



Registration of a Charge

Company Name: **HITACHI CAPITAL (UK) PLC**

Company Number: **01630491**



Received for filing in Electronic Format on the: **27/04/2021**

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Details of Charge

Date of creation: **21/04/2021**

Charge code: **0163 0491 0008**

Persons entitled: **BANK OF UTAH**

Brief description: **SECTION 2.1 GRANTS A FIRST PRIORITY SECURITY INTEREST IN RESPECT OF ONE BOEING MODEL 777F AIRCRAFT BEARING MANUFACTURER'S SERIAL NUMBER 66815 AND U.S. REGISTRATION NO. N776CK, TOGETHER WITH TWO GENERAL ELECTRIC COMPANY MODEL GE90-110B1 AIRCRAFT ENGINES BEARING MANUFACTURER'S SERIAL NUMBERS 901579 AND 901580. FOR MORE DETAILS, PLEASE REFER TO THE INSTRUMENT.**

Contains fixed charge(s).

Contains floating charge(s) .

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION**

**FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

NORTON ROSE FULBRIGHT LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 1630491

Charge code: 0163 0491 0008

The Registrar of Companies for England and Wales hereby certifies that a charge dated 21st April 2021 and created by HITACHI CAPITAL (UK) PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 27th April 2021 .

Given at Companies House, Cardiff on 28th April 2021

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

FILE COPY

**AIRCRAFT SECURITY AGREEMENT
(N776CK)**

dated as of April 21 2021

between

HITACHI CAPITAL (UK) PLC,
as Grantor

and

BANK OF UTAH,
as Security Trustee

Covering One Boeing Model 777F Aircraft (shown on the International Registry as Boeing 777-F) Bearing Manufacturer's Serial Number 66815 and U.S. Registration No. N776CK, together with Two General Electric Company Model GE90-110B1 (shown on the International Registry as GE GE90-110B) Aircraft Engines Bearing Manufacturer's Serial Numbers 901-579 and 901-580

The rights and remedies of Security Trustee under this Security Agreement are subject in all respects to the rights of UMB Bank, N.A., as owner trustee and not in its individual capacity, in and to the Aircraft and rights of UMB Bank, N.A., as owner trustee and not in its individual capacity, under the Lease and under the other Operative Documents. Insofar as the Lease constitutes a security agreement and creates a security interest in the Lease Collateral, the Lien of this Security Agreement is subject and subordinate to the Lien of the Lease.

I certify that, save for material redacted pursuant to s.859G of the Companies Act 2006, this copy instrument is a correct copy of the electronic copy of the original instrument.

Norton Rose Fulbright LLP

Date: 26 April 2021

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AIRCRAFT SECURITY AGREEMENT (N776CK)

This AIRCRAFT SECURITY AGREEMENT (N776CK) dated as of April 21 2021 (as amended, modified or supplemented from time to time, this "Security Agreement"), is between **HITACHI CAPITAL (UK) PLC**, a corporation incorporated under the laws of England, as Grantor (together with its permitted successors and permitted assigns, "Grantor"), and **BANK OF UTAH**, a corporation organized and existing under the laws of the State of Utah, as Security Trustee hereunder (herein called, together with its permitted successors and permitted assigns, "Security Trustee").

BACKGROUND

Concurrently with this Agreement, Grantor and Lessee are entering into the Lease with respect to the Aircraft, whereby, subject to the terms and conditions set forth therein, on the Delivery Date, Grantor agrees to lease the Aircraft to Lessee, and Lessee agrees to lease the Aircraft from Grantor.

For the purposes, among other things, of securing Grantor's obligations under other Operative Documents, Lessee's obligations (if applicable) under Operative Document A, and of providing for administration of Grantor's rights and obligations under the Lease and the Operative Documents relating to the Lease, Grantor is entering into this Security Agreement, pursuant to which Grantor is granting to Security Trustee, for the benefit of certain Secured Parties, all of Grantor's right, title and interest in the Aircraft and the Lease and making a security assignment of the Lease to Security Trustee in furtherance thereof.

In consideration of the foregoing premises and the mutual agreements herein contained, and of other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. For all purposes of this Security Agreement, except as otherwise expressly provided or unless the context otherwise requires, capitalized terms used herein have the meanings set forth in, and shall be construed and interpreted in the manner described in this Section 1.1 below or in Annex A to the Multi-Party Agreement.

"Multi-Party Agreement" means that certain Multi-Party Agreement, dated as of April 20, 2021, among, *inter alios*, Lessee, Lessor and Security Trustee in relation to the Aircraft.

"Secured Parties" means, collectively, Security Trustee and Relevant Secured Parties.

ARTICLE II

SECURITY

Section 2.1 Grant of Security. To secure (x) the prompt and complete payment (whether at the stated maturity, by acceleration or otherwise) of all amounts payable by Lessor to Secured Party B or to Security Trustee and by Secured Party B to Secured Party C or to Security Trustee under the Operative Documents (y) the performance and observance by Grantor of all the agreements and covenants to be performed or observed by Grantor for the benefit of the Secured Parties contained in the Operative Documents, as the case may be, and (z) the prompt complete payment (whether at the stated maturity, by acceleration or otherwise) of all amounts payable by Lessee to Secured Party B under Operative Document A (if applicable), and in consideration of the premises and of the covenants contained herein and of other good and valuable consideration given to Grantor by Security Trustee at or before the Delivery Date, the receipt of which is hereby acknowledged, Grantor does hereby grant, bargain, sell, convey, transfer, mortgage, assign, pledge and confirm unto Security Trustee and its permitted successors and permitted assigns, for the security and benefit of the Secured Parties, a first priority security interest (which, in the case of the Airframe and each Engine, constitutes an International Interest) in, and mortgage lien on, all estate, right, title and interest of Grantor in, to and under, all and singular, the following described properties, rights, interests and privileges, other than Excepted Payments and the rights to enforce and collect the same, whether now owned or hereafter acquired (hereinafter sometimes referred to as the "Security Agreement Collateral"):

(a) the Aircraft (including the Airframe and Engines relating thereto) whether or not any such Engine from time to time is installed on the Airframe or any other airframe or any other aircraft, and any and all Parts (in each case, other than Excluded Equipment) relating thereto, and, to the extent provided herein, all substitutions and replacements of, and additions, improvements, accessions and accumulations to, the Aircraft, including the Airframe, the Engines and any and all Parts (such Airframe and Engines as more particularly described in the Lease Supplement executed and delivered with respect to the Aircraft on the Delivery Date or with respect to any substitutions or replacements therefor) and together with all logs and manuals maintained on the Aircraft, and any modification and maintenance records at any time required to be maintained with respect to the Aircraft, in accordance with the rules and regulations of the FAA if such Aircraft is registered under the laws of the United States or the rules and regulations of the government of the country of registry if such Aircraft is registered under the laws of a jurisdiction other than the United States;

(b) the Warranty Rights relating to the Aircraft (including the Airframe and each Engine and any Replacement Airframe or Replacement Engine therefor), together with all rights, powers, privileges, options and other benefits of Grantor under the same;

(c) the FAA Bill of Sale and the Warranty Bill of Sale with respect to the Airframe and each Engine, together with all rights, powers, privileges, options and other benefits of Grantor under the same;

(d) the Lease, each Lease Supplement and all Rent under the Lease, including, without limitation, all Basic Rent and Supplemental Rent, and including, without limitation, the immediate and continuing right of Grantor to receive and collect all Rent now or hereafter payable to or receivable by Grantor and the right of Grantor to make any election or to exercise any option or to give any notice, consent, waiver or approval under or in respect of the Lease, to receive copies of all notices and other instruments or communications, or to accept any surrender or redelivery of the Aircraft or any part thereof, as well as any rights, powers or remedies on the part of Grantor, whether arising under the Lease or by statute or at law or in equity, or otherwise, arising as a consequence of any Lease Event of Default, and to do any and all other things whatsoever which Grantor is or may be entitled to do under or in respect of the Lease and any right to restitution from Lessee or any other Person in respect of any determination of invalidity of the Lease;

(e) to the extent any of the following proceeds described in this subsection (e) are required to be held by Grantor pursuant to the terms of Section 10 or Section 11 of the Lease, all requisition proceeds with respect to the Aircraft or any Part thereof, and all insurance proceeds (or rights to indemnification in lieu thereof pursuant to Section 11(e) of the Lease) with respect to the Aircraft or any Part thereof, but excluding all proceeds of, and rights under, any insurance maintained, or indemnification received, by Grantor and not required under Section 11 of the Lease;

(f) all moneys and securities now or hereafter paid or deposited or required to be paid or deposited to or with Security Trustee by or for the account of Grantor pursuant to any term of this Security Agreement, the Lease or any other Operative Document and held or required to be held by Security Trustee hereunder or thereunder; and

(g) all proceeds of the foregoing;

BUT EXCLUDING FROM THE FOREGOING, AND FROM THE SECURITY AGREEMENT COLLATERAL, all Excepted Payments, and the rights to enforce and collect the same, and SUBJECT TO Section 2.2 hereof and to the rights of Lessee in respect of the Aircraft and to the rights of Lessee under the Lease, all of which Lessee rights are hereby expressly reserved to Lessee;

AND, concurrently with the delivery hereof, Grantor is delivering to Security Trustee the original executed counterpart of the Lease and the Lease Supplement No. 1 executed and delivered with respect to the Aircraft (to each of which a chattel paper receipt is attached);

TO HAVE AND TO HOLD all and singular the Security Agreement Collateral unto Security Trustee, and its permitted successors and permitted assigns, forever, in trust, upon the

terms and trusts herein set forth, for the benefit, security and protection of the Secured Parties from time to time and for the other uses and purposes herein set forth, subject in each case to the terms and provisions set forth in this Security Agreement, including, without limitation, Section 7.6 and the priority of distribution provisions set forth in Article IV.

