

**GENERAL CONDITIONS OF LEASE  
AIR SHOP B.V.**

The below conditions of lease of Air Shop B.V. (registered with the Chamber of Commerce Amsterdam under number 34178161, having its corporate seat and principle office at (1525 RJ) Westknollendam, Kantoerweg 7, together with any an all of its group companies referred to in art. 2:24b of the Dutch Civil Code) apply to and form an integral part of all contracts for the lease of Equipment as construed between Air Shop B.V. (hereafter: the LESSOR) and any third party (hereinafter: the LESSEE) and laid down in a numbered and dated Agreement for Lease of Equipment.

**Article 1 - Applicability**

- 1.1 THE APPLICABILITY OF THE GENERAL CONDITIONS OF LEASE USED OR REFERRED TO BY THE LESSEE IS HEREWITH EXPLICITLY REJECTED.
- 1.2 These general conditions are applicable to all legal relationships of Air Shop acting as (potential) LESSOR of Equipment.
- 1.3 Stipulations deviating from these general conditions must be made in writing.

**Article 2 - Delivery and return of Equipment**

- 2.1 The lease period for the Equipment leased shall commence at 00.00 AM on the delivery date as per paragraph 5 of the Agreement, unless the Equipment was picked up by the LESSEE at an earlier date, in which case the rental period shall commence at 00.00 AM on the actual date of delivery.
- 2.2 The rental period for the Equipment leased shall end at 23.59 PM on the day the LESSEE returns the Equipment or the Equipment is repossessed by the LESSOR, its servants, subsidiary, affiliates or subcontractors.
- 2.3 Delivery of Equipment leased under this Agreement shall be effected at the delivery location mentioned in paragraph 5 of the Agreement.
- 2.4 Return of Equipment leased under this Agreement shall be effected at the delivery location mentioned in paragraph 5 of the Agreement, unless explicitly otherwise agreed upon.

- 2.5 Parties to this Agreement may agree that the LESSOR shall arrange for transportation of the Equipment from the location of delivery to a location desired by the LESSEE, or, in case of return of the Equipment, from any actual location of the Equipment to the place of business of the LESSOR, in accordance with the previous paragraph. In any such case, the LESSOR shall act as agent to the LESSEE only and such transportation shall be for the sole risk and account of the LESSEE, unless otherwise agreed upon.

### **Article 3 - Lease rate, expenses and charges**

- 3.1 The amount payable for lease as specified in paragraphs 8 and/or 9 is exclusive of VAT.
- 3.2 The LESSEE shall pay all expenses relating to the Equipment leased under this Agreement during the entire Lease period, including but not limited to expenses incurred in airports, depots or storage areas.
- 3.3 Insurance premiums due pursuant to insurance covering the transportation of Equipment, irrespective whether entered into by the LESSEE or the LESSOR, its servants, subsidiary, affiliates, or subcontractors, shall always be for account of the LESSEE and if insurance premiums are charged to the LESSOR, they shall be invoiced to the LESSEE and be reimbursed by the LESSEE to the LESSOR.
- 3.4 In case of transportation of Equipment by road (trucking), arranged by the LESSOR, its servants, subsidiary, affiliates or subcontractors, the LESSOR shall invoice the LESSEE for such transportation charges on the basis of round trip trucking.
- 3.5 The LESSEE shall, at its expense, comply with all conventions, laws, regulations or orders of governing or regulatory authorities and with all rules and practises of depots and storage areas, and shall be liable for all fines or penalties for failure to comply, and shall be responsible for all taxes due with respect to the Equipment arising out of its possession or use by the LESSEE.

### **Article 4 - Operation, maintenance & repairs**

- 4.1 Unless the LESSEE or an agent appointed by the LESSEE notifies the LESSOR otherwise upon delivery of the Equipment, the Equipment is ir-

revocably considered to be delivered to the LESSEE clean, undamaged and in good safe condition.

