



LEASE MANAGEMENT

BEGINNING, END AND EVERYTHING IN BETWEEN

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AREAS OF TECHNICAL CONCERN IN LEASE AGREEMENTS

DEFINITIONS

DEFINES TERMS USED IN LEASES – MAY NOT COMPLETELY MATCH INDUSTRY TERMINOLOGY

- EXPLAINS MEANING OF VARIOUS TERMS USED IN THE LEASE
- AVOIDS LENGTHY REPETITIONS OF SENTENCES
- PROVIDES CONVENIENT REFERENCE FOR UNFAMILIAR TERMS USED IN A LEASE

DELIVERY CONDITIONS

CONDITION OF THE AIRCRAFT REQUIRED AT DELIVERY AS AGREED BETWEEN THE LESSOR AND LESSEE

- TECHNICAL STATUS
- PASSENGER CABIN CONFIGURATION
- SPECIAL REQUIREMENTS
- PAINT
- MAINTENANCE RECORDS

MAINTENANCE

CONTRACTUAL OBLIGATIONS OF THE LESSEE FOR
MAINTAINING THE TECHNICAL CONDITION OF THE
AIRCRAFT DURING THE LEASE TERM

- SCHEDULED MAINTENANCE
- REPAIRS
- MODIFICATIONS
- REGULATORY REQUIREMENTS
- AIRWORTHINESS DIRECTIVES
- SERVICE BULLETINS

MAINTENANCE RESERVES

- NORMALLY PAID MONTHLY BY THE LESSEE TO THE LESSOR FOR THE LESSEE'S UTILIZATION OF THE AIRCRAFT DURING THE PRIOR PERIOD (BASED UPON CALENDAR TIME, FLIGHT HOURS, FLIGHT CYCLES AND APU HOURS, AS APPLICABLE) FOR SPECIFIC HIGH COST MAINTENANCE EVENTS
- THE COST OF ACCOMPLISHING CERTAIN MAINTENANCE EVENTS MAY BE REIMBURSABLE FROM THE MAINTENANCE RESERVES BUT ARE GENERALLY SUBJECT TO CONDITIONS AND EXCLUSIONS
- WORKSCOPES MAY REQUIRE CONCURRENCE OF THE LESSOR IN ORDER TO CLAIM REIMBURSEMENT FROM THE MAINTENANCE RESERVES

EVENTS OF LOSS

- INSURANCE CLAIMS FOR DAMAGE TO THE AIRCRAFT GENERALLY REQUIRE THE CONSENT OF THE LESSOR PRIOR TO PAYMENT BY THE INSURER
- WORKSCOPE FOR REPAIR OF DAMAGE, AND THE ORGANIZATION ACCOMPLISHING THE REPAIR, MAY REQUIRE PRE-APPROVAL BY THE LESSOR

RETURN CONDITIONS

- RETURN CONDITIONS ARE PREDETERMINED DURING THE LEASE NEGOTIATION AND SPECIFIED IN THE LEASE AGREEMENT
- FOR AIRCRAFT DELIVERED NEW, THE CONDITION AT REDELIVERY IS GENERALLY TIMED TO COINCIDE WITH A HEAVY MAINTENANCE VISIT OF THE AIRFRAME
- FOR AIRCRAFT DELIVERED USED, THE CONDITIONS WILL USUALLY VARY, BASED UPON THE CONDITION OF THE AIRCRAFT AT DELIVERY TAKING INTO ACCOUNT NORMAL WEAR AND TEAR AND THE MAINTENANCE OBLIGATIONS OF THE LESSEE DURING THE LEASE TERM
- LESSEE IS RESPONSIBLE TO MAINTAIN ACCURATE RECORDS OF ALL MAINTENANCE ACCOMPLISHED DURING THE LEASE TERM AND DELIVER THOSE RECORDS TO THE LESSOR AT REDELIVERY
- ALL RECORDS MUST BE IN THE ENGLISH LANGUAGE

LEASE MANAGEMENT - AVOIDING DELAY AND UNNECESSARY EXPENSE AT RETURN

- KNOW AND UNDERSTAND THE LEASE AGREEMENT
- COMMUNICATE WITH THE LESSOR AND ESTABLISH AN ONGOING RELATIONSHIP
- COMPLY WITH LEASE REQUIREMENTS WHEN DUE
- NOTIFY THE LESSOR PROMPTLY OF ANY SIGNIFICANT PROBLEMS WITH THE AIRCRAFT OR ENGINES
- MEET WITH THE LESSOR AT LEAST 6 MONTHS PRIOR TO REDELIVERY TO AGREE ON WORK NEEDED TO BE ACCOMPLISHED TO COMPLY WITH RETURN CONDITIONS
- IF THERE IS DIFFICULTY COMPLYING WITH CERTAIN RETURN CONDITIONS, SPEAK WITH THE LESSOR TO TRY TO WORK OUT AN ALTERNATIVE SOLUTION
- **DON'T LISTEN TO BAD ADVICE FROM OUTSIDE ORGANIZATIONS TELLING YOU THAT YOU CAN IGNORE RETURN CONDITIONS – THIS CAN BE A VERY COSTLY MISTAKE**