Grantor does hereby warrant and represent, for the benefit of Lessee and the Secured Parties, that it has not sold, assigned or pledged any of its estate, right, title or interest hereby assigned, to any Person other than to Security Trustee pursuant to this Security Agreement and to Lessee pursuant to the Second Lien Security Agreement, and hereby covenants, for the benefit of Lessee, that, except as expressly permitted herein or in any other Operative Document, it will not sell, assign or pledge any of its estate, right, title or interest hereby assigned, to any Person.

Security Trustee does hereby warrant and represent, for the benefit of Lessee and Relevant Secured Parties, that it has not sold, assigned or pledged, and hereby covenants that, except as expressly permitted herein or in any other Operative Document, it will not sell, assign or pledge, any of Grantor's estate, right, title or interest hereby assigned or any of Lessee's estate, right, title or interest assigned by the Lease, to any Person.

Section 2.2 Agreed Tax Treatment; Quiet Enjoyment. Notwithstanding anything to the contrary herein or in any Operative Document, the parties hereto agree that, (A) for U.S. federal, state and local income and franchise tax purposes, (i) Lessee shall be treated as the sole owner of the Aircraft, and (ii) the Lease shall be treated as a secured loan to Lessee and (B) the parties hereto shall not take any position inconsistent with such treatment unless required as a result of a change in law after the Delivery Date. Without limiting the foregoing, Lessee will continue to enjoy all of its rights in and to the Aircraft and its rights under the Lease and the other Operative Documents (including, without limitation, so long as no Lease Event of Default has occurred and is continuing, the right to quiet, peaceful and continuing possession, use and enjoyment of the Aircraft) and Security Trustee will not take any action contrary to any such rights, except in accordance with the provisions of the Lease and the other Operative Documents.

Section 2.3 Agency and Power of Attorney. Grantor does hereby constitute Security Trustee and its successors and assigns, Grantor's true and lawful attorney-in-fact, irrevocably, with full power (in the name of Grantor or otherwise), so long as the lien of this Security Agreement has not been discharged,

(a) to enforce each and every term and provision of the Lease and any other Security Agreement Collateral (excluding, in each instance, all Excepted Payments and all rights expressly reserved to the Lessor under any Operative Document),

(b) to ask, require, demand, receive, collect, compound and give acquittance and discharge for any and all moneys and claims for moneys due and to become due under or arising out of the Lease, the Multi-Party Agreement, any other of the Operative Documents to which Grantor is a party, or any other Security Agreement Collateral (excluding, in each instance, all Excepted Payments and all rights expressly reserved to the Lessor under any Operative Document), to endorse any checks or other instruments or

orders in connection therewith, to settle, compromise, compound or adjust any such claims,

(c) to exercise and enforce any and all claims, rights, powers or remedies of every kind and description of Grantor under or arising out of the Lease, the Multi-Party Agreement, any other of the Operative Documents to which Grantor is a party, or any other Security Agreement Collateral (excluding, in each instance, all Excepted Payments and all rights expressly reserved to the Lessor under any Operative Document), to file, commence, prosecute, compromise and settle in the name of Grantor any suits, actions or proceedings at law or in equity in any court, to collect any such moneys or to enforce any rights in respect thereto on all other claims, rights, powers and remedies of every kind and description of Grantor under or arising out of the Lease or any other Security Agreement Collateral (excluding, in each instance, all Excepted Payments and all rights expressly reserved to the Lessor under any Operative Document),

(d) to perform any obligation of Grantor with respect to the Lease, the Multi-Party Agreement, any other Operative Document to which Grantor is a party, and any other Security Agreement Collateral (excluding, in each instance, all Excepted Payments and all rights expressly reserved to the Lessor under any Operative Document), and

(e) generally to sell, assign, transfer, pledge, make any agreement with respect to, perform any obligation of Grantor with respect to or otherwise deal with Grantor's right, title and interest in and to the Lease, the Multi-Party Agreement, any other Operative Document to which Grantor is a party, and any other Security Agreement Collateral (excluding, in each instance, all Excepted Payments and all rights expressly reserved to the Lessor under any Operative Document);

in each of the above cases, in accordance with Articles VI and VII herein and in accordance with, and as Grantor is (or would be) permitted to do under, the Operative Documents, as fully and completely as though Security Trustee were the absolute owner thereof for all purposes, and at such times and in such manner as may seem to Security Trustee to be necessary or advisable or convenient or proper in its absolute discretion.

ARTICLE III

REPLACEMENTS; VESTING OF TITLE IN LESSEE; ETC.

Section 3.1 Event of Loss With Respect to Aircraft. Upon an Event of Loss with respect to the Airframe or the Airframe and one or more Engines, as the case may be, that constitutes an Event of Loss with respect to the Aircraft (unless pursuant to Section 10(a) of the Lease a Replacement Aircraft or Replacement Airframe shall have been substituted for the Airframe subject to such Event of Loss), subject to the fulfillment of the conditions precedent in Section 20 of the Lease and the compliance by Lessee with its obligations set forth in Section 10(a) of the Lease (including, for the avoidance of doubt, the payment by Lessee of all amounts required to be paid by Lessee thereunder), Security Trustee agrees for the benefit of Grantor and

Lessee that it shall execute and deliver to Grantor and Lessee an appropriate instrument or instruments releasing the Security Agreement Collateral from the Lien of this Security Agreement and shall take such other actions as shall be required in order for Grantor to transfer to Lessee all of Grantor's right, title and interest in and to the Aircraft in accordance with Section 22 of the Lease. If, pursuant to Section 10(a) of the Lease, Lessee shall have substituted a Replacement Airframe (or a Replacement Airframe and one or more Replacement Engines, as the case may be) for the Airframe or the Airframe and the Engines then installed thereon subject to such Event of Loss, subject to the fulfillment of the conditions precedent for such replacement and the compliance by Lessee with its obligations set forth in Section 10(a) of the Lease, Grantor and Security Trustee shall replace such Replacement Airframe and Replacement Engines, if any, by complying with Section 22 of the Lease.

Section 3.2 Substitution of Engines. Whenever Lessee shall elect to replace an Engine with a Replacement Engine pursuant to Section 9 of the Lease, subject to the fulfillment of the conditions precedent for such replacement and the compliance by Lessee with its obligations set forth in Section 10(b) of the Lease, Grantor and Security Trustee shall replace such Engine hereunder with such Replacement Engine by complying with Section 22 of the Lease to the same extent as if an Event of Loss had occurred with respect to the Engine being replaced.

Section 3.3 Event of Loss with Respect to an Engine. Upon the occurrence of an Event of Loss with respect to an Engine under circumstances in which there has not occurred an Event of Loss with respect to the Airframe, and the substitution of a Replacement Engine for the Engine with respect to which such Event of Loss occurred pursuant to Section 10(b) of the Lease, subject to the fulfillment of the conditions precedent for such replacement and the compliance by Lessee with its obligations set forth in Section 10(b) of the Lease, Grantor, at the expense of Lessee, (i) will cause (x) a Lease Supplement and a Security Agreement Supplement covering such Replacement Engine to be delivered to Security Trustee for execution and, upon such execution, to be filed for recordation pursuant to the Transportation Code or the applicable laws of any other jurisdiction in which the Aircraft may be registered, (y) the International Interest under the Lease and such Lease Supplement and this Security Agreement and such Security Agreement Supplement in such Replacement Engine to be registered on the International Registry as an International Interest and (z) the acquisition by Grantor of such Replacement Engine to be registered on the International Registry as a "contract of sale", and (ii) will cause a financing statement or statements with respect to such Replacement Engine or other requisite documents or instruments to be filed in such place or places as necessary in order to perfect Security Trustee's interest therein in the United States, or in such other jurisdiction in which the Aircraft may then be registered. For all purposes hereof, upon the attachment of the Lien of this Security Agreement thereto, the Replacement Engine shall become part of the Security Agreement Collateral and shall be deemed an "Engine" as defined herein. Upon such attachment of the Lien of this Security Agreement, Security Trustee shall execute and deliver to Grantor and Lessee an appropriate instrument or instruments releasing such replaced Engine from the Lien of this Security Agreement and shall take such other actions as shall be required in order to transfer to Lessee all of Grantor's right, title and interest in and to such replaced Engine in accordance with Section 22 of the Lease.

