

Table of Contents

List of Abbreviations	xv
Preface	xvii
Acknowledgements	xix
CHAPTER 1	
Introduction	1
§1.01 Context	1
§1.02 'Practical' versus 'Legal'	3
[A] 'Practical'	4
[B] 'Legal'	5
§1.03 Aim and Methodology	7
CHAPTER 2	
Overview	13
§2.01 Aircraft Operating Leasing and Other Forms of Leasing and Financing	13
§2.02 Structuring the Lease	18
§2.03 The Letter of Intent	20
§2.04 The Jurisdictional Questionnaire	22
§2.05 The Legal Opinion	23
§2.06 The Layout of the Lease	24
[A] Pre-delivery	24
[B] Post-delivery	25
[C] Post-lease Term	26
CHAPTER 3	
The Aircraft Operating Lease	29
§3.01 Parties	29

§3.02	Recitals	30
§3.03	Definitions	30
§3.04	Representations and Warranties	31
	[A] Representations as to Present and Past Facts	32
	[B] Repetition of Representations	32
	[C] Representations of Law	33
	[D] Warranties	33
	[E] Conclusions	34
§3.05	Conditions Precedent	34
	[A] General Conditions Precedent	35
	[1] Payments	35
	[2] Constitutional Documents	35
	[3] Corporate Approvals	36
	[4] Filings and Consents	36
	[5] Legal Opinions	37
	[6] Process Agent Letter	37
	[B] Airline-Specific Conditions Precedent	37
	[1] Certificate of Insurance and Broker's Letter of Undertaking	38
	[2] Certificate of Registration	38
	[3] Certificate of Airworthiness	39
	[4] Radio Station License	40
	[5] Air Transport License	40
	[6] Air Operator's Certificate	41
	[7] Eurocontrol Letter	42
	[C] Waivers and Conditions Subsequent	42
	[D] Conclusions	43
§3.06	Term and Delivery	44
	[A] Term	44
	[B] Delivery	44
	[1] Delay in or Failure of Delivery	44
	[2] Failure to Meet Delivery Condition Prior to Delivery	45
	[3] Effect of Acceptance of Delivery	46
	[C] Conclusions	49
§3.07	Payments	49
	[A] Rent	49
	[B] Security Deposit	52
	[1] Security Deposit Rationale	52
	[2] Charge over the Security Deposit	53
	[3] Commitment Fee	54
	[4] Market Reality	54
	[C] Maintenance Reserves	54
	[1] Maintenance Reserves Rationale	54
	[2] Charge over Maintenance Reserves	55
	[3] Supplemental Rent	56

Table of Contents

	[4] Limited Reimbursement Obligation	56
[D]	Standby Letters of Credit and Guarantees	57
	[1] Standby Letters of Credit	57
	[2] Guarantees	59
[E]	Late Payment	59
[F]	Conclusions	60
§3.08	Taxes	60
§3.09	Manufacturer's Warranties	61
§3.10	Covenants	63
	[A] Lessor's Covenants	63
	[1] Quiet Enjoyment	63
	[2] Reimbursement from Reserves and Other Payments	64
	[B] Lessee's Covenants	64
	[1] Maintenance	64
	[2] Liens	66
	[a] Mechanics' Liens	67
	[b] Eurocontrol and Similar Liens	70
	[c] Emissions Lien	75
	[d] Tax Liens	77
	[3] Chicago Convention and Registration	80
	[a] Owner-Only Registration	83
	[b] Owner or Operator Registration	84
	[c] Owner and Operator Registration	85
	[d] Operator-Only Registration	87
	[4] Possession and Replacement of Parts and Engines	87
	[a] Possession	87
	[b] Replacement of Parts	87
	[c] Replacement of Engines	88
	[C] Conclusions	96
§3.11	Indemnities	96
	[A] Damage to Aircraft or Other Loss to Lessor	96
	[B] Liability for Damage to Third Parties	97
	[1] Liability to Non-passengers	97
	[2] Liability to Passengers	100
	[3] Product Liability	110
	[4] A Note on Public International Air Law Instruments	111
	[a] Tokyo Convention	112
	[b] Hague Convention	113
	[c] Montreal Convention 1971	114
	[C] Negligent Entrustment	115
	[1] Extension to Aircraft Operating Leases	115
	[2] US Federal Law	117
	[3] AAR Cases	118
	[4] Liability Insurance and Indemnities	120

	[D] Conclusions	121
§3.12	Insurances	122
	[A] Liability Insurances	123
	[B] Hull Insurances	125
	[1] Agreed Value	126
	[2] Determination of Total Loss	126
	[C] Deductibles	127
	[D] Reinsurance and Cut-Through Clause	127
	[E] Termination of Insurances	128
	[F] Conclusions	129
§3.13	Redelivery	129
	[A] Redelivery in Redelivery Condition	129
	[B] Timely Redelivery	129
	[C] Non-compliance with Redelivery Condition	131
	[D] Residual Value Guarantee	132
	[E] Records	133
	[F] Conclusions	133
§3.14	Events of Default	134
	[A] Payment	134
	[B] Breach of Other Obligations	135
	[C] Insurance	135
	[D] Bankruptcy	135
	[1] US Bankruptcy Code	136
	[2] Cape Town Convention	137
	[3] Conclusions	138
§3.15	Remedies	139
	[A] Repossession	140
	[B] Rome Convention 1933	142
	[C] Cape Town Convention	144
	[D] Geneva Convention	144
	[E] Subleasing	145
	[F] Deregistration	146
	[G] Deregistration Power of Attorney	146
	[H] Article 83 <i>bis</i> Transfer	147
	[I] IDERA	150
	[J] Indemnity Claim	152
	[K] Conclusions	153
§3.16	Assignment	153
	[A] Absolute Assignment	154
	[B] Assignment by Way of Security	154
	[C] Conclusions	156
§3.17	Governing Law	156
§3.18	Dispute Resolution	158
	[A] Contractual Agreement	158

Table of Contents

	[B] Third Parties and Forum Non Conveniens	160
	[C] Conclusions	161
§3.19	Miscellaneous	161
	[A] Time of the Essence	161
	[B] No Waiver	162
	[C] Entire Agreement	163
	[D] Waiver of Sovereign Immunity	163
	[E] Conclusions	165
§3.20	Execution	165
CHAPTER 4		
	Conclusion	167
§4.01	Overall Conclusions	167
	[A] Pre-delivery	168
	[B] Post-delivery	168
	[C] Post-lease Term	169
§4.02	Recommendations	170
	[A] Article 83 <i>bis</i> of the Chicago Convention	171
	[B] Cape Town Convention and IDERA	172
	[C] Eurocontrol, Emissions and Similar Liens	173
	[D] Standardization of Documentation	175
	[E] Lessor's Liability for Acts of the Airline (Montreal Convention 1999)	176
	[F] Lessor's Liability for Acts of the Airline (Tokyo Convention)	177
	[G] Hell or High Water	178
	[H] Conclusivity of Acceptance	178
§4.03	Closing Words	179
	Annexes	181
	Supplement	203
	Bibliography	341
	Table of Cases	349
	Table of International Conventions and Other Agreements	353
	Table of Legislation and Regulations	357
	Index	359