax Indemnatee's gross negligence or willful misconduct unless caused directly by the gross negligence or willful misconduct on the part of Lessee or any other user of the Airframe.

"Initial Deposit" has the meaning specified in Section 6.12(a) (*Security Deposit*) in the amount set forth in Schedule 3 (*Commercial Terms*).

"Initial Inspection" has the meaning specified in Section 4.3(a) (*Technical Acceptance and Delivery Inspection*).

"Initial Technical Acceptance Certificate" has the meaning specified in Section 4.3(a) (*Technical Acceptance and Delivery Inspection*).

"Insurances" has the meaning specified in Section 10.1 (*Insurances*).

"International Interest" is defined in the Cape Town Convention.

"International Registry" means the international registration facilities established for the purposes of the CTC by Aviareto in Dublin, Ireland.

"Landing Gear" means the nose landing gear assembly, right main landing gear assembly, left main gear assembly of the Airframe as detailed in Schedule 1 (*Airframe Description*).

"Law" means any statute, decree, constitution regulation, order or any directive of any Government Entity, (b) treaty, pact, compact or other agreement to which any Government Entity is a signatory or part, (c) judicial or administrative interpretation or application of any of the foregoing or (d) any binding judicial precedent having the force of law.

"Lease" has the meaning specified in the Recitals.

"Lease Commencement Date" means the date on which the Delivery of the Airframe is confirmed in the Certificate of Acceptance.

"Lease Termination Certificate" means a lease termination certificate in form acceptable for filing with the FAA.

"**Lessee**" has the meaning specified in the Recitals.

"**Lessee's Account**" means the bank account of Lessee set forth on Schedule 3 (*Commercial Terms*) as "Lessee's Account".

"**Lessor**" has the meaning specified in the Recitals

"**Lessor Lien**" means:

(a) the Mortgage, the Security Agreement and any security interest whatsoever from time to time created by or through Owner or Lessor in connection with the financing of the Airframe;

(b) any other security interest in respect of the Airframe which results from acts of or claims against Lessor and/or Owner or any other Indemnatee or Tax Indemnatee not related to the transactions contemplated by or permitted under this Agreement; and

(c) liens in respect of the Airframe for Indemnatee Taxes.

"**Lien**" means, with respect to any asset, any mortgage, deed of trust, lien, pledge, hypothecation, right of set-off, encumbrance, charge or security interest in, on or of such asset or other arrangement having the effect of creating a lien other than a Permitted Lien.

"**Losses**" means any costs, expenses, payments, charges, demands, liabilities, claims, actions, proceedings, penalties, fines, damages, judgments, orders or other sanctions.

"**LLP**" means a life limited part.

"**Major Check**" means a 6Y or 12Y C-Check or equivalent maintenance check as set out in the Approved Maintenance Program.

"**Major Repair**" means any "Major Repair" as such term is commonly used by the FAA and/or EASA and/or the Air Authority.

"**Manufacturer**" means with respect to the Airframe or any Part of the Airframe, the Airframe Manufacturer or manufacturer of such Part, respectively.

"**Material Default**" means a Default under any of Sections 14.1(a), 14.1(f), 14.1(g), 14.1(h), 14.1(i), 14.1(j), 14.1(k), 14.1(n), 14.1(o) and/or 14.1(r).

"**Maximum Deductible**" has the meaning specified in Schedule 3 (*Commercial Terms*) attached hereto.

"**Minimum Liability Coverage**" has the meaning specified in Schedule 3 (*Commercial Terms*).

"**MPD**" means the latest version of the maintenance planning document in respect of the

Airframe published by the Airframe manufacturer.

“Modification” means any modification, alteration or addition to or removal from the Airframe, regardless of cost.

“Modification Threshold Amount” has the meaning specified in Schedule 3 (*Commercial Terms*).

“Monthly Disclosure Report” means the monthly report to be provided by Lessee to Lessor in the form attached as Annex I (*Form of Monthly Disclosure Report*).

“Mortgage” means any mortgage or similar agreement which Lessor or Owner notifies Lessee from time to time shall constitute the “Mortgage” for all purposes of this Agreement.

“OFAC” means the United States Office of Foreign Assets Control.

“Other Agreement” means an agreement, other than the Lease or any related Transaction Document, between or among (a) Lessor and Lessee; (b) Lessee and Lessor's Affiliates; and (c) Lessee's Affiliates and Lessor; (all of the foregoing collectively referred to as **“Other Agreements”** or each individually as an **“Other Agreement”**).

“Other Aircraft” means any aircraft, airframe, engines, auxiliary power units or other equipment subject to an Other Agreement.

“Owner” means Lessor or such other Person as Lessor may notify Lessee in writing as being the owner of the Airframe.

“Owner Participant” means AvCap 2840, LLC or such other Person as Lessor may notify Lessee in writing as being the owner participant under the Trust Agreement.

“Owner Trustee” means TVPX Aircraft Solutions Inc., as owner trustee under the Trust Agreement.

“Part” means whether or not installed on the Airframe:

(a) any component, furnishing or equipment furnished with the Airframe on the Lease Commencement Date; and

(b) any other component, furnishing or equipment title to which has, or should have passed to Lessor pursuant to this Agreement;

but excludes any such items title to which has, or should have, passed to Lessee pursuant to this Agreement.

“Permitted Lien” means:

(a) this Agreement, and any subleases entered into in accordance with this Agreement;

(b) any Lessor Lien;

(c) any lien for Taxes not assessed or, if assessed, not yet due and payable, or being contested in good faith by appropriate proceedings; and

(d) any lien of a repairer, mechanic, carrier, hangar keeper or other similar lien arising in the ordinary course of business or by operation of law in respect of obligations which are not overdue or are being contested in good faith by appropriate proceedings;

but only if (in the case of (c) and (d) above) (i) adequate resources are available to Lessee for the payment of the Taxes or obligations; and (ii) such proceedings, or the continued existence of the lien, do not give rise to any risk of the sale, forfeiture or other loss of the Airframe or any interest therein or of criminal liability on Lessor, Owner, the Agent or any Financing Party.

“Person” means any individual, firm, partnership, joint venture, trust, corporation, company, Government Entity, association, committee, department, authority or any other entity, incorporated or unincorporated, whether having distinct legal personality or not, or any member of the same and **"person"** and **"persons"** shall be construed accordingly.

“PMA Part” means a replacement part, component or furnishing which has not been manufactured by the manufacturer of the Part it replaces.

"Pre-Delivery Modifications" has the meaning specified in Section 4.3(a) (*Technical Acceptance and Delivery Inspection*).

“Prohibited Country” means any country to or in which the operation of an Airframe is not permitted under (a) any United Nations sanctions, (b) the U.K. Export of Goods Control Order 1994, (c) the United States Export Administration Act 1979 (as amended) and/or the Export Administration Regulations promulgated thereunder, (d) regulations administered from time to time by the Office of Foreign Assets Control of the United States Treasury Department, and (e) any similar, corresponding or successor legislation, sanctions or orders of the United Kingdom, the United States, the European Union or the United Nations.

"Purchase Agreement" has the meaning specified in Section 6.3 (*Purchase Obligation*).

“Purchase Price” has the meaning specified in Section 6.3 (*Purchase Obligation*).

“Redelivery Certificate” means the redelivery certificate in the form attached as Schedule 6 (*Form of Redelivery Certificate*) to be executed by Lessor at the time the Airframe is redelivered by Lessee at the end of the Term (if applicable).

“Redelivery Location” means the Delivery Location, or such other location in the continental United States of America as may be specified by Lessor.

"Reinsurances" has the meaning specified in Section 10.1(b) (*Insurances*).

"Rent" means all amounts payable pursuant to Section 6.2 (*Rent*).

"Rent Date" means the first day of each Rental Period.

"Rental Period" means each period determined in accordance with Section 6.1 (*Rental Periods*).

"Security Agreement" shall mean any security agreement or assignment, charge, pledge, guaranty, or other document or agreement other than the Mortgage creating a Lien over the Airframe or this Agreement, or any other Transaction Documents in favor of any Financing Party, as identified in writing by Lessor or Owner, and any acknowledgments or consents to any of the foregoing.

"Sanctions" shall mean any and all laws, judgments, orders, executive orders, decrees, ordinances, rules, regulations, statutes, restrictive measures (including, for the avoidance of doubt, any Sanctions or measures relating to a particular embargo or asset freezing), case law or treaties relating to economic or trade sanctions or terrorism financing and applicable to any Lessee, Lessor, or any of their Affiliates or any of the Financing Parties or any of their Affiliates, including any sanctions administered, imposed or enforced by the U.S. government (including, without limitation, OFAC and the U.S. Department of State), His Majesty's Treasury of the United Kingdom, the Government of Ireland, the European Union, the United Nations Security Council and any other Governmental Authority.

"Scheduled Expiry Date" means the date following thirty-six (36) months after the Lease Commencement Date.

"Security Deposit" has the meaning specified in Section 6.12(c) (*Security Deposit*).

"Serviceable" means as the context requires, tagged as serviceable for installation with an FAA 8130-1 or EASA Form One Dual Release and in a condition suitable for installation and

use in commercial operations under the Air Authority and FAA/EASA regulations; and capable of immediate commercial operations under the Air Authority and FAA/EASA regulations.

"Servicer" means such Person identified as the servicer by Lessor.

"State of Incorporation" means the State of Delaware, United States of America.

"State of Registration" means (i) the United States for the Term of this Lease Agreement; and (ii) for purposes of the CTC, in respect of an Airframe, the country on the national register of which an Airframe is entered or the country of location of the common mark registering authority maintaining the Airframe register on which the Airframe is registered.

“Subsidiary” means in relation to any company or entity, any other company or entity, a company or corporation:

- (a) which is under the control, directly or indirectly, of the first mentioned entity, company or corporation; or
- (b) more than half the issued voting share capital of which is beneficially owned, directly or indirectly by the first mentioned entity, company or corporation; or
- (c) which is a subsidiary of another subsidiary of the first mentioned entity, company or corporation under the laws of its jurisdiction of incorporation,

and for this purpose, an entity, company or corporation shall be treated as being under the control of another if that other entity, company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

“Supplemental Rent” means all payments under this Agreement (other than payments of Rent).

“Tax Indemnites” or **“Tax Indemnitee”** means each of Lessor, Owner, Owner Trustee, Owner Participant, Servicer, and the Financing Parties, AvCap Managers, LLC (as Holding Company), AvCap Asset Trading, LLC (as prior owner participant), Gryphon Aviation Leasing, LLC (as Affiliate), including, all of their respective successors and assigns; direct and indirect members, managers, partners, or shareholders, subsidiaries, Holding Company, Subsidiaries, Affiliates, contractors, subcontractors, representatives, controlling persons, directors, officers, servants, agents, employees and transferees.

“Taxes” means taxes, duties, imposts, charges, withholdings, fees and the like of all kinds and any other amount corresponding to any of the foregoing imposed by any Government Entity, together with any penalties, fines, additions to tax, surcharges or interest thereon.

“Technical Acceptance Certificate” shall mean the certificate in the form set forth on Schedule 7 (Form of Technical Acceptance Certificate), dated on or about the date hereof, executed and delivered by Lessee confirming its acceptance of the technical condition of the Airframe.

“Term” means the period commencing on the Lease Commencement Date and ending at the time set forth on the Redelivery Certificate on the Expiry Date.

“Termination Amount” has the meaning specified in Section 14.5(c) (*Termination Upon Illegality*).

“Transaction Documents” means this Agreement, the Initial Technical Acceptance

Certificate, the Technical Acceptance Certificate, the Certificate of Acceptance, the Lease Termination, the Deregistration Power of Attorney; together with each other document, instrument and certificate executed in connection with the Agreement by the “parties.

“**Trust Agreement**” means that certain Trust Agreement dated as of November 21, 2024 between AvCap Asset Trading, LLC, as trustor, and Owner Trustee, as assigned and assumed by the Owner Participant, and as may be further assigned, assumed, amended or otherwise modified from time to time.

“**U.S. Trade Control Laws**” has the meaning specified in Section 2.1(p) (*Lessee’s Representations and Warranties*).

“**UCC**” means the Uniform Commercial Code as in effect in any applicable jurisdiction.

“**United States**” means the United States of America and its territories and possessions.

“**US\$**” means the lawful currency of the United States.

“**VAT**” has the meaning specified in Section 6.7 (*Value Added Tax*).

1.2 Construction

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

(i) each of “Lessor”, “Owner”, “Owner Trustee”, “Owner Participant”, “Lessee”, “Guarantor”, “Financing Party”, “Servicer” or any other Person includes without prejudice to the provisions of this Agreement any successor in title to it and any permitted assignee;

(ii) words importing the plural shall include the singular and vice versa;

(iii) any document shall include that document as amended, modified, novated or supplemented;

(iv) reference to a law (1) includes any statute, decree, constitution, regulation, order, judgment or directive of any Government Entity; (2) includes any treaty, pact, compact or other agreement to which any Government Entity is a signatory or party; (3) includes any judicial or administrative interpretation or application thereof; and (4) is a reference to that provision as amended, substituted or re-enacted; and

(v) a Section or a Schedule is a reference to a Section of or a Schedule to this Agreement.

(b) The headings in this Agreement are to be ignored in construing this

Agreement.

1.3 **Cape Town Convention** The parties hereto agree that upon execution of this Agreement (i) this Agreement will constitute an International Interest with respect to the Airframe identified in this Agreement, (ii) such Airframe constitutes an “aircraft object” (as defined in the CTC) and (iii) this Agreement constitutes an agreement for the registration of the Airframe.

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

2.1 **Lessee’s Representations and Warranties.** Lessee represents and warrants to Lessor that:

(a) **Status:** Lessee is a legal entity duly organized and validly existing under the laws of the State of Delaware, United States of America, and has the power and authority to own its assets and carry on its business as it is being conducted, is the holder of all necessary air transportation licenses required in connection therewith and with the use and operation of the Airframe and is duly qualified to do business in each jurisdiction in which it does business.

(b) **Power and authority:** Lessee has the power and authority to enter into and perform, and has taken all necessary action to authorize the entry into, performance and delivery of, this Agreement and the transactions contemplated by this Agreement.

(c) **Legal validity:** This Agreement constitutes Lessee’s legal, valid and binding obligation, enforceable against Lessee in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally.

(d) **Non-conflict:** The entry into and performance by Lessee of, and the transactions contemplated by this Agreement do not and will not:

(i) conflict with any law, enactment, rule or regulation or any judgment, decree, authorization license or permit to which Lessee is subject; or

(ii) conflict with, or result in any breach of any of the terms of, or constitute a default under, any material agreement or other material instrument or document to which Lessee is a party or is subject or by which it or any of its property or assets is bound; or

(iii) contravene or conflict with any provision of the constitutional documents of Lessee; or

(iv) result in the creation of any Lien over any of the undertaking,

properties, assets, rights or revenues of Lessee.

(e) **Certificated Carrier:** Lessee is a Certificated Carrier.

(f) **Authorization:** (i) Except for the registration of the Airframe with the FAA as the State of Registration in the name of Owner and noting the interest of Owner as owner, Lessee as lessee, and Lessor as lessor, and the placing on the Airframe of the plates containing the legends referred to in Section 9.7(e) (*Title*) hereof and (ii) recordation of the Agreement as an as International Interest with the International Registry, no further filing or recording of this Agreement or other document, and no further action, are necessary or desirable under the Laws of the State of Incorporation, State of Registration or Habitual Base in order to (A) fully protect and establish Owner's title to, interest in and property rights with respect to the Airframe as against Lessee and to ensure that the property rights of Owner therein will have priority in all respects over the claims of all creditors of Lessee, or (B) ensure the validity, effectiveness and enforceability of this Agreement, other than filing of a UCC-1 in respect of this Agreement which may be filed as a precautionary measure, and (iii) no filing or recording of the Agreement or any other document is required under the Laws of the State of Incorporation, State of Registration or Habitual Base to protect and establish Owner's title and interest in and to the Airframe, as against Lessee to ensure the rights of Owner therein will have priority in all respects over the claims of all creditors of Lessee; in each case subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally.

(g) **Financial Statements:** The audited financial statements for Lessee for the fiscal year ending December 31, 2024, together with all audited and unaudited 2025 quarterly financial statements for Lessee (in each case containing a balance sheet, statement of net income and statement of cash flows) have been prepared in accordance with GAAP and are true, correct and complete in all material respects.

(h) **Licenses:** Lessee holds all licenses, certificates, permits and franchises from the Air Authority or other Government Entity having jurisdiction, necessary to

authorize Lessee to engage in air transport and to carry on its business as presently conducted and to be conducted with the Airframe.

(i) **Binding Obligation:** The obligations expressed to be assumed by it in each Transaction Document are legal, valid, binding and enforceable obligations, subject to any general principles of law limiting its obligations which are specifically referred to in any legal opinion provided hereunder.

(j) **Operations:** It will, prior to operating or using the Airframe for any purpose, including the commencement of commercial operations with the Airframe, have all licenses and approvals required to operate, use, and commercially operate the Airframe.

(k) **No Immunity:** Neither Lessee nor any of its assets is entitled to any immunity from any legal action or proceedings.

(l) **Tax Return:** Lessee has delivered all necessary returns and payments due to the tax authorities in the State of Incorporation, the State of Registration and the Habitual Base.

(m) **No Withholding:** Lessee will not be required to deduct any withholding or other Tax from any payment it may make under this Agreement or any other Transaction Document.

(n) **Obligations Pari Passu:** The obligations of Lessee under this Agreement are direct, general and unconditional obligations of Lessee and rank or will rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations (including contingent obligations) of Lessee, with the exception of such obligations as are mandatorily preferred by Law and not by reason of any encumbrance.

(o) **Compliance with Laws:** Lessee is in material compliance with all Laws to which Lessee is subject and which any non-compliance with would adversely affect Lessee's performance of its obligations under this Agreement.

(p) **Sanctions:** Lessee is not in violation of any Sanctions and (i) is not a Person identified on, nor does it have any affiliation of any kind with any Person identified on, (A) any "watch list" established by OFAC, including, without limitation, OFAC's list of Specially Designated Nationals and Blocked Persons or (B) any "watch list" established by the United States Federal Bureau of Investigation; (ii) is not a foreign shell bank or offshore bank; and (iii) is not resident in, nor has funds that are transferred from or through, nor has operations in, any jurisdiction identified as non-cooperative by the Financial Action Task Force of the United States or sanctioned by OFAC; and (iv) is not in violation of (A) export controls, including, but not limited to, those administered or enforced by the U.S. Department of Commerce or U.S. Department of State; (B) anti-corruption laws, including but not limited to, the U.S. Foreign Corrupt Practices Act of

1977, as amended; and (C) any other law of similar effect or that relates to U.S. trade controls or anti-corruption, (collectively, and as amended from time to time, "**U.S. Trade Control Laws**").

(q) **Choice of Law:** The choice by Lessee of the law of the State of New York to govern this Lease is valid and binding under the Laws of the State of Registration and the State of New York or such other jurisdiction in which Lessee conducts business and a court in any such jurisdiction would uphold such choice of law in a legal proceeding to enforce this Agreement brought in such court.

(r) **Jurisdiction:** Lessee has validly submitted to the jurisdiction of the courts of the State of New York and the federal courts for the Southern District of New York.

(s) **No Default:**

(i) No Default has occurred and is continuing or could reasonably be expected to result from the entry into or performance of this Agreement; and

(ii) no other event has occurred and is continuing which constitutes (or with the giving of notice, lapse of time, determination of materiality or the fulfillment of any other applicable condition or any combination of the foregoing, would constitute) a material default under any material document which is binding on Lessee or any assets of Lessee and which would have a material adverse effect on Lessee's ability to perform its obligations under this Agreement.

(t) **Litigation:** No litigation, arbitration or administrative proceedings are pending or to its knowledge threatened against Lessee or its assets which, if adversely determined, individually or in the aggregate, is likely to have a material adverse effect upon its financial condition, business or operations and its ability to perform its obligations under this Agreement.

(u) **Material Adverse Change:** There has been no material adverse change in the consolidated financial condition of Lessee and its Affiliates or the financial condition of Lessee since the date of the financial statements referred to in Section 2.1(g).

(v) **Information:** The financial and other information furnished by Lessee in connection with this Agreement does not contain any untrue statement of material facts or omit to state facts, the omission of which makes the statements therein, in the light of the circumstances under which they were made, materially misleading, nor omits to disclose any material matter to Lessor and all forecasts and opinions contained therein were honestly made on reasonable grounds after due and careful inquiry by Lessee.

(w) **No Broker:** Lessee has not 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 the transaction entered into pursuant to the execution of this Agreement, to any Person or entity.

2.2 Repetition. The representations and warranties in Section 2.1 (*Lessee's Representations and Warranties*) will survive the execution of this Agreement. The representations and warranties contained in Section 2.1 will be deemed to be repeated by Lessee on the Lease Commencement Date and solely with respect to the representations and warranties set forth in subsections (a), (b), (c), (d), (e), (h), (o), (p), (q), and (r) of Section 2.1, as of each Rent Date, and in each instance with reference to the facts and circumstances then existing.

2.3 Lessor's Representations and Warranties. Lessor represents and warrants to Lessee that:

(a) **Status:** Lessor is a corporation duly incorporated and validly existing under the laws of the State of Utah, United States of America, and has the power to own its assets and carry on its business as it is now being conducted.

(b) **Power and authority:** Lessor has the power to enter into and perform, and has taken all necessary action to authorize the entry into, performance and delivery of, this Agreement and the transactions contemplated by this Agreement.

(c) **Legal validity:** This Agreement constitutes Lessor's legal, valid and binding obligation, enforceable against Lessor in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally.

(d) **Non-conflict:** The entry into and performance by Lessor of, and the transactions contemplated by, this Agreement do not and will not:

(i) conflict with any laws binding on Lessor is subject; or

(ii) conflict with the constitutional documents of Lessor; or

(iii) conflict with any material document to which is binding upon Lessor or any of its assets.

(e) **Authorization:** No authorization, approval, consent, license or order of, or registration with, or the giving of notice to any U.S. Government Entity is required for the valid authorization, execution, delivery and performance by Lessor of this Agreement.

(f) **Citizenship:** Lessor is a Citizen of the United States (as such term is defined in Section 40102(a)(15) of 49 U.S.C. subtitle VII, as amended).

2.4 The representations and warranties in Section 2.3 (*Lessor's Representations and Warranties*) will survive the execution of this Agreement. The representations and warranties contained in Section 2.3 will be deemed to be repeated by Lessor on the Lease Commencement Date with reference to the facts and circumstances then existing.

ARTICLE 3 CONDITIONS PRECEDENT

3.1 Lessor Conditions Precedent. Lessor's obligation to deliver and lease the Airframe under this Agreement is subject to the satisfaction of each of the following conditions:

(a) receipt by Lessor and from Lessee on or prior to the Lease Commencement Date of the following in a satisfactory form and substance to Lessor:

(i) **Constitutional Documents:** a certified copy of the constitutional documents of Lessee;

(ii) **Resolutions:** a certified copy of a resolution or written action of the board of directors of Lessee, authorizing Lessee to enter into this Agreement, together with an incumbency certificate as to the person or persons authorized to execute and deliver documents on behalf of Lessee;

(iii) **Power of Attorney:** a certified copy of any power of attorney granted by Lessee authorizing a specific individual or individuals on its behalf to execute and deliver the Transaction Documents to which Lessee is a party;

(iv) **Transaction Documents:** a copy of each of the Transaction Documents, duly executed and, if necessary, notarized by Lessee;

(v) **Lessee Opinion:** an opinion in-house legal counsel addressed to Lessor and the Financing Parties in form and substance reasonably satisfactory to Lessor and to the Financing Parties, confirming, among other things, that Lessee is duly organized, validly existing and in good standing, has due power and authority to carry on its business as presently conducted and to enter into and perform its obligations under this Agreement and the transactions contemplated herein and therein, that this Agreement has been duly authorized, executed and delivered, that each such documents are legal, valid and binding, that the execution and delivery of this Agreement, and the performance by Lessee of the Transaction Documents to which it is a party and the transactions contemplated therein, do not violate any Law applicable to it;

(vi) **FAA Counsel Opinion:** a legal opinion from FAA Counsel

regarding the registration of the Airframe in the State of Registration, and FAA and Cape Town filings to be issued on the Delivery Date;

(vii) **Approvals:** evidence of the issue of each approval, license and consent which may be required to enable Lessee to perform its obligations under this Agreement;

(viii) **Licenses:** a copy of Lessee's air transport license;

(ix) **Registration:** subject to Section 9.17 (*Registration*), a copy of all documents enabling the Airframe and ownership interests to be registered with the Air Authority and in the State of Registration, on the Lease Commencement Date in the name of Owner as owner, Lessor as lessor, Lessee as lessee, and the respective interests of any Financing Parties;

(x) **Certificate:** a certificate of a duly authorized officer of each of Lessee and Guarantor:

(1) setting out a specimen of each signature referred to in Section 3.1(a)(ii);

(2) certifying that the copy of each document specified in this Section 3.1(a)(i), (ii), and (iii) is correct, complete and in full force and effect;

(3) certifying that no Default has occurred and is continuing or will result from Lessee lease of the Airframe pursuant to this Agreement;

(xi) **Payments:** all sums due to Lessor under this Agreement on or before the Lease Commencement Date;

(xii) **Insurances:** certificates of insurance and a letter of undertaking from Lessee's insurance broker;

(xiii) **Financial Statements:** the latest available financial statements of Lessee as described in Section 2.1(g) (*Lessee's Representations and Warranties*) or 9.2(c) (*Information and Access*);

(xiv) **Air Authority Certificate(s):** certified copy of Lessee's current Air Operator's Certificate, Certificate of Airworthiness, Certificate of Registration, Radio License or other certifications required for commercial operation of Airframe, issued by the Air Authority and/or in the State of Registration;

(xv) **Lease Termination Certificate:** the Lease Termination Certificate executed by Lessee, for use following the occurrence and continuation of an Event of Default or upon the cancellation, termination, or expiration of this Agreement;

(xvi) **Acceptance by Process Agent:** a letter from the process agent appointed by Lessee pursuant to Section 16.11(g) (*Law and Jurisdiction*) accepting its appointment;

(xvii) **Maintenance Program:** a copy of the Maintenance Program, including the Airframe serial number in the index of the Approved Maintenance Program, certified by a duly authorised officer of Lessee to be current and valid;

(xviii) **Financing Party Documents.** Such documents as reasonably requested in order to evidence and protect the interests of the Financing Parties in and to this Agreement and the Airframe, including but not limited to a security assignment of this Agreement in a form acceptable for filing with the Air Authority

(xix) **KYC**: all “Know Your Customer” documents regarding Lessee, as may be requested by Lessor;

(xx) **Cape Town**: evidence that Lessee has established a transaction user entity account with the International Registry and confirmation from FAA Counsel that it has all necessary consents for Lessee to make registrations with the International Registry required by Lessor and the Financing Parties upon delivery of the Airframe to Lessee;

(xxi) **General**: such other documents as Lessor may reasonably request;

(b) evidence that on the Lease Commencement Date, that all filings, registrations, recordings and other actions have been or will be taken which are necessary or advisable to ensure the validity, effectiveness and enforceability of this Agreement and to protect the property rights of Lessor and each Financing Party in the Airframe and Parts thereof.

3.2 Further Lessor Conditions Precedent. The obligations of Lessor to deliver and lease the Airframe under this Agreement are subject to the further conditions precedent that:

(a) the representations and warranties of Lessee under Section 2.1 (*Lessee's Representations and Warranties*) are correct and would be correct if repeated on delivery of the Airframe under this Agreement and Lessee shall have delivered to Lessor a certificate signed by an officer of Lessee to such effect; and

(b) no Default has occurred and is continuing or could reasonably be expected to result from the leasing of the Airframe to Lessee under this Agreement.

3.3 Lessee Conditions Precedent. Lessee's obligation to accept delivery of the Airframe under this Agreement is subject to the following conditions precedent:

(a) **Representations and Warranties**: the representations and warranties of Lessor under Section 2.3 (*Lessor's Representations and Warranties*) are correct and would be correct if repeated on delivery of the Airframe under this Agreement;

(b) **Delivery Condition**: the Airframe being delivered to Lessee in the condition described on Schedule 1 (*Airframe Description*);

(c) **Quiet Enjoyment Letter**: If applicable, a quiet enjoyment letter on substantially the terms of Section 8.1 (*Quiet Enjoyment*), duly executed by a relevant Financing Party;

(d) **Transaction Documents**: Lessee shall have received a copy of each Transaction Document duly signed by the parties thereto (other than Lessee);

(e) **Registration:** subject to Section 9.17 (*Registration*), a copy of all documents enabling the Airframe and ownership interests to be registered with the Air Authority and in the State of Registration, on the Lease Commencement Date in the name of Owner Trustee as legal owner, Owner Participant as beneficial owner, Lessor as lessor, Lessee as lessee, and the respective interests of any Financing Parties.

3.4 Conditions Subsequent. Promptly following delivery and the commencement of the leasing of the Airframe under this Agreement, each of Lessor and Lessee undertakes and covenants to accomplish the following conditions subsequent:

(a) **Registration:** If not accomplished on the Delivery Date, within 1 Business Day thereafter, subject to Section 9.17 (*Registration*), Lessor and Lessee shall coordinate with FAA Counsel to file all documents enabling the Airframe and ownership interests to be registered with the Air Authority and in the State of Registration in the name of Owner Trustee as legal owner, Owner Participant as beneficial owner, Lessor as lessor, Lessee as lessee, and the respective interests of any Financing Parties; and

(b) **Cape Town:** If not previously provided, FAA Counsel will within two (2) Business Days of registration of the Airframe with USA FAA, provide Lessor with evidence that the Cape Town filings have been made as required by this Agreement.

3.5 Waiver.

(a) The conditions specified in Section 3.1 (*Lessor Conditions Precedent*), Section 3.2 (*Further Lessor Conditions Precedent*) are for the sole benefit of Lessor and may be waived or deferred in whole or in part and with or without conditions by Lessor.

(b) The conditions specified in Section 3.3 (*Lessee Conditions Precedent*) are for the sole benefit of Lessee and may be waived or deferred in whole or in part and with or without conditions by Lessee.

ARTICLE 4

DELIVERY INSPECTION AND ACCEPTANCE

4.1 Delivery Inspection and Acceptance. LESSEE COVENANTS TO LESSOR THAT LESSEE HAS USED ITS OWN JUDGMENT IN SELECTING THE AIRFRAME AND HAS DONE SO BASED ON ITS SIZE, DESIGN AND TYPE. LESSEE ACKNOWLEDGES THAT LESSOR IS NOT A MANUFACTURER, REPAIRER OR SERVICING AGENT OF THE AIRFRAME.

4.2 Condition at Delivery. Lessor has advised Lessee that at Delivery the Airframe will be in the condition set forth in Schedule 1 (*Airframe Description*) (“**Delivery Condition**”), except for the Deferred Pre-Delivery Modifications to be completed in accordance with Section 4.7 (*Deferred Pre-Delivery Modifications*). To the extent that at Delivery there are non-substantial or minor cosmetic deviations from the condition set forth in Schedule 1 (*Airframe*

Description) which do not affect the airworthiness of the Airframe, Lessee will nonetheless accept the Airframe and Lessee and Lessor will adjust the return conditions of the Airframe set forth in Schedule 5 (*Return Conditions*) accordingly.

4.3 **Technical Acceptance and Delivery Inspection**

(a) Prior to the date of this Agreement, Lessee has conducted an initial walk-around physical inspection of the Airframe and a review of the Airframe Documents at the Delivery Location at Lessee's cost and expense (the "**Initial Inspection**") and has delivered to Lessor the initial technical acceptance certificate which noted Lessee's irrevocable acceptance of the physical condition of the Airframe at such time, subject only to certain repairs and modifications noted therein (the "**Initial Technical Acceptance Certificate**"). Upon satisfactory completion of the Initial Inspection and execution of the Initial Technical Acceptance Certificate, the Airframe has undergone certain repair and modifications as set forth in Schedule 1 (*Airframe Description*) to this Agreement (the "**Pre-Delivery Modifications**").

(b) Upon completion of the Pre-Delivery Modifications, Lessor has made the Airframe available to Lessee in order to accomplish a pre-Delivery inspection at the Delivery Location at Lessee's sole cost and expense (the "**Delivery Inspection**") not later than five (5) Business Days from the date of completion of the Pre-Delivery Modifications, and Lessee will have a period of five (5) Business Days from the date on which the Airframe and Airframe Documents were made available (such date being the "**Delivery Inspection Deadline**") to complete the Delivery Inspection. The Delivery Inspection shall be limited to (a) a review of the Airframe Documents (which may be completed electronically) and (b) a physical inspection of the Airframe and its equipment, in each case as shall solely pertain to changes to the Airframe by virtue of the Pre-Delivery Modifications, but excluding the Deferred Pre-Delivery Modifications (it being

understood that the physical condition of the Airframe has already been technically accepted by Lessee pursuant to the Initial Technical Acceptance Certificate and verification that the Airframe is in materially the same condition as during the Initial Inspection). On or prior to the Delivery Inspection Deadline, Lessee shall either notify Lessor that it has confirmed its technical acceptance of the Airframe or shall specify in writing the discrepancies that differ from the Delivery Condition, taking into account the Deferred Pre-Delivery Modifications. If Lessee has confirmed its irrevocable and unconditional technical acceptance of the Airframe, it shall proceed to execute and deliver to Lessor the Technical Acceptance Certificate and proceed to Delivery. If Lessee has specified in writing any discrepancies that differ from the Delivery Condition other than the Deferred Pre-Delivery Modifications as set forth in Section 4.7 (*Deferred Pre-Delivery Modifications*), then Lessor shall have a reasonable opportunity to rectify such discrepancies to Lessee's reasonable satisfaction, whereupon the Lessee shall execute and deliver to Lessor the Technical Acceptance Certificate.

4.4 Delivery of Airframe to Lessee. Upon tender of the Airframe by Lessor to Lessee in the condition required by Schedule 1 (*Airframe Description*) with the exception of the Deferred Pre-Delivery Modifications, and subject to the conditions set forth in Section 3.1 (*Lessor Conditions Precedent*) having been satisfied, waived or deferred in Lessee's discretion, Lessee will accept the Airframe by executing and delivering to Lessor the Certificate of Acceptance, and the date of tender of the Airframe by Lessor to Lessee will be deemed to be the Delivery Date for all purposes under this Lease (and shall also be the date on the Certificate of Acceptance), including the commencement of Lessee's obligation to pay Rent in accordance with the terms and conditions hereunder. Nothing in this Lease will obligate Lessor to deliver the Airframe to Lessee if Lessee has not complied with the conditions contained in Section 3.1 (*Lessor Conditions Precedent*) and Section 3.2 (*Further Lessor Conditions Precedent*). The Delivery Date shall occur no later than the Final Delivery Date.

4.5 Lessee Acceptance of Airframe. If Lessee fails to take delivery of the Airframe when properly tendered for delivery by Lessor in the condition required hereunder and the conditions set forth in Article 3.3 have been satisfied, waived or deferred in Lessee's discretion, then Lessee will indemnify Lessor for all costs and expenses incurred by Lessor as a result thereof.

4.6 Loss of Airframe. If an Event of Loss of the Airframe occurs prior to Delivery, neither party will have any further obligation to the other except that Lessor will return the Security Deposit in accordance with Section 6.12 (*Security Deposit*), and except for such obligations hereunder which by their terms are expressed to survive the termination or cancelation of this Agreement.

4.7 Deferred Pre-Delivery Modifications. Lessor and Lessee agree that the Deferred Pre-Delivery Modifications will be performed in connection with the C-check maintenance conducted by Lessee at Lessee's facility in Florida, U.S.A. following the Lease Commencement

Date. The materials for the Deferred Pre-Delivery Modifications will be provided by Lessor and installed onto the Airframe at its cost and expense (itemized as a separate and specific expense from the total cost of the C-check maintenance). Lessor shall grant to Lessee a Rent holiday for the number of days required for Lessee, acting reasonably, to install and complete the Deferred Pre-Delivery Modifications. Such amount of days of Rent holiday will be added to the Term of the Lease by way of extension of the Expiry Date.

ARTICLE 5 LEASE COMMENCEMENT

5.1 Leasing. Lessor and Lessee agree that all conditions precedent set forth in Article 3 shall be satisfied (or waived or deferred by the party entitled to so waive or defer) on or prior to the acceptance of the Airframe by Lessee pursuant to the terms of this Agreement. On the Lease

Commencement Date, Lessor will lease the Airframe to Lessee and Lessee will take Delivery of the Airframe on lease in accordance with this Agreement for the duration of the Term. Lessor will deliver and Lessee will accept the Airframe on the Lease Commencement Date on an “as is, where is” basis at the Delivery Location. On or after the Lease Commencement Date, the Airframe and every Part will be in every respect at the sole risk of Lessee, who will bear all risk of loss, theft, damage or destruction to the Airframe from any cause whatsoever.

5.2 Net Lease. This Agreement is a net Lease, and Lessee acknowledges and agrees that Lessee’s obligation to pay, and Lessor’s right to receive, all Rent and other payments in accordance with this Agreement shall be absolute, irrevocable, independent and unconditional and shall not be subject to (and Lessee hereby waives and agrees not to assert in respect of such payments) any (i) abatement, reduction, setoff, defense, counterclaim or recoupment; or (ii) insolvency, business rescue, bankruptcy, reorganization, amalgamation, arrangement, administration, readjustment of debt, dissolution, liquidation or similar proceedings by or against Lessee or the appointment of a liquidator, administrator, receiver, trustee or like officer of Lessee or any other Person; or (iii) any invalidity, frustration or unenforceability or lack of due authorization of, or other defect in, this Agreement; or (iv) any unavailability of or interruption in the use of the Airframe for any reason, or interference with or other restriction against Lessee’s use, operation or possession of the Airframe (whether or not the same would, but for this provision, result in the termination of this Agreement by operation of law); or (v) any failure or delay on the part of Lessor to perform its obligations under or in connection with this Agreement; or (vi) any other cause which, but for this provision, would or might have the effect of terminating or in any way affecting any obligation of the Lessee hereunder for any reason or under any circumstance whatsoever as to any such Rent or other payments due and owing pursuant to this Agreement. Notwithstanding the foregoing, to the extent permitted by applicable Law, Lessee also hereby waives any and all existing and future claims with respect to any of the occurrences in subsections

(i) through (vi) above against or with respect to such Rent or such payments, it will pay all such Rent and other payments regardless of any such occurrence(s), and this Agreement and Lessee’s payment and other obligations hereunder are non-cancelable and non-terminable by Lessee, except as expressly otherwise set forth herein.

5.3 Delivery. Lessor has advised Lessee that, as of the date of this Agreement, delivery of the Airframe is anticipated to occur on the Anticipated Delivery Date. Lessor will notify Lessee from time to time of any changes to the Anticipated Delivery Date. Provided that all conditions precedent set forth in Article 3 have been satisfied (or waived or deferred by the party entitled to so waive or defer) the Airframe will be delivered to and accepted by Lessee on the Lease Commencement Date; and on the Lease Commencement Date, to evidence the delivery, Lessee shall execute and deliver to Lessor a duly completed and executed Certificate of Acceptance (the “**Delivery**”) pursuant to Section 4.4 (*Delivery of Airframe to Lessee*) hereof.

5.4 Transport of Airframe. Immediately following the Delivery, Lessee will transport the Airframe, at Lessee’s sole cost and expense from the Delivery Location to Lessee’s facilities located in Florida, U.S.A.

5.5 Delay in Delivery. In the event of a delay that would reasonably be expected to cause the Delivery Date to occur following the Final Delivery Date, or in the event that the

Delivery has not occurred by the Final Delivery Date, then, provided that such delay is not the result of such party's breach of its obligations under this Agreement or any other Transaction Document, then either party may terminate this Agreement by delivering written notice of such termination to the other party, in which case Lessor will return the Security Deposit in accordance with Section 6.12 (*Security Deposit*), and neither party will have any further rights or obligations to the other, except for such rights and obligations hereunder which by their terms are expressed to survive the termination or cancelation of this Agreement.

ARTICLE 6 PAYMENTS

6.1 Rental Periods. The first Rental Period will commence on the Lease Commencement Date. Each subsequent payment of Rent will be due thereafter no later than the same day of the month as the Lease Commencement Date except that, if such day is not a Business Day, Rent will be due on the immediately preceding Business Day. If Delivery occurred on the 29th, 30th or 31st of the month and in any given month during the Term in which a Rent payment is due there is no such corresponding date, Rent will be payable on the last Business Day of such month.

6.2 Rent. On each Rent Date, Lessee will pay to Lessor or its order Rent in advance in the amount specified in Schedule 3 (*Commercial Terms*). Payment must be initiated adequately in advance of the Rent Date to ensure that Lessor receives credit for the payment on the Rent Date. Lessee also agrees to pay to Lessor, or at Lessor's written direction to whomsoever shall be entitled thereto, any and all Supplemental Rent promptly as the same shall become due and owing within five (5) Business Days after Lessor's demand for such amount.

6.3 Purchase Obligation. Upon the expiration of the Term of the Lease, on the Scheduled Expiry Date the Lessee shall be obligated to purchase the Airframe and Lessor shall sell the

Airframe to Lessee (the closing of such sale and purchase for the Airframe, the "**Closing**", and the date on which such Closing actually occurs, the "**Closing Date**"). Prior to the Closing Date, Lessor (as seller) and Lessee (as buyer) shall enter into a definitive airframe purchase agreement (the "**Purchase Agreement**") in respect of the Closing of the sale of the Airframe. The Purchase Agreement shall provide for terms and conditions standard in the commercial aviation industry which shall include, but not be limited to, customary conditions precedent (bill of sale, acceptance certificate, clearance of liens, termination of Lease Agreement, release of International Registry interests, FAA filings), representations and warranties, tail liability insurance, general indemnification, tax indemnification, compliance and sanctions, and such other matters as mutually agreed between Lessor and Lessee. The amount payable as consideration for the purchase of the Airframe (the "**Purchase Price**") shall be determined in accordance with the metrics set forth in Schedule 3 (*Commercial Terms*) to this Agreement. Closing shall occur at a location along Lessee's operational routes to be mutually agreed between Lessor and Lessee in order to minimize any taxes applicable upon the Closing or the

Airframe. The condition of the Airframe at Closing shall be “as-is, where-is, with all faults”, without representation or warranty of any kind, express or implied, given by Lessor other than as to title.

6.4 **Payments.** Unless otherwise provided herein, all payments by Lessee to Lessor under this Agreement will be made for value on the due date in Dollars and in immediately available funds by wire transfer to the Lessor’s Account or to such other account as Lessor may from time to time advise Lessee with at least five (5) Business Days prior written notice.

6.5 **Gross-up.**

(a) All payments by Lessee under or in connection with this Agreement will be made without set off or counterclaim, and, unless required by applicable Law, free and clear of and without deduction for or on account of all Taxes (other than Indemnatee Taxes);

(b) If Taxes (other than Indemnatee Taxes) in respect of payments under this Agreement shall be for the account of and will be paid by Lessee for its own account; and

(c) If Lessee is compelled by Law to deduct or withhold from any payment any Tax (other than an Indemnatee Tax), Lessee will pay all necessary additional amounts to ensure receipt by Lessor, after deduction or withholding for such Tax, of the full amount so provided for under this Agreement.

6.6 **Taxation.** Lessee will on demand pay and indemnify each Tax Indemnatee against all Taxes (other than Indemnatee Taxes) levied or imposed against or upon such Tax Indemnatee, the Airframe, the Rent, this Lease, or the transactions contemplated herein and directly or indirectly relating to or attributable to Lessee, this Agreement, or the importation, exportation, registration, ownership, leasing, subleasing, purchase, delivery, possession, use, operation, repair, maintenance, overhaul, transportation, landing, storage, presence, mortgaging or redelivery of the Airframe or any part thereof or any rent, receipts, insurance

proceeds, income or other amounts arising therefrom or payable hereunder or otherwise arising in connection with the transactions contemplated by this Agreement.

6.7 **Value Added Tax.**

(d) For the purposes of this sub-Section:

(i) “VAT” means value added tax and any sales or turnover tax, imposition or levy of a like nature;

(ii) “supply” includes anything on which VAT is chargeable;

(e) Lessee will pay to Lessor the amount of any VAT chargeable in respect of any supply for VAT purposes under this Agreement; and

(f) each amount stated as payable by Lessee under this Agreement is exclusive of VAT (if any) and is accordingly to be construed as a reference to that amount plus any VAT in respect of it.

6.8 Information and Filing.

(a) If a Tax Indemnatee is required by any applicable law, or by any third party, to deliver any report or return in connection with any Taxes for which Lessee is obligated to indemnify such Indemnatee, Lessee will, at its own expense, promptly advise Lessor and the Indemnatee of such requirement and (a) to the extent permitted or required by law, complete and file in its own name such report or return in a manner satisfactory to Lessor and the Tax Indemnatee and in particular will state therein that Lessee is exclusively responsible for the use and operation of the Airframe and for any Taxes (other than Indemnatee Taxes) arising therefrom, and Lessee will, on request supply a copy of the report or return to Lessor, (b) where such report or return is required to be in the name of or filed by such Tax Indemnatee or the Tax Indemnatee otherwise requests that such report or return be filed in its name, prepare and furnish such report or return for filing by such Tax Indemnatee in such manner as shall be satisfactory to Lessor and such Tax Indemnatee and send the same to the Lessor and such Tax Indemnatee for filing no later than fifteen (15) days prior to the due date and (c) where such return, statement or report is required under applicable law to reflect items related to and in addition to Taxes imposed on or indemnified against under this Section 6 as determined in good faith by such Tax Indemnatee, provide such Tax Indemnatee with information in a form and manner reasonably acceptable to such Tax Indemnatee within a reasonable time, sufficient to permit such report or return to be properly made and timely filed with respect thereto.

(b) Lessor and any other Tax Indemnatee will provide such information or documents, at Lessee's expense, that Lessee does not otherwise have as Lessee may reasonably request and which are necessary to enable Lessee to comply with its

obligations under this Section 6.8. Lessor and any Tax Indemnatee shall cooperate with Lessee, at Lessee's cost and expense, in connection with the application for any exemptions or the filing of forms or documents to reduce or eliminate the Taxes for which Lessee has indemnification obligations, provided that neither Lessor nor any other Tax Indemnatee shall be required to take any action that such Person, in good faith, determines may adversely affect it. If notice is given by any Governmental Entity or other taxing authority to Lessor or any Tax Indemnatee that a payment, report or return is required to be filed with respect to which Lessee has an indemnification obligation under this Agreement, Lessor or such Tax Indemnatee, as the case may be, shall promptly notify Lessee of such notice, payment, report and/or return.

6.9 Taxation of Indemnity Payments; Tax Savings; Tax Indemnatee Performance.

(a) If and to the extent that any sums payable to a Tax Indemnitee by Lessee under this Agreement by way of indemnity are insufficient, by reason of any Taxes payable in respect of the receipt or accrual of those sums (and after taking into account any reduction in Indemnitee Taxes realized by the Tax Indemnitee by reason of the payment on accrual of the amount for which the indemnity was paid), for the Tax Indemnitee to discharge the corresponding liability to the relevant third party (including any Government Entity in respect of Taxes), or to reimburse the Tax Indemnitee for the cost incurred by it to a third party (including to any Government Entity in respect of Taxes) Lessee will pay to the Tax Indemnitee such sum as will, after all such Taxes have been fully satisfied, leave the Tax Indemnitee with the same amount as it would have been entitled to receive in the absence of that liability together with interest on the amount of the deficit at the rate of interest stated in Section 6.10 (*Default Interest*) in respect of the period commencing on the date on which the payment of such Tax is finally due until payment by Lessee (both before and after judgment);

(b) If and to the extent that any sum constituting (directly or indirectly) an indemnity to Lessor but paid by Lessee to any Person other than Lessor gives rise to any net increase in Taxes payable by Lessor (and after taking into account any reduction in Indemnitee Tax realized by the Tax Indemnitee by reason of the payment on accrual of the amount for which the indemnity was paid), Lessee will pay to Lessor such sum as will, after all such Taxes have been fully satisfied, indemnify Lessor to the same extent as it would have been indemnified in the absence of such liability together with interest on the amount payable by Lessee under this sub Section at the rate of interest stated in Section 6.10 (*Default Interest*) in respect of the period commencing on the date on which the payment of such Tax is finally due until payment by Lessee (both before and after judgment); and

(c) At the request of Lessee following any payment or indemnity hereunder, each Indemnitee and Tax Indemnitee shall use good faith in filing its tax returns and in dealing with taxing authorities (a) to seek and claim (x) any Tax benefits by reason of such payment or indemnity pursuant hereto or by reason of the imposition or payment of

any Tax or Loss so paid or indemnified by Lessee pursuant hereto or (y) any refund of any Taxes so paid or indemnified by Lessee hereunder, and (b) to minimize Taxes payable or indemnifiable by the Lessee hereunder, provided that (x) no Indemnitee or Tax Indemnitee shall be required to arrange its affairs (Tax or otherwise) or claim any Tax benefit or refund if such action would be materially detrimental to such Indemnitee or Tax Indemnitee, as determined by such Tax Indemnitee or Indemnitee in good faith and (y) no Indemnitee or Tax Indemnitee shall be required to disclose to Lessee any information relating to its affairs (Tax or otherwise) or any computations in respect of Tax. If as a result of the payment or accrual of Taxes paid or indemnified by Lessee, a Tax Indemnitee shall realize any subsequent savings with respect to Indemnitee Taxes not taken into account in the computation of the amount payable by Lessee, the Tax Indemnitee shall notify Lessee that it has realized such savings and pay to Lessee within thirty (30) days of the realization of such savings an amount equal to (i) the net reduction

in such Indemnatee Taxes realized by such Tax Indemnatee and (ii) the amount of any further net reduction in Indemnatee Taxes realized and recognized as a result of payments pursuant to this sentence.

6.10 Default Interest. If Lessee fails to pay any amount payable under this Agreement on the due date therefor, Lessee will pay on demand from time to time to Lessor interest (both before and after judgment) on that amount, from the due date to the date of payment in full by Lessee to Lessor at eight percent (8.0%) per annum (“**Default Interest**”).