Section 3.4 Parts. Grantor and Security Trustee (on behalf of itself and Relevant Secured Parties) hereby agree, for the benefit of Lessee, that in the event of any transfer (or deemed transfer) of title to Lessee (or any Permitted Sublessee) of any Part in accordance with the terms of the Lease, such title shall vest (or be deemed to vest) in Lessee (or such Permitted Sublessee) in accordance with Section 22 of the Lease and Grantor and Security Trustee (on behalf of itself and Relevant Secured Parties) hereby agree, for the benefit of Lessee, to take such actions as shall be required in order for Grantor to transfer to Lessee all of Grantor's right, title and interest in and to such Part in accordance with Section 22 of the Lease.

ARTICLE IV

RECEIPT, DISTRIBUTION AND APPLICATION OF INCOME FROM THE COLLATERAL

Section 4.1 Distribution of Rent. Except as otherwise provided in Section 4.2 and Section 4.3 hereof, each installment of Basic Rent, as well as any payment of interest on overdue installments of Basic Rent and any Supplemental Rent, as well as any payments under Operative Document A (if applicable), or (in each case) other moneys paid over to Security Trustee for such purpose, including but not limited to moneys received pursuant to Operative Document B or Operative Document C, shall be distributed as promptly as possible on or after the date that it is due by Security Trustee in the order of priority set out in Section 1.1(a) of Schedule E of the Multi-Party Agreement.

Section 4.2 Prepayments of Lease Obligations and Certain Other Payments.

(a) Event of Loss. Except as otherwise provided in Section 4.2(d) or Section 4.3 hereof, any amount received by Security Trustee pursuant to Section 20(a)(ii) of the Lease (but excluding Excepted Payments) shall be distributed and paid by Security Trustee to prepay the Lease as provided in Section 20(a)(iv) of the Lease in the order of priority set out in Section 1.1(b) of Schedule E of the Multi-Party Agreement.

(b) Proceeds of Insurance, etc. Except as otherwise provided in Section 4.2(a), Section 4.2(d), Section 4.2(e), or Section 4.3 hereof, any amounts received directly or indirectly from any governmental authority or insurer or other party pursuant to any provision of Section 10 or Section 11 of the Lease shall be applied as provided in the applicable provisions of the Lease and, if and to the extent that any portion of such amounts held for account of Lessee are not at the time required to be paid to Lessee pursuant to the applicable provisions of Section 10 or Section 11 of the Lease, shall be held by Security Trustee as security for the obligations of Lessee under the Lease and shall be invested in accordance with the terms of Section 4.7 hereof and at such time as the conditions specified in the Lease for payment of such amounts to Lessee shall be fulfilled, such portion, and the net proceeds of any investment thereof, shall be paid to Lessee to the extent provided in the Lease, unless, subject to Section 4.2(d) hereof, the Lease shall have theretofore been terminated pursuant to Section 15 thereof, which termination shall

not have been rescinded (or deemed rescinded), in which event such portion shall be distributed forthwith in accordance with the provisions of Section 4.3 hereof.

(c) Voluntary Prepayments in Full or In Part. The terms of Section 1.1(c) of Schedule E of the Multi-Party Agreement shall apply in respect of voluntary prepayments in full or in part as if set out in full herein.

(d) Notwithstanding Section 4.3 hereof or any reference to Section 4.3 hereof contained in paragraph (a), (b) or (c) of this Section 4.2, any amounts held by Grantor or Security Trustee, including, without limitation, pursuant to Section 10 or Section 11 of the Lease (but excluding Excepted Payments), which are payable to Lessee pursuant to the terms of the Lease or are to be held by Lessor in accordance with Section 21 of the Lease, shall, respectively, be (i) so paid to Lessee or (ii) held by Security Trustee (as assignee for security of Grantor's rights pursuant to Section 21 of the Lease to hold moneys) as security for the obligations of Lessee, in each case, in accordance with the applicable provisions of the Lease.

(e) Event of Loss Proceeds. Any amounts received directly or indirectly from any governmental authority or insurer or other party in respect of an Event of Loss in respect of the Aircraft shall be applied in the order of priority set out in Section 1.1(d) of Schedule E of the Multi-Party Agreement.

(f) Certain Proceeds. The terms of Section 1.1(e) of Schedule E of the Multi-Party Agreement shall apply in respect of the certain other proceeds referred to therein, as if set out in full herein.

Section 4.3 Payments After Lease Event of Default. The terms of Section 1.1(f) of Schedule E of the Multi-Party Agreement shall apply in respect of the certain other proceeds referred to therein, as if set out in full herein.

Section 4.4 Certain Payments.

(a) Except as otherwise expressly provided in this Security Agreement, any payments received by Security Trustee for which provision as to the application thereof is made in the Lease or any other Operative Document shall be applied forthwith to the purpose for which such payment was made in accordance with the terms of the Lease or such other Operative Document.

(b) Security Trustee will distribute promptly upon receipt any indemnity or other payment received by it from Lessee pursuant to Section 4.03 of the Multi-Party Agreement directly to the Person entitled thereto.

Section 4.5 Other Payments. Any payments received by Security Trustee for which no provision as to the application thereof is made in the Lease or in another Operative Document or elsewhere in this Security Agreement shall be distributed by Security Trustee in the order of priority set out in Section 1.1(g) of Schedule E of the Multi-Party Agreement.

Section 4.6 Payments to Grantor. Any amounts distributed hereunder by Security Trustee to Grantor shall be paid to Grantor by wire transfer of funds of the type received by Security Trustee at such office and to such account or accounts of such entity or entities as shall be designated by notice from Grantor to Security Trustee from time to time.

Section 4.7 Investment of Amounts Held by Security Trustee.

(a) Any amounts held by Security Trustee (as assignee for security of Grantor's rights pursuant to Section 21 of the Lease to hold moneys) shall be held in trust in accordance with the terms of Section 21 of the Lease; and Security Trustee hereby agrees to perform the duties of Grantor under such Section.

(b) Any amounts held by Security Trustee pursuant to this Article IV or otherwise pursuant to this Security Agreement or pursuant to Section 21 of the Lease shall be invested by Security Trustee from time to time in Permitted Investments selected by Grantor (and provided in writing to Security Trustee) or, in the case of amounts held pursuant to Section 4.2 hereof or Section 21 of the Lease, by Lessee acting on behalf of Grantor, if such investments are reasonably available. Unless otherwise expressly provided in this Security Agreement or in Section 21 of the Lease, any income realized as a result of any such investment and any payments by Lessee pursuant to the Lease in respect of any losses or expenses, net of Security Trustee's reasonable fees and expenses in making such investment, shall be held and applied by Security Trustee in the same manner as the principal amount of such investment is to be applied and any losses, net of earnings and such reasonable fees and expenses, shall be charged against the principal amount invested. Security Trustee shall not be liable for any loss resulting from any investment required to be made by it under this Security Agreement or any of the other Operative Documents, or as a result of any liquidation of any investment prior to its maturity, other than by reason of its willful misconduct or gross negligence, and any such investment may be sold (without regard to its maturity) by Security Trustee without instructions whenever Security Trustee reasonably believes such sale is necessary to make any distribution required by this Security Agreement. If the Grantor, or the Lessee acting on behalf of the Grantor as applicable, does not give written direction to the Security Trustee, such funds shall be held uninvested.

Section 4.8 Distribution of Excepted Payments. Notwithstanding anything to the contrary in this Article IV, all amounts constituting Excepted Payments received by Security Trustee shall be paid by Security Trustee, forthwith to the Person or Persons entitled thereto.