- 4.2 The LESSEE shall:
1. use the Equipment properly and in accordance with good business practice;
  2. keep the Equipment in good order;
  3. repair, replace parts if required;
  4. perform routine safety inspections;
  5. shall clean the Equipment and prevent corrosion and other damage to the Equipment.
- 4.3 The LESSEE shall return Equipment leased under this Agreement in the same good state and condition as upon delivery.
- 4.4 During the entire Lease period, the LESSEE is responsible and shall compensate the LESSOR for any and all damage to the Equipment, unless the LESSEE proves that such damage was existent upon delivery and the damage has been notified to the LESSOR in accordance with paragraph a of this article. the LESSEE shall not be responsible for normal wear and tear as defined below as may reasonably be expected between delivery and redelivery. Normal wear and tear includes light oxidation, or light rust, random shell dents and scratches caused by normal handling, ground storage, transport, loading and discharge consistent with good practise.
- 4.5 The LESSEE shall not use any Equipment for storage or transportation of goods, which are evidently unsuitable for the purpose of transport or storage.
- 4.6 The LESSEE shall not make any alterations to the Equipment without prior written consent of the LESSOR. Any logo placed on the Equipment by the LESSEE must be removed prior to return of the Equipment. If logos of the LESSEE have not been removed upon return of the Equipment, the LESSOR is entitled to remove such logos at the LESSEE's expense.

#### **Article 5 - Sub-lease, assignment**

- 5.1 The LESSEE shall at no time require ownership of the leased Equipment, nor shall the LESSEE acquire any title or right upon the Equipment.
- 5.2 The LESSEE shall not sub-lease any Equipment or assign its rights under

this Agreement or any of the Equipment covered by this Agreement to any other party without prior written consent of the LESSOR.

5.3 The LESSEE shall not pledge, hypothecate, mortgage, encumber or in any manner dispose of Equipment leased under this Agreement.

5.4 The LESSEE shall not remove, hide or alter any identifying marks and/or serial numbers marked or affixed to the Equipment.

#### **Article 6 - Warranty**

All Equipment is leased “as is” and the LESSOR warrants only that each item delivered to the LESSEE is airworthy. It is acknowledged and agreed that the LESSOR, its servants, subsidiary, affiliates or subcontractors, make no other representation, agreement or warranty whatsoever, expressed or implied, as to any Equipment, its physical merchantability, or its fitness for any use or purpose whatsoever.

#### **Article 7 - Force majeure**

It is understood and agreed that the LESSOR, its servants, subsidiary, affiliates or subcontractors, shall not be liable to the LESSEE or any other party or entity for any failure or delay in the performance of any obligation under the Agreement due to events beyond its reasonable control, including, but not limited to, fire, storm, flood, earthquake, explosion accidents, acts of public enemy, sabotage, riots or civil disorders, strikes, lockouts, labour disputes or shortages, transportation embargoes or delays, failure or shortages of materials or supplies or Equipment, failure of suppliers to deliver as requested, failure of repair facilities to finish repairs, acts of nature, acts or regulations or priorities of any government or its branches or agencies, acts of god, acts of war and/or terrorism, or for any other event beyond its reasonable control.

#### **Article 8 - Risk of loss and damage**

##### **8.1 Damage and repair**

Should any Equipment be returned in damaged condition (not being damage or normal wear and tear as referred to in article 3 (d) of these Contract Terms, the LESSOR will send the LESSEE an estimate for cost of repairs within ten (10) working days of receipt of the damaged Equipment. The LESSEE will have an additional five (5) working days to inspect the damaged Equipment. If the LESSEE does not inspect the damaged Equipment, the LESSEE will be deemed to have incurred the right

to inspect and the notice of damage by the LESSOR shall irrevocably be binding upon the LESSEE and the LESSOR shall have the authority to proceed with repairs and invoice the LESSEE for repair costs.

## **8.2 Outside repairs**

The LESSEE may have damaged Equipment repaired at an ULD repair station approved by the International Air Transport Association (IATA) or the United States' Federal Aviation Administration (FAA) at the LESSEE's expense. The agreed Lease periods shall be deemed to be extended and rent for damaged Equipment shall continue to accrue until the Equipment is repaired and delivered to the LESSOR.

## **8.3 Loss and total damage**

If the LESSOR determines it not feasible to repair a damaged item of the Equipment, or if the item is lost, abandoned by the LESSEE, arrested or seized by legal process of the LESSEE's creditor(s) or others or not returned to the LESSOR for any other reason beyond LESSOR's responsibility and control or the responsibility and control of its agents, employees, servants or subcontractors, the LESSEE shall pay the replacement value for such item as specified in paragraph 10 of the Agreement. Lease charges for the Equipment shall continue to accrue until the replacement cost is paid. When Equipment is lost, after the LESSOR receives payment for the lost Equipment, the LESSOR may, at its option, supply the LESSEE substitute Equipment for the balance of the lease term pursuant to the same terms and conditions covering the lost item(s).