6.11 Contest. If a claim is made against a Tax Indemnatee or Lessee for any Taxes for which Lessee is obligated to a Tax Indemnatee, or if notice is received by a Tax Indemnatee or Lessee from a Government Entity that such a claim is going to made, such Tax Indemnatee shall notify Lessee, or Lessee shall promptly notify the Tax Indemnatee, as the case may be. If requested by Lessee in writing within thirty (30) days after such notification, the Tax Indemnatee agrees, upon receipt of indemnity satisfactory to it and at the expense of Lessee (including without limitation, all costs, expenses, losses, legal and accounting fees and disbursements, penalties and interest) in good faith to contest the validity, applicability or amount of such Taxes in the forum selected by such Tax Indemnatee by (A) resisting payment thereof if practicable, or (B) if payment is made, using reasonable efforts to obtain a refund thereof in appropriate administrative and judicial proceedings; provided, however, no Tax Indemnatee shall be required to take any action to contest a claim unless (1) Lessee provides the Tax Indemnatee reasonable evidence, which may include advice or an opinion of independent tax counsel reasonably satisfactory to the Tax Indemnatee both as to counsel and substance, to the effect that there is a meritorious basis for such contest, (2) such action to be taken will not result in the risk of an imposition of criminal penalties or, in Lessor’s reasonable judgment, any risk of any sale, forfeiture or loss of the Airframe or any Part, or any interest in any thereof, (3) no Default or Event of Default shall have occurred and be continuing, (4) if Lessee determines reasonably to pay such Tax and seek a refund, Lessee has advanced the amount of such Tax to make such payment, (5) the amount of the Taxes at issue exceeds US\$5,000, and (6) Lessee shall have provided the Tax Indemnatee with a written acknowledgment of liability if and to the extent that the contest is not successful. Upon written request of Lessee and provided that the Tax Indemnatee determines in good faith that no Tax Indemnatee will be adversely affected by Lessee’s

conduct of such contest, the Tax Indemnatee shall allow Lessee to prosecute such tax contest in the name of the Tax Indemnatee (or if possible in the name of Lessee) by granting an appropriate power of attorney or other authorization and such other action as is reasonably necessary, or, upon written request of Lessee, such Tax Indemnatee shall consult with Lessee, keep Lessee informed regarding the tax contest and consider in good faith the recommendations of Lessee as to the prosecution of the tax contest. If the Tax Indemnatee shall obtain a refund of all or any part of such Taxes for which Lessee has paid an indemnity hereunder or advanced funds to the Tax Indemnatee as described above, the Tax Indemnatee shall pay Lessee the amount of such refund, after deducting all out-of-pocket costs and expenses that were incurred by Lessor or Tax Indemnatee in connection therewith. If in addition to such refund an amount representing expenses, attorney’s fees or interest on the amount of such refund is received, Lessee shall be paid such expenses, attorney’s fees

and that proportion of such interest which is fairly attributable to taxes, fees and other charges paid by Lessee prior to the receipt of such refund; provided, however, that no amount shall be payable under this or the preceding sentence during any period in which a Default is continuing.

6.12 Security Deposit.

(a) Lessee shall pay to Lessor (by way of payment to the account of Owner Participant) a security deposit in the aggregate amount of twenty percent (20.0%) of the anticipated Purchase Price set forth in Schedule 3 (*Commercial Terms*) (the “**Security Deposit**”), representing one installment of five percent (5.0%) of the anticipated Purchase Price which has been received prior to the date of this Agreement (the “**Initial Deposit**”) and another installment of fifteen percent (15.0%) of the anticipated Purchase Price due on or prior to the Delivery Date (the “**Delivery Deposit**”).

(b) The Security Deposit will serve as security for the performance by Lessee of its obligations under this Agreement and the Other Agreements. Lessee shall not be entitled to receive any amount of interest accrued on the Security Deposit.

(c) The Security Deposit shall be non-refundable during the Term, other than as provided under Section 4.6 (*Loss of Airframe*) and in this Section 6.12 (*Security Deposit*). Lessee hereby grants Lessor a continuing security interest therein and in all other sums

deposited under this Section 6.12, and in all proceeds thereof. The Owner Participant may commingle the Security Deposit with its general funds.

(d) If Lessor has exercised any right of set-off with respect to the Security Deposit, Lessor will provide notice thereof to Lessee, and Lessee shall immediately restore the Security Deposit to the full amount as required by this Agreement. Failure by Lessor to provide such notice to Lessee shall not prejudice or limit Lessor’s rights to set-off or to demand Lessee to restore the level of the Security Deposit hereunder.

(e) Provided that no Default shall have occurred and be continuing and provided that Lessee has satisfied all of its obligations that have not been waived under this Agreement (including without limitation its obligations under Section 13 (*Return of Airframe*) hereof), the Lessor shall apply the Security Deposit (but not accrued and unpaid interest thereon, which is for the account of Lessor) toward the Purchase Price for the Airframe.

(f) If, prior to the Lease Commencement Date: (a) Lessee rejects the Airframe pursuant to its Delivery Inspection on or prior to the Delivery Inspection Deadline, (b) Lessor fails to tender Delivery of the Airframe by the Final Delivery Date pursuant to this Agreement, (c) this Agreement is terminated by Lessee or Lessor pursuant to Section 5.5 (*Delay in Delivery*) other than as a result of breach by Lessee of its obligations under

this Agreement or any other Transaction Document, or (c) an Event of Loss occurs with respect to the Airframe, then Lessor shall promptly (and in any case within five (5) Business Days) refund an amount equal to the Security Deposit actually received by Lessor. Upon the Lease Commencement Date, the Security Deposit will be non-refundable for any and all purposes and shall be applied toward the Purchase Price for the Airframe.

6.13. **Absolute.** On or after the Lease Commencement Date, Lessee's obligations under this Agreement are absolute and unconditional irrespective of any contingency whatsoever including (but not limited to):

- (a) any right of set-off, counterclaim, recoupment, defense or other right which either party to this Agreement may have against the other;
- (b) any unavailability of the Airframe for any reason, including, but not limited to, a requisition of the Airframe or any prohibition or interruption of or interference with or other restriction against Lessee's use, operation or possession of the Airframe;
- (c) any lack or invalidity of title or any other defect in title caused by Lessee's lease of the Airframe and due to correctable Lessee error;
- (d) any Event of Loss in respect of or any damage to the Airframe;
- (e) any insolvency, bankruptcy, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceedings by or against Lessor or Lessee;
- (f) any invalidity or unenforceability or lack of due authorization of, or other defect in, this Agreement; and
- (g) any other cause which but for this provision would or might otherwise have the effect of terminating or in any way affecting any obligation of Lessee under this Agreement.

Nothing in this Section 6.13 shall be without prejudice to Lessee's right to claim damages and any other relief from the courts in the event of any breach by Lessor of its obligations under this Agreement or any of the Transaction Documents.

ARTICLE 7 MANUFACTURER'S WARRANTIES

7.1 **Assignment.** Notwithstanding this Agreement, Lessor will remain entitled to the benefit of each warranty, express or implied, with respect to the Airframe or any Part so far as concerns any manufacturer, vendor, subcontractor or supplier. Provided that unless an Event of Default has occurred and is continuing, Lessor hereby authorizes Lessee during the Term to

pursue and collect any claim and to exercise all rights of Lessor thereunder in relation to defects affecting the Airframe or any Part and Lessee, if such right is exercised, agrees, at its discretion, to diligently pursue any such claim which arises at its own cost. Lessor will cooperate with Lessee in pursuing such warranty claims. Lessee will notify Lessor promptly upon becoming aware of any such claim (which notice requirement can be satisfied by disclosure of such claim on the Monthly Disclosure Report).

7.2 Parts. Except to the extent Lessor otherwise agrees in a particular case, Lessee will procure that all components, furnishings or equipment provided by the manufacturer, vendor, subcontractor or supplier in replacement of a defective Part pursuant to the terms of any warranty will be installed promptly by Lessee and that title thereto free of any Liens (other than Permitted Liens) vests in Lessor. On installation those items will be deemed to be a Part.

7.3 Agreement. Unless the Closing occurs, to the extent any warranties relating to the Airframe are made available under an agreement between any manufacturer, vendor, subcontractor or supplier and Lessee, Lessee will take all such steps as are reasonably necessary at the end of the Term to ensure the benefit of any of those warranties which have not expired are vested in Lessor.

ARTICLE 8 LESSOR COVENANTS

8.1 Quiet Enjoyment. So long as no Event of Default shall have occurred and be

8.1 continuing under this Agreement, neither Lessor nor any Person lawfully claiming by or through Lessor (including without limitation any Financing Party) shall interfere with Lessee's quiet use, possession and enjoyment of the Airframe in accordance with the terms of this Agreement during the Term; provided, however, any exercise by Lessor of its rights pursuant to this Agreement shall not be deemed a breach of Lessee's quiet use, possession and enjoyment of the Airframe. Lessor will use best commercial efforts to procure that any Financing Party execute and deliver a quiet enjoyment undertaking in substance similar to the foregoing.

8.2 Citizenship. Lessor agrees that if, during such time as the Aircraft is registered or is to be registered in the United States, (a) it shall not be a Citizen of the United States as defined

in the FAR and (b) the Aircraft shall be, or would therefore become, ineligible for registration in the name of Lessor with the FAA, then Lessor shall immediately effect a voting trust or owner trust with an owner trustee that is a Citizen of the United States or other similar arrangements or take any other action as may be necessary to prevent any deregistration or maintain the United States registration of the Aircraft. Lessee agrees, upon the request and at the sole expense of Lessor, to provide reasonable cooperation with Lessor in complying with its obligations pursuant to this Section 8.2. Notwithstanding the foregoing, nothing in this Section 8.2 shall be interpreted or construed as in any way lessening or diminishing Lessor's covenant of quiet enjoyment.

ARTICLE 9 LESSEE'S COVENANTS

9.1 **Duration.** The undertakings in this Section and in Section 13 (*Return of Airframe*) will:

- (a) except as otherwise stated, be performed at the expense of Lessee; and
- (b) remain in force until the Closing, or if the Closing does not occur until the return of the Airframe to Lessor in accordance with this Agreement.

9.2 **Information and Access.** Lessee will:

(a) notify Lessor forthwith of the occurrence of any breach of Lessee's obligations to insure the Airframe under Article 10 (*Insurance*) or any Event of Default;

(b) As soon as practicable after the end of the first, second, and third quarterly fiscal periods in each fiscal year of Lessee, and in any event within sixty-five (65) days thereafter, provide duplicate copies or make available online, in English, of:

- (i) a consolidated balance sheet of the Lessee as at the end of such quarter, and
- (ii) consolidated statements of income and retained earnings of Lessee for such quarterly period.

(c) As soon as practicable after the end of each fiscal year, and in any event within one hundred and fifty (150) days thereafter, duplicate copies, in English, of:

- (i) a consolidated balance sheet of Lessee as at the end of such year,
and
- (ii) consolidated statements of income and retained earnings of Lessee for such year, prepared in accordance with GAAP accompanied by an auditor's

report of a firm of independent certified public accountants of recognized standing in the U.S.A.;

(d) promptly on request, provide Lessor such information in the possession or control of Lessee with respect to its operations or as to the location, condition or use of the Airframe, which Lessor may from time to time reasonably request; provided however, that the extent of such disclosure shall be subject to any limitations imposed on Lessee pursuant to any confidentiality agreement to which Lessee is a party;

(e) promptly upon request, provide Lessor details of any actual or known pending litigation, arbitration or administrative proceedings against Lessee or any of

Lessee's assets, or the Airframe or Part which is reasonably likely to adversely affect Lessee's ability to perform its obligations under any Transaction Document to which it is a party;

(f) promptly after distribution, a copy of all reports and financial statements which Lessee sends or makes generally available to its stockholders or creditors; and

(g) keep Lessor informed as to current serial numbers of any engine installed on the Airframe;

(h) furnish to Lessor on a calendar monthly basis no later than the fifth (5th) day of each calendar month (the "**Monthly Disclosure Due Date**") the Monthly Disclosure Report specifying (i) a calendar monthly utilization report with respect to the Airframe and Landing Gear reflecting the Flight Hours and Cycles of operation thereof, (ii) notification within two (2) days of the removal of any Engine, Landing Gear or APU, (iii) information of any accident or incident with respect to the Airframe (other than Parts) within (A) twenty-four (24) hours of the occurrence or detection of any such accident or incident if the same results in injury or death to Persons or damage to property not owned by Lessee and (B) within twenty-four (24) hours of the occurrence or detection of any such accident or incident if the same results in damage to any such item that is estimated by Lessee in good faith to exceed the Damage Notification Threshold (inclusive of labor and materials) to repair the same, (iv) at least sixty (60) days prior written notice as to the time and location of all Airframe Major Checks, (v) upon request of Lessor, a copy of the Approved Maintenance Program, inclusive of all revisions issued as of the date of such request, (vi) as reasonably requested by Lessor from time to time and delivered with the Monthly Disclosure Report, a historic list of flights operated by the Airframe for such past month, and (vi) from time to time such other information as Lessor may reasonably request;

(i) on reasonable request, furnish to Lessor evidence satisfactory to Lessor that all Taxes and charges incurred by Lessee with respect to the Airframe, including without limitation all payments due to the relevant air traffic control authorities, have been paid and discharged in full;

(j) give Lessor not less than sixty (60) days' written notice as to the time and location of any scheduled Major Repair;

(k) promptly notify Lessor of:

(i) any loss, theft, damage (requiring any Major Repair) or destruction to the Airframe or any Part, or any Major Repair to the Airframe if the potential cost may exceed the Damage Notification Threshold; and

(ii) any claim or other occurrence likely to give rise to a claim under the Insurances (but in the case of claims under the hull all risk policy only in excess of the Damage Notification Threshold) and details, if requested by Lessor, of any

negotiations with the insurance brokers over any such claim.

Lessor agrees that any information required to be disclosed pursuant to this Section 9.2 may be disclosed to Lessor by way of documenting such information on the Monthly Disclosure Report, except where a specific number of days for producing such information is specified in this Section 9.2. Further, Lessor may visit, upon reasonable notice and at reasonable intervals, Lessee's premises to discuss Lessee's general affairs and finances with Lessee's principal officers.

9.3 Lawful and Safe Operation. Lessee will:

(a) comply with the Law in force in any country or jurisdiction which, during the Term, is applicable to Lessee or the Airframe or, so far as concerns the use and operation of the Airframe or an owner or operator thereof, and take all steps to ensure that the Airframe is not used for any illegal purpose;

(b) not use the Airframe in any manner contrary to any recommendation of the Manufacturers of the Airframe or any Part or any rules or regulation of the Air Authority or for any purpose for which the Airframe is not designed or reasonably suitable;

(c) ensure that the crew and mechanics employed by it in connection with the operation and maintenance of the Airframe have the qualifications and hold the certificates required by the Air Authority and applicable Law;

(d) use the Airframe solely in commercial or other operations for which Lessee is duly authorized by the Air Authority and applicable Law;

(e) not use or locate the Airframe:

(i) in violation of any applicable Law;

(ii) for any purpose for which the Airframe was not designed or which is illegal;

(iii) for carriage of any other goods, materials or items of cargo which could reasonably be expected to cause damage to the Airframe and which would not be adequately covered by the Insurances; or

(iv) to carry cargo or passengers not permitted by the Air Authority or the FAA;

(f) not utilize the Airframe for purposes of training, qualifying or re-confirming the status of cockpit personnel and mechanics, except for the benefit of Lessee's cockpit and mechanic personnel and then in such a manner so as to not discriminate against the Airframe versus other similar type Airframe in Lessee's fleet;

(g) not operate or locate the Airframe in any Prohibited Country except as specifically licensed or otherwise authorized under any applicable US Trade Controls or Sanctions, or in violation of any US Trade Controls or Sanctions;

(h) except as specifically licensed or otherwise authorized under any applicable US Trade Controls or Sanctions, not cause or permit the Airframe to proceed to, or remain at, any location which is for the time being the subject of a prohibition order or any similar order or directive issued by:

(i) any Government Entity of the State of Registration or the Habitual Base; or

(ii) any Government Entity of the country in which such location is situated; or

(iii) any Government Entity having jurisdiction over Lessor, Lessee or the Airframe; and

(i) obtain and maintain in full force and effect and comply in all respects with any conditions, restrictions, impositions (if any) in connection with, any consents, approvals, certificates, licenses, permits and authorizations required for the use and operation of the Airframe, and for the making of payments required by, and the compliance by Lessee with its other obligations under, this Agreement.

9.4 Taxes and other Outgoings. Lessee will promptly pay:

(a) all license and registration fees, Taxes (other than Indemnatee Taxes) and other amounts of any nature imposed by any Government Entity with respect to the Airframe, including without limitation the purchase, ownership, delivery, leasing, subleasing, possession, use, operation, or return of the Airframe; and

(b) all rent, fees, charges, Taxes (other than Indemnatee Taxes) and other amounts in respect of any premises where the Airframe or any Part thereof is located from time to time;

except to the extent that in the reasonable opinion of Lessor such payment is being contested in good faith by appropriate proceedings, in respect of which adequate resources are available to Lessee and non-payment of which does not give rise to any reasonable likelihood of the Airframe or any interest therein being sold, forfeited or otherwise lost or of criminal or civil liability on the part of Lessor or any Financing Party.

9.5 Sub-Leasing.

(a) Lessee will not, without the prior written consent of Lessor (which consent may be withheld in its sole discretion), sublease or part with possession of the Airframe or any Part thereof, except that provided no Event of Default exists, Lessee may part with possession (i) with respect to the Airframe or any Part to the relevant Manufacturers for testing or similar purposes or to an Agreed Maintenance Performer for service, repair, maintenance or overhaul work, or alterations, modifications or additions to the extent required or permitted by this Agreement; (ii) with respect to the Airframe or any Part, as expressly permitted by this Agreement; provided that (A) any such sublease, if consented to by Lessor in its sole discretion, shall be subject and subordinate to this Agreement, (B) the term of such sublease shall not extend beyond the Term, (C) Lessee, at its cost and expense, shall comply with the terms of Section 9.3(i) (*Lawful and Safe Operation*) to the extent applicable, (D) no such sublease, if consented to, shall release or otherwise affect the obligations of Lessee under this Agreement (all of which obligations of Lessee shall remain unchanged and in full force and effect), (E) Lessee shall comply with the terms of Section 9.5(b), and (F) Lessee shall procure that such sublessee provide any such documents as set forth in Section 3.1 (*Lessor Conditions Precedent*) as may be required by Lessor prior to the commencement of any such sublease.

(b) Lessee may wet lease the Airframe pursuant to a wet lease (including without limitation Airframe Crew Maintenance and Insurance (ACMI) and full charter agreements) so long as (i) Lessee maintains operational control of the Airframe and the term of such wet lease or charter agreement has a duration of less than twelve (12) months and is not capable of extending past the Term; (ii) Lessee is not in Default of this Agreement; (iii) Lessee has provided Lessor a copy of such wet lease or charter agreement in advance of the commencement thereof; and (iv) Lessee shall procure that such wet lessee or charter operator provide any such documents as set forth in Section 3.1 (*Lessor Conditions Precedent*) as may be required by Lessor prior to the commencement of any such wet lease, ACMI or charter arrangement.

(c) Any sublease or wet lease entered into pursuant to the terms hereof shall (i) be expressly subject and subordinate to this Agreement pursuant to an undertaking

acceptable to the Lessor in its sole discretion, (ii) be assigned to Lessor as security for the performance by Lessee and/or the Financing Parties of its obligations hereunder, (iii) not have a term extending beyond the Term, and (iv) Lessee shall provide to Lessor such other documentation and evidences as reasonably requested by Lessor prior to the commencement of any sublease or wet lease. No sublease or wet lease or relinquishment of possession of the Airframe permitted under this Section 9.5 shall in any way discharge or diminish any of Lessee's obligations to Lessor and the rights and interests of Owner, Lessor and the Financing Parties in and to the Airframe, or constitute a waiver of any of Lessor's rights and remedies hereunder. Notwithstanding any sublease, transfer or relinquishment of possession permitted under this Section 9.5, Lessee shall remain primarily liable hereunder for the performance of all of the terms of this Agreement to the

same extent as if any such sublease, transfer or relinquishment of possession had not occurred. The cost and expense of any sublease or wet lease (including the reasonable costs of Owner, Lessor, its Financing Parties and any cost associated with respect to the registration, perfection and recordation of any interests of Owner, Lessor, or Financing Parties) shall be paid by Lessee.

9.6 Inspection. Lessor and/or the Financing Parties and/or any representative of each of them designated (as applicable) may at any reasonable time, visit or inspect the Airframe or any Part thereof (and Lessee's records and books related thereto, including, without limitation, the Airframe Documents); provided that (a) any such visit or inspection shall be at Lessor's cost and expense (unless an Event of Default shall have occurred and be continuing, in which case such visit, inspection or survey shall be at Lessee's cost and expense), (b) Lessor shall provide reasonable prior written notice to Lessee of the date of such visit or inspection (unless an Event of Default shall have occurred and be continuing, in which case no notice shall be required), (c) Lessor shall have no duty or liability to make, or arising out of, any such visit or inspection and (d) so long as no Event of Default shall have occurred and be continuing, Lessor shall not exercise such right so as to disrupt the permitted operations of Lessee. Lessor and/or the Financing Parties may designate a third party to conduct inspections on their behalf of the Airframe or any Part thereof (and Lessee's records and books related thereto, including, without limitation, the Airframe Documents).

9.7 Title.

Lessee will:

(a) have no right, title, or interest, in, or to the Airframe, except the right to possess, use and purchase it, on the terms and conditions of this Agreement. Lessee shall, at the cost and expense of Lessor (except as provided in Section 9.3(j) (*Lawful and Safe Operation*) and in Section 16.17 (*Expenses*) where such cost and expense shall be paid by Lessee), do all acts and things Lessor may reasonably require to evidence and/or perfect Owner's interest in the Airframe or to protect that interest against the claims of any other person except with respect to Lessor Liens. Lessee shall, at Lessor's sole cost and

expense, do, or cause to be done, all acts and things as Lessor may reasonably require to evidence and/or perfect the security interests of the Agent and the Financing Parties in the Airframe with (i) any relevant registry in the State of Registration and/or the state of Habitual Base of the Airframe (and other states as appropriate given the operation of the Airframe) and

(ii) the International Registry in accordance with the provisions of the Cape Town Convention. Lessee, at its cost and expense, shall from time to time, do or cause to be done any and all acts and things which may be required or necessary (in the opinion of Lessor, acting reasonably) to maintain that Owner, Lessor, and at Lessor's expense, the Finance Parties, have the full benefit of the Cape Town Convention in connection with this Agreement;

(b) not do or knowingly permit to be done or omit or knowingly permit to be omitted to be done any act or thing which impairs rights of Owner as owner and Lessor as lessor of the Airframe or the rights of any Financing Party as mortgagee, assignee of this Agreement or the validity, enforceability or priority of the Mortgage or the Security Agreement;

(c) on all occasions when the ownership of the Airframe or any Part is relevant, make clear to third parties that title is held by Owner;

(d) not at any time (i) represent or hold out Owner, Lessor, or any Financing Party as carrying goods or passengers on the Airframe or as being in any way connected or associated with any operation or carriage (whether for hire or reward or gratuitously) which may be undertaken by Lessee, or (ii) pledge the credit of Owner, Lessor, or any Financing Party;

(e) ensure that there is always affixed, and not removed or in any way obscured, a fireproof plate (having dimensions of not less than 10 cm. x 7 cm.) provided by Lessor in a reasonably prominent position on the Airframe stating:

“This Airframe is owned by AvCap 2840, LLC, [is subject to a first priority Mortgage in favor of [Name of Agent]] and is leased to Global Crossing Airlines, Inc.”

(f) not create or permit to exist any Lien (not including Lessor Liens or Permitted Liens) upon the Airframe or any Part or the Lease, and promptly discharge all obligations which may give rise to such a Lien;

(g) not do or knowingly permit any Person (not including Owner, Lessor, Agent, or any Financing Party) to do anything which may reasonably be expected to expose the Airframe or any Part to penalty, forfeiture, impounding, detention, appropriation, damage or destruction or (insofar as the same relates to the operation or use of the Airframe) Owner, Lessor, Agent, or any Financing Party to any criminal or civil liability, and

without prejudice to the foregoing, if any such penalty, forfeiture, impounding, detention or appropriation, damage or destruction occurs, give Lessor notice and use best endeavors to procure the immediate release of the Airframe or Part, as the case may be;

(h) not abandon the Airframe or any Part;

(i) pay and discharge or cause to be paid and discharged when due and payable or make adequate provision by way of security or otherwise for all debts, damages, claims and liabilities (including, without limitation, any amounts owing to any relevant air traffic control authority) which have given or might give rise to a Lien (not including Lessor Liens or Permitted Lien) over or affecting the Airframe or any Part; and

(j) not attempt, or hold itself out as having any power, to sell, lease or otherwise dispose of the Airframe any or Part.

9.8 General. Lessee will:

(a) remain duly organized under the laws of the State of Incorporation with power to perform its obligations under this Agreement and will not merge or consolidate into or with any Person, or be acquired by any Person; provided, however, that such merger, consolidation or acquisition may be carried out if (i) the surviving entity of such merger or consolidation or the acquirer is an entity that has a net worth (immediately after the consolidation or merger) equal to or greater than the net worth of Lessee (immediately prior to such consolidation or merger), (ii) prior to and immediately after giving effect to such merger or consolidation or acquisition, no Event of Default shall have occurred and be continuing; (iii) the surviving entity, Lessee or the acquirer reimburses Owner, Lessor and the Financing Parties for all of their reasonable out-of-pocket costs (including legal fees and expenses) incurred in connection with such merger or consolidation and (iv) the surviving entity of such merger or consolidation will confirm this Lease and its performance of the Lessee's obligations hereunder (together with any necessary factual amendments as may be required); and

(b) as applicable in the State of Registration, ensure the Airframe remains duly registered with the State of Registration; and

(c) ensure that no change will occur in the Habitual Base of the Airframe without the prior written consent of Lessor, which consent will not be unreasonably withheld or delayed.

9.9 Records. Lessee will:

(a) procure that accurate, complete and current records are kept of all flights made by, and all maintenance carried out on, the Airframe (including in relation to each

Part subsequently installed, before the installation); keep and maintain such records in the English language; keep such records in such manner as the Air Authority may from time to time require; which records will form part of the Airframe Documents; and

(b) procure access to a revision service in respect of, and will maintain with appropriate revisions in English, all Airframe Documents, records, logs, and other materials required by applicable laws and consistent with practices of the Air Authority and the FAA in respect of the Airframe.

9.10 Protection and Approvals.

(a) (i) If the Airframe is not registered with the Air Authority in the State of

Registration, Lessee will, at Lessee's cost, maintain the registration of the Airframe with the relevant Air Authority consented to in Lessor's sole discretion (or such other jurisdiction as the Lessor in its sole discretion may agree to) reflecting the respective interests of any Financing Party, Owner and Lessor and not do or cause to be done anything which might adversely affect that registration and (ii) so long as the Airframe is registered with the Air Authority in the State of Registration or any other approved Air Authority Lessee will not do or cause to be done anything which might adversely affect the registration of the Airframe or take any action that might affect the recordation of the interests of the Owner, Lessor or any Financing Party;

(b) Lessee will do all acts and things (including, without limitation, making any filing, recording or registration with the Air Authority or any other Government Entity) and executing and delivering all documents (including, without limitation, any amendment of this Agreement) as may be reasonably required by Lessor:

(i) upon request of the Lessor, and at Lessor's cost, following any change or proposed change in the ownership or financing of the Airframe or in the manner of securing the Lessor's obligations to the Financing Parties, in each case subject to the requirements of Section 15.2 (*Lessor Assignment*); or

(ii) at Lessee's cost, following any Modification of the Airframe or any Part or the permanent replacement of any Part in accordance with this Agreement, so as to ensure that the rights of Owner as owner of the Airframe and under this Agreement and the rights of any Financing Party under the Mortgage in respect thereof apply with the same effect as before.

9.11 Maintenance and Repair. Lessee will:

(a) keep the Airframe airworthy and in Serviceable condition, and otherwise in as good repair and operating condition, ordinary wear and tear excepted, as when delivered to Lessee;

(b) not change the Approved Maintenance Program or the schedule of maintenance under the Approved Maintenance Program to be inconsistent with the requirements of the Air Authority;

(c) (i) subject to sub-Section (ii), maintain the Airframe in accordance with the Approved Maintenance Program using Agreed Maintenance Performers and perform (at the respective intervals provided in the Approved Maintenance Program) all Major Checks; and (ii) any maintenance to be performed on the Airframe may be performed by an Agreed Maintenance Performer pursuant to the requirements of the Approved Maintenance Program with no fleet discrimination toward the Airframe pursuant to the terms of Section 9.11(h). Any extension of service intervals in Lessee's Approved Maintenance Program relevant to the Airframe will be subject to Lessor's prior written

approval, such approval not to be unreasonably withheld. All repairs and modifications and the addition, removal or replacement of equipment, systems or components will be properly documented in accordance with the rules and regulations of the Air Authority and reflected in the Airframe Documents, including the Manufacturer's and other vendor's and manufacturer's manuals. In addition, all repairs to the Airframe will be accomplished in accordance with the Airframe Manufacturer's Structural Repair Manual or FAA-approved data supported by FAA Form 8100. Lessee, at its own expense, shall furnish Lessor upon return of the Airframe and at such times during the Term as Lessor shall reasonably request, originals or copies (which may be provided via e-mail) of all records created by Lessee relating to the Airframe; provided, however, the foregoing shall not be deemed or interpreted to diminish or expand any return provision for the Airframe expressly set forth herein;

(d) comply with all mandatory inspection and modification requirements, airworthiness directives, and other mandatory requirements applicable to the Airframe or Part having a compliance date during the Term, and with respect to Airworthiness Directives, having a compliance date within the Term, and which are required by the Air Authority and/or (with regard to alert service bulletins) required by any manufacturer of the Airframe or Part;

(e) comply with all applicable laws and the regulations of the Air Authority and other aviation authorities with jurisdiction over Lessee or the Airframe or Part regardless of upon whom such requirements are imposed and which relate to the maintenance, condition, use or operation of the Airframe or require any modification or alteration to the Airframe or Part;

(f) maintain in good standing a current COA (in the appropriate category for the nature of the operations of the Airframe) for the Airframe issued by the Air Authority except where the Airframe is undergoing maintenance, modification or repair required or permitted by this Agreement, and from time to time provide to Lessor a copy on request;

(g) procure promptly the replacement of any Part which has become time, cycle or calendar expired, lost, stolen, seized, confiscated, destroyed, damaged beyond repair, unserviceable or permanently rendered unfit for use with a Part that complies with Section

9.18 (*Replacement of Parts*);

(h) not discriminate against the Airframe (as compared to airframes of the same type owned or operated by Lessee) during the Term or in contemplation of the expiration or termination of this Agreement with respect to the use, operation or maintenance, other than withdrawal of the Airframe from use and operation as is necessary to prepare the Airframe for return to Lessor in accordance with this Agreement; provided, however, the

foregoing shall not be deemed or interpreted to expand any return provision for the Airframe expressly set forth herein; and

(i) maintain or cause to be maintained all records and logs required to be maintained by the Air Authority and the FAA, including but not limited to, full traceability back to last overhaul on all other life limited parts installed on the Airframe. All such records and logs shall be maintained in the English language or cross-referenced via an English index and in compliance with the Air Authority and FAA regulations. The records and logs to be maintained shall be in such condition at redelivery for immediate issuance of valid certificates for commercial aviation transport by the Air Authority and the FAA, and immediate operation under Air Authority registration.

(j) notwithstanding anything to the contrary contained herein, any and all maintenance or repair contemplated by this Section 9.11 (*Maintenance and Repair*) shall be conducted by an Agreed Maintenance Performer, and 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 workscope thereof.

9.12 Removal of Parts. Lessee will ensure that no Part installed on the Airframe is at any time removed from the Airframe other than:

- (a) if replaced as expressly permitted by this Agreement;
- (b) if the removal is of an unserviceable item and is in accordance with the Approved Maintenance Program; or
- (c) (i) for the purpose of maintaining, servicing, repairing, storing, overhauling or testing that Part or the Airframe, as the case may be; or (ii) for the purpose of making such modifications to the Airframe, as the case may be, as are permitted under this Agreement;

and then in each case only if it is reinstalled or replaced by a part complying with Section 9.13 (*Installation of Parts*) or Section 9.18 (*Replacement of Parts*) as soon as practicable

and in any event no later than the earlier of thirty (30) days from its removal or the Expiry Date.

9.13 Installation of Parts. Lessee will:

- (a) ensure that, except as permitted by this Agreement, no part is installed on the Airframe unless:
 - (i) it is in as good operating condition as the Part it replaces, bears an FAA Form 8130-3, and is approved for use by the Air Authority and the FAA, or the respective manufacturer;

(ii) it has become and remains the property of Owner free from any Lien (other than a Lessor Lien or Permitted Lien) and upon installation on the Airframe will without further act be subject to this Agreement and the Mortgage; and

(iii) Lessee has complete copies of its Air Authority required source and maintenance records.

(b) if no Event of Default has occurred which is continuing, be entitled to install any part on the Airframe by way of temporary replacement for a Part notwithstanding Section 9.13(a) if:

(i) there is not available to Lessee at the time and in the place that part is required to be installed on the Airframe, a part complying with the requirements of Section 9.13(a); and

(ii) it would result in an unreasonable disruption of the operation of the Airframe and/or the business of Lessee to ground the Airframe until a part complying with Section 9.13(a) becomes available for installation on the Airframe; and

(iii) no later than the earlier of sixty (60) days following its installation or, unless the Closing occurs, the Expiry Date, Lessee removes any such part and replaces it with the Part replaced by it, or by a Replacement Part complying with Section 9.13(a); and

(iv) Lessor agrees for the benefit of the owner or lessor of, and any Person (including but not limited to an agent or financing party) holding a security or other interest in, such part, to execute a reciprocal recognition of rights letter in customary form and otherwise acceptable to Lessor, confirming that neither Lessor nor any Person claiming an interest hereunder by or through Lessor, and their respective successors and assigns, will acquire or claim any right, title or interest in any part installed pursuant to Section 9.13(b) while

installed on the Airframe.

9.14 Non-installed Parts. Lessee will ensure that any Part which is not installed on the Airframe is, except as expressly permitted by this Agreement, properly and safely stored, and kept free from any Liens (other than Lessor Liens or Permitted Liens).

9.15 Modifications.

(a) Lessee will not, and will not permit any Person to, make any Modification, except for a Modification which:

- (i) is expressly permitted or required by this Agreement,
- (ii) is purely cosmetic in nature (including the painting of Lessee's insignia), or
- (iii) is expected to cost no more than the Modification Threshold Amount, and is not permanent or structural in nature.

(b) Lessee shall provide to Lessor all of Lessee's proposed designs, plans, engineering drawings and diagrams, and flight and maintenance manual revisions for any proposed Modification, with such documents in final form and any other documents required by Law, as a result of such Modification. Any Modifications to be performed by Lessee pursuant to this Agreement require the express written acceptance and agreement of the Lessor, such consent not to be unreasonably withheld or delayed. All Modifications incorporated on the Airframe will be properly documented in the Airframe Documentation and approved by the FAA and the Air Authority. All Modifications will also be accomplished in accordance with FAA-approved data supported by an FAA Form 8110-3, FAA Form 8100-9 or FAA supplemental type certificate.

(c) Notwithstanding any other provision of this Lease, no Modification will be made which has the effect of decreasing the utility or value of the Airframe or invalidating any warranty applicable to the Airframe.

(d) So long as a Default has not occurred and is continuing, Lessee may remove, or permit the removal of, any temporary Modification if (i) it can be removed from the Airframe without diminishing or impairing the value, utility, condition or airworthiness of the Airframe and (ii) Lessee restores the Airframe to its condition prior to such Modification, normal wear and tear excepted.

9.16 Title to Parts.

(a) Title to all Parts installed on the Airframe whether by way of replacement, as the result of a Modification or otherwise (except those installed pursuant to Section 9.13(b) (*Installation of Parts*) for the period referenced) will, on installation, without further act, vest in Owner subject to this Agreement and the Mortgage free and clear of

all Liens. Lessee will at its own expense take all such steps and execute, and procure the execution of, all such instruments as Lessor may require and which are necessary to ensure that title so passes to Owner according to all applicable laws. At any time when requested by Lessor, Lessee will provide evidence to Lessor's reasonable satisfaction that title has so passed to Owner;

(b) Lessor may require Lessee to remove any Modification for which it has not received the requisite consent, and to restore the Airframe to its condition prior to such Modification, normal wear and tear excepted; and

(c) Any Part at any time removed from the Airframe will remain the property of Owner until a replacement has been made in accordance with this Agreement and until

title in that replacement has passed, according to applicable laws, to Owner subject to this Agreement and the Mortgage free of any Lien, whereupon title to the replaced Part, will, provided no Default has occurred and is continuing, pass to Lessee, free of Lessor Liens.

9.17 Registration.

(a) Lessor, at its cost and expense, shall cause the registration of the Airframe with the FAA naming Lessor as owner, registering the assignable interests to the Financing Parties (if applicable), and filing a copy of this Agreement. Lessor shall consult with FAA Counsel to file, perfect and register any Lessor security interests, and Lessee shall provide such cooperation as may be required, at Lessor's cost and expense. Specifically, Lessor shall cause the filing of the Certificate of Registration, the LLC Statement of Lessor, the Affidavit of Citizenship of Lessor, this Agreement, the Assignment of this Agreement as security in favor of the Financing Parties (if applicable), and such other documents as may be advised by FAA Counsel.

(b) Lessee shall, as and to the extent permitted by applicable Law, maintain the registration of the Airframe with the FAA and shall also from time to time take all other steps then required by Law (including the Geneva Convention or the Cape Town Convention if and as applicable) or by practice, custom or understanding or as Lessor may reasonably request to protect and perfect Lessor's interest in the Airframe and this Lease in the State of Registration or in any other jurisdictions in or over which Lessee may operate the Airframe; provided that such steps to perfect Lessor's or any Financing Party's interest in the Airframe and this Lease with the FAA shall be at Lessor's cost and expense.

(c) Lessee, at its cost and expense, shall cause and be responsible for the import of the Airframe into the United States and the procurement of the Certificate of

Airworthiness issued by the FAA, and shall maintain such certificates during the Term.

9.18 Replacement of Parts. Lessee shall replace, at its own expense, all Parts which may from time to time become unserviceable, lost, stolen, destroyed, seized,

confiscated, damaged beyond repair or permanently rendered unfit for use for any reason whatsoever with replacement parts as set forth in this Section 9.18. Each such replacement part incorporated or installed in or attached or added to the Airframe shall:

(a) be free and clear of all Liens (other than Lessor Liens or Permitted Liens);

(b) be in airworthy and as good operating condition, and have the same or interchangeable modification status as, and have a value and utility at least equal to, the Part replaced (assuming it was in the condition and repair required under this Agreement);

(c) be of the same make and the same or more advanced model as the Part being replaced and, if the Part being replaced is a rotatable and is an OEM Part, be manufactured by the OEM for such rotatable Part (unless Lessor shall have given its prior written consent to replacement of such OEM Part with a non-OEM Part);

(d) have a current, legal and valid release certificate/airworthiness approval tag identified as FAA 8130-1, and Lessee has complete copies of its Air Authority and FAA required source and maintenance records; and

(e) be made subject to the Lien of any applicable financing documents to which one or more Financing Parties is a party.

Notwithstanding any other provision herein, No PMA Part may replace a Part or be installed without the prior consent of Lessor, other than minor filters, consumables or ATA 25 interior Parts.

So long as a substitution meets the requirements of the Maintenance Program and Air Authority and the FAA and the requirement of Section 9.18(a), Lessee may substitute for any Part a part that does not meet the requirements of this Section 9.18 if a complying Part cannot be procured or installed within the available ground time of the Airframe and as soon as possible but in any event not later than sixty (60) days, the noncomplying part is removed and replaced by a complying Part.

9.19 Ownership of Parts. Immediately upon any part (including Modification Parts) becoming incorporated in, installed on or attached to the Airframe, without further act: (a) title to each part incorporated, installed or attached in accordance with Section 9.18 (*Replacement of Parts*) and which complies with the requirements of Section 9.18 shall thereupon (x) vest (with full title guarantee) in Owner, free and clear of all Liens, (y) be made subject to the Lien of any applicable financing document, and (z) and such part shall become subject to this Agreement be deemed a "Part" of such Airframe for all purposes hereof; and (b) title to any replaced Part shall thereupon vest in Lessee, free and clear of all rights of Owner and all Lessor Liens and shall no longer be deemed a Part.

If any part which does not comply with the requirements of Section 9.18 (*Replacement of Parts*) is incorporated in, installed in or attached to the Airframe, title to such part shall not vest in Owner and title to the replaced part shall not vest in Lessee until a part complying with this Section 9.18 is incorporated, installed in or attached to the Airframe. Lessee will, at its own expense, take all such steps and execute, and procure the execution of, all such instruments as Lessor may reasonably require and which are necessary to ensure that title so passes to Owner according to all applicable Laws. At any time when requested by Lessor, Lessee will provide evidence to Lessor's reasonable satisfaction that title has so passed to Owner. All Parts (other than Parts replaced in accordance with Section 9.18) at any time removed from the Airframe shall remain the property of Owner, no matter where located, until such time as such Parts shall be replaced by Parts which have been incorporated or installed in or attached to the Airframe.

ARTICLE 10 INSURANCE

10.1 Insurances. Lessee will effect and maintain, or cause to be effected and maintained, in full force during the Term insurances in respect of the Airframe in form and substance satisfactory to Lessor (the “**Insurances**” which expression includes, where the context so admits, any relevant re-insurance(s)) through such brokers and with such insurers that meet the requirements of sub-Sections 10.1 (a) and (b) below and as are in line with standard market practice. The Insurances will be effected either:

(a) on a direct basis with insurers of recognized standing who normally participate in aviation insurances in the London or United States markets and led by reputable underwriter(s); and/or

(b) with a single insurer or group of insurers who effects substantial reinsurance with reinsurers who normally participate in the international aviation insurance markets and through brokers each of recognized standing for a percentage reasonably acceptable to Lessor of all risks insured (the “**Reinsurances**”).

10.2 Requirements. Lessor’s current requirements as to required Insurances are as specified in this Article 10 (*Insurance*) and in Schedule 4 (*Insurance Requirements*). Lessor may from time to time, if there is a change in the generally accepted industry practice for the insurance of aircraft and airlines of the same type as the Airframe and Lessee, and if such change means that the current Insurances are insufficient to protect Lessor’s, Owner Participant’s and Owner’s interests, stipulate other requirements for the Insurances so that the scope and level of coverage is maintained in line with commercially prudent practice of lessees in generally comparable airline operations.

10.3 Insurance Covenants. Lessee will:

(a) ensure that all legal requirements as to insurance of the Airframe or any Part which may from time to time be imposed by the laws of the State of Registration or any state to, from or over which the Airframe may be flown, in so far as they affect or concern the operation of the Airframe, are complied with and in particular those requirements compliance with which is necessary to ensure that (i) the Airframe is not in danger of detention or forfeiture, (ii) the Insurances remain valid and in full force and effect, and (iii) the interests of the Indemnitees in the Insurances and the Airframe or any Part are not thereby prejudiced;

(b) not use, cause or permit the Airframe or any Part to be used for any purpose or in any manner not covered by the Insurances or outside any geographical limit

imposed by the Insurances;

(c) comply with the terms and conditions of each policy of the Insurances and not do, consent or agree to any act or omission which:

(i) invalidates or may invalidate the Insurances; or

(ii) renders or may render void or voidable the whole or any part of any of the Insurances; or

(iii) brings any particular liability within the scope of an exclusion or exception to the Insurances;

(d) not take out without the prior written approval of Lessor any insurance or reinsurance in respect of the Airframe to the extent such insurance has the effect of invalidating the Insurances;

(e) commence renewal procedures at least thirty (30) days prior to expiry of any of the Insurances and provide to Lessor certificates of insurance (and where appropriate certificates of reinsurance), and a broker's (and any reinsurance brokers') letter of undertaking in a form reasonably acceptable to Lessor in English, detailing the coverage and confirming the insurers' (and any reinsurers') agreement to the specified insurance requirements of this Agreement within seven (7) days after each renewal date;

(f) on written request, from time to time, provide to Lessor certificates of insurance evidencing the Insurances;

(g) on request, provide to Lessor evidence that the Insurance premiums have been paid;

(h) not make any modification or alteration to the Insurances that are adverse to the interests of any of the Indemnitees without Lessor's prior written consent;

(i) be responsible for any deductible under the Insurances; and

(j) provide any other insurance and reinsurance related information, or assistance, in respect of the Insurances as Lessor may reasonably require and request in writing.

10.4 Failure to Insure. If Lessee fails to maintain the Insurances in compliance with this Agreement, each of the Indemnitees will be entitled but not bound (without prejudice to any other rights of Lessor under this Agreement):

(a) to pay the premiums due or to effect and maintain insurances satisfactory to

it or otherwise remedy Lessee's failure in such manner (including, without limitation to effect and maintain an "owner's interest" policy) as it considers appropriate. Any sums so expended by it will become immediately due and payable by Lessee to Lessor together with interest thereon at the rate specified in Section 6.10 (*Default Interest*), from the date of expenditure by it up to the date of reimbursement by Lessee; and

(b) at any time while such failure is continuing, to require the Airframe to remain at any airport or at any other location approved by Lessor, until the failure is remedied to its satisfaction.

10.5 Continuing Indemnity. Lessee shall effect and maintain (or cause to be effected and maintained) insurance after the Expiry Date with respect to its liability under the indemnities in Article 11 (*Indemnity*) for two (2) years after the Expiry Date, which provides for each Indemnatee to be named as additional insured. Lessee's obligation in this Article 10 (*Insurance*) shall not be affected by Lessee ceasing to be lessee of the Airframe and/or any of the Indemnitees ceasing to have any interest in respect of the Airframe.

10.6. Application of Insurance Proceeds As between Lessor and Lessee:

(a) All insurance payments due in respect of the Airframe and its operation under this Agreement will be made by the insurers in accordance with Lloyds Clause AVN67B.

(b) All insurance payments received as the result of an Event of Loss occurring during the Term will be settled jointly with Lessor and Lessee, and will be payable in Dollars to the applicable Financing Party, as sole loss payee, unless there is no Financing Party, in which case all such payments will be payable to Lessor.

(c) All insurance proceeds of any property, damage or loss to the Airframe or any Part occurring during the Term not constituting an Event of Loss and equal to or in excess of the Damage Notification Threshold will be paid to repairer for repairs or for replacement property in accordance with this Agreement. Insurance proceeds in amounts below the Damage Notification Threshold may be paid by the insurer directly to Lessee.

(d) All insurance proceeds in respect of third party liability will, except to the extent paid by the insurers to the relevant third party, be paid directly to Lessor in satisfaction of the relevant liability or to Lessee as reimbursement if Lessee shall have made such third party payment.

(e) Notwithstanding Sections 10.6(b), (c) or (d), if at the time of the payment of any such insurance proceeds a Material Default or Event of Default has occurred and is continuing, all such proceeds will be paid to Lessor to be applied toward payment of any amounts which may be or become payable by Lessee in such order as Lessor sees fit or as Lessor may elect.

ARTICLE 11 INDEMNITY

11.1 **General.** Lessee agrees to defend, indemnify and hold harmless the Indemnitees from and against any and all claims, proceedings, losses, liabilities, suits, judgments, costs, expenses, penalties or fines of any kind or nature, including attorneys' fees (each a "**Claim**"):

(a) which may at any time be suffered or incurred as a result of or connected with the possession, delivery, performance, management, ownership, registration, control, maintenance, condition, service, repair, overhaul, leasing, subleasing, use, operation or return of the Airframe or any Part (either in the air or on the ground) whether or not the Claim may be attributable to any defect in the Airframe or any Part or to its design, testing or use or otherwise, or whether it arises out of or is attributable to any act or omission of any Indemnatee (except to the extent excluded in subclause 11.1(c)(i) through and including subclause 11.1(c)(vii) below);

(b) which arise out of any act or omission which invalidates or which renders voidable any of the Insurances;

(c) which may at any time be suffered or incurred as a consequence of the operation or use of the Airframe constituting an infringement of patent, copyright, trademark, design or other proprietary right or a breach of any obligation of confidentiality owed to any Person;

but excluding any Claim against, or in relation to, a particular Indemnatee, to the extent such Claim:

(i) is covered pursuant to another indemnity provision of this Agreement, or

(ii) relates to expenses or other obligations that Lessor has expressly agreed to pay or perform under this Agreement, or

(iii) arises as a result of the willful misconduct or gross negligence of an Indemnatee, or

(iv) relates to expenses solely attributable to Lessor Liens,

(v) is judicially determined to be attributable to acts or events which occur prior to the Delivery Date or after the Expiry Date and return of the Airframe to Lessor in the condition required hereunder, but in any such case only to the extent not attributable to acts or omissions of Lessee.

(vi) comprises normal administrative and management costs and

expenses of such Indemnitee (other than any Claims as a result of or following the occurrence of an Event of Default), or

(vii) results from a transfer or disposition by the Indemnitee of the Airframe, Part, any Transaction Document, or interest in the foregoing (other than a transfer or disposition due to (A) the exercise by an Indemnitee of its rights following an Event of Default, (B) an Event of Loss, or (C) action or inaction of Lessee, or (D) the Closing);

provided always that, subject (x) to no Event of Default having been declared and being continuing and (y) to Lessee first ensuring that Lessor is indemnified and secured to Lessor's reasonable satisfaction against all Claims thereby incurred or to be incurred, Lessee shall be entitled to take, in the name of Lessor, such action as Lessee shall see fit (in good faith and in a commercially reasonable manner and with counsel satisfactory to Lessor) to defend or avoid any such Claims as are referred to in sub-Sections (a), (b) and (c) above, or to recover the same from any third party, provided, further, that any such action does not involve any risk of criminal or civil liability to Lessor or any risk of the sale, loss or forfeiture of the Airframe; provided, further, that to the extent that other claims related or unrelated to the transactions contemplated hereby are part of the same proceeding involving such Claims, Lessee may assume responsibility for the control of such proceeding to the extent that the same may be and is severed from such other claims (and Lessor shall use its reasonable efforts to obtain such severance) and, if not severable, Lessee may assume joint control thereof with the Lessor; provided, further, that no such Claims shall be compromised on a basis that admits any criminal or civil violation, gross negligence, fault or willful misconduct on the part of the Lessor without the Lessor's express written consent. Subject to Lessee providing the Insurances, the Lessor may participate at its own expense in any judicial proceeding controlled by the Lessee pursuant to the preceding provisions; and such participation shall not constitute a waiver of the indemnification provided in this Section 11.1 (*General*). Nothing contained in this Article 11 (*Indemnity*) shall be deemed to require the Lessor to contest any Claims

or to assume responsibility for or control of any judicial proceeding with respect thereto. Notwithstanding the foregoing, the Lessor shall not be required to contest any Claims, cooperate with the Lessee in the defense of any Claims or agree to the settlement of any Claims if Lessor shall expressly waive its right to indemnification with respect to such Claims under this Article 11 (*Indemnity*).