ARTICLE V

GRANTOR EVENTS OF DEFAULT; REMEDIES OF THE SECURITY TRUSTEE UPON A GRANTOR EVENT OF DEFAULT

Section 5.1 Grantor Events of Default. Each of the following events shall constitute a "Grantor Event of Default" (whether any such event shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment,

decree or order of any court or any order, rule or regulation of any administrative or governmental body) and each such Grantor Event of Default shall be deemed to exist and continue so long as, but only so long as, it shall not have been remedied:

(a) any event as set out in Section 1.1(h) of Schedule E of the Multi-Party Agreement; or

(b) Grantor shall fail to make any payment under the Operative Documents at the time required to be paid under the Operative Documents, and any such failure shall continue unremedied for a period of 10 days after receipt by Grantor and Lessee of a written notice of such failure from Security Trustee; or

(c) Grantor shall fail to perform or observe any other material covenant, condition or agreement to be performed by it under any Operative Document to which it is a party, and such failure in any such case shall continue unremedied for a period of 30 days after receipt by Grantor and Lessee of a written notice of such failure from Security Trustee; provided that, if such failure is capable of being remedied, no such failure shall constitute a Grantor Event of Default for a period of 180 days after such notice is received by Grantor or Lessee is diligently proceeding to remedy such failure; or

(d) any representation or warranty made by Grantor in any Operative Document shall prove to have been incorrect in any material respect at the time made, and such incorrectness shall continue to be material to the transactions contemplated by the Operative Documents, and shall continue to be unremedied for a period of 30 days after receipt by Grantor and Lessee of a written notice thereof from Security Trustee; provided that, if such incorrectness (and its consequences) is capable of being remedied, no such incorrectness shall constitute a Grantor Event of Default for a period of 180 days after such notice is received by Grantor and Lessee so long as Grantor and Lessee is diligently proceeding to remedy such incorrectness (and consequences); or

(e) Grantor shall consent to the appointment of a receiver, trustee or liquidator of itself or of a substantial part of its property or shall make a general assignment for the benefit of its creditors; or

(f) Grantor shall file a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization in a proceeding under any bankruptcy laws (as now or hereafter in effect) or any answer admitting the material allegations of a petition filed against Grantor, as the case may be, as a debtor in any such proceeding, or Grantor shall, by voluntary petition or answer, consent to or seek relief under the provisions of any other now existing or future bankruptcy or other similar law providing for the reorganization or winding-up of corporations, or providing for an agreement, composition, extension or adjustment with its creditors under such a law; or

(g) an order, judgment, or decree shall be entered by any court of competent jurisdiction appointing, without the consent of Grantor, as applicable, a receiver, trustee

Security Trustee shall at the time have possession thereof, as Security Trustee, upon the written instructions of Secured Party A, may determine, or otherwise dispose of, hold, use, operate, lease to others or keep idle all or any part of the Security Agreement Collateral as Security Trustee, upon the written instructions of Secured Party A, may determine, all free and clear of any rights or claims of Grantor and (subject to Section 2.2 hereof and to Lessee's rights in and to the Aircraft and Lessee's rights under the Lease and under the other Operative Documents) Lessee, and the proceeds of such sale or disposition shall be applied in the order of priorities set forth in Section 4.3.

Upon every taking of possession of Security Agreement Collateral under this Section 5.2(b), subject to Section 2.2 and to Lessee's rights in and to the Aircraft and Lessee's rights under the Lease and under the other Operative Documents, Security Trustee may, from time to time, at the expense of the Security Agreement Collateral, make all such expenditures for maintenance, insurance, repairs, replacements, alterations, additions and improvements to and of the Security Agreement Collateral, as it may reasonably deem proper. In each such case, subject to Section 2.2 and to Lessee's rights in and to the Aircraft and Lessee's rights under the Lease and under the other Operative Documents, Security Trustee shall have the right to maintain, use, operate, store, lease, control or manage the Security Agreement Collateral and to exercise all rights and powers of Grantor relating to the Security Agreement Collateral in connection therewith, as Security Trustee shall deem best, including the right to enter into any and all such agreements with respect to the maintenance, insurance, use, operation, storage, leasing, control, management or disposition of the Security Agreement Collateral or any part thereof as Security Trustee may reasonably determine; and, subject to Section 2.2 and to Lessee's rights in and to the Aircraft and Lessee's rights under the Lease and under the other Operative Documents, Security Trustee shall be entitled to collect and receive directly all tolls, rents (including Rent), revenues, issues, income, products and profits of the Security Agreement Collateral and every part thereof. Subject to Section 2.2 and to Lessee's rights in and to the Aircraft and Lessee's rights under the Lease and under the other Operative Documents, such tolls, rents (including Rent), revenues, issues, income, products and profits shall be applied to pay the expenses of use, operation, storage, leasing, control, management or disposition of the Security Agreement Collateral, and of all maintenance, repairs, replacements, alterations, additions and improvements, and to make all payments that Security Trustee may be required or may elect to make, if any, for Taxes, insurance or other proper charges assessed against or otherwise imposed upon the Security Agreement Collateral or any part thereof, and all other payments which Security Trustee may be required or expressly authorized to make under any provision of this Security Agreement, as well as just and reasonable compensation for the services of Security Trustee, and shall otherwise be applied in accordance with the provisions of Article IV.

In addition, Grantor shall be liable, without duplication of any amounts payable hereunder or under any other Operative Document, for all reasonable legal fees and other reasonable costs and expenses incurred by reason of the occurrence of any Grantor Event of Default (other than a Grantor Event of Default which is or constitutes a Lease Event of Default, in which case, subject to the terms of the Operative Documents, Lessee shall be liable for such

reasonable legal fees and other reasonable costs and expenses) or the exercise of Security Trustee's remedies with respect thereto.

If a Grantor Event of Default shall have occurred and be continuing and Security Trustee shall be entitled to exercise rights hereunder, at the request of Security Trustee, subject to Section 2.2 hereof and to Lessee's rights in and to the Aircraft and Lessee's rights under the Lease and under the other Operative Documents, Grantor shall promptly execute and deliver to Security Trustee such instruments of title and other documents as Security Trustee may reasonably deem necessary or advisable to enable Security Trustee or an agent or representative designated by Security Trustee, at such time or times and place or places as Security Trustee may specify, to obtain possession of all or any part of the Security Agreement Collateral to which Security Trustee shall at the time be entitled hereunder. Subject to Section 2.2 hereof and to Lessee's rights in and to the Aircraft and Lessee's rights under the Lease and under the other Operative Documents, if Grantor shall for any reason fail to execute and deliver such instruments and documents after such request by Security Trustee, Security Trustee may seek to obtain a judgment conferring on Security Trustee the right to immediate possession and requiring Grantor to execute and deliver such instruments and documents to Security Trustee, to the entry of which judgment Grantor hereby specifically consents to the fullest extent it may lawfully do so.

Nothing in the foregoing shall affect the right of Secured Party B or Secured Party C to receive all amounts owing to such Person as and when the same may be due.

In furtherance of the foregoing, the parties agree that the exercise of remedies under this Security Agreement, the Multi-Party Agreement, the Lease and the other documents related thereto, is subject to other applicable law including without limitation, the Cape Town Convention, the UCC (as in effect in the State of New York) and, if applicable, the Bankruptcy Code, and that nothing herein derogates from the rights of Security Trustee or Grantor under or pursuant to such other applicable law.

Except in the case of (i) fraud, willful misconduct or gross negligence on the part of Grantor or (ii) a breach by Grantor of its representations, warranties or covenants in the Operative Documents, Grantor's liability under the Operative Documents and the Secured Parties' recourse to Grantor and its assets under the Operative Documents shall be limited solely to amounts payable under the Security Agreement Collateral pledged under, or recovered by the Secured Parties in enforcing, this Security Agreement.

(c) Notice of Sale. Security Trustee shall give Grantor and Lessee at least 60 days' prior written notice of any public sale or of the date on which any private sale will be held, which notice Grantor hereby agrees to the extent permitted by applicable law is reasonable notice. Secured Party C acting through Security Trustee shall be entitled to bid for and become the purchaser of any Security Agreement Collateral offered for sale pursuant to this Section 5.2 and to credit against the purchase price bid at such sale by such Secured Party C all or any part of the unpaid amounts owing to such Secured Party C under any Operative Document (or payable over to such Secured Party C) and secured by the Lien of this Security Agreement.

(d) Rescission of Acceleration. At any time prior to the sale of any part of the Security Agreement Collateral pursuant to this Article V, Secured Party A, by written notice to Grantor, Lessee and Security Trustee, may rescind and annul such actions and their consequences if: (i) there has been paid to or deposited with Security Trustee an amount sufficient to pay all overdue installments of Basic Rent and all other amounts owing under the Operative Documents, that have become due otherwise than by the exercise of remedies hereunder and (ii) all other Grantor Events of Default, other than nonpayment of Liquidated Damages that have become due solely because of such acceleration, have been cured or waived.

