air transat

February 24, 2011

To whom it may concern.

Non – Incident Statement

Engine CF6-80C2A2 ESN 690117 has not been involved, nor removed from an aircraft that was involved in an incident or accident, major failure or fire, nor has the engine nor the parts installed on it been subjected to extreme stress, heat or immersed in salt water or corrosive liquid nor have the parts been obtained from any government, military or unapproved source during Air Transat's operation.

Engine has only been operated to a CF6-80C2A2 thrust rating during Air Transat's operation.

Engine Total Flight Hours / Total Engine Flight Cycles: 69931 / 17035 as of January 13, 2011.

Gabriella Gheorghiu
Air Transat
Manager, Quality Assurance / Projects
5959 Boulevard de la Cote Vertu
Montréal, Quebec, Canada
H4S 2E6

BILL OF SALE

The undersigned **Luftfahrzeugpool GOAL Echo GmbH & Co. KG** ("**SELLER**") owner of the full legal and beneficial title of the aircraft described as follows:

Model:	Airbus A310-304
Serial Number:	485
Registration:	C-GVAT
Equipped with	Two General Electric CF6-80C2A2 engines,
Serial numbers	690 102 and 690 117

including all appliances, avionics, equipment, components, parts, furnishings, instruments and accessories installed in such Aircraft on the Delivery Date as set forth in **Section 1.1** of the Aircraft Purchase and Sale and Lease Assignment and Novation Agreement with respect to the Aircraft, dated April 11, 2008 between **GA Telesis A310 MSN 485, LLC** and **Luftfahrzeugpool GOAL Echo GmbH & Co. KG**., does this April 24, 2008 hereby sell, grant, transfer and deliver all of its right, title and interest in and to such aircraft unto:

GA Telesis A310 MSN 485, LLC ("BUYER")

and its successors and assigns.

SELLER hereby warrants to BUYER, its successors an assigns, that, at the date hereof, SELLER has legal title to the Aircraft and good and lawful right to sell the Aircraft, and that SELLER's title to the Aircraft is free and clear of all liens, prior claims, mortgages, security interests, hypothecs and encumbrances arising by, through or under SELLER. SELLER furthermore warrants to BUYER that there is hereby conveyed to BUYER all of SELLER's right, title and interest in and to the Aircraft.

This Bill of Sale is governed by the laws of the Province of Ontario and the Federal laws of Canada applicable therein.

In witness whereof, the undersigned has caused this instrument to be signed by a duly authorized representative this April 24, 2008

LUFTFAHRZEUGPOOL GOAL ECHO GMBH & CO. KG

By: _____
Name: Michael Radunz
Title: Managing Director

By: _____
Name: Philipp Myckert
Title: Attorney-in-fact

AIRCRAFT LEASE AMENDMENT NO. 2

A310-300 MSN 485

dated March 4, 2011

with effective date as of December 20, 2010

among

GA TELESIS A310 MSN 485, LLC

as LESSOR

and

AIR TRANSAT A.T. INC.

as LESSEE

in respect of

Aircraft:	Airbus A310-304
Manufacturer Serial No:	485
Registration Marks:	C-GVAT

AIRCRAFT LEASE AMENDMENT NO. 2
A310-300 MSN 485

This Aircraft Lease Amendment No. 2(this "**Amendment No. 2**") is dated March 4, 2011, with effective date as of December 20, 2010.

BY AND AMONG: **GA TELESIS A310 MSN 485, LLC**
1850 NW 49th Street
Fort Lauderdale, Florida 33309
USA
("**LESSOR**");

AND: **AIR TRANSAT A.T. INC.**, a Canadian corporation, having its registered office at:
5959, Côte-Vertu Blvd.
Montréal, Québec, H4S 2E6
Canada
("**LESSEE**")

(each, a "**Party**" and collectively, the "**Parties**").

WHEREAS LESSOR and LESSEE entered into that certain Aircraft Lease Assignment, Assumption and Novation dated April 11, 2008 with effective date as of April 24, 2008 (which by reference incorporates that certain Aircraft Lease Agreement dated November 14, 2003 (the "**Original Lease**") and all subsequent documents referenced therein and incorporated herein by reference), as amended by that certain Partial Termination and Aircraft Lease Amendment No. 1 dated May 18, 2008 with effective date as of May 18, 2008 (the "**Amendment No. 1**") (collectively, the "**Novated Lease**") with respect to one (1) used 1988 Airbus A310-304 aircraft bearing the manufacturer's serial number 485 and the Canadian registration mark C-GVAT, equipped with two General Electric CF6-80C2A2 engines bearing the engine serial numbers 690102 ("**Engine 690126**") and 690117 ("**Engine 690117**"), including all appliances, avionics, equipment, components, parts, furnishings, instruments and accessories installed in such Aircraft and all logs, records and other documents in respect of the foregoing (collectively the "**Aircraft**"); and

WHEREAS the Parties now wish to amend the Lease to extend the term of the Lease in addition to those certain agreed provisions related thereto provided herein.