11.2 Duration. The indemnities contained in this Agreement will continue in full force after the expiration of the Term.

ARTICLE 12 EVENTS OF LOSS

12.1 Event of Loss; Airframe. If an Event of Loss occurs, Lessee will pay the Agreed Value to Lessor on or prior to the earlier of (i) ninety (90) days after the date of the Event of Loss and (ii) the date of receipt of insurance proceeds in respect of that Event of Loss. Following the occurrence of an Event of Loss and until such time as the Agreed Value shall have been paid by Lessee, all of Lessee's obligations that are still capable of performance shall continue in full force and effect. Subject to the rights of any insurers and reinsurers or other third party, upon irrevocable payment in full to Lessor of the Agreed Value and all other amounts which may be or become payable to Lessor under this Agreement, Lessor will without recourse or warranty (except as to Lessor's Liens) and without further act, be deemed to have transferred to Lessee all of Owner's rights to the Airframe or any Parts not installed when the Event of Loss occurred, all on an "as is where is" basis, and will at Lessee's expense, execute and deliver such bills of sale and other documents and instruments as Lessee may reasonably request to evidence (on the public record or otherwise) the transfer and the vesting of Owner's rights in the Airframe or such Parts in Lessee or Lessee's insurer, as applicable, free and clear of all rights of Owner and Lessor Liens.

12.2 Requisition. If the Airframe is requisitioned for use by any Government Entity, Lessee will promptly notify Lessee of such requisition. All of Lessee's obligations hereunder will continue as if such requisition had not occurred. So long as no Material Default or Event of Default has occurred and is continuing, all payments received by Lessor or Lessee from such Government Entity will be paid over to or retained by Lessee. If a Material Default or Event of Default has occurred and is continuing, all payments received by Lessee or Lessor from such Government Entity may be used by Lessor to satisfy any obligations then owing and outstanding by Lessee.

ARTICLE 13 RETURN OF AIRFRAME

13.1 Return and Airworthiness. For the avoidance of doubt, redelivery of the Airframe to Lessor is not contemplated by this Agreement as Lessee is obligated to purchase the Airframe upon the expiration of the Term pursuant to Section 6.3 (*Purchase Obligation*). However, in the event of early termination of the leasing of the Airframe as permitted under this Agreement, Lessee will, at its expense, redeliver the Airframe and Airframe Documents to Lessor at the Redelivery Location in a condition complying with this Article 13 (Return of

Airframe) and Schedule 5 (Return Conditions). The Airframe shall be free and clear of all Liens (other than Lessor Liens) and will possess a current Certificate of Airworthiness issued by the FAA (although this Certificate of Airworthiness may later be replaced by an Export Certificate of Airworthiness or equivalent, if requested by Lessor). In addition, even if Lessee must perform engineering, maintenance and repair work on the Airframe beyond the requirements of Article 9 (Lessee's Covenants), the Airframe at return must be in the condition required in order to meet the requirements for issuance of a U.S. Standard

Certificate of Airworthiness for transport category Airframe issued by the FAA in accordance with FAR Part 21 and, in addition, to meet the operating requirements of FAR Part 121 with no restrictions imposed.

13.2 Final Inspection. Upon the occurrence of the early termination of this Agreement, at a time mutually agreed between Lessor and Lessee, the Airframe shall be presented to Lessor and its representatives at the Redelivery Location for inspection. Such final inspection, which shall be performed completely in Lessor's presence ("**Final Inspection**") in order to verify that the condition of the Airframe complies with this Agreement. The Final Inspection shall be a full systems functional and operational inspection of the Airframe (and other types of reasonable inspections based upon Airframe type, age and other relevant factors) as mutually agreed with Lessee, and such inspection will be long enough to permit Lessor to:

- (a) inspect the Airframe Documents;
- (b) inspect the Airframe and uninstalled Parts;
- (c) observe a Demonstration Flight which shall not exceed two hours, with as many as two representatives of Lessor as on board observers, operated by Lessee's flight crews at Lessee's sole cost and expense; and
- (d) perform a full systems functional and operational inspection.

13.3 Non-compliance and Continuing Obligations. To the extent that, at the time of Final Inspection, the condition of the Airframe does not comply with this Agreement, Lessee will, at its cost and expense, rectify the non-compliance and the Airframe shall remain out of service during such period. In the event that Lessee does not return the Airframe to Lessor on the Expiry Date and in the condition required by this Article 13 (*Return of Airframe*) and Schedule 5 (*Return Conditions*) for any reason:

- a) The obligations of Lessee under this Lease will continue in full force and effect on a day-to-day basis until such return. This will not be considered a waiver of any Event of Default or any right of Lessor hereunder.
- b) Until such return, the Agreed Value will be an amount equal to the Agreed Value on the day the Airframe should have been returned to Lessor pursuant to this Lease.
- c) In the event that Lessee does not return the **Airframe** to Lessor on the Expiry Date and in the condition required by this Article 13 (*Return of Airframe*) and Schedule 5 (*Return Conditions*) for any reason:
 - (i) Without limiting Lessor's rights and remedies under Article 14 and until such time as the Airframe is redelivered to Lessor and put into the condition required by this Article 13 (*Return of Airframe*) and Schedule 5 (*Return*

Conditions), instead of paying the Rent specified in Section 6.2 (*Rent*), Lessee will pay One Hundred and Twenty-Five percent (125%) of the amount of Rent for each day from the Scheduled Expiry Date until the Expiry Date. Payment will be made upon presentation of Lessor's invoice.

(ii) Lessor may elect, in its sole and absolute discretion, to accept the return of the Airframe prior to the Airframe being put in the condition required by this Article 13 (*Return of Airframe*) and Schedule 5 (*Return Conditions*) and thereafter have any such non-conformance corrected at such time as Lessor may deem appropriate (but within 120 days following the return of the Airframe) and at commercial rates then charged by the Person selected by Lessor to perform such correction. Any expenses incurred by Lessor for such correction will be payable by Lessee within ten (10) days following the submission of a written statement by Lessor to Lessee, identifying the items corrected and setting forth the expense of such corrections. Lessee's obligation to pay such amounts will survive the Termination Date.

13.4 Redelivery. Upon redelivery, Lessee will provide to Lessor all documents necessary to remove the Airframe from the Habitual Base as provided in Schedule 5 (*Return Conditions*). Not less than thirty (30) days prior to the redelivery of the Airframe (or such date as may be mutually agreed), Lessee shall give Lessor access to all logs, manuals, data and inspection, modification and overhaul records (including historical records necessary to prove LLP traceability) current and updated as applicable and compliant with Air Authority and the FAA rules and regulations; provided however, records in respect of maintenance and repair performed at the end of the Term to comply with return conditions shall be made available to Lessor upon completion of such maintenance and repair.

13.5 Export and Deregistration of Airframe. At Lessor's request, Lessee at its cost will (i) provide an Export Certificate of Airworthiness or its equivalent from the State of Registration so that the Airframe can be exported to the country designated by Lessor, (ii) deregister or as applicable, assist Lessor or Owner with the deregistration of the Airframe from the registry in the State of Registration, (iii) arrange for prompt confirmation of such deregistration to be sent by the registry in the State of Registration to the next country of registration and (iv) perform any other acts required by Lessor in connection with the foregoing. Notwithstanding the foregoing, Lessee shall not be required to perform any additional modifications to the Airframe required by any future country of registration.

13.6 Acknowledgement. Following completion of the Final Inspection at the Redelivery Location, and Lessor's confirmation that the Airframe is in the redelivery condition, Lessor shall execute and deliver to Lessee a signed Redelivery Certificate in the form attached hereto as Schedule 6 (*Form of Redelivery Certificate*) confirming that Lessee has redelivered the Airframe to Lessor in accordance with this Agreement.

13.7 **Approved Maintenance Program.**

(a) Prior to the expiration of the Term and upon Lessor's request, Lessee will provide Lessor or its agent access, subject to a reasonable prior notice, to the Approved Maintenance Program and the Airframe Documents in order to facilitate the Airframe's integration into any subsequent operator's fleet.

(b) Lessee will, if requested by Lessor to do so, upon return of the Airframe deliver to Lessor a certified true current and complete copy of the time limited manuals and such other portions of the Approved Maintenance Program as may be reasonably requested by Lessor. Lessor agrees that it will not disclose the contents of the Approved Maintenance Program to any Person or entity except to the extent necessary to monitor Lessee's compliance with this Agreement and/or to bridge the maintenance program for the Airframe from the Approved Maintenance Program to another program after the Expiry Date.

13.8 **Fuel.** Upon redelivery of the Airframe to Lessor, the amount of fuel in the fuel tanks of the Airframe will be the same as that in the fuel tanks of the Airframe on the Lease Commencement Date.

13.9 **APU and Landing Gear.** The Airframe will be returned with Lessor's APU and Landing Gear installed and with the same equipment as at Delivery, subject only to those replacements, additions and Modifications permitted under this Lease.

ARTICLE 14 DEFAULT AND EARLY TERMINATION

14.1 **Events.** Each of the following events will constitute an Event of Default of this Agreement by Lessee:

(a) **Non-payment:** Lessee fails to make any payment of (i) Rent within five (5) calendar days following the date when due, or (ii) any Supplemental Rent within seven (7) calendar days after receipt by Lessee of written notice from Lessor that any such amount is due; or

(b) **Insurance:** (i) Lessee fails to obtain or maintain the Insurances as required by Article 10 (*Insurance*) or (ii) the Insurances are cancelled or terminated or otherwise

cease to be in full force and effect, or (iii) notice of cancellation is given in respect of any such insurance and the Insurances are not renewed or replaced prior to such cancellation taking effect; or

(c) **Breach:** Lessee fails to comply with any other provision of any Transaction Document and, if such failure is in the reasonable opinion of Lessor capable of remedy, the failure continues for twenty (20) calendar days after written notice from Lessor to Lessee; or

(d) **Representation:** any representation or warranty made (or deemed to be

repeated) by Lessee in or pursuant to any Transaction Document to which it is a party or in any document or certificate or statement is or proves to have been incorrect in any material respect when made or deemed to be repeated (with each of Lessor and Lessee acting reasonably as to the determination of materiality); or

(e) **Approvals:** Any consent, authorization, license, certificate or approval of or registration required to enable Lessee to operate the Airframe in accordance with the provisions of this Agreement is withheld, or is revoked, suspended, cancelled, withdrawn, terminated or not renewed, or otherwise ceases to be in full force and is not granted, reissued, restored, or renewed, as applicable, within ten (10) calendar days; or

(f) **Insolvent:**

(i) Lessee is, or is deemed for the purposes of any Law to be, unable to pay its debts as they fall due or to be insolvent, or admits inability to pay its debts as they fall due; or

(ii) Lessee suspends making payments on all or any class of its debts or announces an intention to do so, or a moratorium is declared in respect of any of its indebtedness; or

(g) **Liquidation and Similar Proceedings:**

(i) a meeting of the shareholders or directors of Lessee is convened to consider a resolution to present an application for an administration order or any such resolution is passed; or

(ii) any step (including petition proposal or convening a meeting) is taken with a view to a composition, assignment or arrangement with any creditors of, or the rehabilitation, administration, custodianship, liquidation, or dissolution of Lessee or any other insolvency proceedings involving Lessee; or

(iii) any order is made or resolution passed for any such composition, assignment, arrangement, rehabilitation, administration, custodianship, liquidation, dissolution or insolvency proceedings of Lessee becomes subject to or enters into any of the foregoing; or

(iv) any liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrator, examiner or the like is appointed in respect of Lessee or any of their assets; or

(v) notwithstanding the foregoing, none of the following shall be considered an Event of Default for purposes of this Agreement:

(1) any step or action described above in sub-Section (i) through (iv) and which is or are (A) commenced or taken by any Person (other than Lessee), B) being contested in good faith and by appropriate proceedings by Lessee, and (C) discharged or stayed within sixty (60)

days of the presentation or commencement thereof; and

(2) any step or action described above in sub-Section (i) through (iv) which has been previously approved by Lessor; or

(h) **Receiver:**

(i) an administrative or other receiver or manager is appointed in respect of Lessee any part of their assets; or

(ii) Lessee requests any Person to appoint such a receiver or manager;
or

(iii) any other steps are taken to enforce any security interest over all or any material part of the assets of Lessee; or

(iv) any attachment, sequestration, distress or execution affects any material assets of Lessee and is not discharged within sixty (60) days; or

(i) **Other Jurisdiction:** there occurs in relation to Lessee any event anywhere, in the reasonable opinion of Lessor, which has substantially the same effect as any of those mentioned in Section 14.1(f), (g) or (h); or

(j) **Suspension of Business:** Lessee suspends or ceases or threatens to suspend or cease to carry on all or a substantial part of its business; or

(k) **Disposal:** Lessee disposes or threatens to dispose of all or a material part of its assets, whether by one or a series of transactions, related or not, without the prior written consent of Lessor; or

(l) **Rights:** the existence, validity, enforceability or priority of the rights of Lessor as owner and as lessor in respect of the Airframe or the rights of any Financing Party as mortgagee are challenged in a court action by Lessee or any other Person lawfully claiming by or through Lessee; or

(m) **Delivery:** Lessee fails to accept delivery of the Airframe when validly tendered pursuant to this Agreement by Lessor (provided that Lessor shall have satisfied all the conditions precedent set out in Section 3.3 (*Lessee Conditions Precedent*) to the extent they have not been waived or deferred by Lessee); or

(n) **Repudiation:** Lessee expressly repudiates in writing any of its obligations under the Transaction Documents; or

(o) **Cross Default:** An Event of Default shall have occurred and be continuing under an Other Agreement, or Lessee shall default in the payment of any obligation for the payment of borrowed money, for the payment of rent or hire under any lease of

aircraft, airframes or engines which has a principal amount of Three Million US Dollars (US\$3,000,000) or more (determined in the case of borrowed money by the amount outstanding under the agreement pursuant to which such borrowed money was borrowed and in the case of a lease by the present discounted value (discounted at 3%) of the remaining rent or hire payable thereunder) when the same becomes due; or

(p) **Cross-Judgment:** A final judgment or award for the payment of money not covered by insurance in excess of Three Million US Dollars (US\$3,000,000), or final judgments or awards for the payment of money not covered by insurance in excess of Three Million US Dollars (US\$3,000,000) 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 Airframe or this Lease as a result of such judgment or award; or

(q) **Certificated Air Carrier.** Lessee ceases to be a Certificated Carrier; and/or

(r) **Sanctions.** Lessee is in violation of any Sanctions.

14.2 Rights. If an Event of Default occurs, Lessor may at its option (and without prejudice to any of its other rights under this Agreement), at any time thereafter:

(a) by notice to Lessee and with immediate effect terminate the leasing of the Airframe (but without prejudice to the continuing obligations of Lessee under this Agreement) whereupon all rights of Lessee to operate and possess the Aircraft under this Agreement shall cease; and/or

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

(c) either take possession of the Airframe, for which purpose Lessor may enter any premises belonging to or in the occupation of or under the control of Lessee where the Airframe may be located, or cause the Airframe to be redelivered to Lessor at the

Redelivery Location (or such other location as Lessor may require) by serving notice, require Lessee to redeliver the Airframe to Lessor at the Redelivery Location (or such other location in North America as Lessor may require; or

(d) for Lessee's account, do anything that may reasonably be required to cure any default and recover from Lessee all reasonable costs, including legal fees and expenses incurred in doing so and Default Interest; or

(e) apply all or any portion of the Security Deposit and any other Supplemental Rent held by Lessor to any amounts due; or

(f) if applicable, Lessor may exercise any other remedy which may be available to it as secured party under the Cape Town Agreements, including, without limitation, all rights and remedies under Chapter III of the Cape Town Convention and Chapter II of the Cape Town Airframe Protocol.

14.3 Deregistration. If an Event of Default occurs, Lessor may sell or otherwise deal with the Airframe as if this Agreement had never been made and Lessee will at the request of Lessor take all steps necessary to effect (if applicable) deregistration of the Airframe and its export from the country where the Airframe is for the time being situated and any other steps necessary to enable the Airframe to be redelivered to Lessor in accordance with this Agreement; Lessee hereby irrevocably and by way of security for its obligations under this Agreement appoints Lessor as its attorney to execute and deliver any documentation and to do any act or thing required for Lessor to carry out the foregoing, acting reasonably.

14.4 Default Payments. If an Event of Default occurs, Lessee 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 including but not limited to:

(a) any loss of profit suffered by Lessor because of Lessor's inability to place the Airframe on lease with another lessee on terms as favorable to Lessor as this Agreement or because whatever use, if any, to which Lessor is able to put the Airframe upon its return to Lessor, or the funds arising upon a sale or other disposal of the Airframe, is not as profitable to Lessor as this Agreement;

(b) all amounts which are then due and unpaid hereunder and which become due prior to the earlier of Lessor's recovery of possession of the Airframe or Lessee making an effective tender thereof;

(c) any amount of principal, interest, fees or other sums whatsoever paid or payable on account of funds borrowed in order to carry any unpaid amount;

(d) any loss, premium, penalty or expense which may be incurred in repaying funds raised to finance the Airframe or in unwinding any swap, forward interest rate agreement or other financial instrument relating in whole or in part to Lessor's financing of the Airframe; and

(e) any loss, cost, expense or liability sustained or incurred by Lessor owing to Lessee's failure to redeliver the Airframe on that date, at the place and in the condition required by this Agreement;

(f) all costs associated with Lessor's exercise of its remedies hereunder, including repossession costs, reasonable legal fees, Airframe storage costs, and Airframe re-lease or sale costs and Lessor's incremental internal costs and expenses (including the cost of additional personnel time calculated based upon the compensation paid to the individuals involved on an annual basis) and a general Lessor overhead allocation; and

(g) the application of all amounts paid to Lessor as the Security Deposit pursuant to this Lease, as well as any other amounts held by Lessor hereunder, all of

which may be kept and set off by Lessor.

14.5 Termination Upon Illegality

(a) If an Illegality Event occurs, the Lessor and the Lessee shall consult with each other, if either Party requests the other to do so, to try to restructure the transactions contemplated by the Transaction Documents in a manner acceptable to the Lessor and the Lessee.

(b) If an Illegality Event occurs and, if neither the Lessor nor the Lessee has requested consultation or, where consultation has been requested, the parties have not reached agreement within thirty (30) days or if earlier, the date on which the Illegality Event takes effect (the “**Illegality Termination Date**”), as to the continuation or restructuring of the transactions contemplated by the Transaction Documents, then:

(i) If the Illegality Event does not prohibit the payment by Lessee to Lessor of the Rent, the Purchase Price or the transfer of title of the Aircraft by Lessor to Lessee, then Lessee will pay the Purchase Price to Lessor, and Lessor will transfer title to the Aircraft to Lessee (according to the terms and conditions set out in Section 6.2 and Schedule 3); or

(ii) If the Illegality Event prohibits the payment by the Lessee to Lessor of the Purchase Price or Rent hereunder, then Lessee will return the Airframe to Lessor in the Redelivery Condition (or reimburse Lessor for the amount of returning the Airframe to the Redelivery Condition) as soon as possible following (and in any event within 15 days after) the Illegality Termination Date. If subsequent to the return of the Aircraft it becomes legal for Lessee to make payments to Lessor, then Lessee will pay Lessor any outstanding Rent or other amounts due to Lessor as of the Illegality Termination Date.

The parties agree that an Illegality Event shall in and of itself not be considered an Event of Default.

ARTICLE 15 ASSIGNMENT

15.1 Lessee Assignment. Lessee will not transfer, assign, or create or permit to exist any security interest (not including Permitted Liens) over, any of its rights under this Agreement

or the Airframe without the express prior written consent of Lessor and the Agent (which consent may be granted or withheld in the sole discretion of Lessor and the Agent).

15.2 Lessor Assignment. Subject to the conditions set forth in Section 15.3 below, Lessor may assign (including assign by way of security), transfer or otherwise dispose of, at its cost and expense (unless an Event of Default shall have occurred and be continuing and such transfer or disposal is effected as part of Lessor’s exercise of its remedies for such Event of

Default, in which case such assignment shall be at Lessee's cost and expense), all or any of its rights or obligations under this Agreement and the other Transaction Documents and all or any of its right, title or interest in and to the Airframe to any person.

15.3 Lessee Cooperation. If Lessor desires to effect an assignment (including an assignment by way of security) or transfer any or all of its rights and obligations under this Agreement and the other Transaction Documents or any or all of its right, title or interest in and to the Airframe, Lessee agrees to cooperate and take all such steps as Lessor may reasonably request to establish or protect the rights and remedies created or intended to be created in favor of the assignee or transferee; provided that (i) Lessor shall reimburse Lessee for reasonable out of pocket expenses and the professional charges of lawyers and tax advisers incurred in connection therewith, (ii) Lessee's right of quiet enjoyment pursuant to Section 8.1 (*Quiet Enjoyment*) of this Agreement shall not be affected, (iii) such assignment shall not result at the time of such assignment in any additional costs or obligations to the Lessee (including Taxes) or decrease its rights or benefits as determined by reference to laws and regulations in effect at the time of such assignment or transfer, it being understood and agreed that any change in, or increase in the number of beneficiaries under (and in accordance with) any indemnification, insurance or, if applicable, re-insurance provision of this Agreement and any other Transaction Document or the making of any payment under any Transaction Documents to a different bank account shall not in and of itself be deemed an increased obligation, and (iv) any transferee that is to become Lessor will (a) assume Lessor's obligations under this Agreement and each other Transaction Document, (b) be experienced in commercial aircraft leasing and financing or retain the services of a lease manager or servicer having such experience, (c) not be a commercial passenger airline in direct competition with Lessee, and (d) be a Citizen of the United States as defined in Section 40102(a)(15)(c) of Title 49 of the United States Code.

ARTICLE 16 MISCELLANEOUS

16.1 Waivers, Remedies Cumulative. The rights of Lessor under this Agreement:

- (a) may be exercised as often as necessary;
- (b) are cumulative and not exclusive of its rights under any law; and
- (c) may be waived only in writing and specifically.

Delay in exercising or non-exercise of any such right will not constitute a waiver of that right.

16.2 Delegation. Lessor may delegate to any suitably qualified Person or Persons all or any of the powers or discretions vested in it by these presents and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as Lessor in its absolute discretion thinks fit.

16.3 Certificates. Except where expressly provided in this Agreement, any certificate or

determination by Lessor as to any rate of interest or as to any other amount payable under this Agreement will, in the absence of manifest error, be conclusive and binding on Lessee.

16.4 Appropriation. If any sum paid or recovered in respect of the liabilities of Lessee under this Agreement is less than the amount then due, Lessor may apply that sum to amounts due under this Agreement in such proportions and order and generally in such manner as Lessor may determine.

16.5 Currency Indemnity.

(a) If Lessor receives an amount in respect of Lessee's liability under this Agreement or if such liability is converted into a claim, proof, judgment or order in a currency other than the currency (the "**Contractual Currency**") in which the amount is expressed to be payable under this Agreement:

(i) Lessee will indemnify Lessor as an independent obligation against any loss arising out of or as a result of such conversion;

(ii) if the amount received by Lessor, when converted into the Contractual Currency (at the market rate at which Lessor is able on the relevant date to purchase the Contractual Currency in London or at its option New York with that other currency) is less than the amount owed in the Contractual Currency, Lessee will, forthwith on demand, pay to Lessor an amount in the Contractual Currency equal to the deficit; and

(iii) Lessee will pay to Lessor on demand any exchange costs and Taxes payable in connection with the conversion; and

(b) Lessee waives any right it may have in any jurisdiction to pay any amount under this Agreement in a currency other than that in which it is expressed to be payable.

16.6 Set-off. Lessor may set off any matured obligation owed by Lessee under this Agreement or under any other agreement between Lessor (or any Affiliate of Lessor) and Lessee against any mature obligation owed by Lessor to Lessee, regardless of the place of payment or currency. If the obligations are in different currencies, Lessor may convert either obligation at the market rate of exchange available in London or at its option New York for the purpose of the set-off. If an obligation is unascertained or unliquidated, Lessor may in good faith estimate that obligation and set off in respect of the estimate, subject to the relevant party accounting to the other when the obligation is ascertained or liquidated. Lessor will not be obliged to pay any amounts to Lessee under this Agreement so long as any sums which are then due from Lessee

under this Agreement remain unpaid and any such amounts which would otherwise be due will fall due only if and when Lessee has paid all such sums except to the extent Lessor otherwise agrees or sets off such amounts against such payment pursuant to the foregoing.

16.7 Severability. If a provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, that will not affect:

(a) the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or

(b) the legality, validity or enforceability in any other jurisdiction of that or any other provision of this Agreement;

then such provision shall be severable from the remaining provisions of this Agreement and such remaining provisions will not be affected.

16.8 Remedy. If Lessee fails to comply with any provision of this Agreement, Lessor may, after giving any required notice and the passage of any applicable cure right hereunder, without being in any way obliged to do so or responsible for so doing and without prejudice to the ability of Lessor to treat the non-compliance as a Default or an Event of Default, effect compliance on behalf of Lessee, whereupon Lessee shall become liable to pay immediately any sums expended by Lessor together with all costs and expenses (including legal costs) in connection therewith.

16.9 Time of Essence. The time stipulated in this Agreement for all payments payable by Lessee to Lessor and for the performance of Lessor's and Lessee's other obligations under this Agreement will be of the essence of this Agreement.

16.10 Notices. All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), or email (so long as specifically addressed as a Notice pursuant to this Section 16.10 (*Notices*), with confirmation of transmission), or certified or registered mail (in each case, return receipt requested, postage pre-paid) to the addresses set forth below. Except as otherwise provided in this Agreement, a Notice is effective only (a) upon receipt by the receiving party, and (b) if the party giving the Notice has complied with the requirements of this Section 16.10.

If to Lessor:

TVPX Aircraft Solutions Inc.

39 East Eagle Ridge Drive, Suite 201 North Salt Lake, Utah 84054 USA Attention: David Wall

Email: dwall@tvpix.com

Copy:

AvCap 2840, LLC

19495 Biscayne Boulevard, Suite 604 Aventura, Florida 33180 USA Attention: Steven Patch;

Spencer Ho

Email: spatch@avcaptrading.com; sho@avcaptrading.com

Copy:

Gryphon Aviation Leasing LLC 101 NE Third Avenue, Suite 610

Fort Lauderdale, Florida 33301 USA Attention: spatch@gryphonleasing.com;

sho@gryphonleasing.com

If to Lessee:

Global Crossing Airlines, Inc. Miami International Airport Building 5A, 4th Floor

4200 NW 36th Street Miami, Florida 33146 USA

Attention: Ryan Goepel, CFO

Tel: +1 786 751 8503

Email: ryan.goepel@globalxair.com

Copy:

Global Crossing Airlines, Inc. Miami International Airport Building 5A, 4th Floor

4200 NW 36th Street Miami, Florida 33146 USA

Attention: Maria Renata Nunez, Director, Legal and Corporate Counsel

Tel: +1 786 765 5124

Email: maria.nunez@globalxair.com

16.11 **Law and Jurisdiction.**

(a) Lessor and Lessee agree that this Agreement is governed by, and construed in accordance with, the Governing Law;

(b) For the benefit of Lessor, Lessee agrees that the state courts of, and Federal District Court for, the State of New York shall have non-exclusive jurisdiction to settle any disputes in connection with this Agreement and submits to the jurisdiction of such courts in connection with this Agreement;

(c) Lessee:

(i) waives objection to the state courts of, and Federal District Court for, the State of New York on grounds of inconvenient forum or otherwise as regards proceedings in connection with this Agreement;

(ii) agrees that a judgment or order of such courts in connection with this Agreement shall be conclusive and binding on it and may be enforced against it in the courts of any other jurisdiction;

(d) Nothing in this Section 16.11 (*Law and Jurisdiction*) limits the right of Lessor to bring proceedings against Lessee in connection with this Agreement:

(i) in any other court of competent jurisdiction; or

(ii) concurrently in more than one jurisdiction;

(e) Lessee irrevocably and unconditionally:

(i) agrees that if Lessor brings legal proceedings against it or its assets in relation to this Agreement, no immunity from such legal proceedings (which will be deemed to include without limitation, suit, attachment prior to judgment, other attachment, the obtaining of judgment, execution or other enforcement) will be claimed by or on behalf of itself or with respect to its assets;

(ii) waives any such right of immunity which it or its assets now has or

may in the future acquire;

(iii) consents generally in respect of any such proceedings to the giving of any relief or the issue of any process in connection with such proceedings including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in such proceedings.

(f) Lessee appoints Cogency Global, Ltd. as its process agent to be served with court documents relating to this Agreement. Lessee must maintain a valid agent for receipt of process in New York from the date of this Agreement until the Expiry Date and may not change the agent's identity without giving prior notice to Lessor. Lessee agrees that if its process agent does not notify it about any court documents served on it, this will not affect the proceedings concerned, and agrees that court documents can be served on it by posting or hand delivering a copy to its process agent at the address above.

16.12 **Sole and Entire Agreement.** This Agreement is the sole and entire agreement between Lessor and Lessee in relation to the leasing of the Airframe, and supersedes all previous agreements in relation to that leasing.

16.13 **Indemnities.** All rights granted to each Indemnatee under this Agreement (other than Lessor) are given to Lessor on behalf of such Indemnatee and such Indemnitees are third party beneficiaries of such rights.

16.14 **Counterparts.** This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. To the extent, if any, that this Agreement constitutes chattel paper (as such term is defined in the Uniform Commercial Code as in effect in any jurisdiction), no security interest in this Agreement may be perfected through the transfer or possession of any counterpart other than the original counterpart, which shall be identified as the counterpart containing the receipt therefor executed by Lessor on the signature page hereof.

16.15 **Language.** All notices to be given under this Agreement will be in English. All documents delivered to Lessor pursuant to this Agreement will be in English, or if not in English, will be accompanied by a certified English translation. If there is any inconsistency between the English version of this Agreement and any version in any other language, the English version will prevail.

16.16 **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 attorneys' fees) asserted by any agent, broker or other third party for any commission or compensation of any nature whatsoever based upon the lease of the Airframe, if such claim, suit, damage, cost or expense arises out of any action or alleged action by the indemnifying party, its employees or agents.

16.17 **Expenses.**

(a) Whether or not the transactions contemplated hereby are consummated, each of Lessor and Lessee shall bear and be responsible for its own costs and expenses incurred in connection with the negotiation, preparation, execution and delivery of this Agreement, and any other agreements, documents and instruments relating hereto and neither Lessor nor Lessee shall have any right of reimbursement or indemnity for such costs and expenses as against each other.

(b) Costs and expenses of FAA Counsel shall be shared equally on a 50/50 basis between Lessor and Lessee.

(c) With respect to the Pre-Delivery Modifications, Lessor shall contribute an amount up to Six Hundred Twenty-Five Thousand US Dollars (\$625,000.00) toward the implementation of such Pre-Delivery Modifications, with all costs and expenses above such cap amount to be shared equally on a 50/50 basis between Lessor and Lessee. Should the costs and expenses of the Pre-Delivery Modifications exceed Nine Hundred Thousand US Dollars (\$900,000.00), then the Lessor and the Lessee shall mutually agree upon a commercially reasonable split relative to the reason for escalation.

16.18 **Cape Town Convention Prevails.** Except to the extent expressly otherwise provided herein, any terms of this Agreement which expressly incorporate any provisions of the Cape Town Agreements shall prevail in the case of any conflict with any other provision contained herein.

16.19 **Confidentiality.** The terms and conditions of this Agreement and the Transaction Documents and all transactions, writings, discussions, and negotiations in connection with it (including, without limitation, the fact that discussions and negotiations have been conducted by the parties), shall remain strictly confidential and shall not be disclosed by either party without the prior written consent of the other party, except as required by law or for either party and its professional advisors to carry out the terms of this Agreement and the Transaction Documents; and in connection with Lessor's financing or potential sale of the Airframe or assignment of this Lease.

16.20. **True Lease.** This Agreement is intended, for all purposes, including, without limitation, United States federal and state income tax purposes and purposes of any bankruptcy or insolvency Law of any jurisdiction, to be a true lease and not a security agreement. Nothing contained herein shall be construed as conveying to Lessee any right, title or interest in the

Airframe until the exercise of the Purchase Obligation at Lease Expiry, except as a lessee only. In circumstances where more than one construction of the terms and conditions of this Agreement is possible, a construction which would support the characterization of this Agreement as a true lease shall control over any construction which would not support such characterization or would render it doubtful.

ARTICLE 17
DISCLAIMERS AND WAIVERS

17.1 Exclusion. THE AIRFRAME SHALL BE DELIVERED “AS IS, WHERE IS” AND UPON ACCEPTANCE BY LESSEE, LESSEE AGREES AND ACKNOWLEDGES THAT, SAVE AS EXPRESSLY STATED IN THIS AGREEMENT, LESSOR WILL HAVE NO LIABILITY IN RELATION TO, AND LESSOR HAS NOT AND WILL NOT BE DEEMED TO HAVE MADE OR GIVEN, ANY WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, WITH RESPECT TO, THE AIRFRAME, INCLUDING BUT NOT LIMITED TO:

(a) THE DESCRIPTION, AIRWORTHINESS, MERCHANTABILITY, FITNESS FOR ANY USE OR PURPOSE, VALUE, CONDITION, OR DESIGN, OF THE AIRFRAME OR ANY PART; OR

(b) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY IN TORT, WHETHER OR NOT ARISING FROM LESSOR’S NEGLIGENCE, ACTUAL OR IMPUTED; OR

(c) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY FOR LOSS OF OR DAMAGE TO THE AIRFRAME, FOR ANY LIABILITY OF LESSEE TO ANY THIRD PARTY, OR FOR ANY OTHER DIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES.

17.2 Waiver. LESSEE HEREBY WAIVES ALL ITS RIGHTS IN RESPECT OF ANY WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, ON THE PART OF LESSOR AND ANY INDEMNITEE IN CONNECTION WITH THE MATTERS DISCLAIMED IN THIS SECTION 17 AND ALL CLAIMS AGAINST LESSOR OR ANY INDEMNITEE HOWSOEVER AND WHENEVER ARISING AT ANY TIME IN RESPECT OF OR OUT OF THE OPERATION OR PERFORMANCE OF THE AIRFRAME EXCEPT TO THE EXTENT EXPRESSLY SET OUT IN THIS AGREEMENT.

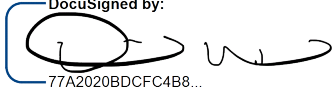
17.3 Consequential Damages. NEITHER LESSOR NOR ANY INDEMNIFIED PARTY WILL HAVE ANY OBLIGATION OR LIABILITY FOR LOSS OR DAMAGE TO THE AIRFRAME, FOR ANY LIABILITY OF LESSEE TO ANY THIRD PARTY, OR FOR ANY OTHER DIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES WHICH ARE HEREBY DISCLAIMED BY LESSEE.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF the parties hereto have executed this Airframe Lease Agreement on the date shown at the beginning of this Agreement.

Lessor:

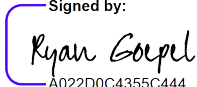
TVPX AIRCRAFT SOLUTIONS INC.,
not in its individual capacity but solely as
Owner Trustee

By:  DocuSigned by:
77A2020BDCFC4B8...

Name: Dave Wall
Title: Senior Vice President

Lessee:

GLOBAL CROSSING AIRLINES, INC.

By:  Signed by:
A022D0C4355C444...

Name: Ryan Goepel
Title: President

ANNEX I

FORM OF MONTHLY DISCLOSURE REPORT
(MSN 2840)

Date: _

To: **TVPX AIRCRAFT SOLUTIONS INC.; AVCAP 2840, LLC**

FORWARD REPORT VIA E-MAIL TO: Utilization@gryphonleasing.com

From:

E-mail:

Telephone:

1. LEASE: Airframe Lease Agreement dated as of August __, 2025

2. AIRFRAME TYPE: Airbus model A320-200ceo

3. SERIAL NUMBER: 2840

4. UTILIZATION RECORD

Airframe Flight Hours Flown During Month: Hours: __; Minutes: ____

Airframe Flight Cycles During Month: ____ Cycles

5. INSTALLATION/REMOVAL

Left: ESN __ Right: ESN __

Date Installed: _____ Date Installed: _ Date Removed: _____ Date Removed:

6. MAJOR OR NON-ROUTINE REPAIRS/OCCURRENCES (if applicable):

State if Airframe is operating satisfactorily: yes ☐ no (if no, give details under "Comments" below):

Lessee has caused this Monthly Disclosure Report (MSN 2840) to be executed by its duly authorized representative on the date set forth above.

Authorized Signatory

for and on behalf of

GLOBAL CROSSING AIRLINES, INC.

SCHEDULE 1

DESCRIPTION OF AIRFRAME

Manufacturer: Airbus

Model: A320-232
MSN: 2840
Time Since New: 37,509.7 Flight Hours
Cycles Since New: 45,145 Flight Cycles

APU Manufacturer: Collins Aerospace (formerly Hamilton Sundstrand)
Model: APS3200
SN: 2374

Landing Gear Manufacturer: Messier Dowty
Model: A320
Nose Serial Number: B2271
Right Serial Number: MDG3401
Left Serial Number: MDG3400

PRE-DELIVERY MODIFICATIONS

- Fuel Tank Inerting System AMOC- AerSafe
- Metric to Imperial Fuel Quantity Indication System Service Bulletin
- APS3200 APU to be installed, certified and functional.

DEFERRED PRE-DELIVERY MODIFICATIONS

- Installation of ADS-B Out DO-260B
- Activation of Datalink capabilities and provisions

DELIVERY CONDITION

The Airframe will be delivered by Lessor with the Pre-Delivery Modifications completed prior to Delivery and the Deferred Pre-Delivery Modifications to be completed promptly following the Lease Commencement Date, and accepted by Lessee in its “as-is, where-is” with all faults condition, without any representation, warranty or covenant given by Lessor, express or implied. However, the Airframe shall be in materially the same condition as when inspected by Lessee.

SCHEDULE 2

FORM OF CERTIFICATE OF ACCEPTANCE **(MSN 2840)**

This Certificate of Acceptance is delivered on the date set out below by **GLOBAL CROSSING AIRLINES, INC.** (“**Lessee**”), to **TVPX AIRCRAFT SOLUTIONS INC.**, not in its individual capacity but solely as Owner Trustee (“**Lessor**”), pursuant to the Airframe Lease Agreement dated as of August __, 2025 between Lessor and Lessee (the “**Agreement**”). The capitalized terms used in this Certificate shall have the meaning given to such terms in the Agreement.

1. DETAILS OF ACCEPTANCE

Lessee hereby confirms to Lessor that Lessee has at ____ o'clock on this ____ day of ____, 2025, at ____, accepted the following, in accordance with the provisions of the Agreement:

A. EQUIPMENT:

- (i) **AIRFRAME:** Airbus Model A320-200ceo airframe, Manufacturer's Serial No. 2840

Total Flight Hours: 37,509.7 Flight Hours

Total Cycles: 45,145 Flight Cycles

Flight Hours Since Last C Check: 2,277.36 Flight Hours

Cycles Since Last C Check: 2,711 Flight Cycles

Flight Hours Since Last D-Check: N/A

Cycles Since Last D-Check: N/A

- (ii) **LANDING GEAR:**

Left Main:

Manufacturer's Serial No.: MDG3400

Manufacturer's Part No.: 201582001-030

1. Total Flight Hours Since Overhaul: 4,800.7 Flight Hours
2. Total Cycles Since Overhaul: 4,269 Flight Cycles
3. Date of Last Overhaul: February 18, 2022

Right Main:

Manufacturer's Serial No.: MDG3401

Manufacturer's Part No.: 201582002-030

1. Total Flight Hours Since Overhaul: 4,800.7 Flight Hours

2. Total Cycles Since Overhaul: 4,269 Flight Cycles
3. Date of Last Overhaul: February 28, 2022

Nose:

Manufacturer's Serial No.: B2271
Manufacturer's Part No.: D23757500-11

1. Total Flight Hours Since Overhaul: 4,800.7 Flight Hours
2. Total Cycles Since Overhaul: 4,269 Flight Cycles
- ____ 3. Date of Last Overhaul: February 9, 2022

i. **APU:**

Type: _____ Manufacturer's
Serial No.: 2374 Total Hours
Since Last Overhaul:

(b) INTERIOR CONFIGURATION:

- i. Seating: 180 Y
- ii. Lavatories: 3
- iii. Galleys: 2
- iv. Freight positions: 0
- v. Fuel:

- (c) All other Items of Equipment and other property, tangible and intangible, delivered by Lessor to Lessee.

Additional leftover foam parts for the center fuel tank

2. CONFIRMATION

Lessee confirms to Lessor that as at the time indicated above, being the Lease Commencement Date:

- (a) the representations and warranties contained in Section 2.1 (*Lessee's Representations and Warranties*) of the Agreement are hereby repeated;
- (b) the Airframe is insured as required by the Agreement; and
- (c) Lessee's authorized technical experts have inspected the Airframe to ensure the Airframe conforms to Lessee's requirements. The Airframe is in accordance with

the specifications of the Agreement and is irrevocably and unconditionally satisfactory in all respects [except as set forth in the attached Discrepancy List].

Annex 2 - Loose Equipment and Accessories

Annex 3 - Airframe Documents and Technical Records

Annex 4 - Airframe Status – Avionics Inventory

Annex 5 Discrepancy List

IN WITNESS WHEREOF, Lessee has, by its duly authorized representative, executed this Certificate of Acceptance (MSN 2840) on the date set forth in paragraph 1 above.

LESSEE: **GLOBAL CROSSING AIRLINES, INC.**

By_____
Name:
Title:

SCHEDULE 3

COMMERCIAL TERMS

1. **RENT:**

Lessee shall pay Rent beginning on the Lease Commencement Date for the duration of the Term until the Expiry Date, at the fixed amount of One Hundred Seventeen Thousand Eight Hundred Fifty-Nine and 38/100 US Dollars (\$117,859.38) per month, payable in advance on each Rent Date.

2. **PURCHASE OBLIGATION:**

Provided that Lessee has made all payments of Rent during the Term of the Lease, the Purchase Price for the Airframe on the Expiry Date (being the Scheduled Expiry Date) shall be the amount of One US Dollar (\$1.00), taking into account the retention of the Security Deposit by Lessor.

If after the first six (6) months of the Term (but prior to conclusion of the Term) the Lessee elects, at its option, to purchase the Airframe, then Lessee shall pay to Lessor on the Closing Date: (a) such Purchase Price amount as set forth for the corresponding month in the chart set forth below, *plus* (b) two and one half percent (2.50%) of such Purchase Price amount.

Month	Purchase Price
6	\$ 3,079,032
7	\$ 2,989,397
8	\$ 2,898,940
9	\$ 2,807,655
10	\$ 2,715,532
11	\$ 2,622,565

12		\$	2,528,746
13		\$	2,434,067
14		\$	2,338,520
15		\$	2,242,097
16		\$	2,144,790
17		\$	2,046,591
18		\$	1,947,492
19		\$	1,847,485
20		\$	1,746,561
21		\$	1,644,711
22		\$	1,541,929
23		\$	1,438,203
24		\$	1,333,528
25		\$	1,227,892
26		\$	1,121,289
27		\$	1,013,708
28		\$	905,141
29		\$	795,578
30		\$	685,012
31		\$	573,432
32		\$	460,829
33		\$	347,194
34		\$	232,517
35		\$	116,789
36		\$	-

3. **SECURITY DEPOSIT:** The Security Deposit shall be the total amount of Nine Hundred Thousand US Dollars (\$900,000.00), payable as follows:
 - a) The Initial Deposit representing five percent (5%) of the Purchase Price in the amount of Two Hundred Twenty-Five Thousand US Dollars (\$225,000.00) which has been received by Lessor prior to the date of this Agreement; and
 - b) The Delivery Deposit representing fifteen percent (15%) of the Purchase Price in the amount of Six Hundred Seventy-Five Thousand US Dollars (\$675,000.00) due on or prior to the Delivery Date.
4. **AGREED VALUE:** Four Million Five Hundred Thousand US Dollars (\$4,500,000.00).
5. **MAXIMUM DEDUCTIBLE:** Five Hundred Thousand US Dollars (\$500,000.00).
6. **MINIMUM LIABILITY COVERAGE:** Seven Hundred Fifty Million US Dollars (\$750,000,000.00) per occurrence.
7. **MODIFICATION THRESHOLD AMOUNT:** Fifty Thousand US Dollars (\$50,000.00).
8. **DAMAGE NOTIFICATION THRESHOLD:** Fifty Thousand US Dollars (\$50,000.00).

9. LESSOR'S ACCOUNT (c/o Owner Participant):

Beneficiary Bank: City National Bank Bank
Address: 2855 S. Le Jeune Road
Coral Gables, Florida 33134 USA
ABA: 066004367
SWIFT: CNBFUS3M
Beneficiary: AvCap Asset Trading, LLC
Address: 19495 Biscayne Boulevard, Suite 604
Aventura, Florida 33180 USA
Account: 30000717472
Reference: MSN 2840

10. LESSEE'S ACCOUNT

Beneficiary Bank: Synovus Bank
Bank Address: 1148 Broadway, Columbus, GA 31901
SWIFT: FICOUS44
Beneficiary: Global Crossing Airlines Operations LLC Address:
4200 NW 36th St 4th Floor, Miami, FL 33166
Account: 1013963804
Reference: MSN 2840

SCHEDULE 4

INSURANCE REQUIREMENTS

The Insurances required to be maintained are as follows:

(a) HULL ALL RISKS of loss or damage while flying and on the ground with respect to the Airframe on an "agreed value basis" for the Agreed Value and with a deductible not exceeding the Maximum Deductible, or such other amount agreed by Lessor from time to time;

(b) HULL WAR AND ALLIED PERILS, being such risks excluded from the Hull All Risks Policy to the fullest extent available in accordance with Policy Form LSW555D from the leading international insurance markets including confiscation and requisition by the State of Registration and the State of Incorporation for the Agreed Value;

(c) SPARES ALL RISKS (INCLUDING WAR AND ALLIED RISK except when on the ground or in transit other than by air) property insurance on all Parts when not installed on the Airframe on an “agreed value” basis for their full replacement value;

(d) AIRFRAME THIRD PARTY, PASSENGER, BAGGAGE, CARGO AND MAIL AND AIRLINE GENERAL THIRD PARTY (INCLUDING PRODUCTS) LEGAL LIABILITY for a Combined Single Limit (Bodily Injury/Property Damage) of an amount not less than the Minimum Liability Coverage for the time being any one occurrence (but in respect of products and personal injury liability this limit may be an aggregate limit for any and all losses occurring during the currency of the policy). War and Allied Risks are also to be covered under the Policy of an amount not less than the Minimum Liability Coverage applying any one occurrence and in the annual aggregate;

(e) All required hull and spares insurance (as specified above), so far as it relates to the Airframe will:

(i) name Lessor, Owner, the Agent or the Financing Parties (as may be directed by Lessor) as sole loss payee for an amount equal to the Agreed Value of the Airframe;

(ii) name Lessor, Owner, the Agent, the Financing Parties, Indemnitees, and their respective successors and assigns as contract parties for their respective rights and interests;

(iii) provide that all payments received as the result of an Event of Loss occurring during the Term will be settled jointly with Owner, Lessor, Agent and Lessee, and will be payable in Dollars to the applicable Financing Party (or Agent), as sole loss payee, unless there is no Financing Party, in which case all such payments will be payable to Lessor;

(iv) provide that all insurance proceeds of any property, damage or loss to the Airframe or any Part occurring during the Term not constituting an Event of Loss and equal to or in excess of the Damage Notification Threshold will be paid to the repairer for repairs or for replacement property in accordance with this Agreement. Insurance

proceeds in amounts below the Damage Notification Threshold may be paid by the insurer directly to Lessee. Any balance remaining may be retained by Lessor;

(v) include a notice and/or acknowledgement of assignment (relating to the assignment of Lessor’s interest in the Insurances to the Financing Parties) in a form acceptable to Lessor, if applicable;

(vi) if separate Hull “all risks” and “war risks” insurances are arranged, include a 50/50 provision in accordance with market practice (AVS. 103 is the current market language);

(f) All required liability insurances (specified above) will:

(i) include the Indemnitees as additional insureds for their respective rights and interests;

(ii) include a Severability of Interest clause which provides that the insurance, except for the limit of liability, will operate to give each assured the same protection as if there was a separate policy issued to each assured;

(iii) contain a provision confirming that the policy is primary without right of contribution and the liability of the insurers will not be affected by any other insurance of which Owner, Lessor, or Financing Parties have the benefit so as to reduce the amount payable to the additional insureds under such policies;

(g) All Insurances will:

(i) be in accordance with normal industry practice of persons operating similar Airframe in similar circumstances;

(ii) provide cover denominated in Dollars and any other currencies which Lessor may reasonably require in relation to liability insurance;

(iii) operate on a worldwide basis subject to such limitations and exclusions as Lessor may agree;

(iv) acknowledge the insurers is aware (and has seen a copy) of this Lease and that the Airframe is owned by Owner and is subject to the Mortgage and that the Insurances are subject to the Security Assignment in favor of the applicable Financing Party;

(v) be no less favorable than the insurance carried by Lessee on its fleet except as to amounts which shall meet the minimums provided for herein in respect of Agreed Value, Maximum Deductible and Minimum Liability Coverage;

(vi) shall be satisfactory to any Financing Parties;

(vii) provide that, in relation to the interests of each of the additional insureds the Insurances will not be invalidated by any act or omission by Lessee, or any other person

other than the respective additional insured seeking protection and shall insure the interests of each of the additional insureds regardless of any breach or violation by Lessee, or any other person other than the respective additional insured seeking protection of any warranty, declaration or condition, contained in such Insurances;

(viii) provide that the insurers will hold harmless and waive any rights of recourse and/or subrogation against the additional insureds or to be subrogated to any rights of any Financing Party against Lessor or Lessee;

(ix) provide that the additional insureds will have no obligation or responsibility

for the payment of any premiums due (but reserve the right to pay the same should any of them elect so to do) and that the insurers will not exercise any right of set off or counter claim in respect of any premium due against the respective interests of the additional insureds other than outstanding premiums relating to the Airframe or any Part the subject of the relevant claim;

(x) provide that the Insurances will continue unaltered for the benefit of the additional insureds for at least thirty (30) days after written notice of any cancellation, change, event of non-payment of premium or installment thereof has been sent to Owner, Lessor and each Financing Party, except in the case of war risks for which seven (7) days (or such lesser period as is or may be customarily available in respect of war risks or allied perils) will be given, or in the case of war between the 5 great powers or nuclear peril for which termination is automatic; and

(xi) if reinsurance is a requirement of this Agreement such reinsurance will (i) be on the same terms as the original insurances and will include the provisions of this Schedule 4, (ii) provide that notwithstanding any bankruptcy, insolvency, liquidation, dissolution or similar proceedings of or affecting the reinsured that the reinsurers' liability will be to make such payments as would have fallen due under the relevant policy of reinsurance if the reinsured had (immediately before such bankruptcy, insolvency, liquidation, dissolution or similar proceedings) discharged its obligations in full under the original insurance policies in respect of which the then relevant policy of reinsurance has been effected; and (iii) contain a "cut-through" clause in the following form (or otherwise satisfactory to Lessor): "The Reinsurers and the Reinsured hereby mutually agree that in the event of any claim arising under the reinsurances in respect of a total loss or other claim where as provided by the Airframe Lease Agreement dated as of August __, 2025 and made between Lessor and Lessee such claim is to be paid to the person named as sole loss payee under the primary insurances, the Reinsurers will in lieu of payment to the Reinsured, its successors in interest and assigns pay to the person named as sole loss payee under the primary insurances effected by the Reinsured that portion of any loss due for which the Reinsurers would otherwise be liable to pay the Reinsured (subject to proof of loss), it being understood and agreed that any such payment by the Reinsurers will (to the extent of such payment) fully discharge and release the Reinsurers from any and all further liability in connection therewith"; subject to such provisions not contravening any law of the State of Incorporation;

(vii) **AVN.67B:** Lessee may procure endorsements to the relevant insurance or reinsurance policies required to be maintained pursuant to Article 10 (*Insurance*) and this Schedule 4 so as to incorporate the terms of Lloyd's Form AVN.67B (or any revised form in general use in the London aviation insurance market) into such insurance or reinsurance policies, in which event, to the extent that any provisions of such Form AVN.67B (or any revised form) endorsement conflicts or is otherwise inconsistent with the requirements of any provision of this Agreement relating to insurance or reinsurance then (so long as it shall remain general aviation insurance practice to insure Airframe financed or leased by financial institutions on the basis of such endorsement), such conflicting or inconsistent provision of this Agreement shall be of no further force and

effect and such endorsement shall be deemed to satisfy the requirements of each such conflicting or inconsistent provision of this Agreement.