Section 5.3 Remedies Cumulative. To the extent permitted by applicable law, each and every right, power and remedy herein specifically given to Security Trustee or otherwise in this Security Agreement or any other Operative Document shall be cumulative and shall be in addition to every other right, power and remedy herein specifically given or now or hereafter existing at law, in equity, by statute or by the Operative Documents, and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time and as often and in such order as may be deemed expedient by Security Trustee, and the exercise or the beginning of the exercise of any power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. No delay or omission by Security Trustee in the exercise of any right, remedy or power or in the pursuance of any remedy shall, to the extent permitted by applicable law, impair any such right, power or remedy or be construed to be a waiver of any default on the part of Grantor or Lessee or to be an acquiescence therein.

Section 5.4 Discontinuance of Proceedings. In case Security Trustee shall have instituted any proceeding to enforce any right, power or remedy under this Security Agreement or any other Operative Document by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to Security Trustee, then and in every such case Grantor, Lessee and Security Trustee shall, subject to any determination in such proceedings, be restored to their former positions and rights hereunder with respect to the Security Agreement Collateral, and all rights, remedies and powers of Security Trustee shall continue, as if no such proceedings had been undertaken (but otherwise without prejudice).

Section 5.5 Waiver of Past Defaults. Upon written instructions from Secured Party A, Security Trustee shall waive any past default hereunder and its consequences, and upon any such waiver such default shall cease to exist and any Grantor Event of Default or Lease Event of Default or such other Events of Default as set out in Section 1.1(j) of Schedule E of the Multi-Party Agreement arising therefrom shall be deemed to have been cured for every purpose of this Security Agreement and the other Operative Documents, but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon; provided, however, that in the absence of written instructions from Secured Party C, Security Trustee shall not waive any default (i) in the payment of Basic Rent or (ii) in respect of a covenant or provision hereof which, under Section 9.04 of the Multi-Party Agreement, cannot be modified or amended without the consent of Secured Party C.

ARTICLE VI

DUTIES OF SECURITY TRUSTEE

Section 6.1 Notice of Grantor Event of Default; Action Upon Grantor Event of Default. If any payments due and payable on any Lease Period Date, or when otherwise due and payable, shall not have been paid in full on such Lease Period Date or such other date, Security Trustee shall give email or telephonic notice within three (3) Business Days (followed by prompt written notice in the case of prior telephonic notice) to Grantor, Lessee, and Relevant Secured Parties specifying the amount and nature of such deficiency in payment; provided that any failure to give such notice shall not relieve Lessee of its obligation to make such payment. If Security Trustee has actual knowledge of a Grantor Event of Default, Security Trustee shall promptly give notice of such Grantor Event of Default to Relevant Secured Parties and to Grantor and Lessee by facsimile, email or telephone (to be promptly confirmed in writing). Subject to the terms of Article V and Section 6.3 and to Section 2.2 and to the rights of Lessee under the Lease, Security Trustee shall take such action, or refrain from taking such action, with respect to such Grantor Event of Default (including with respect to the exercise of any rights or remedies hereunder), as Security Trustee shall be instructed in writing by Secured Party A. If Security Trustee shall not have received instructions as above provided within 20 days after the giving of notice of such Grantor Event of Default to Secured Party C, Security Trustee may, subject to instructions thereafter received pursuant to the preceding provisions of this Section 6.1, but shall not be obligated to, take such action as is permitted hereby, or refrain from taking such action as is permitted hereby, with respect to such Grantor Event of Default as it shall reasonably determine to be advisable in the best interests of Secured Party C; provided that Security Trustee may not sell the Airframe or any Engine without the consent of Secured Party A. For all purposes of this Security Agreement and the other Operative Documents, in the absence of actual knowledge, Security Trustee shall not be deemed to have knowledge of a Lease Event of Default or a Grantor Event of Default unless notified in writing by Grantor, Lessee, or Relevant Secured Parties; and "actual knowledge" (as used in the foregoing clause) of Security Trustee shall mean actual knowledge of an officer in the Corporate Trust Department of Security Trustee who has responsibility for, or familiarity with, the transactions contemplated under the Operative Documents; provided, however, that Security Trustee shall be deemed to have actual knowledge of (i) the failure of Grantor to pay or transmit any Basic Rent directly to Security Trustee when the same shall become due or (ii) the failure of Lessee to maintain insurance as required under Section 11 of the Lease if Security Trustee shall receive written notice thereof from an insurer or insurance broker.

Section 6.2 Action Upon Instructions. Subject to the terms of Article V and this Article VI and to Section 2.2 and to the rights of Lessee under the Lease, upon the written instructions at any time of Secured Party A, Security Trustee shall promptly (i) give such notice, direction, consent, waiver or approval, or exercise such right, remedy or power hereunder or under this Security Agreement, the Lease or any other Operative Document in respect of all or any part of the Security Agreement Collateral or any other matter, as shall be specified in such instruction, or (ii) take such other action, as shall be specified in such instruction; it being

understood that, without the written instructions of Secured Party A, Security Trustee shall not take any action pursuant to this Section 6.2. Security Trustee will execute and file or cause to be filed (at the expense of Lessee) such continuation statements with respect to financing statements relating to the security interest created hereunder in the Security Agreement Collateral as may be specified from time to time in written instructions of Secured Party A (which instructions may, by their terms, be operative only at a future date) or Lessee. Notwithstanding the forgoing, the Lessor may direct the Security Trustee to enforce *Operative Document B* and/or *Operative Document C* on its behalf, without the consent of any of the Secured Parties, with respect to any indebtedness liabilities and other obligations of the Lessee owing to and for the benefit of the Lessor under or in connection with the Operative Documents on account of unpaid insurance or indemnity claims or the reimbursement of costs and/or expenses.

Section 6.3 Indemnification. Security Trustee shall not be required to take any action or refrain from taking any action under Section 6.1 (other than the first two sentences thereof) or Section 6.2 or Article V or under the Lease, or risk or expend its own funds in performing its obligations hereunder or under any Operative Document, unless it shall have received indemnification against any risks incurred in connection therewith in form and substance reasonably satisfactory to it, including, without limitation, adequate advances against costs that may be incurred by it in connection therewith. Security Trustee shall not be required to take any action under Section 6.1 (other than the first two sentences thereof) or Section 6.2 or Article V or under the Lease, nor shall any other provision of this Security Agreement or the other Operative Documents be deemed to impose a duty on Security Trustee to take any action, if Security Trustee shall have been advised in writing by outside counsel that such action is contrary to the terms hereof or of the Lease or is otherwise contrary to law.

Section 6.4 No Duties Except as Specified in Security Agreement, Lease, Operative Documents or Instructions. Security Trustee shall not have any duty or obligation to manage, control, lease, use, sell, operate, store, dispose of or otherwise deal with the Aircraft or any other part of the Security Agreement Collateral, or to otherwise take or refrain from taking any action under, or in connection with, this Security Agreement, the Lease or any other Operative Document, except as expressly provided by the terms of this Security Agreement, the Lease, the Multi-Party Agreement or as expressly provided in written instructions received pursuant to the terms of Section 6.1 or Section 6.2; and no implied duties, covenants or obligations shall be read into this Security Agreement or other Operative Document against Security Trustee.

Section 6.5 No Action Except Under Lease, Security Agreement or Instructions. Grantor and Security Trustee agree that they will not manage, control, use, sell, lease, operate, store, dispose of or otherwise deal with the Aircraft or other property constituting part of the Security Agreement Collateral except (i) as required or permitted by the terms of the Lease and (ii) in accordance with the powers granted to, or the authority conferred upon, Security Trustee pursuant to this Security Agreement and in accordance with the express terms hereof (and as instructed by Secured Party A).

Section 6.6 Reports, Notices, Etc. Security Trustee will furnish to Secured Party C promptly upon receipt thereof, duplicates or copies of all reports, notices, requests, demands, certificates, financial statements and other instruments furnished to Security Trustee (i) in connection with the Security Agreement Collateral or (ii) pursuant to the Lease or any other Operative Document, to the extent that the same shall not have been otherwise furnished to Secured Party C pursuant to this Security Agreement or any other Operative Document or to the extent Security Trustee does not reasonably believe that the same shall have been furnished by Grantor or Lessee directly to Secured Party C; provided that the failure of Security Trustee to furnish Secured Party C with such duplicates or copies shall not impair or affect the validity of any such report, notice, request, demand, certificate, financial statement or other instrument.