## **Article 9 - Unauthorized return of equipment**

The LESSEE shall, at its expense, return each item of Equipment to the place of business of the LESSOR at the location specified in paragraph 2 of the Agreement, unless expressly otherwise agreed between parties. If the LESSEE returns any Equipment to a location different from that specified in paragraph 2 of the Agreement without express agreement of the LESSOR, the LESSOR may at his own initiative pick up and arrange transportation of the Equipment to the location specified in paragraph 2 of the Agreement at the LESSEE's expense and charge the LESSEE rent for Equipment until it reaches the location specified in paragraph 2 of the Agreement.

## **Art. 10 - Cancellation and renewal of lease**

10.1 If the LESSEE has the intention to redeliver Equipment during the agreed Lease period, the LESSEE may submit an "Intention to Cancel Lease" at

any time during the term of this Agreement, indicating a specific redelivery date. The "Intention to Cancel Lease" notice must be received by the LESSOR at least twenty (20) days in advance to the amended redelivery date unless agreed otherwise and rental charges shall always be due and payable during the minimum notice period.

- 10.2 In case the LESSEE has the intention to retain the Equipment under this Agreement beyond the term mentioned in paragraph 7 of the Agreement, the LESSEE shall give the LESSOR advance notice of his intention. This notice must be rendered ultimately twenty (20) days before expiry of the term mentioned in paragraph 7 of the Agreement unless agreed otherwise. In case of failure by the LESSEE to give notice in due time the lease period shall automatically extend in continuance of the last date of the lease period as per paragraph 7 of the Agreement and the lease of the Equipment pursuant to the terms of this Agreement shall continue until the Equipment has been redelivered unless the LESSOR renders notice of non-continuance. Equipment retained beyond the redelivery date will be invoiced based upon a pro-rata daily rental rate calculated in accordance with the existing Agreement.

#### **Article 11 - Indemnity**

- 11.1 The LESSEE shall indemnify and hold the LESSOR, its agents, employees, servants, subsidiary, affiliates or subcontractors, harmless from all liability or loss including reasonable legal expenses arising out of:
- i) Any failure of the LESSEE to comply with its obligations under this agreement, or any attempt by a third party to impose liability on the LESSOR or its agents, employees, servants, subsidiary, affiliates or subcontractors, relating to the LESSEE's obligations hereunder.
  - ii) Any claim for personal injury or property damage arising out of the LESSEE's acts while the Equipment is under the custody of the LESSEE or is employed by the LESSEE.
- 11.2 Each party shall promptly notify the other in writing of any claim against it and of damage suffered by a third party, without prejudice to liability.

#### **Article 12 - Insurance**

The LESSEE shall at his own expense take out the following insurance with respect to the LESSOR and its Equipment:

- (a) All risk insurance, including property insurance on the Equipment covering all risks of loss or damage from any cause, including war

risks, strikes, riots, civil commotion, mysterious disappearances and unexplained loss, effective anywhere in the world whether on land or airborne, in an amount equal to the replacement value of the Equipment, with limits of not less than € 250.000,00 per person, € 500.000.00 per occurrence and € 100.000,00 property damage for each accident.

- (b) Contractors and Cargo Liability insurance covering the LESSEE's indemnity obligations and exposure hereunder.
- (c) The LESSOR shall be named as co-Assured in the insurance policies required under this Agreement. Copies of the policies shall be furnished to the LESSOR upon request.

#### **Article 13 - Payments**

- 13.1 All invoices must be paid within 30 days of the date of issue. Any late payments will be subject to an interest charge of 1.5% of any outstanding balances per month plus a € 25,00 monthly administrative charge.
- 13.2 Payments must be accomplished at the place of business of the LESSOR, addressed to Airshop B.V. and will only be considered to be accomplished upon receipt by the LESSOR.
- 13.3 The LESSEE agrees that its obligations under this agreement, including, without limitation, the LESSEE's obligation to pay rental, are absolute and shall continue in full force and effect, regardless of any disability of the LESSEE to use the Equipment, for any reason, and that the LESSEE's obligation shall not cease due to any alleged claim or alleged set-off against the LESSOR.