SCHEDULE 5 RETURN

CONDITIONS

The Airframe shall have been maintained in full compliance with the Lease, shall be complete, in serviceable condition and in substantially the same condition as when tendered for Delivery on the Delivery Date, normal wear and tear excepted. Lessee will tender the Airframe to Lessor at the Redelivery Location in the following condition:

- The Airframe shall be in compliance with all applicable Airworthiness Directives of the Airframe which have an effective date (due date) for compliance prior to the Redelivery

Date.

- The Airframe shall not have installed thereon any equipment, accessory or system which is owned by any person other than Lessor or such ownership being readily transferrable to Lessor.
- The Airframe shall have been operated, maintained and used in accordance with the terms and conditions of the Lease.
- The Airframe shall be in the same configuration as when delivered to Lessee, unless Lessor and Lessee jointly agree to a configuration change.
- All pilot and maintenance log book reports, technical data or other Airframe Documents generated during the Term shall be provided to Lessor at Redelivery.
- All modifications performed prior to Delivery must match at Redelivery.
- For any other modifications or replacements of Parts or components during the Term, Lessee shall provide such Airframe Documents, details and certificates of airworthiness for such Parts and/or components.

SCHEDULE 6

FORM OF REDELIVERY CERTIFICATE **(MSN 2840)**

This Redelivery Certificate (MSN 2840) is entered into on the date set forth below between **GLOBAL CROSSING AIRLINES, INC.** (“Lessee”) and **TVPX AIRCRAFT SOLUTIONS INC.**, not in its individual capacity but solely as Owner Trustee (“**Lessor**”), pursuant to the Airframe Lease Agreement dated as of August __, 2025 between Lessor and Lessee (the “**Agreement**”). The capitalized terms used in this Certificate shall have the meaning given to such terms in the Agreement.

1. **Details of Acceptance**

The Lessor hereby indicates and confirms to the Lessee, its successors and assigns, that the Lessor has on [Date] at [Time], while the Airframe was located at [Redelivery Location], accepted the following Airframe (the “**Airframe**”), in accordance with and subject to the provisions of the Lease:

A. **EQUIPMENT:**

- i. **AIRFRAME:** Airbus Model A320-200ceo airframe, Manufacturer’s
Serial No. 2840

Total Flight Hours:

Total Cycles:

Flight Hours Since Last C Check:

Cycles Since Last C Check:

Flight Hours Since Last D-Check:

Cycles Since Last D-Check:

- ii. **LANDING GEAR:**

Left Main:

Manufacturer's Serial No.:

Manufacturer's Part No.:

- 1) Total Flight Hours Since Overhaul:
2. Total Cycles Since Overhaul:
3. Date of Last Overhaul:

Right Main:

Manufacturer's Serial No.:

Manufacturer's Part No.:

- 2) Total Flight Hours Since Overhaul:
2. Total Cycles Since Overhaul:
3. Date of Last Overhaul:

Nose:

Manufacturer's Serial No.:

Manufacturer's Part No.:

1. Total Flight Hours Since Overhaul:
2. Total Cycles Since Overhaul:
3. Date of Last Overhaul:

iii. **APU:**

Type: _____ Manufacturer's
Serial No.:
Total Hours Since Last Overhaul:

(d) **INTERIOR CONFIGURATION:**

- i. Seating:
- ii. Lavatories:
- iii. Galleys:
- iv. Freight positions:
- v. Fuel:

(e) All other Items of Equipment and other property, tangible and intangible, delivered by Lessor to Lessee.

2. The Lessor confirms that on [Date] the above referenced Airframe was duly returned by the Lessee and accepted by the Lessor in accordance with and subject to the provisions of the Lease.

3. The Lessee hereby confirms:

(a) The Airframe is in serviceable condition and in substantially the same condition as when tendered for Delivery on the Delivery Date, normal wear and tear excepted.

(b) The Airframe is being returned to Lessor free and clear of all Liens other than the applicable Lease or any Lessor's Liens.

(c) There are no known direct or indirect claims, actions, proceedings, disputes or other potential liabilities that have been threatened or are proceeding against the Airframe (or the Lessee as it pertains to Lessee's lease of the Airframe pursuant to the Lease).

4. The leasing of the Airframe pursuant to the Lease is terminated upon the execution of this Redelivery Certificate on the date set forth above, and neither the Lessor or the Lessee shall have any further rights or obligations to the other thereunder, save for the provisions of the Lease which are expressed as surviving the termination of the leasing of the Airframe pursuant thereto, all of which shall remain in full force and effect as the binding rights and obligations of Lessor and Lessee, respectively.

5. Lessee and Lessor have caused this Redelivery Certificate to be executed by their

respective duly authorized signatories on the on the date hereof.

6. This Redelivery Certificate is executed and delivered without prejudice to the rights and obligations of the parties under the Lease that, by their terms, expressly survive the termination, cancellation or expiration thereof.

Annex 1 - LLPs

Annex 2 - Loose Equipment and Accessories

Annex 3 - Airframe Documents and Technical

Records Annex 4 - Airframe Status – Avionics

Inventory Annex 5 - Discrepancy List

IN WITNESS WHEREOF, Lessor and Lessee have caused this Redelivery Certificate (MSN 2840) to be executed in their names, by their duly authorized officer(s) or representative(s), pursuant to due corporate authority, all as of the date written in Paragraph 1 above.

TVPX AIRCRAFT SOLUTIONS INC.,
not in its individual capacity but solely as Owner Trustee,
as Lessor

By: _____

Name:
Title:

GLOBAL CROSSING AIRLINES, INC.
as Lessee

By: _____
Name:
Title:

CERTIFICATE OF ACCEPTANCE
(MSN 2840)

This Certificate of Acceptance is delivered on the date set out below by **GLOBAL CROSSING AIRLINES, INC.** (“**Lessee**”), to **TVPX AIRCRAFT SOLUTIONS INC.**, not in its individual capacity but solely as Owner Trustee (“**Lessor**”), pursuant to the Amended and Restated Airframe Lease Agreement dated as of August 15, 2025 between Lessor and Lessee (the “**Agreement**”). The capitalized terms used in this Certificate shall have the meaning given to such terms in the Agreement.

1. DETAILS OF ACCEPTANCE

Lessee hereby confirms to Lessor that Lessee has at _____ o’clock on this _____ day of _____, 2025, at Coolidge, AZ, accepted the following, in accordance with the provisions of the Agreement:

A. EQUIPMENT:

- (i) **AIRFRAME:** Airbus Model A320-200ceo airframe, Manufacturer’s Serial No.

2840 Total Flight Hours: 37,509.7 Flight Hours
 Total Flight Cycles: 45,145 Flight Cycles
 Since Last C Check: 2,277.36 Flight Cycles
 Since Last C Check: 2,711 Flight Cycles
 Since Last D Check: N/A
 Flight Cycles Since Last D Check: N/A

- (ii) **LANDING GEAR:**

Left Main:

Manufacturer's Serial No.: MDG3400
 Manufacturer's Part No.: 201582001-030

1. Total Flight Hours Since Overhaul: 4,800.7 Flight Hours
2. Total Cycles Since Overhaul: 4,269 Flight Cycles
3. Date of Last Overhaul: February 18, 2022

Right Main:

Manufacturer's Serial No.: MDG3401
 Manufacturer's Part No.: 201582002-030

1. Total Flight Hours Since Overhaul: 4,800.7 Flight Hours
2. Total Cycles Since Overhaul: 4,269 Flight Cycles
3. Date of Last Overhaul: February 28, 2022

Nose:

Manufacturer's Serial No.: B2271
Manufacturer's Part No.: D23757500-11

1. Total Flight Hours Since Overhaul: 4,800.7 Flight Hours
2. Total Cycles Since Overhaul: 4,269 Flight Cycles
3. Date of Last Overhaul: February 9, 2022

(iii) **APU:**

Type: APS 3200
Manufacturer's Serial No.: 2374
Total Hours Since Last Overhaul:

B. INTERIOR CONFIGURATION:

- (i) Seating: 180 Y
- (ii) Lavatories: 3
- (iii) Galleys: 2
- (iv) Freight positions: 0
- (v) Fuel: _

- C. All other Items of Equipment and other property, tangible and intangible, delivered by Lessor to Lessee. Additional leftover foam parts for the center fuel tank

2. CONFIRMATION

Lessee confirms to Lessor that as at the time indicated above, being the Lease Commencement Date:

- A. The representations and warranties contained in Section 2.1 (*Lessee's Representations and Warranties*) of the Agreement are hereby repeated.
- B. The Airframe is insured as required by the Agreement.
- C. Lessee's authorized technical experts have inspected the Airframe to ensure the Airframe conforms to Lessee's requirements.
- D. For purposes of Lessee's Initial Inspection and Delivery Inspection, Lessee hereby confirms that the Airframe is in accordance with the specifications of the Agreement and is irrevocably and unconditionally satisfactory in all respects, but without prejudice to Lessor's agreed undertakings in the Agreement in respect of the Deferred Pre-Delivery

Modifications (as described in Section 4.7 (*Deferred Pre-Delivery Modifications*) of the Agreement).

- E. For purposes of the Agreement, the “**Delivery Date**” has occurred at the time and place set forth in Section 1 (*Details of Acceptance*) hereto, which includes the commencement of Lessee’s obligation to pay Rent in accordance with the term and conditions of the Agreement.

3. ANNEXES

Annex 1 - LLPs

Annex 2 - Loose Equipment and Accessories

Annex 3 - Airframe Documents and Technical Records

Annex 4 - Airframe Status – Avionics Inventory

IN WITNESS WHEREOF, Lessee has, by its duly authorized representative, executed this Certificate of Acceptance (MSN 2840) on the date set forth in Section 1 (*Details of Acceptance*) above.

LESSEE: **GLOBAL CROSSING AIRLINES, INC.**

Signed by:

By  A022D0C4355C444...
Name: Ryan Goepel Title: CFO

ANNEX 1 to
CERTIFICATE OF ACCEPTANCE
(MSN 2840)

LLPs

WING STRUCTURE LIFE LIMIT PARTS LIST												
REGISTRATION NO.	N521SH			TSN	37,509.72							
REPORT DATE	27-Aug-2025			CSN	45,145							
PART DESCRIPTION	PN	SN	TSN	CSN	TSO	CSO	HOURS LIMIT	CYCLES LIMIT	HOURS REMAINING	CYCLES REMAINING	LAST OPERATOR	NOTE
WING STRUCTURE L/H												
Gear Support Rib	D57252580004	2399	37,509.72	45,145	37,509.72	45,145	120,000	60,000	82,490.28	14,855	Air Busan	Original
Forward Pintle Fitting	D57252560004	EEP204928	37,509.72	45,145	37,509.72	45,145	120,000	60,000	82,490.28	14,855	Air Busan	Original
Side Stay Fitting	D57252570002	EEP230399	37,509.72	45,145	37,509.72	45,145	120,000	60,000	82,490.28	14,855	Air Busan	Original
Retraction Jack Fitting	D57259162000	EEP208772	37,509.72	45,145	37,509.72	45,145	120,000	60,000	82,490.28	14,855	Air Busan	Original
WING STRUCTURE R/H												
Gear Support Rib	D57252580005	2428	37,509.72	45,145	37,509.72	45,145	120,000	60,000	82,490.28	14,855	Air Busan	Original
Forward Pintle Fitting	D57252560005	EEP205951	37,509.72	45,145	37,509.72	45,145	120,000	60,000	82,490.28	14,855	Air Busan	Original
Side Stay Fitting	D57252570003	EEP231431	37,509.72	45,145	37,509.72	45,145	120,000	60,000	82,490.28	14,855	Air Busan	Original
Retraction Jack Fitting	D57259162001	EEP209769	37,509.72	45,145	37,509.72	45,145	120,000	60,000	82,490.28	14,855	Air Busan	Original

ANNEX 2 to
CERTIFICATE OF
ACCEPTANCE (MSN 2840)

LOOSE EQUIPMENT AND ACCESSORIES

MSN 2840 LOOSE EQUIPMENT LIST

Aircraft Type/Model		Serial No.	As on Date
A320-200		2840	27-Aug-25
FLYAWAY KIT CONTENTS [E&E BAY]			
ITEM	DESCRIPTION	PART NO.	QUANTITY
1	SUITCASE ASSY-FLIGHT KIT II	D2565800100000	1
2	COVER-PITOT PROBE	98A10001005000	3
3	COVER-TOTAL TEMP SENSOR	98F10001003000	2
4	COVER-SLIP ON,ANGLE OF ATTACK SENSOR	98D10003003000	3
5	EMERGENCY STATIC PROBE COVER	98D10103500100	2
6	EMERGENCY STATIC PROBE COVER	98D10103500102	2
7	TANK-DRAIN	98A28104000000	1
8	PIPE ADAPTING-WATER DRAINING	98D28104000000	1
9	COVER-APU	D1000751200000	1
10	COVER-INLET COWL ENGINE	98D10003001000	2
CARGO COMPARTMENTS			
ITEM	DESCRIPTION	PART NO.	QUANTITY
1	FWD CARGO NET	AC40-0217000	1
2	FWD CARGO NET	AC40-0209500	1
3	FWD CARGO NET	AC40-0217200	1
4	AFT CARGO NET	AC40-0217000	1
5	AFT CARGO NET	AC40-0217100	1
6	AFT CARGO NET	AC40-0217500	1
7	AFT CARGO NET	AC40-0209500	1
8	BULK CARGO NET	AC40-0217300	1
9	BULK CARGO NET	AC40-0217400	1

Page 1 of 1

ANNEX 3 to

CERTIFICATE OF ACCEPTANCE (MSN 2840)

AIRFRAME DOCUMENTS AND TECHNICAL RECORDS

ANNEX 4 to

CERTIFICATE OF ACCEPTANCE (MSN 2840)

AIRFRAME STATUS – AVIONICS INVENTORY

AVIONICS INVENTORY LIST				A/C Regn: N521SH MSN: 2840
AT A	DESCRIPTION	FIN	PART NO.	SERIAL NO.
AIR CONDITIONING				
21	AEVC, AVIONICS EQUIPMENT VENTILATION COMPUTER	10HQ	87292325V07	335
21	CPC, CABIN PRESSURE CONTROLLER	11HL	20791-02AB	0654623
21	CPC, CABIN PRESSURE CONTROLLER	12HL	9022-15702-10	4672
AUTO FLIGHT				
22	MCDU, MULTIPURPOSE CONTROL DISPLAY UNIT	3CA1	C19266AA01	C19266001385
22	MCDU, MULTIPURPOSE CONTROL DISPLAY UNIT	3CA2	C19266AA01	C19266001348
22	FAC, FLIGHT AUGMENTATION COMPUTER	1CC1	B397BAM0624	Q00140021527
22	FAC, FLIGHT AUGMENTATION COMPUTER	1CC2	B397BAM0624	Q00140010614
22	FMGC, FLT MGMT & GUIDANCE COMPUTER	1CA1	C13043BA08	6124
22	FMGC, FLT MGMT & GUIDANCE COMPUTER	1CA2	C13043BA08	Q00194007191
COMMUNICATIONS				
23	HF TRANSCEIVER	3RE1	822-0330-020	127173
23	HF TRANSCEIVER	3RE2	822-0330-020	1693LV
23	VHF TRANSCEIVER	1RC1	EVR750-03-0100A	4689707A-02713
23	VHF TRANSCEIVER	1RC2	EVR750-03-0100A	4689707A-03911
23	VHF TRANSCEIVER	1RC3	EVR750-04-0100A	4689708-03162
23	AMU, AUDIO MANAGEMENT UNIT	1RN	AMU4031SA130103	4031-0918
23	CVR, COCKPIT VOICE RECORDER	1RK	980-6022-001	0810
23	DIRECTOR, CIDS	101RH	Z014H000131A	014H00000538
23	DIRECTOR, CIDS	102RH	Z014H000131A	014H00001282
23	PANEL-SELCAL CODE	3RN	BC2065C	2065-4591
ELECTRICAL POWER				
24	GCU, GENERATOR CONTROL UNIT	1XU1	767584K	AAAY004145
24	GCU, GENERATOR CONTROL UNIT	1XU2	767584K	AAAY002115
24	GCU, GENERATOR CONTROL UNIT	1XE	521100	G1942790
24	STATIC INVERTER	3XB	4188-00	002703
24	RECTIFIER, TRANSFORMER	1PE	Y005-2	9189
24	RECTIFIER, TRANSFORMER	1PU1	Y192	H0170
24	RECTIFIER, TRANSFORMER	1PU2	Y005-3	8873
24	BCL, BATTERY CHARGER LIMITER	1PB1	35-0L5-1005-08	0L5002521
24	BCL, BATTERY CHARGER LIMITER	1PB2	35-0L5-1005-08	0L5005041
24	GROUND POWER CONTROL UNIT	24XG	1700667D	1439

FIRE PROTECTION				
26	FDU, FIRE DETECTION UNIT	2WD1	3720-01-01	UL6430
26	FDU, FIRE DETECTION UNIT	2WD2	3721-00	ZM3551
26	FDU, FIRE DETECTION UNIT	13WG	3720-00-00	ME0727
FLIGHT CONTROL				
27	SFCC, -SLAT AND FLAP CONTROL COMPUTER	21CV	49-170-11	04765
27	SFCC, -SLAT AND FLAP CONTROL COMPUTER	22CV	49-170-11	03940

AVIONICS INVENTORY LIST				A/C Regn: N521SH MSN: 2840
AT A	DESCRIPTION	FIN	PART NO.	SERIAL NO.
27	ELAC, ELEVATOR & AILERON COMPUTER	2CE1	3945128218	ELACVB019776
27	ELAC, ELEVATOR & AILERON COMPUTER	2CE2	3945128218	ELACVB019030
27	SEC, SPOILER ELEVATOR COMPUTER	1CE1	B372BAM0515	Q00136012864
27	SEC, SPOILER ELEVATOR COMPUTER	1CE2	B372BAM0515	Q00136014085
27	SEC, SPOILER ELEVATOR COMPUTER	1CE3	B372BAM0515	Q00136013116
27	FCDC, FLIGHT CONTROL DATA CONCENTRATOR	3CE1	115370-1318	7449
27	FCDC, FLIGHT CONTROL DATA CONCENTRATOR	3CE2	115370-1318	7504
FUEL				
28	FQIC, FUEL QTY IND COMPTR	3QT	SIC5059-14-31	AS2837
28	CONTROL UNIT, -LEVEL SENSING	7QJ	30042-0000-0501	6186
28	CONTROL UNIT, -LEVEL SENSING	9QJ	30042-0000-0501	6187
INDICATING AND RECORDING				
31	CFDIU	1TW	C12860AA02	C12860004669
31	DFDR	1TU	980-4700-042	SSFDR-11518
31	WQAR	2TV	2243800-364	RA08155
31	FDIMU-FLT DATA INTERFACE MANAGEMENT UNIT	10TV	2234320-01-01	QA00726
31	FWC, FLT WARNING COMPUTER	1WW 1	350E053022323	0E0009070
31	FWC, FLT WARNING COMPUTER	1WW 2	350E053022323	0E0009072
31	SDAC, SYSTEM DATA ACQUISITION CONCENTRATOR	1WV1	350E5500206	0E5006552
31	SDAC, SYSTEM DATA ACQUISITION CONCENTRATOR	1WV2	350E5500206	0E5009042
31	DMC, DISPLAY MANAGEMENT COMPUTER	1WT1	1982660116	198266004424
31	DMC, DISPLAY MANAGEMENT COMPUTER	1WT2	1982660116	198266004531
31	DMC, DISPLAY MANAGEMENT COMPUTER	1WT3	1982660116	198266004588
LANDING GEAR				

32	INTERFACE UNIT, LDG GEAR CONTROL	5GA1	664700500A4D	6227
32	INTERFACE UNIT, LDG GEAR CONTROL	5GA2	664700500A4D	4627
32	BSCU	10GG	E21327107	7567
NAVIGATION				
34	ADIRU	1FP1	HG2030AE44	56007807
34	ADIRU	1FP3	HG2030AE44	02047657
34	ADIRU	1FP2	HG2030AE23	56007950
34	MMR	2RT1	TLS755-01-0102A	4678434A-04142
34	MMR	2RT2	TLS755-01-0102A	4678434A-04351
34	TRANSCEIVER-W/R	1SQ2	066-50008-0409	11419
34	TRANSCEIVER-W/R	1SQ1	066-50008-0409	RTA4B-18422
34	LRRA TRANSCEIVER	2SA1	9599-607-14942	14942-12325
34	LRRA TRANSCEIVER	2SA2	9599-607-14942	14942-12315
34	TCAS COMPUTER	1SG	822-1293-332	188551
34	GPWC-GROUND PROXIMITY WARNING COMPUTER	1WZ	965-1676-003	EMK5-27343
34	DME INTERROGATOR	2SD1	066-50013-0202	DMA37B-03292

AVIONICS INVENTORY LIST				A/C Regn: N521SH MSN: 2840
AT A	DESCRIPTION	FIN	PART NO.	SERIAL NO.
34	DME INTERROGATOR	2SD2	066-50013-0202	DMA37B-06873
34	ATC TRANSPONDER	1SH1	822-1338-021	114TD
34	ATC TRANSPONDER	1SH2	822-1338-021	1688VD
34	ADF RECEIVER	2RP1	066-50014-0202	DFA75B-04628
34	ADF RECEIVER	2RP2	066-50014-1202	DFA75B-08537
34	RECEIVER-VOR,MKR	3RS1	066-50012-0212	RVA36B-06713
34	RECEIVER-VOR,MKR	3RS2	066-50012-0212	RVA36B-06717
PNEUMATIC				
36	COMPUTER, BLEED MONITORING	1HA1	785-002-8	785002IN6131
36	COMPUTER, BLEED MONITORING	1HA2	785-002-8	785002IN6135
ENGINE FUEL AND CONTROL				
73	EIU, ENGINE INTERFACE UNIT	1KS1	3957985205	Q05720006622
73	EIU, ENGINE INTERFACE UNIT	1KS2	3957985205	Q05720007070
ENGINE INDICATING				
77	EVMU, ENGINE VIBRATION MONITORING UNIT	2EV	241-247-012-005	AB80259



IATA Document No. 5016-01

MASTER SHORT-TERM ENGINE LEASE AGREEMENT

2012 Revision

prepared in conjunction with the AWG

Release Date: October 2012

PREPARATORY NOTES BY THE IATA AND AWG SECRETARIATS

1. THIS FORM WAS JOINTLY PREPARED BY IATA-AWG FOR GENERAL USE BY THE AVIATION INDUSTRY.
2. THE STRUCTURE OF THE DOCUMENT IS THAT OF A MASTER FORM - WHICH IS NOT SIGNED - BUT RATHER IS INCORPORATED BY REFERENCE IN A PARTICULAR TRANSACTION THROUGH AN INDIVIDUALLY EXECUTED SHORT-FORM "LEASE AGREEMENT". THE PARTIES MAY MODIFY THE DOCUMENT THROUGH THE LEASE AGREEMENT. THE LEASE AGREEMENT IS ATTACHED AS ANNEX 2. FOR CONVENIENCE, THE SHORT-FORM LEASE AGREEMENT WILL ALSO BE POSTED ON THE IATA AND AWG WEBSITES, IN DOWNLOADABLE WORD FORMAT.
3. TRANSACTION PARTIES, WHETHER OR NOT MEMBERS OF IATA OR AWG, MAY UTILISE THIS FORM IF AND WHEN THEY DEEM FIT AND WITH WHATEVER AMENDMENTS THEY DEEM APPROPRIATE.
4. IN PREPARING THIS FORM, "SHORT-TERM" WAS CONSIDERED TO BE A PERIOD OF SIX MONTHS OR LESS, ALTHOUGH TRANSACTION PARTIES ARE FREE TO DESIGNATE THE TERM THEY DEEM FIT.
5. IATA-AWG INTEND TO REVIEW THIS FORM ON A PERIODIC BASIS TO DETERMINE WHETHER ANY MODIFICATIONS ARE APPROPRIATE. IF MODIFIED, THAT FORM WILL BE GIVEN AN UPDATED TITLE.

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IATA Document No. [] (**MASTER SHORT-TERM ENGINE LEASE AGREEMENT, 2012 Revision**) ("**Master Agreement**") applies to leasing arrangements contemplated hereby between one party ("**Lessor**") and another ("**Lessee**").

RECITALS

WHEREAS, this standardised form has been developed to facilitate the short-term leasing of aircraft engines and associated equipment; and

WHEREAS, Lessor and Lessee ("**Parties**") wish to utilise this Master Agreement for specific transactions ("**Lease Agreements**") on the terms hereof as modified thereby.

IT IS HEREBY AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

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

2. TERMS OF LEASING

2.1 Agreement to Lease and Terms of Lease Agreement

2.1.1 This Master Agreement governs the leasing of any Engine Package described in a Lease Agreement specifically incorporating the terms hereof.

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

2.1.3 A Lease Agreement shall take the form set out as **annex 2**

2.1.4 If Lessee is not an airline or other operator of engines, **Part II** of the **Lease Agreement** shall modify the terms hereof to the extent specified therein.

2.2 Characterisations of Lease and Title to Engine Packages

2.2.1 Parties declare that this Agreement is a true lease, not intended as security.

2.2.2 Lessor represents that it has title to or the right to lease the Engine.

2.2.3 This Agreement confers neither title nor proprietary rights or interests in the Engine Package to Lessee, save its right to possession and use of the Engine hereunder.

2.3 Conditions Precedent

2.3.1 Without prejudice to 2.4, Lessee's obligations under this Agreement are subject:

(i) to the Engine having a valid serviceability tag issued under the authority of the FAA or JAA, as specified in the definition of "**Engine**" in **Part I, point 1** of the **Lease Agreement**;

(ii) if specified in **Part I, point 2** of the **Lease Agreement**, to the Engine not having more than the number of Engine Flight Hours (**point 2A**) and Engine Flight Cycles (**point 2B**) so specified since new or its last overhaul, as applicable; and

(iii) to the satisfaction, or discretionary waiver by Lessee, of the additional conditions precedent, if any, specified in **Part I, point 3A** of the **Lease Agreement**.

2.3.2 Prior to the expiry of the period specified in **Part I, point 4** of the **Lease Agreement**, and provided Lessee has not operated the Engine, Lessee may advise Lessor that the conditions set out in 2.3.1 have not been satisfied, and, in that case:

(i) Lessee shall, with advance notice, immediately return the Engine Package to Lessor (**a**) free of Liens (save Lessor Liens) at

the Redelivery Location and (b) in accordance with 11.5;

(ii) the leasing of the Engine Package, if commenced, shall terminate upon such return; and

(iii) if such conditions have not, in fact, been satisfied, Lessee shall not be responsible for accrued Rent or the costs of return under 2.3.2(i).

2.3.3 Lessor's obligations under this Agreement are conditional on satisfaction, or discretionary waiver by Lessor, of the conditions precedent (i) specified in **annex 3** and (ii) if any, specified in **Part I, point 3B** of the **Lease Agreement**.

2.4 Commencement of Term

2.4.1 The leasing of the Engine Package shall commence on the Commencement Date, and the Engine Package shall be leased for its Term, subject to the terms hereof.

2.4.2 If required by **Part I, point 6** of the Lease Agreement, Lessee shall effect or evidence its acceptance of delivery of the Engine Package by delivering to Lessor an executed Acceptance Certificate.

3. PAYMENTS, CHARGES AND TAXES

3.1 Deposit or Letter of Credit

Part I, point 7 of the Lease Agreement may specify that a deposit and/or letter of credit for the Engine, securing Lessee's obligations hereunder, is required, and, if so, may specify the terms under which it may be utilised by Lessor, and, thereafter, replenished or replaced by Lessee, and for whose account interest thereon accrues. Provided no Event of Default is continuing, promptly following the date on which the last Use Fees are payable under 3.3, Lessor shall return (i) an amount equal to the deposit or that drawn under the letter of credit (and, where so specified, interest thereon), if any, in either case, less the part thereof applied in satisfaction of Lessee's obligations under this Agreement or (ii) the letter of credit, if not drawn in full.

3.2 Rental Payments

Lessee shall pay to Lessor the Rent on each Rent Payment Date during the Term.

3.3 Use Fees

Lessee shall also pay to Lessor nonrefundable Use Fees for each Engine for each calendar month (or part thereof) during its Term. Use Fees shall be paid on or before the fifteenth day following the end of each calendar month, save the last payment of Use Fees during the Term, which shall be paid on the tenth Business Day following the last day of the Term.

3.4 Costs

Save where otherwise provided, each Party shall be responsible for and pay all costs and expenses relating to its performance hereunder.

3.5 Late Payments

Lessee shall pay additional amounts to compensate for late payments, calculated against amounts owing, at the Default Rate. Such additional amounts shall be payable from the date the relevant payment is due, to the date it is actually paid, on the basis of the actual number of days elapsed, with a 30-day month and a 360-day year assumed.

3.6 Net Lease and Absolute Obligations

This Agreement is a net lease. Lessee's obligations hereunder are absolute and unconditional, and not subject to set-off. They shall not be reduced or otherwise affected by any act, event, defense, contingency or circumstance whatsoever.

3.7 Payments Generally

3.7.1 Save as provided herein, all payments from Lessee are due on demand.

3.7.2 All payments by Lessee to Lessor shall be made in the Agreed Currency, and, save as otherwise instructed (at least five Business Days prior to the due date therefor), to the Payment Account. All such payments shall identify the Engine.

3.7.3 All payments shall be paid in immediately available funds by wire transfer for credited receipt on the due date therefor, if a Business Day, or, if not, the next Business Day.

3.8 Net of Withholding Taxes

3.8.1 All payments by Lessee will be made without deduction or withholding for or on account of any Tax save to the extent required by Law.

3.8.2 If such deduction or withholding is so required, Lessee shall pay:

- (i) such amounts to the relevant Tax authorities, when due, and notify Lessor of the same, providing evidence of payment; and
- (ii) such additional amounts to Lessor or other Indemnatee necessary to ensure that all payments hereunder are received on an After Tax Basis.

3.8.3 Without prejudice to 3.8.1 - 3.8.2, at the request and expense of Lessee, Lessor shall take reasonable administrative actions to minimize withholding Taxes. The foregoing shall not require action that has a material adverse effect on Lessor or any Additional Indemnatee.

4. INFORMATIONAL, OPERATIONAL AND COMPLIANCE UNDERTAKINGS

4.1 Maintenance of Rights, Licenses and Privileges and Compliance with Laws

4.1.1 Lessee shall maintain all rights, licenses and privileges material to performing its obligations under this Agreement.

4.1.2 Lessee shall comply with all Applicable Laws relating to the Engine Package where non-compliance would have a material adverse effect on (i) the Engine Package, (ii) Lessor, or (iii) any other Additional Indemnatee.

4.1.3 Lessee's obligations under 4.1.2 shall not require it to take action inconsistent with mandatory Laws of the state where it is legally constituted, provided that Lessee remains fully liable under 10 for any non-compliance with 4.1.2.

4.2 Information, Documentation, Records and Reports

4.2.1 Lessee shall keep complete and current records on the:

- (i) use and condition of, and maintenance performed on, the Engine as required by 4.2.2, 4.7.1(ii) and 11.4 including the documentation provided by Lessor and specified in **Part I, point 13** of the **Lease Agreement ("Engine Documentation")**; and
- (ii) location of the Engine from time to time.

4.2.2 Lessee shall keep the Engine Documentation:

- (i) in English, save as otherwise agreed; and
- (ii) in accordance with (a) the rules of the Aviation Authority and (b) generally applicable procedures and recommendations of the Engine and/or Aircraft manufacturer, as applicable.

4.2.3 Lessee shall provide to Lessor all information specified in 4.2.1 reasonably requested by Lessor.

4.2.4 Lessee shall provide to Lessor, concurrently with the payment of Use Fees, a monthly report on the Engine ("**Engine Reports**"). Engine Reports shall include the:

- (i) number of Engine Flight Hours and Engine Flight Cycles the Engine was operated during the previous calendar month (or part thereof); and
- (ii) other information specified in **Part I, point 14** of the **Lease Agreement**.

4.2.5 Lessee shall promptly notify Lessor of the particulars of any Partial Loss above the Threshold Amount or which renders the Engine Unserviceable or a Total Loss, and the details of any related negotiations over compensation claims.

4.2.6 Where and as required by **Part I, point 15** of the **Lease Agreement**, Lessee shall notify Lessor of the particulars of any installation or removal of the Engine on/from an aircraft.

4.3 Operation of Engines and Related Consents

4.3.1 Lessee shall operate and otherwise utilise the Engines in accordance with **(i)** Applicable Laws, including the rules of the Aviation Authority, and **(ii)** the Applicable Engine Standards.

4.3.2 Lessee shall not operate or otherwise utilise the Engine **(i)** unless all Insurances are in effect or **(ii)** in a manner which causes noncoverage under the Insurances.

4.3.3 Lessee is responsible for obtaining the Consents required to operate, utilise and otherwise deal with the Engine Package in accordance with this Agreement.

4.4 Proprietary Rights, Possession and Related Items

4.4.1 Lessee shall not transfer, represent itself as the title-holder or owner of, or abandon, any Engine Package.

4.4.2 Lessee shall not sublet or, save as expressly provided herein, part with possession of the Engine Package, save with the prior consent of Lessor.

4.4.3 Lessee shall not create or permit, and will promptly remove, any Lien (other than a Permitted Lien) on the Engine Package.

4.4.4 Lessee shall not permit installation of the Engine on any aircraft unless:

(i) that installation will not, under Applicable Law and/or an extant contract, transfer any proprietary rights or interests in that Engine, and

(ii) all parties having a proprietary interest in that aircraft have previously **(a)** executed a Recognition Agreement or **(b)** otherwise agreed in writing (which may be done in that party's leasing or financing contract with Lessee) to the items set out as (i)– (ii) in the Recognition Agreement.

4.4.5 Lessee shall take all reasonable actions to establish and protect the proprietary interests of Lessor in the Engine Package, and, if applicable, the priority thereof, in each case under Applicable Law, including:

(i) the execution of documents, and making of filings and registrations; and

(ii) affixing, as instructed, identification materials provided by Lessor (and not removing the same).

4.4.6 To the extent specified in **Part I, point 16** of the **Lease Agreement**, Lessee shall take actions of the type required by 4.4.5 in respect of the proprietary interests of other Additional Indemnitees and/or under laws other than the Applicable Laws, in either case, at the expense of the Party so specified.

4.4.7 Without prejudice to 4.4.5 – 4.4.6, at the expense of Lessor, Lessee shall take the additional actions reasonably requested by Lessor to further protect the proprietary interests in the Engine Package of Lessor and the other Additional Indemnitees.

4.4.8 Lessee shall not cause the Engine Package to be seized, detained or expropriated.

4.5 Inspections

4.5.1 Lessor (and/or its representatives) may, but is not obliged to, inspect the Engine Package, from time to time during the Term. Without prejudice to 14, an inspection shall not materially interfere with normal airline operations.

4.5.2 Lessor shall give Lessee reasonable advance notice of any such inspection. Lessee shall cooperate with Lessor in organising and conducting inspections.

4.5.3 Inspections shall be at Lessor's cost save where an inspection was requested as a result of, or in fact reveals, a breach of this Agreement by Lessee.

4.6 Maintenance and Repair

4.6.1 Lessee shall procure that routine scheduled, condition-monitored, and on-condition line maintenance is performed on the Engine Package, including preventative tests, and system checks. Such performance shall:

- (i) comply with **(a)** the Applicable Engine Standards, **(b)** the rules of the Aviation Authority, and **(c)** Lessee's maintenance program; and
- (ii) be undertaken at a standard which, in line with accepted industry practices, would be expected to keep the Engine **(a)** in a serviceable and airworthy condition, **(b)** fully operational, and **(c)** in as good operating and physical condition as at the time of delivery (save only normal wear and tear from ordinary operation).

4.6.2 Lessee is responsible for the costs of repairing damage to the Engine, and replacing Parts and/or performing maintenance thereon (including any repair or replacement of, or maintenance performed on, any On Watch Items after the Term), caused during the Term by **(i)** the negligence of Lessee, **(ii)** the operational mishandling of the Engine, **(iii)** the operation of the Engine beyond limits, or **(iv)** a foreign object.

4.6.3 Lessee shall not perform or permit any modification, alteration, overhaul or repair (save as required by 4.6.1) of any Engine Package, save to the extent and under the terms agreed between the Parties.

4.7 Removal and Interchange of Parts

4.7.1 Lessee shall not remove any Part from the Engine unless **(a)** required by 4.6 and **(b)** save as permitted by 4.7.2, that Part is promptly replaced by a part:

- (i) which is **(a)** manufactured by the original equipment manufacturer, or, if not, is approved by Lessor acting reasonably, **(b)** in good operating condition, and having substantially similar hours available until the next scheduled check, inspection, overhaul or shop visit, as the replaced Part, and **(c)** of the same or a more advanced make and model, having the same interchangeability and modification status, and the same value and utility, as the replaced Part;
- (ii) for which Lessee has fully traceable (i.e., "back to birth") records and source and maintenance history, in a form complying with the requirements of the Aviation Authority and the FAA or JAA, and to be included in the Engine Documentation; and
- (iii) under circumstances whereby, upon installation without further action, **(a)** title to such part passes to Lessor, free of Liens (save Permitted Liens), and **(b)** such part becomes subject to this Agreement.

4.7.2 In the case where, on an emergency basis resulting from a technical problem to the Engine, a Part must be removed from the Engine and a replacement part complying with 4.7.1(i)-(iii) is not reasonably available, Lessee:

- (i) may remove a Part and replace it with a Qualifying Emergency Part; and
- (ii) if so, shall **(a)** replace that Qualifying Emergency Part with a Part complying with 4.7.1(i)-(iii) as promptly thereafter as practicable, or **(b)** where required by and in accordance with 12, return the Engine with the removed Part to Lessor.

4.7.3 Any removed Part shall be prudently stored and insured, remaining property of Lessor and subject to this Agreement until replaced by a part in accordance with 4.7.1. Upon that replacement, title to the replaced Part shall pass to Lessee, free and clear of Lessor Liens.

4.8 Nondiscrimination

Lessee shall not operate, utilise or maintain the Engine in an adverse discriminatory manner, compared to similar engines in its fleet.

5. DISCLAIMERS AND WAIVERS

WITHOUT PREJUDICE TO 2.2.2, 2.3, 9 OR 12, THE ENGINE PACKAGE IS TO BE DELIVERED AND LEASED HEREUNDER 'AS IS, WHERE IS':

SAVE AS EXPRESSLY STATED IN THIS AGREEMENT, PARTIES UNCONDITIONALLY AGREE AS FOLLOWS, IT BEING EMPHASISED THAT THE FOLLOWING IS FUNDAMENTAL TO THE TERMS OF THIS AGREEMENT:

(I) LESSOR MAKES NO WARRANTIES, GUARANTEES OR REPRESENTATIONS OF ANY KIND, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, WITH REGARD TO THE ENGINE PACKAGE; AND

(II) LESSEE WAIVES ALL RIGHTS, REMEDIES AND DAMAGES, INCLUDING INCIDENTAL AND CONSEQUENTIAL DAMAGES, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, WITH REGARD TO THE ENGINE PACKAGE, AND LESSOR IN THAT CAPACITY (AND, FOR THE AVOIDANCE OF DOUBT, ITS INSURERS) SHALL HAVE NO LIABILITY THEREFOR.

NOTHING IN 5(II) SHALL AFFECT THE LEGAL LIABILITY OF LESSOR, IF ANY, UNDER LAW ARISING FROM ITS WILLFUL MISCONDUCT OR GROSS NEGLIGENCE PROVIDED THAT NEITHER THE TERMS OF THIS AGREEMENT NOR LESSOR'S CAPACITY HEREUNDER SHALL ITSELF EXPAND ANY SUCH LIABILITY.

6. EXPORTATION AND IMPORTATION

6.1 Responsibility for Authorizations

In the event any Engine Package is exported or imported:

(i) Lessee shall act as exporter and importer of record in its jurisdiction, as applicable, responsible for obtaining and maintaining associated Consents; and

(ii) Lessor shall furnish reasonably requested information required in connection with Lessee's undertakings under 6.1(i).

7. LOSS AND DAMAGE

7.1 Risk of Loss

Risk of loss or damage to the Engine Package during the Term resides with Lessee.

7.2 Partial Loss

7.2.1 In the event of Partial Loss to the Engine during the Term:

(i) Lessee shall be responsible for the cost of prompt restoration of the Engine to its condition prior to the Partial Loss.

(ii) **Part I, point 17** of the **Lease Agreement** shall specify whether the Engine shall **(a)** continue to be leased under this Agreement, with all terms hereof remaining in force (save operational obligations with which Lessee is unable to comply by virtue of the damage or loss for so long as this is the case), or **(b)** in accordance with 12, be returned to Lessor, thereby ending the Term.

(iii) Lessee shall deliver the Engine or the damaged Parts (in accordance with 11.5, as applicable) to an Agreed Maintenance Performer, if 7.2.1(ii)(a) applies, or Lessor, if 7.2.1(ii)(b) applies, in either case for repair and restoration.

7.2.2 Proceeds of Insurances paid in the event of a Partial Loss shall be applied with the following priority:

(i) first, to amounts owing to the person repairing or replacing the damaged item; and

(ii) second, to reimburse Lessee for any payments made under 7.2.1(i).

7.3 Total Loss

7.3.1 In the event of a Total Loss of an Engine during the Term, where Lessor has not been paid the insurance proceeds as

required by 8.1, Lessee shall pay Lessor the Stipulated Amount on the earlier of:

- (i) ninety (90) days following the Total Loss; and
- (ii) the second Business Day following the date on which Lessee receives the insurance proceeds in respect of the event giving rise to the Total Loss.

7.3.2 Rent shall not be abated by a Total Loss, and shall accrue and be payable until receipt by Lessor of the Stipulated Amount.

Where that receipt does not occur on or prior to the Scheduled Final Date, the Term shall be automatically extended until such receipt (with Lessee remaining responsible for all financial and other obligations hereunder susceptible of performance notwithstanding the Total Loss, but not for other obligations).

7.3.3 Upon receipt of the Stipulated Amount and all other sums payable to Lessor under this Agreement, the leasing of the Engine shall be terminated, and Lessor shall transfer to Lessee (or, if required, to Lessee's insurer), at Lessee's expense, title to the Engine. That title transfer shall be on an "as is, where is" basis, without warranty, save to the absence of any Lessor Liens.

7.3.4 Concurrently with transfer of title under 7.3.3, Lessor shall pay to Lessee any pre-paid Rent relating to the period following the Final Date.

8. INSURANCE

8.1 Insurance Requirements

Lessee shall maintain the hull, war and liability insurances, and, if required by **Part I, point 19** of the **Lease Agreement**, reinsurances, described in **annex 4 ("Insurances")**.

8.2 Insurance-Related Undertakings

8.2.1 Prior to the Commencement Date and promptly upon the renewal of Insurances, Lessee shall provide Lessor with documentation reasonably satisfactory to Lessor:

- (i) certifying that the Insurances are in effect; and
- (ii) containing a broker's undertaking or certificate, if customary in the market where the Insurances are placed, confirming compliance with the insurance requirements hereunder.

8.2.2 Maintaining the Insurances in full force and effect is an essential term of this Agreement. Lessee agrees not to take action, or fail to act, where doing so poses a risk that any of the Insurances may be invalidated or rendered void. The foregoing is without prejudice to 13.1.

8.2.3 Without prejudice to 14.1(ii), and save as provided in 13.1, in the event Lessee fails to comply with 8.1, Lessor may take action to ensure that (i) the Insurances remain in effect or (ii) the risks to be covered thereby are otherwise satisfactorily insured against. The costs associated with such Lessor action shall be for the account of Lessee.

8.2.4 Lessee shall promptly respond to reasonable requests by Lessor for material insurance-related information.

9. QUIET ENJOYMENT

Lessor shall not interfere, or permit any person claiming through it to interfere, with the quiet use and possession of the Engine Package by Lessee during the Term. The exercise by Lessor of its rights and remedies under this Agreement shall not constitute such an interference.

10. INDEMNITIES

10.1 General Indemnity

10.1.1 Lessee shall indemnify and hold harmless Indemnitees for and against Claims and Losses relating to any General Indemnity Event, save those excluded by 10.1.3. Payments under 10 shall be made by Lessee (i) on the Business Day following the date of demand and (ii) on an After Tax Basis.

10.1.2 A "**General Indemnity Event**" is an event or circumstance directly or indirectly related to the:

- (i) possession, use, operation, control, condition or status of the Engine Package;
- (ii) maintenance or performance of, or services, repairs or modifications to, the Engine Package;
- (iii) non-performance of any obligation or any misrepresentation by Lessee under this Agreement, whether or not constituting an Event of Default; or
- (iv) transactions contemplated or permitted by this Agreement --

in each case, regardless of the source or cause of the Claims and Losses, including, without limitation, those based on theories of strict or derivative liability on account of proprietary interests in the Engine Package or status under this Agreement.

10.1.3 The general indemnity set out in 10.1–10.1.2 shall exclude, for any Indemnitee, Claims and Losses to the extent they relate to:

- (i) the willful misconduct, gross negligence or contractual breach of that Indemnitee;
- (ii) liability, if any, of that Indemnitee arising under legal relations with Lessee independent of this Agreement and its contemplated or permitted transactions;
- (iii) events or circumstances occurring before or after the Term which are not **(a)** caused by or attributable to any act or omission during the Term and/or **(b)** related to this Agreement and its contemplated or permitted transactions;
- (iv) Lessor Taxes or Lessor Liens attributable to that Indemnitee;
- (v) ordinary course administrative or operating expenses of that Indemnitee or expenses for which that Indemnitee has been expressly allocated responsibility hereunder;
- (vi) the negligent inspection by that Indemnitee, where it has elected to physically inspect the Engine Package under 4.5.1; and/or
- (vii) a Taxation Indemnity Event or an item within the scope of 10.3.2.

10.2 Taxation Indemnity

10.2.1 Lessee shall indemnify and hold harmless Indemnitees for and against Claims and Losses relating to any Taxation Indemnity Event, save those excluded by 10.2.3. Payments shall be made by Lessee (i) on the Business Day following the date of demand and (ii) on an After-Tax Basis.

10.2.2 A "**Taxation Indemnity Event**" is an event or circumstance that gives rise to Taxes - directly or indirectly related to:

- (i) the items specified in 10.1.2(i)–(iv) (for the avoidance of doubt, without reference to the exclusions in 10.1.3 being applicable thereto); and
- (ii) payments under this Agreement, the import and export of the Engine Package, the location or presence of the Engine Package, and the revenues or profits generated by the Engine Package.

10.2.3 Lessee shall not be liable for a payment under the general taxation indemnity set out in 10.2.1–10.2.2 in respect of Taxes to the extent that:

- (i) they arise by virtue of **(a)** the willful misconduct, gross negligence or contractual breach of that Indemnitee, or **(b)** a Lessor Lien created by that Indemnitee;
- (ii) in respect of Lessor, they are Lessor Taxes;
- (iii) Lessee is contesting such Taxes in good faith by appropriate proceedings;

(iv) nonpayment of such Taxes does not give rise to a material risk of **(a)** seizure, sale or other loss of the Engine Package, or **(b)** criminal liability to that Indemnitee;

(iv) they arise by virtue of events or circumstances occurring before or after the Term which are not **(a)** caused by or attributable to any act, omission or status during that Term and/or **(b)** related to this Agreement and its contemplated or permitted transactions;

(v) they **(a)** arise by virtue of a transfer of any type by that Indemnitee of any interest in the Engine Package or under this Agreement save on account of an Event of Default or a Partial Loss or Total Loss of the Engine, and **(b)** increase Lessee's obligations under 10.2.2;

(vi) they **(a)** arise by virtue of a change of that indemnitee's tax status in any jurisdiction save on account of Lessee's dealings, activities or presence or operation of the Engine therein or the transactions contemplated or permitted by this Agreement, and **(b)** increase Lessee's obligations under 10.2.2;

(vii) they arise by virtue of and relate to a failure of that Indemnitee to file a mandatory Tax document in **(a)** the Principal Taxation Jurisdiction, or **(b)** any other jurisdiction where that filing requirement **(1)** would be mandatory absent Lessee's dealings, activities or presence or operation of the Engine therein or the transactions contemplated or permitted by this Agreement, and **(2)** is known or ought to be known to that Indemnitee; and/or

(viii) they would be reduced if that Indemnitee had responded in a timely manner to a reasonable request for nonproprietary tax-related information made by the taxing authority, including, without limitation, that relating to nationality, domicile or presence in a jurisdiction.

10.2.4 Any Indemnitee may pay any Taxes indemnified by Lessee hereunder, and, in that case, Lessee shall reimburse that Indemnitee for such payments in accordance with the last sentence of 10.2.1. Any such Indemnitee shall notify Lessee of its payment of any indemnified Taxes, provided that failure to do so is without prejudice to that reimbursement obligation.

10.3 Currency Indemnity

10.3.1 The making of all payments in the Agreed Currency is an essential term of this Agreement. To the maximum extent permitted by law, Lessee waives any right to make any payments hereunder in any other currency.