ARTICLE VII

SECURITY TRUSTEE

Section 7.1 Acceptance of Trusts and Duties. Security Trustee accepts the trusts and duties hereby created and applicable to it and agrees to perform such duties, but only upon the terms of this Security Agreement and agrees to receive, handle and disburse all moneys received by it as Security Trustee constituting part of the Security Agreement Collateral in accordance with the terms hereof. Security Trustee shall have no liability hereunder or under any of the Operative Documents, except (a) for its own willful misconduct or gross negligence (or ordinary negligence, gross negligence or willful misconduct in the receipt, handling or disbursement of money) or as provided in Section 5.02 of the Multi-Party Agreement or breach of any of its representations or warranties or covenants made in its individual capacity set forth herein or in any other Operative Document to which it is a party, (b) for the performance of its obligations under Section 6.03(d) of the Multi-Party Agreement or (c) as otherwise expressly provided in this Security Agreement or the other Operative Documents.

Section 7.2 Absence of Duties. Except in accordance with written instructions or requests furnished pursuant to Section 6.1, Section 6.2 or Section 9.1, and except as provided in, and without limiting the generality of, Section 6.4, Security Trustee shall have no duty (a) to see to any registration of the Aircraft or any recording or filing of this Security Agreement, the Lease or any other document, or to see to the maintenance of any such registration, recording or filing, (b) to see to any insurance on the Aircraft or to effect or maintain any such insurance, whether or not Lessee shall be in default with respect thereto, (c) to confirm, verify or inquire into the failure to receive any financial statements of Lessee or (d) to ensure its valid and enforceable security interest in the Security Agreement Collateral or to monitor the status of any lien on, or performance of, the Security Agreement Collateral or (e) to inspect the Aircraft at any time or ascertain or inquire as to the performance or observance of any of Grantor's covenants under this Security Agreement, or of any of Lessee's covenants under the Lease, with respect to the Aircraft.

Section 7.3 No Representations or Warranties as to the Aircraft or Documents. Except as provided in Section 5.02 of the Multi-Party Agreement, Security Trustee shall not be deemed

to have made any representation or warranty as to the validity, legality or enforceability of this Security Agreement, any Security Agreement Supplement, the Lease, any Lease Supplement, any other Operative Document or any other document or instrument, or as to the correctness of any statement (other than a statement by Security Trustee) contained herein or therein, except that Security Trustee hereby represents and warrants that each of said specified documents to which it is a party has been or will be duly executed and delivered by one of its officers who is and will be duly authorized to execute and deliver such document on its behalf.

Section 7.4 No Segregation of Moneys; No Interest. No moneys received by Security Trustee hereunder need be segregated in any manner except to the extent required by law, and any such moneys may be deposited under such general conditions for the holding of trust funds as may be prescribed by law applicable to Security Trustee, and, except as otherwise provided herein or as agreed by Security Trustee, Security Trustee shall not be liable for any interest thereon; provided that any payments received or applied hereunder by Security Trustee shall be accounted for by Security Trustee so that any portion thereof paid or applied pursuant hereto shall be identifiable as to the source thereof.

Section 7.5 Reliance; Security Trustees; Advice of Counsel. Security Trustee shall incur no liability to anyone in relying and acting upon any signature, instrument, notice, resolution, request, consent, order, certificate, report, statement, opinion, bond or other document or paper reasonably believed by Security Trustee to be genuine and reasonably believed by it to be signed by the proper party or parties. Security Trustee may accept a copy of a resolution of the Board of Directors of Grantor, Lessee, Secured Party B or Secured Party C, certified by the Secretary or an Assistant Secretary of such party or in the case of Secured Party B or Secured Party C by any authorized officer as duly adopted and in full force and effect, as conclusive evidence that such resolution has been duly adopted and that the same is in full force and effect. As to any fact or matter the manner of ascertainment of which is not specifically described herein, Security Trustee may for all purposes hereof rely on a certificate, signed by a Responsible Officer of Grantor or Lessee or other relevant person, as to such fact or matter, and such certificate shall constitute full protection to Security Trustee for any action taken or omitted to be taken by it in good faith in reliance thereon. In addition, notwithstanding anything to the contrary contained herein or in any Operative Document, whenever it is necessary or contemplated under or in respect of the Multi-Party Agreement, this Security Agreement, the Lease or any other Operative Document for Secured Party C acting together, or Secured Party A, to form an opinion or make a decision upon or consent to any matter, including without limitation under Article V or Article VI hereof, or to give instructions or other directions of any kind or nature to Security Trustee, Security Trustee may for all purposes hereof conclusively rely on a certificate, signed by an officer of Secured Party C certifying that it is acting on behalf of Secured Party A (or on behalf of itself, as the case may be), as to such opinion, decision, consent, instructions or directions, and such certificate shall constitute full protection to Security Trustee for any action taken or omitted to be taken by it in good faith in reliance thereon. Security Trustee shall furnish to Grantor and Lessee upon request such information and copies of such documents as Security Trustee may have and as are necessary for Grantor to perform its duties under Article II and Article III; provided that the failure of Security Trustee to furnish such

information or documents shall not affect any Person's obligations hereunder or under any Operative Document. Security Trustee shall assume, and shall be fully protected in assuming, that Grantor is authorized to enter into this Security Agreement and to take all actions permitted to be taken by it pursuant to the provisions hereof, and shall not inquire into the authorization of Grantor with respect thereto. In the administration of the trusts created hereunder, Security Trustee may, without liability, execute any trust or power hereof and perform its powers and duties hereunder directly or through agents or attorneys and may consult with independent counsel, accountants and other skilled persons to be selected and employed by it, and Security Trustee shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the written advice or opinion of any such independent counsel, accountants or other skilled persons acting within such persons' area of competence (so long as Security Trustee shall have exercised reasonable care in selecting such persons).

Section 7.6 Capacity in Which Acting. Security Trustee is acting hereunder as the sole "secured party" with respect to the Security Agreement Collateral and each portion thereof for purposes of the Uniform Commercial Code, as enacted in any applicable jurisdiction, and other similar domestic and foreign laws, for itself and as a representative party of and for the benefit of the other Secured Parties.

Section 7.7 Certain Rights of Grantor and Security Trustee. **Notwithstanding any other provisions of this Security Agreement, including, without limitation, Section 2.1 hereof, the rights, as set forth in Section 9.04(e)(i) of the Multi-Party Agreement, shall be reserved to Grantor (as separate and independent rights to the extent described therein).**

Upon termination of this Security Agreement in accordance with Section 10.1 hereof, Security Trustee shall, upon the written request of Grantor or Lessee, execute and deliver to, or as directed in writing by, Grantor or Lessee appropriate instruments (in due form for filing or recording), releasing all of the Security Agreement Collateral that shall not have been previously released in accordance with the terms hereof from the Lien of this Security Agreement.

ARTICLE VIII

SUCCESSOR SECURITY TRUSTEE

Section 8.1 Resignation or Replacement of Security Trustee; Appointment of Successor.

(a) The resignation or removal of Security Trustee and the appointment of a successor Security Trustee shall become effective only upon the successor Security Trustee's acceptance of appointment as provided in this Section 8.1. Security Trustee or any successor thereto may resign at any time without cause by giving at least 60 days' prior written notice to Grantor, Lessee, and Relevant Secured Parties. In addition, either Grantor (with the consent of Lessee so long as no Lease Event of Default shall have occurred and be continuing) or Lessee (so long as no Lease Event of Default shall have occurred and be continuing) or Secured Party A (with the consent of Grantor and Lessee, which consents shall not be unreasonably withheld,

except that the consent of Grantor or the consent of Lessee, as the case may be, shall not be necessary if, as the case may be, a Grantor Event of Default that is not a Lease Event of Default or a Lease Event of Default, respectively, is continuing) may at any time remove Security Trustee without cause by an instrument in writing delivered to Security Trustee and Relevant Secured Parties, and (in the case of a removal by Secured Party A) Grantor and Lessee.

In the case of the resignation or removal of Security Trustee, Lessee (unless a Lease Event of Default shall have occurred and be continuing, in which case Secured Party A) shall, with the consent of Grantor (which consent shall not be unreasonably withheld) promptly appoint a successor Security Trustee; provided that Secured Party A (with the consent of Lessee, which consent shall not be unreasonably withheld, except that such consent shall not be necessary if a Lease Event of Default is continuing) may appoint, within one year after such resignation or removal, a successor Security Trustee, which may be other than any successor Security Trustee appointed by Lessee as provided above, so long as such other successor is reasonably satisfactory to Lessee (so long as no Lease Event of Default shall have occurred and be continuing) and Grantor, and such successor Security Trustee appointed as provided above shall be superseded by the successor Security Trustee so appointed by Secured Party A. If a successor Security Trustee shall not have been appointed and accepted its appointment hereunder within 60 days after Security Trustee gives notice of resignation as provided above, the retiring Security Trustee, Grantor, Lessee, or Relevant Secured Parties may petition any court of competent jurisdiction for the appointment of a successor Security Trustee. Any successor Security Trustee so appointed by such court shall immediately and without further act be superseded by any successor Security Trustee appointed as provided in the proviso to the second preceding sentence within one year from the date of the appointment by such court.