NOW, THEREFORE, THIS AMENDMENT NO. 2 WITNESSES that in consideration of the mutual covenants and agreements set forth herein the Parties agree as follows:

1. DEFINITIONS

In this Amendment No. 2, the following shall be defined terms:

"**Amendment No. 2**" shall have the meaning set forth in the recitals.

"**Balance PBH Rent**" shall meaning set forth in Section 4 hereof.

"**Extended Fixed Lease Term**" means the period commencing on May 20, 2011 and ending and including December 19, 2011.

"**Extended Term**" shall have the meaning set forth in Section 2 hereof.

"**Fixed Rent**" means [redacted]

"**Maximum PBH Rent**" means [redacted]

"**Minimum PBH Rent**" means [redacted]

"**PBH**" means power-by-the hour.

"**PBH Lease Term**" means the period commencing on and including the date Engine 690117 is redelivered to Lessor pursuant to this Amendment No. 2 and ending on and including May 19, 2011.

"**PBH Rent**" shall mean the calculation of rent based upon USD 357 multiplied by the amount of flight hours per Rental Period. Notwithstanding the foregoing, PBH Rent shall not be an amount less than the Minimum PBH Rent.

"**Parties**" means, collectively, Lessor and Lessee, and "**Party**" either one of them.

All other defined terms used herein without definition have the same meaning as respectively ascribed thereto in the Novated Lease.

2. **EXTENSION OF LEASE**

The Parties acknowledge that they are extending the term of the lease for a period of one (1) year through and including December 19, 2011 (the "**Extended Term**").

3. **REDELIVERY OF ENGINE**

Engine 690117 shall be redelivered to Lessor on an "as is where is" basis with those records pertaining to such engine as were delivered to Lessee by Assignor and those maintained by Lessee since the delivery of the Aircraft. Furthermore, Lessee shall have the right to remove the power management computer (PMC) and the main engine control (MEC) from Engine 690117 to use such parts to reconfigure Engine 695514, which Lessee has leased from Squadron Leasing II, LLC ("**Squadron**") and is installing on the Aircraft, from a model CF680C2A5 to a model CF680C2A2, until redelivery of the Aircraft to Lessor. Notwithstanding the foregoing, Lessee hereby agrees (i) to use commercially reasonable efforts to obtain the information required by Lessor in order to comply with the Lease document-return requirements with respect to Engine 690117 and (ii) to provide Lessor with a non-incident statement limited to Lessee's operation only. Upon technical acceptance of Engine 690117 by Lessor, which shall occur promptly following redelivery, the Agreed Value shall be reduced by the Engine Agreed Value for Engine 690117 and shall accordingly amount to [redacted] omptly after redelivery of Engine 690117, Lessor

shall return to Lessee the engine stand p/n:3195 s/n:12688-4 that accompanied Engine 690117.

Lessor hereby acknowledges that redelivery of Engine 690117 has occurred on February 1, 2011.

4. RENT

Beginning on the date Engine 690117 is redelivered to Lessor and during the remainder of the Extended Term, Section 5.1 of the Novated Lease shall be deleted and replaced with the following:

4.1 Rent

4.1.1 During the PBH Lease Term, Lessee shall pay the PBH Rent to Lessor,

(a) in advance on each Rent Date, commencing with the date Engine 690117 is redelivered to the Lessor, the Minimum PBH Rent, and payment thereof must be initiated sufficiently in advance of each such Rent Date to ensure that Lessor Receives credit therefor on each such Rent Date. If any Rent Date is on a non-Business Day, the PBH Rent payable in respect of the relevant Rental Period shall be paid on the Business Day immediately preceding such Rent Date.

(b) in arrears, the amount of PBH Rent in respect of each Rental Period, commencing on the date Engine 690117 is redelivered to Lessor, less the Minimum PBH Rent paid on the Rent Date with respect to such Rental Period (the "**Balance PBH Rent**"), provided that the aggregate of the Minimum PBH Rent and Balance PBH Rent in respect of any Rental Period does not exceed the Maximum PBH Rent.