10.3.2 If Lessor receives an amount in respect of Lessee's liability under this Agreement, or such liability is converted into a claim or judgment, in a currency other than the Agreed Currency:

(i) in the event of any resulting financial loss to Lessor, Lessee shall indemnify Lessor therefor (and pay the same on the Business Day following the date of demand and on an After-Tax Basis) and

(ii) in the event of any resulting financial gain to Lessor, Lessor shall promptly pay the same (less associated transaction costs) to Lessee.

10.3.3 For purposes of 10.3.2, the determination of losses or gain, shall be established in line with standard banking practices.

10.4 Independence and Survival of Indemnities

The indemnities contained in 10.1-10.3 shall **(i)** to the extent permitted by law, constitute independent obligations, and **(ii)** continue in full force following the end of the Term.

11. REDELIVERY OF ENGINE PACKAGE

11.1 Redelivery Generally

On the Final Date, Lessee shall redeliver the Engine Package:

(i) free of Liens (save Lessor Liens) to the Redelivery Location; and

(ii) in compliance with the conditions and requirements specified in 11.2-11.4 and **Part I, point 21** of the **Lease Agreement**, save to the extent **(a)** the Engine is Unserviceable and **(b)** that Unserviceability affects such conditions and requirements.

11.2 Redelivery Requirements and Conditions

11.2.1 The redelivered Engine shall have a valid serviceability tag issued under the authority of the FAA or JAA, as specified in the definition of "Engine" in **Part I, point 1** of the **Lease Agreement**.

11.2.2 With reference to the Engine at the time of delivery to Lessee, the redelivered Engine shall:

- (i) be in as good operating and physical condition (save only normal wear and tear from ordinary operation);
- (ii) have the same external configuration; and
- (iii) contain a complete set of Parts.

11.3 Final Inspection

11.3.1 After removal of the Engine and prior to its redelivery, Lessee shall have performed on that Engine:

- (i) a hot and cold section video borescope in accordance with the relevant manufacturer maintenance manual; and
- (ii) any other performance tests set out in **Part I, point 22** of the **Lease Agreement**. **11.3.2** Lessee shall promptly provide Lessor with the results of all tests required by **11.3.1**.

11.4 Engine Documentation on Redelivery

On redelivery, the Engine Documentation shall be in a form required for immediate use of the redelivered Engine under FAA or JAA rules and, without limiting the foregoing or **4.2** or **4.7.1(ii)**, shall include:

- (i) engine trend monitoring data gathered during its Term;
- (ii) relevant defect or pilot reports during its Term;
- (iii) engine maintenance write-ups prepared during its Term;
- (iv) logs of Engine Flight Hours and Engine Flight Cycles during its Term;
- (v) copy of the engine preservation tag (original to be shipped with Engine);
- (vi) copy of the serviceability tag (original to be attached to Engine);
- (vii) a certificate stating that, during the Term, the Engine was not **(a)** involved in an accident, incident, fire or a major failure, **(b)** exposed to stress or heat beyond limits, **(c)** immersed in salt water or exposed to corrosive agents outside normal operation, or **(d)** operated by a Government Entity, or, if any of (a)-(d) occurred, describing such events in reasonable detail; and
- (viii) the additional documentation, if any, required by **Part I, point 23** of the **Lease Agreement**.

11.5 Preparation and Transportation Requirements

Lessee shall prepare the Engine Package for shipment and transportation in accordance with **(i)** the generally applicable procedures and recommendations of the Engine manufacturer and **(ii)** the requirements specified in **Part I, point 24** of the **Lease Agreement**.

11.6 Effect of Non-compliance with Redelivery Requirements

11.6.1 Without prejudice to its rights under **13**, if the redelivery does not occur in full compliance with **11.1** and **11.5**, the Term is automatically extended until the date on which Lessee fully complies.

11.6.2 During any Term extension contemplated by **11.6.1**, Lessee **(i)** may not use the Engine in flight operations, **(ii)** shall pay Rent plus amounts, if any, specified in **Part I, point 25** of the **Lease Agreement**, and **(iii)** shall otherwise comply with its obligations hereunder.

11.6.3 The provisions of 11.6.1–11.6.2 shall not limit Lessor's right to damages under applicable law for losses caused by Lessee's non-compliance with 11.1–11.5.

12. UNSERVICEABILITY

12.1 Return of Engine

If the Engine becomes Unserviceable, Lessee shall promptly redeliver the Engine Package in accordance with 11.1 and 11.5 save where:

- (i) Lessee is required to procure the repair of the Engine under the last clause of 4.6.3;
- (ii) Lessee promptly takes the action permitted by 4.7.2(ii)(a); or
- (iii) 7.2.1(ii)(a) applies, and the Engine is delivered to the Agreed Maintenance Performer to repair a Partial Loss.

12.2 Daily Rent for Lessee-Related Unserviceability

If the Engine is returned Unserviceable, and Lessee is responsible therefor under 4.6.2, 4.6.3 or 7.2.1(i), Lessee shall continue to pay daily Rent until the date on which the Engine is no longer Unserviceable, provided Lessor has notified Lessee thereof within 30 Business Days of redelivery. Lessor shall promptly notify Lessee when the Engine is no longer Unserviceable. The foregoing is without prejudice to Lessee's liability under 4.6, including where no such notices are given.

12.3 Prompt Repair

Lessor undertakes to procure the repairs contemplated by 12.2 as promptly as practicable.

13. TERMINATION EVENTS

13.1 War and Allied Perils Insurance

13.1.1 In the event that, following the date of this Agreement –

(i) hull and/or liability Insurances relating to war and allied perils, as required by **annex 4** become generally unavailable to the aviation industry on commercially reasonable terms (assessed against the availability and pricing thereof on the date of this Agreement), and

(ii) Lessee decides not to purchase Insurance on then available terms for its fleet generally and so notifies Lessor

then, within seven Business Days of that notification during which time Lessee shall not operate the Engine, Lessor shall elect to **(a)** terminate this Agreement and the leasing of the Engine hereunder, or **(b)** waive non-compliance by Lessee with 8 to the extent of the resulting lack of coverage.

13.1.2 Where Lessor has made an election under 13.1(ii)(a) to terminate the leasing of the Engine, Lessee shall comply with 11 and pay to Lessor the Termination Damage Amount.

13.2 Certain No-Fault Events

In the event that, for reasons not caused by Lessor and which do not relate to a breach by Lessee hereunder –

- (i) Lessor's title to, ownership of or priority in the Engine Package is adversely affected,
- (ii) it is or becomes unlawful to lease any Engine Package or to pay any amounts payable hereunder, or
- (iii) this Agreement is or becomes invalid or unenforceable

then **(a)** this Agreement shall terminate without further action and **(b)** Lessee shall comply with 11 and pay to Lessor the Termination Damage Amount save the amount specified in (iii) of that definition.

14. DEFAULTS AND REMEDIES

14.1 Events of Default

Each of the following shall be an "**Event of Default**" and a **default** for the purposes of Article 17(i) of the Consolidated Text, if applicable):

- (i) failure by Lessee to make any payment required under this Agreement within five days of the due date therefor, unless a differing period is specified in **Part I, point 26** of the **Lease Agreement**, and, in that case, any payment is not made within that period;
- (ii) subject to **13.1.1**, failure by Lessee to maintain any Insurances or comply with **4.3.2**;
- (iii) failure by Lessee to redeliver the Engine Package as required by **11**;
- (iv) failure by Lessee to comply with or perform any other undertaking or obligation under this Agreement, a misrepresentation by Lessee under **15**, or a diminution or nonrenewal of rights under a Consent, in each case unless the same **(a)** has no material adverse effect on the rights of Lessor and the value of the Engine Package or **(b)** if capable of being remedied, is remedied within 15 days of the date of that failure or misrepresentation;
- (v) Lessee **(a)** is deemed to be or states in writing that it is insolvent, **(b)** is subject to any types of insolvency or collective judicial or administrative proceedings, including interim proceedings, in which its assets are subject to control or supervision by any court or other Governmental Entity for purposes of dissolving, liquidating or reorganising Lessee or its assets, **(c)** suspends or declares in writing its intention to suspend payments to creditors generally or any class thereof, or suspends or ceases all or substantially all of its business, or **(d)** takes steps, or is subject to actions, analogous to the items specified in **14.1(v)(a)-(c)** –

provided that, in the case of **14.1(v)(b) and (d)**, no Event of Default shall occur for the lesser of **(x)** sixty (60) days and **(y)** the period during which enforcement actions are prohibited or suspended under Law where the proceedings **(1)** were initiated by a third party, **(2)** lack merit under applicable law, and **(3)** do not result in financial loss to Lessor; and/or

- (vi) an "Event of Default" under any Lease Agreement entered into utilising this Master Agreement is continuing.

14.2 Default Remedies

14.2.1 An Event of Default under **14.1** (other than **14.1(v)**) is a repudiation, and an Event of Default under **14.1(v)** is deemed a repudiation of this Agreement by Lessee and, in any such case, Lessor may, at its option:

- (i) accept that repudiation or deemed repudiation by giving notice to Lessee terminating this Agreement and/or the leasing of the Engine Package ("**Lease Termination**"); and/or
- (ii) take actions seeking performance of this Agreement by Lessee and/or recovery of Lessor's damages and costs caused by the Event of Default ("**Enforcement Action**") –

without prejudice to Lessor's other rights under this Agreement and applicable Law, including its rights, as title-holder of each Engine Package, to sell or redeploy any Engine Package and collect income, profits and/or proceeds therefrom.

14.2.2 In the case of a Lease Termination:

- (i) Lessee's rights in respect of the Engine Package shall cease; and
- (ii) Lessee shall promptly pay Lessor the Termination Damage Amount.

14.2.3 In the case of a Lease Termination or Enforcement Action, Lessee:

- (i) agrees that Lessor may Take Possession of the Engine Package, and, to the maximum extent permitted by Law, **(a)** may do so **(1)** without petitioning, obtaining leave or an order of, or acting under the supervision of, a court or administrative body, and/or **(2)** whether or not Lessee is insolvent or is then subject to insolvency proceedings, and **(b)** Lessee waives its right to object thereto;
- (ii) agrees that Lessor shall be entitled to all expedited and/or interim remedies or judicial remedies, including those that permit Lessor to Take Possession of the Engine Package, and, to the maximum extent permitted by Law, Lessee waives any objection thereto;

(iii) shall redeliver that Engine Package to the Redelivery Location and Lessee hereby authorises Lessor, at the latter's option, to so redeliver on behalf of Lessee; and

(iv) irrevocably appoints Lessor its attorney in fact, agent and/or representative for purposes of 14.2.3(i)-(iii), permitting Lessor, *inter alia*, to execute documentation in Lessee's name and enter Lessee's facilities.

15. REPRESENTATIONS AND WARRANTIES

15.1 General Representations

Each Party represents to the other that on the Commencement Date the following shall be true in all material aspects:

- (i) it is duly organised and validly existing under the Laws of the jurisdiction of its organisation or incorporation, and, if relevant under such laws, in good standing;
- (ii) it has the power to execute, deliver and perform its obligations under this Agreement and documents contemplated hereby, and that execution, delivery and performance have been properly authorised;
- (iii) such execution, delivery and performance do not violate or conflict with **(a)** any provisions of its constitutional documents, **(b)** Laws applicable to it, **(c)** order or judgment of any court or other Governmental Entity applicable to it, or **(d)** any contractual restriction binding on or affecting it or any of its assets;
- (iv) all Consents that it is required to obtain with respect to this Agreement, the documents and transactions contemplated hereby, and the use and operation of the Engine **(a)** have been obtained and **(b)** are in force, with all its conditions complied with;
- (v) its obligations under this Agreement and the documents contemplated hereby constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to **(a)** applicable insolvency law and **(b)** as to enforceability, equitable principles of general application and other customary limitations under the Laws selected to govern this Agreement under 17.7; and
- (vi) it is subject to civil and commercial Laws, and not entitled to any jurisdictional or enforcement immunity (based on theories of sovereign immunity or otherwise), with respect to its obligations under this Agreement and the documents and transactions contemplated hereby.

15.2 Specific Representations

By its acceptance of the Engine, Lessee represents to Lessor that the following are true in all material aspects:

- (i) no event or circumstance has occurred and is continuing that constitutes, or with the fulfillment of conditions would constitute, an Event of Default;
- (ii) no further actions under the Laws of the jurisdiction where Lessee is legally constituted or has its principal base of operations, or, to its knowledge without inquiry, under other Applicable Laws are necessary to the establishment or protection of Lessor's title to, ownership of, or priority in, the Engine; and
- (iii) save where an opinion has been issued under 17.12.2, the local Law opined upon in the previously issued 17.12.1 opinion is substantially the same in respect of a subsequent Engine Package as regards the **(a)** enforceability of this Agreement, **(b)** obligations of Lessee, and **(c)** rights and interests of Lessor hereunder.

16. CAPE TOWN CONVENTION

16.1 Applicability and Consent to Registration

The Cape Town Convention shall apply to this Agreement to the maximum extent permitted by law, and to that extent this Agreement shall constitute an "international interest" as defined in the Cape Town Convention. Save to the extent Lessor agrees otherwise, the international interest contemplated by this Agreement and any assignment of it shall be registered in the International Registry created under the Cape Town Convention, in the former case, at Lessee's expense, in the latter case, at Lessor's expense.

16.2 Cape Town Convention Remedies

In addition to its rights under 14.2, Lessor may exercise all rights expressed to be available to creditors under the Convention, including the right to receive speedy relief (as defined in Article 20.(2) of the Consolidated Text) in the form of any of the orders specified in Article 20 of the Consolidated Text and Lessee agrees that Article 20(4) of the Consolidated Text shall be disapplied, Lessor shall, to the extent its remedies pursuant to this Agreement are governed by the Cape Town Convention, exercise such remedies in a "commercially reasonable manner" and Lessee agrees that none of the remedies granted to Lessor herein is manifestly unreasonable.

16.3 Conflict

If a provision in this Agreement relating to the Cape Town Convention conflicts with another provision of this Agreement, the Cape Town Convention shall prevail unless this Agreement grants Lessor greater rights or imposes fewer restrictions.

17. MISCELLANEOUS PROVISIONS

17.1 Annexes Are Integral

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

17.2 Entire Agreement

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

17.3 Amendments in Writing

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

17.4 No Waiver of Rights

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

17.5 Notices

Any notices or other communication hereunder shall be in English. They **(a)** shall be in writing, **(b)** may be given in any manner specified in **Part I, point 27** of the **Lease Agreement**, and **(c)** will be deemed effective as indicated if:

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

unless the date of that delivery or that receipt, as applicable, is not a Business Day or that communication is delivered or received, as applicable, after the close of business on a Business Day in the location specified for the recipient in **Part I, point 27** of the **Lease Agreement**, in which case that communication shall be deemed given and effective on the first following day that is a Business Day.

17.6 Contracting by Facsimile and Electronic Writing

Whether a Lease Agreement may be executed and delivered by facsimile and/or an electronic media shall be specified in **Part I, point 28** of the **Lease Agreement**, and, if so, shall include what addresses and procedures shall be employed in connection therewith.

17.7 Governing Law

This Agreement will be governed by and construed in accordance with the Laws of England or of the State of New York, as specified in **Part I, point 29** of the **Lease Agreement**, without application of conflict of laws rules which refer to other Laws.

17.8 Jurisdiction

17.8.1 With respect to any suit, action or proceedings relating to this Agreement ("**Proceedings**"), each Party irrevocably:

(i) submits to the nonexclusive jurisdiction of the English courts and/or the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City, as specified in **Part I, point 30** of the **Lease Agreement**; and

(ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum, waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such Party, and further waives any right to assert sovereign immunity with respect to jurisdiction or enforcement.

17.8.2 Nothing in this Master Agreement or any Lease Agreement precludes either Party from bringing Proceedings in any other jurisdiction, nor will the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

17.9 Service of Process

If Parties agree that Lessee shall designate an agent for service of process under this Agreement, a letter confirming that designation shall be delivered to Lessor prior to the Commencement Date.

17.10 Severability

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

- (i) in that jurisdiction of any other provision of such agreement or
- (ii) in any other jurisdiction of that or any other provision of such agreement.

17.11 Counterparts

This Agreement may be executed and delivered in counterparts, each of which shall be deemed an original, and, when taken together, shall constitute a single instrument.

17.12 Legal Opinions

17.12.1 Prior to the leasing of the first engine utilising the Master Agreement, Lessee shall deliver to Lessor a transaction legal opinion in a form, and issued by local counsel, reasonably satisfactory to Lessor.

17.12.2 In lieu of making the representation in 15.2(iii), Lessee may deliver to Lessor a transaction legal opinion in a form, and issued by local counsel, reasonably satisfactory to Lessor, in connection with this Agreement. That opinion shall be required where, with reference to the date of the first lease utilising the Master Agreement, the Law opined upon under 17.12.1 has changed in a manner which materially affects the enforceability of this Agreement, or the obligations of Lessee or rights or interests of Lessor hereunder.

17.13 Further Assurances

The Parties agree to take all actions reasonably requested by the other to carry out the intent of this Agreement, including filings with the International Registry created under the Cape Town Convention.

17.14 Taxation Characterisation

Parties intend that this Agreement be treated as a true lease for taxation purposes. Without limiting the foregoing, where Lessee is a United States entity, this Agreement shall be treated as a lease for federal income tax purposes.

17.15 Confidentiality

Parties undertake to keep this Agreement confidential, provided that disclosure may be made (i) to affiliates and permitted assignees, (ii) professional advisers, (iii) as required by Law, including filing and registration requirements, and (iv) with the prior consent of the

other Party.

17.16 Assignment

(i) Parties may not assign or transfer any of their respective rights or obligations under this Agreement without the prior consent of the other, provided that Lessor may so assign or transfer:

(a) to an affiliate on terms where Lessor remains liable hereunder unless, in Lessee's reasonable judgment, that affiliate-assignee is sufficiently creditworthy to bear responsibility therefore; or

(b) to a third party for security purposes.

(ii) No assignment under 17.16(i) may materially increase the obligations of Lessee hereunder. Lessee shall cooperate with Lessor in connection with any such assignment, provided that, where, upon review of a description thereof provided by Lessor, Lessee reasonably believes it will incur material costs in so cooperating, Lessor agrees to bear responsibility therefor.

(iii) Assignments requiring consent under 17.16 (i) shall, if proposed by one party, be considered in good faith by the other, provided that such consideration does not impose legal obligations.

(iv) This Agreement is binding on and inures to the benefit of assignees permitted hereunder.

Annex 1 – Definitions and Rules of Interpretation

Definitions

Acceptance Certificate means a certificate taking the form of **annex 2, appendix A**

Additional Indemnitees mean those persons so identified in **Part I, point 31** of the **Lease Agreement**.

After Tax Basis means the payment of amounts necessary to ensure that (after giving effect to any deductions or withholding Tax, including on any additional payments) the full amount owing hereunder is received by the recipient.

Agreed Currency means the currency so specified in **Part I, point 11** of the **Lease Agreement**.

Agreed Maintenance Performer means any maintenance performer having a valid repair station license and otherwise approved or accepted by the FAA or JAA and the Engine manufacturer for the work it will perform on the Engine.

Aircraft means the aircraft on which the Engine is installed from time to time.

Applicable Engine Standards means (i) the requirements specified in the Engine Documentation and/or (ii) all legally mandatory recommendations of the Engine or Aircraft manufacturer applicable to the Engine or the operation or maintenance thereof, including such recommendations contained in manuals and all applicable service bulletins.

Applicable Laws means all Laws of any Governmental Entity in States in which (i) the Aviation Authority is located, (ii) Lessee is legally constituted or has its principal base of operations, (iii) Lessee has located or operates the Engine, and/or (iv) regulatory authority is asserted over Lessor or other Indemnatee to the extent that assertion is based on Lessee's dealings, activities or presence or operation of the Engine.

Aviation Authority means the civil aviation authority having regulatory authority over Lessee's use of the Engine.

Business Day means any day, other than a Saturday and Sunday, on which banks are open for business in all the cities specified in **Part I, point 32** of the **Lease Agreement**.

Calculation Discount Rate means the rate so specified in **Part I, point 37** of the **Lease Agreement**.

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

Claims and Losses means any and all (i) claims, suits, judgments and orders and (ii) losses, accrued liabilities, damages, costs, and expenses (however described, characterised or classified), including reasonable professional fees and expenses, in each case incurred or binding and regardless of (a) the legal theory or economic assumptions on which they are based, (b) whether they are described as penalties and/or fines, and/or (c) whether they are susceptible to appeal or mitigation.

Commencement Date means the date on which the Engine is delivered to Lessee, save and as otherwise specified in **Part I, point 5** of the **Lease Agreement**.

Consents means any consent, approval, action, authorisation, exemption, license or permit of any kind, including those relating to importation, exportation or use of that Engine and exchange controls, given, made or issued by a Governmental Entity.

Consolidated Text means the Consolidated Text of the Convention and the Protocol attached to Resolution No.1 of the Final Act of the Diplomatic Conference to adopt the Convention and the Protocol held under the auspices of ICAO and UNIDROIT at Cape Town from 29 October to 16 November 2001.

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

Default Rate means the rate so specified in **Part I, point 10** of the **Lease Agreement**.

Enforcement Action has the meaning specified in **14.2.1(ii)**.

Engine means the "Engine" specified in **Part I, point 1** of the **Lease Agreement**, and includes, as the context requires, all modules and any and all Parts, separately and collectively, so specified.

Engine Documentation has the meaning so specified in 4.2.1(i).

Engine Flight Cycle means one take-off and landing of the Aircraft.

Engine Flight Hours means each hour or part thereof an Engine is installed on the Aircraft which is airborne.

Engine Package means an Engine and the Engine Documentation for that Engine.

Engine Reports has the meaning specified in 4.2.4. **Event of Default** has the meaning specified in 14.1. **FAA** means the Federal Aviation Administration of the United States of America.

Final Date means the earliest of the date (i) which is the Scheduled Final Date, (ii) on which the leasing of the Engine is terminated in accordance with the Agreement, and (iii) on which Lessee returns the Engine to Lessor on account of it being Unserviceable.

General Indemnity Event has the meaning specified in 10.1.2.

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

ICAO means the International Civil Aviation Organisation.

Indemnitees means Lessor, the Additional Indemnitees, and their respective affiliates, officers, directors, employees and agents.

Insurances have the meaning specified in 8.1.

JAA means the European Joint Airworthiness Authority or an authority to which its responsibilities have been transferred or reallocated (European Aviation Safety Agency).

Law means all legal rules and regulations (regardless of its source), including judicial or administrative interpretation thereof, in force from time to time.

Lease Termination has the meaning specified in 14.2.1(i).

Lessor Lien means any Lien (i) created by, through or for the benefit of any Indemnatee, (ii) arising by virtue of acts of or claims against any Indemnatee not relating to the transactions contemplated or permitted by the Agreement, or (iii) arising from nonpayment of Lessor Tax.

Lessor Tax means any Tax that is imposed (i) as a result of dealings, presence or activities of Lessor in or in connection to the jurisdiction imposing the Tax or (ii) or based on the income, profits, capital or worth of Lessor (however computed) by taxing authorities in the Principal Taxation Jurisdictions, provided that a Tax does not qualify under subclause (i) above to the extent it relates to (a) Lessee's dealings, activities or presence in such jurisdiction or (b) the importation, location or operation of the Engine or the transactions contemplated or permitted by the Agreement.

Lien means any mortgage, lien, charge, encumbrance, hypothecation, lease (save this Agreement or one consented to under 4.4.2), or other claim, right or interest in any property, whether that right or interest (i) arises by contract or operation of Law and/or (ii) is possessory or nonpossessory in nature.

On Watch Items means conditions or trends which, in accordance with Applicable Engine Standards, require special inspections (as opposed to inspections applicable to all engines of the same type as the Engine) of and/or subsequent remedial maintenance or repairs to the Engine.

Part means parts, equipment or accessories (i) installed on, incorporated in, attached to, or furnished with, an Engine, whether they are or remain so installed, incorporated or attached, save those to which title passes to Lessee under 4.7.3 of the Agreement and (ii) title to which passes to Lessor under 4.7.1(iii) of the Agreement.

Partial Loss means loss or damage to the Engine that is not a Total Loss.

Payment Account means the account so specified in Part I, point 12 of the Lease Agreement.

Permitted Lien means (i) any Lien for Taxes, (ii) any Lien arising by operation of Law, created in the ordinary course of Engine operations, (iii) judgment Lien, (iv) any Lessor Lien, and/or (v) any other Lien in respect of which Lessee has provided security in a form and amount satisfactory to Lessor, provided that a Lien qualifies under subclauses (i)-(iii) above if and so long as (a) the obligations giving rise to that Lien are not yet due, or, if due, are being contested by Lessee in good faith by appropriate proceedings, (b) non-performance of such obligations does not give rise to any material risk of seizure, sale or other loss of any Engine or criminal liability of Lessor, and (c) adequate financial reserves have been provided by Lessee for such obligations.

Principal Taxation Jurisdictions means the jurisdiction or jurisdictions so specified in **Part I, point 36** of the **Lease Agreement**.

Proceedings has the meaning specified in **16.8.1**.

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

Qualifying Emergency Part means a part which (i) is manufactured or approved by the Engine manufacturer, (ii) is suitable for use on the Engine in accordance with accepted industry practices, and (iii) when installed, will not adversely affect the airworthiness of the Engine or violate Lessee's Aviation Authority-approved maintenance plan.

Recognition Agreement means a letter in the form of **annex 5**.

Redelivery Location means the location so specified in **Part I, point 20** of the **Lease Agreement**.

Rent means the amount so specified in **Part I, point 8** of the **Lease Agreement**.

Rent Payment Date means the date or dates so specified in **Part I, point 9** of the **Lease Agreement**.

Requisition of the Engine means any act (however described, characterised or classified) by a Governmental Entity which asserts a right or entitlement to own, acquire or alter property rights in, control, possess, or use or hire an Engine, or that has any of these effects.

Scheduled Final Date means the date so specified in **Part I, point 35** of the **Lease Agreement**.

Stipulated Amount means the amount so specified in **Part I, point 18** of the **Lease Agreement**.

Take Possession of the Engine Package means any action by Lessor or its agents or representatives to take physical or constructive possession, control and/or custody of an Engine Package, directly or through judicial or administrative procedures, whether (i) designed to immobilise, preserve or permit redeployment of that Engine Package and/or (ii) taken at Lessee's operational or storage facilities or on property within the public domain.

Tax means any taxes or other governmental assessments, duties, charges or fees of any kind (however described, characterised or classified), whether direct or by way of withholding or deduction, and including any penalties, fines and interest arising from non-payment of the foregoing.

Taxation Indemnity Event has the meaning specified in **10.2.2**.

Term means the period commencing on the Commencement Date and ending on its Final Date, or, if extended under **7.3.2** or **11.6.1** of the Agreement, the end of the extended Term.

Termination Damage Amount means the sum of: (i) all amounts due and owing under the Agreement on the date of Termination, (ii) all costs and expenses incurred by Lessor to (a) bring the Engine Package into the condition required in **11.1-11.5**, (b) cure all other Events of Default (which continue to adversely affect Lessor's rights or the value of that Engine Package), and (c) enforce its rights and remedies under the Agreement, and (iii) all Rent which would have been payable during the balance of the Term for that Engine (but for the termination), discounted for early settlement at the Calculation Discount Rate.

Threshold Amount means the amount so specified in **Part I, point 38** of the **Lease Agreement**.

Total Loss means any of the following events: (i) damage or any other event which constitutes a total loss or constructive total loss (however described, characterised or described) of the Engine under the hull or hull war risk Insurance, (ii) the Engine being destroyed, damaged beyond economic repair or rendered permanently unfit for normal use, for any reason, (iii) the loss of possession of the Engine by Lessee for a period of 30 days (or more) due to theft, disappearance or hijacking, (iv) the Requisition of the Engine for a period of 30 days (or more) for the sole purpose of use or hire, without any further rights, (v) the Requisition of title to the Engine,

or (vi) any divestiture of title to the Engine as a result of Lessee's breach of 4.4.4.

UNIDROIT means the International Institute for the Unification of Private Law.

Unserviceable means a condition that renders the Engine ineligible for the serviceability tag specified in the definition of "Engine" in **Part I, point 1** of the **Lease Agreement**, save to the extent Lessee is responsible therefor under 4.6.1.

Use Fee Amount (Cycle) means the amount per Engine Flight Cycle so specified in **Part I, point 33** of the **Lease Agreement**.

Use Fee Amount (Flight Hour) means the amount so specified in **Part I, point 34** of the **Lease Agreement**.

Use Fees means Use Fees (Cycle) and Use Fees (Flight Hours).

Use Fees (Cycle) means for each calendar month (or part thereof), the product of multiplying (x) the number of Engine Flight Cycles operated by that Engine during the preceding calendar month and (y) the Use Fee Amount (Cycle).

Use Fees (Flight Hour) means for each calendar month (or part thereof), the product of multiplying (x) the number of Engine Flight Hours (or fraction thereof) operated by that Engine during the preceding calendar month and (y) the Use Fee Amount (Flight Hour).

Rules of Interpretation

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

The terms "assignment" (for the purposes of clause 16.1 only), "Contracting State", "international interest", "Regional Economic Integration Organisation", "situated in", "State", and "territorial unit" shall have the respective meanings given to them in (or, as appropriate, shall be construed in accordance with) the Consolidated Text.

Annex 2 – Form of Lease Agreement

Lease Agreement

This Lease Agreement is made as of _____ between _____ ('**Lessor**') and ('**Lessee**'). It refers to and incorporates the terms of Document No. [] (Master Short-Term Engine Lease Agreement, 2002) ('**Master Agreement**').

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

Part I – Referenced Provisions

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

1. Engine (clause 2.3.1(i); annex 1, definition) [specify manufacturer, make, model, other particulars] [specify serviceability tag]	2A+B. Engine Flight Hours (2A) and Engine Flight Cycles (2B) /Since Last Overhaul (clause 2.3.1(ii); Annex 1, Definitions) [specify] or [indicate if N/A] (for both since last overhaul)
3A+B. Additional Conditions Precedent to Lessee's Obligations (clause 2.3.1(iii)) (3A) and to Lessor's Obligations (clause 2.3.3) (3B) [specify] or [indicate if N/A]	4. Conditions Precedent Time Period (clause 2.3.2) [specify] or [indicate if N/A]
5. Commencement Date (clause 2.4.1; annex 1, definition) [specify] or [indicate if N/A]	6. Acceptance Certificate (clause 2.4.2; annex 1, definition) [specify] or [indicate if N/A]
7. Deposit and/or Letter of Credit (clause 3.1) [specify with conditions] or [indicate if N/A]	8. Rent (clause 3.2; annex 1, definition) [specify]
9. Rent Payment Date (clause 3.2; annex 1, definition) [specify]	10. Default Rate (clause 3.5; annex 1, definition) [specify]
11. Agreed Currency (clause 3.7.2; annex 1, definition) [specify]	12. Payment Account (clause 3.7.2; annex 1, definition) [specify]
13. Engine Documentation (clause 4.2.1(i)) [specify by listing in attachment or by cross-reference]	14. Engine Reports - Other Information (clause 4.2.4(ii)) [specify by listing in attachment or by cross-reference]
15. Engine Installation/Removal Notification Requirements (clause 4.2.6) [specify]	16. Certain Lessee Obligations Concerning Indemnitees (clause 4.4.6) [specify] or [indicate if N/A]
17. Consequences of Partial Loss (clause 7.2.1(ii)) [specify]	18 Stipulated Amount (clause 7.3.1; annex 1, definition) [specify]
19 .Reinsurance (clause 8.1) [specify] or [indicate if N/A]	20. Redelivery Location (clause 11.1(i); annex 1, definition) [specify]
21. Redelivery-additional requirement (clause 11.1(ii)) [specify by listing in attachment or by cross-reference] or [indicate if N/A]	22. Final Inspection–other tests (clause 11.3.1(ii)) [list in attachment or by cross-reference] or [indicate if N/A]

23. Redelivery–Additional Documentation (clause 11.4(viii)) [specify] or [indicate if N/A]	24. Transportation – supplemental requirements (clause 11.5) [specify] or [indicate if N/A]
25. Additional Amounts – Term Extension (clause 11.6.2) [specify] or [indicate if N/A]	26. Differing Period (clause 14.1(i)) [specify]
27. Notices (clause 16.5) [specify permissible means and addresses]	28. Contracting by Fax/Electronic Writing (clause 16.6) [specify permissibility and addresses / protocol] or [indicate if N/A]
29. Governing Law (clause 16.7) [specify laws of England or of the State of New York]	30. Nonexclusive Jurisdiction (clause 16.8.1(i)) [specify English Courts or New York State Courts and/or Federal Courts located in New York]
31. Additional Indemnitees (annex 1, definition) (for use, <i>inter alia</i> , in definition of "Indemnitees") [specify] or [indicate if N/A]	32. Business Day (annex 1, definition) [specify relevant cities]
33. Use Fee Amount (Cycle) (annex 1, definition) (for use in definition of "Use Fees (Cycle)") [specify per Cycle]	34. Use Fee Amount (Flight Hour) (annex 1 definition) (for use in definition of "Use Fees (Flight Hours)") [specify per Flight Hour]
35. Scheduled Final Date (annex 1, definition) (for use in definition of "Final Date") [specify]	36. Principal Taxation Jurisdictions (annex 1, definition) (for use in definition of "Lessor Tax") [specify]
37. Calculation Discount Rate (annex 1, definition) (for use in definition of Termination Damage Amount) [specify]	38. Threshold Amount (annex 1, definition) [specify]
39. Required Liability Amount (annex 4, clause 4) [specify]	40. Deductibles (annex 4, clause 8) [specify by ins. Type] or [indicate if N/A]

Part II – Modifications Applicable Where Lessee Is Not an Airline or Other Operator of Engines

Pursuant to 2.1.4 of the Lease Agreement, the Master Agreement is modified as follows ("N/A" denotes non-applicability):

Part III – Other Modification to Master Agreement

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

Part IV – Appendix

Appendix A hereto is the form of **Acceptance Certificate***, the execution of which, as contemplated by point 6 above, effects or evidences Lessee's acceptance of the Engine hereunder.

IN WITNESS whereof, Parties have executed this Lease Agreement **as a deed**** on the respective dates specified below.

LESSOR	LESSEE
DATE:	DATE:

* INSERT IF REQUIRED BY 2.4.2 OF THE MASTER LEASE (SEE POINT 6 ABOVE)

** INSERT IF THE LAWS OF ENGLAND ARE SELECTED UNDER 17.7 (SEE POINT 29 ABOVE)

Annex 2, Appendix A – Acceptance Certificate

[Lessor]

[Lessor's Address]

Re: **Acceptance of Engine Package**

Dear Sir/Madam,

Reference is made to the Lease Agreement between you ("**Lessor**") and us ("**Lessee**") dated [date] ("**Engine Lease Agreement**") regarding the leasing by Lessee of [engine type and model] bearing manufacturer's serial number [msn] ("**Engine**"). Terms used herein without definition have the meanings assigned in the Engine Lease Agreement.

Lessee hereby confirms to Lessor that:

(i) on **[date]** at **[time]** at **[location]**, Lessee accepted delivery of the Engine, as described in **Part I, point 1** of the Engine Lease Agreement and the Engine Documentation, as described in **Part I, point 13** of the Engine Lease Agreement;

(ii) **annex 1** hereto lists all Parts and **annex 2** lists all Engine Documentation so received by Lessee; and

(iii) the Engine Documentation confirms the Engine Flight Hours and Engine Flight Cycle information and data summarised on **annex 3** hereto.

[Lessee]

By:

Date:

Annex 3 – Conditions Precedent

1. . With respect to the relevant Engine Package, Lessor shall have received the following:
 - 1.1 a Lease Agreement and, if required thereby, an Acceptance Certificate, each executed and delivered by Lessee in accordance with the Agreement;
 - 1.2 the insurance documentation required by 8.2.1 of the Agreement –
(such documentation relating to any Engine Package, "**Agreed Evidence of Insurance**"); or
 - 1.3 if required by the relevant Lease Agreement:
 - (i) the deposit and/or letter of credit, as contemplated by 3.1 of the Agreement; and
 - (ii) an executed process agent letter, as contemplated by 17.9 of the Agreement.
 - 1.4 unless otherwise agreed by Lessor, evidence in a priority search certificate from the International Registry that the international interest constituted by this Agreement, and, if applicable, the assignment thereof have been duly registered.
2. In the case of the initial lease of an Engine utilizing the Master Agreement, Lessor shall have received a local Law opinion, as contemplated by 17.12.1 of the Agreement.
3. No event or circumstance which constitutes, or with the fulfillment of conditions would constitute, an Event of Default under the Agreement subsists on the Commencement Date under the Lease Agreement.

Annex 4 – Insurance Requirements

Unless otherwise agreed by Parties:

1. Lessee shall maintain the following ("**Insurances**") covering the Engine:

(a) aviation legal liability risks insurance covering aviation third party (bodily injury and property damage), contractual liability, passenger, baggage, cargo, mail, premises, hangarkeepers and airline general third party risks (including products and completed operations liability), and war and allied risks cover on the terms of AVN52C (or equivalent) writing back the perils excluded by paragraphs (a) and (c) to (g) of AVN48B ("**Liability Insurance**");

(b) aviation hull all risks insurance covering all risks of loss or damage for the Engine whilst flying and on the ground ("**Hull All Insurance**");

(c) spares all risks insurance (including war and allied risks except when on the ground or in transit other than by air) covering all risks of loss or damage to the Engine and Parts when not installed on the Aircraft, including engine test and running risks ("**Spares Insurance**"); and

(d) aviation hull war and allied perils insurance for the Engine on the terms of [] or equivalent (but including confiscation in the country where the Aircraft is registered) ("**Hull War Insurance**").

2. The Insurances shall include an endorsement on the terms of AVN67B (Hull All and Hull War Endorsement) (or equivalent).

3. The Insurances will be (i) arranged through an independent firm of internationally recognised aviation insurance brokers and (ii) placed with insurers of recognised responsibility, specialising in and normally participating in the international aviation insurance markets, unless reinsurances are required under **Part I, point 19** of the **Lease Agreement**, in which case Lessee will comply with such requirements.

4. Expressed in the Agreed Currency, the amount of the Insurances shall be as follows:

Liability Insurance - in the case of bodily injury or property damage, for a combined single limit of an amount of not less than the **Required Liability Amount** specified in **Part 1, point 39** of the **Lease Agreement** any one occurrence, and, in the case of products liability, for an aggregate limit for all losses during the currency of the policy (such amounts to be payable in the currency required under applicable law);

Hull All Insurance and Hull War Insurance - an amount in addition to the agreed value of the Aircraft covering the Engine for not less than the Stipulated Amount; and

Spares Insurance - the Stipulated Amount.

5. The Insurances shall apply on a worldwide basis, subject to standard aviation insurance market geographical limits, provided that such limits do not exclude any area to which the Aircraft may be operated and that overflying any excluded areas is covered and flights to such excluded areas are held covered as respect the interests of each Indemnatee.

6. The Hull All, Hull War and Spares Insurance shall (i) be on an agreed value basis (except in the case of Parts under Spares Insurance, which shall be on a replacement value basis) (ii) name Lessor as loss payee in respect of any proceeds payable in respect of a Total Loss and additional assured, and (iii) be settled jointly with Lessor and Lessee (save amounts below the Threshold Amounts). The Liability Insurance shall name each Indemnatee as additional assured, warranted, as to it, no operational interest.

7. If the Hull All Insurance and Hull War Insurance are separate, each shall contain all the terms of AVS 103 (or equivalent).

8. Whether deductibles are permitted shall be specified in **Part I, point 40** of the **Lease Agreement**, and, if so, the maximum deductible (identified by specific Insurance) shall be set out therein.

9. The product and completed operations liability coverage under the Liability Insurance shall remain in force during the period ending on the earlier of the date (i) falling two years after the end of the Term and (ii) of next full performance restoration of the Engine.

10. All reinsurances of Hull All, Hull War and Spares Insurance required by **Part I, point 19** of the **Lease Agreement** shall (i) be on the same terms as the Insurances, unless prohibited by mandatory provisions under applicable law, and (ii) contain the following:

"The Reinsurers hereby agree (at the request and with the agreement of the Reinsured) that in the event of any valid claim

arising hereunder the Reinsurers shall in lieu of payment to the Reinsured its successors in interest and assigns pay to the person(s) named as loss payee(s) under the original insurance effected by the Insured that portion of any loss for which the Reinsurers would otherwise be liable to pay the Reinsured (subject to proof of loss) it being understood and agreed that any such payment shall fully discharge and release Reinsurers from any and all further liability in connection with such claim. The Reinsurers reserve the right to set off against any claim payable hereunder in accordance with this clause any outstanding premiums due on the reinsurance in respect of the equipment. Payment shall be made under this reinsurance notwithstanding (i) any bankruptcy, insolvency, liquidation or dissolution of the Reinsured and/or (ii) that the Reinsured has made no payment under the original insurance policies. It is a condition that the provisions of this clause shall not operate in contravention of the laws, statutes or decrees of the country of domicile of the Reinsured."

Annex 5 – Recognition Agreement

[Date]

[Lessor]

[Lessor's Address]

Re: **Recognition of Rights/Interests in Engine**

Dear Sir/Madam,

Reference is made to the Master Engine Lease Agreement dated [date] between you and [Lessee] ("**Master Engine Agreement**") creating a standing facility permitting Lessee to lease certain engines ("**Engines**") on a short-term basis from time to time.

We hold a proprietary interest in [aircraft type and model] bearing manufacturer's serial number [msn] ("**Aircraft**").

In consideration of the benefits associated with the use of the Engines on the Aircraft, subject to the terms of the Master Engine Agreement, we hereby agree to:

- (i) recognise your and your creditors' rights and interests in any Engine installed on the Aircraft; and
- (ii) not claim or assert, as against you or your creditors, any right, title or interest in any Engine arising by virtue of the installation of any such Engine on the Aircraft.

This letter (Recognition Agreement) shall be governed by and construed in accordance with the laws of [England] [New York].

[person with proprietary interest in the Aircraft]

By:

Date:

Lease Agreement ESN V12844

This Lease Agreement ESN V12844 is made as of August 15, 2025 between:

- (i) **GRYPHON TRADING COMPANY, LLC**, a limited liability company organized under the laws of the State of Delaware, United States of America, having its principal place of business at 101 NE 3rd Avenue, Suite 610, Fort Lauderdale, Florida 33301 USA ("**Lessor**"); and
- (ii) **GLOBAL CROSSING AIRLINES, INC.**, a corporation incorporated under the laws of the State of Delaware, United States of America, having its principal place of business at Building 5A, 4th Floor, Miami International Airport, 4200 NW 36th Street, Miami, Florida 33146 USA ("**Lessee**").

It refers to and incorporates the terms of IATA Document No. 5016-01 (Master Short-Term Engine Lease Agreement, 2012 Revision) prepared by the International Air Transport Association in conjunction with the Aviation Working Group ("**Master Agreement**").

This Lease Agreement ESN V12844 is in addition to and modifies the Master Agreement, and, as so modified, constitutes a single contract applicable to the leasing of the Engine (defined below), as contemplated by 2.1.2 of the Master Agreement (collectively, the "**Agreement**") a copy of which is attached to the FAA filing counterpart of this Lease Agreement ESN V12844. The Engine, together with all associated Engine Documentation, is the "**Engine**".

Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the Engine pursuant to the Agreement.

Part I - Referenced Provisions

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

1. Engine (clause 2.3.1(i); annex 1, Definitions) Manufacturer: International Aero Engines AG Engine Model: V2527-A5 Engine Serial Number: V12844 Serviceability Tag: FAA Form 8130-3 Dual Release issued by Aerofield Services (described on the International Registry's Manufacturer's List as IAE model V2500, bearing serial number V12844) including as-installed QEC configuration as set forth in Schedule 1 to the Acceptance Certificate, Shipping Stand: P/N: D71TRO00005G01 and S/N: D71ST-220971-005, together with all associated Engine Documentation. (collectively the 'Engine')	2A+B. Engine Flight Hours (2A) and Engine Flight Cycles (2B) /Since Last Overhaul (clause 2.3.1(ii); annex 1, Definitions) Time Since New: 55,001.32 Engine Flight Hours Cycles Since New: 25,155 Engine Flight Cycles Time Since Repair: 26,244 Engine Flight Hours Cycles Since Repair: 11,546 Engine Flight Cycles
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3A+B. Additional Conditions Precedent to Lessee's Obligations (clause 2.3.1(iii)) (3A) and to Lessor's Obligations (clause 2.3.3) (3B) 3B. Additional Lessor conditions precedent: Those Conditions Precedent set forth in <u>Appendix E</u> (<i>Conditions Precedent</i>).	4. Conditions Precedent Time Period (clause 2.3.2) On or prior to the Commencement Date or such other date as Lessor and Lessee may agree in writing.
5. Commencement Date (clause 2.4.1; annex 1, definitions) The date set forth in the Acceptance Certificate, which for the avoidance of doubt shall be on or prior to September 1, 2025 (the "Final Delivery Date"). For the avoidance of doubt, Rent shall commence on the Commencement Date set forth in the Acceptance Certificate.	6. Acceptance Certificate (clause 2.4.2; annex 1, definitions) The Engine is currently located at the facility of eCube in Coolidge, Arizona, USA (the "Delivery Location"), where Lessee shall have an opportunity, at its sole cost, expense and risk, to perform an inspection of the Engine limited to a general visual inspection, verification of QEC inventory and witness of a borescope (if applicable). Upon satisfactory completion of the inspection, Lessee shall execute the required Acceptance Certificate (in form of attached as <u>Appendix A</u> (<i>Acceptance Certificate</i>) on or prior to the Final Delivery Date (the "Acceptance") while the Engine is located at the Delivery Location.
7. Deposit and/or Letter of credit (clause 3.1) Per the terms of <u>Appendix G</u> (<i>Payment Terms</i>).	8. Rent (clause 3.2; annex 1, definition) Per the terms of <u>Appendix G</u> (<i>Payment Terms</i>).
9. Rent Payment Date (clause 3.2; annex 1, definition) Per the terms of <u>Appendix G</u> (<i>Payment Terms</i>).	10. Default Rate (clause 3.5; annex 1, definition) The amount provided in <u>Appendix G</u> (<i>Payment Terms</i>).
11. Agreed Currency (clause 3.7.2; annex 1, definition) U.S. Dollars	12. Payment Account (clause 3.7.2; annex 1, definition) The account provided in <u>Appendix G</u> (<i>Payment Terms</i>).
13. Engine Documentation (clause 4.2.1(i)) The Engine Documentation listed in Annex I to <u>Appendix A</u> (<i>Acceptance Certificate</i>) attached hereto.	14. Engine Reports – Other Information (clause 4.2.4(ii)) Lessee shall provide the monthly report in the form of <u>Appendix B-1</u> (<i>Monthly Engine Utilization and Status Report</i>) attached hereto within ten (10) days following the end of each calendar month.

15. Engine Installation/Removal Notification Requirements (clause 4.2.6) Lessee shall notify Lessor, on the date but latest within five (5) business days of installation or removal of the Engine, of the aircraft tail number and position, if installed, or of the location of the Engine, if removed.	16. Certain Lessee Obligations Concerning Indemnities (clause 4.4.6) N/A
17. Consequences of Partial Loss (clause 7.2.1(ii)) In the event of a Partial Loss, not requiring removal, or off wing maintenance, the Engine shall continue to be leased under this Agreement, with all terms hereof remaining in force (save operational obligations with which Lessee is unable to comply by virtue of the damage or loss for so long as this is the case). Repair costs not attributable to a Lessee Maintenance Event shall be for the account of Lessor.	18. Stipulated Amount (clause 7.3.1; annex 1, definition) The amount described in <u>Appendix G</u> (<i>Payment Terms</i>).
19. Reinsurance (clause 8.1) N/A	20. Redelivery Location (clause 11.1(i); annex 1, definition) Lessee will redeliver the Engine at its cost to the facility of MD Turbines located in Miami, Florida, USA. For clarity, Lessee is responsible for re-delivering the Engine to the designated facility indicated above, paying any costs, expenses or duty with respect to transportation to such facility, and Lessee assumes the risk until the Engine is redelivered to Lessor in accordance with the terms of this Agreement.
21. Redelivery-additional requirement (clause 11.1(ii)) Lessee shall redeliver the Engine in compliance with the requirements provided in <u>Appendix C</u> (<i>Modifications to Master Agreement –Redelivery</i>).	22. Final Inspection–other tests (clause 11.3.1(ii)) All tasks specified on <u>Appendix C</u> (<i>Modifications to Master Agreement –Redelivery</i>) attached to this Lease Agreement ESN V12844 which shall include, but not be limited to, general visual inspection, verification of QEC inventory and full front-to-back VBSI for purposes of issuance of an FAA dual release certificate.
23. Redelivery–Additional Documentation (clause 11.4(viii))	24. Transportation – supplemental requirements (clause 11.5)

Lessee shall redeliver the Engine in compliance with the requirements in <u>Appendices B-2 through B-6</u>.	Lessee shall (i) cap and plug all openings of the Engine, (ii) cover the Engine with an engine cover or with heavy gauge vinyl plastic, and (iii) install the Engine securely upon its transportation stand and otherwise prepare the Engine for shipment in accordance with the manufacturer's specifications and recommendations. Any vehicles and trailers used for shipment of the Engine shall be air-ride equipped. Any vehicle or trailer used to ship the Engine shall be dedicated solely to the Engine, unless other equipment shipped on such vehicle or trailer can be off-loaded without disturbing or repositioning the Engine.
25. Additional Amounts – Term Extension (clause 11.6.2) 150% of the Rent for the Engine for each day from the expiration of the Term until the day the Engine is returned to Lessor in the serviceable condition as required by Section 11 of the Master Lease and pursuant to all other terms and conditions of the Lease Agreement. Notwithstanding the foregoing, from the date of the removal of the Engine for an event that renders the Engine Unserviceable (the "Removal Date"), the obligation of Lessee to pay Rent shall cease on such Removal Date; provided, however, if the Engine is not returned to Lessor within thirty (30) days of such Removal Date whether or not there is a Lessee Maintenance Event (the "Unserviceable Return Deadline"), then Rent shall resume at 150% of the Rent for the Engine for each day from such Unserviceable Return Deadline until the day the Engine is returned to Lessor in the condition as required by Section 11 of the Master Lease and pursuant to all other terms and conditions of the Lease Agreement (taking into account such Unserviceable condition).	26. Differing Period (clause 14.1(i)) N/A
27 Notices (clause 17.5) Notices to Lessor may be given: (i) in writing and delivered in person or by courier to the following address: Gryphon Trading Company, LLC 101 NE 3rd Avenue, Suite 610 Fort Lauderdale, FL 33301 USA Attention: Ben Rosenbaum	28. Contracting by Fax/Electronic Writing (clause 17.6) Execution in original or by Docusign via .pdf counterpart and filing of this Agreement with the Federal Aviation Administration, together with all ancillary documentation required by or advisable for purposes of recording Lessor's interest with the Federal Aviation Administration.