(b) Any successor Security Trustee, however appointed, shall execute and deliver to Grantor, Lessee, Relevant Secured Parties, and the predecessor Security Trustee an instrument accepting such appointment and assuming the obligations hereunder, and thereupon such successor Security Trustee, without further act, shall become vested with all the estates, properties, rights, powers, duties and trusts of the predecessor Security Trustee hereunder in the trusts hereunder applicable to it with like effect as if originally named Security Trustee herein; but nevertheless, upon the written request of such successor Security Trustee, such predecessor Security Trustee shall execute and deliver an instrument transferring to such successor Security Trustee, upon the trusts herein expressed applicable to it, all the estates, properties, rights, powers and trusts of such predecessor Security Trustee, and such predecessor Security Trustee shall duly assign, transfer, deliver and pay over to such successor Security Trustee all moneys or other property (including all books and records, or true, complete and correct copies thereof) then held by such predecessor Security Trustee hereunder.

(c) The terms of Section I.1(k) of the Schedule E of the Multi-Party Agreement shall apply as if set out in full herein.

(d) Any corporation into which Security Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or

consolidation to which Security Trustee shall be a party, or any corporation to which substantially all of the corporate trust business of Security Trustee may be transferred, shall, subject to the terms of paragraph (c) of this Section, be Security Trustee under this Security Agreement without further act.

ARTICLE IX

SUPPLEMENTS AND AMENDMENTS TO THIS SECURITY AGREEMENT AND OTHER DOCUMENTS

Section 9.1 Supplemental Security Agreements. Subject to Section 9.04 of the Multi-Party Agreement (including without limitation the provisos to Section 9.04(a) of the Multi-Party Agreement), with the written consent of Secured Party A, Grantor (acting on instructions of Lessee) may, and Security Trustee, subject to Section 9.2, shall, at any time and from time to time, enter into an amendment or amendments hereto or to any other Operative Document for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Security Agreement or such other Operative Document or of modifying in any manner the rights and obligations of Secured Party C and of Grantor under this Security Agreement or such other Operative Document.

Notwithstanding the foregoing, (A) this Security Agreement and the Multi-Party Agreement may not be amended without Lessee's consent, except, if it does not adversely affect Lessee, any amendment entered into following the Liquidated Damages Date pursuant to the exercise of remedies under and in accordance with Section 15 of the Lease in connection with a Lease Event of Default that shall have occurred and be continuing and (B) without the necessity of the consent of Relevant Secured Parties or Security Trustee, Grantor may modify, amend or change the Lease in such manner as shall be agreed by Grantor and Lessee to the extent provided for by Section 7.7 hereof.

Section 9.2 Security Trustee Protected. If in the opinion of Security Trustee any document required to be executed pursuant to the terms of Section 9.1 adversely affects any right, duty, immunity or indemnity in favor of Security Trustee under this Security Agreement or the other Operative Documents, Security Trustee may in its discretion decline to execute such document.

Section 9.3 Documents Mailed to Relevant Secured Parties. Promptly after the execution by Security Trustee of any document entered into pursuant to this Article IX, Security Trustee shall mail, by first class mail (air mail in the case of international), postage prepaid, a conformed copy thereof to Relevant Secured Parties at the address provided for such Person on Schedule D to the Multi-Party Agreement or at such other address as may be specified by such Person pursuant to the Multi-Party Agreement, but the failure of Security Trustee to mail such conformed copies shall not impair or affect the validity of such document.

Section 9.4 No Request Necessary for Lease Supplements, Security Agreement Supplement, Etc. Notwithstanding anything contained in Section 9.1 hereof, no written request

or consent of Security Trustee, Relevant Secured Parties or Grantor pursuant to Section 9.1 hereof shall be required to enable Grantor to enter into any Lease Supplements with Lessee pursuant to the terms of the Lease in order to, or to more fully or completely, subject the Aircraft or other property thereto or to release the Aircraft or other property therefrom, or to execute and deliver a Security Agreement Supplement pursuant to the express terms hereof or of the Lease.

ARTICLE X

MISCELLANEOUS

Section 10.1 Termination of Security Agreement. Without in any way limiting provisions regarding any release of the Lien of this Security Agreement contained in Section 3.1, Section 3.2, Section 3.3 and Section 3.4, upon the payment (or prepayment) in full of amounts then due and owing and payable by Lessee to (or for payment over to) the Secured Parties under any Operative Document, and certain other conditions described in Section 1.1(1) of Schedule E of the Multi-Party Agreement, the Lien of this Security Agreement shall terminate, and Security Trustee hereby agrees for the benefit of Grantor and Lessee that, upon such termination, Security Trustee (at Lessee's expense) shall execute and deliver to Grantor and Lessee an appropriate instrument or instruments (in due form for recording) releasing the Security Agreement Collateral from the Lien of this Security Agreement and shall take such other actions as shall be required in order for Grantor to transfer to Lessee all of Grantor's right, title and interest in and to the Aircraft in accordance with Section 22 of the Lease, whereupon this Security Agreement and the trusts created hereby shall terminate and this Security Agreement shall be of no further force or effect.

Except as otherwise provided above, this Security Agreement and the trusts created hereby shall continue in full force and effect in accordance with the terms hereof.

Section 10.2 No Legal Title or Independent Rights to and in Security Agreement Collateral in Relevant Secured Parties. Relevant Secured Parties shall not have legal title to any part of the Security Agreement Collateral. No transfer, by operation of law or otherwise, of any right, title and interest of Relevant Secured Parties in and to the Security Agreement Collateral or this Security Agreement or anything in any Operative Document shall operate to terminate this Security Agreement or the trusts hereunder or entitle Relevant Secured Parties or successor or transferee of such Person to an accounting or to the transfer to it of legal title to any part of the Security Agreement Collateral.

Section 10.3 Sale of the Aircraft by Security Trustee Is Binding. Any sale or other conveyance of the Aircraft, the Airframe, any Engine or any interest therein by Security Trustee made pursuant to the express terms of this Security Agreement shall bind Relevant Secured Parties and Grantor, and shall be effective to transfer or convey all right, title and interest of Security Trustee, Grantor, and Relevant Secured Parties in and to such Aircraft, Airframe, Engine or interest therein. No purchaser or other grantee shall be required to inquire as to the

authorization, necessity, expediency or regularity of such sale or conveyance or as to the application of any sale or other proceeds with respect thereto by Relevant Secured Parties.

Section 10.4 Benefit of Security Agreement. Nothing in this Security Agreement, whether express or implied, shall be construed to give to any Person other than Grantor, Lessee, Security Trustee, and Relevant Secured Parties any legal or equitable right, remedy or claim under or in respect of this Security Agreement.

Section 10.5 Notices. Unless otherwise expressly specified or permitted by the terms hereof, all notices required or permitted under the terms and provisions hereof shall be in English and in writing, and any such notice may be given by means of communication permitted by Section 9.01 of the Multi-Party Agreement, and any such notice shall be effective when delivered to the recipient thereof and confirmed, as applicable, in accordance with the provisions of Section 9.01 of the Multi-Party Agreement. Whenever the words “notice” or “notify” or similar words are used herein, they mean the provision of formal notice as set forth in this Section.

Section 10.6 Severability. To the extent permitted by applicable law, should any one or more provisions of this Security Agreement be determined to be illegal or unenforceable by a court of any jurisdiction, such provision shall be ineffective to the extent of such illegality or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 10.7 Separate Counterparts. This Security Agreement may be executed in any number of counterparts (and each of the parties hereto shall not be required to execute the same counterpart). Each counterpart of this Security Agreement including a signature page executed by each of the parties hereto shall be an original counterpart of this Security Agreement, but all of such counterparts together shall constitute one instrument. Delivery of an executed counterpart of this Security Agreement by electronic means shall be equally as effective as delivery of an original executed counterpart of this Security Agreement.

Execution of this Security Agreement, or a signature page or counterpart hereof, by any party may be made by electronic or computerized means (including, without limitation, by electronic stylus, scanned or photographed signature, typing, email confirmation, or any electronic signature service) and the parties agree that any such electronic signature by an authorized signatory on behalf of a party shall – to the fullest extent possible – be treated in the same way as a “wet ink” signature by such party.