#### **Article 14 - Remedies for default**

- 14.1 the LESSOR can terminate the Agreement for Lease of Equipment without prejudice to any other rights after ten (10) days written notice to the LESSEE if the LESSEE fails to pay rent or any other charges when due, is in default in the performance of any obligation under this Agreement and fails to remedy fully such default within ten (10) days after receipt of written notice from the LESSOR to do so, or is the subject of any other proceedings under the bankruptcy laws applicable to the LESSEE or has become insolvent, or otherwise places LESSOR's interest in its Equipment in jeopardy. Immediately upon notification, a pro-rata daily rental

rate calculated in accordance with the existing Agreement shall apply until each item of Equipment has been returned to the LESSOR.

- 14.2 Upon any default, the LESSOR can utilise all legal remedies available to it to secure possession of or to protect the Equipment, or may retake possession of the Equipment without resort to judicial process and in such case the LESSEE shall be under the obligation to notify the LESSOR of the exact location of all Equipment on lease and promptly redeliver same to the LESSOR. Failure to do so will cause the LESSOR to hold the LESSEE liable for all consequential damages.
- 14.3 The LESSEE agrees to pay reasonable legal fees and costs incurred and incidental to the enforcement of LESSOR's rights under this agreement, inclusive of, but not limited to measures to collect payment of outstanding invoices or claim repossession of Equipment.

#### **Article 15 - Miscellaneous**

- 15.1 This lease is binding upon the parties and their respective heirs, legal representatives, successors and assignees.
- 15.2 the LESSOR may assign all or any part of its right, title or interest in this Lease, including all rental charges due or to become due, provided that such assignment is expressly subject to the LESSEE's right under this Agreement.
- 15.3 The paragraph headings are for convenience only and shall not be deemed to alter or affect any provisions under this Agreement.
- 15.4 All notices required are to be given in writing and may be given by hand delivery, by fax or by mail. In all cases notices must be confirmed by certified, recorded delivery mail.
- 15.5 These Contract Terms and the paragraphs of the Agreement constitute the complete Agreement between the parties. Any changes or modifications must be in writing and signed by the parties to be effective.

#### **Article 16 - Early termination/ default**

Should this Agreement be breached prior to fulfilment of the full term agreed upon per paragraph 7 of the Agreement, or for any other default, then a Daily Lease rate for the Equipment leased hereunder shall be applied which will be

calculated on a pro-rata basis in accordance with the agreed Lease Rate specified within the existing Lease Agreement. An invoice will be issued to the LESSEE reflecting the rental rate pursuant to this paragraph.

#### **Article 17 - Applicable law**

- 17.1 This agreement is entered into in The Netherlands and is governed by and construed in accordance with the laws of The Netherlands.
- 17.1 Any transportation arranged by the LESSOR, its servants, subsidiary, affiliates or subcontractors, acting as agent for the LESSEE, or otherwise as per special agreement between parties, shall be subject:
- D) in case of transport by air: to the Convention on the International Carriage by Air, dated Warsaw, 12<sup>th</sup> October 1929, as amended by Protocols dated The Hague, 28<sup>th</sup> September 1955, the Convention of Guadalajara, 18<sup>th</sup> September 1961, and the Convention of Montréal, 28<sup>th</sup> May 1999;
  - II) in case of transport by road within the Netherlands: to Algemene Vervoercondities (AVC), deposited with the Amsterdam District Court, latest version;
  - III) in case of international transport by road: to the terms of the CMR Convention, dated Geneva, 19<sup>th</sup> May 1956, with the Protocol dated Geneva, 5<sup>th</sup> July 1978;
  - IV) in case of transport by sea or inland waterway vessel: to The Hague Visby Rules, done at Brussels, 23<sup>rd</sup> February 1968;
  - V) in case of transport by rail: to the CIM Convention of Bern, 7<sup>th</sup> February 1970, and the COTIF Convention of Bern, 10<sup>th</sup> May 1980.

#### **Article 18 - Jurisdiction**

- 18.1 Any claim or dispute arising from this Agreement shall be subject to the exclusive jurisdiction of the District Court (Rechtbank) of Amsterdam, Netherlands.
- 18.2 Parties to this agreement hereby waive any and all rights to any trial by jury in any action or proceeding arising directly or indirectly hereunder.

#### **Article 19 - Filing**

These general conditions are filed with the Chamber of Commerce of Amsterdam, number 34178161.