Mobile: +1 817-673-8369 Email: ben@GryphonLeasing.com (ii) by email transmission (and followed by certified or registered mail to the address in (i)); or (iii) by certified or registered mail to the address in (i). Notices to Lessee may be given: (i) in writing and delivered in person or by courier to the following address: Global Crossing Airlines, Inc. Miami International Airport Building 5A, 4th Floor 4100 NW 36th Street Miami, Florida 33146 USA Attention: Ryan Goepel Tel: +1 (786) 751 8503 Email: ryan.goepel@globalxair.com Email: maria.nunez@globalxair.com (ii) by email transmission (and followed by certified or registered mail to the address in (i)); or (iii) by certified or registered mail to the address in (i). The parties may alter their notice information effective upon five (5) days' notice to the other, given according to 16.5.	
29. Governing Law (clause 17.7) Laws of the State of New York, without regard to conflict of laws rules.	30. Nonexclusive Jurisdiction (clause 17.8.1(i)) Each of Lessor and Lessee submits to the non-exclusive jurisdiction of the federal and state courts of the State of New York. Nothing herein shall prevent the Lessor or Lessee from bringing suit in any other court having jurisdiction over the Engine.

31. Additional Indemnities (annex 1, Definitions) (for use, <i>inter alia</i>, in definition of "Indemnities") Gryphon Aviation Leasing LLC, Spirit Airlines, Inc. (as prior owner), and each of their respective affiliates, beneficiaries, subsidiaries, shareholders, partners, members, managers, officers, directors, employees, successors and assigns.	32. Business Day (annex 1, Definitions) Means any day, other than Saturday, Sunday, or holidays, on which banks are open for business in the United States, Miami, and Fort Lauderdale.
33. Use Fee Amount (Cycle) (annex 1, Definitions) (for use in definition of "Use Fees (Cycle)") The amounts described in <u>Appendix G</u> (<i>Payment Terms</i>)	34. Use Fee Amount (Flight Hour) (annex 1 Definitions) (for use in definition of "Use Fees (Flight Hours)") The amounts and per the information provided in <u>Appendix G</u> (<i>Payment Terms</i>).
35. Scheduled Final Date (annex 1, definition (for use in definition of "Final Date")) The Scheduled Final Date shall be the earlier of twenty- four (24) months from the Commencement Date, or the Engine becomes Unserviceable due to events that are not Lessee Maintenance Events (as defined in <u>Appendix C</u>) ("Termination Event"), unless the parties have mutually agreed to extend as set forth in <u>Appendix G</u>.	36. Principal Taxation Jurisdictions (annex 1, definition) (for use in definition of "Lessor Tax") USA
37. Calculation Discount Rate (annex 1, definition (for use in definition of Termination Damage Amount)) N/A	38. Threshold Amount (annex 1, definition) As described in <u>Appendix G</u> (<i>Payment Terms</i>)
39. Required Liability Amount (annex 4, clause 4) As described in <u>Appendix G</u> (<i>Payment Terms</i>)	40. Deductibles (annex 4, clause 8) As described in <u>Appendix G</u> (<i>Payment Terms</i>)

Part II. Other Modifications to Master Agreement

As regards this Lease Agreement ESN V12844, the Master Agreement is further modified as follows:

- (1) All references to "JAA shall be deleted and replaced with references to "EASA".
- (2) A new clause 2.4.3 shall be added to the Master Agreement as follows:

"2.4.3 Lessee shall take delivery of the Engine at the Delivery Location. All costs, expenses and Taxes relating to and associated with the transportation of the Engine from the Delivery Location (including without limitation any customs, import/export taxes or duties) shall be for the account of Lessee."
- (3) Clause 3.8.1 of the Master Agreement is replaced by:

"3.8.1 No Deductions or Withholdings. Lessee shall ensure that all payments to be made under the Master Agreement and/or this Lease Agreement, whether in respect of Rent, the Stipulated Amount or any other amounts payable by Lessee to Lessor pursuant to this Lease Agreement, shall be made in full without any deduction or withholding (whether in respect of set-off, counterclaim, duties, Taxes, charges, etc. or otherwise) unless such deduction or withholding is required by law."
- (4) Clause 3.8.2 of the Master Agreement is replaced by:

"3.8.2 If any such deduction or withholding is required by law, then Lessee shall:

 - (a) ensure that any deduction or withholding by it does not exceed the minimum amount legally required;
 - (b) on the due date for such payment, pay to the payee such additional amount as shall result in the net amount received by such payee being equal on an After-Tax Basis to that amount which would have been received by such payee had no such deduction or withholding been made;
 - (c) pay to the applicable taxation or other authorities within the period for payment permitted by Law the full amount of the deduction or withholding legally required to be paid by it; and
 - (d) furnish to such payee, within ten (10) days of payment of such Taxes by it, either (i) an official receipt of the applicable taxation or other tax authorities for all amounts deducted or withheld as aforesaid or (ii) if such receipts are not issued by the taxation or other authorities concerned on payment to them of amounts so deducted or withheld, a certificate of deduction or other evidence of the relevant deduction or withholding reasonably satisfactory to Lessor."
- (5) In clause 4.3.1 of the Master Agreement, the following shall be added as a new sentence after point (ii):

"Lessee shall not cause or permit the Engine or any part thereof to be maintained, used or operated

 - (a) in violation of any Applicable Law, or
 - (b) in circumstances that result in Lessor being liable under any Applicable Law."
- (6) In clause 4.4.4(ii) of the Master Agreement, the words "and/or security" are added after the words "proprietary."

- (7) Clause 5 of the Master Agreement shall include the new paragraphs (iii) and (iv), which shall read as follows:

“(III) IN NO EVENT SHALL LESSOR BE HELD LIABLE UNDER OR IN CONNECTION WITH THIS AGREEMENT, WHETHER IN CONTRACT OR IN TORT OR UNDER ANY OTHER CAUSE OR THEORY OF ACTION, FOR SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, LOST PROFIT OR REVENUE.

(IV) LESSOR LEASES THE ENGINE TO LESSEE “AS-IS, WHERE-IS”, AND LESSEE ACKNOWLEDGES AND AGREES THAT LESSOR HAS NOT MADE AND SHALL NOT BE DEEMED TO HAVE MADE, AND LESSOR HEREBY SPECIFICALLY DISCLAIMS, AND REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO (1) THE AIRWORTHINESS, SERVICEABILITY, CONDITION, DESIGN, OPERATION, MERCHANTABILITY, FREEDOM FROM CLAIMS OF INTELLECTUAL PROPERTY OR PROPRIETARY RIGHTS OR THE LIKE, OR FITNESS FOR USE FOR A PARTICULAR PURPOSE OF THE ENGINE, (2) THE ACCURACY, VALIDITY OR TRACEABILITY OF ANY OF THE ENGINE DOCUMENTATION (EXCEPT TO THE EXTENT CREATED BY LESSOR), OR (3) LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, OR AS TO ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER (INCLUDING ANY IMPLIED WARRANTY ARISING FROM A COURSE OF PERFORMANCE OR DEALING OR USAGE OF TRADE).”

- (8) Clause 6.1(i) of the Master Agreement is replaced by the following:

“Lessee shall act as exporter and importer of record, as applicable, responsible for obtaining and maintaining associated Consents in all relevant jurisdictions and the Lessee shall, upon request, provide evidence to the Lessor that such Consents have been obtained (or if no such Consents are required, a written confirmation to that effect).”

- (9) Clause 8.1 of the Master Agreement is amended by adding the words "at all times during the Term" at the end of the clause.

- (10) In Clause 9 of the Master Agreement, the words “Provided no Event of Default has occurred and is continuing” shall be added at the start of Clause 9.

- (11) The following shall be added as Clause 10.5:

“10.5 Performance by Lessor. If Lessee fails at any time to comply with the terms of this Agreement, Lessor may (but without being obliged to do so and without prejudice to Clause 14.2) comply or perform or procure compliance with such terms, whereupon Lessee shall indemnify Lessor on Lessor's demand for all costs and expenses of Lessor in connection therewith together with interest thereon at the Default Rate and applicable from the date falling fifteen Business Days after receipt by Lessee of Lessor's invoice in respect of such expenditure until the date of reimbursement thereof by Lessee (both before and after any relevant judgment).”

- (12) Clause 11.4 (vii) of the Master Agreement is replaced by

“(vii) a certificate stating that, during the Term, the Engine was not (a) involved in an accident, incident, fire or a major failure, (b) exposed to stress or heat beyond limits, (c) immersed in salt water or exposed to corrosive agents outside normal operation, or (d) operated by a Government Entity in the form of Appendix B-6 to the Lease Agreement ESN V12844.”

- (13) In clause 14.1(vi), the words “Lease Agreement entered into utilizing this Master Agreement” are deleted and replaced with the words: “any Other Lease”.

- (14) Clause 14 of the Master Agreement shall include a new paragraph (vii), which shall read as follows: “(vii) Lessee fails to satisfy (x) any of the Lessor Conditions Precedent set forth in Appendix E of the Lease Agreement.”
- (15) The following shall be added as Clause 15.2(iv):
- “(iv) No Competing Lienholders. No Lien exists, or will hereafter attach, against the Engine, the Rent or any other rights under this Lease, or any interest of Lessee (other than any Lessor Liens), pursuant to any mortgage, conditional sale or security agreement or other agreement to which Lessee or any Person claiming through Lessee is a party, nor will any of the transactions contemplated under this Lease constitute a breach of any provision of any such agreement. No international interests (other than in favor of Lessor or the Lender) will be registered with the International Registry with respect to the Engine and any associated rights thereto.”
- (16) In clause 17.7, the words “(and any non-contractual obligations arising out of or in connection with it)” are added after the words “This Agreement”.
- (17) Clause 17.13 of the Master Agreement is deleted in its entirety and replaced with the following:
- “17.13 Further Assurances. The Lessee agrees to do anything and execute and deliver any other instruments that may from time to time be required by law or reasonably requested by the Lessor to establish, maintain and protect the rights and remedies of the Lessor, Lender and any financier.”
- (18) The following shall be added as Clause 17.16(v):
- “(v) Lessor may assign or transfer any of its rights or obligations under this Agreement without prior consent of the Lessee. Lessee agrees to cooperate and take all such steps as Lessor may reasonably request to establish or protect the rights and remedies created or intended to be created in favor of the assignee or transferee; provided that (i) Lessor shall reimburse Lessee for reasonable out of pocket expenses and the professional charges of lawyers and tax advisers incurred in connection therewith, (ii) Lessee’s right of quiet enjoyment pursuant to Clause 9 (*Quiet Enjoyment*) of the Master Agreement shall not be affected, (iii) such assignment shall not result at the time of such assignment in any additional costs or obligations to the Lessee (including Taxes) or decrease its rights or benefits as determined by reference to laws and regulations in effect at the time of such assignment or transfer, it being understood and agreed that any change in, or increase in the number of beneficiaries under (and in accordance with) any indemnification, insurance or, if applicable, re-insurance provision of this Agreement or the making of any payment to a different bank account shall not in and of itself be deemed an increased obligation, and (iv) any transferee that is to become Lessor will (a) assume Lessor’s obligations under this Agreement, (b) be experienced in commercial aircraft leasing and financing or retain the services of a lease manager or servicer having such experience, (c) not be a commercial passenger airline in direct competition with Lessee, and (d) be a Citizen of the United States as defined in Section 40102(a)(15)(c) of Title 49 of the United States Code.”
- (19) The following shall be added as Clause
- 17.18: “17.18 No Russia Rule. Lessee shall:
- (a) not operate, export or re-export, directly or indirectly, to the Russian Federation or for use in the Russian Federation any goods supplied under or in connection with this Agreement that fall under the scope of Article 12g of Council Regulation (EU) No 833/2014 (until such date

that such goods are no longer prohibited from supply to or for use in the Russian Federation), or to Belarus or for use in Belarus the Engine or any goods supplied under or in connection with this Agreement that fall under the scope of Article 8g of Council Regulation (EU) No 765/2006 (until such date that such goods are no longer prohibited from supply to or for use in Belarus);

(b) undertake its best efforts to ensure that the purpose of this clause 17.18 is not frustrated by any third parties further down the commercial chain, including by possible sublessees or wet lessee. This shall include, in respect of any agreements which the Lessee subsequently enters into for the lease, sublease, wet lease, export or re-export, directly or indirectly, to any other third- party of any goods supplied under or in connection with this Agreement and which fall within the categories described in clause 17.18(a), ensuring such agreement contains provisions which prohibit the lease, sublease, wet lease, export or re-export, directly or indirectly, by that counterparty to the Russian Federation or for use in the Russian Federation, or to Belarus or for use in Belarus, and contain adequate remedies for the Lessee in the event of a breach of those obligations by the counterparty;

(c) set up and maintain an adequate monitoring mechanism to detect conduct by any third parties further down the commercial chain, including by possible lessees, sublessees, wet lessees or other operators, that would frustrate the purpose of clause 17.18(a); and

(d) immediately inform Lessor about any problems in applying clauses 17.18(a), 17.18(b) or 17.18(c), including any relevant activities by third parties that could frustrate the purpose of clause 17.18(a), Lessee shall make available to Lessor information concerning compliance with the obligations under clauses 17.18(a), 17.18(b) or 17.18(c), within two (2) weeks of the request of such information from Lessor."

(20) In Annex 1 to the Master Agreement, the following definitions shall be added to read:

"Delivery Location" shall have the meaning set forth in Part I, point 6 (*Acceptance Certificate*).

"Final Delivery Date" shall have the meaning set forth in Part I, point 5 (*Commencement Date*).

"Lender" means such lender or financier as may be notified by Lessor to Lessee from time to time.

"Other Lease(s)" shall mean any other aircraft or engine lease agreement (excluding this Lease) from time to time entered into between Lessor (or any affiliate of Lessor) and Lessee (or any affiliate of Lessee).

(21) In Annex 1 to the Master Agreement, the following definitions shall be amended to read:

"Acceptance Certificate" means an acceptance certificate substantially in the form of Appendix A (*Form of Acceptance Certificate*) to the Lease Agreement ESN V12844.

"Additional Indemnitees" means Lessor, Lessor's affiliates, the Lender (if applicable), Gryphon Aviation Leasing LLC, and each of their respective subsidiaries, shareholders, partners, officers, directors, employees or agents.

"Acceptance Certificate" means a certificate taking the form of Appendix A to the Lease Agreement ESN V12844.

"Engine Documentation" means the technical data, technical documents, manuals, log books

and all inspection, modification, overhaul, service, repair, maintenance, technical and other records that relate to the Engine and all additions, renewals, revisions and replacements from time to time made to any of the foregoing in accordance with the requirements of the FAA or applicable law. Lessee shall only be responsible for providing the same records supplied upon Delivery to Lessee by Lessor, in addition to Lessee-required records to be produced during Lessee Lease Term.

“Recognition Agreement” means the aircraft owner/mortgagor acknowledgement in the form of Appendix H (*Form of Aircraft Owner/Mortgage Acknowledgment*) to the Lease Agreement ESN V12844.”

“Total Loss” means any of the following events: (i) damage or any other event which constitutes a total loss or constructive total loss (however described, characterized or described) of the Engine under the hull or hull war risk Insurance, (ii) the Engine being destroyed, damaged beyond economic repair or rendered permanently unfit for normal use, for any reason, (iii) the loss of possession of the Engine by Lessee for a period of 90 days (or more) due to theft, disappearance or hijacking, (iv) the Requisition of the Engine for a period 90 days (or more) for the sole purpose of use or hire, without any further rights, (v) the Requisition of title to the Engine or (vi) any divestiture of title to the Engine as a result of Lessee’s breach of 4.4.4.

- (22) In Annex 1 to the Master Agreement, the definition of “Term” shall be amended by inserting the following at the end of the definition: “and subject always to point 35 of Part 1 of this Lease Agreement ESN V12844.”
- (19) Annex 5 to the Master Agreement is deleted in its entirety.
- (20) The Appendices attached hereto are incorporated herein and modify and amend the Master Agreement to require and include the provisions contained therein into the Agreement entered into hereto. The following shall make up the entire agreement between the Lessor and Lessee:
 - (a) Master Agreement and its Annexes (q) through (t) below (as amended herein);
 - (b) this Lease Agreement ESN V12844;
 - (c) Appendix A, (*Acceptance Certificate*), the execution of which, as contemplated by Part 1, point 6 above, effects or evidences Lessee’s acceptance of the Engine hereunder;
 - (d) Annex I to Appendix A, (*Engine Documentation*);
 - (e) Appendix B-1 (*Monthly Utilization and Engine Status Report*);
 - (f) Appendix B-2 (*Items to be Provided by Lessee on Redelivery*);
 - (g) Appendix B-3 (*Certification of Engine Serviceability at Removal*);
 - (h) Appendix B-4 (*Operator’s Combination Statement*);
 - (i) Appendix B-5 (*Certification of Operator Installation/Removal History*);
 - (j) Appendix B-6 (*Certification Statement*) (from each operator of the Engine);
 - (k) Appendix C (*Modifications to Master Agreement - Redelivery*);
 - (l) Appendix D (FAA Form of Lease Termination Certificate)

- (m) Appendix E (*Conditions Precedent*) as contemplated by Part 1, point 3 above;
- (n) Appendix F (*Engine Return Receipt*);
- (o) Appendix G (*Payment Terms*);
- (p) Appendix H (Form of Aircraft Owner/Mortgagee Acknowledgment);
- (q) Master Agreement Annex 1 (Definitions and Rules of Interpretation);
- (r) Master Agreement Annex 2 (Form of Lease Agreement);
- (s) Master Agreement Annex 3 (Conditions Precedent); and
- (t) Master Agreement Annex 4 (Insurance Requirements).

IN WITNESS whereof, Parties have caused this Lease Agreement ESN V12844 to be executed by its duly authorized representatives on the first date set forth above.

GRYPHON TRADING COMPANY, LLC

Lessor

DocuSigned by:

Steven Patch

0F829A4C1A84411...

BY: _____

NAME: Steven Patch

TITLE: CEO

GLOBAL CROSSING AIRLINES, INC.

Lessee

Signed by:

Ryan Goepel

A022D0C4355C444...

BY: _____

NAME: Ryan Goepel

TITLE: President

Appendix A

**ACCEPTANCE CERTIFICATE
(ESN V12844)**

Dear Sir/Madam,

Reference is made to the Lease Agreement ESN V12844 between **Gryphon Trading Company, LLC** ("**Lessor**") and us, **Global Crossing Airlines, Inc.** ("**Lessee**") dated as of _____, 2025 (the "**Engine Lease Agreement**") regarding the leasing by Lessee of one (1) International Aero Engines model V2527-A5 aircraft engine bearing manufacturer's serial number V12844 with as-installed QEC, engine transportation stand and Engine Documentation (as more particularly set forth in the Engine Lease Agreement, the "**Engine**"). Terms used herein without definition have the meanings assigned in the Engine Lease Agreement.

Lessee hereby confirms to Lessor that:

- (i) on _____ (the "**Commencement Date**") at _____ am/pm at _____, Lessee accepted delivery of the Engine, as described in **Part I, point 1** of the Engine Lease Agreement and the Engine Documentation, as described in **Part I, point 13** of the Engine Lease Agreement; and
- (ii) **Annex I** hereto references all Parts and all Engine Documentation so received by Lessee.
- (iii) the Engine Flight Hours and Engine Flight Cycle information set forth below is true and correct:
Total Time Since New: 55,001.32 Engine Flight Hours
Time Since Repair: 26,244 Engine Flight Cycles
Total Cycles Since New: 25,155 Engine Flight Hours
Cycles Since Repair: 11,546 Engine Flight Cycles

IN WITNESS WHEREOF, Lessee has caused this Acceptance Certificate (ESN V12844) to be executed by its duly authorized representative on the date set forth above.

GLOBAL CROSSING AIRLINES, INC.

By: _____
Name:
Title:

Annex I to Appendix A - Acceptance Certificate

**ENGINE DOCUMENTATION
(ESN V12844)**

Engine Documentation is the electronic package provided by Lessor to Lessee prior to the Commencement Date of the Lease. The parts and other historical & technical information pertaining to the Engine shall be sent to Lessee or shall be accessible e.g. via portal access provided to Lessee by Lessor. This information is incorporated by reference hereby and contains the following items if available:

1. Certified (Hours & Cycles) Statement on Status of the Engine, including the cycle life remaining on each LLP.
2. Certified Status of FAA and EASA Engine Airworthiness Directives including Method of Compliance and proof of accomplishment of each AD.
3. Complete copy of last Shop Visit report including FAA 8130-3 and EASA Form 1 dual release certificates (return to service document).
4. LLP status
5. Condition Monitoring Report for the last three months Current Engine Borescope Report and video files.
6. Test Cell Run Report of last shop visit.
7. Signed statement as to the type of Engine oil used.
8. Signed Engine Non- Incident/Accident Statement
9. Engine Manufacturer Delivery Documents.
10. Current Service Bulletin Status Listing.
11. Complete Engine inventory (current listing).
12. Current engine logbook together with, if available, all historical engine logbooks (if available).
13. Record of last fan blade lubrication accomplished.
14. Actual EASA Form 1 or FAA Dual Release (return to service document).

Appendix B-1

**MONTHLY ENGINE UTILIZATION AND STATUS REPORT
(ESN V12844)**

Report Due Date: _____

To: **GRYPHON TRADING COMPANY, LLC**

FORWARD REPORT VIA E-MAIL TO: utilization@gryphonleasing.com

From:

Contact:

Telephone:

Fax:

1. LEASE:Lease Agreement ESN V12844
2. ENGINE TYPE: International Aero Engines V2527-A5
3. SERIAL NO. V12844
4. Month of: _____

5. UTILIZATION RECORD

Engine Position (on Aircraft) or other Location: _____

Flight Hours Flown During Month: Hours: _____ Minutes: _____ Flight Cycles
During Month _____

INSTALLATION/REMOVAL:

Date Installed: ____ Date Removed: _____

Make/Model/Serial no. of aircraft:

Original Position: _____ Actual Location: _____ Current Thrust

Rating: _____

Total Time Since New as of Last Month: Hours: _____ Minutes: _____ Total Cycles Since

New as of Last Month: _____ Cycles

6. MAJOR OR NON-ROUTINE REPAIRS/OCCURRENCES (If Applicable):

State if engine is operating satisfactorily:

yes ☐ no

(if no, give details under "Comments" below)

IN WITNESS WHEREOF, Lessee has caused this Engine Monthly Utilization and Status Report (ESN V12844) to be executed by its duly authorized representative on the date set forth above.

GLOBAL CROSSING AIRLINES, INC.

By: _____

Name:

Title:

Appendix B-2

ITEMS TO BE PROVIDED BY LESSEE ON REDELIVERY (ESN V12844)

On Redelivery, Lessee shall provide Lessor with the following:

a) Engine Serviceability Status to include:

- A copy of the Engine removal and serviceability status tag. The Engine status statement on this removal tag is expected to be "Removed Serviceable for Lease Return." Also include the Total Engine Time and Total Engine Cycles (TET and TEC) applicable to the Engine at removal, the Engine removal date and removal location, and the aircraft type, MSN & registration number from which the Engine was removed.

b) Open/ Deferred/Carry Forward Items:

- Documentation covering any Open items, Deferred Maintenance/MMEL or Carry Forward items. (If there are none, please provide an operator-certified statement to that effect—Ref. item 1 of Combination Statement attached.)

c) Engine Log Book:

- Provide the Engine log book delivered with the engine, or a complete copy of the Log Book. (If an Engine Log Book was not required or maintained provide a statement to that effect—Ref. item 2) of Combination Statement attached.)

d) Operator Aircraft Data to include:

- Total Aircraft Time and Total Aircraft Cycles (TAT and TAC) for each installation and removal.
- Engine position and Aircraft Registration Number and/or Aircraft MSN for each installation during lease term.
(See attached Installation and Removal History statement template.)

e) Operator - Certified Life Limited Parts (LLP) Status to include:

- P/N's and S/N's of installed LLPs.
- Current installed LLP limits by thrust category.
- Part Total Time and Cycles usage since new by thrust category.
- Part Cycles remaining by thrust category.
- Operator will provide an installation LLP Status Disk Sheet and a removal LLP Status Disk Sheet.

f) Operator - Certified FAA / EASA and Local Air Authority Airworthiness Directive (AD) Status to include:

- An Airworthiness Directive Status to include all applicable ADs.

g) Components replaced during the lease term:

- If any components and/or parts were replaced during the lease term, provide the respective FAA Form 8130-3 or EASA Form One. Also provide the component and/or part Time since New/Time since Overhaul (TSN/TSO) if available, Cycles since New/Cycles since Overhaul (CSN/CSO) if available and Engine TET/TEC or Total Aircraft Time (TAT) and Total Aircraft Cycles (TAC) and

date at the time of the part(s) installation. (If no parts were replaced please provide an operator-certified statement to that effect— Ref. item 4) of Combination Statement attached.)

h) QEC Certification

- Certification of any QEC / Components that have been changed during the lease term (See attached Accessory and QEC Inventory status at Delivery to Customer)

i) Technical Log Pages and Pilot Reports:

- Copies of the aircraft Technical log pages to include, at a minimum, the Engine installation and removal (A computerized print out of all the data is acceptable)

j) Unscheduled Maintenance Events and Inspection Reports:

- Provide copies of all non-routine maintenance

k) ECM Data to include:

- Provide the “Take-Off” and “Cruise” performance data and engine parameters for the duration of the Engine’s operation throughout the lease term. ECM Data Should include Delta Fuel Flow, Delta EGT, N1 & N2 Vibrations, De-rate and EGT Margin each month in Plot or Graph form not to exceed more than 40 day worth of flights.

l) Oil Data (Including): (Ref. item 8), 9), & 10) of Combination Statement attached.)

- Statement of oil type(s) used;
- Oil Analysis report and results (if applicable);
- Oil consumption and rate for the duration of the lease term

m) CIS Fuels and Fuel Additives:

- Indicate if the engine was ever operated using any CIS Fuels or Fuel Additives during the lease term. If so, identify the types and the duration of the respective operation(s). (If the Engine was not operated with CIS Fuels and/or Fuel Additives during the lease term please provide an operator- certified statement to that effect— Ref. item 11) of Combination statement attached.)

n) Operator-Certified Statement regarding Non-OEM approved Repairs:

- Provide a statement that no Non-OEM approved Repairs were performed on the Engine or its Installed QEC Kit. (Ref. item 13) of Combination statement attached.)

o) Operator-Certified Statement regarding Non-OEM approved PMA Parts:

- Provide a statement that no Non-OEM approved PMA Parts were installed and/or incorporated on the Engine during lease term (Ref. item nr 14) of Combination statement attached.)

p) “Declaration of Engine’s Operation and Maintenance” on Company Letterhead:

- Ref. item 15) of Combination statement attached.

q) Operator-Certified “No Abnormal Occurrences” Statement on Company Letterhead:

- Ref. item 16) of Combination statement attached.

r) **Operator-Certified “No Exceedance” Statement on Company Letterhead:**

- Ref. item 17) of Combination statement attached.

s) **Operator-Certified “Non-Incident” Statement on Company Letterhead:**

- See Engine Certification statement template attached.

t) **Full Video Borescope Inspection (BSI):**

- Accomplish a full gas path borescope inspection recorded on video to include a written borescope report. Provide a copy of video borescope and report to **Gryphon Trading Company, LLC**

u) **Serviceable Tag at Redelivery:**

- Redeliver engine with an FAA Form 8130-3 serviceability document.
- Should the engine be returned unserviceable, a removal tag will be issued only.

v) **Engine Records Delivered With the Engine at Lease Commencement:**

- Return any/all Original engine documents provided with the Engine at Delivery and all documentation (as copies) accomplished and created during the lease.

w) **Preservation of Engine:**

- Accomplish long term preservation of the engines Fuel and Oil System for long term storage per the instructions listed in the applicable Aircraft AMM and provide a copy of the Preservation Tag/documentation. Only applicable if condition of engines allows to do so.

Please forward the original engine records and history to: Lessor at Lessor’s address per the notice information to Lessor, or to such other location as directed by Lessor to Lessee.

Appendix B-3

(To be printed on Last Operator's letterhead)

**CERTIFICATION OF ENGINE SERVICEABILITY AT REMOVAL
(ESN V12844)**

To Whom It May Concern:

The International Aero Engines model V2527-A5 with ESN V12844 was removed in:

- ☐ Serviceable Condition **(include copy of removal tag and associated paperwork if generated)**
- ☐ Unserviceable Condition **(include copy of removal tag and all documentation associated with troubleshooting/work accomplished at removal)**

Engine status at time of Delivery to **GLOBAL CROSSING AIRLINES, INC.**

Engine Total Time: 55,001.32 Engine Flight
Hours Engine Total Cycles: 25,155 Engine Flight
Cycles

Date: , 2025

Engine status at time of Removal & Redelivery to **GRYPHON TRADING COMPANY, LLC**

Engine Total Time: [] Engine Flight
Cycles Engine Total Cycles: [] Engine
Flight Cycles

Date: __, 20__

IN WITNESS WHEREOF, Lessee has caused this Certification of Engine Serviceability at Removal (ESN V12844) to be executed by its duly authorized representative on the date set forth above.

GLOBAL CROSSING AIRLINES, INC.

By: _____
Name:
Title:

(Note - This document should be certified by an authorized person in QA or Engineering)

Appendix B-4

(To be printed on Last Operator's letterhead)

OPERATOR'S COMBINATION STATEMENT (ESN V12844)

This serves to confirm that during the lease term, operation and redelivery of one (1) International Aero Engines model V2527-A5 aircraft engine bearing serial number V12844 by **GLOBAL CROSSING AIRLINES, INC.**

1. There are Open Maintenance items, Deferred Maintenance, MMEL items and/or Carry Forward items outstanding on the Engine and its QEC Kit at redelivery. Yes ☐ No ☐ *If yes, please provide supporting documentation*
2. An Engine Log Book was maintained for ESN V12844: Yes ☐ No ☐ *If yes, please provide copy*
3. Alert Service Bulletins and/or Manufacturer's All Operator Wires were accomplished or complied with: Yes ☐ No ☐ *If yes, please provide supporting documentation*
4. Engine, Accessory and/or QEC Kit components were replaced. Yes ☐ No ☐ *If yes, please provide supporting documentation*
5. Unscheduled Maintenance and/or Inspections were performed during the lease term. Yes ☐ No ☐ *If yes, please provide supporting documentation*
6. Scheduled Maintenance and/or Inspections were performed during the lease term. Yes ☐ No ☐ *If yes, please provide supporting documentation*
7. Fan Blade Lubrication was accomplished. Yes ☐ No ☐ *If yes, please provide supporting documentation*
8. The Engine was serviced with Oil Type during the lease term
9. An Oil Analysis report was generated during the lease term. Yes ☐ No ☐ *If yes, please provide supporting documentation*
10. The Engine Consumption rate was during the lease term
11. The Engine was operated using CIS Fuels and/or Fuel Additives. Yes ☐ No ☐ *If yes, please list fuel type and duration*
12. Was the fuel used during lease term ever contaminated with Fatty Acid Methyl Ester (FAME) Reference FAA SPECIAL AIRWORTHINESS INFORMATION BULLETIN: NE-09-25R1? Yes ☐
No ☐ *If yes, please advise amount of FAME and corrective action*
13. Were any Non-OEM Approved Repairs performed on the Engine or its installed QEC during the lease term? Yes ☐ No ☐ *If yes, please provide supporting documentation*
14. Were any Non-OEM approved PMA parts installed and/or incorporated on the Engine or its installed QEC during the lease term? Yes ☐ No ☐ *If yes, please provide supporting*

documentation.

15. The engine was operated and maintained in accordance with the Engine and Aircraft manufacturer's practices, procedures and approved data and in accordance with the AMM. Yes ☐ No ☐ *If No provide details and supporting documentation for any Deviations from the Manufacturer's approved data*
16. Did the Engine experience any Abnormal Occurrences during lease term? Yes ☐ No ☐ *If yes, please provide supporting documentation*
17. Were any Engine Operating Limitations reached and/or exceeded during lease term? Yes ☐ No ☐ *If yes, please provide supporting documentation*
18. Engine Stand Information: Part Number D71TRO00005G01, Serial Number D71ST-220971-005

Engine status at time of Delivery to **GLOBAL CROSSING AIRLINES, INC.**

Engine Total Time: 55,001.32 Engine Flight
Hours Engine Total Cycles: 25,155 Engine Flight
Cycles

Date: , 2025

Engine status at time of Removal & Redelivery to **GRYPHON TRADING COMPANY, LLC**

Engine Total Time: [] Engine Flight
Cycles Engine Total Cycles: [] Engine
Flight Cycles

Date: __, 20__

IN WITNESS WHEREOF, Lessee has caused this Operator's Combination Statement (ESN V12844) to be executed by its duly authorized representative on the date set forth above.

GLOBAL CROSSING AIRLINES, INC.

By: _____
Name:
Title:

(Note - This document should be certified by an authorized person in Engineering)

Appendix B-5

To be printed on Last Operator's letterhead

**CERTIFICATION OF OPERATOR INSTALLATION AND REMOVAL HISTORY
(ESN V12844)**

To Whom It May Concern:

This is to certify that the certain one (1) International Aero Engines model V2527-A5 aircraft engine with ESN V12844 while operated by **GLOBAL CROSSING AIRLINES, INC.** had the following installation and removal history:

A/C Reg	Pos	TAT	TAC	Engine TSN	Engin e CSN	Thrus t Ratin g	Date	Install/Removal

* The above times are noted in decimals

IN WITNESS WHEREOF, Lessee has caused this Certification of Operator's Installation and Removal History (ESN V12844) to be executed by its duly authorized representative on the date set forth above.

GLOBAL CROSSING AIRLINES, INC.

By: _____
Name:
Title:

(Note - This document should be certified by an authorized person in QA or Engineering)

Appendix B-6

(Attach to Last Operator's letterhead with logo)

**CERTIFICATION STATEMENT
(ESN V12844)**

GLOBAL CROSSING AIRLINES, INC. certifies that, to the best of its knowledge, the one (1) used International Aero Engines model V2527-A5 aircraft engine bearing the manufacturer's serial number V12844 (the "**Engine**");

- Was not removed from an aircraft that was involved in an accident, incident, major failure or fire nor was the engine subjected to extreme stress or heat (e.g. engine failure, fire accident);
- Has not been immersed in salt water or otherwise exposed to corrosive agents outside normal operation; and
- Was not obtained from nor operated by any government or military sources.

Last Operator: **GLOBAL CROSSING AIRLINES, INC.**

EXECUTED ____/____/____
Month Day Year

IN WITNESS WHEREOF, Lessee has caused this Certification Statement (ESN V12844) to be executed by its duly authorized representative on the date set forth above.

GLOBAL CROSSING AIRLINES, INC.

By: _____
Name:
Title:

Appendix C

MODIFICATIONS TO MASTER AGREEMENT – REDELIVERY (ESN V12844)

Section 11 of the Master Agreement shall be modified to include the following on redelivery of the Engine:

1. Unless otherwise agreed and except in the case of a Total Loss on or prior to the Final Date, Lessee shall return the Engine together with all Engine Documentation originally delivered by Lessor and maintained or generated by Lessee during the Lease Agreement Term in accordance with Appendices B-2 through B-6 of the Lease Agreement to the Redelivery Location, free and clear of all Liens.
2. Unless return of the Engine due to Unserviceability pursuant to Section 4, on return, the Engine:
 - a. shall be complete, in serviceable condition (unless discovered unserviceable upon Redelivery inspection, MPA, or BSI for reasons not due to a Lessee Maintenance Event), and Lessee shall affix or cause to be affixed to the Engine at return a FAA 8130-3 serviceability document. The Engine shall be in the same configuration as when delivered to Lessee, and ready for flight with all equipment, accessories and systems fully functional, installed and operating within in -service limits and guidelines established by the relevant manufacturers, including any equipment, accessories or systems which would not otherwise be functioning due to an authorized deviation or variation. All pilot and maintenance log book reports and discrepancies shall be cleared and all systems shall be fully functional and operating within in-service limits and guidelines established by the relevant manufacturers. Engine may be returned with on-watch BSI items and reduced interval inspections;
 - b. shall be in compliance with all applicable Airworthiness Directives (that can be done on-wing) of the Engine which have an effective date (due date) for compliance prior to the expiration of the Term;
 - c. shall not have installed thereon any equipment, accessory or system that is owned by any person other than Lessor or such ownership being readily transferrable to Lessor;
 - d. shall not have installed any DER-approved repairs or PMA parts, except with respect to any non-OEM approved DER-approved repairs or non-OEM approved PMA parts already present on the Commencement Date; and
 - e. shall have been operated, maintained and used in accordance with the terms and conditions of this Agreement.
3. Lessor's Return Inspection: Within three (3) business days of return of the Engine to the Redelivery Location, Lessor shall inspect the Engine and the Engine Documentation which, may include a full video borescope, which Lessee shall have the opportunity to observe, prior to acceptance of the Engine for return from Lessee.
4. Unserviceability: Notwithstanding anything stated herein to the contrary, Lessee shall not be responsible for shop-level maintenance during Lease Term or discovered upon Redelivery which is required due to any reason other than costs resulting from :

(i) Lessee's negligent use and maintenance, (ii) foreign object ingestion, (iii) accidents, (iv) misuse, abuse, neglect, or faulty maintenance or operational mishandling of the Engine, or (v) operation of the engine beyond its published limits, ("**Lessee Maintenance Event**").

For avoidance of doubt, the shop-level maintenance required due to loss of performance, including but not limited to exhaust gas temperature performance, internal mechanical failures, DOD, borescope inspection findings, LLP expiry, Airworthiness Directives requirements (to be completed off-wing) and operational wear and tear will not be responsibility of the Lessee, other than Lessee Maintenance Events. Lessee's obligation to pay Rent in the event that the Engine is to be returned in Unserviceable condition pursuant to this Section 4 (*Unserviceability*) whether or not due to a Lessee Maintenance Event shall be as set forth in Part I, point 25 of this Lease Agreement ESN V12844.

In the event that shop-level maintenance of the Engine described above in this paragraph for which Lessee is not obligated under this Lease Agreement ESN V12844 to perform or pay becomes necessary, Lessee shall provide immediate written notice to Lessor describing the nature of the required maintenance.

Lessor shall within ten (10) days of receipt of such notice inspect the Engine. If Lessee is not obligated under the terms hereof to perform or pay for such maintenance, such maintenance is reasonably expected to cause the Engine to be removed from service for more than fourteen (14) consecutive days and Lessor refuses to pay for such maintenance that Lessee is not obligated to pay for, then Lessee or Lessor may terminate this Lease Agreement ESN V12844 and Lessee shall thereafter return the Engine to Lessor in accordance with the conditions set out in Appendix B-2 within fourteen (14) days; provided, however, that Lessee shall be excused from the obligation to perform a ground performance/power assurance run and to return the Engine in serviceable condition to the extent it is prevented from complying with such obligations on account of the circumstances described above in this paragraph.

In the case the Engine requires repair as a result of Lessee Maintenance Event or otherwise (i) in relation to a Lessee Maintenance Event, Lessee shall be responsible for shop-level maintenance of the Engine only for the Lessee Maintenance Event, including the cost of labor, repairs and material (including, but not limited to LLPs), that are required to restore the Engine and its modules and Parts impacted by the damage, and (ii) Lessee shall continue to be responsible for the payment of Rent without abatement for the period the Engine is unserviceable in the case of a Lessee Maintenance Event or otherwise in the case of any other maintenance or repairs for which Lessee is responsible . If the Engine undergoes a shop visit for repair caused by Lessee Maintenance Event and Lessee's Insurance is involved to cover such repair & shop visit costs, then Lessee will be entitled to reimbursement by Lessor only to the extent of any Engine Betterment cost resulting from work performed during such shop visit and which is not covered by Lessee's Insurance due to Engine Betterment ascertained by Insurers Surveyor.

Engine Betterment shall mean the difference between relevant Engine performance metrics including but not limited to EGT margin, predicted life on wing and LLP life , (a) in the case of a Lessee Maintenance Event, at the beginning, prior to the shop visit and the end of the shop visit as if the Lessee Maintenance Event had not occurred and (b) in the case of other repairs (including on-wing repairs) made by Lessee that are not made in connection with a Lessee Maintenance Event between the Commencement Date and the end of the Term. The calculation shall take into consideration the amount of flight hours the Engine has flown since last major shop visit (Overhaul / Performance Restoration) and if there is a significant betterment post shop or repairs in regards to remaining Engine on wing time. For avoidance of doubt Engine Betterment excludes costs related to Engine removal and installation, troubleshooting and QEC repair, removal, installation. A betterment payment shall be discussed and negotiated in good faith between the Lessee and Lessor. Prior to the

commencement of any shop-level work which may cause Engine Betterment, the workscope shall be pre-approved in writing by the Lessor.

5. The Agreement shall terminate upon the satisfaction by Lessee of all conditions precedent to return of the Engine as herein provided to Lessor's satisfaction, acting reasonably. Upon satisfaction of such conditions, Lessor shall accept return of the Engine and deliver to the Lessee a duly executed Engine Return Receipt in the form of Appendix F (*Engine Return Receipt*) to the Lease Agreement.

Appendix D

**TERMINATION OF LEASE AGREEMENT
(ESN V12844)**

pertaining to one (1) International Aero Engines model V2527-A5 aircraft engine,
Manufacturer's Serial Number V12844 ("**Engine**"),

WHEREAS, **Gryphon Trading Company, LLC** ("**Lessor**") entered into an Engine Lease Agreement ESN V12844 with **Global Crossing Airlines, Inc.** ("**Lessee**") as of ____, 2025, ("**Lease Agreement**"), pertaining to the Engine;

WHEREAS, the Lease Agreement was duly recorded on __, 2025 as Conveyance Number _with the Federal Aviation Administration Aircraft Registry ("**FAA**") pursuant to the Federal Aviation Act of 1958, as amended; and

WHEREAS, Lessor and Lessee desire to terminate the said Lease Agreement described herein;

THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt of which is hereby acknowledged, Lessor and Lessee agree as follows:

1. Lessor and Lessee hereby terminate the said Lease Agreement described herein effective __, 20__.
2. Lessor agrees to record this agreement with the FAA so as to release the lien against the Engine constituted by the Lease Agreement.

[Signature Page to Follow]

IN WITNESS WHEREOF, each of Lessor and Lessee has caused this Termination of Lease Agreement (ESN V12844) to be executed by its duly authorized representatives on the date set forth above.

LESSOR

GRYPHON TRADING COMPANY, LLC

By: _____

Title: _____

LESSEE

GLOBAL CROSSING AIRLINES, INC.

By: _____

Title: _____

Appendix E

CONDITIONS PRECEDENT (ESN V12844)

Annex 3 to the Master Lease shall be amended to read as follows:

1. Lessor shall have received the following prior to commencement of Lease Agreement ESN V12844:
 - a. A pdf executed copy of the Lease Agreement ESN V12844;
 - b. A pdf executed copy of the Acceptance Certificate in the form of Appendix A with an original to follow;
 - c. The insurance documentation required by 8.2.1 and Annex 4 of the Master Lease, as amended by Lease Agreement ESN V12844;
 - d. If in Lessor's opinion, necessary or appropriate to protect Lessor's interests herein, UCC assignments, releases and/or termination statements, where needed, relating to the Engine in the State of Delaware and/or the State of Florida;
 - e. A pdf executed undated Lease Termination in the form of Appendix D, with two (2) duly executed undated originals to follow;
 - f. Evidence of Lessee's air operator's certificate and any other licenses, certificates and documentation required for valid operation of the Engine;
 - g. Evidence that all documents as advised and required by the Federal Aviation Administration have been executed and positioned for filing with FAA counsel;
 - h. Security Deposit, as set forth in Appendix G (*Payment Terms*);
 - i. First payment of Rent, as set forth in Appendix G (*Payment Terms*);
 - j. Lessee authorizing Lessor to make all filings and registrations required including the International Registry if applicable;
 - k. Confirmation that the Lessee is a transacting user entity of the International Registry and that it has designated a professional user entity satisfactory to Lessor and consents to the registration of Lessor's and Lessee's respective international interests in the Engine, and any related associated rights, all pursuant to the Cape Town Convention;
 - l. if and when the Engine is placed on an aircraft in which the owner or party with an interest does not recognize the Lessor's ownership of the Engine that is installed on said owner's or party's aircraft, an original executed aircraft owner/mortgagor acknowledgment in the form of Appendix H (Form of Aircraft Owner/Mortgagee Acknowledgment) (and for the avoidance of doubt, Lessee shall not be required to provide an Aircraft Owner/Mortgagee Acknowledgment unless and until it places the Engine aboard an aircraft in which the owner or party with an interest in the aircraft does not recognize the Lessor's or any other of Lessor's Affiliates interest in the Engine);

- m. an officer's certificate from the Lessee reasonably acceptable to the Lessor certifying:
 - i. the constitutive documents of the Lessee as true, complete and up-to-date;
 - ii. confirmation that Lessee has approved, and is duly authorized to engage in, the transactions contemplated by the Lease; and
 - iii. a power of attorney or other evidence of incumbency identifying the officers that are authorized to execute the Lease Agreement on behalf of the Lessee.
 - n. such other documents, certificates and opinions and evidence of such other matters, as Lessor or its counsel may reasonably request; and
2. No event or circumstance which constitutes, or with the fulfillment of conditions would constitute, an Event of Default under the Agreement subsists on the Commencement Date under Lease Agreement ESN V12844, the Master Lease or any other aircraft or engine lease entered into between Lessor and Lessee.

Appendix F

**ENGINE RETURN RECEIPT
(ESN V12844)**

GRYPHON TRADING COMPANY, LLC ("Lessor") hereby acknowledges receipt at _____, 20__, of and accepts delivery of one (1) International Aero Engines model V2527-A5 aircraft engine, with manufacturer's serial number V12844, an engine transportation stand and Engine Documentation ("**Engine**") including those records and documents identified by attachment to this Engine Return Receipt from **GLOBAL CROSSING AIRLINES, INC. ("Lessee")**.

The Engine is accepted for Return in accordance with and subject to the terms of that Lease Agreement V12844 by and between Lessor and Lessee on __, 2025. The Lease Agreement V12844 is hereby terminated.

GRYPHON TRADING COMPANY, LLC
Lessor

By: _____

Title: _____

Date: _____

Time: _____

Appendix G

Payment Terms

1. **Deposit (Part 1, Point 7 of Lease Agreement ESN V12844):** One Hundred Thousand US Dollars (\$100,000) in immediately available funds.
2. **Term:** Twenty-Four (24) months commencing with the Commencement Date listed in the Acceptance Certificate through and including the Expiration Date; provided that the parties upon mutual agreement will have an option to extend the lease term for an additional twelve (12) month period upon sixty (60) days prior written notice.
3. **Rent (Section 8 of Lease Agreement ESN V12844):** Beginning on the Commencement Date, Rent shall be due in the amount of Eighty-Five Thousand US Dollars (\$85,000) per month, payable in advance on or prior to the first (1st) calendar day of each month, prorated for partial months.
4. **The payment account (Section 12 of Lease Agreement ESN V12844) shall be the following:** Beneficiary Bank: City National Bank
Bank Address: 2855 S. Le Jeune Road, Coral Gables, FL 33134 USA ABA
No.: 066004367
SWIFT: CNBFUS3M
Account No.: 30000680977
Beneficiary: Gryphon Trading Company LLC Spirit Account
Purpose: ESN V12844

or such other account as designated by Lessor in writing.
5. **Default Rate:** Eight percent (8%) per annum.
6. **Use Fee Flight Cycle Amount (Section 33 of Lease Agreement V12844):** Three Hundred Fifteen US Dollars (\$315) per Flight Cycle, payable in arrears per the Utilization Report on the 15th day of each calendar month for the prior calendar month of such utilization. The Use Fee Flight Cycle Amount shall escalate based upon the manufacturer's LLP catalogue list price annual escalation rate as published, to be applied on January 1 of each calendar year.
7. **Use Fee Flight Hour Amount (Section 34 of Lease Agreement V12844):** The amount set forth in the table below, taking into account utilization and thrust rating, payable in arrears per the Utilization Report on the 15th day of each calendar month for the prior calendar month of such utilization. The Use Fee Flight Hour Amount shall escalate at a rate of four percent (4%) to be applied on each calendar anniversary of the Commencement Date.

Utilization Ratio	Thrust V2527-A5
0.80 to 0.99	\$451.00
1.00 to 1.09	\$355.00
1.10 to 1.19	\$335.00
1.20 to 1.29	\$317.00
1.30 to 1.39	\$300.00
1.40 to 1.49	\$285.00

1.50 to 1.74	\$265.00
1.75 to 1.99	\$240.00
2.00 to 2.249	\$225.00
2.25 to 2.49	\$209.00
2.50 to 2.749	\$198.00
2.75 to 2.99	\$188.00
3.00 to 3.49	\$180.00
3.50 to 3.99	\$169.00
4.00+	\$162.00

8. **Stipulated Amount (Section 18 of Lease Agreement V12844):** Five Million US Dollars (\$5,000,000).
9. **Required Liability Amount (Section 39 of Lease Agreement V12844):** Seven Hundred Million US Dollars (\$700,000,000)
10. **Threshold Amount (Section 38 of Lease Agreement V12844):** One Hundred Fifty Thousand US Dollars (\$150,000)
11. **Deductibles (Section 40 of Lease Agreement V12844) shall be in the following amounts:**

Hull All Insurance: One Hundred Thousand US Dollars (\$500,000)

Lessor shall receive a certificate naming the insurance, as well as a certificate evidencing coverage for War Risk liability and physical damage to the Engine and the insurances shall name the Additional Indemnities as additional insured under the policies set forth herein.

Appendix H

**AIRCRAFT OWNER/MORTGAGEE ACKNOWLEDGMENT
(ESN V12844)**

[To be duly executed by each Owner / Mortgagee Thereof Prior to Installation]

To: **Gryphon Trading Company, LLC**

Date: _____, 2025

Re: One (1) International Aero Engines model V2527-A5 aircraft engine bearing manufacturer's serial number V12844 (the "**Engine**")

Dear Sirs:

We understand that you have leased the Engine to Global Crossing Airlines, Inc. (the "**Lessee**") and that it is proposed that the Engine may be installed on the [Manufacturer] model [Model] aircraft bearing Manufacturer's Serial Number [MSN] and registration mark [N-] (the "**Aircraft**").

We are the [(unencumbered) owner of] [hold a mortgage over] [*specify nature of the interest*] the Aircraft and have [leased the Aircraft to Lessee] and/or [hold a security interest in the Aircraft].