Section 10.8 Successors and Assigns; Amendments and Waivers. All covenants and agreements contained herein and in the other Operative Documents shall be binding upon, and inure to the benefit of, Grantor and its permitted successors and permitted registered assigns, Security Trustee and its permitted successors and permitted assigns, Lessee and its successors and permitted assigns, Secured Party B and its permitted successors and permitted assigns, Secured Party C and their permitted successors and registered assigns, and Secured Party D and its permitted successors and permitted assigns, all as herein, and to the extent herein, provided.

Any request, notice, direction, consent, waiver or other instrument or action by Secured Party C shall be binding upon Secured Party C and bind the permitted successors and assigns of Secured Party C. The terms of this Security Agreement and any amendment or waiver effected in accordance with Article IX shall be binding upon each present and any subsequent Secured Party C, Security Trustee, and their successors and assigns.

Section 10.9 Headings. The headings of the various articles and sections in this Security Agreement and the table of contents preceding this Security Agreement are for convenience of reference only and shall not modify, define, expand or limit any of the terms or provisions hereof.

Section 10.10 Governing Law. THIS SECURITY AGREEMENT IS BEING DELIVERED IN THE STATE OF NEW YORK, AND THIS SECURITY AGREEMENT AND ANY SECURITY AGREEMENT SUPPLEMENT SHALL IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK AS APPLIED TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF NEW YORK.

Section 10.11 Jurisdiction; Waiver of Jury Trial. Section 9.02 and Section 9.08 of the Multi-Party Agreement are incorporated herein by this reference, *mutatis mutandis*, as if each reference therein to "this Agreement" referred to this Security Agreement.

Section 10.12 Confidential Information. All Confidential Information shall be held confidential by Security Trustee, Relevant Secured Parties and each Affiliate of any thereof in accordance with Section 9.13 of the Multi-Party Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement (N776CK) to be duly executed by their respective officers, as the case may be, thereunto duly authorized, as of the day and year first above written.

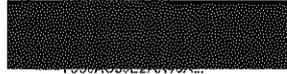
HITACHI CAPITAL (UK) PLC,
as Grantor



By: _____
Name: Robert Gordon
Title: Director

BANK OF UTAH, as Security Trustee

DocuSigned by:



By: _____

Name: Joseph H. Pugsley

Title: Vice President

EXHIBIT A to
SECURITY AGREEMENT

FORM OF SECURITY AGREEMENT SUPPLEMENT

SECURITY AGREEMENT SUPPLEMENT NO. _____

SECURITY AGREEMENT SUPPLEMENT NO. _____ (N776CK), dated _____, _____ (this "Security Agreement Supplement"), between HITACHI CAPITAL (UK) PLC, as Grantor ("Grantor") and BANK OF UTAH, as Security Trustee (as hereinafter defined).

WITNESSETH:

WHEREAS, the Aircraft Security Agreement (N776CK), dated as of [Date] (the "Security Agreement"); capitalized terms used herein without definition shall have the meanings specified therefor in Annex A to the Multi-Party Agreement), between Grantor and Bank of Utah, as Security Trustee (the "Security Trustee"), provides for the execution and delivery of supplements thereto substantially in the form hereof, which shall particularly describe the Aircraft, and shall specifically grant a security interest in the Aircraft to Security Trustee; and

[WHEREAS, the Security Agreement relates to the Airframe and the Engines described in Annex A attached hereto and made a part hereof, and a counterpart of the Security Agreement is attached to and made a part of this Security Agreement Supplement;]*

[WHEREAS, Grantor has, as provided in the Security Agreement, heretofore executed and delivered to Security Trustee Security Agreement Supplement(s) for the purpose of specifically subjecting to the Lien of the Security Agreement certain airframes and/or engines therein described, which Security Agreement Supplement(s) is/are dated and has/have been duly recorded with the FAA as set forth below, to wit:

Date	Recordation Date	FAA Document Number**
_____	_____	_____

* Use for Security Agreement Supplement No. 1 only.

** Use for all Security Agreement Supplement other than Security Agreement Supplement No. 1

NOW, THEREFORE, to secure (x) the prompt and complete payment (whether at the stated maturity, by acceleration or otherwise) of all amounts payable by Lessor to Secured Party B or to Security Trustee [and by Secured Party B to Secured Party C or to Security Trustee] under the Operative Documents, (y) the performance and observance by Grantor of all the agreements and covenants to be performed or observed by Grantor for the benefit of the Secured Parties contained in the Operative Documents, and (z) the prompt complete payment (whether at

the stated maturity, by acceleration or otherwise) of all amounts payable by Lessor to Secured Party B under Operative Document A (if applicable), and in consideration of the premises and of the covenants contained in the Security Agreement and of other good and valuable consideration given to Grantor by Security Trustee at or before the delivery hereof, the receipt of which is hereby acknowledged, Grantor has granted, bargained, sold, conveyed, transferred, mortgaged, assigned, pledged and confirmed, and does hereby grant, bargain, sell, convey, transfer, mortgage, assign, pledge and confirm, unto Security Trustee and its permitted successors and permitted assigns, for the security and benefit of the Secured Parties, a security interest (which constitutes an International Interest) in, and mortgage lien on, all estate, right, title and interest of Grantor in, to and under, all and singular, other than Excepted Payments and the rights to enforce and collect the same, [the Airframe and the Engine[s] [the Airframe] [the Engine[s]] described in Annex A attached hereto, whether or not any such Engine may from time to time be installed on the Airframe or on any other airframe or any other aircraft, and any and all Parts (in each case, other than any Excluded Equipment) relating thereto, and, to the extent provided in the Security Agreement and in the Lease, all substitutions and replacements of, and additions, improvements, accessions and accumulations to the Airframe, the Engines and any and all Parts (in each case other than any Excluded Equipment) relating thereto to which Grantor shall from time to time acquire title as provided in the Lease;

As provided in the Security Agreement, Grantor has granted, bargained, sold, conveyed, transferred, mortgaged, assigned, pledged and confirmed, and does hereby grant, bargain, sell, convey, transfer, mortgage, assign, pledge and confirm, unto Security Trustee and to its permitted successors and permitted assigns, for the security and benefit of the Secured Parties, a security interest in and mortgage lien upon all estate, right, title and interest of Grantor in, to and under the Lease and Lease Supplement No. [] of even date herewith covering the [Airframe] [Airframe and Engines [Engine(s)]] described above;

[AND, concurrently with the delivery hereof, Grantor is delivering to Security Trustee the original executed counterpart of the Lease Supplement No. [] executed and delivered with respect to the [Airframe] [Airframe and Engines [Engine(s)]] (to which a chattel paper receipt is attached);]

BUT EXCLUDING FROM THE FOREGOING, AND FROM THE SECURITY AGREEMENT COLLATERAL, all Excepted Payments, and the rights to enforce and collect the same, and SUBJECT TO Section 2.2 of the Security Agreement and to the rights in and to the Aircraft of Lessee in respect of the Aircraft and to the rights of Lessee under the Lease, all of which Lessee rights are hereby expressly reserved to Lessee;

TO HAVE AND TO HOLD all and singular the aforesaid property unto Security Trustee, and its permitted successors and permitted assigns, forever, in trust, upon the terms and trusts set forth in the Security Agreement, for the ratable benefit, security and protection of the Secured Parties from time to time and for the other uses and purposes set forth in the Security Agreement, subject in each case to the terms and provisions set forth in the Security Agreement, including the priority of distribution provisions set forth in Article IV thereof.

This Security Agreement Supplement shall be construed as supplemental to the Security Agreement and shall form a part thereof, and the Security Agreement is hereby incorporated by reference herein and is hereby ratified, approved and confirmed.

THIS SECURITY AGREEMENT SUPPLEMENT IS BEING DELIVERED IN THE STATE OF NEW YORK AND SHALL IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK AS APPLIED TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the undersigned have caused this Security Agreement Supplement No. __ (N776CK) to be duly executed by their respective duly authorized officers, on the day and year first above written.

**HITACHI CAPITAL (UK) PLC, as
Grantor**

By: _____
Name: _____
Title: _____

BANK OF UTAH, as Security Trustee

By: _____
Name: _____
Title: _____

**Annex A to
Security Agreement
Supplement No. []**

DESCRIPTION OF AIRFRAME AND ENGINES

AIRFRAME

<u>Manufacturer</u>	<u>Model</u>	<u>FAA Registration No.</u>	<u>Manufacturer's Serial No.</u>
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ENGINES

<u>Manufacturer</u>	<u>Model</u>	<u>Manufacturer's Serial Nos.</u>
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Each Engine has 550 or more "rated take-off horsepower" or the equivalent of such horsepower and is a jet propulsion aircraft engine having at least 1750 pounds of thrust or the equivalent of such thrust.