The amount of the Balance PBH Rent so payable in respect of each such Rental Period shall be calculated by the Parties no later than within ten (10) days after the delivery or completion of the Monthly Report and payment thereof must be initiated immediately on the day of such determination to ensure that Lessor receives same day credit therefor. If the date of such determination is a non-Business Day, the Balance PBH Rent payable in respect of that Rental Period shall be paid on the Business Day immediately following the date of such determination.

4.1.2 During the Extended Fixed Lease Term, Lessee shall pay the Fixed Rent to Lessor in advance on each Rent Date.

4.2 Rent Credit

Lessee has pre-paid the following amounts between February 1, 2011 and execution of this Amendment No. 2:

[redacted]

Lessee owed the following amounts for the period February 1, 2011 until the date of execution of this Amendment No. 2:

[redacted]

Lessor will credit Lessee the difference in the amount of [redacted] to be used against future rent obligations only.

5. MAINTENANCE RESERVES

Current Maintenance Reserves on Engine 690117 as of December 10, 2010 are USD [redacted] Lessor shall retain the amount of USD [redacted] from the Maintenance Reserves for Engine 690117. The remaining Maintenance Reserves balance in the amount of USD [redacted] shall be retained by Lessor and applied as a credit towards future reserves ("**Credit for Maintenance Reserves**"). Such Credit for Maintenance Reserves shall not be applied to any rent payments due hereunder. For the avoidance of doubt, the Credit for Maintenance Reserves shall not be deducted from any amount claimable by Lessee under any Maintenance Reserves including with respect to the Airframe, Engine 690126 and the Landing Gear pursuant to the provisions of Clause 7 of the Original Lease.

6. ADDITIONAL MAINTENANCE RESERVES

During the Extended Term, a new subsection (v) shall be added to Section 5.4(a) of the Original Lease, as follows:

(v) in respect of the C-Check, during the Extended Fixed Lease Term USD [redacted] for each Rental Period to Lessor in advance on each Rent Date provided that a C-Check is performed within the last seven (7) months of the Extended Term (the "**C-Check Reserve**").

7. OPERATING CONDITIONS AT REDELIVERY

Since Lessee is obligated hereunder to perform a C-Check within the last seven (7) months of the Extended Term, the Parties hereby agree to replace Section A.(h) of Schedule 3 (Operating Condition at Redelivery) Part 1 of the Novated Lease with the following:

(h) be delivered within seven (7) months of the appropriate, applicable C-Check including all calendar items then due, cabin refurbishment according to Lessee's Approved Maintenance Programme including corresponding lower checks (A- and C-Checks or equivalent). Any discrepancy revealed during such check shall be corrected in accordance with the Airbus maintenance and repair manuals;

Since Lessee is installing on the Aircraft Engine 695514 leased from Squadron in replacement of the removed Engine 690117, the parties will work diligently and in good faith to determine the procedure for the return of Engine 695514 to Lessee

J.T.

promptly after redelivery of the Aircraft to Lessor. Any costs related to such procedure shall be borne by Lessee.

8. SHORT FORM LEASE EXTENSION

The Parties shall enter into a Short Form Aircraft PBH Lease Extension substantially as set out in **Annex A** attached hereto.

9. MISCELLANEOUS

Each of the Parties, severally and not jointly with any of the other Parties, represents and warrants to each of the other Parties that:

(a) it is a duly organized legal entity and validly existing under the laws of its governing jurisdiction and has the legal power to enter into and implement the transactions contemplated by this Amendment No. 2 and the other documents related to this transaction to which it is a party;

(b) the execution, delivery and performance of this Amendment No. 2 and the other documents related to this transaction to which it is a party, have been duly authorized by all necessary legal action on its part;

(c) this Amendment No. 2 and the other documents related to this transaction to which it is a party, constitute its legal, valid and binding obligations enforceable against it in accordance with their terms except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditor's rights generally;

(d) each consent required by it to authorize, or required by it in connection with the execution, delivery, performance, legality, validity or enforceability of this Amendment No. 2 and the other documents related to this transaction to which it is a party, has been obtained and is in full force and effect;

(e) neither the execution and delivery nor the performance by it of this Amendment No. 2 and the other documents related to this transaction to which it is a party, will (i) conflict with, or result in any material breach of, any of the terms of, or constitute a default under, any agreement of document to which it is a party or by which it or any of its properties (real and immovable, personal and movable) may be bound or (ii) contravene or conflict with the provisions of its constitutive documents; and

(f) it is subject to private commercial law and suit, is not entitled to sovereign immunity under the laws of any jurisdiction, and neither it nor any of its properties (real and immovable, personal and movable) is immune from suit or execution on the grounds of sovereignty in any jurisdiction.