We hereby agree that we will recognize your rights and interests in, and the rights and interests of any holder of a security interest in, the Engine and we will not claim as against you or any such holder, any right, title or interest in the Engine as a result of its being installed on the Aircraft.

Yours faithfully,

By: _____

Name:

Title:

[NAME OF OWNER OR PERSON HAVING A SECURITY/OWNERSHIP INTEREST IN AIRCRAFT]

ENGINE LEASE GENERAL TERMS AGREEMENT

THIS ENGINE LEASE GENERAL TERMS AGREEMENT (this “**Agreement**”) is dated as of January 17, 2024, between **WWTAI AIROPCO 1 BERMUDA LTD.**, an exempted company incorporated and existing under the laws of Bermuda having its registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda (“**Lessor**”), and **GLOBAL CROSSING AIRLINES, INC.** a corporation formed under the laws of the State of Delaware whose principal place of business is at Bldg. 5A, Miami Int’l Airport, 4th floor, 4200 NW 36th Street, Miami, Florida 33166 (“**Lessee**”).

BACKGROUND

A. Lessor is owner and holder of title of certain aircraft engines that Lessee may desire to lease from time to time by entering into Leases (as defined below) with Lessor.

B. This Agreement sets forth certain common terms and conditions applicable to each Lease and will be incorporated by reference into, and made a part of, each such Lease.

AGREEMENTS

For and in consideration of the premises, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Lessor and Lessee hereby agree as follows:

Section 1. Definitions. The following capitalized terms used in this Agreement have the meanings set forth below:

“**Additional Insureds**” means, for the relevant Engine, the Persons identified in the applicable Equipment Schedule for such Engine.

“**Affiliate**” means each and any subsidiary or holding company of that party and each and any subsidiary of a holding company of that party or any business entity from time to time controlling, controlled by, or under common control with, that party and a business entity shall be deemed to “control” another business entity if it directly owns in excess of fifty percent (50%) of the outstanding voting securities or capital stock of such business entity.

“**AMM**” means the relevant aircraft maintenance manual.

“**Aviation Authority**” means the U.S. Federal Aviation Administration (“**FAA**”), the European Aviation Safety Agency (“**EASA**”) and any other applicable authority having jurisdiction in respect of the Engines.

“**Basic Rent**” means the monthly amount payable in advance on each Basic Rent Payment Date during the Lease Term for the Engine as set forth in the Equipment Schedule.

“**Basic Rent Payment Date**” shall mean, for the relevant Engine, the Delivery Date for such Engine and the first day of each following month during the Lease Term for such Engine.

“Business Day” means any day, other than a Saturday or Sunday, on which (i) the Federal Reserve Bank of New York and (ii) banks in Miami, Florida, are open.

“Cape Town Treaty” means, collectively, the official English language text of (i) the Convention on International Interests in Mobile Equipment, adopted on November 16, 2001, at a diplomatic conference in Cape Town, South Africa, (ii) the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment, adopted on November 16, 2001, at a diplomatic conference in Cape Town, South Africa, (iii) all rules and regulations adopted pursuant thereto and as in effect in the United States and (iv) with respect to each of the foregoing described in clauses (i) through (iii), all amendments, supplements and revisions thereto as in effect in the United States.

“Casualty Event” has the meaning given to such term in Section 12(b) hereof.

“Charged Moneys” has the meaning given to such term in Section 6(c) hereof.

“Claims” has the meaning given to such term in Section 14 hereof.

“Damage Calculation Date” has the meaning given to such term in Section 17(d) hereof.

“Damage Notification Threshold” means One Hundred Thousand U.S. Dollars (\$100,000).

“Default” means an Event of Default or any event or circumstance which, with the giving of notice, lapse of time, determination of materiality or fulfillment of any other condition, would constitute an Event of Default.

“Default Rate” means the rate of two percent (2%) per month.

“Delivery” means, for the relevant Engine, the actual delivery of such Engine to Lessee.

“Delivery Date” means, for the relevant Engine, the date that Lessor delivers or causes to be delivered such Engine to Lessee.

“Delivery Location” means, for the relevant Engine, the location set forth in the relevant Equipment Schedule.

“Delivery Receipt” means, for the relevant Engine, an engine delivery receipt in the form attached as Exhibit B.

“Deposit” means, for the relevant Engine, the amount as specified in the applicable Equipment Schedule.

“DOD” means damage to the components in the gas path of an Engine caused by the failure of Parts within the Engine itself.

“Dollar” or **“\$”** means the lawful currency of the United States of America.

“Engine” means any engine Lessor delivers to Lessee hereunder, as more particularly described in an Equipment Schedule supplemental hereto, together with all Parts on such Engine at the time it is delivered by Lessor to Lessee as listed on such Equipment Schedule.

“Engine Stand” means any engine stand delivered to Lessee pursuant to an applicable Equipment Schedule.

“Equipment Schedule” means each schedule supplemental hereto (incorporating this Agreement) describing, among other items, each Engine leased hereunder, Basic Rent, Supplemental Rent and Deposit for such Engine, the Term Expiry Date and the Replacement Value and any other pertinent information necessary for the leasing of the Engine hereunder, substantially in the form of Exhibit A hereto.

“Event of Default” means the occurrence of any of the events specified in Section 16 herein.

“Excluded Event” means an accident or incident caused by misuse, abuse or neglect of Lessee or any other Person (but excluding Lessor) including, but not limited to, improper maintenance or operation, incorrect or unauthorized settings, overspeed, overtemperature operation, FOD, accidents or any other causes, whether or not involving the fault of Lessee.

“FOD” means damage to an Engine caused by a foreign object.

“Indemnified Parties” has the meaning given to such term in Section 14 hereof.

“International Interest” has the meaning ascribed to the defined terms “international interest” or “prospective international interest” under the Cape Town Treaty.

“International Registry” means the international registry established pursuant to the Cape Town Treaty.

“Lease” means, for the relevant Engine, the Equipment Schedule for such Engine (incorporating this Agreement).

“Lease Term” means, for the relevant Engine, the term beginning on the Delivery Date for such Engine and ending on the Redelivery Date for such Engine.

“Lessee Document” means any document Lessee delivers to Lessor hereunder or in connection herewith including, but not limited to, this Agreement, each Equipment Schedule, Delivery Receipt.

“Liens” has the meaning given to such term in Section 8(b) hereof.

“LLP” means those Parts, defined by the engine manufacturer and/or the Aviation Authority as requiring retirement and subsequent replacement on a mandatory basis prior to, or upon the expiration of, the engine manufacturer’s certified life, such life being expressed in terms of cycles, flight hours, landings or calendar time, as applicable.

“**MPA**” means a maximum power assurance run conducted at full take-off power or the highest thrust setting allowable per the AMM test procedures.

“**OFAC**” has the meaning given to such term in Section 7(b) hereof.

“**Part**” means, for the relevant Engine, (i) all appliances, components, parts, instruments, appurtenances, accessories, furnishings and other equipment and additions of whatever nature furnished with, installed on or appurtenant to such Engine at Delivery, which may from time to time be removed, incorporated or installed in or attached to such Engine and (ii) any other appliance, component, part, instrument, appurtenance, accessory, furnishing or other equipment or addition of whatever nature, title to which has, or should have, passed to Lessor pursuant to this Agreement.

“**Payee**” has the meaning given to such term in Section 5(c) hereof.

“**Person**” means any individual person, corporation, partnership, firm, joint stock company, limited liability company, joint venture, trust, estate, unincorporated organization, association, government entity, or organization or association of which any of the above is a member or a participant.

“**Recognition of Rights Agreement**” means an agreement in the form attached as Exhibit H.

“**Redelivery**” means, for the relevant Engine, the actual redelivery of such Engine and all records associated therewith which have been accurately updated to Lessor.

“**Redelivery Date**” means, for the relevant Engine, the date on which Lessee returns such Engine to the Redelivery Location in a condition which complies with all such requirements of this Agreement.

“**Redelivery Location**” means, for the relevant Engine, the location where Redelivery of such Engine shall take place, as specified in the relevant Equipment Schedule.

“**Redelivery Receipt**” means, for the relevant Engine, an engine redelivery receipt in the form attached as Exhibit C.

“**Replacement Value**” means, for the relevant Engine, the amount specified for such Engine in the relevant Equipment Schedule relating thereto.

“**Representatives**” has the meaning given to such term in Section 20(k) hereof.

“**Secured Liabilities**” has the meaning given to such term in Section 6(c) hereof.

“**Supplemental Rent**” means, for the relevant Engine, the amount payable for utilization of such Engine which shall be due as set forth in the relevant Equipment Schedule relating thereto.

“**Supplemental Rent Payment Date**” means, for the relevant Engine, the fifteenth (15th) day of the month following the month in which utilization of such Engine occurs; provided that

if the fifteenth (15th) day of a month is not a Business Day, such payment shall be made on the immediately preceding Business Day.

"Taxes" means all present and future taxes, levies, imposts, duties or charges in the nature of taxes, whatever and wherever imposed, including customs duties, value added taxes, ad valorem or similar taxes and any franchise, transfer, sales, use, business, occupation, excise, personal property, stamp or other tax or duty imposed by any national or local taxing or fiscal authority or agency, together with any withholding, penalties, additions to tax, fines or interest thereon or with respect thereto.

"Term Expiry Date" means, for the relevant Engine, the date set forth for such Engine in the relevant Equipment Schedule relating thereto on which it is intended that the Lease Term will expire.

"Unserviceable" means, with respect to any Engine, a condition that renders such Engine ineligible for an FAA Form 8130-3 dual release serviceable tag and/or an EASA Form 1 serviceable tag.

"Unserviceable Notice" has the meaning given to such term in Section 10(a) hereof.

"U.S. Trade Control Laws" has the meaning given to such term in Section 7(b) hereof.

Section 2. Lease of Engine. Lessor hereby agrees to lease each Engine to Lessee and Lessee hereby agrees to lease each Engine from Lessor, subject to and in accordance with the terms hereof and the terms of the relevant Equipment Schedule.

Section 3. Delivery.

(a) **Delivery and Acceptance.** Lessor, at Lessor's expense, will deliver each Engine to Lessee on the Delivery Date at the Delivery Location specified in the applicable Equipment Schedule. Prior to Delivery, Lessee or any of its respective appointed contractors shall be entitled to perform and, if performed, shall have completed an inspection of the Engine, including, review of the most recent borescope inspection. On Delivery, the Engine will have an FAA Form 8130-3 dual release serviceable tag and/or an EASA Form 1 serviceable tag affixed to it. Immediately upon receipt of an Engine, Lessee shall execute and deliver to Lessor, and Lessor shall acknowledge, a Delivery Receipt for such Engine.

(b) **Lessor Conditions Precedent to Delivery.** Delivery by Lessor to Lessee of an Engine on the Delivery Date is subject to receipt by Lessor prior to Delivery (or, in the case of the Delivery Receipt, at Delivery) of the following (except to the extent that Lessor agrees in writing in its absolute discretion to waive or defer any such condition):

- (i) Lessor shall have received the first installment of Basic Rent;
- (ii) Lessor shall have received the Deposit;

(iii) Lessor shall have approved the credit and Patriot Act/“Know Your Customer” due diligence of Lessee;

(iv) Lessor shall have received this fully executed Agreement, the relevant Equipment Schedule and Delivery Receipt from Lessee;

(v) Lessor shall have received the insurance certificates required pursuant to Section 15 below;

(vi) Lessor shall have received a certified copy of a resolution of the relevant corporate body of Lessee approving the terms of, and the transactions contemplated by, this Agreement, each Equipment Schedule and any other Lessee Document to which Lessee is a party, resolving that it enter into the Lessee Documents to which it is a party, and authorizing a specified individual or individuals to execute the Lessee Documents to which it is a party and accept delivery of each Engine or such other written evidence of appropriate corporate action, duly authorizing the leasing of the Engines and the execution, delivery and performance of the Lessee Documents to which Lessee is a party;

(vii) Lessor shall have received evidence of the appointment of an agent for service of process for Lessee;

(viii) If requested by Lessor, Lessor shall have received a legal opinion from in-house or independent counsel to Lessee and any Permitted Sub-Lessee regarding the due authorization, execution and delivery by Lessee of the Lease and, if applicable, a Sub-Lessee Consent by Permitted Sub-Lessee of the Permitted Sublease, and regarding the registration of the International Interests pursuant to the Cape Town Treaty and (if applicable) Aviation Authority;

(ix) the representations and warranties made by Lessee in the Lessee Documents shall be true and correct on and as of the Delivery Date for each Engine as though they were made on and as of such date; and

(x) Lessor shall have received an executed Delivery Receipt.

(c) Lessee Conditions Precedent. Lessee’s obligations under this Agreement in respect of the lease of any Engine are subject to receipt by Lessee of the following (except to the extent that Lessee agrees in writing in its absolute discretion to waive or defer any such condition):

(i) Lessee shall have received the relevant Engine having a valid serviceable tag issued by the FAA or EASA, as described in Section 3(a) above;

(ii) Lessee shall have received a fully executed Equipment Schedule;
and

(iii) Lessee shall have received the Engine documentation required at Delivery set out in Part 1 of Exhibit D.

Section 4. Records. On the Delivery Date, Lessor will deliver to Lessee all available digital records for the relevant Engine as specified in the Equipment Schedule.

Section 5. Rental; Taxes.

(a) Lessee shall pay Lessor the following amounts specified in each applicable Equipment Schedule: (i) Basic Rent, payable monthly in advance on each Basic Rent Payment Date and (ii) Supplemental Rent, payable monthly in arrears on each Supplemental Rent Payment Date.

(b) Each of the Supplemental Rent rates set forth in any Equipment Schedule shall escalate as set forth in the relevant Equipment Schedule. In addition to the annual escalation, the Supplemental Rent rates may be modified (upwards or downwards) by Lessor (as it shall determine in its reasonable discretion) during the term of the relevant Lease (i) for market changes or changes in Lessee's operation of the Engine, including (but not limited to) changes from the assumed annual utilization and stage length, and changes in route structure which result in repetitive operations in harsh environments, such as high altitude airports, (ii) for changes in MRO market pricing for shop visits or any qualifying maintenance event on engines or (iii) if Lessor determines that the Supplemental Rent rates do not adequately protect Lessor in respect of expected future maintenance.

(c) All rental rates are exclusive of Taxes, which shall be paid by Lessee. Lessee agrees that all payments by Lessee pursuant to any Lease 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 applicable law, and in the event any withholding from any such payment is required by any applicable law, Lessee shall:

(i) pay to the Person entitled to receive such payment (the "Payee") such additional amount as is required so that the Payee receives, after such withholding, the amount that the Payee would have received if such withholding had not been required;

(ii) pay the amount required to be withheld to the proper governmental authority or taxing authority in a timely and proper manner;

(iii) deliver to the Payee, within thirty (30) days after the date on which such payment is paid, a withholding certificate which (A) is addressed to the Payee and executed by an officer of Lessee, (B) states the amount of the payment, the applicable rate of withholding, and the amount withheld, (C) identifies the Tax or other charge withheld and the law which requires such withholding, (D) identifies the governmental authority or taxing authority to which the amount withheld has been paid, (E) states that the amount withheld has been properly paid to such governmental authority or taxing authority, and

(F) includes as an attachment a certified copy of the receipt issued by the governmental authority or taxing authority to which the amount withheld was paid if such receipt is reasonably obtainable from such governmental authority or taxing authority; and

(iv) indemnify the Payee against any and all liabilities losses, costs and expenses incurred by the Payee as a result of any failure of Lessee to comply with the provisions of this Section 5(c).

(d) Taxes. Lessee will indemnify, defend, and hold the Indemnified Parties harmless from and against any and all Taxes of whatsoever kind or nature (including, without limitation, costs or expenses incurred in connection with all Taxes and withholdings with respect thereto) that may be assessed against, chargeable to, or collectible from either Lessee or Lessor by any taxing authority, foreign, federal, state, or local, based upon, levied, or assessed with respect to the leasing, operation, possession or use of the Engine pursuant to this Agreement except for (i) corporation, income, profits, net gains, turn over and similar taxes on the income of Lessor or (ii) taxes which are unrelated to or would have been suffered or incurred in the absence of this Agreement and the transactions contemplated hereby. Upon demand of any governmental authority for payment of any such Taxes, Lessor will immediately notify Lessee and Lessee will pay the same; provided, however, that in the event that Lessor is required to pay the same, Lessor will invoice Lessee for the amount of such Taxes paid by it and Lessee will reimburse Lessor for such amount, within fourteen (14) days of such invoice or, if later, when the relevant authority requires payment or if the amount is being contested, when such dispute has been resolved. If (i) a contest of any claim for Taxes does not involve any material risk of the sale, forfeiture or loss of the relevant Engine or any material risk of any criminal liability to any Indemnified Party, (ii) Lessee has provided an opinion of independent tax counsel addressed to the Indemnified Parties (if required by Lessor) confirming that a reasonable basis exists for contesting such claim for Taxes and (iii) adequate reserves have been made by Lessee for the payment of such Taxes or, if required by Lessor (acting reasonably), an adequate bond has been posted by Lessee in respect thereof, then Lessor at Lessee's written request will, in good faith, with due diligence and at Lessee's expense, contest (or permit Lessee to contest in the name of such Indemnified Party) the validity or amount of such claim for Taxes.

(e) Net Lease. This Agreement is a net lease. Lessee's obligation to pay hereunder shall be absolute and unconditional and shall not be affected or reduced by any event or circumstance, including, without limitation: (i) any setoff, counterclaim, recoupment, defense or other right that Lessee may have against Lessor or any other Person or entity for any reason whatsoever; (ii) any defect in airworthiness, condition, design, operation or fitness for use of, or any damage to or loss or destruction of, the relevant Engine; (iii) the invalidity or unenforceability or lack of due authorization or other infirmity of this Agreement or any absence of right, power or authority of Lessor or Lessee to enter into this Agreement; (iv) any insolvency, bankruptcy, reorganization or similar proceedings by or against Lessor or Lessee or any other Person or entity; or (v) any other circumstance, happening or event whatsoever, whether or not similar to the foregoing. Nothing in this Section 5(e) shall be deemed to constitute a waiver of, or prevent Lessee from, asserting any claim against Lessor by way of appropriate proceedings; provided, however, Lessee shall not deduct the amount of any such claim from any payment due and payable by Lessee to Lessor hereunder.

(f) Termination. If for any reason whatsoever this Agreement shall be terminated in whole or in part by operation of law or otherwise, other than (i) in accordance with the terms of this Agreement or (ii) due to an act or omission of or breach of this Agreement by Lessor or as otherwise specifically provided herein, Lessee shall nonetheless pay an amount

equal to each Basic Rent payment at the time such payment would have become due and payable in accordance with the terms hereof had this Agreement not been terminated in whole or in part.

Section 6. Payment; Deposit.

(a) Payment. Subject to the provisions of this Agreement, all payments to Lessor by Lessee hereunder shall be made in immediately available Dollars to the following account:

Bank:	Bank of America, N.A.
IBAN/ABA #:	026009593
Swift Code:	BOFAUS3N
Acct #:	446024537171
RE:	ESN [MSN] Lease
Account Name:	WWTAI AirOpCo 1 Bermuda Ltd.

or such other account as Lessor may direct from time to time in writing. Any amounts not paid when due shall bear simple interest at the Default Rate from the due date until paid. Lessee shall reimburse Lessor for reasonable and substantiated attorneys' fees and other legal expenses incurred by Lessor for the purpose of attempting to collect any past due sums payable by Lessee hereunder or for the purpose of repossessing an Engine following the expiration of the Lease Term for such Engine.

(b) Deposit.

(i) The Deposit for an Engine shall be held as a security deposit under the terms of this Agreement. Lessee agrees that Lessor shall be entitled to commingle the Deposit with Lessor's general or other funds, and Lessor will not hold any such funds as agent or on trust for Lessee or in any similar fiduciary capacity. For the avoidance of doubt, no interest shall be payable, nor shall accrue, on the Deposit.

(ii) Provided no Event of Default has occurred and is continuing, Lessor shall pay the Deposit for an Engine or such part which Lessor holds to Lessee within five

(5) Business Days of the Redelivery Date for such Engine.

(c) Notwithstanding the intent of Lessor and Lessee stated in this Section 6, if and to the extent that the Deposit and/or Supplemental Rent, or any part thereof, under any applicable law or otherwise, is determined to be security deposits or otherwise the property of Lessee or a debt owed to Lessee, or that Lessee will have any interest in the Deposit and/or Supplemental Rent, then Lessee and Lessor agree that the below will apply to the Deposit and/or Supplemental Rent (as the case may be) (collectively, the "**Charged Moneys**"):

(i) to the fullest extent permitted by law and by way of continuing security, Lessee grants a Lien in the Charged Moneys and all rights of Lessee to payment thereof, the debt represented thereby and all interest thereon and/or any and all interest of Lessee therein to Lessor by way of first priority Lien as security for Lessee's obligations and liability under any Lease or any other agreement between Lessor and Lessee (the

“**Secured Liabilities**”). Except as expressly permitted under this Agreement, Lessee will not be entitled to payment of the Charged Moneys. Lessee will not assign, transfer or otherwise dispose of all or part of its rights or interest in the Charged Moneys and Lessee agrees that it will enter into any additional documents and instruments necessary or reasonably requested by Lessor to evidence, create or perfect Lessor’s rights to the Charged Moneys; and

(ii) if any Event of Default has occurred and is continuing, Lessor may immediately or at any time thereafter (so long as such Event of Default is continuing), without prior notice to Lessee, (A) offset all or any part of the Secured Liabilities against the liabilities of Lessor in respect of the Charged Moneys, or (B) apply or appropriate all or any part of the Charged Moneys in or towards the payment or discharge of any Secured Liabilities in such order as Lessor sees fit. Upon any offset or application of any portion of the Charged Moneys to the Secured Liabilities, Lessee will immediately pay to Lessor an amount equal to the amount of the Charged Moneys so offset or applied.

The exercise by Lessor of the rights described in this Section 6(c) shall not be deemed to cure any Event of Default on the part of Lessee (under this Agreement or any other agreement between Lessee and Lessor which has occurred and is continuing), nor shall such exercise prevent Lessor from exercising any of its rights with respect to such Event of Default under Sections 16 and 17 immediately upon such rights becoming exercisable or at any time thereafter.

Section 7. Covenants.

(a) Use and Operation. Except as otherwise provided herein, each Engine shall be operated only by Lessee and shall continuously remain in the possession and control of Lessee except during periods of maintenance or transportation incident thereto. Lessee shall transport each Engine during the relevant Lease Term in accordance with the manufacturer’s published requirements and recommendations. If Lessee fails to transport or cause the transportation of an Engine as herein provided, such Lessee shall cause such Engine to be inspected and tested for bearing and/or related damage in accordance with the manufacturer’s recommended procedures, at Lessee’s expense, including, but not limited to, transportation of such Engine to an FAA/EASA approved shop, as well as the cost of any necessary repairs. Lessee shall operate or cause the operation of each Engine, in accordance with the recommendations of the manufacturer thereof and otherwise in a lawful, safe, and prudent manner. All operations of an Engine shall be properly recorded in the records for such Engine, which records shall be maintained in English at all times. At all times during which an Engine is off-wing, Lessee will, at its sole cost and expense, store and preserve such Engine in accordance with the AMM and the applicable manufacturer’s recommended storage program at one of Lessee’s principal maintenance facilities (or such other location as Lessor and Lessee may agree) and to maintain all insurance with respect to such Engine.

(b) Compliance with Law.

(i) This Agreement shall be subject to all United States executive orders, laws, rules and regulations now or hereafter applicable to the parties to (or any of their Affiliates), or subject matter of, this Agreement, including, but not limited to, all laws and regulations relating to: (A) economic, trade and financial sanctions, including, but not limited to, those administered or enforced by the Office of Foreign Assets Control of the U.S. Department of Treasury (“**OFAC**”) or the U.S. Department of State; (B)

export and re-export controls, including, but not limited to, the Export Administration Regulations and those administered or enforced by the U.S. Department of Commerce or U.S. Department of State; (C) anti-corruption, including but not limited to, the U.S. Foreign Corrupt Practices Act of 1977, as amended; (D) any other law of similar effect or that relates to U.S. trade controls or anti-corruption (collectively, and as amended from time to time, “**U.S. Trade Control Laws**”); and (E) similar export control laws, regulations and orders of other jurisdictions to the extent applicable to any activity conducted in furtherance of this Agreement.

(ii) Lessee will comply in all respects with all applicable U.S. and non-U.S. laws, ordinances, rules, regulations and orders of all governmental authorities relating to the ownership, installation, operation, movement, marketing and maintenance of the Engines. Lessee will not cause or permit the Engines to be flown or transported to, or stop in, any airport, country, or territory, or otherwise marketed in such a manner, if so doing would cause Lessor, or any Affiliate of Lessor, to be in violation of any law, rule, regulation or decree of the United States, the European Union, the United Kingdom, United Nations or any other country or political sub-division thereof or trans-national body having jurisdiction over Lessee, Lessor, any Affiliate of Lessor or Lessee, or the Engines or any airframe upon which an Engine may, from time to time, be installed, including without limitation U.S. Trade Control Laws.

(iii) To this effect, Lessee acknowledges that the Engines are subject to U.S. Trade Control Laws and Lessee shall not assign this Agreement or sublease an Engine to any Person that is or subsequently becomes: (A) a target of U.S., European Union, United Kingdom, United Nations or other economic, financial or trade sanctions in force from time to time; (B) named, identified or described on any blocked Persons list, specially designated nationals list, prohibited Persons list, or other official list of restricted Persons with whom U.S., European Union or United Kingdom or United Nations Persons, or Persons otherwise subject to the jurisdiction of the U.S., the European Union, the United Kingdom or the United Nations may not conduct business, including, but not limited to, restricted party lists published or maintained by (1) OFAC, (2) the U.S. Department of Commerce, (3) the U.S. Department of State, (4) the European Union or (5) His Majesty’s Treasury of the United Kingdom; or (C) organized under the laws of or ordinarily resident in a country subject to comprehensive sanctions administered by the U.S., European Union, United Kingdom, which currently comprise the Crimea region of Ukraine, the so-called Donetsk People's Republic and Luhansk People's Republic regions of Ukraine, Cuba, Iran, North Korea and Syria (each a “**Sanctioned Country**”); (D) the government of a Sanctioned Country; or (E) owned or controlled by, or an actor on behalf of, any Person described in clauses (A), (B), (C) or (D) (collectively, “**Sanctioned Persons**”).

(iv) Lessee is not and shall not subsequently become a Sanctioned Persons.

(v) Lessee shall not use the Engine for flights to, from, or transiting in any Sanctioned Country, except that Lessee may use the Engine for flights between the United States and Cuba that Lessee operates that are permitted by the U.S. Department of Transportation pursuant to Order 2022-6-1, provided that Lessee's flights between the United States and Cuba comply with all applicable U.S. laws, including without limitation the U.S. Trade Control Laws. Lessee shall not use the Engine for any other

flights to, from, or transiting Cuba.

(vi) Lessee has implemented and maintains in effect policies and procedures reasonably designed to ensure compliance by Lessee, its subsidiaries, and its and their respective directors, officers, employees and agents with this Section 7(b), including restricted party screening of all counterparties. Lessee, its subsidiaries, and to the knowledge of Lessee, its and their respective directors, officers, employees, and agents are not engaged in any activity that would reasonably be expected to result in Lessor being in violation of U.S. Trade Control Laws or European Union or United Kingdom export control or economic sanctions laws and regulations.

(c) Repair and Maintenance. At its sole expense, Lessee shall cause field-level maintenance to be performed on each Engine in accordance with all applicable requirements and mandatory recommendations of the manufacturer thereof, and shall promptly repair or procure the repair of any damage to an Engine occurring during the Lease Term for such Engine originating from or caused by an Excluded Event. Lessee shall not be liable for damage and any cost of repair resulting from normal wear and tear and LLP life expiration and should any airworthiness directives be required during the Lease Term for an Engine, Lessee shall only be responsible for any on-wing related expenses. Lessee shall cause all maintenance of, and repairs to, an Engine to be recorded in the records for such Engine. Each accessory, part, or component installed on an Engine in connection with a repair shall be identical in manufacturer and part number to the Part which it replaces, shall be in serviceable condition, as evidenced by an FAA Form 8130-3 or EASA Form One, as applicable, and a replacement life-limited or "hard-time" item shall have a value and remaining life equal to or greater than the value and remaining life of the replaced item. Lessee will ensure that all replacement parts will be free and clear of all Liens. Upon installation on an Engine, title to such replacement parts shall immediately vest in Lessor. Lessee shall monitor each Engine in accordance with its trend monitoring program and follow the procedures of such program to troubleshoot and correct any alarm conditions.

(d) Reports and Inspection. Lessee shall report to Lessor in writing, by the tenth (10th) day of each month, the number of hours and cycles an Engine has been operated and other information regarding the location, condition, aircraft upon which such Engine is installed, operation, performance and maintenance of such Engine as Lessor may reasonably request, substantially in the form of Exhibit E. Lessor shall also provide Lessee with access to Lessor's online portal where such data with respect to each Engine may be uploaded. Lessee shall also provide monthly trend reports, records of any maintenance performed during the previous month and monthly flight logs showing the airports to and from which an Engine was operated. Lessee shall, as soon as practical, report to Lessor all information regarding any incident, accident or abnormal occurrence (including but not limited to EGT exceedance, surge/compressor stall, hung start, hot start, high oil consumptions, overspeed, bird strike or similar event) which may have been caused in whole or in part by the condition, operation or performance of such Engine and which involves actual or potential loss of or damage to such Engine or to other property, or injury to or death of any Person. Lessee shall cooperate with any investigation of such incident, accident or abnormal occurrence by Lessor or its representatives. At all reasonable times and on

reasonable notice, including but not limited to the Redelivery process, Lessor and its representatives shall have the right to inspect such Engine while in the possession of Lessee or others and to examine all log books and other records reflecting the operation and maintenance of such Engine.

(e) Nameplates/Thrust-rating Change Authorization. Lessee shall maintain or cause to be maintained the nameplates attached to each Engine at the relevant Delivery Date and ensure that the same are not removed, covered, painted over or modified. Any change in thrust rating shall require the written consent of Lessor and Lessee shall return such Engine to the original thrust rating as when delivered, unless otherwise agreed to in advance in writing by Lessor.

(f) Financial Statements. Upon Lessor's request from time to time, Lessee will provide Lessor with the latest financial statements of Lessee, including the balance sheets with audited statements of income and retained earnings of Lessee.

Section 8. Representations and Warranties of Lessee. Lessee represents and warrants as follows as of the date hereof and as of the date of each Delivery Date:

(a) Due Organization. Lessee is duly organized, existing and in good standing under the laws of its jurisdiction and has the power and authority to carry on its business as presently conducted and to perform its obligations hereunder;

(b) Due Authorization. This Agreement has been duly authorized by all necessary action on the part of Lessee, and neither the execution and delivery hereof nor the consummation of the transactions contemplated hereby, nor compliance by Lessee with any of the terms hereof will contravene any applicable law or result in any breach of, or constitute any default under, or result in the creation of any lien, security interest, claim, right of detention, mortgage or encumbrance ("**Liens**") upon any property of Lessee under, any credit agreement or instrument, corporate charter or by-law or other agreement or instrument to which Lessee is a party or by which Lessee or its properties or assets are bound or affected;

(c) Consent. Lessee has received every consent, approval or authorization, and has given every notice, that is required for Lessee to execute and deliver this Agreement and any Equipment Schedule, and to perform the transactions contemplated hereby and thereby (including all monetary and other obligations hereunder) and all of which remain valid and effective;

(d) Licenses. Lessee holds all valid licenses, certificates and permits from all applicable governmental authorities for the conduct of its business and performance of its obligations under this Agreement and the other Lessee Documents;

(e) Litigation. There are no suits or proceedings taking place, pending or, to the knowledge of Lessee, threatened in any court or before any arbiters, regulatory commission, board or other administrative or governmental agency in any jurisdiction against or affecting Lessee which relate to the Engines or the transactions contemplated by the Lessee Documents or which, if adversely determined, could reasonably be expected to have an adverse effect on the ability of Lessee to fulfill its obligations under the Lessee Documents;

(f) Due Execution. This Agreement has been duly executed and delivered by Lessee, and this Agreement does, and each Equipment Schedule, when executed and delivered by

Lessee will, constitute legal, valid and binding obligations of Lessee, enforceable in accordance with their respective terms;

(g) Accounts. The latest financial statements of Lessee, including the balance sheets and audited statements of income and retained earnings of Lessee, present fairly the financial position and operations of Lessee, and subsequent to the conclusion of the last such period, there has been no material adverse change in such position or operations;

(h) Registration.

(i) Except for the filing and recordation of this Agreement and any Equipment Schedules with the Aviation Authority and any registrations on the International Registry requested by Lessor, it is not necessary or advisable under the laws of Lessee's jurisdiction in order to ensure the validity, effectiveness and enforceability of this Agreement against Lessee or to establish, perfect or protect the property rights of Lessor in the relevant Engine, that this Agreement or any other instrument relating thereto be notarized, filed, registered, recorded, enrolled in any court, public office or elsewhere or that any Tax be paid or that any other action be taken or if any such filings, registrations, recordings or other actions are necessary or advisable, the same have been effected or will have been effected on or before the Delivery Date by Lessee, at Lessee's cost; and

(ii) under the laws of Lessee's jurisdiction, the right, title and interests of Lessor in the relevant Engine have been and will be on each Delivery Date throughout the full Lease Term fully established, perfected and protected;

(i) Sovereign Immunity. Lessee is subject to civil commercial law with respect to its obligations under this Agreement; neither Lessee nor any of its assets is entitled to any right of immunity and the entry into and performance of this Agreement by Lessee constitutes private and commercial acts; and

(j) Sanctions. Neither Lessee nor any of its affiliates is: (i) a target of U.S., European Union, United Kingdom, United Nations or other economic, financial or trade sanctions in force from time to time; (ii) named, identified or described on any blocked persons list, specially designated nationals list, prohibited persons list, or other official list of restricted persons with whom U.S., European Union, United Kingdom or United Nations persons, or persons otherwise subject to the jurisdiction of the U.S., the European Union, the United Kingdom or the United Nations may not conduct business, including, but not limited to,

restricted party lists published or maintained by (A) U.S. Treasury Department's Office of Foreign Assets Control, (B) the U.S. Department of Commerce, (C) the U.S. Department of

State, (D) the European Union or (E) His Majesty's Treasury of the United Kingdom; or (iii) owned or controlled by, or an actor on behalf of, any person described in clauses (i) or (ii).

Section 9. Representations and Warranties of Lessor. Lessor represents and warrants as follows as of the date hereof and as of the date of each Delivery Date:

(a) Due Organization. Lessor is a company duly organized, existing and in good standing under the laws of its jurisdiction and has the power and authority to carry on its business as presently conducted and to perform its obligations hereunder;

(b) Due Authorization. This Agreement has been duly authorized by all necessary action on the part of Lessor, and neither the execution and delivery hereof nor the consummation of the transactions contemplated hereby, nor compliance by Lessor with any of the terms hereof will contravene any applicable law or result in any breach of, or constitute any default under, or result in the creation of any Liens upon any property of Lessor under, any credit agreement or instrument, corporate charter or by-law or other agreement or instrument to which Lessor is a party or by which Lessor or its properties or assets are bound or affected;

(c) Consent. Lessor has received every consent, approval or authorization, and has given every notice, that is required for Lessor to execute and deliver this Agreement and any Equipment Schedule, and to perform the transactions contemplated hereby and thereby (including all monetary and other obligations hereunder) and all of which remain valid and effective;

(d) Due Execution. This Agreement has been duly executed and delivered by Lessor, and this Agreement does, and each Equipment Schedule, when executed and delivered by Lessor will, constitute legal, valid and binding obligations of Lessor, enforceable in accordance with their respective terms; and

(e) Sovereign Immunity. Lessor is subject to civil commercial law with respect to its obligations under this Agreement; neither Lessor nor any of its assets is entitled to any right of immunity and the entry into and performance of this Agreement by Lessor constitutes private and commercial acts.

Section 10. Redelivery; Return Condition.

(a) Unserviceability. If, at any time during the Lease Term for an Engine, such Engine becomes Unserviceable and requires off-wing repair work which could not reasonably be performed on-wing in order to put the Engine back into serviceable condition, then, except to the extent that the Engine would have been serviceable if Lessee had performed all of its obligations under this Agreement or the Engine is Unserviceable as a result of an Excluded Event, Lessee shall be entitled to remove the Engine (at Lessee's sole cost and expense) and provide written notice to Lessor in the form attached as Exhibit G (an

“Unserviceable Notice”). Lessee shall, within twenty-four (24) hours of delivery of such Unserviceable Notice to Lessor, make the Engine available to Lessor for inspection at the location specified in the Unserviceable Notice, or such other mutually agreed upon location, and shall co-operate with Lessor in order to facilitate Lessor’s inspection of the Engine. Lessor shall be entitled to inspect the Engine in order to verify that the Engine is Unserviceable and Lessor shall, within seven (7) Business Days of its satisfactory inspection, notify Lessee whether or not it agrees that the Engine is Unserviceable. If Lessor has determined that the Engine is Unserviceable, Lessee shall return the Unserviceable Engine and all related records in the condition required by this Section 10 and Part 2 of Exhibit D to Lessor at the Redelivery Location on the proposed Term Expiry Date set forth in the Unserviceable Notice (or such later date agreed to by Lessor). If Lessor has determined that the Engine is not Unserviceable (or the Engine is Unserviceable but due to Lessee’s failure to perform its obligations under this Agreement or an Excluded Event), Lessee shall, at its cost and expense, repair the Engine in accordance with this Agreement, and the Lease Term will be extended until such time as the Engine is repaired and returned to Lessor in compliance with the terms of this Agreement.

(b) Redelivery. At the end of the Lease Term for an Engine, or at such other time as the Lease Term may be sooner terminated in accordance with Section 17 below, Lessee shall, at Lessee’s sole expense, promptly return such Engine to Lessor at the Redelivery Location specified in the applicable Equipment Schedule. Redelivery of such Engine shall occur only when the Engine and (if applicable) the Engine Stand, are delivered to the Redelivery Location specified on the Equipment Schedule and the Engine and (if applicable) the Engine Stand, if applicable, and all records related thereto are delivered in the condition required by this Section 10 and Part 2 of Exhibit D, all as acknowledged by Lessor pursuant to the Redelivery Receipt. The Engine, Engine Stand and all related records shall be free and clear of all Liens and encumbrances of any kind, other than any Liens or encumbrances arising through Lessor. Lessee confirms that all of its obligation, liabilities and agreements under the Lease (collectively, the **“Obligations”**) whether accruing prior to or after the date hereof, will remain in full force and effect until all such Obligations have been satisfied in full. The failure by Lessor to exercise any right under the Lease will not operate as a waiver thereof or preclude any other or further exercise thereof.

(c) Engine Redelivery Condition. Each Engine will (i) be in compliance with the terms of this Agreement, (ii) have installed thereon all Parts installed thereon on the Delivery Date, or permitted replacements thereof in accordance with this Agreement, and be in the same configuration as on the Delivery Date, (iii) not have any carry over maintenance tasks listed on the return to service tag (including testing required prior to installation on any eligible aircraft), other than idle leak checks required following installation of the borescope inspection plugs, (iv) not be “on watch” or have any reduced interval inspections beyond that which are allowed by the AMM and (v) unless the Engine is being returned in accordance with Section 10(a) of this Agreement, have an FAA Form 8130-3 dual release serviceable tag with full return-to-service statement affixed to it or EASA Form 1 dual release serviceable tag with full return-to-service statement affixed to it. Any alarms in the trend monitoring will be closed by the recommended maintenance actions in the trend monitoring program or other applicable maintenance manuals.

Unless otherwise agreed to in advance in writing by Lessor, Lessee will perform or cause to be performed on each Engine immediately prior to its return to Lessor, at Lessee's sole expense, a full gas-path DVD borescope inspection with written report, a visual inspection and a MPA on wing. Lessor shall have the right to observe any on wing MPA. If the borescope inspection, visual inspection or MPA identifies the Engine defect or any items not within the manufacturer's limits stated in the applicable maintenance manuals, said defects shall be repaired at Lessee's sole cost and expense and Lessee will immediately notify Lessor of the findings.

Upon receipt of an Engine by Lessor from Lessee, Lessor, in its sole discretion and at its sole cost and expense, shall reserve the right to perform or cause to be performed on such Engine for the sole benefit of Lessor a full gas-path DVD borescope inspection with written report, a visual inspection and a test cell or full power assurance run, and a full inspection and approval of all Engine records at Lessor's cost. Any discrepancy found by Lessor, if caused by an Excluded Event, shall be corrected at Lessee's sole cost and expense, unless the Engine is being returned in accordance with Section 10(a) of this Agreement. All obligations of Lessee hereunder shall continue in full force and effect until Lessor notifies Lessee that such Engine and its records have been returned in compliance herewith.

Prior to returning each Engine to Lessor, Lessee will prepare such Engine for shipment by (i) capping and plugging all openings of the Engine; (ii) ensuring that the Engine, when transported, would thereafter be preserved for 365 days or more in storage in accordance with the manufacturer's manual; (iii) completely covering such Engine with heat-shrunk plastic or tailor-made engine tarp (it being agreed that if such Engine was delivered with said tailor-made engine tarp, said tarp shall be returned at Redelivery); and (iv) otherwise preparing such Engine for shipment in accordance with the manufacturer's specifications and recommendations. Any surface transportation utilized for shipment of such Engine will be equipped with air ride or air cushion trailers.

All Redelivery transportation costs will be for Lessee's account. Lessee will be responsible for any required inspection and repair resulting from transporting an Engine that is not accomplished in accordance with the manufacturer's specifications and recommendations regarding ground transport.

(d) Records. Upon Redelivery of an Engine to Lessor, Lessee will return all Engine records delivered to Lessee by Lessor, together with all Engine records generated as a result of Lessee's use and operation of such Engine and will be complete, accurate and delivered to Lessor (all such records shall be kept in the English language at all times), including: (i) an Engine LLP current status (disk sheet) signed by each operator's quality control department for each installation and removal of such Engine on to and off of any aircraft during the Lease Term, (ii) the Engine documentation required from Lessee per Part 2 of Exhibit D, and (iii) a comprehensive current status of all airworthiness directives (ADs) issued against the Engine type, signed by each operator's quality control department (or should the operator not operate under FAA jurisdiction, then Lessee shall provide such airworthiness directive status). With respect to any part installed by Lessee and not removed prior to the return of such Engine (which

parts Lessee shall use all reasonable endeavors to ensure shall not be PMA parts), each such part shall be identical in manufacturer and part number to the Part which it replaces, shall be in serviceable condition, and a replacement life-limited or "hard-time" item shall have a value and remaining life equal to or greater than the value and remaining life of the replaced Part and the records for such part installed and returned to Lessor will include: (A) manufacturer, part number, nomenclature and serial number (if part is serialized) of life-limited parts and time controlled parts; and (B) historical records, including but not limited to: (x) serviceability status of the part at installation; (y) for a time-controlled part, total time and cycles, time and cycles since overhaul as may be applicable and total time and cycles of such Engine at the time of part installation; and (z) for a life-limited part, documentation tracing usage of the part since new by way of installation and removal disk sheets from each operator of the part for every installation and removal to each engine as well as the birth document and any return to service documents for all modifications, repairs and overhauls of the part.

(e) Engine Stand. The Engine Stand, if applicable, shall be redelivered with the relevant Engine in the same condition as it was delivered to Lessee, normal wear and tear excepted.

(f) Failure to Return. If Lessee does not return the Engine to Lessor for any cause on the date of the expiration or termination of the Lease Term, or does not return the Engine to Lessor in the condition set out in this Section 10 and Part 2 of Exhibit D, then the obligations of Lessee under the Lease shall continue and such continued use shall not be considered a renewal of the terms of the Lease or a waiver of any right of Lessor hereunder and Lessor may terminate Lessee's right to possess the Engine immediately on written notice to Lessee; and Lessee shall fully indemnify Lessor on demand against all losses, liabilities, actions, proceedings, costs and expenses thereby suffered or incurred by Lessor. During such continued use, Basic Rent shall continue to be paid by Lessee to Lessor on demand made by Lessor from time to time at the rate of one hundred fifty percent (150%) of Basic Rent set forth in the applicable Equipment Schedule for each day until the Engine is actually delivered to Lessor in the required condition, and all other terms and conditions of the Lease shall remain in full force and effect, provided that the payment by Lessee of such amounts will not constitute a renewal of the terms of the Lease or of the Lease Term or a waiver of any of Lessor's rights under the Lease and will not give Lessee any rights whatsoever in respect of the Engine.

Section 11. Title; Liens.

(a) At all times, title to each Engine shall remain solely in Lessor. Lessee shall not represent to other Persons, firms or governmental authorities that Lessee has any interest in any Engine, other than as Lessee. If provided by Lessor, Lessee shall, at its cost, place a placard in close proximity to the data plate stating:

"This Engine is owned by WWTAI AirOpCo 1 Bermuda Ltd."

(b) Lessee shall not permit any lien, security interest including, without limitation, any International Interest or encumbrance (other than any lien, security interest, interest or encumbrance arising through or requested by Lessor) to attach to an Engine as a result of any act or omission by Lessee, and shall promptly cause the discharge, release, or termination of any such lien, security interest or encumbrance, at the sole cost and expense of Lessee.

(c) Lessee will not install the Engine on an airframe owned by any Person other than Lessee without the prior written consent of Lessor. Provided Lessor does provide its written consent, Lessee shall, prior to any installation of such Engine, provide a Recognition of Rights Agreement from the owner (and, if applicable, of any financiers) of such airframe on which the Engine may be installed

Section 12. Risk of Loss.

(a) Risk. For the duration of the Lease Term of an Engine, Lessee shall bear the risk of loss of such Engine from any and every cause whatsoever whether or not insured, including, without limiting the foregoing, that Lessee shall bear all risk and responsibility for operation of such Engine (whether by itself or any other user).

(b) Notification. Lessee will immediately notify Lessor in writing in the event of any of the following (each, a “**Casualty Event**”): (i) the actual or constructive total loss or destruction of any Engine or damage (caused by DOD or otherwise) thereto beyond economic repair during the Lease Term (including, but not limited to, any event which results in an insurance settlement on the basis of a total loss or a constructive or compromised total loss); (ii) the loss of possession or detention of any Engine for more than thirty (30) days for any reason (**provided that** Lessee shall notify Lessor as soon as practicable following any loss of an Engine pursuant to this subclause (ii)), including but not limited to seizure, requisition, theft, disappearance or otherwise; or (iii) the requisition of title to any Engine by or on authority of any governmental entity or by any creditor of Lessee.

(c) Payment. Following the occurrence of a Casualty Event for an Engine, lease payments shall continue unabated until such time as Lessor receives from Lessee the Replacement Value of such Engine less any amounts received by Lessor from the insurers of Lessee. Upon such payment, the obligation of Lessee to make further payments of Basic Rent and Supplemental Rent shall terminate, this Agreement shall terminate with respect to such Engine and Lessor will transfer to Lessee, without recourse or warranty, all of such Lessor’s right, title and interest, if any, in and to such Engine suffering the Casualty Event.

Section 13. Warranty. Lessor warrants to Lessee that Lessor has full legal and beneficial title to each Engine and shall, subject to there being no Default by Lessee in respect of this Agreement, continue to hold such title throughout the Lease Term for each Engine and that Lessor has the right to lease each Engine to Lessee. In addition, so long as Lessee substantially performs its obligations hereunder as and when required, Lessor agrees that Lessee shall be entitled to exercise such rights as Lessor may have under any warranty with respect to each Engine made by the manufacturer or by any other Person or entity providing services or parts for each Engine; provided, however, that upon termination of this Agreement, all such rights shall

immediately revert to Lessor. Each Engine leased hereunder shall be delivered to Lessee in "AS-IS, WHERE- IS" condition. EXCEPT AS SET FORTH ABOVE IN THIS SECTION, LESSOR HAS NOT MADE, NOR SHALL IT BE DEEMED TO HAVE MADE (WHETHER BY VIRTUE OF HAVING LEASED AN ENGINE UNDER THIS AGREEMENT, OR HAVING ACQUIRED SUCH ENGINE, OR HAVING DONE OR FAILED TO DO ANY ACT, OR HAVING ACQUIRED OR FAILED TO ACQUIRE ANY STATUS UNDER OR IN RELATION TO THIS AGREEMENT OR OTHERWISE), AND LESSOR HEREBY SPECIFICALLY DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO AIRWORTHINESS, CONDITION, DESIGN, OPERATION, MERCHANTABILITY, FREEDOM FROM CLAIMS OF INFRINGEMENT OR THE LIKE, OR FITNESS FOR USE FOR A PARTICULAR PURPOSE OF SUCH ENGINE, OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF SUCH ENGINE, THE ABSENCE THEREFROM OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, OR AS TO ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED (INCLUDING ANY IMPLIED WARRANTY ARISING FROM A COURSE OF PERFORMANCE OR DEALING OR USAGE OF TRADE), WITH RESPECT TO SUCH ENGINE; AND LESSEE HEREBY WAIVES, RELEASES, RENOUNCES AND DISCLAIMS EXPECTATION OF OR RELIANCE UPON ANY SUCH WARRANTY OR WARRANTIES. NEITHER LESSOR NOR ANY LESSOR'S LENDER SHALL HAVE ANY RESPONSIBILITY OR LIABILITY WHATSOEVER TO LESSEE OR ANY OTHER PERSON, WHETHER ARISING IN CONTRACT OR TORT, OUT OF ANY NEGLIGENCE OR STRICT LIABILITY OR OTHERWISE, FOR: (i) ANY LIABILITY, LOSS OR DAMAGE CAUSED OR ALLEGED TO BE CAUSED DIRECTLY OR INDIRECTLY BY SUCH ENGINE 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 SUCH ENGINE OR ANY RISKS RELATING THERETO; (iii) ANY INTERRUPTION OF SERVICE, LOSS OF BUSINESS OR ANTICIPATED PROFITS OR CONSEQUENTIAL DAMAGES; OR (iv) THE DELIVERY, OPERATION, SERVICING, MAINTENANCE, REPAIR, IMPROVEMENT OR REPLACEMENT OF SUCH ENGINE. THE WARRANTIES AND REPRESENTATIONS SET FORTH IN THIS SECTION 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.