(g) The Parties shall sign and deliver such additional documents and instruments and do and perform or cause to be done and performed such additional acts and things in connection with the provisions of this Amendment No. 2, as may be necessary or desirable, acting commercially reasonably, in order to give full effect to this Amendment No. 2.

(h) This Amendment No. 2 shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

(i) This Amendment No. 2 shall be binding on, and inure to the benefit of, the Parties and their respective successors and assigns.

(j) Any provision of this Amendment No. 2 which is prohibited or unenforceable with respect to the Novated Lease shall not invalidate the remaining provisions hereof.

(k) This Amendment No. 2 may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 2 as of the date set out on the first page hereof as the effective date of this Agreement.

GA TELESIS A310 MSN 485, LLC

By: _____
Name: Andrew Toutt
Title: Executive Vice President

AIR TRANSAT A.T. INC.

By: _____
Name: JON TURNER
Title: SENIOR VICE-PRESIDENT

ANNEX A
SCHEDULE 2
PART 3
SHORT FORM AIRCRAFT LEASE AMENDMENT NO. 2
(AIRBUS A310-300 MSN 485)

THIS SHORT FORM AIRCRAFT LEASE AMENDMENT NO. 2 made as of March 4, 2011

BETWEEN: **GA TELESIS A310 MSN 485, LLC**
1850 NW 49th Street
Fort Lauderdale, Florida 33309
USA
("**Lessor**")

AND: **AIR TRANSAT A.T. INC.**, a Canadian corporation having its registered office at 5959, Côte-Vertu Blvd, Montréal, Québec, H4S 2E6, Canada
("**Lessee**")
(collectively, the "**Parties**").

WHEREAS Lessor and Lessee are parties to a Short Form Aircraft Lease (the "**Short Form Lease**") dated as of April 11, 2008, as amended, in respect of the Aircraft (as herein described), currently leased by Lessor to Lessee; and

WHEREAS Lessor and Lessee desire to extend the lease of the Aircraft pursuant to the Short Form Lease, otherwise ending on December 19, 2010, until December 19, 2011, for the purpose of operating a commercial air service, pursuant to the provisions of this Short Form Aircraft Power-By-The-Hour Lease Extension (the "**Short Form PBH Lease Extension**").

NOW in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), it is agreed between the Parties as follows:

1. The Aircraft is described in the Short Form Lease as follows:

   One (1) Airbus A310-300 Aircraft
   Manufacturer's Serial Number: 485
   Canadian Registration Marks: C-GVAT
   (the "**Aircraft**")

2. The term of this Short Form PBH Lease Extension shall commence on December 20, 2010 and, subject to the provisions of Section 4, shall continue until December 19, 2011 unless otherwise terminated before such date in accordance with the provisions of the lease as extended by written agreement of the Parties (the "**PBH Extended Term**").

3. At all times during the PBH Extended Term:

   (a) Lessee shall have the legal custody and control of the Aircraft;

   (b) the Aircraft shall be operated by a crew employed by Lessee;

   (c) Lessor shall not provide directly or indirectly any flight crew member to operate the Aircraft;

(d) Lessee shall be responsible for the airworthiness and maintenance of the Aircraft;

(e) Lessee shall adequately insure the Aircraft and maintain such insurance;

(f) Lessee shall not sub-lease the Aircraft without the prior written consent of Lessor; and

(g) the Aircraft shall be based at Montréal – Pierre-Elliott Trudeau International Airport, Quebec, Canada.

4. Lessor may, if an event of default occurs prior to the expiration of the PBH Extended Term and notwithstanding the provisions of Section 2, accept such repudiation and terminate this Short Form PBH Lease Extension by giving Lessee written notice of such termination with immediate effect.

5. Lessee may not assign its rights and/or obligations under this Short Form PBH Lease Extension without the prior written consent of Lessor. Lessor may assign its rights and/or obligations under this Short Form PBH Lease Extension without the prior written consent of Lessee.

6. There is no portion of this Short Form PBH Lease Extension and there is no other agreement existing between the Parties concerning the Aircraft which would contradict any statement that is required to be included in this Short Form PBH Lease Extension in accordance with CAR Standard 222.16.

7. This Short Form PBH Lease Extension shall inure to the benefit of and shall be binding upon the respective successors and assigns of the Parties.

8. This Short Form PBH Lease Extension may be executed by the Parties in separate counterparts, each of which when so executed and delivered will be an original but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this Short Form PBH Lease Extension as of the date set out on the first page hereof.

GA TELESIS A310 MSN 485, LLC

By: _____
Name: Andrew Toutt
Title: Executive Vice President

AIR TRANSAT A.T. INC.

By: _____
Name: Jon Turner
Title: SENIOR VICE PRESIDENT