Section 14. Indemnity. Lessee hereby agrees and undertakes to indemnify, reimburse and hold harmless each of Lessor, each Additional Insured, each of Lessor's Affiliates, and each of its and their respective subsidiaries, shareholders, members, partners, officers, directors, managers, employees, partners, advisors, agents, representatives, successors and assigns (individually or collectively, the "**Indemnified Parties**") against any and all claims, damages, losses, liabilities, demands, suits, judgments, settlements, causes of action, legal proceedings (whether civil or criminal), penalties, fines, Taxes, other actions and reasonable attorneys' fees and all other costs and expenses in connection therewith arising from the period during which an Engine is leased to Lessee under this Agreement (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: (i) any breach of any representation, warranty, covenant, obligation or duty of Lessee under this Agreement or under any other document or agreement executed and delivered in connection herewith, including, without limitation, the enforcement of any of the

terms hereof by Lessor; or (ii) the condition (other than at Delivery), manufacture, lease, possession, repossession, return, disposition, use, registration, import, export, maintenance, storage or operation of an Engine either in the air or on the ground, including, without limitation (but subject to the proviso in the last sentence of this section); or (iii) any defect in an Engine (whether or not discoverable by Lessee or Lessor) arising from any material or articles or Parts used therein or from the design, testing, or use thereof or from any maintenance, service, repair, overhaul or testing of such Engine, whether or not such Engine is in the possession of Lessee but provided it arises during the period during which the Engine is leased to Lessee, and regardless of where such Engine may then be located; provided, however, that following Lessee's performance of its obligations under this Section, Lessee shall be subrogated to all rights and remedies which any Indemnified Parties may have against the manufacturer. In the event Lessee is required to indemnify any Indemnified Parties hereunder, Lessee shall pay to such Indemnified Parties an amount which, after deduction of all Taxes and like charges required to be paid by such Indemnified Parties in respect of such payment, is equal to the amount of the indemnification required, provided, however, that Lessee shall not be required to indemnify any Indemnified Parties against Claims arising out of such Indemnified Parties' gross negligence or willful misconduct.

Lessee hereby waives and releases each Indemnified Party from any Claims (whether now existing or hereafter arising) for or on account of or arising or in any way connected with injury to or death of personnel or any agent 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 manufacture, purchase, delivery, leasing, condition, use, maintenance, storage or operation of an Engine, either in the air or on the ground, or which may be caused by any defect in such Engine, from the material or any Part used therein or from the design or testing thereof, or use thereof or from any maintenance, service, repair, overhaul or testing of such Engine regardless of when such defect may be discovered, whether or not such Engine is at the time in the possession of Lessee and regardless of the location of such Engine at any such time except when such injury, death, loss, loss of use or damage results from the gross negligence or the willful misconduct of Lessor.

In the event Lessee is required to indemnify Lessor hereunder, Lessee shall pay to Lessor an amount which, after deduction of all Taxes and like charges, is equal to the amount of the indemnification required.

The indemnities contained in this Section 14 shall survive the execution and delivery of this Agreement and shall continue in full force and effect notwithstanding the expiration or other termination of this Agreement or any Equipment Schedule and are expressly made for the benefit of and shall be enforceable by each Indemnified Party.

Section 15. Insurance for the benefit of Lessor. Lessee shall maintain the following types of insurance coverage with insurance companies reasonably satisfactory to Lessor:

(a) Physical damage insurance protecting against loss or damage to each Engine at all times while such Engine is in the possession of Lessee or others (whether or not installed on an aircraft) or is being redelivered to Lessor, in amounts sufficient to cover the full Replacement Value of such Engine as set forth in the applicable Equipment Schedule, with any loss payable solely to Lessor;

(b) Aircraft liability insurance in a minimum amount not less than that

provided for in the applicable Equipment Schedule, combined single limit on any one occurrence and in the aggregate in respect of all occurrences occurring during the policy period, applicable for the Lease Term to passenger liability, public liability and property damage, covering liability in connection with the delivery, transportation, leasing, installation, operation, maintenance, use, detachment, storage or delivery of each Engine and in connection with the ownership or operation of any aircraft upon which such Engine is installed, insuring against all liability for loss, injury, damage or claims, including injuries to or deaths of passengers or third Persons and damage to property, which insurance shall name Lessor and each Indemnified Party, including Lessee, as an additional insured and contain appropriate cross-liability clauses and a waiver of subrogation in favor of the additional insureds named above; and

(c) On or prior to the Delivery Date, Lessee shall furnish to Lessor copies of certificates evidencing the insurances required by this Section 15. All policies of insurance provided hereunder shall insure the interests of Lessor and each Indemnified Party regardless of any breach or violation by Lessee of any warranties, declarations or conditions of Lessor, contained in such insurance. Each policy providing such insurance shall be primary without right of contribution from any other insurance which may be carried by Lessor or any other Indemnified Party, and each policy providing liability insurance shall expressly provide that all the provisions thereof, except the limits of liability (which shall be applicable to all insureds as a group) and except liability for premiums (which shall be solely a liability of Lessee), shall operate in the same manner as if it were a separate policy covering each insured. Such policies shall further provide that, if the insurers cancel such insurance for any reason whatsoever, Lessee will promptly notify Lessor of such cancellation, and provide that, if the insurers cancel such insurance for any reason whatsoever or the same is allowed to lapse for non-payment of premium, such cancellation or lapse shall not be effective as to Lessor or any Indemnified Party for thirty (30) days (seven (7) days or as much time as may be allowed with respect to war risk) after receipt by Lessor of notice of such cancellation or lapse; provided, however, that, if such insurance is being cancelled for non-payment of premium, the notice shall so state, and such cancellation or lapse of such insurance for non-payment of premium shall be rescinded if before the effective date thereof, all overdue premiums are paid by or on behalf of Lessee or Lessor.

Section 16. Events of Default. Any one or more of the following occurrences or events shall constitute an Event of Default:

(a) Lessee fails to pay any Basic Rent under this Agreement and/or any applicable Equipment Schedule, which failure continues uncured for five (5) days;

(b) Lessee fails to pay any other sum owing to Lessor under this Agreement and/or any Equipment Schedule, which failure continues uncured for five (5) days;

(c) Lessee fails to obtain and maintain any insurance required under the provisions of Section 15 herein, or shall let such insurance coverage lapse, or shall operate the Engine outside of the scope of the insurance coverage maintained with respect to the Engine;

(d) Lessee shall fail to perform or observe any covenant, condition or agreement to be performed or observed by it pursuant to this Agreement and/or any other Lessee Document (other than the covenants, conditions or agreements otherwise specifically referred to in this Section 16) which failure continues uncured for ten (10) days after written notice thereof;

(e) Any representation or warranty of Lessee herein or in any document or certificate furnished to Lessor in connection herewith or with any Lessee Document fails to be

correct in any material respect which failure continues uncured for ten (10) days after written notice thereof;

(f) Lessee fails to return an Engine on the Redelivery Date for such Engine in accordance with the terms of this Agreement and/or the applicable Equipment Schedule;

(g) Lessee makes a general assignment for the benefit of creditors, or becomes the subject of voluntary bankruptcy proceedings, or has a receiver or custodian or liquidator appointed for any of its assets, or ceases to conduct the whole or a substantial portion of its business in the manner in which such business was conducted on the date of this Agreement, or an involuntary petition in bankruptcy is filed against Lessee and not dismissed or stayed within sixty (60) days; or

(h) Lessee fails to perform or observe any of the covenants in Section 7(b) of this Agreement, which failure shall immediately be considered to be an Event of Default for purposes of this Agreement without the need for Lessor to provide written notice thereof.

Section 17. Remedies.

(a) 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, declare each Lease to be in default and, at any time thereafter so long as Lessee shall not have remedied all outstanding Events of Default, Lessor may exercise one or more of the following remedies as Lessor shall in its sole discretion elect, to the extent available and permitted by, and subject to compliance with any mandatory requirements of any applicable law then in effect:

(i) demand that Lessee, and Lessee shall upon such demand of Lessor and at Lessee's expense, immediately return each Engine to Lessor at the relevant Redelivery Location, in the manner specified in such notice, and such return shall not be delayed for the purposes of complying with the return conditions specified in Section 10 hereof (none of which conditions shall be deemed to affect Lessor's possession of the relevant Engine) or delayed by any other reason, nor shall such demand be deemed Lessor's waiver of Lessee's requirement to comply with Section 10 hereof in due course;

(ii) sell at private or public sale, as Lessor may determine, or hold, use, operate or lease to others each Engine as Lessor in its sole discretion may determine, all free and clear of any rights of Lessee;

(iii) proceed by appropriate court action or actions, either at law or in equity, to enforce performance by Lessee of the applicable covenants of this Agreement and any Equipment Schedules and to recover damages for the breach thereof and to rescind this Agreement and any Equipment Schedules;

(iv) terminate this Agreement and any Equipment Schedules by written notice to Lessee and/or repossess each Engine; and

(v) exercise any other remedy available under applicable law.

(b) In effecting any repossession, Lessor, its representatives and agents, to the extent permitted by applicable law shall: (i) have the right to enter upon any premises where it reasonably believes any Engine 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 each Engine which is repossessed; and (iii) have the right to maintain possession of and dispose of the Engine on any premises owned by Lessee or under Lessee's control.

(c) If demanded by Lessor, Lessee, at its sole expense, shall assemble and make each Engine available at the relevant Redelivery Location. Lessee hereby agrees that, in the event of the return to or repossession by Lessor of the Engines, 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. Lessee shall be liable to Lessor for direct out-of-pocket expenses, disbursements, costs and fees incurred in: (i) repossessing, storing, preserving, shipping, maintaining, repairing and refurbishing each Engine to the condition required by Section 10 hereof; and (ii) preparing each Engine for sale or lease, advertising the sale or lease of each Engine and selling or releasing each Engine. Lessor is hereby authorized and instructed, at its option, to make reasonable expenditures which Lessor, in its sole discretion, considers advisable to repair and restore each Engine to the condition required by Section 10 hereof, all at Lessee's sole expense.

(d) Whether or not Lessor shall have exercised, or shall thereafter at any time exercise, any of its rights hereunder with respect to an Engine, on the date on which Lessor shall become entitled to repossession of such Engine (the "**Damage Calculation Date**"), all sums and all performances due under this Agreement shall immediately become due and payable and Lessee shall thereupon be obligated to pay to Lessor as damages for breach hereof an amount equal to the sum of: (1) all Basic Rent and Supplemental Rent and all other amounts that became due and payable hereunder, but were unpaid, as of the Damage Calculation Date; (2) the present value (discounted at one percent (1%)) of all Basic Rent and Supplemental Rent which would have accrued from the Damage Calculation Date through the Term Expiry Date, together with interest compounded monthly at the Default Rate; and (3) such additional amount as shall be sufficient to place Lessor in the same economic position, on an after-tax basis, as Lessor would have been in if Lessee had timely performed each of its obligations hereunder. In the event that Lessee fails to redeliver an Engine to Lessor following expiration or cancellation of the Lease Term for such Engine and Lessor fails in its efforts to repossess such Engine within forty-five (45) days of such expiration or cancellation, in lieu of the amount specified in subclause (2) above, Lessee shall be obligated to pay Lessor an amount equal to the Replacement Value of such Engine. All of the foregoing damage amounts shall bear simple interest, to the extent permitted by applicable law, at the Default Rate from the payment date specified pursuant to this Section 17(d) to the date of actual payment of such amount.

(e) Upon the occurrence of an Event of Default, Lessee and Lessor hereby stipulate that Lessor shall be entitled to sequester such Engine and Lessee shall deliver such Engine into the custody of Lessor or its designated agents for such purpose, at Lessee's expense, upon receipt of a written demand from Lessor with respect thereto, notwithstanding Lessee's rights to contest such action.

(f) No remedy referred to in this Section 17 is intended to be exclusive, but, to the extent permissible hereunder or under applicable law, each shall be cumulative and in addition to any other remedy referred to above or otherwise available to Lessor at law or in equity; and the exercise or beginning of 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.

Section 18. Quiet Enjoyment. So long as no Default or Event of Default has occurred and is continuing, Lessor covenants that Lessee shall quietly enjoy the use and possession of each Engine without interference by Lessor or by any Person or entity lawfully claiming by or through Lessor or otherwise.

Section 19. Recording. Lessor intends to record this Agreement and all Equipment Schedules with the Aviation Authority and with the International Registry. Upon the termination of this Agreement or any Equipment Schedule for any reason whatsoever, each of the parties will execute and deliver to the other party promptly such documents as the other party may reasonably request in order to file a termination of this Agreement or such Equipment Schedule with the Aviation Authority, as required. Lessee hereby appoints Lessor as its attorney-in-fact for the sole purposes of executing all such termination documents.

Section 20. Miscellaneous.

(a) **Notices.** All notices required or permitted to be given hereunder shall be in writing and shall be deemed to have been given when hand-delivered or sent by next business day delivery service to the party to which they are directed at the address shown below, or to such delivery service to the party to which they are directed at the address shown below, or to such other address as either party shall hereafter notify the other:

If to Lessor:

WWTAI AirOpCo 1 Bermuda Ltd.

c/o FTAI Aviation LLC

415 West 13th Street, 7th Floor

New York, NY 10014

United States of America

E-mail: EngineLeasingTeam@ftaiaviation.com

Attention: Engine Leasing Group

If to Lessee:

Global Crossing Airlines, Inc.

P.O. Box 661240, Miami, FL 33166

Telephone: 786-751-8503

Attention: Ryan Goepel, CFO

Email: ryan.goepel@globalxair.com

(b) Amendments. No provision of this Agreement may be amended, supplemented, waived, modified, discharged, terminated or otherwise varied orally, but only by an instrument in writing that specifically identifies the provision of this Agreement that it purports to amend, supplement, waive, modify, discharge, terminate or otherwise vary and is signed by Lessor and Lessee. No provision of this Agreement shall be varied or contradicted by oral communication, course of dealing or performance, or other manner not set forth in an agreement, document or instrument in writing and signed by Lessor and Lessee.

(c) No Waiver. No act or failure or delay in acting by Lessor or Lessee shall be deemed to be a waiver of any right or remedy given to it in this Agreement, except for an express written waiver signed by an authorized representative of Lessor or Lessee, as applicable.

(d) No Assignment. Lessee may not assign this Agreement, in whole or in part (other than to an Affiliate of Lessee, to which Lessee may assign this Agreement upon giving written notice to Lessor), without the prior written consent of Lessor and any attempted assignment by Lessee without such written consent shall be void from the outset and of no legal effect.

(e) Successors. This Agreement shall be binding upon the successors and permitted assigns of Lessee or Lessor, as applicable and shall inure to the benefit of the successors and assigns of Lessee or Lessor, as applicable.

(f) Severability. If any provision of this Agreement should be declared illegal or unenforceable by a court of competent jurisdiction, such declaration shall not affect the legality or enforceability of any other provision of this Agreement.

(g) Governing Law. THIS AGREEMENT SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW). In any suit arising out of this Agreement, Lessee hereby irrevocably agrees and consents to be subject to the non-exclusive personal jurisdiction of the state and federal courts located in the City of New York and that the venue for such suit is proper in the City of New York.

(h) Entire Agreement. This Agreement contains the entire agreement of the parties as to the subject matter hereof and supersedes any prior negotiations, understandings or agreements regarding such subject matter.

(i) Counterparts. This Agreement may be executed in any number of counterparts (or upon separate signature pages bound together into one or more counterparts), each fully executed set of which when so executed shall be deemed to be an original, and all of which counterparts, taken together, shall constitute one and the same instrument.

(j) Brokers/Finders. Lessor and Lessee each represents to the other that there are and will be no third parties involved as brokers or finders with respect to this Agreement or any Engine leased hereunder, and each party agrees to indemnify and hold harmless the other from liability for fees, commissions or other claims of any intermediary arising as a result of actions of the indemnifying party.

(k) Confidentiality. The parties each acknowledge that the commercial and financial information contained in this Agreement is considered confidential. The parties each agree that it will treat the contents and subject matter of this Agreement as confidential and will not, without the prior written consent of the other, disclose this Agreement or the subject matter hereof to any third party except to their respective Affiliates (and in the case of Lessor, FIG LLC and its Affiliates) and its and their respective employees, officers, directors, managers, partners, professional advisors, potential financing sources, insurance brokers, auditors and or other agents (collectively, “**Representatives**”), as may be required by applicable law or rule or regulation of any stock exchange, or as may be required to enforce the terms of this Agreement. Upon disclosure required by any applicable law, rule or regulation, such disclosing party shall use its commercially reasonable efforts to secure confidential treatment from all recipients of such confidential information and shall cooperate with the efforts of the other party to ensure such treatment; provided that this sentence shall not apply where such disclosure makes the previously confidential information publicly available. Each party shall inform its Representatives that it expects them to comply with the provisions of this Section 20(k) and each party shall be responsible for any breach of the provisions of this Section 20(k) by any of its Representatives. This obligation shall survive two (2) years after termination or expiration of this Agreement for any reason whatsoever.

(l) 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 Agreement and any other documents delivered in connection herewith, including without limitation the fees, expenses and disbursements of counsel, except as otherwise expressly set forth herein. In addition, Lessee shall be solely responsible for (i) all costs, including attorneys’ fees and disbursements, incurred with any filings or registrations of this Agreement that are made with the appropriate governmental entities of the jurisdiction of Lessee’s organization or principal place of business and any other necessary jurisdiction, including any registrations at the International Registry and (ii) all costs, including attorneys’ fees and disbursements, incurred in connection with the cancellation or termination of this Agreement. Each of Lessor and Lessee agrees to pay the reasonable costs and

expenses (including reasonable attorneys' fees and disbursements) of the other party incurred in connection with the entering into or giving or withholding of any future waiver, supplement or amendment or other action with respect to the Lease or any other document delivered in connection therewith that it may request, except in the case of an Event of Default in which case all of such costs shall be at the expense of Lessee.

Section 21. No Lessee Consent to Assignment. Lessor shall have the right to novate or assign this Agreement or any Equipment Schedule, and Lessee shall execute such reasonable documents as are necessary to effectuate such novation or assignment. Lessor shall be responsible for the reasonable cost incurred by Lessee during such novation or assignment.

(This Space Intentionally Left Blank)

IN WITNESS WHEREOF, the parties have executed this Engine Lease General Terms Agreement as of the date first written above.

WWTAI AIROPCO 1 BERMUDA LTD,
as Lessor



By: _____

Name: Joseph P. Adams

Title: Director

GLOBAL CROSSING AIRLINES, INC.,
as Lessee

By: _____

Name: Edward Wegel

Title: CEO

_____] _____]

IN WITNESS WHEREOF, the parties have executed this Engine Lease General Terms Agreement as of the date first written above.

WWTAI AIROPCO I BERMUDA LTD,
as Lessor

By: _____
Name:
Title:

GLOBAL CROSSING AIRLINES, INC.,
as Lessee

By: _____
Name: Edward Wegel
Title: CEO

DocuSigned by:
Edward Wegel
0019EB6B9FE74DF...

EXHIBIT A
FORM OF EQUIPMENT
SCHEDULE

EQUIPMENT SCHEDULE NO. [____]

This Equipment Schedule No. _____, dated as of __, 20__, (this “**Equipment Schedule**”) is between **WWTAI AIROPCO 1 BERMUDA LTD** (“**Lessor**”) and **GLOBAL CROSSING AIRLINES, INC.** (“**Lessee**”).

This Equipment Schedule supplements (and incorporates the terms and conditions of) the Engine Lease General Terms Agreement dated as of January 17, 2024 (as amended or supplemented from time to time, the “**GTA**” and together with this Equipment Schedule, the “**Lease**”), between Lessor and Lessee, and the following described Engine is hereby subject to the terms and conditions of the Lease:

1. Engine: One (1) [____] model [____] engine bearing manufacturer’s serial number [____], in QEC configuration in accordance with minipack provided component inventory list less nose cowl, thrust reverser and cascades, with an engine transportation stand bearing serial number [].
2. Replacement Value: [] Dollars (US\$[____]).
3. Liability Insurance Amount: [] Dollars (US\$[____]).
4. Deposit: [____] Dollars (US\$[____]).
5. Basic Rent: Basic Rent for the Engine shall be payable monthly in advance on each Basic Rent Payment Date at the rate of [____] (US\$[____]) per month.
6. Supplemental Rent: Supplemental Rent for the Engine shall be payable monthly in arrears on each Supplemental Rent Payment Date at the following rates:

Type of Supplemental Rent	Amount of Supplemental Rent
Flight Cycle (FC) rate:	US\$[] per cycle
Flight Hour (FH) to FC usage rate:	The Dollar amount per flight hour shall be payable at a rate corresponding to the flight hour to cycle ratio listed on the table attached in Annex A.

The Supplemental Rent rates are effective for all of 20[____]. The Flight Hour and Flight Cycle rates shall escalate by three percent (3%) per annum (rounded to the nearest whole Dollar) beginning on January 1, 20[____]. The Flight Cycle rate shall escalate annually in January and will be subject to a percentage increase from one year to the next for a comparable LLP stack based on the currently effective Engine manufacturer’s catalogue list price.

7. Delivery Date: The date of the Delivery Receipt.
8. Delivery Location: The facilities of [] in the [____], or such other mutually agreed upon location.
9. Redelivery Location: The facilities of [____] in the [____], or such other mutually agreed upon location.
10. Term Expiry Date: [[], 20[] / [The later to occur of (a) the date this Equipment Schedule is terminated pursuant to Section 10(a) of the GTA, or (b) [twelve (12)] months from the date of this Equipment Schedule; unless terminated earlier in accordance with the terms of the Lease.]
11. Additional Insured[s]: [____].
12. Definitions: All capitalized terms used but not defined herein shall have the meanings assigned thereto in the GTA.

IN WITNESS WHEREOF, the parties have executed this Equipment Schedule as of the date first written above.

WWTAI AIROPCO 1 BERMUDA LTD, as
Lessor

By: ____
Name:
Title:

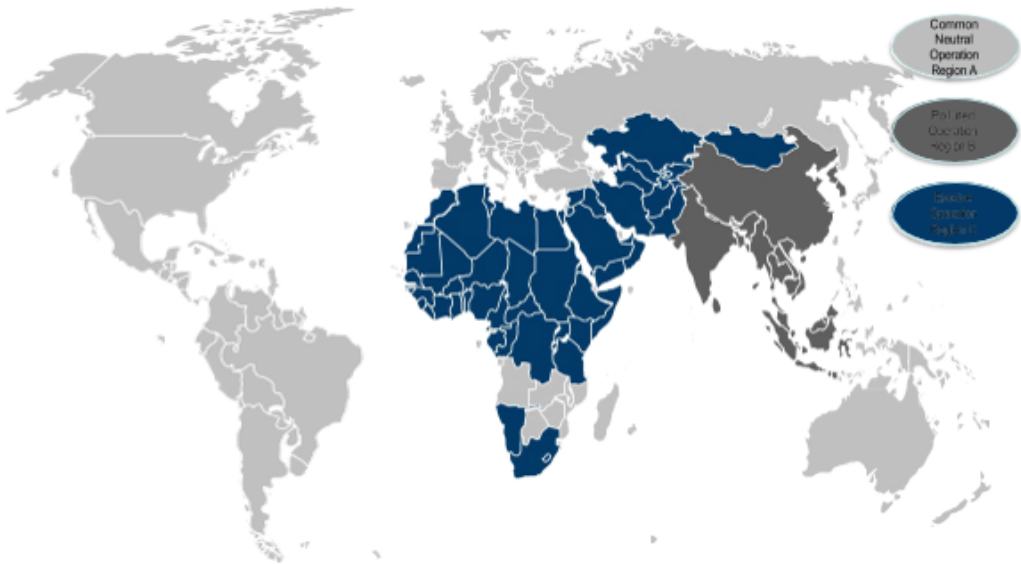
GLOBAL CROSSING AIRLINES, INC., as
Lessee

By: ____
Name:
Title:

ANNEX A
TO EQUIPMENT SCHEDULE NO. []

FH/FC Ratio	< 3.11	3.12 - 3.37	3.38 - 3.62	3.63 - 3.87	3.88 - 4.12	4.13 - 4.37	4.38 - 4.62	4.63 - 4.87	4.88 - 5.12	5.13 - 5.37	5.38 - 5.62	5.63 - 5.87	5.88 - 6.12	6.13 - 6.37	6.38 - 6.62	6.63 - 6.87	6.88 >
IATA A	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]
IATA B	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]
IATA C	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]	\$[]

“Region A”, “Region B” and “Region C” are defined in the by reference to the below map.



Map - Global Classification Operations in Regions A, B and C

EXHIBIT B

FORM OF ENGINE DELIVERY

RECEIPT Received From: WWTAI AIROPCO 1 BERMUDA

LTD Delivered To: GLOBAL CROSSING AIRLINES, INC.

The undersigned hereby acknowledges that on ____, 20__, the undersigned did receive from **WWTAI AIROPCO 1 BERMUDA LTD** (“**Lessor**”) for all purposes under Equipment Schedule No. _ made and entered into as of ____, 20__ (the “**Equipment Schedule**”), between Lessor and **GLOBAL CROSSING AIRLINES, INC.** (“**Lessee**”), which supplements (and incorporates the terms and conditions of) that certain Engine Lease General Terms Agreement dated as of January 17, 2024 between Lessor and Lessee (the “**GTA**” and together with the Equipment Schedule, collectively, the “**Lease**”):

that certain [__] model [____] bearing manufacturer’s serial number [____], [in QEC in accordance with minipack provided component inventory list less nose cowl, thrust reverser and cascades] [and with an engine transportation stand bearing serial number [__]]

The above equipment and the records required in connection therewith were received at the Delivery Location and the Engine and other equipment has met the conditions of delivery and conforms to the Lease in every respect.

All capitalized terms used but not defined herein shall have the meanings assigned thereto in the GTA.

Signed this ____ day of _____ 20__ at ____ AM/PM (UTC).

GLOBAL CROSSING AIRLINES, INC.,
as Lessee

By: ____
Name:
Title:

EXHIBIT C

FORM OF ENGINE REDELIVERY

RECEIPT

Received From: GLOBAL CROSSING AIRLINES, INC.

Delivered To: WWTAI AIROPCO 1 BERMUDA LTD

The undersigned hereby acknowledges that on this __ day of _____, 20_____, the undersigned did receive from **GLOBAL CROSSING AIRLINES, INC.** (“**Lessee**”) for all purposes under the Equipment Schedule No. __ made and entered into as of _____, 20__ (the “**Equipment Schedule**”), between **WWTAI AIROPCO 1 BERMUDA LTD** (“**Lessor**”) and Lessee, which supplements (and incorporates the terms and conditions of) that certain Engine Lease General Terms Agreement dated as of January 17, 2024 between Lessor and Lessee (the “**GTA**” and together with the Equipment Schedule, collectively, the “**Lease**”):

that certain [___] model [_____] bearing manufacturer’s serial number [____], together with all accessories listed on the Equipment Schedule (the “**Engine**”) [and with an engine transportation stand bearing serial number [____]], redelivered in accordance with the redelivery conditions set forth in Section 10 of the GTA.

As of the date hereof, the Engine status is:

TSN:

CSN:

Lessor specifically reserves all of its rights, interests, remedies, powers, claims and privileges under the Lease, waiving no such rights, interests, remedies, powers, claims and/or privileges.

All capitalized terms used but not defined herein shall have the meanings assigned thereto in the GTA.

Signed this __ day of _____ 20__ at ____ AM/PM (UTC).

WWTAI AIROPCO 1 BERMUDA LTD
as Lessor

By: ____
Name:
Title:

EXHIBIT D

PART 1 - ENGINE DOCUMENTATION REQUIRED AT DELIVERY FROM LESSOR

1. As provided to Lessee in the minipack.

PART 2 - ENGINE DOCUMENTATION REQUIRED AT REDELIVERY FROM LESSEE

1. Serviceable Tag FAA 8130-3 / EASA Form One dual full-return to service maintenance release statement in a form acceptable to Lessor which will include the testing, preservation, inspection, any maintenance and removal of such Engine from the relevant aircraft.
2. Last operator certified status of all FAA / EASA Airworthiness Directives issued against the Engine type. The operator must supply supporting documentation showing compliance of any AD's compiled with during the Term.
3. Current status of Life Limited Parts at the time of installation and removal from every aircraft such Engine was installed on by each operator of such aircraft during the Term. The status shall include LLP information for all power ratings of such Engine.
4. Statement confirming each installation and removal history of the Engine during the Lease Term including the total hours and total cycles of the Engine at each installation or removal.
5. Engine Performance Data (ECM, trend-monitoring) including all Take off, Cruise parameters and oil consumption report covering the one hundred and eighty (180) days previous to the Term Expiry Date, including full details of any alarms.
6. Each operator non-incident, non-accident, no government/military use statement, substantially in the Form of Exhibit F hereto.
7. Operator's Combination Statement (in the form of Annex A attached to this Exhibit D).
8. Engine test cell or Max Power Test Run. Evidence must be provided of the recorded values.
9. Engine preservation documentation (performed at Engine's last removal) with the date expiration that the Engine Fuel and Oil Systems have been long term preservation.
10. Engine written and video borescope report (full gas-path inspection) performed at Engine's last removal by a qualified Part 145-certificated organization.
11. Component inventory listing of all major basic engine components, accessories & line-replaceable-units (LRUs) installed on the Engine at its last removal by Lessee, with description, part number, serial number, date and time installed and current time since overhaul for each component. Any components changes must be supported with a Serviceable Tag FAA 8130-3 or EASA Form One Certification and traceability of the component's origin.

12. Service Bulletin modification status report supported by maintenance documentation if any complied with. Statement must be provided if no modification accomplished during the Term.

13. Lessee will provide a list of all maintenance programme (MPD) tasks cards accomplished and “next due” status.

14. Technical logs for such Engine and engine master record of installation, removal and accumulated flight hours and cycles for such Engine.

15. All other documentation that pertains to the maintenance, inspection, repair, modification and alteration of the Engines and its components.

ANNEX A TO EXHIBIT D

FORM OF OPERATOR'S COMBINATION STATEMENT

[On most recent OPERATOR'S LETTERHEAD]

This serves to confirm that during the Lease Term, operation and Redelivery of Engine model: [Click or tap here to enter text.](#) serial number: [Click or tap here to enter text.](#) by [Click or tap here to enter text.](#):

- 1) There are open maintenance items, deferred maintenance, MMEL items and/or carry forward items outstanding on the Engine and its QEC kit at Redelivery. Yes ☐ No ☐ *If yes, please provide supporting documentation.*
- 2) Alert service bulletins/service bulletins and/or manufacturer's All Operator Wires were accomplished or complied with. Yes ☐ No ☐ *If yes, please provide supporting documentation.*
- 3) Engine, accessory and/or QEC kit components were replaced. Yes ☐ No ☐ *If yes, please provide supporting documentation.*
- 4) Unscheduled maintenance and/or inspections were performed during the Lease Term. Yes ☐ No ☐ *If yes, please provide supporting documentation.*
- 5) Scheduled maintenance and/or inspections were performed during the Lease Term. Yes ☐ No ☐ *If yes, please provide supporting documentation.*
- 6) Fan blade lubrication was accomplished. Yes ☐ No ☐ *If yes, please provide supporting documentation.*
- 7) Fan blade replacement was performed. Yes ☐ No ☐ *If yes, please provide supporting documentation.*
- 8) The Engine was serviced with oil [Click or tap here to enter text.](#) during the Lease Term.
- 9) An oil analysis report was generated during the Lease Term. Yes ☐ No ☐ *If yes, please provide supporting documentation.*
- 10) The oil consumption rate was [Click or tap here to enter text.](#) during the Lease Term.
- 11) The Engine was operated using CIS fuels and/or fuel additives. Ref: CF6-80C2 SB 73-0355 R01/ CFM56 SB 73-0146R1 No ☐ N/A ☐ if not applicable Yes ☐ If yes, please list fuel type and duration.

- 12) (Only applicable for IAE engines) In accordance with IAE design policy and SB 72-A0615 Rev. 9 page 12 paragraph F, we herewith warrant and confirm that the Engine has not stayed shutdown more than six hours in India after engine shutdown for more than 0 times during the Lease Term. Please check if this item is not applicable. ☐ N/A
- 13) Was the fuel used during Lease Term ever contaminated with Fatty Acid Methyl Ester (FAME) Reference FAA SPECIAL AIRWORTHINESS INFORMATION BULLETIN: NE-09-25R1? Yes ☐ No ☐ If yes, please advise amount of FAME and corrective action.
- 14) Were any non-OEM Approved Repairs performed on the Engine or its installed QEC? Yes ☐ No ☐ *If yes, please provide supporting documentation.*
- 15) Were any non-OEM approved PMA parts installed and/or incorporated on the Engine or its installed QEC? Yes ☐ No ☐ *If yes, please provide supporting documentation.*
- 16) The Engine was operated and maintained in accordance with the manufacturer's practices, procedures, and approved data and in accordance with the AMM. Yes ☐ No ☐ *If No provide details and supporting documentation for any deviations from the manufacturer's approved data.*
- 17) Did the Engine experience any abnormal occurrences during the Lease Term? Yes ☐ No ☐ *If yes, please provide supporting documentation.*
- 18) Were any Engine operating limitations reached and/or exceeded during the Lease Term? Yes ☐ No ☐ *If yes, please provide supporting documentation.*
- 19) The Engine has been operated under ETOPS/Extended Operations rules configuration? Yes ☐ No ☐ *If yes, please provide supporting documentation.*
- 20) Long term oil system preservation was accomplished on [Click or tap to enter a date.](#) Per Manual Reference [Click or tap here to enter text.](#) *Please provide supporting documentation.*
- 21) Long term fuel system preservation was accomplished on [Click or tap to enter a date.](#) Per Manual Reference [Click or tap here to enter text.](#) *Please provide supporting documentation.*
- 22) During the period of time detailed on this statement, the engine was operated at [Click or tap here to enter text.](#) Pounds of Thrust for [Click or tap here to enter text.](#) Cycles *Please include all used power ratings during the operation.*
- 23) Engine Stand returned in serviceable condition: Yes ☐ No ☐ *Stand P/N* [Click or tap here to enter text.](#) *S/N* [Click or tap here to enter text.](#) N/A ☐ (Engine on-wing)

24) Engine cover returned. Yes ☐ No ☐ N/A ☐ (Engine on-wing) Engine status at time of Delivery to Click or tap here to enter text.:

Engine Total Time: Click or tap here to enter text. Engine Total Cycles: Click or tap to enter a date. Date: Click or tap to enter a date.

Engine status at time of Redelivery to Click or tap here to enter text.:

Engine Total Time: Click or tap here to enter text. Engine Total Cycles: Click or tap here to enter text. Date: Click or tap to enter a date.

Company: ____

Signature: ____

Name: _

Date: __

(Note - This document should be certified by an authorized person in QA or Engineering)

EXHIBIT E

FORM OF MONTHLY ENGINE OPERATING FLIGHT HOURS/CYCLE REPORT

Monthly Utilization Report

Please complete Sections and return **signed** Report **within 10 days** after the end of each calendar month and on the Removal Date.

From:	Report period:
Engine Type:	From:
ESN:	Until:
ESTIMATED REMOVAL DATE:	
ESTIMATED REMOVAL LOCATION:	

SECTION 1: ENGINE IS OFF-WING (UNINSTALLED) (tick with ✓ to confirm)		
Is the engine being stored off-wing and preserved in accordance with the AMM requirements?	Yes	No

SECTION 2: ENGINE INSTALLATION			ENGINE REMOVAL (IF APPLICABLE)		
Date engine installed			Date engine removal		
Engine TSN at installation	_____ h	min	Engine TSN at removal	_____ h	min
Engine CSN at installation			Engine CSN at removal		
Aircraft TSN at installation	_____ h	min	Aircraft TSN at removal	_____ h	min
Aircraft CSN at installation			Aircraft CSN at removal		
Aircraft registration			Aircraft registration		
Aircraft serial number			Aircraft serial number		
Aircraft owner			Aircraft owner		
Present wing/tail location					
Destinations of aircraft operation					
Engine thrust rating during operation					

SECTION 3: MONTHLY UTILIZATION DATA FOR THE ENGINE					
EFH operated this month					
EFC operated this month					
BUMP utilization this month (if applicable):					
Engine TSN at report period end	_____ h	min	Aircraft TSN	_____ h	min
Engine CSN at report period end			Aircraft CSN		
Engine TSLSV at report period end	_____ h	min			
Engine CSLSV at report period end					

SECTION 4: CONDITION OF THE ENGINE (tick with ✓ to confirm)		
Scheduled maintenance performed?	☐ No	☐ Yes,
Unscheduled maintenance performed?	☐ No	☐ Yes,
Components swapped?	☐ No	☐ Yes,

Was the Engine and/or A/C involved in any accident or incident?	☐ No	☐ Yes,
Is ECM data available?	Yes	No
Signed: Authorized by		

TSN: Time Since New CSN: Cycles Since New EFH: Engine Flight Hours EFC: Engine Flight Cycles

EXHIBIT F

FORM OF NON-INCIDENT STATEMENT

[On most recent OPERATOR'S LETTERHEAD]

Date: , 20

From:

To: **WWTAI AIROPCO 1 BERMUDA LTD**

Non-Incident Statement

This letter is to certify that the _____ engine bearing manufacturer's serial number _____ (the "**Engine**") and associated components were leased by **GLOBAL CROSSING AIRLINES, INC.** [and operated by [_____]] (the "**Operator**").

During the period of operation, the Engine and associated components were not involved in any accident / incident or subjected to severe impact, stress, heat or fire and they were not operated by governmental or military entities, nor have any parts which may have been installed during operation been acquired from any government or military source. The Engine has not been immersed in salt water or otherwise exposed to corrosive agents outside normal operation.

To the knowledge of the undersigned, the Engine and associated components have been maintained in accordance with a FAA or EASA 121 carrier operator's manual while in the Operator's custody.

At the end of the Lease, the Engine had the following total flight hours and cycles since new:

Total Flight Hours:
Total Flight Cycles:

Yours truly,

GLOBAL CROSSING AIRLINES, INC.

By: ____
Name:
Title:

EXHIBIT G

FORM OF UNSERVICEABLE ENGINE

NOTICE Received From: GLOBAL CROSSING AIRLINES, INC.

Delivered To: WWTAI AIROPCO 1 BERMUDA LTD

The undersigned hereby delivers this Unserviceable Engine Notice under Equipment Schedule No. ____ made and entered into as of __, 20__ (the “**Equipment Schedule**”), between **WWTAI AIROPCO 1 BERMUDA LTD** (“**Lessor**”) and **GLOBAL CROSSING AIRLINES, INC.** (“**Lessee**”), which supplements that certain Engine Lease General Terms Agreement dated as of January 17, 2024 between Lessor and Lessee, and certifies the following to Lessor:

ESN: ____

MSN: _

Date of Removal: _____

Registration: _

TSN at Removal: _____

TSLSV at Removal: _

CSN at Removal: _____

CSLSV at Removal: _

Limiter: _____

Reason for Removal:

Proposed Term Expiry Date: _____

Location of Engine: ____

Yours truly,

GLOBAL CROSSING AIRLINES, INC.,
as Lessee

By: ____

Name:

Title:

EXHIBIT H
FORM OF
RECOGNITION OF RIGHTS AGREEMENT

Dated: .

Dear Sirs:

[_____] Aircraft bearing manufacturer's serial number [____] (the "**Aircraft**") – Engine Title Recognition Agreement.

[Airframe Lessor] ("**Lessor**") is the sole legal and beneficial owner of the Aircraft and has leased the Aircraft to Global Crossing Airlines, Inc. ("**Lessee**") pursuant to a [describe lease].

[Airframe Financing Party] ("**Security Trustee**") holds a [describe mortgage / security interest] in the Aircraft.

We understand that you have leased one (1) [] model [____] engine bearing manufacturer's serial number [] (the "**Engine**") to Lessee and that the Engine is owned by you and that the Engine is or will be installed on the Aircraft.

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, we hereby agree:

- (a) we will recognize your rights and interests in the Engine;
- (b) that we will not claim as against you or any third party, any priority of rights, title or interest in the Engine as a result of the Engine being installed on the Aircraft;
- (c) to waive, to the extent in conflict with the terms of paragraphs (a) and (b) above, the benefit of any contrary provisions of applicable law;
- (d) to redeliver the Engine directly to you in accordance with the procedures instructed by you if, for any reason whatsoever, we have entered into possession of the Engine; and
- (e) upon your request, to register a subordination of our interest in the Engine under The Convention on International Interests in Mobile Equipment and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment both signed in Cape Town, South Africa on November 16, 2001, together with any protocols, regulations, procedures, rules, orders, agreements, instruments, amendments, supplements, revisions or otherwise that have or will be subsequently made in connection therewith.

* * *

This letter will in all respects be governed by, and construed in accordance with, the law of the State of New York.

Sincerely,

[Airframe Lessor], as Lessor

By: ____
Name:
Title:

[Airframe Security Trustee], as Security
Trustee

By: ____
Name:
Title:

Agreed and Acknowledged:

WWTAI AIROPCO 1 BERMUDA LTD

By: ____
Name:
Title:

EQUIPMENT SCHEDULE

EQUIPMENT SCHEDULE NO. 3

This Equipment Schedule No. 3, dated as of August 8, 2025, (this “**Equipment Schedule**”) is between **WWTAI AIROPCO 1 BERMUDA LTD.** (“**Lessor**”) and **GLOBAL CROSSING AIRLINES, INC.** (“**Lessee**”).

This Equipment Schedule supplements (and incorporates the terms and conditions of) the Engine Lease General Terms Agreement dated as of January 17, 2024 (as amended or supplemented from time to time, the “**GTA**” and together with this Equipment Schedule, the “**Lease**”), between Lessor and Lessee, and the following described Engine is hereby subject to the terms and conditions of the Lease:

1. Engine: One (1) International Aero Engines model V2527-A5 engine bearing manufacturer’s serial number V12884, in QEC configuration in accordance with minipack provided component inventory list less nose cowl, thrust reverser and cascades, with an engine transportation stand as further described in the Delivery Receipt.
2. Replacement Value: Ten Million Five Hundred Thousand Dollars (US\$10,500,000).
3. Liability Insurance Amount: Seven Hundred Fifty Million Dollars (US\$750,000,000).
4. Deposit: One Hundred Twenty-Five Thousand Dollars (US\$125,000).
5. Basic Rent: Basic Rent for the Engine shall be payable monthly in advance on each Basic Rent Payment Date at the rate of Seventy-Four Thousand Dollars (US\$74,000) per month.
6. Supplemental Rent: Supplemental Rent for the Engine shall be payable monthly in arrears on each Supplemental Rent Payment Date at the following rates:

Type of Supplemental Rent	Amount of Supplemental Rent
Flight Cycle (FC) rate:	US\$315.34 per cycle
Flight Hour (FH) to FC usage rate:	The Dollar amount per flight hour shall be payable at a rate corresponding to the flight hour to cycle ratio listed on the table attached in Annex A.

The Supplemental Rent rates are effective for all of 2025. The Flight Hour and Flight Cycle rates shall escalate by three and one half percent (3.5%) per annum (rounded to the nearest whole Dollar) beginning on January 1, 2026. The Flight Cycle rate shall escalate annually in January and will be subject to periodic escalation commensurate with the percentage increase between each engine manufacturer’s catalogue publication for a comparable LLP stack.

7. Delivery Date: The date of the Delivery Receipt.

8. Delivery Location: The facilities of AeroTech Ops in Medley, Florida, United States of America or such other location as may be agreed between Lessor and Lessee in writing in advance.

9. Delivery Condition: The Engine will be in serviceable condition, with a dual (FAA/EASA) release FAA 8130-3/EASA Form 1.

10. Delivery Engine Documentation: The Engine will be delivered with current and updated records as per below:

1. FAA 8130-3/EASA Form 1	5. VBSI Report	9. Oil Consumption Report
2. LLP Status	6. VBSI Video	10. All available shop visit records
3. Non-Incident Statement	7. QEC/LRU Inventory	11. All available SB records
4. AD Status	8. ECM Data (6 Months)	12. All available AD records

11. Redelivery Location: The Delivery Location or such other location as may be agreed between Lessor and Lessee in writing in advance.

12. Term Expiry Date: The earliest to occur of: (a) the date this Equipment Schedule is terminated pursuant to Section 10(a) of the GTA; (b) sixty (60) months following the Delivery Date; (c) the date of removal of the Engine due to AD 2022-02-09; (d) the date the Engine becomes Unserviceable as a result of the failure of the existing 600FH Nozzle Guide Vane re-inspection; (e) the date the Engine becomes Unserviceable due to failure of the existing 600FH HPT Blade re-inspection; or (f) an FAA Airworthiness Directive falls due that requires removal of Engine from wing; in each case, unless terminated earlier in accordance with the terms of the Lease.

13. Additional Insureds: Lessor, FTAI Aviation Ltd., FTAI Aviation LLC, Allaviation Leasing (IGO No. 3) Limited, Avolon Aerospace Leasing Limited and each of their respective Affiliates, shareholders, subsidiaries, directors, officers, members, servants, agents, transferees, partners, contractors, subcontractors, representatives, controlling persons, successors, assigns and employees.

14. Lease Extension: Lessee and Lessor shall have the option to extend the Lease Term upon mutual agreement for a minimum of three (3) months following the Term Expiry Date under the same commercial terms as outlined herein, following written notice by Lessee to Lessor no later than three (3) months prior to the Term Expiry Date. Any extension of the Lease Term pursuant to this Section 12 shall be documented in a signed amendment agreement in respect of this Equipment Schedule between Lessor and Lessee.

15. Engine Condition at Redelivery: Each of Lessor and Lessee hereby agree that (a) notwithstanding Section 10 of the GTA, the Engine may be Redelivered by Lessee to Lessor

with “on watch” items and reduced interval inspections to the extent the same are attributable to normal wear and tear or to the extent the same are pre-existing at the time the Engine is Delivered by Lessor to Lessee; (b) Lessee will not be liable for damage and any cost of repair (i) resulting from

normal wear and tear; (c) in the event that the Engine is Redelivered by Lessee to Lessor in accordance with Section 10(a) of the GTA, Lessee shall not be obligated to provide an MPA run report in respect of the Engine at Redelivery; and (d) in the event defects or items outside manufacturer’s limits are discovered in accordance with Section 10 (c) of the GTA, then Lessee shall not be responsible to rectify such findings, unless due to an Excluded Event .

16. Engine Documentation at Redelivery. The Engine will be returned with the following documentation:

1. QEC/LRU Inventory	7. Airline AD Status	13. Non-Incident Statement
2. Redelivery VBSI Report	8. Airline SB Status	14. MPD Task Card Status
3. Redelivery VBSI Video	9. ECM (6 months)	15. OIL Consumption Report
4. Installation LLP Status	10. MPA Run Report	16. Combustion Statement
5. Removal LLP Status	11. Operator Removal Tag (TT/TC)	(*)Originals of the above forms
6. Removal/Installation History	12. FAA 8130-3/EASA Form 1	

If the Engine is returned Unserviceable pursuant to Section 10(a) of the GTA, or is returned with an LLP limiter having less than one hundred (100) cycles remaining, then Lessee’s obligation to provide items 1, 2, 3, 10, 12, and 14 will be waived.

17. Definitions: All capitalized terms used but not defined herein shall have the meanings assigned thereto in the GTA.

18. Conflicting Terms. In the event of any conflict between the terms of this Equipment Schedule and the GTA, the terms of this Equipment Schedule will be controlling.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have executed this Equipment Schedule as of the date first written above.

WWTAI AIROPCO 1 BERMUDA LTD., as
Lessor

By: 
Name: Joseph P. Adams
Title: Director

GLOBAL CROSSING AIRLINES, INC., as
Lessee

Signed by:

By: 
742899C4E4BC435

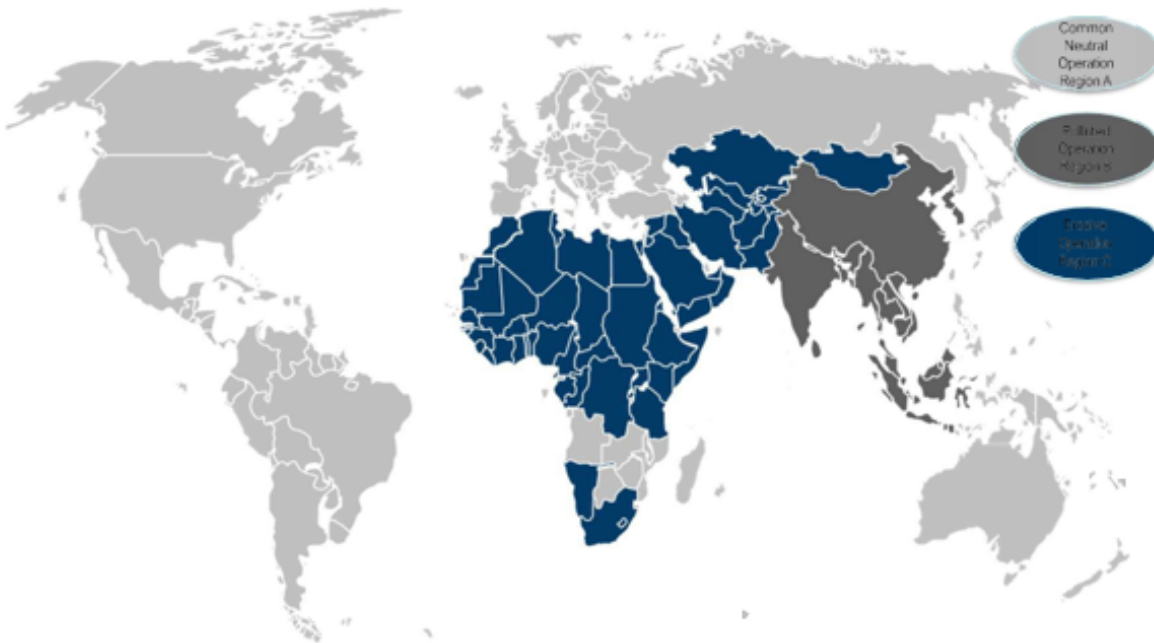
Name: Ryan Goepel

Title: President and CFO

**ANNEX A
TO EQUIPMENT SCHEDULE NO. 3**

FH/FC Ratio	< 0.87	.87 - 1.11	1.12 - 1.36	1.37 - 1.61	1.62 - 1.86	1.87 - 2.11	2.12 - 2.36	2.37 - 2.61	2.62 - 2.86	2.87 - 3.11	> 3.12
V2527-A5 Area A	\$514	\$416	\$348	\$301	\$272	\$250	\$231	\$217	\$209	\$204	\$200

“Region A”, “Region B” and “Region C” are defined in the by reference to the below map.



Map - Global Classification Operations in Regions A, B and C

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Chris Jamroz, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Global Crossing Airlines Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2025

/s/ Chris Jamroz

Chris Jamroz
Executive Chairman

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Ryan Goepel, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Global Crossing Airlines Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2025

/s/ Ryan Goepel

Ryan Goepel
President & Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Global Crossing Airlines Group Inc. (the “Company”) on Form 10-Q for the period ended on September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 6, 2025

/s/ Chris Jamroz

Chris Jamroz
Executive Chairman

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Global Crossing Airlines Group Inc. (the “Company”) on Form 10-Q for the period ended on September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 6, 2025

/s/ Ryan Goepel
Ryan Goepel
President & Chief Financial Officer